

Full Year Financial Statement And Dividend Announcement For The Year Ended 31 December 2008

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	2008	Group 2007	Change %
Revenue	441,518	404,696	9%
Cost of sales	(276,473)	(257,088)	8%
Gross profit	165,045	147,608	12%
Other operating income (Note 1)	1,757	1,746	1%
Administrative costs (Note 2)	(81,579)	(75,022)	9%
Selling and distribution costs	(6,753)	(6,762)	-0.1%
Other operating costs (Note 3)	(7,550)	(4,462)	69%
Finance costs (Note 4)	(5,668)	(5,936)	-5%
Share of results of associated companies, net of tax	274	567	-52%
Total expenses	(101,276)	(91,615)	11%
Profit before taxation	65,526	57,739	13%
Taxation (Note 5)	(17,273)	(15,679)	11%
Profit for the year	48,253	42,060	15%
Attributable to :			
Shareholders of the Company	48,253	42,059	15%
Minority interest, net of tax	-	1	N.M.
	48,253	42,060	15%
Earnings per shares (in cents)			
- Basic	9.65	8.33	
- Diluted	9.16	8.25	

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		Change %
	2008	2007	
<u>Profit before taxation is arrived at after charging/(crediting) the following:</u>			
(A) Interest on borrowings (Note 4)	5,338	5,510	-3%
(B) Depreciation and amortisation	3,899	3,450	13%
(C) Allowance for doubtful debts and bad debts	(77)	265	-129%
(D) Foreign exchange loss *	2,343	898	N.M.
(E) Changes in fair value of derivative financial instruments *	3,905	34	N.M.
(F) Loss/(gain) on sale of property, plant and equipment	55	(128)	N.M.
(G) Impairment of investment in associated company, net	-	2,507	N.M.
<i>N.M. – Not meaningful</i>			

Note 1

S\$'000	Group		Change %
	2008	2007	
Rental income	409	206	98%
Commission income	71	29	N.M.
Miscellaneous income	245	209	17%
Gain on disposal of an associated company	41	-	N.M.
Miscellaneous income	766	444	82%
Finance income	991	1,302	-24%
Other operating income	1,757	1,746	3%
<i>N.M. – Not meaningful</i>			

Note 2

The increase in the administrative costs for FY2008 was mainly due to the Group's inclusion of the operating results of the newly acquired subsidiaries, W. Arthur Fisheries Ltd, New Zealand and CSE-Hankin, Inc, United States in August 2008 and in October 2008 respectively.

Note 3

S\$'000	Group		Change %
	2008	2007	
Allowance for doubtful debts and bad debts	(77)	265	N.M.
Miscellaneous expenses	(27)	103	N.M.
Amortisation of intangible assets #	1,314	755	74%
Impairment of investment in associated company	-	5,834	N.M.
Negative goodwill	-	(3,327)	N.M.
Loss/(gain) on sale of property, plant and equipment	55	(128)	N.M.
Allowance for stock obsolescence	37	28	33%
Foreign exchange loss*	2,343	898	N.M.
Changes in fair value of derivative financial instruments*	3,905	34	N.M.
	7,550	4,462	68%
<i>N.M. – Not meaningful</i>			

The increase in amortisation of intangible assets was mainly due to the consolidation of CSE Environment System Inc (formerly known as ESPC Inc), previously an associated company.

*The foreign exchange loss of S\$2.3m was mainly due to the prevailing rate exceeding the hedged rate and S\$3.9m loss was the fair value of derivative financial instruments which did not qualify for hedge accounting.

Note 4

The decrease in finance costs for FY2008 was mainly due to the reduction in loan interest rate.

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.

	Group		Company	
	31-Dec-08 S\$'000	31-Dec-07 S\$'000	31-Dec-08 S\$'000	31-Dec-07 S\$'000
NON-CURRENT ASSETS				
Property, plant and equipment	12,669	12,902	136	222
Investment in subsidiaries	-	-	192,702	174,125
Associated companies	7,283	7,009	-	-
Other investment	190	190	190	190
Intangible assets	67,775	70,457	73	103
Deferred tax assets	4,225	3,993	26	17
CURRENT ASSETS				
Projects in progress (Note 6)	87,056	74,128	-	-
Stocks (Note 6)	11,094	9,412	-	-
Trade debtors (Note 6)	93,046	79,505	5,684	4,360
Other debtors and deposits	3,998	2,606	1,115	83
Prepayments	3,926	3,399	7	10
Amount due from subsidiary companies	-	-	45,482	48,233
Amount due from an associated company	717	6	-	-
Short-term deposits	3,697	8,771	-	-
Cash & bank balances	38,943	50,137	999	2,261
	242,477	227,964	53,287	54,947
CURRENT LIABILITIES				
Projects in progress (Note 6)	15,978	13,370	-	-
Trade creditors & accruals	67,252	63,514	10,682	5,230
Finance leases	177	199	-	-
Amount due to bankers	117,431	80,460	102,965	78,919
Amount due to subsidiary companies	-	-	53,946	25,157
Amount due to an associated company	77	2	-	-
Provision for warranties	1,582	1,570	-	-
Provision for taxation	9,013	3,354	-	325
	211,510	162,469	167,593	109,631
Net current assets/(liabilities)	30,967	65,495	(114,306)	(54,684)
NON-CURRENT LIABILITIES				
Deferred tax liabilities	(3,672)	(4,115)	-	-
Finance leases	(398)	(380)	-	-
Amounts due to bankers	(10,777)	(19,172)	(10,777)	(19,172)
	108,262	136,379	68,044	100,801
Equity attributable to equity holders of company				
Share capital	92,498	90,343	92,498	90,343
Treasury shares	(28,043)	-	(28,043)	-
Revenue reserve	79,985	54,545	3,581	9,774
Other reserves	-	653	-	653
Foreign currency translation reserve (Note 7)	(36,192)	(9,176)	8	31
Total Shareholders' Fund	108,248	136,365	68,044	100,801
Minority interest	14	14	-	-
	108,262	136,379	68,044	100,801

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Note 6

The billing cycle turnover period comprising Stocks, Net Project-in-progress, Unbilled Receivables and Trade Debtors as of 31 December 2008 increased to 145 days from 135 days as at 31 December 2007. Several large projects in the USA, United Kingdom and South-East Asia have reached billing milestone in December 2008, resulting higher receivables or will reach billing milestones in 1st half of 2009, resulting in higher project in progress and stocks.

Note 7

CSE accounted S\$16.8 million of translation loss in FY2008 when it translated the net assets of its subsidiaries whose functional currencies are USD, EUR, GBP and AUD. It also accounted for S\$10.2 million of hedging loss in FY2008 when it hedged the net assets of its subsidiaries whose functional currency is USD.

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 2008		As at 31 Dec 2007	
Secured	Unsecured	Secured	Unsecured
NIL	\$117,608,000	NIL	\$80,659,000

Amount repayable after one year

As at 31 Dec 2008		As at 31 Dec 2007	
Secured	Unsecured	Secured	Unsecured
NIL	\$11,175,000	NIL	\$19,552,000

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.

	FY2008	FY2007
S\$*000		
CASH FLOWS FROM OPERATING ACTIVITIES :-		
Profit before taxation	65,526	57,739
Adjustments for :-		
Depreciation for property, plant and equipment	2,585	2,695
Amortisation of intangible assets	1,314	755
Loss/(gain) on disposal of property, plant and equipment	55	(128)
Gain on disposal of associated company	(41)	-
Fixed assets written off	-	2
Impairment of investment in associated company, net	-	2,507
Share of results of associated companies	(274)	(567)
Changes in fair value of derivative financial instruments	3,905	34
Write back of share-based payment expense on cancellation of share options	(19)	(5)
Interest expense	5,338	5,510
Interest income	(991)	(1,302)
Currency realignment (Note 8)	(12,396)	(683)
Operating profit before reinvestment in working capital	65,002	66,557
Increase in debtors	(11,298)	(5,194)
(Increase)/decrease in projects-in-progress, net and stocks	(14,479)	1,360
Decrease in creditors	(2,633)	(1,349)
Cash generated from operations	36,592	61,374
Interest paid	(5,338)	(5,510)
Interest received	991	1,302
Income tax paid	(12,637)	(15,925)
Net cash generated from operating activities	19,608	41,241
CASH FLOWS FROM INVESTING ACTIVITIES		
(Advance to)/ repayment from associated companies	(637)	57
Acquisitions of subsidiary companies, net	(6,734)	(3,411)
Repayment of balance purchase consideration of subsidiary acquired	-	(30,917)
Proceeds from disposal of equity interest in an associated company	41	-
Purchase of other investments	-	(190)
Purchase of property, plant and equipment	(2,938)	(3,104)
Proceeds from sale of property, plant and equipment	87	260
Additions of intangible assets	(34)	(1,377)
Net cash used in investing activities	(10,215)	(38,682)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,521	1,400
Share buy back	(28,043)	-
Dividends paid to shareholders	(22,813)	(11,755)
Short term loans from bankers	28,577	1,886
Repayment of finance leasing obligations	(5)	(197)
Net cash used in financing activities	(20,763)	(8,666)
Net effect of exchange rate changes on cash and cash equivalents	(4,899)	(1,886)
Net decrease in cash and cash equivalents	(16,269)	(7,993)
Cash and cash equivalents at beginning of year	58,908	66,901
Cash and cash equivalents at end of year	42,639	58,908

Note 8

The currency realignment of S\$12.4 million was a result of CSE translating the non-monetary current assets and current liabilities of its subsidiaries whose functional currencies are USD, EUR, GBP and AUD.

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	Treasury shares	Revenue reserve	Other reserves	Translation reserve	Minority interest	Total equity
S\$'000							
At 1 January 2007	88,412	–	24,241	1,189	(5,455)	13	108,400
Foreign currency translation differences	–	–	–	–	(3,928)	–	(3,928)
Hedging of net investment	–	–	–	–	207	–	207
Net profit for the period	–	–	42,059	–	–	1	42,060
Dividend for 2006 declared and paid	–	–	(11,755)	–	–	–	(11,755)
Transfer from other reserves-on exercise of share options	531	–	–	(531)	–	–	–
Cancellation of employee share options	–	–	–	(5)	–	–	(5)
Issuance of ordinary shares for cash	1,400	–	–	–	–	–	1,400
At 31 December 2007	90,343	–	54,545	653	(9,176)	14	136,379
At 1 January 2008	90,343	–	54,545	653	(9,176)	14	136,379
Foreign currency translation differences	–	–	–	–	(16,799)	–	(16,799)
Hedging of net investment	–	–	–	–	(10,217)	–	(10,217)
Net profit for the period	–	–	48,253	–	–	–	48,253
Dividend for 2007 declared and paid	–	–	(17,764)	–	–	–	(17,764)
Transfer from other reserves-on exercise of share options	634	–	–	(634)	–	–	–
Cancellation of employee share options	–	–	–	(19)	–	–	(19)
Issuance of ordinary shares for cash	1,521	–	–	–	–	–	1,521
Dividend for 2008 declared and paid	–	–	(5,049)	–	–	–	(5,049)
Share buy-back	–	(28,043)	–	–	–	–	(28,043)
At 31 December 2008	92,498	(28,043)	79,985	–	(36,192)	14	108,262

1(d)(i) continued

Company	Share capital	Treasury share	Revenue reserve	Other reserves	Translation reserve	Total equity
S\$*000						
At 1 January 2007	88,412	–	9,702	1,189	34	99,337
Foreign currency translation differences	–	–	–	–	(3)	(3)
Net profit for the period	–	–	11,827	–	–	11,827
Dividend for 2006 declared and paid	–	–	(11,755)	–	–	(11,755)
Transfer from other reserves-on exercise of share options	531	–	–	(531)	–	–
Cancellation of employee share options	–	–	–	(5)	–	(5)
Issuance of ordinary shares for cash	1,400	–	–	–	–	1,400
At 31 December 2007	90,343	–	9,774	653	31	100,801
At 1 January 2008	90,343	–	9,774	653	31	100,801
Foreign currency translation differences	–	–	–	–	(23)	(23)
Net profit for the period	–	–	16,620	–	–	16,620
Dividend for 2007 declared and paid	–	–	(17,764)	–	–	(17,764)
Transfer from other reserves-on exercise of share options	634	–	–	(634)	–	–
Cancellation of employee share options	–	–	–	(19)	–	(19)
Issuance of ordinary shares for cash	1,521	–	–	–	–	1,521
Dividend for 2008 declared and paid	–	–	(5,049)	–	–	(5,049)
Share buy-back	–	(28,043)	–	–	–	(28,043)
At 31 December 2008	92,498	(28,043)	3,581	–	8	68,044

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 well as the number of shares held as treasury shares, if any, against the total number of issue shares excluding treasury shares of the issuer, 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 2008, there was an issue of 4,295,250 shares in the capital of the Company arising from the exercise of options to subscribe for 4,260,000 and 35,250 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.

For the financial year ended 31 December 2008, there were share buy backs of 35,022,000 ordinary shares in the capital of the Company.

Other than the above-mentioned, there were no other changes in the Company's share capital arising from rights 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 2008, there were no unexercised shares options (31 December 2007 : 4,375,500 and 57,750) 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.

Treasury Shares

As at 31 December 2008, there were 35,022,000 treasury shares (31 December 2007: nil) in the share capital of the Company.

1(d)(iii) To show the total number of issued shares, excluding treasury shares at the end of the current financial period and as at the end of the immediately preceding year.

Number of shares as at 31 December 2008	: 476,045,852
Number of shares as at 31 December 2007	: 506,772,602

1(d)(iv) A statement showing all sales, transfers, disposals, cancellations and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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 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 2007.

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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

	Current Year FY 2008	Previous Year FY 2007
Earnings per ordinary share of the Group after deducting any provision for preference dividends (in cents) :-		
(a) Based on weighted average number of ordinary shares in issue; and	9.65	8.33
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	9.16	8.25

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	506,772,602	502,652,861
Weighted average number of shares issued during the period	2,430,110	2,448,712
Weighted average number of shares buy-back during the period	(9,251,984)	-
Weighted average number of shares	499,950,728	505,101,573

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	499,950,728	505,101,573
Weighted average number of unissued shares under share options adjusted for bonus issue	2,003,140	6,123,184
Weighted average number of treasury shares	25,770,016	-
Number of shares that would have been issued at fair value under share options	(813,642)	(1,604,893)
Adjusted weighted average number of shares	526,910,242	509,619,864

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

	31 December 2008		31 December 2007	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued shares, excluding treasury shares (in cents)	22.74	14.29	26.91	19.89

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 cashflow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Performance

The Group recorded an increase in revenue of S\$36.8 million (9.1%) to \$441.5 million in FY2008 from S\$404.7 million in FY2007 and an increase in profit after tax of S\$6.2 million (14.7%) to S\$48.3 million from S\$42.1 million in FY2007.

The Group's performance was affected by the lower foreign exchange rates used for translating the revenue and profit after tax in FY 2008 compared with the foreign exchange rate used for FY2007. The average foreign exchange rates against SGD used for full year of FY2008 are 6.0% lower for USD, 13.7% lower for GBP, 0.5% higher for EUR and 5.3% lower for AUD and 2.7% higher for USD, 22.4% lower for GBP, 7.0% lower for EUR and 23.4% lower for AUD for the Q4 2008 as compared to the average foreign exchange rates used for FY2007 and Q4 2007 respectively. The Group derived approximately 58%, 18%, 3% and 12% of its revenues and approximately 56%, 25%, 2% and 10 % of its profit after tax in USD, GBP, EUR and AUD respectively for FY2008. The Group derived approximately 18%, 13%, 3% and 61% of its revenues and approximately 102%, 44%, -6% and 17% of its profit after tax in USD, GBP, EUR and AUD respectively for Q4 2008.

The Group would have recorded an improved performance in all regions for the year had the foreign exchange rates remained constant. The growth in the Asia-Pacific region can be attributed to more projects wins in Australia, China and South-East Asia. CSE improved the net profit after tax margins in the Americas due to higher labour contents projects. The Europe/Middle East/Africa region showed a slower growth as the decline in the performance in United Kingdom partially offset the growth in Middle East/Africa.

Performance of Geographical Segments

S\$*000	FY 2008	FY 2007	Growth %	FY 2008 Constant FX	Growth % Constant FX
Revenue					
Asia-Pacific	143,261	106,321	34.7%	148,203	39.4%
The Americas	161,291	156,476	3.1%	170,688	9.1%
Europe/Middle East/Africa	136,966	141,899	-3.5%	151,209	6.6%
Group	441,518	404,696	9.1 %	470,101	16.2%
Profit after tax, amortization and minority interest					
Asia-Pacific	16,247	9,499	71.0%	16,813	77.0%
The Americas	14,221	12,741	11.6%	14,983	17.6%
Europe/Middle East/Africa	17,785	19,819	-10.3%	19,979	0.8%
Group	48,253	42,059	14.7%	51,775	23.1%

For FY2008, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 32.5%, 36.5% and 31.0% to revenue and 33.7%, 29.5% and 36.8% to profit after tax and minority interest respectively.

Performance of Business Segments

S\$'000	FY 2008	FY 2007	Variance %
Revenue			
Industrial	441,518	404,696	9.1%
IT Consulting	-	-	-
Group	441,518	404,696	9.1%
Profit after tax, amortization and minority interest			
Industrial	47,979	40,946	17.2%
IT Consulting	274	1,113	-75.4%
Group	48,253	42,059	14.7%

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 operational cash inflow of S\$19.6 million in FY2008 after accounting for S\$12.4 million currency realignment arising from translation the non-monetary current assets and current liabilities of its subsidiaries whose functional currencies are USD, EUR, GBP and AUD. CSE has bought back 35.0 million ordinary shares in the capital of the Company worth S\$28.0 million which reduced both its cash holding and shareholders fund. This resulted in CSE's net gearing increasing to 0.79 times at the end of FY2008. To improve the net gearing in future, CSE has suspended the share buyback programme in October 2008 and worked with its customers (particularly for the larger projects) to reach the billing milestones in 1st half 2009. This will allow CSE to shorten the billing/collection cycle.

Orders

S\$ million	2008	2007
Outstanding orders		
Oil & gas, mining & minerals & infrastructure	212.7	241.1
Healthcare	56.8	81.0
Total	269.5	322.1

The outstanding orders as at end of FY2008 compared with end of FY2007 decreased by 16.3% from S\$322.1 million to S\$269.5 million. Approximately 44%, 41%, 1% and 3% of the outstanding orders as at end of FY2008 and 31%, 57%, 1% and 3% of the outstanding orders as at end of FY2007 are in USD, GBP, EUR and AUD respectively.

CSE received new orders of S\$425.9 million in FY2008 (S\$435.1 million in FY2007). The changes in foreign exchange rates reduced the outstanding orders by S\$37.0 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 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 expects its business environment to be difficult and challenging in its existing markets. CSE is cautious and will focus on streamlining and improving its business processes and operations, cost control and cash flow generation to position itself to meet any future potential challenges as well as to capitalize on opportunities to enhance its operations.

CSE's performance will be affected by changes in foreign exchange rates. The difference between the closing foreign exchange rates and the average foreign exchange rates for FY2008 are: +2.2% for USD, -17.5% for GBP, -2.5% for EUR and -17.6% AUD

We have outstanding orders as at end of FY2008 of S\$269.5 million. CSE remains confident that it will be profitable in FY2009.

11. Dividend:-**(a) Current financial reported on**

Name of Dividend	First	Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	1 cent per ordinary share	3.0 cents per ordinary share
Tax rate	Tax exempt (1-Tier)	Tax exempt (1-Tier)

(b) Corresponding Period of the Immediate Preceding Financial Year

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

(c) Date dividend is payable

Not applicable

(d) Book closure date

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”) offers

- a. a wide and diverse range of solutions involving the implementation of Control and Safety Shutdown Systems, Plant Information Systems, Terminal Automation Systems, Pneumatic and Hydraulic Control Systems, Subsea Control Systems, Supervisory Control and Data Acquisition (SCADA) Systems, Instrumentation and Electrical Field Construction Services for applications to the Oil and Gas, Power, Water and Sewerage, Process and Utility industries on a turnkey basis;
- b. turnkey telecommunication network solutions for infrastructure projects to the Oil and Gas and Power industry including voice, data, radio, video, security access and LAN/WAN telecommunication systems;
- c. electrical engineering products/solution to the Mining, Process, Power generation, Power Transmission/Distribution, Oil and Gas, Water and Sewerage and Manufacturing industries, specializing in the supply and support of high quality electrical engineering products such as protection and control and motor starting control equipment;
- d. SEPROL, TBOX and Kingfisher Ranges of RTU products designed for SCADA applications in a broad range of industries;
- e. 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, Community, Maternity and Children; and
- f. Intelligent Transport 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.
- g. Designs and installs high temperature thermal process and incineration systems
- h. Supplies multiple hearth, fluidized bed, shaft kiln and rotary kiln furnace systems usually on an installed basis, to municipal and industrial clients in the United States, Asia, Europe and South America.

IT Consulting Business Unit (“ITCBU”) offers

- a. 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			
	2008	2007	Variance	Variance (%)
Turnover reported for first half of the year	211,665	179,604	32,061	17.9
Profit/(Loss) before tax reported for the first half of the year	34,932	26,270	8,662	33.0
Turnover reported for second half of the year	229,853	225,092	4,761	2.1
Profit/(Loss) before tax reported for the second half of the year	30,594	31,469	(875)	-2.8

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	19,331	17,764
Preference	-	-
Total:	19,331	17,764

17. Interested person transactions

Not applicable.

By order of the Board

Tan San-Ju
Company Secretary

25 February 2009