

CSE GLOBAL LTD

Full Year Financial Statement And Dividend Announcement for the Period Ended 31 December 2003

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	2002 \$'000	Group Change (%)
Revenue	168,970	143,251	18%
Cost of sales	(113,898)	(92,761)	23%
Gross profits (Note 1)	55,072	50,490	9%
Other operating income			
Miscellaneous income (Note 2)	6,400	365	N.M.
Finance income	111	156	-29%
Other operating expenses			
Personnel and related costs	21,727	18,061	20%
General and administrative costs	5,598	5,233	7%
Selling and distribution costs	1,842	2,025	-9%
Upkeep building and equipment costs	7,085	6,164	15%
Other operating costs (Note 3)	3,694	3,119	18%
Total expenses (Note 4)	39,946	34,602	15%
Profit from operating activities	21,637	16,409	32%
Finance costs	(1,138)	(941)	21%
Share of profit/(loss) of associated companies	1,276	(177)	N.M.
Share of loss of joint venture	-	(3)	N.M.
Profit before taxation	21,775	15,288	42%
Taxation (Note 5)	(4,349)	(2,759)	58%
Minority interest, net of tax (Note 6)	(85)	(472)	-82%
Net profit for the year	17,341	12,057	44%
Earnings per ordinary shares (in cents)			
- Basic	5.62	3.95	
- Diluted	5.43	3.86	

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	2002 \$'000	Change %
(A) Investment income	-	-	N.M.
(B) Other income including interest income (Note 2)	6,511	521	N.M.
(C) Interest on borrowings	1,067	917	16%
(D) Depreciation and amortisation	2,864	3,048	-6%
(E) (Writeback)/allowance of doubtful debts and bad debts written off	267	224	19%
(F) (Writeback)/write-off for stock obsolescence	-	(8)	N.M.
(G) Impairment in value of investments	150	-	N.M.
(H) Foreign exchange loss/(gain)	21	107	-80%
(I) Adjustment for under or (over)-provision for tax in respect of prior years	(266)	56	N.M.
(J) (Profit)/loss on sale of investment, properties, and/or plant and equipment (Note 6)	(5,746)	59	N.M.
(K) Exceptional items	-	-	N.M.
(L) Extraordinary items	-	-	N.M.

N.M. – Not meaningful

Note 1

The Group has incurred and recognised under ITCBU a cost-overflow amounting to \$426k in relation to a Singapore Government project whose total sales recognised in FY2003 was \$1,601k. Without taking into account the above mentioned Singapore Government project, the Group gross margin would have been \$55,498k (33.2%) instead of \$55,072k (32.6%).

Note 2

Miscellaneous income

	2003 \$'000	2002 \$'000	Group Change %
Rental income	549	410	34%
Gain on disposal of subsidiary (Note 6)	5,738	-	N.M.
Other income	134	62	116%
Net exchange loss	(21)	(107)	-80%
Miscellaneous income (1(a)(i))	6,400	365	N.M.
Finance income	111	156	-29%
Other income including interest income (1(a)(ii))	6,511	521	N.M.

N.M. – Not meaningful

Note 3

Other operating costs

	2003 \$'000	2002 \$'000	Group Change %
Provision for doubtful debts and bad debts written off	267	224	19%
(Gain)/loss on disposal of fixed assets and loss on fixed assets written off	(8)	59	N.M.
Intangible assets written off (Note 6)	1,638	1,142	43%
Provision for diminution in investment in an associated company	150	-	N.M.
Amortisation of intangible assets	1,647	1,613	2%
Other expenses	-	81	N.M.
Total other operating costs	3,694	3,119	18%

N.M. – Not meaningful

Note 4

The increase in the total operating expenses of the Group was due mainly to the following:

1. The Group has consolidated 5 months of operating results of Transtel Engineering Pte Ltd and its subsidiary companies ("Transtel group") for the financial year ended 31 December 2003. As the Transtel group was only acquired by the Group in July 2003, there was accordingly no such operating expenses from the Transtel group for the financial year ended 31 December 2002;
2. The Group has consolidated 3 months of operating results of TTC s.r.o. ("TTC") for the financial year ended 31 December 2003. As TTC was only acquired by the Group in October 2003, there was accordingly no such operating expenses from TTC for the financial year ended 31 December 2002;
3. The Group has consolidated 12 months of operating results of Control Concepts and Technology, Inc ("CCT") for the financial year ended 31 December 2003. As CCT was only acquired by the Group in August 2002, there was accordingly only 5 months of operating expenses from CCT for the financial year ended 31 December 2002; and
4. In addition to the above, the Group has also incurred restructuring costs amounting to \$535k in FY2003 for Singapore and the United Kingdom.

Note 5

The increase in the taxation of the Group was mainly due to the imposition of higher tax rates by the various taxation jurisdictions which the Group operates in other than that of Singapore.

Note 6

The Group accounted for the eBworx Berhad group as an associated company of the Group since January 2003. During FY2003, the Group disposed its 51.1% equity interest in the eBworx Berhad (formerly known as "eBworx Malaysia Sdn. Bhd.") group, on which the Group recognised a gain on disposal of \$5,738k. In view of the above, the Group has accordingly written off goodwill of an amount of \$1,638k and related costs of \$1,027k in relation to the above mentioned disposal. The net gain to the Group from the above mentioned transactions is \$3,073k.

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 31-Dec-03 \$'000	Group 31-Dec-02 \$'000	Company 31-Dec-03 \$'000	Company 31-Dec-02 \$'000
Fixed assets	14,255	14,043	8,044	8,667
Subsidiary companies	-	-	120,619	93,801
Associated companies (Note 1)	3,404	-	-	-
Intangible assets (Note 2)	20,328	19,750	-	-
Long term loan to a subsidiary company (Note 3)	-	-	1,574	-
Deferred tax assets	513	16	-	16
Current Assets				
Projects in progress (Note 4)	25,622	22,798	3,619	8,912
Stocks (Note 5)	545	1,465	-	-
Trade debtors (Note 6)	38,094	29,754	5,223	7,887
Other debtors, deposits & prepayments	2,796	1,467	125	169
Amount due from subsidiary companies	-	-	2,308	20,027
Amount due from an associated company	9	472	-	-
Fixed deposits	741	2,569	-	-
Cash & bank balances	16,376	8,975	1,792	764
	84,183	67,500	13,067	37,759
Current Liabilities				
Projects in progress (Note 4)	3,863	1,650	544	605
Trade creditors & accruals	20,640	19,383	4,987	6,737
Amount due to bankers	32,250	29,211	32,250	29,211
Amount due to subsidiary companies	-	-	7,059	4,039
Amount due to an associated company	11	-	11	-
Provision for warranties	730	369	110	234
Provision for taxation	2,547	2,173	452	614
	60,041	52,786	45,413	41,440
Net current assets/(liabilities)	24,142	14,714	(32,346)	(3,681)
Long term liabilities				
Amounts due to bankers	(7,845)	(9,295)	(7,845)	(9,295)
Deferred tax liabilities	(203)	-	(181)	-
	54,594	39,228	89,865	89,508
Capital and reserves				
Share capital	15,625	15,393	15,625	15,393
Share premium	62,827	61,420	62,827	61,420
(Accumulated loss)/revenue reserve	(23,372)	(38,312)	12,556	13,161
Foreign currency translation reserve	(888)	(353)	(1,143)	(466)
Total Shareholders' Fund	54,192	38,148	89,865	89,508
Minority interest	402	1,080	-	-
	54,594	39,228	89,865	89,508

Note 1

The Group accounted for the eBworx Berhad group as an associated company of the Group since 1 January 2003. As at 31 December 2003, the market value of the Group's ownership in the eBworx Berhad group was approximately \$16.9 million.

Note 2

The increase in intangible assets was due mainly to the goodwill arising from the acquisition of Transtel group in July 2003 and TTC in October 2003. This was partially mitigated by the

write-off of goodwill of an amount of \$1,638k in relation to the Group's disposal of its 51.1% equity interest in the eBworx Berhad group [please refer to Note 6 under item 1(a)(ii)].

Note 3

The long-term loan to a subsidiary company of the Company was due to a long-term shareholder's loan that was assumed by the Company on the acquisition of Transtel group in July 2003.

Note 4

The increase in the net project-in-progress of the Group was due mainly to projects whose billing milestones were not attained as at the end of Q4 FY2003.

Note 5

The decrease in the stocks was due mainly to the projects that were delivered in 2003, partially mitigated by additional purchases of stocks in 2003.

Note 6

The increase in the trade debtors was due mainly to the consolidation of trade debtors of the Transtel group and TTC in 2003 as well as the higher sales activity during Q4 FY2003 as compared to Q4 FY2002.

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

Amount repayable in one year or less, or on demand

As at 31/12/2003		As at 31/12/2002	
Secured	Unsecured	Secured	Unsecured
NIL	S\$32,250,000	NIL	S\$29,211,000

Amount repayable after one year

As at 31/12/2003		As at 31/12/2002	
Secured	Unsecured	Secured	Unsecured
NIL	S\$7,845,000	NIL	S\$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 31.12.2003 \$'000	1.1.2002 to 31.12.2002 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating profit before taxation	21,775	15,288
Adjustments for:-		
Depreciation for fixed assets	1,217	1,435
(Gain)/loss on disposal of fixed assets	(8)	40
Fixed assets written off	-	19
Provision for diminution in value of investment in an associated company	150	-
Provision for doubtful debts of an associated company	277	-
Share of (profit)/loss of associated companies	(1,276)	180
Amortisation of intangible assets	1,647	1,613
Impairment of intangible assets	1,638	1,142
Gain on disposal of investment	(5,738)	-
Interest expense	1,067	917
Interest income	(111)	(156)
Currency realignment	(240)	(1,108)
Operating profit before reinvestment in working capital	20,398	19,370
(Increase)/decrease in debtors	(6,858)	3,204
Decrease/(increase) in projects-in-progress	1,315	(6,802)
Increase in creditors	257	3,685
Cash (used in)/generated from operations	15,112	19,457
Interest paid	(1,067)	(917)
Interest received	111	156
Income tax paid	(3,594)	(2,556)
Net cash generated from operating activities	10,562	16,140
CASH FLOWS FROM INVESTING ACTIVITIES		
Repayment from an associated company	8	76
Acquisition of subsidiary companies, net of cash	(7,548)	(19,646)
Disposal of a subsidiary company, net of cash	(293)	-
Disposal of equity interest in an associated company	4,378	-
Purchase of fixed assets	(1,466)	(1,403)
Purchase of intangible assets	-	(5)
Proceeds from sale of fixed assets	28	204
Net cash used in investing activities	(4,893)	(20,774)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,640	18,240
Dividends paid to shareholders	(2,401)	-
Dividends paid to MI shareholders	(69)	-
Proceeds/(repayments) of short term loans from bankers	734	(7,761)
Net cash generated from financing activities	(96)	10,479
Net increase in cash and cash equivalents	5,573	5,845
Cash and cash equivalents at beginning of the year	11,544	5,699
Cash and cash equivalents at end of the year	17,117	11,544

Disposal of a subsidiary company:

The disposal of a 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	(2,301)
Add : Gain on disposal of subsidiary company	657
Total consideration	1,627
Less: cash & cash equivalent	(1,920)
Net cash outflow on disposal, net of cash	(293)

Acquisitions of subsidiary companies:

The acquisitions of subsidiary companies have 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	554
Intangible assets	31
Stocks & work in progress	521
Trade and other debtors	5,196
Amount due to former shareholders	(6,680)
Cash & cash equivalent	3,889
Trade and other creditors	(1,922)
Provision for taxation	(23)
Net assets acquired	1,566
Add : Long term loan made to subsidiary company	5,824
Add : Goodwill on acquisition of subsidiary company	4,047
Total consideration	11,437
Less: cash & cash equivalent	(3,889)
Net cash outflow on acquisition, net of cash	7,548

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 31.12.2003 \$'000	Group 1.1.2002 to 31.12.2002 \$'000	Company 1.1.2003 to 31.12.2003 \$'000	Company 1.1.2002 to 31.12.2002 \$'000
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/30 June/30 September	15,393	15,393	15,393	15,393
Share options exercised 4,647,000 shares	232	-	232	-
Balance at 31 December	15,625	15,393	15,625	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
Expenses on issue of placement shares	-	(15)	-	(15)

Balance at 30 June/30 September	61,420	61,420	61,420	61,420
Share options exercised 4,647,000 shares	1,407	-	1,407	-
Balance at 31 December	62,827	61,420	62,827	61,420
(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
Dividends for 2002 declared and paid	(2,401)	-	(2,401)	-
Net profit during the period	3,316	2,952	577	(96)
Balance at 30 June	(34,451)	(44,929)	11,729	15,562
Net profit during the period	4,046	3,520	1,043	814
Balance at 30 September	(30,405)	(41,409)	12,772	16,376
Net profit/(loss) during the period	7,033	3,097	(216)	(3,215)
Balance at 31 December	(23,372)	(38,312)	12,556	13,161
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)	-
Exchange difference during the period	(746)	(504)	(408)	-
Balance at 30 June	(529)	414	(820)	-
Exchange difference during the period	478	(231)	344	(361)
Balance at 30 September	(51)	183	(476)	(361)
Exchange difference during the period	(837)	(536)	(667)	(105)
Balance at 31 December	(888)	(353)	(1,143)	(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.

During FY2003, there was an issue of 4,647k of ordinary shares of \$0.05 each in the capital of the Company arising from the exercise of options to subscribe for 4,512k and 135k of 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.

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 2003, there were unexercised options for 26,577k of unissued ordinary shares of \$0.05 each in the capital of the Company under the CSE Systems & Engineering Executives' Share Option Scheme and 4,299k 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 auditing standard or practice.

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 a 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 financial year ended 31 December 2003 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 financial year ended 31 December 2003 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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	2003	2002
Earning per ordinary share after deducting any provision for preference dividends (in cents):-		
(i) Based on weighted average number of ordinary share in issue	5.62	3.95
(ii) On a fully diluted basis	5.43	3.86
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	500,019	37,369,863
Weighted average number of shares	308,360,426	305,230,270

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	308,360,426	305,230,270
Weighted average number of unissued shares under share options	25,774,910	20,628,126
Number of shares that would have been issued at fair value under share options	(14,621,813)	(13,361,795)
Adjusted weighted average number of shares	319,513,523	312,496,601

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 financial period reported on; and
(b) immediately preceding financial year.**

(a) current financial period reported on; and

	Group	Company
Net asset value per ordinary share based on existing issued share capital as at 31 December 2003 (in cents)	17.34	28.76

(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. It must include a discussion of the following:-

(a) 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; and

(b) 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

CSE achieved an increase in profit after tax by \$5.2 million (43.8%) to \$17.3 million in FY2003 from \$12.1 million in FY2002. For the same period, CSE recorded an increase in revenue of \$25.7 million (17.9%) to \$169.0 million in FY2003 from \$143.3 million in FY2002.

The basic EPS of CSE for FY2003 is 5.62 cents, an increase of 42.3% over 3.95 cents for FY2002. The net asset value of CSE for FY2003 is 17.34 cents, an increase of 36.1% over 12.74 cents for FY2002.

Performance of Geographical Segments

FY2003	FY2002	Variance	Variance
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	\$'000	\$'000	\$'000	%
Revenue				
Singapore	19,327	20,764	(1,437)	-6.9%
Asia	14,060	14,438	(378)	-2.6%
The Americas	104,390	81,402	22,988	28.2%
Europe/Middle East/Africa	31,193	26,647	4,546	17.1%
Group	168,970	143,251	25,719	18.0%
Profit before tax, goodwill amortisation and minority interest				
Singapore	656	1,399	(743)	-53.1%
Asia	7,518	3,395	4,123	121.4%
The Americas	11,534	9,421	2,113	22.4%
Europe/Middle East/Africa	3,715	3,829	(114)	-3.0%
Group	23,423	18,044	5,379	29.8%

CSE's overseas operations continued to contribute substantially; 88.6% of its revenue and 97.2% of its profit before tax, goodwill amortization and minority interest. The contributions from the geographical regions of Singapore, Asia, Europe/Middle East/Africa and The Americas are 11.4%, 8.3%, 18.5% and 61.8% for revenue and 2.8%, 32.1%, 15.9% and 49.2% for profit before tax, goodwill amortization and minority interest respectively.

Performance of Business Segments

	FY2003 \$'000	FY2002 \$'000	Variance \$'000	Variance %
Revenue				
Industrial business unit	156,488	120,572	35,916	29.8%
IT Consulting business unit	12,482	22,679	(10,197)	-45.0%
Group	168,970	143,251	25,719	18.0%
Profit before tax, goodwill amortisation and minority interest				
Industrial business unit	18,730	16,601	2,129	12.8%
IT Consulting business unit	4,693	1,443	3,250	225.2%
Group	23,423	18,044	5,379	29.8%

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

CSE's two divisions, IBU and ITCBU, contributed \$156.5 million (92.6%) and \$12.5 million (7.4%) to revenue and \$18.7 million (80.0%) and \$4.7 million (20.0%) to profit before tax, goodwill amortization and minority interest respectively.

For IBU, operations in its existing markets of the Americas, UK and South East Asia had remained stable while business in Middle East and Africa had improved. The Division executed several initiatives to expand its global footprint in FY2003. Besides setting up offices in Carmen (Mexico), Dubai (United Arabs Emirates), Tehran (Iran), Port-Harcourt (Nigeria) and Shanghai (China), it also acquired TransTel Engineering Pte Ltd, a systems integrator in Singapore, providing turnkey telecommunication network solutions for infrastructure projects in the Oil and Gas and Energy industries, both onshore and offshore in July 2003 and TTC s.r.o, a systems integrator in Slovakia, developing and marketing a pipeline simulation, monitoring, management and leak detection system for oil and gas pipelines in October 2003.

CSE continued to re-organise ITCBU in FY2003. It continued to rein in costs and focused on documentation and workflow projects, providing solutions to the financial services industry and transportation systems. In November 2003, it listed its associated company eBworx Berhad, a digital commerce solutions provider based in Malaysia, on MESDAQ in Malaysia.

Liquidity and Capital Resources

For FY2003, CSE generated a cash inflow of \$15.0 million, comprising \$10.6 million from operations and \$4.4 million from partial divestment of an associated company. CSE had a net bank borrowing of \$23.0 million as at 31 December 2003, a reduction of \$4.0 million from S\$27.0 million as at 31 December 2002. CSE ended the period with Shareholders' Fund before minority interest of \$54.2 million and net bank borrowings of \$23.0 million giving it a net gearing of 0.42 times compared to 0.77 times at the end of FY2002.

Orders

\$'000	Industrial Business \$'000	IT Consulting Business \$'000	Group \$'000	eBworx Malaysia \$'000
Outstanding orders b/f from 31 Dec 2002	53,395	20,225	73,620	8,637
FY2003 order book in	185,538	3,036	188,574	9,801
FY2003 sales	156,488	12,482	168,970	9,994
Outstanding orders as at 31 Dec 2003	82,445	10,779	93,224	8,444

CSE recorded a 30.2% increase in new orders recorded in FY2003 of \$188.6 million compared to \$144.8 million received in FY2002. IBU, with its global footprint, received S\$185.5 million during the year, a 46.1% increase over the previous year of S\$127.0 million.

The outstanding orders at the end of FY2003 was \$93.2 million, an increase of 13.2% over the outstanding orders at the end of FY2002 of \$82.3 million. IBU posted a 54.3% increase in outstanding orders at the end of FY2003 to \$82.4 million from \$53.4 million at the end of FY2002. ITCBU showed a 46.7% decline in outstanding orders at the end of FY2003 to \$10.8 million from \$20.2 million at the end of FY2002.

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

No variance from the previous statement made in Q3 2003

10. A commentary at the date of the announcement of the significant trends and 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.

CSE's outlook continues to be positive as prospects for new contracts remain at healthy levels. Based on the current outlook and barring unforeseen circumstances, CSE expects Q1 FY2004 to be better than Q1 FY2003 and FY2004 to be better than FY2003.

11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	Final	Special	Total
Dividend Type	Cash	Cash	Cash
Dividend Amount per Share (in cents)	\$0.01 cents per ordinary share (less tax)	\$0.01 cents per ordinary share (less tax)	\$0.02 cents per ordinary share (less tax)
Optional:- Dividend Rate (in %)	20% (less tax)	20% (less tax)	40% (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?
Yes

Name of Dividend	Final	Special	Total
Dividend Type	Cash	Cash	Cash
Dividend Amount per Share (in cents)	\$0.005 cents per ordinary share (less tax)	\$0.005 cents per ordinary share (less tax)	\$0.01 cents per ordinary share (less tax)
Optional:- Dividend Rate (in %)	10% (less tax)	10% (less tax)	20% (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

(c) Date payable

The Company's final dividend of 10% or S\$0.01 per share less tax and special dividend of 20% or S\$0.01 per share less tax will be paid on 13 May 2004. The total dividend of S\$0.02 per share less tax in respect of the financial year ended 31 December 2003 will be tabled for approval by shareholders at the Company's forthcoming Annual General Meeting.

(d) Books closure date

Notice is hereby given that the Register of Members and Transfer Books of the Company will be closed on 3 May 2004 for the preparation of dividend warrants.

Registrable Transfers received by the Company's Share Registrar, Lim Associates (Pte) Ltd of 10 Collyer Quay #19-08, Ocean Building, Singapore 049315 up to 5.00 pm on 30 April 2004 will be registered before entitlements to the dividends are determined.

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

FY2003			
\$'000	IBU	ITCBU	Total
Turnover	156,488	12,482	168,970
Profit before tax, goodwill amortisation, & MI	18,730	4,693	23,423
Return on Sale (%)	12.0%	37.6%	13.9%
Goodwill amortisation	(874)	(773)	(1,647)
Profit before tax and MI	17,856	3,920	21,776
MI before tax	(100)	-	(100)
Profit before tax after MI	17,756	3,920	21,676
FY2002			
\$'000	IBU	ITCBU	Total
Turnover	120,572	22,679	143,251
Profit before tax, goodwill amortisation, & MI	16,601	1,443	18,044
Return on Sale (%)	13.8%	6.4%	12.6%
Goodwill amortisation	(309)	(2,446)	(2,755)
Profit before tax and MI	16,292	(1,003)	15,289
MI before tax	(131)	(390)	(521)
Profit before tax after MI	16,161	(1,393)	14,768

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. Moreover, 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.

Furthermore, the Group 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.

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

FY2003 S\$'000	Singapore	Asia	The Americas	Europe/Middle East/Africa	Total
Turnover	19,327	14,060	104,390	31,193	168,970
Profit before tax, goodwill amortisation, & MI	656	7,518	11,534	3,715	23,423
Return on Sale (%)	3.4%	53.5%	11.0%	11.9%	13.9%
Goodwill amortisation	(877)	-	(731)	(39)	(1,647)
Profit before tax and MI	(221)	7,518	10,803	3,676	21,776
MI before tax	-	(100)	-	-	(100)
Profit before tax after MI	(221)	7,418	10,803	3,676	21,676
FY2002 S\$'000	Singapore	Asia	The Americas	Europe/Middle East/Africa	Total
Turnover	20,764	14,438	81,402	26,647	143,251
Profit before tax, goodwill amortisation, & 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)
Profit before tax and MI	(1,047)	3,395	9,112	3,829	15,289
MI before tax	-	(521)	-	-	(521)
Profit before tax after MI	(1,047)	2,874	9,112	3,829	14,768

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 accounted for CCT since August 2002 under the IBU business segment and the Americas geographical segment.

The Group accounted for Transtel group under the IBU business segment from August 2003.

The Group accounted for TTC under the IBU business segment and the Europe/Middle East/Africa geographical segment from October 2003.

eBworx Berhad group was accounted for in the operating results of FY2003 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 Berhad group increased its equity interest in eBworx Berhad group to 50% in Q1 FY2003.

15. A breakdown of sales.

	2003 \$'000	2002 \$'000	Variance \$'000	Group Variance %
Turnover report for first half of the year	76,574	67,860	8,714	12.8%
Profit/(Loss) before tax reported for the first half of the year	9,099	8,219	880	10.7%
Turnover report for second half of the year	92,396	75,391	17,005	22.6%
Profit/(Loss) before tax reported for the second half of the year	12,676	7,069	5,607	79.3%

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	6,281,000	2,401,000
Preference	0	0
Total:	6,281,000	2,401,000

BY ORDER OF THE BOARD

Tan San-Ju
Company Secretary
24/02/2004