

CSE SYSTEMS & ENGINEERING LTD

Full Year 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**

	Group			Company		
	2002 S\$'000	2001 S\$'000	Change (%)	2002 S\$'000	2001 S\$'000	Change (%)
Revenue	143,251	113,900	26%	24,078	19,372	24%
Cost of sales	(92,761)	(74,081)	25%	(16,676)	(14,033)	19%
Gross profits	50,490	39,819	27%	7,402	5,339	39%
Other operating income						
Miscellaneous income, net (Note 1)	365	2,753	-87%	2,026	3,837	-47%
Finance income	156	121	29%	42	343	-88%
Other operating expenses						
Personnel and related costs	15,908	16,949	-6%	2,304	2,648	-13%
General and administrative costs	7,386	4,857	52%	1,666	1,121	49%
Selling and distribution costs	2,025	2,255	-10%	847	971	-13%
Upkeep building and equipment costs	6,164	5,044	22%	1,283	1,028	25%
Other operating costs (Note 2)	3,119	6,297	-50%	4,188	995	-321%
Total expenses (Note 3)	34,602	35,402	-2%	10,288	6,763	-52%
Profit/(loss) from operating activities	16,409	7,291	125%	(818)	2,756	130%
Finance costs (Note 4)	(941)	(1,465)	-36%	(602)	(1,359)	-56%
Share of (loss)/profit of associated companies	(177)	(485)	-64%	-	-	N.M.
Share of loss of joint venture	(3)	(2)	50%	-	-	N.M.
Profit/(loss) before taxation	15,288	5,339	186%	(1,420)	1,397	-202%
Taxation	(2,759)	(2,540)	9%	(663)	(244)	172%
Minority interest, net of tax	(472)	1,247	-138%	-	-	N.M.
Net profit/(loss) for the year	12,057	4,046	198%	(2,083)	1,153	-281%
Earnings per ordinary shares (in cents)						
- Basic	3.95	1.52				
- Diluted	3.86	1.50				

Note 1: Miscellaneous income, net

	Group		Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Rental income	410	-	270	-
Gain on disposal of subsidiary	-	638	-	-
Miscellaneous income	62	162	1,805	1,958
Net exchange (loss)/gain	(107)	1,953	(49)	1,866
Dividend income	-	-	-	13
	472	2,753	2,075	3,837

Note 2: The other costs for the Company included S\$4.2 million write-down on investment in eBworx. On the Group, the financial impact is a write-off of goodwill of S\$1.1 million.

Note 3: The expenses for FY2001 without the one-time charges of S\$5.2 million were S\$30.3 million. The increase in expenses for FY2002 before one-time charges of S\$4.5 million is mainly due to the consolidation of five months results of Control Concepts Inc. operating expenses, the higher goodwill amortization of S\$1.6 million and the write-off of goodwill of S\$1.1 million.

Note 4: The lower finance costs for FY2002 is due to the lower bank borrowings and interest rate.

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		Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Fixed assets	14,043	11,453	8,667	8,168
Subsidiary companies	-	-	98,801	97,518
Associated companies	-	177	-	-
Joint venture	-	42	-	50
Intangible assets (Note 1)	19,750	6,139	-	-
Deferred tax assets	16	-	16	-
Current Assets				
Projects in progress	22,798	18,280	8,912	7,227
Stocks	1,465	1,219	-	726
Trade debtors	29,754	28,340	7,887	5,917
Other debtors, deposits & prepayments	1,467	4,489	169	550
Amount due from subsidiary companies	-	-	20,027	12,763
Amount due from an associated company	472	548	-	-
Fixed deposits	2,569	1,134	-	-
Cash & bank balances	8,975	4,565	764	879
	67,500	58,575	37,759	28,062
Current Liabilities				
Projects in progress	1,650	3,843	605	1,316
Trade creditors & accruals	19,383	13,361	6,737	4,551
Amount due to bankers	29,211	36,746	29,211	36,746
Amount due to subsidiary companies	-	-	4,039	6,688
Provision for warranties	369	965	234	658
Provisions for taxation	2,173	2,060	614	502
	52,786	56,975	41,440	50,461
Net current assets/(liabilities)	14,714	1,600	(3,681)	(22,399)
Long term liabilities				
Amounts due to bankers	(9,295)	(9,520)	(9,295)	(9,520)
Deferred tax liabilities	-	(37)	-	-

	39,228	9,854	89,508	73,817
Capital and reserves				
Share capital	15,393	13,393	15,393	13,393
Share premium	61,420	45,180	61,420	45,180
(Accumulated loss)/revenue reserve (Note 2)	(38,312)	(50,369)	13,161	15,244
Foreign currency translation reserve	(353)	1,015	(466)	-
Total Shareholders' Fund	38,148	9,219	89,508	73,817
Minority interest	1,080	635	-	-
	39,228	9,854	89,508	73,817

Note 1: The intangible assets carried at the end of year is S\$19.8 million mainly made up from S\$3.7 million for goodwill on consolidation of eBworx and S\$16.1 million for goodwill on consolidation of Control Concepts Inc.

Note 2: The S\$79.3 million of goodwill was previously written off against the Group's accumulated profit/loss.

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

Amount repayable in one year or less, or on demand

As at 31/12/2002		As at 31/12/2001	
Secured	Unsecured	Secured	Unsecured
0	S\$29,211	0	S\$36,746

Amount repayable after one year

As at 31/12/2002		As at 31/12/2001	
Secured	Unsecured	Secured	Unsecured
0	S\$9,295	0	S\$9,520

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

	1.1.2002 to 31.12.2002 \$'000	1.1.2001 to 31.12.2001 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES :-		
Profit before taxation	15,288	5,339
Adjustments for :-		
Depreciation of fixed assets	1,360	1,219
Amortisation of intangible assets	1,613	379
Share of results of associated companies and joint venture	180	487
Gain on disposal of subsidiary company	-	(638)
Interest expense	917	1,411
Interest income	(156)	(121)
Loss on disposal of fixed assets	85	6
Loss on disposal of business operations	-	601
Provision for impairment in value of investment	-	1,566
Writeoff of intangible assets	1,142	840
Currency realignment	(1,033)	788
Operating profit before reinvestment in working capital	19,396	11,877
Decrease in debtors	3,204	2,971
Increase in projects-in-progress, net	(6,802)	(6,439)
Increase / (decrease) in creditors	3,311	(2,366)
Cash generated from operations	19,109	6,043
Interest paid	(917)	(1,411)
Interest received	156	121
Income tax paid	(2,183)	(3,778)
Net cash generated from operating activities	16,165	975
CASH FLOWS FROM INVESTING ACTIVITIES :-		
Purchase of fixed assets	(1,403)	(7,454)
Acquisition of subsidiary companies, net of cash acquired	(19,646)	-
Purchase of intangible assets	(4)	(347)
Repayment from / (advance to) associated company	75	(48)
Proceeds from disposal of fixed assets	179	371
Additional investment in a subsidiary company	-	(3,331)
Disposal of subsidiary company, net of cash disposed	-	793
Proceeds from disposal of equity interest in subsidiary company	-	276
Disposal business operations, net of cash disposed	-	(119)
Net cash used in investing activities	(20,799)	(9,859)
CASH FLOWS FROM FINANCING ACTIVITIES :-		
Proceeds from issuance of shares	18,240	350
Proceeds of short term borrowings from banks	(7,761)	23,544
Repayment of long term borrowings from banks	-	(16,480)
Net cash generated from financing activities	10,479	7,414
Net increase / (decrease) in cash & cash equivalents	5,845	(1,470)
Cash & cash equivalents at beginning of the year	5,699	7,169
Cash & cash equivalents at end of the year	11,544	5,699

The acquisition 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:

	Total S\$'000
Fixed assets	2,229
Stocks & work in progress	156
Trade debtors	1,736
Cash & cash equivalent	683
Trade creditors	(925)
Provision for taxation	(25)
Minority interest	(39)
Net assets acquired	3,815
Add : Goodwill arising on acquisition	16,513
Total consideration	20,328
Less: cash & cash equivalent	(682)
Net cash outflow on acquisition, net of cash	19,646

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		Company	
	1.1.2002 to 31.12.2002	1.1.2001 to 31.12.2001	1.1.2002 to 31.12.2002	1.1.2001 to 31.12.2001
Issued Capital				
Balance at 1 January	13,393	13,174	13,393	13,174
Share options exercised 4,375,000 shares @ \$0.05	-	219	-	219
Share placement of 40,000,000 shares @ \$0.05	2,000	-	2,000	-
Balance at 31 March/30 June/30 September/31 December	15,393	13,393	15,393	13,393
Share Premium				
Balance at 1 January	45,180	45,049	45,180	45,049
Share options exercised 4,375,000 shares @ \$0.03 above par	-	131	-	131
Share placement of 40,000,000 shares @ 0.417 above par	16,680	-	16,680	-
Expenses on issue of placement shares	(440)	-	(440)	-
Balance at 31 March/30 June/30 September/31 December	61,420	45,180	61,420	45,180
(Accumulated Loss) / Revenue Reserve				
Balance at 1 January	(50,369)	(54,016)	15,244	14,490
Net profit during the period	2,488	1,090	414	1,063
Balance at 31 March	(47,881)	(52,926)	15,658	15,553
Net profit during the period	2,952	(474)	(96)	311
Balance at 30 June	(44,929)	(53,400)	15,562	15,864
Net profit during the period	3,520	1,491	814	306
Balance at 30 September	(41,409)	(51,909)	16,376	16,170
Net profit during the period	3,097	1,540	(3,215)	(926)
Balance at 31 December	(38,312)	(50,369)	13,161	15,244
Translation Reserve				
Balance at 1 January	1,015	(5)	-	-
Exchange difference during the period	(97)	550	-	-
Balance at 31 March	918	545	-	-

Exchange difference during the period	(504)	196	-	-
Balance at 30 June	414	741	-	-
Exchange difference during the period	(231)	(617)	(361)	-
Balance at 30 September	183	124	(361)	-
Exchange difference during the period	(536)	891	(105)	-
Balance at 31 December	(353)	1,015	(466)	-

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

The Company had entered into a placement agreement dated 25 January 2002 with The Development Bank of Singapore Ltd ("DBS Bank"). Pursuant to the placement agreement, DBS Bank had been appointed as the placement manager and placement agent, and had agreed to subscribe or procure subscriptions for 40,000,000 new ordinary shares of S\$0.05 each in the capital of the Company ("Placement Shares") at the issue price of S\$0.467 for each placement share. The placement agent had successfully placed out all the 40,000,000 the Placement Shares.

As at 31 December 2002, there were unexercised options for 25,627,000 of unissued ordinary shares of \$0.05 each in the capital of the Company under the CSE Systems & Engineering Executives' Share Option Scheme and 3,175,000 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 2001 there were unexercised options for 17,105,000 of unissued ordinary shares of \$0.05 each in the capital of the Company under the CSE Systems & Engineering Executives' Share Option Scheme and 1,585,000 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

Except for those as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as

those of the Group's most recently audited financial statements for the financial year ended 31 December 2001.

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

With effect from 1 January 2002, the Group changed its accounting policy with respect to the treatment of deferred tax assets in order to conform to the new requirements of SAS 12 Income Taxes, which is mandatory for all financial statements commencing from 1 April 2001. The Group has deferred tax assets of approximately \$16,000 as at 31 December 2002, and this amount has been recognized in the Group's profit and loss accounts for the current financial year arising from the change in its accounting policy.

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 after deducting any provision for preference dividends:-		
(a) Based on weighted average number of ordinary share in issue	3.95	1.52
(b) On a fully diluted basis	3.86	1.50

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	267,860,407	263,485,407
Weighted average number of shares issued during the period	37,369,863	3,500,000
Weighted average number of shares	305,230,270	266,985,407

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	305,230,270	266,985,407
Weighted average number of unissued shares under share options	20,628,126	3,002,576
Number of shares that would have been issued at fair value under share options	(13,361,795)	(906,600)
Adjusted weighted average number of shares	312,496,601	269,081,383

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 December 2002 (in cents)	12.74	29.07

(b) immediately preceding financial year

Group	Company
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Net asset value per ordinary share based on existing issued share capital as at 31 December 2001 (in cents)	3.68	27.56
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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

	2002	2001	Variance	Variance
	S\$'000	S\$'000	S\$'000	%
Revenue	143,251	113,900	29,351	25.8
GM %	35.2	35.0	0.2	0.6
Operating expenses	32,446	28,951	3,495	12.1
PBT	18,044	10,868	7,176	66.0
PBT %	12.6	9.5	3.1	32.6
Goodwill amortization	2,755	379	2,376	626.9
One-time charges	0	5,150	(5,150)	(100.0)
Minority interest	521	(1,163)	1,684	NA
Taxation	2,711	2,456	255	10.4
PAT	12,057	4,046	8,011	198.0

The Group recorded an increase in revenue of S\$29.4 million (25.8%) to S\$143.3 million in FY2002 from S\$113.9 million in FY2001. For the same period, the Group recorded an increase in profit after tax by S\$8.0 million (198.0%) to S\$12.1 million in FY2002 from S\$4.1 million in FY2001.

The improvement in performance can be attributed to the re-focusing of the Group's businesses in industrial automation and information technologies services for the oil and gas industry and information technologies services for the financial services sector, the geographic expansion into Louisiana in USA and the cost-cutting and control measures implemented by the Group.

The Group's two divisions, Industrial business unit and IT Consulting business unit, contributed S\$120.6 million (84.2%) and S\$22.6 million (15.8%) to revenue and S\$16.6 million (92.0%) and S\$1.4 million (8.0%) to profit before tax, goodwill amortization, one-time charges and minority interest respectively.

The Group benefited substantially from its overseas operations, which contributed 85.5% of its revenues and 92.2% of its profit before tax, goodwill amortization, one-time charges and minority interest. The contributions by the geographical regions of Singapore, Asia, Europe/Middle East and The Americas are 14.5%, 10.1%, 18.6% and 56.8% for revenue and 7.8%, 18.8%, 21.2% and 52.2% for profit before tax, goodwill amortization, one-time charges and minority interest respectively.

Revenue

	2002	2001	Variance	Variance
	S\$'000	S\$'000	S\$'000	%
W-Industries	80,731	63,277	17,454	27.6
CSE-Servelec	26,376	18,674	7,702	41.2
Asia	13,465	13,331	134	1.0
Industrial	120,572	95,282	25,290	26.5
Computer Services	12,851	10,448	2,403	23.0
eBworx	9,828	8,170	1,658	20.3
IT Consulting	22,679	18,618	4,061	21.8
Group	143,251	113,900	29,351	25.8

The revenue for the Industrial business unit improved by S\$25.3 million or 26.5% to S\$120.6 million in FY2002 from S\$95.3 million in FY2001. The improvement was made up mainly from the organic growth of W-Industries of S\$10.3 million, organic growth of CSE-Servelec of S\$7.7 million and the five months contribution by Control Concepts, which was acquired in August 2002, of S\$7.2 million. The Asia business remained flat for the year.

The revenue for the IT Consulting business unit increased by S\$4.1 million or 21.8% to S\$22.7 million in FY2002 from S\$18.6 million in FY2001. The increase was broad based with the computer services division contributing S\$2.4 million and eBworx contributing S\$1.7 million.

The Industrial business unit and the IT Consulting business unit contributed 84.2% and 15.8% respectively to the Group's revenue in FY2002 compared to 83.7% and 16.3% respectively in FY2001.

Profit before tax, goodwill amortisation, one-time charges and minority interest

	2002	2001	Variance	Variance
	S\$'000	S\$'000	S\$'000	%
W-Industries	9,420	7,353	2,067	28.1
CSE-Servelec	3,767	1,599	2,168	135.6
Asia	3,414	3,802	(388)	(10.2)
Industrial	16,601	12,754	3,847	30.2
Computer Services	603	661	(58)	(8.8)
eBworx	840	(2,547)	3,387	NA
IT Consulting	1,443	(1,886)	3,329	NA
Group	18,044	10,868	7,176	66.0

The profit before tax for the Industrial business unit improved by S\$3.8 million or 30.2% to S\$16.6 million in FY2002 from S\$12.8 million in FY2001. The improvement was made up mainly from the organic growth of W-Industries of S\$1.2 million, organic growth of CSE-Servelec of S\$2.2 million and the five months contribution by Control Concepts, which was acquired in August 2002, of S\$0.9 million. The Asia business showed a decline of S\$0.4 million. However, the profit before tax of the Asia business in FY2001 included a foreign exchange gain of S\$0.9 million. Excluding the foreign exchange gain, the profit before tax of the Asia business improved by S\$0.5 million in FY2002 compared to FY2001.

The profit before tax for the IT Consulting business unit increased by S\$3.3 million to S\$1.4 million in FY2002 from -S\$1.9 million in FY2001. The turnaround was due mainly to eBworx focusing on providing information technologies services to the financial services industry. The Computer Services business showed a decline of S\$0.1 million. However, the profit before tax of the Computer Services business in FY2001 included a foreign exchange gain

of S\$0.9 million. Excluding the foreign exchange gain, the profit before tax of the Computer Services business improved by S\$0.8 million in FY2002 compared to FY2001.

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 FY2002.

Goodwill amortization

The goodwill amortization of S\$2.8 million comprises S\$1.3 million for the amortization of goodwill from the consolidation of eBworx with the Group, S\$1.2 million for the adjustment of goodwill from the consolidation of eBworx with the Group and S\$0.3 million for the amortization of goodwill from the consolidation of Control Concepts with the Group for five months.

The goodwill carried at the end of year is S\$19.8 million made up from S\$3.7 million for eBworx and S\$16.1 million for Control Concepts.

Liquidity and Capital resources

In February 2002, the Group raised S\$18.2 million from a placement of 40 million new shares. The Group has generated a positive net cash flow from operation of S\$16.2 million. The Group had used the S\$34.4 million net cash inflow to fund its acquisition of Control Concepts for S\$19.6 million in August 2002, to fund its capital expenditure of S\$1.2 million, to repay its bank loans of S\$7.8 million and increase its bank balance by S\$5.8 million. The Group had a cash and bank balance of S\$11.5 million at the end of the year.

The Group ended the year with a Shareholders' Fund before minority interest of S\$38.1 million and a bank borrowing of S\$38.5 million giving it a gross gearing ratio of 1.0 times. The Group had increased the proportion of longer tenure loan to 24.1% in FY2002 from 20.6% in FY2001.

Orders

\$'000	Industrial Business	IT Consulting Business	Group
Outstanding orders b/f from 31 Dec 2001	47,340	33,387	80,727
Current year order book in	125,866	18,915	144,781
Current years sales	120,572	22,679	143,251
Outstanding orders c/f to FY2003	52,634	29,623	82,257

The Group received new orders totaling S\$144.8 million for the financial year ending 31 December 2002. The outstanding orders as at 31 December 2002 is S\$82.3 million, an increase of 1.9% over the outstanding orders as at 31 December 2001.

The Industrial business unit remained robust with an increase of 11.2% (S\$5.3 million) in its outstanding orders to S\$52.6 million at the end of FY2002 compared with S\$47.3million at the end of FY2001. The Group expects to deliver approximately S\$42.1m (80%) of the outstanding orders in FY2003 compared with S\$37.9m (80%) at the end of FY2001. 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 year with lower outstanding orders of S\$29.6 million, a reduction of 11.3% (S\$3.8 million) from S\$33.4 million due to stronger competition in the public sector in Singapore. The Group expects to deliver approximately

S\$23.7m (80%) of the outstanding orders at the end of FY2002 in the next financial year compared with approximately S\$20.0m (60%) at the end of FY2001. The Group's outstanding orders from the five-year ERP maintenance contract is reduced by a year or S\$3.8m compared with the previous year as the contract is now in its fourth year.

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

Not Applicable.

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

FY2003 will be a challenging year in the face of economic and other uncertainties. Amidst the uncertainties in its market, the outlook continues to be positive as prospects for new contracts remain at healthy levels. The Group will focus on building its market share in its current markets in USA, UK and South East Asia as well as pursue opportunities in new markets of Mexico, Middle East and China.

Based on the current outlook and assuming the absence of a global recession, the Group expects that the momentum of orders secured in FY2002 to continue and approximately 50% of the turnover for its Industrial business unit to continue to come from recurring short-term projects from its existing customer base, which are secured and delivered within three months. This, together with a backlog of S\$82.3 million at the end of the year, will position the Group to achieve a better performance for FY2003.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Final	Special	Total
Dividend Type	Cash	Cash	Cash
Dividend Rate	10 % per ordinary share (less tax)	10 % per ordinary share (less tax)	20 % per ordinary share (less tax)
Par value of shares	\$0.05	\$0.05	\$0.05
Tax Rate	22% or applicable rate	22% or applicable rate	22% or applicable rate

(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

To be announced later.

(d) Books closure date

To be announced later.

Dividend / Capital distribution

The Directors are pleased to recommend a final dividend of 10% or 0.5 cent per share less tax for the current financial year. As this is the Group's maiden dividend, the Directors decided to recommend an additional special dividend of 10% or 0.5 cent per share less tax for the current financial year to thank the shareholders who have supported the Group throughout the past years. The total dividend of 1 cent per share less tax in respect of the financial year ended 31 December 2002 will be tabled for approval by shareholders at the next Annual General Meeting to be convened.

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

2002 \$'000	IBU	ITCBU	Total
Turnover	120,572	22,679	143,251
Profit/(Loss) before tax, goodwill amortisation, one time charges & MI	16,601	1,443	18,044
Return on Sale (%)	13.8%	6.4%	12.6%
Goodwill amortisation	(309)	(2,446)	(2,755)
One-time charges	-	-	-
Profit/(Loss) before tax and MI	16,292	(1,003)	15,289
MI before tax	(131)	(390)	(521)
Profit/(Loss) before tax after MI	16,161	(1,393)	14,768
2001 \$'000	IBU	ITCBU	Total
Turnover	95,282	18,618	113,900
Profit/(Loss) before tax, goodwill amortisation, one time charges & MI	12,754	(1,886)	10,868
Return on Sale (%)	13.4%	-10.1%	9.5%
Goodwill amortisation	-	(379)	(379)
One-time charges	(2,788)	(2,362)	(5,150)

Profit/(Loss) before tax and MI	9,966	(4,627)	5,339
MI before tax	(218)	1,381	1,163
Profit/(Loss) before tax after MI	9,748	(3,246)	6,502

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

2002 \$'000	Singapore	Asia	The Americas	Europe/ Middle East	Total
Turnover	20,764	14,438	81,402	26,647	143,251
Profit/(Loss) before tax, goodwill amortisation, one time charges & MI	1,399	3,395	9,421	3,829	18,044
Return on Sale (%)	6.7%	23.5%	11.6%	14.4%	12.6%
Goodwill amortisation	(2,446)	-	(309)	-	(2,755)
One-time charges	-	-	-	-	-
Profit/(Loss) before tax and MI	(1,047)	3,395	9,112	3,829	15,289
MI before tax	-	(521)	-	-	(521)
Profit/(Loss) before tax and after MI	(1,047)	2,874	9,112	3,829	14,768

2001 \$'000	Singapore	Asia	The Americas	Europe/ Middle East	Total
Turnover	19,701	11,813	63,278	19,108	113,900
Profit/(Loss) before tax, goodwill amortisation, one time charges & MI	510	2,146	6,492	1,720	10,868
Return on Sale (%)	2.6%	18.2%	10.3%	9.0%	9.5%
Goodwill amortisation	(379)	-	-	-	(379)

One-time charges	(2,362)	-	(1,910)	(878)	(5,150)
Profit/(Loss) before tax and MI	(2,231)	2,146	4,582	842	5,339
MI before tax	1,453	(290)	-	-	1,163
Profit/(Loss) before tax and after MI	(778)	1,856	4,582	842	6,502

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

Not Applicable.

15. A breakdown of sales

(a) Breakdown of sales

	Group			Company		
	2002 \$'000	2001 \$'000	Change (%)	2002 \$'000	2001 \$'000	Change (%)
Turnover report for first half of the year	67,860	51,555	32%	10,546	8,906	18%
Profit/(Loss) before tax reported for the first half of the year	8,219	601	1,268%	519	1,695	-69%
Turnover report for second half of the year	75,391	62,345	21%	13,532	10,466	29%
Profit/(Loss) before tax reported for the second half of the year	7,069	4,738	49%	(1,939)	(298)	551%

(b) Interested Person Transactions

There is no interested person transaction.

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 (S\$'000)	Previous Full Year (S\$'000)
Ordinary	0	0
Preference	0	0
Total:	0	0

BY ORDER OF THE BOARD

Tan San-Ju
Company Secretary
17/02/2003