

**Full Year Financial Statement And Dividend Announcement for The Year Ended 31 December 2006**

**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.**

<b>S\$'000</b>	<b>2006</b>	<b>Group 2005</b>	<b>Change (%)</b>
<b>Revenue</b>	334,472	267,335	25%
<b>Cost of sales</b>	(224,759)	(179,957)	25%
<b>Gross profit</b>	<u>109,713</u>	<u>87,378</u>	26%
<b>Other operating income (Note 1)</b>	534	1,692	-68%
Administrative costs	(59,100)	(52,464)	13%
Selling and distribution costs (Note2)	(7,323)	(4,761)	54%
Other operating costs (Note 3)	167	(900)	N.M.
Finance costs (Note 4)	(4,310)	(2,859)	51%
Share of profit of associated companies, net of tax	185	474	-61%
<b>Total expenses</b>	<u>(70,381)</u>	<u>(60,510)</u>	16%
<b>Profit before taxation</b>	<u>39,866</u>	<u>28,560</u>	39%
Taxation (Note 5)	(10,743)	(6,437)	67%
<b>Profit for the year</b>	<u>29,123</u>	<u>22,123</u>	32%
<b>Attributable to :</b>			
Shareholders of the Company	<b>29,123</b>	<b>22,122</b>	32%
Minority interest, net of tax	-	1	N.M.
	<u>29,123</u>	<u>22,123</u>	32%
<b>Earnings per shares (in cents)</b>	8.74	6.78	
- Basic	8.64	6.69	
- Diluted			
<i>N.M. – Not meaningful</i>			

**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:-**

S\$'000	2006	Group 2005	Change %
<u>Profit before tax is arrived at after charging/(crediting) the following:</u>			
(A) Interest on borrowings (note 4)	4,005	2,675	50%
(B) Depreciation and amortisation	2,818	2,682	5%
(C) Allowance of doubtful debts and bad debts written off	2	316	N.M.
(D) Foreign exchange loss/(gain)	1,252	(358)	N.M.
(E) Fair value gain of financial instruments	(275)	(241)	14%
(F) Gain on sale of investment, properties, and/or plant and equipment	(434)	(107)	N.M.
<i>N.M. – Not meaningful</i>			

**Note 1**

S\$'000	2006	Group 2005	Change %
Rental income	83	186	-55%
Gain on partial disposal of an associated company	-	95	N.M.
Commission income	47	27	74%
Miscellaneous income	555	408	36%
Fair value gain in financial instrument	275	241	14%
Net exchange (loss) /gain	(1,252)	358	N.M.
Miscellaneous income	<b>(292)</b>	<b>1,315</b>	-122%
Finance income	826	377	119%
Other income including interest income	<b>534</b>	<b>1,692</b>	-68%
<i>N.M. – Not meaningful</i>			

**Note 2**

The increase in the selling and distribution cost for FY2006 was mainly due to the increase in marketing expenses.

**Note 3**

S\$'000	2006	Group 2005	Change %
Allowance for doubtful debts and bad debts written off	2	316	N.M.
Miscellaneous expenses	12	238	-95%
Amortisation of intangible assets	253	240	5%
Disposal of properties, and/or plant and equipment #	(434)	106	N.M.
	<b>(167)</b>	<b>900</b>	-119%

# The higher gain in disposal of fixed assets mainly came from the disposal of CSE's building. However the actual net gain before tax from the disposal of CSE's building was S\$0.3m after netting of sales related cost and professional fee of S\$0.1m

**Note 4**

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

**Note 5**

The Group operates in several tax jurisdictions with different tax rates. Thus, the effective tax rate will vary from time to time depending on where the sales and profits are recorded.

**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.**

S\$'000	Group		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05 (Restated)
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment (Note 6)	12,650	19,254	304	7,606
Investment in subsidiaries	-	-	158,766	152,266
Associated companies	15,473	15,321	10,299	10,333
Intangible assets (Note 7)	61,298	32,967	132	-
Deferred tax assets	2,398	1,608	763	488
<b>CURRENT ASSETS</b>				
Projects in progress	13,520	15,154	-	531
Stocks	6,523	5,746	-	-
Unbilled receivables (Note 8)	56,718	45,530	-	-
Trade debtors (Note 8)	72,436	54,962	3,406	4,427
Other debtors, deposits & prepayments	6,722	3,939	483	670
Amount due from subsidiary companies	-	-	30,150	8,119
Amount due from an associated company	61	43	-	-
Short-term deposits	4,489	1,333	-	-
Cash & bank balances	62,412	28,029	14,975	525
	222,881	154,736	49,014	14,272
<b>CURRENT LIABILITIES</b>				
Projects in progress	5,230	4,773	-	-
Trade creditors & accruals (Note 9)	95,101	50,395	4,453	4,647
Finance leases	220	225	-	-
Amount due to bankers	90,045	72,004	74,647	72,004
Amount due to subsidiary companies	-	-	33,140	11,809
Provision for warranties	1,540	1,594	-	-
Provision for taxation	4,887	3,791	-	-
	197,023	132,782	112,240	88,460
<b>Net current assets/(liabilities)</b>	<b>25,858</b>	<b>21,954</b>	<b>(63,226)</b>	<b>(74,188)</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	(1,152)	(570)	-	-
Finance leases	(424)	(366)	-	-
Amounts due to bankers	(7,701)	(2,783)	(7,701)	(2,783)
	<b>108,400</b>	<b>87,385</b>	<b>99,337</b>	<b>93,722</b>
<b>Equity attributable to equity holders of company</b>				
Share capital	88,412	16,491	88,412	16,491
Share premium	-	68,548	-	68,548
Revenue reserve	24,241	3,439	9,702	7,876
Other reserves	1,189	817	1,189	817
Foreign currency translation reserve	(5,455)	(1,923)	34	(10)
<b>Total Shareholders' Fund</b>	<b>108,387</b>	<b>87,372</b>	<b>99,337</b>	<b>92,058</b>
Minority interest	13	13	-	-
	<b>108,400</b>	<b>87,385</b>	<b>99,337</b>	<b>93,722</b>

**Note 6**

The decrease in property, plant & equipment was mainly attributable to disposal of CSE's building in July 2006.

**Note 7**

The increase in intangible assets was mainly due to the goodwill from the acquisition of Techno Trade Belgium and Scomag Ltd, UK

**Note 8**

The billing cycle turnover period comprising Stocks, Net Project-in-progress Bill Receivable and Trade Debtors reduced to 157days from 159days as at 31 December 2005.

**Note 9**

The increase in trade creditors & accruals of the Group by 88.7% FY2006 was mainly due to amount payable to the vendors for the purchase consideration of Scomag Ltd of S\$30.4m

**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**

<b>As at 31 Dec 2006</b>		<b>As at 31 Dec 2005</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	S\$90,265,000	NIL	S\$72,229,000

**Amount repayable after one year**

<b>As at 31 Dec 2006</b>		<b>As at 31 Dec 2005</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	S\$8,125,000	NIL	S\$3,149,000

**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.**

	FY2006	FY2005
<b>S\$'000</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES :-</b>		
Operating profit before taxation	39,866	28,560
Adjustments for :-		
Depreciation for fixed assets	2,565	2,442
Amortisation of intangible assets	253	240
(Gain)/loss on disposal of fixed assets	(434)	106
(Gain)/loss on disposal of associated company	-	(95)
Share of results of associated companies	(185)	(474)
Changes in fair value of financial instruments	(275)	(241)
Share based payment expenses	-	874
Interest expense	4,005	2,675
Interest income	(826)	(377)
Currency realignment	(1,540)	(122)
<b>Operating profit before reinvestment in working capital</b>	<b>43,429</b>	<b>33,588</b>
(Increase)/decrease in debtors	(24,683)	(47,612)
(Increase)/decrease in projects-in-progress	2,698	6,751
(Decrease)/increase in creditors	10,392	20,858
<b>Cash generated from operations</b>	<b>31,836</b>	<b>13,585</b>
Interest paid	(4,005)	(2,675)
Interest received	826	377
Income tax paid	(11,875)	(4,885)
<b>Net cash generated from operating activities</b>	<b>16,782</b>	<b>6,402</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advance to associated companies	(18)	(575)
Acquisition of subsidiary companies, net	94	-
Proceeds from partial disposal of an associate company	-	2,400
Acquisition of an associated company	-	(10,379)
Refund of fund remitted on acquisition of associated company	33	-
Purchase of fixed assets	(3,190)	(4,313)
Proceeds from sale of fixed assets	7,333	204
Purchase of intangible assets	(746)	-
<b>Net cash generated/(used) in investing activities</b>	<b>3,506</b>	<b>(12,663)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	2,560	3,561
Dividends paid to shareholders	(8,321)	(6,524)
Proceeds of short term loans from bankers	22,959	17,355
Proceeds/(repayment) of finance leasing obligations	53	(307)
<b>Net cash generated from financing activities</b>	<b>17,251</b>	<b>14,085</b>
<b>Net increase in cash and cash equivalents</b>	<b>37,539</b>	<b>7,824</b>
Cash and cash equivalents at beginning of period	29,362	21,538
<b>Cash and cash equivalents at end of period</b>	<b>66,901</b>	<b>29,362</b>

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

**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.**

<b>Group</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Revenue Reserve</b>	<b>Other reserves</b>	<b>Translation reserve</b>	<b>Minority Interest</b>	<b>Total Equity</b>
<b>SS'000</b>							
At 1 January 2005 as restated	16,028	65,450	(12,159)	1,857	(1,665)	12	69,523
Foreign currency translation differences	-	-	-	-	(258)	-	(258)
Net fair value changes of cashflow hedges	-	-	-	(1,914)	-	-	(1,914)
Net profit for the period	-	-	22,122	-	-	1	22,123
Dividend for 2004 declared and paid	-	-	(6,524)	-	-	-	(6,524)
Cost of share-based payments	-	-	-	874	-	-	874
Issuance of ordinary share for cash	463	3,098	-	-	-	-	3,561
<b>At 31 December 2005</b>	<b>16,491</b>	<b>68,548</b>	<b>3,439</b>	<b>817</b>	<b>(1,923)</b>	<b>13</b>	<b>87,385</b>
At 1 January 2006	16,491	68,548	3,439	817	(1,923)	13	87,385
Transfer to share capital	68,548	(68,548)	-	-	-	-	-
Foreign currency translation differences	-	-	-	-	(3,532)	-	(3,532)
Net fair value changes of cashflow hedges	-	-	-	1,185	-	-	1,185
Net profit for the period	-	-	29,123	-	-	-	29,123
Dividend for 2005 declared and paid	-	-	(8,321)	-	-	-	(8,321)
Transfer from Other Reserves-on exercise of share options	813	-	-	(813)	-	-	-
Issuance of ordinary share for cash	2,560	-	-	-	-	-	2,560
<b>At 31 December 2006</b>	<b>88,412</b>	<b>-</b>	<b>24,241</b>	<b>1,189</b>	<b>(5,455)</b>	<b>13</b>	<b>108,400</b>

<b>Company</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Revenue Reserve</b>	<b>Other reserves</b>	<b>Translation reserve</b>	<b>Total Equity</b>
<b>S\$'000</b>						
At 1 January 2005 as previously stated	16,028	65,450	8,028	1,857	14	91,377
Prior Year Adjustment*	–	–	847	–	–	847
At 1 January 2005 as restated	16,028	65,450	8,875	1,857	14	92,224
Foreign currency translation differences	–	–	–	–	(24)	(24)
Net fair value changes of cashflow hedges	–	–	–	(1,914)	–	(1,914)
Net profit for the period	–	–	5,525	–	–	5,525
Dividend for 2004 declared and paid	–	–	(6,524)	–	–	(6,524)
Cost of share-based payments	–	–	–	874	–	874
Issuance of ordinary share for cash	463	3,098	–	–	–	3,561
At 31 December 2005 as restated	16,491	68,548	7,876	817	(10)	93,722
At 1 January 2006 as previously stated	16,491	68,548	6,212	817	(10)	92,058
Prior Year Adjustment*	–	–	1,664	–	–	1,664
At 1 January 2006 as restated	16,491	68,548	7,876	817	(10)	93,722
Transfer to share capital	68,548	(68,548)	–	–	–	–
Foreign currency translation differences	–	–	–	–	44	44
Net fair value changes of cashflow hedges	–	–	–	1,185	–	1,185
Net profit for the period	–	–	10,147	–	–	10,147
Dividend for 2005 declared and paid	–	–	(8,321)	–	–	(8,321)
Transfer from Other Reserves-on exercise of share options	813	–	–	(813)	–	–
Issuance of ordinary share for cash	2,560	–	–	–	–	2,560
<b>At 31 December 2006</b>	<b>88,412</b>	<b>–</b>	<b>9,702</b>	<b>1,189</b>	<b>34</b>	<b>99,337</b>

\*The prior year adjustment relates to option expenses arising from share options issued to the employees of the subsidiaries of the Group in the previous financial years. FRS 102 is effective for Singapore-incorporated companies admitted to the Singapore Stock Exchange for annual period beginning on or after 1 January 2005. All other entities incorporated or registered in Singapore shall apply FRS 102 for annual periods beginning on or after 1 January 2006. The subsidiaries of the Group adopted FRS 102 at the beginning of the financial year ended 31 December 2006. Accordingly, the option expenses arising from share options issued to the employees of the subsidiaries of the Group which were previously recorded by the holding company have been recharged to the respective subsidiaries. The revenue reserve and investment in subsidiary companies as at 31 December 2005 have increased by \$1,644,000.

**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.**

Under the Companies (Amendment) Act 2005 effective 30 January 2006, the concepts of par value and authorised share capital are abolished and the amount in the share premium account as of 30 January 2006 becomes part of the Company's share capital.

As of 31 December 2006, there was an issue of 5,289,000 ordinary shares in the capital of the Company arising from the exercise of options to subscribe for 3,884,000 and 1,405,000 ordinary shares in the capital of the Company under the CSE Global Limited Executives' Share Option Plan 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 2006, there were unexercised options for 5,521,000 (31 December 2005 : 9,405,000) and 209,000 (31 December 2005: 1,614,000) of unissued ordinary shares 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.

**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 2005.

**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**

Not Applicable.

**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 2006	Previous period 12M 2005
<b>Earning per ordinary share of the group after deducting any provision for preference dividends:-</b>		
(a) Based on weighted average number of ordinary shares in issue; and	8.74	6.78
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	8.64	6.69

**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	329,812,907	319,681,407
Weighted average number of shares issued during the period	3,434,630	6,736,038
<b>Weighted average number of shares</b>	<b>333,247,537</b>	<b>326,417,445</b>

**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	333,247,537	326,417,445
Weighted average number of unissued shares under share options	7,584,370	15,142,575
Number of shares that would have been issued at fair value under share options	(3,701,391)	(10,857,079)
<b>Adjusted weighted average number of shares</b>	<b>337,130,516</b>	<b>330,702,941</b>

*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:-**

	Group		Company	
	31 December 2006	31 December 2005	31 December 2006	31 December 2005
Net asset value per ordinary share based on existing issued share capital (in cents)	32.34	26.49	29.67	27.88

**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 \$29.1million for FY2006. The Group performed well in all geographical regions of operations.

For FY 2006, CSE recorded an increase in revenue of \$67.1million (25.1%) to \$334.5 million from \$267.3 million in FY 2005. The Group's profit after tax increased by \$7.0 million (31.6%) to \$29.1 million in FY2006 from \$22.1 million in FY2005.

#### Performance of Geographical Segments

<b>SS'000</b>	<b>12M 2006</b>	<b>12M 2005</b>	<b>Variance %</b>
<b>Revenue</b>			
Asia-Pacific	104,519	85,236	22.6%
The Americas	151,995	122,157	24.4%
Europe/Middle East/Africa	77,958	59,942	30.1%
<b>Group</b>	<b>334,472</b>	<b>267,335</b>	<b>25.1%</b>
<b>Profit after tax &amp; minority interest</b>			
Asia-Pacific	6,307	6,113	3.2%
The Americas	11,862	9,204	28.9%
Europe/Middle East/Africa	10,954	6,805	61.0%
<b>Group</b>	<b>29,123</b>	<b>22,122</b>	<b>31.6%</b>

For FY 2006, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 31.3%, 45.4% and 23.3% to revenue and 21.7%, 40.7% and 37.6% to profit after tax and minority interest respectively.

#### Performance of Business Segments

<b>SS'000</b>	<b>12M 2006</b>	<b>12M 2005</b>	<b>Variance %</b>
<b>Revenue</b>			
Industrial	334,472	267,335	25.1%
IT Consulting	-	-	-
<b>Group</b>	<b>334,472</b>	<b>267,335</b>	<b>25.1%</b>
<b>Profit after tax &amp; minority interest</b>			
Industrial	28,147	21,478	31.1%
IT Consulting	976	644	51.6%
<b>Group</b>	<b>29,123</b>	<b>22,122</b>	<b>31.6%</b>

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

**Liquidity and Capital Resources**

CSE generated an operational cash inflow of \$16.8 million in FY2006 after funding \$11.6 million of working capital for \$67.1million increase in annual sales for the year. At the end of the period, CSE's net gearing was 0.28 times. The net gearing assuming that payment has been made to the vendors of Scomag Ltd is 0.57 times.

**Orders**

<b>S\$'000</b>	<b>2006</b>	<b>2005</b>
<b>Outstanding orders</b>	<b>305,508</b>	<b>181,163</b>

The outstanding orders as at FY2006 compared with FY 2005 increased by 68.6% from \$181.2 million to \$305.5million. The outstanding orders included S\$108m from BT which is in the process of approval by National Health Services Connecting for Health, UK.

**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 2007 profits to be better than 1Q 2006 and for FY2007 profits to be better than FY2006.

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

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

<b>Name of Dividend</b>	<b>First &amp; Final</b>
Dividend Type	Cash
Dividend Amount per Share (in cents)	3.5 cents per ordinary share
Tax rate	Tax exempt(1-Tier)

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

<b>Name of Dividend</b>	<b>First &amp; Final</b>
Dividend Type	Cash
Dividend Amount per Share (in cents)	2.5 cents per ordinary share
Tax rate	Tax exempt(1-Tier)

**(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.

**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 Data 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 TBOX and 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:-**

S\$'000	Group			
	2006	2005	Variance	Variance %
Turnover report for first half of the year	154,375	109,389	44,986	41.1%
Profit/(Loss) before tax reported for the first half of the year	18,251	9,126	9,125	100.0%
Turnover report for second half of the year	180,097	157,946	22,151	14.0%
Profit/(Loss) before tax reported for the second half of the year	21,615	19,434	2,181	11.2%

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

**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	11,729	8,321
Preference	-	-
<b>Total:</b>	<b>11,729</b>	<b>8,321</b>

**17. Interested person transactions**

Not applicable.

**18. Proposed One-For-Two Bonus Issue**

The Board of Directors of CSE Global Limited (the “Company”) wishes to announce that the Company is proposing a bonus issue of new ordinary shares in the capital of the Company (the “Bonus Shares”) on the basis of one(1) Bonus Share for every two (2) existing ordinary share in the capital of the Company held by the shareholders of the Company (the “Proposed Bonus Issue”) on a date to be determined by the Directors (the “Book Closure Date”). Fractional entitlements will be disregarded and will be disposed of in such manner as the Directors may in their absolute discretion deem fit for the benefit of the Company.

The Bonus Shares, when allotted and issued, will not be entitled to the aforesaid dividends proposed for the FY2006 as set out in paragraph 11 of this announcement. Save as aforesaid, the Bonus Shares, when allotted and issued, will rank pari passu in all respects with the existing ordinary shares in the capital of the Company.

The objective for the Proposed Bonus issue is to improve market liquidity of the Company’s shares as the increased number of shares trading on the Singapore Exchange Securities Trading Limited (“SGX-ST”) will make the Company’s shares more accessible and attractive to both existing shareholders and potential investors. With improved trading liquidity, the Company also hopes to broaden its existing shareholders base.

The Proposed Bonus Issue and listing of the Bonus Shares will be subjected to the approval of the SGX-ST and the approval of the shareholders at an Extraordinary General Meeting to be convened subsequently.

The Company will be making an application to the SGX-ST for approval of the Proposed Bonus Issue.



(Reg No198703851D)

Notice of the closure of the Share Transfer Books and Register of the Members of the Company for purposes of determining shareholders' entitlements under the Proposed Bonus issue will be given at a later date, after all the necessary approvals have been obtained.

**By order of the Board**

Tan San-Ju  
Company Secretary  
26 February 2007