

Second Quarter Financial Statement And Dividend Announcement For The Period Ended 30 June 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.

S\$'000	Group					
	2006 2Q	2005 2Q	Change (%)	2006 1H	2005 1H	Change (%)
Revenue	85,791	57,550	49%	154,375	109,389	41%
Cost of sales	(59,770)	(38,635)	55%	(105,378)	(73,701)	43%
Gross profit	26,021	18,915	38%	48,997	35,688	37%
Other operating income (Note 1)	(321)	(239)	34%	(164)	1,148	-114%
Other operating expenses						
Administrative costs (Note 2)	(14,047)	(11,642)	21%	(26,724)	(23,527)	14%
Selling and distribution costs	(1,177)	(1,105)	6.5%	(2,129)	(2,376)	-10%
Other operating costs (Note 3)	75	(431)	-117%	(37)	(640)	N.M.
Finance costs (Note 4)	(1,039)	(615)	69%	(1,915)	(1,209)	58%
Share of results of associated companies, net of tax	238	282	-16%	223	42	N.M.
Total Expenses	(15,950)	(13,511)	18%	(30,582)	(27,710)	10%
Profit from continuing operations before taxation	9,750	5,165	89%	18,251	9,126	100%
Taxation (Note 5)	(2,655)	(1,480)	79%	(5,157)	(2,126)	N.M.
Profit from continuing operations after taxation	7,095	3,685	93%	13,094	7,000	87%
Attributable to :-						
Equity holders of the Company	7,098	3,685	93%	13,107	7,012	87%
Minority interest	(3)	-	N.M.	(13)	(12)	8%
	7,095	3,685	93%	13,094	7,000	87%
Earnings per ordinary shares (in cents)						
- Basic	2.13	1.13		3.95	2.16	
- Diluted	2.11	1.12		3.90	2.14	

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:-

S\$'000	Group					
	2006 2Q	2005 2Q	Change (%)	2006 1H	2005 1H	Change %
Profit from continuing operations is arrived at after charging/(crediting) the following:						
(A) Interest on borrowings(Note 4)	975	582	68%	1,794	1,112	61%
(B) Depreciation and amortization	672	583	15%	1,320	1,173	13%
(C)(Write back)/allowance for doubtful debts and bad debts	(207)	18	N.M.	(167)	78	N.M.
(D) Foreign exchange loss/(gain)	745	483	54%	893	(477)	N.M.
(E) Loss on sales of investment, properties, and/or plant and equipment	26	27	-4%	26	27	-4%
(F) Fair value gain of financial instruments	(170)	(810)	-79%	(224)	(754)	-70%
<i>N.M. – Not meaningful</i>						

Note 1

S\$'000	Group					
	2006 2Q	2005 2Q	Change (%)	2006 1H	2005 1H	Change (%)
Rental income	14	54	-74%	28	142	-80%
Commission income	5	-	N.M.	58	-	N.M.
Miscellaneous income	221	84	N.M.	258	363	-29%
Net exchange (loss)/gain	(745)	(483)	N.M.	(893)	477	N.M.
Miscellaneous income	(505)	(345)	46%	(549)	982	-156%
Finance income	184	106	74%	385	166	132%
Other operating income	(321)	(239)	34%	(164)	1,148	-114%
<i>N.M. – Not meaningful</i>						

Note 2

The increase in the administrative costs for 2Q 2006 was mainly due to the increase in manpower expenses.

Note 3

S\$'000	Group					
	2006 2Q	2005 2Q	Change (%)	2006 1H	2005 1H	Change (%)
(Write back)/allowance for doubtful debts and bad debts	(207)	18	N.M.	(167)	78	N.M.
Miscellaneous expenses	51	328	-84%	68	407	-83%
Amortisation of intangible assets	55	58	-5%	110	128	-14%
Loss on disposal of fixed assets	26	27	-4%	26	27	-4%
	(75)	431	-118%	37	640	-94%
<i>N.M. – Not meaningful</i>						

Note 4

The increase in finance costs for 2Q 2006 was due to higher interest rates.

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	
	30-June-06	31-Dec-05	30-June-06	31-Dec-05
Fixed assets	18,960	19,254	7,344	7,606
Subsidiary companies	-	-	154,602	150,602
Associated companies	15,510	15,321	10,299	10,333
Intangible assets	31,782	32,967	-	-
Deferred tax assets	1,975	1,608	749	488
Current Assets				
Projects in progress	13,443	15,154	46	531
Stocks	6,823	5,746	-	-
Unbilled receivables (Note 6)	43,692	45,530	-	-
Trade debtors (Note 6)	62,784	54,962	1,829	4,427
Other debtors, deposits & prepayments (Note 7)	7,714	3,939	249	670
Amount due from subsidiary companies	-	-	2,706	8,119
Amount due from an associated company	42	43	-	-
Short-term deposits	1,362	1,333	-	-
Cash & bank balances	29,812	28,029	1,306	525
	165,672	154,736	6,136	14,272
Current Liabilities				
Projects in progress	4,874	4,773	-	-
Trade creditors & accruals	50,189	50,395	1,907	4,647
Finance leases	216	225	-	-
Amount due to bankers	79,604	72,004	61,583	72,004
Amount due to subsidiary companies	-	-	24,406	11,809
Provision for warranties	1,475	1,594	-	-
Provision for taxation	2,989	3,791	(254)	-
	139,347	132,782	87,642	88,460
Net current assets/(liabilities)	26,325	21,954	(81,506)	(74,188)
Long term liabilities				
Deferred tax liabilities	(591)	(570)	-	-
Finance leases	(371)	(366)	-	-
Amounts due to bankers	(1,325)	(2,783)	(1,325)	(2,783)
	92,265	87,385	90,163	92,058
Capital and reserves				
Share capital	87,598	16,491	87,598	16,491
Share premium (Note 8)	-	68,548	-	68,548
Revenue reserve	8,225	3,439	1,116	6,212
Other reserves	1,425	817	1,425	817
Foreign currency translation reserve	(4,983)	(1,923)	24	(10)
Total Shareholders' Fund	92,265	87,372	90,163	92,058
Minority interest	-	13	-	-
	92,265	87,385	90,163	92,058

Note 6

Several large projects met their payment milestones in 2Q 2006, resulting in the reduction in unbilled receivable and increase in the trade debtors at the end of 2Q 2006.

Note 7

The increase in other debtors, deposits & prepayments was mainly due to the increase in deposits paid to the trade suppliers.

Note 8

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.

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 30 June 2006		As at 31 Dec 2005	
Secured	Unsecured	Secured	Unsecured
NIL	\$79,820,000	NIL	\$72,229,000

Amount repayable after one year

As at 30 June 2006		As at 31 Dec 2005	
Secured	Unsecured	Secured	Unsecured
NIL	\$1,696,000	NIL	\$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.

S\$'000	1.4.2006 to 30.6.2006	1.4.2005 to 30.6.2005	1.1.2006 to 30.6.2006	1.1.2005 to 30.6.2005
<u>CASH FLOWS FROM OPERATING ACTIVITIES :-</u>				
Operating profit before taxation	9,750	5,165	18,251	9,126
Adjustments for :-				
Depreciation for fixed assets	617	525	1,210	1,045
Amortisation of intangible assets	55	58	110	128
Loss on disposal of fixed assets	26	27	26	27
Share of results of associated companies	(238)	(282)	(223)	(42)
Changes in fair value of financial instruments	(170)	(810)	(224)	(754)
Share based payment expenses	-	123	-	245
Interest expense	975	582	1,794	1,112
Interest income	(184)	(106)	(385)	(166)
Currency realignment	(184)	386	(1,520)	536
Operating profit before reinvestment in working capital	10,647	5,668	19,039	11,257
Increase in debtors	(4,047)	(6,239)	(8,453)	(13,865)
(Increase)/decrease in projects-in-progress, net and stocks	(2,243)	1,587	735	8,013
Increase/(decrease) in creditors	1,671	307	(624)	(4,389)
Cash generated from operations	6,028	1,323	10,697	1,016
Interest paid	(975)	(582)	(1,794)	(1,112)
Interest received	184	106	385	166
Income tax (paid)/received	(4,469)	169	(6,004)	(1,127)
Net cash generated/(used in)from operating activities	768	1,016	3,284	(1,057)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
(Advance to)/repayment from associated companies	3	(379)	1	(337)
(Additional)/disposal of investment in associated company	(1)	(46)	33	(46)
Purchase of fixed assets	(911)	(960)	(1,463)	(2,123)
Proceeds from sale of fixed assets	11	94	54	103
Purchase of Intangible assets	-	(349)	-	(349)
Net cash used in investing activities	(898)	(1,640)	(1,375)	(2,752)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Proceeds from issuance of shares	1,096	462	2,086	1,957
Dividends paid to shareholders	(8,321)	(6,524)	(8,321)	(6,524)
Proceeds of short term loans from bankers	8,912	9,898	6,142	8,636
(Repayment)/proceeds of finance leasing obligations	(21)	13	(4)	143
Net cash generated/(used in)from financing activities	1,666	3,849	(97)	4,212
Net increase in cash and cash equivalents	1,535	3,225	1,812	403
Cash and cash equivalents at beginning of period	29,638	18,716	29,362	21,538
Cash and cash equivalents at end of period	31,174	21,941	31,174	21,941

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	Share capital	Share premium	Revenue Reserve	Other reserves	Translation reserve	Minority Interest	Total Equity
S\$'000							
At 1 January 2005 as restated	16,028	65,450	(12,159)	1,857	(1,665)	12	69,523
Foreign currency translation differences	-	-	-	-	262	-	262
Net fair value changes of cashflow hedges	-	-	-	(286)	-	-	(286)
Net profit for the period	-	-	3,327	-	-	(12)	3,315
Cost of share-based payments	-	-	-	122	-	-	122
Issuance of ordinary share for cash	229	1,266	-	-	-	-	1,495
At 31 Mar 2005	16,257	66,716	(8,832)	1,693	(1,403)	-	74,431
Foreign currency translation differences	-	-	-	-	819	-	819
Net fair value changes of cashflow hedges	-	-	-	(443)	-	-	(443)
Net profit for the period	-	-	3,685	-	-	-	3,685
Dividend for 2004 declared and paid	-	-	(6,524)	-	-	-	(6,524)
Cost of share-based payments	-	-	-	123	-	-	123
Issuance of ordinary share for cash	66	395	-	-	-	-	461
At 30 June 2005	16,323	67,111	(11,671)	1,373	(584)	-	72,552
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	-	-	-	-	(2,685)	-	(2,685)
Net fair value changes of cashflow hedges	-	-	-	515	-	-	515
Net profit for the period	-	-	6,009	-	-	(10)	5,999
Transfer from Other Reserves-on exercise of share options	212	-	-	(212)	-	-	-
Issuance of ordinary share for cash	990	-	-	-	-	-	990
At 31 Mar 2006	86,241	-	9,448	1,120	(4,608)	3	92,204
Foreign currency translation differences	-	-	-	-	(375)	-	(375)
Net fair value changes of cashflow hedges	-	-	-	566	-	-	566
Net profit for the period	-	-	7,098	-	-	(3)	7,095
Dividend for 2005 declared and paid	-	-	(8,321)	-	-	-	(8,321)
Transfer from Other Reserves-on exercise of share options	261	-	-	(261)	-	-	-
Issuance of ordinary share for cash	1,096	-	-	-	-	-	1,096
At 30 June 2006	87,598	-	8,225	1,425	(4,983)	-	92,265

Company	Share capital	Share premium	Revenue Reserve	Other reserves	Translation reserve	Total Equity
SS'000						
At 1 January 2005 as restated	16,028	65,450	8,028	1,857	14	91,377
Foreign currency translation differences	--	--	--	--	371	371
Net fair value changes of cashflow hedges	--	--	--	(286)	--	(286)
Net profit for the period	--	--	227	--	--	227
Cost of share-based payments	--	--	--	122	--	122
Issuance of ordinary share for cash	229	1,266	--	--	--	1,495
At 31 Mar 2005	16,257	66,716	8,255	1,693	385	93,306
Foreign currency translation differences	--	--	--	--	142	142
Net fair value changes of cashflow hedges	--	--	--	(443)	--	(443)
Net profit for the period	--	--	428	--	--	428
Dividend for 2004 declared and paid	--	--	(6,524)	--	--	(6,524)
Cost of share-based payments	--	--	--	123	--	123
Issuance of ordinary share for cash	66	395	--	--	--	461
At 30 June 2005	16,323	67,111	2,159	1,373	527	87,493
At 1 January 2006	16,491	68,548	6,212	817	(10)	92,058
Transfer to share capital	68,548	(68,548)	--	--	--	--
Foreign currency translation differences	--	--	--	--	22	22
Net fair value changes of cashflow hedges	--	--	--	515	--	515
Net profit for the period	--	--	235	--	--	235
Transfer from Other Reserves-on exercise of share options	212	--	--	(212)	--	--
Issuance of ordinary share for cash	990	--	--	--	--	990
At 31 Mar 2006	86,241	--	6,447	1,120	12	93,820
Foreign currency translation differences	--	--	--	--	12	12
Net fair value changes of cashflow hedges	--	--	--	566	--	566
Net profit for the period	--	--	2,990	--	--	2,990
Dividend for 2005 declared and paid	--	--	(8,321)	--	--	(8,321)
Transfer from Other Reserves-on exercise of share options	261	--	--	(261)	--	--
Issuance of ordinary share for cash	1,096	--	--	--	--	1,096
At 30 June 2006	87,598	--	1,116	1,425	24	90,163

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.

During 2Q 2006, there was an issue of 1,954,000 ordinary shares of \$0.05 each in the capital of the Company arising from the exercise of options to subscribe for 649,000 and 1,305,000 of 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.

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 30 June 2006, there were unexercised options for 6,457,000 (31 December 2005 : 9,405,000) and 209,000 (31 December 2005: 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.

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:-

	2Q 2006	2Q 2005	1H 2006	1H 2005
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	2.13	1.13	3.95	2.16
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	2.11	1.12	3.90	2.14

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	325,134,407	329,812,907	324,312,241
Weighted average number of shares issued during the period	3,344,901	803,495	2,185,801	403,967
Weighted average number of shares	333,157,808	325,937,902	331,998,708	324,716,208

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	333,157,808	325,937,902	331,998,708	324,716,208
Weighted average number of unissued shares under share options	7,674,099	14,100,505	8,833,199	15,334,630
Number of shares that would have been issued at fair value under share options	(4,070,035)	(11,493,546)	(4,556,331)	(12,160,705)
Adjusted weighted average number of shares	336,761,872	328,544,861	336,275,576	327,890,133

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	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Net asset value per ordinary share based on existing issued share capital (in cents)	27.61	26.49	26.98	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

Operations across all geographical regions had performed well. The Group recorded an increase in revenue of \$28.2 million (49.1%) to \$85.8 million in 2Q 2006 from \$57.6 million in 2Q 2005 and an increase in profit after tax by \$3.4 million (92.6%) to \$7.1 million in 2Q 2006 from \$3.7 million in 2Q 2005.

Performance of Geographical Segments

SS'000	2Q 2006	2Q 2005	Variance %	1H 2006	1H 2005	Variance %
Revenue						
Asia-Pacific	20,991	20,009	4.9%	39,050	33,513	16.5%
The Americas	41,610	28,973	43.6%	76,215	58,661	29.9%
Europe/Middle East/Africa	23,190	8,568	170.7%	39,110	17,215	127.2%
Group	85,791	57,550	49.1%	154,375	109,389	41.1%
Profit after tax, amortisation and minority interest						
Asia-Pacific	1,159	1,413	-18.0%	2,306	2,285	0.9%
The Americas	3,426	2,077	64.9%	5,706	4,513	26.4%
Europe/Middle East/Africa	2,513	195	N.M.	5,095	214	N.M.
Group	7,098	3,685	92.6%	13,107	7,012	86.9%

For 2Q 2006, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 24.5%, 48.5% and 27.0% to revenue and 16.3%, 48.3% and 35.4% to profit after tax and minority interest respectively.

Performance of Business Segments

SS'000	2Q 2006	2Q 2005	Variance %	1H 2006	1H 2005	Variance %
Revenue						
Industrial	85,791	57,550	49.1%	154,375	109,389	41.1%
IT Consulting	-	-	-	-	-	-
Group	85,791	57,550	49.1%	154,375	109,389	41.1%
Profit after tax, amortisation and minority interest						
Industrial	6,743	3,403	98.1%	12,531	6,970	79.8%
IT Consulting	355	282	25.9%	576	42	N.M.
Group	7,098	3,685	92.6%	13,107	7,012	86.9%

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

Liquidity and Capital Resources

For 2Q 2006, CSE generated an operational cash inflow of \$0.8 million. At the end of the period, CSE's net gearing was 0.55 times.

Orders

\$'000	Industrial Business
Outstanding orders b/f from 2Q 2006	182,633
Q2 2006 order book in	87,492
Q2 2006 sales	(85,791)
Outstanding orders c/f to 3Q 2006	184,334

For 2Q 2006, CSE received new orders totaling \$87.5 million and the outstanding orders as at end of 2Q 2006 is \$184.3 million.

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.

CSE expects its business environment to remain competitive. Prospects remain good and CSE is confident of a strong performance in the next quarter and for the rest of this financial year.

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

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

No interim ordinary dividend been declared or recommended during the current financial period or the previous corresponding financial period.

(b)(i) Amount per share cents / (rate %).

Not applicable

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

Not applicable

(c) Whether the dividend is before, net of tax or tax-exempt. If before tax or net of tax, state the tax rate and country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(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.

Not applicable.

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

Not applicable.

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

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

Business Segments

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 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	Not applicable.	Not applicable.	Not applicable.	Not applicable.
Profit/(Loss) before tax reported for the second half of the year	Not applicable.	Not applicable.	Not applicable.	Not applicable.

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

Not applicable.

17. Interested person transactions

Not applicable.

By order of the Board

Tan San-Ju
Company Secretary

10 Aug 2006