CSE global

(Reg No198703851D)

Full Year Financial Statement And Dividend Announcement for The Period Ended 31 December 2005

PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1 The following statements in the form presented in the issuer's most recently audited annual financial statement:-

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

	Group					
S$'000	**4Q2005**	**4Q2004 (restated)**	**Change (%)**	**2005**	**2004 (restated)**	**Change (%)**
Revenue	89,991	57,774	56%	267,335	198,468	35%
Cost of sales	(59,609)	(38,578)	55%	(179,957)	(133,605)	35%
Gross profit	30,382	19,196	58%	87,378	64,863	35%
Other operating income						
Miscellaneous income *(Note 1)*	22	258	-91%	1,393	1,849	-25%
Finance income	120	115	4%	397	217	83%
Administrative costs *(Note 2)*	(16,134)	(12,936)	25%	(52,365)	(42,325)	24%
Selling and distribution costs *(Note2)*	(1,272)	(1,450)	-12.3%	(4,736)	(3,964)	19%
Other operating costs *(Note 3)*	(490)	(165)	197%	(971)	(94)	N.M.
Finance costs *(Note 4)*	(1,022)	(523)	95%	(2,951)	(1,550)	90%
Share of (loss)/profit of associated companies *(Note 5)*	88	220	-60%	483	987	-51%
Profit from continuing operations before taxation	11,694	4,715	148%	28,628	19,983	43%
Taxation *(Note 6)*	(2,582)	(677)	N.M.	(6,483)	(3,649)	78%
Profit from continuing operations after taxation	9,112	4,038	126%	22,145	16,334	36%
Attributable to :						
Shareholders of the Company	**9,099**	**4,026**	**126%**	**22,144**	**16,299**	36%
Minority interest, net of tax	13	12	8%	1	35	-97%
	9,112	4,038	126%	22,145	16,334	36%

N.M. – Not meaningful
N.B.: Restated – Please refer to paragraph 4

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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:-

		Group	
S$'000	**2005**	**2004**	**Change %**
(A) Interest on borrowings	2,767	1,388	99%
(B) Depreciation and amortisation	2,681	1,811	48%
(C) (Writeback) / allowance of doubtful debts and bad debts written off	266	(153)	N.M.
(D) Write-off for stock obsolescence	-	58	N.M.
(E) Foreign exchange gain /(loss)	667	935	-29%
(F) Adjustment for under or over –provision for tax in respect of prior years	(284)	(184)	54%
(G) Changes in fair value of financial instruments	241	-	N.M.
(H) Profit /(loss) on sale of investment, properties, and/or plant and equipment	(107)	33	N.M.

N.M. – Not meaningful

Note 1

		Group	
S$'000	**2005**	**2004**	**Change %**
Rental income	186	512	-64%
Gain on partial disposal of an associated company	95	12	N.M.
Write back of impairment loss in investments	-	150	N.M.
Commission income	27	96	-72%
Miscellaneous income	418	144	N.M.
Net exchange gain / (loss)	667	935	-29%
Miscellaneous income (1(a)(i))	**1,393**	**1,849**	-25%
Finance income	397	217	83%
Other income including interest income	**1,790**	**2,066**	-13%

N.M. – Not meaningful

Note 2

The increase in the administrative costs, selling & distribution costs and other operating costs of the Group for FY2005 was mainly due to the Group's inclusion of the operating results of CSE-Global (Australia) Pty Ltd and its subsidiary companies ("CSE-Global (Australia) group") formed in 3Q 2004 as well as higher operating activities of the Group during the year.

Note 3

		Group	
S$'000	**2005**	**2004**	**Change %**
Provision / (writeback of allowance) for doubtful debts and bad debts written off	266	(153)	N.M.
Miscellaneous expenses	358	53	N.M.
Amortisation of intangible assets	240	91	N.M.
Stocks written off	-	58	N.M.
Disposal of fixed assets	107	45	N.M.
	971	**94**	

N.M. – Not meaningful

Note 4

The increase in finance costs for FY2005 was due to the drawdown of additional bank loans to fund new investment made in associated company and working capital, and higher interest rates.

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Note 5

The decrease in share of profit of associated companies for FY2005 was due to the disposal of I-magination Berhad and share of losses from the new associated company, Energy Storage and Power Corporation, during the year.

Note 6

The tax computation is after taking into account that Transtel Engineering Pte Ltd is awarded Development & Expansion Incentive.

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	
	31-Dec-05	**31-Dec-04**	**31-Dec-05**	**31-Dec-04**
S$'000		**(restated)**		**(restated)**
Fixed assets	**19,167**	**17,236**	**7,606**	**7,892**
Subsidiary companies	**-**	**-**	**150,602**	**146,102**
Associated companies *(Note7)*	**15,309**	**6,655**	**10,212**	**-**
Intangible assets	**32,967**	**32,606**	**-**	**-**
Deferred tax assets	**1,929**	**785**	**-**	**-**
Current Assets				
Projects in progress *(Note8)*	11,414	21,300	531	1,228
Stocks *(Note 8)*	8,729	4,194	-	-
Trade debtors *(Note 8)*	100,656	53,726	4,483	3,334
Other debtors, deposits & prepayments	3,238	4,247	893	323
Amount due from subsidiary companies	-	-	7,860	5,378
Amount due from an associated company	43	320	-	29
Fixed deposits	1,333	1,481	-	-
Cash & bank balances	28,029	20,057	525	1,449
	153,442	105,325	14,292	11,741
Current Liabilities				
Projects in progress *(Note 8)*	4,016	1,708	-	-
Trade creditors & accruals *(Note 9)*	49,287	29,385	4,557	1,906
Finance leases	225	182	-	-
Amount due to bankers	72,004	52,863	72,004	52,863
Amount due to subsidiary companies	-	-	11,351	14,453
Amount due to an associated company	-	852	-	852
Provision for warranties	1,594	1,330	-	-
Provision for taxation	4,953	2,209	-	214
	132,079	88,529	87,912	70,288
Net current assets/(liabilities)	**21,363**	**16,796**	**(73,620)**	**(58,547)**
Long term liabilities				
Deferred tax liabilities	178	401	-	230
Finance leases	366	314	-	-
Amounts due to bankers	2,783	4,569	2,783	4,569
	87,408	**68,794**	**92,017**	**90,648**
Capital and reserves				
Share capital	16,491	16,028	16,491	16,028
Share premium	68,548	65,450	68,548	65,450
(Accumulated loss)/revenue reserve	3,461	(12,159)	6,171	8,028
Other reserves	817	1,128	817	1,128
Foreign currency translation reserve	(1,922)	(1,665)	(10)	14
Total Shareholders' Fund	**87,395**	**68,782**	**92,017**	**90,648**
Minority interest	13	12	-	-
Total Equity	**87,408**	**68,794**	**92,017**	**90,648**

N.B.: Restated – Please refer to paragraph 4

Note 7
The increase in associated companies was mainly due to the acquisition of a new associated company, Energy Storage and Power Corporation, a Delaware corporation during the year.

Note 8
The billing cycle turnover period comprising Stocks, Project-in-progress and Trade Debtors increased marginally to 159 days from 143 days as at 31 December 2004 due to a higher level of operating activities. However, based on the annualised Q4 2005 turnover, the billing cycle turnover period was 118 days.

Note 9
The increase in trade creditors & accruals of the Group by 67.7% FY2005 was in line with the increase in the net assets of the billing cycle in Note 7, mainly due to a higher level of operating activities.

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount repayable in one year or less, or on demand

As at 31 Dec 2005		As at 31 Dec 2004	
Secured	Unsecured	Secured	Unsecured
NIL	S$72,229,000	NIL	S$53,045,000

Amount repayable after one year

As at 31 Dec 2005		As at 31 Dec 2004	
Secured	Unsecured	Secured	Unsecured
NIL	S$3,149,000	NIL	S$4,883,000

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.

S$'000	FY2005	FY2004 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES :-		
Operating profit before taxation	28,628	19,983
Adjustments for :-		
Depreciation for fixed assets	2,441	1,720
Amortisation of intangible assets	240	91
(Gain)/loss on disposal of fixed assets	107	45
(Gain)/loss on disposal of associated company	(95)	(12)
Share of results of associated companies	(483)	(987)
Changes in fair value of financial instruments	(241)	-
Share based payment expenses	874	1,114
Writeback of impairment loss in an associated company	-	(150)
Writeback of allowance for doubtful debts of an associated company	-	(5)
Interest expense	2,767	1,388
Interest income	(397)	(217)
Currency realignment	(106)	(376)
Operating profit before reinvestment in working capital	**33,735**	**22,594**
(Increase)/decrease in debtors	(47,411)	(8,848)
(Increase)/decrease in projects-in-progress	7,659	1,238
(Decrease)/increase in creditors	19,749	2,293
Cash generated from operations	**13,732**	**17,277**
Interest paid	(2,767)	(1,388)
Interest received	397	217
Income tax paid	(4,122)	(3,847)
Net cash generated from operating activities	**7,240**	**12,259**
CASH FLOWS FROM INVESTING ACTIVITIES		
Repayment from / (advance to) associated companies	(575)	(260)
Incorporation of a subsidiary company	-	(7)
Acquisition of subsidiary companies, net	-	(14,290)
Disposal of a subsidiary company, net	-	1,148
Proceeds from fully/partial disposal of an associate company	2,400	12
Acquisition of an associated company	(10,333)	(2,085)
Additional investment/acquisition of additional equity interest in associated company	(46)	(935)
Purchase of fixed assets	(4,645)	(3,582)
Proceeds from sale of fixed assets	204	160
Purchase of intangible assets	(907)	(3,290)
Net cash used in investing activities	**(13,902)**	**(23,129)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	3,561	3,026
Dividends paid to shareholders	(6,524)	(5,072)
Proceeds of short term loans from bankers	17,354	17,337
Proceeds of finance leasing obligations	95	-
Net cash generated from financing activities	**14,486**	**15,291**
Net increase in cash and cash equivalents	**7,824**	**4,421**
Cash and cash equivalents at beginning of period	21,538	17,117
Cash and cash equivalents at end of period	**29,362**	**21,538**

N.B.: Restated – Please refer to paragraph 4

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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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Company	
S$'000	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004 (restated)**	**1.1.2005 to 31.12.2005**	**1.1.2004 to 31.12.2004 (restated)**
Issued Capital				
Balance at 1 January	16,028	15,625	16,028	15,625
Share options exercised during the period	229	218	229	218
Balance at 31 March	16,257	15,843	16,257	15,843
Share options exercised during the period	66	47	66	47
Balance at 30 June	16,323	15,890	16,323	15,890
Share options exercised during the period	67	13	67	13
Balance at 30 September	16,390	15,903	16,390	15,903
Share options exercised during the period	101	125	101	125
Balance at 31 December	**16,491**	**16,028**	**16,491**	**16,028**
Share Premium				
Balance at 1 January	65,450	62,827	65,450	62,827
Share options exercised during the period	1,266	1,627	1,266	1,627
Balance at 31 March	66,716	64,454	66,716	64,454
Share options exercised during the period	395	252	395	252
Balance at 30 June	67,111	64,706	67,111	64,706
Share options exercised during the period	531	91	531	91
Balance at 30 September	67,642	64,797	67,642	64,797
Share options exercised during the period	906	668	906	668
Expenses on issuance of shares under share options	-	(15)	-	(15)
Balance at 31 December	**68,548**	**65,450**	**68,548**	**65,450**
(Accumulated Loss) / Revenue Reserve				
Balance at 1 January – as previously stated	(11,031)	(23,372)	10,828	12,556
Cumulative effects of adopting FRS21	-	-	(1,672)	(1,143)
Cumulative effects of adopting FRS102	(1,128)	(14)	(1,128)	(14)
Balance at 1 January – as restated	(12,159)	(23,386)	8,028	11,399
Net profit during the period	3,327	4,656	227	144
Balance at 31 March	(8,832)	(18,730)	8,255	11,543
Dividends for 2003 declared and paid	-	(5,072)	-	(5,072)
Dividends for 2004 declared and paid	(6,524)	-	(6,524)	-
Net profit during the period	3,685	3,872	428	(273)
Balance at 30 June	(11,671)	(19,930)	2,159	6,198
Net profit during the period	6,033	3,745	239	707
Balance at 30 September	(5,638)	(16,185)	2,398	6,905
Net profit during the period	9,099	4,026	3,228	1,652
Effects of adopting FRS21	-	-	545	(529)
Balance at 31 December	**3,461**	**(12,159)**	**6,171**	**8,028**

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S$'000	Group 1.1.2005 to 31.12.2005	Group 1.1.2004 to 31.12.2004 (restated)	Company 1.1.2005 to 31.12.2005	Company 1.1.2004 to 31.12.2004 (restated)
Other Reserve				
Balance at 1 January – as previously stated	-	-	-	-
Cumulative effects of adopting FRS39	729	-	729	-
Cumulative effects of adopting FRS102	1,128	14	1,128	14
Balance at 1 January – as restated	1,857	14	1,857	14
Net fair value changes of cashflow hedges	(286)	-	(286)	-
Cost of share-based payments	122	124	122	124
Balance at 31 March	1,693	138	1,693	138
Net fair value changes of cashflow hedges	(443)	-	(443)	-
Cost of share-based payments	123	124	123	124
Balance at 30 June	1,373	262	1,373	262
Cost of share-based payments	122	123	122	123
Balance at 30 September	1,495	385	1,495	385
Net fair value changes of cashflow hedges	(1,185)	-	(1,185)	-
Cost of share-based payments	507	743	507	743
Balance at 31 December	**817**	**1,128**	**817**	**1,128**
Translation Reserve				
Balance at 1 January	(1,665)	(888)	(1,658)	(1,143)
Cumulative effects of adopting FRS21	-	-	1,672	1,143
Balance at 1 January –as restated	(1,665)	(888)	14	-
Exchange difference during the period	262	(327)	371	(239)
Balance at 31 March	(1,403)	(1,215)	385	(239)
Exchange difference during the period	819	562	142	(142)
Balance at 30 June	(584)	(653)	527	(381)
Exchange difference during the period	184	(1,130)	(17)	364
Balance at 30 September	(400)	(1,783)	510	(17)
Exchange difference during the period	(1,522)	118	25	(498)
Effects of adopting FRS21	-	-	(545)	529
Balance at 31 December	**(1,922)**	**(1,665)**	**(10)**	**14**

N.B.: Restated – Please refer to paragraph 4

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 immediately preceding financial year.

As of 31 December 2005, there was an issue of 10,131,500 of ordinary shares of $0.05 each in the capital of the Company arising from the exercise of options granted under the CSE Global Limited Executives' Share Option Scheme.

Other than the above mentioned, there were no other 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.

Share Options

As at 31 December 2005, there were unexercised options for 9,405,000 and 1,614,000 of unissued ordinary shares of $0.05 each in the capital of the Company under the CSE Global Limited Executives' Share Option Scheme and the CSE (U.S. Subsidiaries) Incentive Stock Option Plan respectively.

As at 31 December 2004, there were unexercised options for 18,348,000 and 3,619,000 of unissued ordinary shares of $0.05 each in the capital of the Company under the CSE Systems & Engineering Executives' Share Option Scheme and the CSE (U.S. Subsidiaries) Incentive Stock Option Plan respectively.

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 preparation of the financial statements for the current reporting period as compared with the audited financial statements as at 31 December 2004 except for the adoption of the following new Financial Reporting Standards (FRS) which are mandatory for the financial years beginning on or after 1 January 2005:
FRS 39 Financial Instruments: Recognition and Measurement
FRS 102 Share-based Payment

The impact of the changes in accounting policies is as follows:

FRS 39 - Financial Instruments: Recognition and Measurement

In accordance with the transitional provisions of FRS 39, the effect of recognition, de-recognition and measurement of financial instruments for financial periods prior to 1 January 2005, is not required to be restated. Consequently, the comparative figures for the financial year ended 31 December 2004 have not been restated. On 1 January 2005, the following transitional adjustments were made.

Increase / (decrease)	**Other Reserves (S$'000)**
Hedge Accounting:	
Hedge of net investment in foreign entities	232
Cashflow hedge	497
	729

The adoption of FRS 39 has resulted in an increase in equity as at 1 January 2005 of $729,000. In accordance with the transitional adjustment rules, there is no restatement of the FY2004 profit and loss account of the Group and the Company.

FRS 102 - Share-based Payment

As a result of adopting FRS 102, the opening retained earnings of the Group and of the Company as at 1 January 2004 decreased by $14,000 each; likewise, the opening other reserves of the Group and of the Company increased by the same amount. Overall, as at 1 January 2004, there was no impact on the share capital and reserves of the Group and the Company. However, the profit and loss account of the Group and of the Company for FY2004 decreased by $1.1 million each.

The effect of FRS 102 on basic and diluted EPS for FY2004 is as follows:
Basic EPS: Decrease of 0.35 cents
Diluted EPS: Decrease of 0.35 cents

The impact of FRS102 on the FY2005 profit and loss account of the Group and the Company was a charge of $874,000 each.

Apart from the above, the Group adopted various revisions in FRS, applicable from 1 January 2005. These do not have a financial impact on the Group. Therefore, apart from the changes in accounting policies arising from the adoption of new FRS mentioned above, the Group continued to adopt the same accounting policies as in 2004.

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

Please refer to paragraph 4.

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 12M 2005	Previous period 12M 2004 (restated)
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	6.78	5.14
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	6.70	5.00
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	319,681,407	312,507,407
Weighted average number of shares issued during the period	6,736,038	4,493,555
Weighted average number of shares	**326,417,445**	**317,000,962**
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	326,417,445	317,000,962
Weighted average number of unissued shares under share options	15,142,575	23,510,475
Number of shares that would have been issued at fair value under share options	(10,857,079)	(14,319,641)
Adjusted weighted average number of shares	**330,702,941**	**326,191,796**

N.B.: Restated – Please refer to paragraph 4

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

	Group	Company
Net asset value per ordinary share based on existing issued share capital as at 31 December 2005 (in cents)	26.50	27.90

(b) immediately preceding financial year.

	Group	Company
Net asset value per ordinary share based on existing issued share capital as at 31 December 2004 (in cents)	21.52	28.36

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group' 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 Performance

The Group achieved a record profit of $22.1 million for FY2005. After a slow start in the first half of the year, sales momentum increased in the Americas, Europe, Middle East and Africa. The Group performed well in all geographical regions of operations.

For FY 2005, CSE recorded an increase in revenue of $68.9 million (34.7%) to $267.3 million from $198.5 million in FY 2004.The Group's profit after tax increased by $5.8 million (35.9%) to $22.1 million in FY2005 from $16.3 million in FY2004.

Performance of Geographical Segments

S$'000	12M 2005	12M 2004 (restated)	Variance %
Revenue			
Asia-Pacific	85,236	52,152	63.4%
The Americas	122,157	106,119	15.1%
Europe/Middle East/Africa	59,942	40,197	49.1%
Group	**267,335**	**198,468**	**34.7%**
Profit after tax & minority interest			
Asia-Pacific	6,135	5,617	9.2%
The Americas	9,204	7,920	16.2%
Europe/Middle East/Africa	6,805	2,762	146.4%
Group	**22,144**	**16,299**	**35.9%**

For FY 2005, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 31.9%, 45.7% and 22.4% to revenue and 27.7%, 41.6% and 30.7% to profit after tax and minority interest respectively.

Performance of Business Segments

S$'000	12M 2005	12M 2004 (restated)	Variance %
Revenue			
Industrial	267,335	193,586	38.1%
IT Consulting	-	4,882	-100.0%
Group	**267,335**	**198,468**	**34.7%**
Profit after tax & minority interest			
Industrial	21,683	15,135	43.3%
IT Consulting	461	1,164	-60.4%
Group	**22,144**	**16,299**	**35.9%**

N.B.: For details on business under Industrial business unit ("IBU") and IT Consulting business unit ("ITCBU"), please refer to Part II Item 13.
Restated – Please refer to paragraph 4

For FY 2005, CSE's IBU division contributed $267.3 million (38.1% growth over FY2004) to revenue and $21.7 million (43.3% growth over FY2004) to profit after tax and minority interest respectively.

Liquidity and Capital Resources

CSE generated an operational cash inflow of $7.1 million in 4Q 2005 and $7.2 million in FY2005 after funding $20.0 million of working capital for $68.9 million increase in annual sales for the year. At the end of the period, CSE's net gearing was 0.52 times.

Orders

S$'000	Industrial Business
Outstanding orders b/f to FY 2005	**85,813**
Order book in	362,685
Sales	(267,335)
Outstanding orders c/f to 1Q FY2006	**181,163**

CSE received new orders of $90.6 million in 4Q 2005 and a record of $362.7 million in FY2005. The outstanding orders as at FY2005 compared with FY 2004 increased by 111.1% from $85.8 million to $181.2million.

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

There is no variance between the previous prospect statement and the actual results.

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.

Based on the current outlook and the existing outstanding orders, CSE expects 1Q 2006 profits to be better than 1Q 2005 and for FY2006 profits to be better than FY2005.

11. If a decision regarding dividend has been made:-

(a) Whether an interim ordinary dividend has been declared (recommended); and

Name of Dividend	**First & Final**
Dividend Type	Cash
Dividend Amount per Share (in cents)	$0.025 cents per ordinary share
Tax rate	Tax exempt(1-Tier)

(b)(ii) Previous corresponding period ..... cents / (rate ..... %).

Name of Dividend	**First & Final**
Dividend Type	Cash
Dividend Amount per Share (in cents)	$0.02 cents per ordinary share
Optional:- Dividend Rate (in %)	40% per ordinary share (tax exempt – 1-Tier)
Par value of shares	$0.05

(c) The date the dividend is payable

To be determined.

(d) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

To be determined.

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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

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 Supervisory Control and Date Acquisition (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 ,Process Utility industries on a turnkey basis, Electrical engineering Systems and Air Injection Technology for Power Augmentation.

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 the Seprol Ranges of Remote Terminal Unit (RTU). The Group also offers the implementation of RIO, a fully integrated Clinical Information System, to automate and facilitate the recording and reporting of patients related information to the Healthcare industry in relation to Mental Health, Maternity and Children Cares.

IBU also provides turnkey telecommunication network solutions for infrastructure projects in the Oil and Gas and Energy industry, both onshore and offshore. This includes Offshore Platforms, Onshore Processing Facilities (Refineries, LNG plants, Gas Plants and Petrochemical Plants) and Power Generation Plants. Moreover, the Group develops and markets a pipeline simulation, monitoring, management and leak detection system for oil and gas pipelines. In addition, IBU supplies and distributes electrical engineering products to the mining, process engineering, power generation, power transmission/distribution, and manufacturing industries. IBU also provides electrical engineering design and system solutions to energy (oil & gas and power), the heavy industrial (mining & minerals), water and sewerage sectors. Furthermore, IBU manufactures and distributes Kingfisher Ranges of RTU products designed for SCADA applications in a broad range of industrial fields.

In addition, IBU also provides Intelligent Transport Systems that include systems such as the toll collection system, congestion charging system, urban traffic control and surveillance system, motorway management system, transportation communication system and security system.

IT Consulting Business Unit ("ITCBU") offers solutions for Credit Management, Cash Management, Online Internet Banking Services , Mobile / Wireless Banking , Provision of Digital Sales Force Automation with built-in Customer Relationship Management Systems and the Trade Finance to the banking and finance industry.

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

Not applicable.

15. A breakdown of sales as follows:-

	Group			
S$'000	**2005**	**2004 (restated)**	**Variance**	**Variance %**
Turnover report for first half of the year	109,389	95,739	13,650	14%
Profit/(Loss) before tax reported for the first half of the year	9,136	11,592	(2,456)	-21%
Turnover report for second half of the year	157,946	102,729	55,217	54%
Profit/(Loss) before tax reported for the second half of the year	19,492	8,391	11,101	132%

N.B.: Restated – Please refer to paragraph 4

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

	Latest Full Year (S$'000)	Previous Full Year (S$'000)
Ordinary	8,300	6,524
Preference	0	0
Total:	**8,300**	**6,524**

17. Interested person transactions

Not applicable.

By order of the Board

Tan San-Ju
Company Secretary