

CSE SYSTEMS & ENGINEERING LTD

First Quarter Financial Statement And Dividend Announcement

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

**1(a) An income statement (for the group) together with a comparative statement for the
corresponding period of the immediately preceding financial year**

	2003 \$'000 3 months	2002 \$'000 3 months	Group Change (%)
Revenue	38,613	32,325	19%
Cost of sales	(26,006)	(20,658)	26%
Gross profits	12,607	11,667	8%
Other operating income			
Miscellaneous income (Note 1)	864	129	N.M.
Finance income	19	52	-63%
Other operating expenses			
Personnel and related costs (Note 2, Note 3)	4,351	3,466	26%
General and administrative costs (Note 2)	1,877	1,967	-5%
Selling and distribution costs (Note 2)	284	647	-56%
Upkeep building and equipment costs (Note 2, Note 4)	1,711	1,251	37%
Other operating costs (Note 2, Note 5)	1,001	590	70%
Total expenses	9,224	7,921	16%
Profit from operating activities	4,266	3,927	9%
Finance costs	(284)	(237)	20%
Share of profit / (loss) of associated companies	346	(3)	N.M.
Profit before taxation	4,328	3,687	17%
Taxation	(1,375)	(1,094)	26%
Minority interest, net of tax	(7)	(105)	-93%
Net profit for the year	2,946	2,488	18%
Earnings per ordinary shares (in cents)			
- Basic	0.96	0.84	
- Diluted	0.94	0.82	

N.M. – Not meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

	2003 \$'000 3 months	2002 \$'000 3 months	Group Change %
(A) Investment income	-	-	N.M.
(B) Other income including interest income (Note 1)	883	181	388%
(C) Interest on borrowings	271	229	18%
(D) Depreciation and amortisation	664	712	-7%
(E) (Writeback) / allowance of doubtful debts and bad debts written off	(60)	264	-123%
(F) Write-off for stock obsolescence	-	-	N.M.
(G) Impairment in value of investments	-	-	N.M.
(H) Foreign exchange loss / (gain)	16	(45)	-136%
(I) Adjustment for under or over-provision for tax in respect of prior years	-	-	N.M.
(J) (Profit) / loss on sale of investment, properties, and/or plant and equipment (Note 6)	(657)	-	N.M.
(K) Exceptional items	-	-	N.M.
(L) Extraordinary items	-	-	N.M.

N.M. – Not meaningful

Note 1

	2003 \$'000 3 months	2002 \$'000 3 months	Group Change (%)
Rental income	136	34	300%
Gain on disposal of subsidiary (Note 6)	657	-	N.M.
Miscellaneous income	71	50	42%
Net exchange gain	-	45	-100%
Miscellaneous income (1(a)(i))	864	129	N.M.
Finance income	19	52	-63%
Other income including interest income (1(a)(ii)(B))	883	181	388%

N.M. – Not meaningful

Note 2

The following expenses relate to the operating expenses that were incurred by Control Concepts and Technology ("CCT") for the 3 months ended 31 March 2003. As this subsidiary company of the Group was acquired only in August 2002, there was accordingly no such operating expenses from this subsidiary company for the 3 months ended 31 March 2002.

2003 \$'000 3 months	2002 \$'000 3 months
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Personnel and related costs	564	-
General and administrative costs	123	-
Selling and distribution costs	23	-
Upkeep building and equipment costs	277	-
Other operating costs	96	-
	1,083	-

Note 3

In addition to the explanation in Note 2, the increase in the personnel and related costs was also due to the increase in the overall headcount of W-Industries, Inc. during Q1 2003, as compared to Q1 2002.

Note 4

In addition to the explanation in Note 2, the increase in the upkeep and equipment costs was also due to expenses incurred for the Middle East operations by CSE-Servelec Limited during Q1 2003.

Note 5

Other operating expenses	Group		
	2003 \$'000 3 months	2002 \$'000 3 months	Change (%)
Provision for doubtful debts	(60)	264	-123%
Intangible assets written off (Note 6)	657	-	N.M.
Amortisation of intangible assets	388	326	19%
Net exchange loss	16	-	N.M.
	1,001	590	70%

N.M. – Not meaningful

Note 6

During Q1 2003, the Group disposed 30% equity interest in eBworx Malaysia and in the process, the Group's equity interest in eBworx Malaysia was reduced from 80% to 50%. The Group recognised a gain on disposal of investment of \$657k from the above mentioned transaction. Accordingly, the Group also wrote off \$657k of affiliated goodwill on consolidation of eBworx. After the above disposal, the Group accounted for eBworx Malaysia as an associated company of the Group.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group	Group	Company	Company
	31 Mar 2003 \$'000	31 Dec 2002 \$'000	31 Mar 2003 \$'000	31 Dec 2002 \$'000
Fixed assets	13,681	14,043	8,535	8,667
Subsidiary companies	-	-	93,801	93,801
Associated companies (Note 1)	1,982	-	-	-
Intangible assets	18,967	19,750	-	-
Deferred tax assets	69	16	69	16
Current Assets				
Projects in progress (Note 2)	21,263	22,798	8,012	8,912

Stocks (Note 3)	397	1,465	-	-
Trade debtors	30,391	29,754	4,066	7,887
Other debtors, deposits & prepayments (Note 4)	3,675	1,467	149	169
Amount due from subsidiary companies	-	-	18,121	20,027
Amount due from an associated company	270	472	4	-
Fixed deposits	814	2,569	-	-
Cash & bank balances	8,423	8,975	1,987	764
	65,233	67,500	32,339	37,759
Current Liabilities				
Projects in progress (Note 2)	3,258	1,650	325	605
Trade creditors & accruals	15,223	19,383	5,930	6,737
Amount due to bankers	26,514	29,211	26,514	29,211
Amount due to subsidiary companies	-	-	1,457	4,039
Provision for warranties	474	369	335	234
Provisions for taxation	2,954	2,173	778	614
	48,423	52,786	35,339	41,440
Net current assets/(liabilities)	16,810	14,714	(3,000)	(3,681)
Long term liabilities				
Amounts due to bankers	(9,451)	(9,295)	(9,451)	(9,295)
	42,058	39,228	89,954	89,508
Capital and reserves				
Share capital	15,393	15,393	15,393	15,393
Share premium	61,420	61,420	61,420	61,420
(Accumulated loss)/revenue reserve	(35,366)	(38,312)	13,553	13,161
Foreign currency translation reserve	217	(353)	(412)	(466)
Total Shareholders' Fund	41,664	38,148	89,954	89,508
Minority interest	394	1,080	-	-
	42,058	39,228	89,954	89,508

Note 1

The Group accounted for eBworx Malaysia as an associated company of the Group as at 31 March 2003.

Note 2

The net project-in-progress was reduced by \$3,143k to \$18,005k at the end of Q1 2003 from \$21,148k at the end of FY2002. The reduction was due mainly to more project milestones being reached and billed in Q1 2003 as compared to Q1 2002.

Note 3

The stocks was reduced by \$1,068k to \$397k at the end of Q1 2003 from \$1,465k at the end of FY2002. The reduction was due mainly to the decrease in stocks in relation to projects that were delivered in Q1 2003.

Note 4

Included in this balance is the total consideration of \$1,638k arising from the disposal of 30% equity interest in eBworx Malaysia to its management which has not been received by the Group as at 31 March 2003.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/03/2003		As at 31/12/2002	
Secured	Unsecured	Secured	Unsecured
\$0	\$26,514,000	\$0	\$29,211,000

Amount repayable after one year

As at 31/03/2003		As at 31/12/2002	
Secured	Unsecured	Secured	Unsecured
\$0	\$9,451,000	\$0	\$9,295,000

Details of any collateral

Not Applicable.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	1.1.2003 to 31.3.2003 \$'000	1.1.2002 to 31.3.2002 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Profit before taxation	4,328	3,688
Adjustments for :-		
Depreciation of fixed assets	276	386
Amortisation of intangible assets	388	326
Share of results of associated companies and joint venture	(346)	3
Gain on disposal of subsidiary company	(657)	-
Interest expense	271	229
Interest income	(19)	(52)
Writeoff of intangible assets	657	-
Currency realignment	162	(100)
Operating profit before reinvestment in working capital	5,060	4,480
Increase in debtors	(3,548)	(782)
Decrease / (increase) in projects-in-progress, net	4,696	(1,649)
(Decrease) / increase in creditors	(3,407)	1,296
Cash generated from operations	2,801	3,345
Interest expense paid	(271)	(229)
Interest income received	19	52
Income tax paid	(259)	(425)
Net cash generated from operating activities	2,290	2,743
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Purchase of fixed assets	(148)	(455)
Repayment from associated company	12	-
Proceeds from disposal of fixed assets	-	58

Disposal of subsidiary company, net of cash disposed	(1,920)	-
Net cash used in investing activities	(2,056)	(397)
CASH FLOWS FROM FINANCING ACTIVITIES:-		
Proceeds from issuance of shares	-	18,255
Proceeds of short term borrowings from banks	(2,541)	(20,657)
Net cash generated from financing activities	(2,541)	(2,402)
Net decrease in cash and cash equivalents	(2,307)	(56)
Cash and cash equivalents at beginning of the year	11,544	5,699
Cash and cash equivalents at end of the first quarter	9,237	5,643

The disposal of subsidiary company has been shown in the statement as a single item. The effect on the individual assets and liabilities is set out in the following:

	\$'000
Fixed assets	296
Intangible assets	5
Stocks & work in progress	(485)
Trade and other debtors	2,383
Amount due from associated company	190
Cash & cash equivalent	1,920
Trade and other creditors	(1,020)
Provision for taxation	(18)
Net assets disposed	3,271
Less: Minority interest	(2,290)
Add : Gain on disposal of subsidiary company	657
Total consideration	1,638
Less: total consideration (Note 1)	(1,638)
Less: cash & cash equivalent	(1,920)
Net cash outflow on disposal net of cash	(1,920)

Note 1

The total consideration of \$1,638k arising from the disposal of 30% equity interest in eBworx Malaysia to its management which has not been received by the Group as at 31 March 2003.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group 1.1.2003 to 31.3.2003	Group 1.1.2002 to 31.3.2002	Company 1.1.2003 to 31.3.2003	Company 1.1.2002 to 31.3.2002
Issued Capital				
Balance at 1 January	15,393	13,393	15,393	13,393
Share placement of 40,000,000 shares @ \$0.05	-	2,000	-	2,000
Balance at 31 March	15,393	15,393	15,393	15,393
Share Premium				
Balance at 1 January	61,420	45,180	61,420	45,180
Share placement of 40,000,000 shares @ \$0.417 above par	-	16,680	-	16,680
Expenses on issue of placement shares	-	(425)	-	(425)

Balance at 31 March	61,420	61,435	61,420	61,435
(Accumulated Loss) / Revenue Reserve				
Balance at 1 January	(38,312)	(50,369)	13,161	15,244
Net profit during the period	2,946	2,488	392	414
Balance at 31 March	(35,366)	(47,881)	13,553	15,658
Translation Reserve				
Balance at 1 January	(353)	1,015	(466)	-
Exchange difference during the period	570	(97)	54	-
Balance at 31 March	217	918	(412)	-

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There were no changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

As at 31 March 2003, there were unexercised options for 24,103k of unissued ordinary shares of \$0.05 each in the capital of the Company under the CSE Systems & Engineering Executives' Share Option Scheme and 3,175k of unissued ordinary shares of \$0.05 each in the capital of the Company under the CSE (U.S. Subsidiaries) Incentive Stock Option Plan.

As at 31 December 2002, there were unexercised options for 25,627k of unissued ordinary shares of \$0.05 each in the capital of the Company under the CSE Systems & Engineering Executives' Share Option Scheme and 3,175k of unissued ordinary shares of \$0.05 each in the capital of the Company under the CSE (U.S. Subsidiaries) Incentive Stock Option Plan.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not Applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the Group's most recently audited financial statements for the financial year ended 31 December 2002.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has not changed any of its accounting policies and methods of computation, including any required by an accounting standard, in the financial statements for the current financial period as those of the Group's most recently audited financial statements for the financial year ended 31 December 2002.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Current period	Previous period
Earning per ordinary share of the group after deducting any provision for preference dividends:-		
(a) Based on weighted average number of ordinary shares in issue; and	0.96	0.84
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	0.94	0.82
For the computation of basic earnings per share, the basis of arriving at the weighted average number of shares is determined as follows:-		
Weighted average number of shares outstanding during the period	307,860,407	267,860,407
Weighted average number of shares issued during the period	-	29,333,333
Weighted average number of shares	307,860,407	297,193,740
For the computation of diluted earnings per share, the weighted average number of shares adjusted for the effect of all dilutive potential ordinary shares is determined as follows :-		
Weighted average number of shares outstanding during the period, used in computation of basic earnings per share	307,860,407	297,193,740
Weighted average number of unissued shares under share options	18,527,000	17,440,000
Number of shares that would have been issued at fair value under share options	(14,297,944)	(12,215,526)
Adjusted weighted average number of shares	312,089,463	302,418,214

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

(a) current period reported on; and

	Group	Company
Net asset value per ordinary share based on existing issued share capital as at 31 March 2003 (in cents)	13.66	29.22

(b) immediately preceding financial year.

	Group	Company
Net asset value per ordinary share based on existing issued share capital as at 31 December 2002 (in cents)	12.74	29.07

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Review of Group Performance

	Q1 2003 \$'000	Q1 2002 \$'000	Variance bet Q1 2003 & Q1 2002 %
Revenue	38,613	32,325	19.5%
GM %	32.6%	36.1%	
Operating expenses	7,891	7,653	3.1%
PBT	4,716	4,014	17.5%
PBT %	12.2%	12.4%	
Goodwill amortization	(388)	(326)	19.0%
Minority interest	(10)	(120)	(91.7%)
Taxation	(1,372)	(1,080)	27.0%
PAT	2,946	2,488	18.4%

The Group recorded an increase in revenue of \$6.3 million or 19.5% to \$38.6 million in Q1 2003 from \$32.3 million in Q1 2002. For the same period, the Group recorded an increase in profit after tax by \$0.4 million or 18.4% to \$2.9 million in Q1 2003 from \$2.5 million in Q1 2002.

The performance by the Group for Q1 2003 showed an increase in revenue and profit before tax over both Q4 2002 and Q1 2002 despite the war in Iraq and the SARS outbreak in various parts of the world. Business in the US, UK and South East Asia had remained stable. The Group continued to make headway into the Middle East with the addition of two new customers in the current quarter. The war in Iraq has diluted its sales efforts in the Middle East and further progress would depend on developments in the region. The SARS outbreak has not materially impacted the Group's performance in Q1 2003. The investment by its sales teams in China and Hongkong over the last 12 months will now take longer than expected to bear fruit. The Group has received its first order from Mexico in April 2003.

The Group's Q1 2003 results included the Q1 2003 results of Control Concepts and Technology ("CCT"), which was acquired by the Group in August 2002. CCT contributed \$3.9 million to revenue and \$0.2 million to profit after tax for Q1 2003.

eBworx Malaysia was accounted for in Q1 2003 as an associated company of the Group instead of a subsidiary company of the Group as the management of eBworx Malaysia increased its equity interest in eBworx Malaysia to 50% in Q1 2003. The Group accounted for its share of profits from eBworx Malaysia of \$0.3 million for Q1 2003 under the Group's share of profits from associated companies. eBworx Malaysia reported revenue of \$2.1 million and profit after tax of \$0.7 million for Q1 2003.

The Group's two divisions, Industrial business unit and IT Consulting business unit, contributed \$34.6 million (89.8%) and \$4.0 million (10.2%) to the revenue and \$4.3 million (92.0%) and \$0.4 million (8.0%) to the profit before tax, goodwill amortization and minority interest respectively.

The Group continued to benefit substantially from its overseas operations, 84.8% for its revenues and 92.7% for its profit before tax, goodwill amortization and minority interest. The contributions by the geographical regions of Singapore, Asia, Europe/Middle East and The Americas are 15.2%, 3.8%, 16.3% and 64.7% for revenue and 7.3%, 13.7%, 16.2% and 62.8% for profit before tax, goodwill amortization and minority interest respectively.

Revenue

	Q1 2003 \$'000	Q1 2002 \$'000	Variance bet Q1 2003 & Q1 2002%
Asia	3,377	3,081	9.6%
CSE-Servelec	6,303	5,249	20.1%
W-Industries	24,979	18,640	34.0%
Industrial	34,659	26,970	28.5%
Computer Services	3,831	3,169	20.9%
eBworx	123	2,186	(94.4%)
IT Consulting	3,954	5,355	(26.2%)
Group	38,613	32,325	19.5%

The revenue for the Industrial business unit improved by \$7.7 million or 28.5% to \$34.6 million in Q1 2003 from \$27.0 million in Q1 2002. The increase of \$7.7 million was contributed by organic growth of \$3.8 million (from W-Industries \$2.4million, CSE-Servelec \$1.1 million and Asia operations \$0.3 million) and by the consolidation of CCT's revenue of \$3.9m with the Group.

The revenue for the IT Consulting business unit decreased by \$1.4 million or 26.2% to \$4.0 million in Q1 2003 from \$5.4 million in Q1 2002. The Group has accounted for eBworx Malaysia as an associated company of the Group in Q1 2003. The absence of eBworx Malaysia's revenue has more than offset the increase of \$0.7 million by the Computer Services division resulting in the decrease of \$1.4 million. eBworx Malaysia recorded a turnover of \$2.1 million in Q1 2003.

The Industrial business unit and the IT Consulting business unit contributed 89.8% and 10.2% respectively to the Group's revenue in Q1 2003 compared to 83.4% and 16.6% respectively in Q1 2002.

Profit before tax, goodwill amortisation and minority interest

	Q1 2003 \$'000	Q1 2002 \$'000	Variance bet Q1 2003 & Q1 2002%
Asia	613	741	(17.3%)
CSE-Servelec	767	970	(20.9%)
W-Industries	2,961	1,836	61.3%
Industrial	4,341	3,547	22.4%
Computer Services	65	105	(38.1%)
eBworx	310	362	(14.4%)
IT Consulting	375	467	(19.7%)

Group 4,716 4,014 17.5%

The profit before tax for Industrial business unit improved by \$0.8 million or 22.4% to \$4.3 million in Q1 2003 from \$3.5 million in Q1 2002. The increase of \$0.8 million was the net change of the organic growth of \$0.5 million from W-Industries and the consolidation of CCT's revenue of \$0.6m with the Group and the reduction in profits of \$0.2 million at CSE-Servelec and \$0.1 million at Asia operations.

The profit before tax for IT Consulting business unit decreased by \$0.1 million or 19.7% to \$0.4 million in Q1 2003 from \$0.5 million in Q1 2002.

The Industrial business unit and the IT Consulting business unit contributed 92.0% and 8.0% respectively to the Group's profit before tax in Q1 2003 compared to 88.4% and 11.6% respectively in Q1 2002.

Goodwill amortization

The goodwill amortization of \$0.4 million comprises \$0.2 million for the amortization of goodwill from the consolidation of eBworx with the Group and \$0.2 million for the amortization of goodwill from the consolidation of CCT with the Group.

The goodwill carried at the end of Q1 2003 is \$19.0 million which is made up from \$2.8 million for eBworx and \$16.2 million for CCT.

Liquidity and Capital resources

For Q1 2003, the Group generated a cash inflow from operations of \$2.3 million. The Group had used the \$2.3 million of cash inflow and \$0.2 million from its cash in bank to repay \$2.5 million of its bank borrowings. The Group had a cash and bank balance of \$9.2 million and a bank borrowing of \$36.0 million at the end of Q1 2003. The Group ended the quarter with a shareholders' fund before minority interest of \$41.7 million and a net bank borrowing of \$26.7 million giving it a net gearing of 0.64 times.

Orders

\$'000	Industrial Business	IT Consulting Business	Group	eBworx Malaysia
Outstanding orders b/f from 31 Dec 2002	53,395	20,225	73,620	8,637
Current period order book in	36,273	1,722	37,995	1,314
Current period sales	34,659	3,954	38,613	2,117
Outstanding orders c/f to Q2 FY2003	55,009	17,993	73,002	7,834

The Group received new orders totaling \$38.0 million for Q1 2003, an increase of 3.8% and 25.4% over the \$36.6 million recorded in Q1 2002 and the \$30.3 million recorded in Q4 2002 respectively. The outstanding order as at end of Q1 2003 is \$73.0 million.

The Industrial business unit remained robust with an increase of 3.0% or \$1.6 million in its outstanding orders to \$55.0 million at the end of Q1 2003 compared with \$ 53.4 million at the end of 2002. The Group expects to deliver over the next 12 months approximately \$44.0 million or 80% of the outstanding orders at the end of March 2003. The unit also expects to continue to derive approximately 50% of its turnover from recurring short-term projects from its existing customer base, which are secured and delivered within three months.

The IT Consulting business unit however ended the quarter with lower outstanding orders of \$18.0 million, a reduction of 11.0% or \$2.2 million from \$20.2 million at the end of 2002 due to stronger competition in the public sector in Singapore. The Group expects to deliver over the next 12 months approximately \$14.4 million or 80% of the outstanding orders at the end of March 2003.

eBworx Malaysia ended the quarter with lower outstanding orders of \$7.8 million, a reduction of 9.3% or \$0.8 million from \$8.6 million at the end of 2002. The Group expects to deliver over the next 12 months approximately \$6.6 million or 85% of the outstanding orders at the end of March 2003.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

In Q1 2003, approximately 50% of the turnover of the Group's Industrial business unit came from short-term projects. The Group achieved a better performance for Q1 2003 compared with Q1 2002.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Amidst the uncertainties in its market, the outlook continues to be positive as prospects for new contracts remain at healthy levels. The SARS outbreak in several regions has affected our cross-borders sales process and project execution. Among the Group's operations, the Asia business is most affected as it has targeted the China and Hongkong as its new markets for its organic growth. The Group has implemented several measures to address the SARS outbreak. They included travel restriction to SARS affected areas in accordance to WHO recommendations, segregation of execution teams and increased reliance on in-country resources. With a network of 15 offices in 9 countries, the Group is well positioned to support its existing and new projects.

Based on the current outlook and existing outstanding orders, the Group remains optimistic that its performance will be better for Q2 2003 compared to Q1 2003. For the next 12 months, the performance for USA and UK is expected to remain positive. However, the Group's performance in Asia for the same period will depend on the region's ability to deal with the SARS outbreak.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Business Segments

Q1 2003 \$'000	IBU	ITCBU	Total
Turnover	34,659	3,954	38,613
Profit before tax, goodwill amortisation, & MI	4,341	375	4,716
Return on Sale (%)	12.5%	9.5%	12.2%
Goodwill amortisation	(183)	(205)	(388)
Profit before tax and MI	4,158	170	4,328
MI before tax	(10)	-	(10)
Profit before tax after MI	4,148	170	4,318

Q1 2002 \$'000	IBU	ITCBU	Total
Turnover	26,970	5,355	32,325
Profit before tax, goodwill amortisation, & MI	3,547	467	4,014
Return on Sale (%)	13.2%	8.7%	12.4%
Goodwill amortisation	-	(326)	(326)
Profit before tax and MI	3,547	141	3,688
MI before tax	(30)	(90)	(120)
Profit before tax after MI	3,517	51	3,568

The Industrial Business unit ("IBU") delivers a wide and diverse range of solutions involving the implementation of Control and Safety Systems, Information Systems, Terminal Automation Systems, Pneumatic and Hydraulic Control Systems, Programmable and SCADA Systems, Instrumentation and Electrical Field Construction Services, SCOPE Telemetry, Programmable Control Systems (Simplex and Duplex), Triplicate Modular Redundant Systems and Solid State Relay and Instrumentation for applications to the Energy and Petrochemical/Chemical, Oil and Gas and Power and Process Utility industries on a turnkey basis.

In addition, IBU also offers complete turnkey SCADA/Telemetry Systems to the water, drainage, sewerage and environmental (pollution and hydrology) industries through the implementation of the client-server distributed database SCADA package, SCOPE-X (Servelec Configurable Online Process Executive) and Seprol Ranges of RTUs. Furthermore, the Group also offers the implementation of RIO, a fully integrated Clinical Information System, to automate and facilitate the recording and reporting of patents related information to the Healthcare industry in relation to Mental Health, Maternity and Children Cares and the implementation of Panoptes, an integrated security control room system which incorporates surveillance, communications and status information for security management through a single multi-faceted environment and is supplemented with decision support and full audit capabilities.

IT Consulting Business Unit ("ITCBU") offers solutions involving the implementation of Systems Integration Services Systems, Electronic Document Workflow and Management Systems, Data Conversion Services Systems, Electronic Registry and eFiling Solutions, Enterprise Network and Management Solutions to the Government sector. In addition, the Group also delivers solutions involving Online Internet Banking Services Solutions, Mobile/Wireless Banking Solutions, Provision of Digital Sales Force Automation Solutions with built-in Customer Relationship Management Systems and the Provision of Online-Stock Trading Systems to the banking and finance industry.

Geographical Segments

Q1 2003 \$'000	Singapore	Asia	The Americas	Europe/ Middle East	Total
Turnover	5,883	1,448	24,979	6,303	38,613
Profit before tax, goodwill amortisation & MI	342	646	2,961	767	4,716
Return on Sale (%)	5.8%	44.6%	11.9%	12.2%	12.2%
Goodwill amortisation	(205)	-	(183)	-	(388)
Profit before tax and MI	137	646	2,778	767	4,328
MI before tax	-	(10)	-	-	(10)
Profit before tax and after MI	137	636	2,778	767	4,318

Q1 2002 \$'000	Singapore	Asia	The Americas	Europe/ Middle East	Total
Turnover	4,939	3,337	18,640	5,409	32,325
Profit before tax, goodwill amortisation & MI	421	755	1,836	1,002	4,014
Return on Sale (%)	8.5%	22.6%	9.8%	18.5%	12.4%
Goodwill amortisation	(326)	-	-	-	(326)
Profit before tax and MI	95	755	1,836	1,002	3,688
MI before tax	-	(120)	-	-	(120)
Profit before tax and after MI	95	635	1,836	1,002	3,568

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

The Group's Q1 2003 results of the IBU business segment and the Americas geographical segment included the Q1 2003 results of Control Concepts and Technology ("CCT"), which was acquired by the Group in August 2002. CCT contributed \$3.9 million to revenue and \$0.6 million to profit before tax and goodwill amortisation.

eBworx Malaysia was accounted for in Q1 2003 under the ITCBU business segment and the Asia geographical segment as an associated company of the Group instead of a subsidiary company of the Group as the management of eBworx Malaysia increased its equity interest in eBworx Malaysia to 50% in Q1 2003. The Group accounted for its share of profits from eBworx Malaysia of \$0.3 million for Q1 2003 under the Group's share of profits from associated companies. eBworx Malaysia's reported revenue of \$2.1 million and profit before tax of \$0.7 million for Q1 2003.

15. A breakdown of sales

	2003 \$'000	2002 \$'000	Group Change (%)
Turnover report for first quarter of the year	38,613	32,325	19.5%
Profit before tax reported for the first quarter of the year	4,328	3,688	17.4%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year ()	Previous Full Year ()
Ordinary	0	0
Preference	0	0
Total:	0	0

17. Interested person transactions

There were no interested person transactions.

BY ORDER OF THE BOARD

Tan San-Ju
Company Secretary
05/05/2003