



(Reg No198703851D)

## Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2013

### Key Financial Performance

S\$'000	2013	2012 (Reclassified)	Change
Revenue from continuing operations	416,039	448,241	-7.2%
Profit from continuing operations before Goodwill written off after taxation	31,750	28,796	10.3%
Profit attributable to owners of the Company before discontinued operations and gain from disposal of subsidiaries/associated company and goodwill written off	30,376	28,796	5.5%
Goodwill written off	(26,991)	-	N.M
Profit from discontinued operations	15,000	18,115	N.M
Gain from disposal of subsidiaries / associated company	90,379	9,186	N.M
Profits attributable to the owners of the Company	108,764	56,097	93.9%
Basic earnings from continuing operations per ordinary share (in cents)	5.89	5.58	5.5%
Net asset value per ordinary share (in cents)	37.41	44.80	-16.5%
Net cash generated in operating activities	71,886	34,931	N.M
Net gearing (%)	-	19.2	-
New orders received for continuing operations	362,658	422,208	-14.1%
Outstanding orders for continuing operations	227,204	278,561	-18.4%
Final dividend (proposed for FY2013, in cents)	2.0	2.75	N.M
Special dividend (proposed for FY2013, in cents)	1.0	-	N.M

### Review of Performance

The Group achieved full year profit after tax and non-controlling interests in FY2013 from continuing operations of S\$30.4 million on revenue of S\$416.0 million, representing a 5.5% improvement in operating profit after tax over FY2012. Taking into account the gain from disposal of subsidiaries/associated company, profits from discontinued operations and goodwill written off, there was an overall improvement of 93.9% in net profit as compared to FY2012. The Group made an additional provision for project overruns of S\$8.1 million in FY2013 for a Middle East project (S\$1.9 million in FY2012) due to project delay. Power Diesel, which was acquired in December 2012, contributed profit after tax and non-controlling interests of S\$1.7 million and the newly acquired subsidiary (July 2013) S3 ID Group contributed profit after tax and non-controlling interests of S\$0.6 million to the Group in FY2013.

The gross margin in FY2013 was 27% as compared to 24% for FY2012 for continuing operations. The most significant part of the improvement was the higher level of off-shore projects in the USA.

The basic earnings from continuing operations per ordinary share of 5.89 cents, was 5.5% higher than the prior year. The Group ended the year with new orders received of S\$362.7 million and an outstanding orders balance of S\$227.2 million.

The Group generated net cash from operating activities of S\$71.9 million in FY2013, compared to a cash surplus of S\$34.9 million for FY2012. Net cash generated represented 158.4% of profit after tax in FY2013 excluding the gain on divestment of the UK business which generated an additional cash inflow of S\$194.7 million in the year and excluding goodwill written off. The Group made a final dividend payment of S\$14.2 million for FY2012 in May 2013 and a FY2013 interim dividend payment of 1.5 cents per share, totalling S\$7.7 million, in September 2013. The Group is in positive net cash position as at the end of FY2013 compared with net gearing of 19.2% as at the end of FY2012.



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The Group completed the divestment of the UK business through a separate listing in London on 2 December 2013 and declared an interim special dividend of 28.0 cents per share from the proceeds of the divestment.

### Gross Margin

SS'000	FY2013	FY2012 (Reclassified)	Change	FY2012 (As Previously Reported)
Revenue	416,039	448,241	-7%	448,241
Gross Profit	111,563	109,699		127,482
Gross Margin %	27%	24%		28%
Profit after Tax	108,764	56,097		56,097

The gross margins in FY2012 are slightly lower in % terms than the gross margins reported previously. Accordingly, overhead costs are also lower by a corresponding amount. Comparative gross margin numbers for the same period in the prior year are shown in the table above.

### Performance of Geographical Segments

SS'000	2013	2012	Change
<b>Revenue</b>			
Asia-Pacific	141,362	126,949	11.4%
The Americas	206,258	214,711	-3.9%
Europe/Middle East/Africa	68,419	106,581	-35.8%
<b>Continuing operations</b>	<b>416,039</b>	<b>448,241</b>	<b>-7.2%</b>
Discontinued operations	89,249	96,228	-7.3%
<b>Group</b>	<b>505,288</b>	<b>544,469</b>	<b>-7.2%</b>
<b>Profit after tax, amortisation and non-controlling interest</b>			
Asia-Pacific	16,632	13,472	23.5%
The Americas	15,474	12,922	19.7%
Europe/Middle East/Africa	4,979	3,924	26.9%
Provision for project cost overruns	(6,709)	(1,522)	N.M
<b>Continuing operations</b>	<b>30,376</b>	<b>28,796</b>	<b>5.5%</b>
Discontinued operations	15,000	18,115	N.M
Gain from disposal of subsidiaries/associated company	90,379	9,186	N.M
Goodwill written off	(26,991)	-	N.M
<b>Group</b>	<b>108,764</b>	<b>56,097</b>	<b>93.9%</b>

In FY2013, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 34.0%, 49.6% and 16.4% to revenue and 54.8%, 50.9% and -5.7% to profit after tax and non-controlling interests from continuing operations respectively.

The increase in revenue and profit after tax for FY2013 compared with FY2012 in the Asia-Pacific region was mainly due to an exchange gain of S\$0.8 million compared with an exchange loss suffered for FY2012 of S\$1.3 million and higher revenue recognition in FY2013.

The Americas region showed a 3.9% decrease in revenue and a significant increase of 19.7% in profits for FY2013 compared with FY2012 due to lower level of less profitable onshore activity in the USA compared to FY2012.



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The EMEA region showed 35.8% decrease in revenue and 26.9% increase in profits for FY2013 compared with FY2012 before provisions for project cost overruns due to the lower level of zero-margin revenue in the Middle East.

### Liquidity and Capital Resources

The Group generated net operational cash inflow of S\$71.9 million for FY2013 as a result of improved operating profits and a lower increase in working capital requirements than in FY2012. The Group also accounted for a S\$6.2 million foreign currency translation difference of the non-monetary current assets and current liabilities of its subsidiaries whose functional currencies are in USD, EUR, GBP and AUD. At the end of FY2013, the Group is in positive net cash position compared with net gearing of 19.2% as at the end of FY2012.

### Outstanding Orders

S\$ million	4Q2013	3Q2013	4Q2012
Automation	88.5	91.8	79.3
Telecommunications	123.7	150.7	177.0
Environmental	15.0	20.3	22.3
<b>Outstanding orders for continuing operations</b>	<b>227.2</b>	<b>262.8</b>	<b>278.6</b>
Outstanding orders for discontinued operations	–	102.6	105.9
<b>Total</b>	<b>227.2</b>	<b>365.4</b>	<b>384.5</b>

Outstanding orders as at the end of FY2013 compared with the end of FY2012 decreased by 18.4%. Outstanding orders at the end of FY2013 were S\$227.2 million comprised of outstanding orders for Automation, Telecommunication and Environmental.

### Outlook

With an outstanding order book of S\$227.2 million and a net cash position of S\$39.4 million at the end of FY2013, the Group is optimistic of its prospects for FY2014.



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## PART 1 – INFORMATION REQUIRED FOR 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.

SS'000	2013	2012 (Reclassified)	Change %
<b>Revenue</b>	416,039	448,241	-7.2%
<b>Cost of sales</b>	(296,393)	(336,672)	-12.0%
<b>Provision for project cost overruns</b>	(8,083)	(1,870)	N.M
<b>Gross profit</b>	111,563	109,699	1.7%
<b>Other operating income (Note 1)</b>	3,304	1,385	N.M
<b>Other operating expenses</b>			
Administrative costs	(65,970)	(61,411)	7.4%
Selling and distribution costs	(4,069)	(4,569)	-10.9%
Other operating costs (Note 2)	398	(748)	N.M
Finance costs (Note 3)	(5,720)	(5,304)	7.8%
<b>Total expenses</b>	(75,361)	(72,032)	4.6%
<b>Profit before taxation and Goodwill written off</b>	39,506	39,052	1.2%
Taxation (Note 4)	(7,756)	(10,256)	-24.4
<b>Profit from continuing operations after taxation before Goodwill written off</b>	31,750	28,796	10.3%
Goodwill written off (Note 5)	(26,991)	-	N.M
<b>Profit from continuing operations after taxation after Goodwill written off</b>	4,759	28,796	
Profit from discontinued operations	15,000	18,115	
Gain from disposal of subsidiaries/associated company	90,379	9,186	
	110,138	56,097	
<b>Attributable to :</b>			
Equity owners of the Company	108,764	56,097	93.9%
Non-controlling interests	1,374	-	N.M.
	110,138	56,097	96.3%
<b>Earnings per ordinary share (cents)</b>			
- basic before Goodwill written off, profit from discontinuing operations and gain from disposal of subsidiaries/associated company	5.89	5.58	5.5%
- basic	21.08	10.87	93.9%
- diluted	21.08	10.87	93.9%



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**Consolidated statement of comprehensive income for the year ended 31 December 2013**

<b>S\$'000</b>	<b>2013</b>	<b>Group 2012</b>	<b>Change %</b>
<b>Profit, net of tax</b>	108,764	56,097	93.9%
<b>Other comprehensive income :</b>			
Foreign currency translation	19,536	(11,202)	N.M
Hedging of net investments	–	288	N.M
<b>Other comprehensive income for the year, net of tax</b>	<u>19,536</u>	<u>(10,914)</u>	
<b>Total comprehensive income for the year</b>	<u>128,300</u>	<u>45,183</u>	N.M
<b>Total comprehensive income attributable to :</b>			
Owners of the Company	128,300	45,183	N.M
Non-controlling interests	1,374	–	N.M.
	<u>129,674</u>	<u>45,183</u>	N.M

*N.M. – Not meaningful*



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**1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-**

<b>S\$'000</b>	<b>2013</b>	<b>Group 2012</b>	<b>Change %</b>
Profit before taxation is arrived <u>at after charging/(crediting)</u> <u>the following:</u>			
(A) Interest on borrowings	3,587	4,151	-13.6%
(B) Depreciation and amortisation	3,509	3,423	2.5%
(C) Allowance for doubtful receivables, net ( <i>Note 2</i> )	376	–	N.M
(D) Allowance for inventory obsolescence ( <i>Note 2</i> )	143	781	N.M
(E) Loss/(gain) on disposal of property, plant and equipment ( <i>Note 2</i> )	208	(165)	N.M
(F) Gain on disposal intangible assets ( <i>Note 2</i> )	(1,563)	–	N.M

**Note 1**

<b>S\$'000</b>	<b>2013</b>	<b>Group 2012</b>	<b>Change %</b>
Rental income	189	220	-14.1%
Commission income	–	2	N.M
Miscellaneous income	1,890	2,007	-5.8%
Net exchange gain/(loss)	830	(1,282)	N.M
<b>Miscellaneous income</b>	<b>2,909</b>	<b>947</b>	N.M
Finance income	395	438	-10.0%
<b>Other operating income</b>	<b>3,304</b>	<b>1,385</b>	N.M

**Note 2**

<b>S\$'000</b>	<b>2013</b>	<b>Group 2012</b>	<b>Change %</b>
Allowance for doubtful receivables, net	376	–	N.M
Allowance for inventory obsolescence	143	781	N.M
Miscellaneous expenses	11	–	N.M
Amortisation of intangible assets ( <i>Note 6</i> )	427	132	N.M
Loss/(gain) on disposal of property, plant and equipment	208	(165)	N.M
Gain on disposal of intangible assets	(1,563)	–	N.M
	<b>(398)</b>	<b>748</b>	N.M

**Note 3**

The increase in finance costs was mainly due to the full amortisation of facility fees due to the early redemption of the term loan.

**Note 4**

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.

**Note 5**

Financial Reporting Standard 36 requires the Group to assess the value of intangible assets including goodwill. The assessment at the end of FY13 resulted in the decision to write off intangible assets (goodwill) pertaining to CSE-Transtel Pte Ltd. and Astib Group.

**Note 6**

Amortisation of intangible assets increased due to purchase price allocation for the acquisition of S3 ID Group.



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**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

S\$'000	Group		Company	
	31-12-13	31-12-12 Reclassified	31-12-13	31-12-12 Reclassified
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	20,098	23,991	57	90
Investment in subsidiaries	-	-	222,551	186,400
Other investment	190	190	190	190
Intangible assets (Note 5)	44,515	61,402	1,451	1,612
Deferred tax assets	13,440	11,667	4,236	-
Non-current Assets held for sale (Note 7)	-	46,807	-	57,300
<b>CURRENT ASSETS</b>				
Projects in progress (Note 8)	53,955	65,661	-	-
Inventories (Note 8)	12,945	13,796	-	-
Trade & other receivables (Note 8)	113,451	123,444	1,649	1,285
Prepaid operating expenses	1,166	2,466	38	12
Amount due from subsidiary companies	-	-	6,456	48,133
Short-term deposits	3,676	4,635	-	-
Cash & bank balances	182,910	47,792	131,950	4,457
	368,103	257,794	140,093	53,887
Current Assets held for sale (Note 7)	-	69,957	-	-
	<b>368,103</b>	<b>327,751</b>	<b>140,093</b>	<b>53,887</b>
<b>CURRENT LIABILITIES</b>				
Projects in progress (Note 8)	15,610	24,649	-	-
Trade payables & accruals	72,452	66,131	17,974	6,062
Dividend payable	144,499	-	144,499	-
Finance leases	108	167	-	-
Loans and borrowings (Note 10)	1,457	28,408	1,056	28,321
Amount due to subsidiary companies	-	-	72,688	46,775
Provision for warranties	1,827	1,264	-	-
Provision for taxation	6,333	2,562	963	322
	242,286	123,181	237,180	81,480
Current Liabilities held for sale (Note 7)	-	20,246	-	-
	242,286	143,427	237,180	81,480
<b>Net current assets/(liabilities)</b>	<b>125,817</b>	<b>184,324</b>	<b>(97,087)</b>	<b>(27,593)</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	(3,495)	(4,458)	-	(686)
Finance leases	(239)	(351)	-	-
Loans and borrowings (Note 10)	(1,265)	(90,267)	-	(90,090)
	199,061	233,305	131,398	127,223
Non-current Liabilities held for sale (Note 7)	-	(582)	-	-
	<b>199,061</b>	<b>232,723</b>	<b>131,398</b>	<b>127,223</b>
<b>Equity attributable to owners of company</b>				
Share capital	98,542	98,542	98,542	98,542
Revenue reserve	131,337	189,005	22,980	18,805
Other reserves	9,805	9,805	9,876	9,876
Foreign currency translation reserve	(46,615)	(66,151)	-	-
<b>Total Shareholders' Fund</b>	<b>193,069</b>	<b>231,201</b>	<b>131,398</b>	<b>127,223</b>
Non-controlling interests (Note 9)	5,992	1,522	-	-
	<b>199,061</b>	<b>232,723</b>	<b>131,398</b>	<b>127,223</b>
<b>Group net cash/(borrowings)</b>	<b>183,864</b>	<b>(44,478)</b>		
<b>Group net cash/(borrowings) after the payment of the interim special dividend</b>	<b>39,365</b>	<b>-</b>		
<b>Group net gearing (%)</b>	<b>N.M</b>	<b>19%</b>		



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**Note 7**

The FY12 Group balance sheet has been reclassified to show the assets of discontinued operations as being held for sale in order to provide a more meaningful comparison of the Group balance sheet year on year. The assets and liabilities held for sale related to the disposal of UK subsidiaries in December 2013.

**Note 8**

The Group recognises revenue using the percentage of completion method and bills its customers based on contractually agreed milestones. There was no material change in the payment pattern of its customers or its payment pattern to its suppliers.

**Note 9**

The increase in non-controlling interests is mainly due to the non-controlling interest in the newly acquired subsidiary, S3 ID Group.

**Note 10**

The Group repaid the remaining balance of the S\$120.0 million 3-year facility from DBS Bank, OCBC Bank, Hongkong and Shanghai Banking Corporation and United Overseas Bank as arrangers in December 2013.

**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 2013</b>		<b>As at 31 Dec 2012</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	S\$1,457,000	NIL	S\$28,408,000

**Amount repayable after one year**

<b>As at 31 Dec 2013</b>		<b>As at 31 Dec 2012</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	S\$1,265,000	NIL	S\$90,267,000

**Details of any collateral**

Not Applicable.





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**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>SS'000</b>	<b>FY2013</b>	<b>FY2012</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES :-</u></b>		
Profit before tax from continuing operations	12,515	39,052
Profit before tax from discontinued operations	109,945	32,715
Profit before tax, total	122,460	71,767
Adjustments for :-		
Depreciation of property, plant and equipment	3,082	3,291
Amortisation of intangible assets	427	132
Property, plant and equipment written off	896	-
Intangible assets written off	26,991	-
Gain on disposal of property, plant and equipment	208	(165)
Gain on disposal of intangible assets	(1,563)	-
Gain on divestment of subsidiaries	(90,379)	-
Gain on disposal of associated company and discontinued operations	-	(9,516)
Depreciation of property, plant and equipment and amortization of intangible assets of discontinued operations	1,441	1,485
Changes in fair value of derivative financial instruments	-	288
Interest expense	3,588	4,151
Interest income	(395)	(438)
Currency realignment ( <i>Note 11</i> )	6,196	(4,892)
<b>Operating profit before reinvestment in working capital</b>	<b>72,952</b>	<b>66,103</b>
Decrease/(increase) in trade and other receivables and prepaid operating expenses	11,422	(29,863)
Decrease in gross amount due/(to) customers for contract work-in-progress, net and inventories	282	6,523
Increase in payables and accruals and provision for warranties	3,075	11,037
<b>Cash generated from operations</b>	<b>87,731</b>	<b>53,800</b>
Interest paid	(3,588)	(4,151)
Interest received	395	438
Income tax paid	(12,652)	(15,156)
<b>Net cash generated from operating activities</b>	<b>71,886</b>	<b>34,931</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisitions of subsidiary companies, net of cash acquired	(15,755)	(1,621)
Second tranche payment for the subsidiary acquired	(755)	-
Net proceeds from divestment of subsidiaries ( <i>Note 12</i> )	194,676	-
Disposal of associated company	-	20,044
Purchase of property, plant and equipment	(3,566)	(5,732)
Purchase of intangible assets	-	(1,693)
Proceeds from disposal of intangible assets	1,638	-
Proceeds from disposal of property, plant and equipment	1,793	739
<b>Net cash generated from investing activities</b>	<b>178,031</b>	<b>11,737</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Dividends paid to shareholders	(21,933)	(18,062)
Subsidiary's dividend paid to Non-controlling Interest	(816)	-
Repayment of short term borrowings ( <i>Note 10</i> )	(25,686)	(95,396)
Repayment of long term borrowings ( <i>Note 10</i> )	(90,267)	90,267
Repayment of finance lease obligations	(172)	(686)
<b>Net cash used in financing activities</b>	<b>(138,874)</b>	<b>(23,877)</b>
Net effect of exchange rate changes on cash and cash equivalents	1,346	(2,118)
Net increase in cash and cash equivalents	111,043	22,791
Cash and cash equivalents at beginning of year	52,427	53,524
Cash and cash equivalents at beginning of year of discontinued operations	21,770	-
<b>Cash and cash equivalents at end of year</b>	<b>186,586</b>	<b>74,197</b>



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**Note 11**

The currency realignment of S\$6.2 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.

**Note 12**

The proceeds are net of cash balances in the subsidiaries disposed of on the date of divestment.



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**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Attributable to equity holders of the Company**

<b>Group S\$'000</b>	<b>Share Capital</b>	<b>Revenue reserve</b>	<b>Foreign currency translation reserves</b>	<b>Other reserves</b>	<b>Total</b>	<b>Non- controlling interests</b>	<b>Total Equity</b>
At 1 January 2012	98,542	150,970	(55,237)	9,805	204,080	27	204,107
Total comprehensive income for FY 2012	–	56,097	(10,914)	–	45,183	–	45,183
Non-controlling interests in the newly acquired subsidiary	–	–	–	–	–	1,495	1,495
Dividend for 2011 declared and paid	–	(10,321)	–	–	(10,321)	–	(10,321)
Interim Dividend for 2012 declared and paid	–	(7,741)	–	–	(7,741)	–	(7,741)
<b>At 31 December 2012</b>	<b>98,542</b>	<b>189,005</b>	<b>(66,151)</b>	<b>9,805</b>	<b>231,201</b>	<b>1,522</b>	<b>232,723</b>
At 1 January 2013	98,542	189,005	(66,151)	9,805	231,201	1,522	232,723
Total comprehensive income for FY 2013	–	108,764	19,536	–	128,300	1,374	129,674
Subsidiary's dividend paid to Non-controlling interest	–	–	–	–	–	(816)	(816)
Non-controlling interests in the newly acquired subsidiary	–	–	–	–	–	3,400	3,400
NCI share of newly acquired subsidiaries	–	–	–	–	–	512	512
Dividend for 2012 declared and paid	–	(14,192)	–	–	(14,192)	–	(14,192)
Interim Dividend for 2013 declared and paid	–	(7,741)	–	–	(7,741)	–	(7,741)
Interim Special Dividend for 2013 declared	–	(144,499)	–	–	(144,499)	–	(144,499)
<b>At 31 December 2013</b>	<b>98,542</b>	<b>131,337</b>	<b>(46,615)</b>	<b>9,805</b>	<b>193,069</b>	<b>5,992</b>	<b>199,061</b>

<b>Company S\$'000</b>	<b>Share capital</b>	<b>Revenue reserve</b>	<b>Other reserves</b>	<b>Total Equity</b>
At 1 January 2012	98,542	32,385	9,876	140,803
Total comprehensive income for FY 2012	–	4,482	–	4,482
Dividend for 2011 declared and paid	–	(10,321)	–	(10,321)
Interim Dividend for 2012 declared and paid	–	(7,741)	–	(7,741)
<b>At 31 December 2012</b>	<b>98,542</b>	<b>18,805</b>	<b>9,876</b>	<b>127,223</b>
At 1 January 2013	98,542	18,805	9,876	127,223
Total comprehensive income for FY 2013	–	170,607	–	170,607
Dividend for 2012 declared and paid	–	(14,192)	–	(14,192)
Interim Dividend for 2013 declared and paid	–	(7,741)	–	(7,741)
Interim Special Dividend for 2013 declared	–	(144,499)	–	(144,499)
<b>At 31 December 2013</b>	<b>98,542</b>	<b>22,980</b>	<b>9,876</b>	<b>131,398</b>



(Reg No198703851D)

**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 corresponding period of the immediately preceding financial year.**

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 financial period reported on.

The Company does not have any outstanding convertibles and does not have any treasury shares.

**1(d)(iii) To show the total number of issued shares, excluding treasury shares as 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 2013	: 516,067,852
Number of shares as at 31 December 2012	: 516,067,852

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

There is no sale, transfer, disposal, cancellation and/or use of treasury shares for the current financial period.

**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 2012, except for that disclosed under item 5.



(Reg No198703851D)

**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 adopted the following revised Financial Reporting Standards (“FRS”) that are relevant and effective for annual periods beginning on or after 1 January 2013:

- Revised FRS 19 – Employee Benefits
- FRS 113 – Fair Value Measurement
- Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendment to FRS 1 – Presentation of Financial Statements
- Amendment to FRS 16 – Property, Plant and Equipment
- Amendment to FRS 32 – Financial Instruments: Presentation

The adoption of the above FRSs did not result in any substantial change to the Group’s accounting policies nor any significant impact on the financial statements of the Group.

In 2013 the Group decided to re-classify certain costs which are associated with the direct staff from below the gross margin line (“overhead”) of the income statement to above the gross margin line (“cost of sale”). This reclassification results in a consistent computation of gross margin across all business units within the Group.

The overall profit after tax result for the Group in the period is not affected by the re-classification of costs.

<b>SS’000</b>	<b>FY2013</b>	<b>FY2012 (Reclassified)</b>	<b>Change</b>	<b>FY2012 (As Previously Reported)</b>
Revenue	416,039	448,241	-7%	448,241
Gross Profit	111,563	109,699		127,482
Gross Margin %	27%	24%		28%
Profit after Tax	108,764	56,097		56,097

The reclassified gross margins in FY2012 are slightly lower in % terms than the gross margins reported previously. Due to the re-classification, overhead costs are also lower by a corresponding amount. Comparative gross margin numbers for the same period in the prior year are shown in the table above.



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**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 2013	Previous Year FY 2012
<b>Earnings 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	21.08	10.87
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	21.08	10.87
<b>For the computation of basic earnings per share, the basis of arriving at the weighted average number of shares is determined as follows :-</b>		
Weighted average number of shares outstanding during the period	516,067,852	516,067,852
Weighted average number of shares issued during the period	-	-
Adjusted weighted average number of shares	<b>516,067,852</b>	<b>516,067,852</b>
<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 :-</b>		
Weighted average number of shares outstanding during the period, used in computation of basic earnings per share	516,067,852	516,067,852
Adjusted weighted average number of shares	<b>516,067,852</b>	<b>516,067,852</b>

\* Weighted average number of ordinary shares issued during the year, the earnings per ordinary share of the Group has been computed based on adjusted issued share capital in accordance with FRS33 Earnings Per Share.

**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 (a) current financial period reported on; and (b) immediately preceding financial year :-**

	31 December 2013		31 December 2012	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued share capital (in cents)	37.41	25.46	44.80	24.65

**8. 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.

**9. Dividend**

The Directors have recommended a final dividend (1-tier tax-exempt) of 2.0 Singapore cents per ordinary share and a special dividend of 1.0 Singapore cents per ordinary share for the financial year ended 31 December 2013. Total dividend for FY2013 is 32.5 cents including 1.5 cents and 28.0 cents per ordinary share for interim and special interim dividend (1-tier tax-exempt) payout in September 2013 and January 2014 (FY2012: interim and final dividend (1-tier tax-exempt) of 4.25 cents per ordinary share).



(Reg No198703851D)

**10. Date dividend is payable**

The dividend, if approved by shareholders at the Annual General Meeting scheduled for 16 April 2014, will be paid on 20 May 2014.

**11. Books closure date**

Notice is hereby given that, subject to shareholders' approval of the payment of the dividend at the Annual General Meeting scheduled for 16 April 2014, the Share Transfer Books and the Register of Members of the Company will be closed on 23 April 2014. Duly completed registrable transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623, up to 5.00pm on 22 April 2014 will be registered for the dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the dividend will be paid by the Company to CDP which will, in turn, distribute the dividend to holders of the securities accounts.

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

Not applicable.



(Reg No198703851D)

**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.**

**CSE Offers**

- a) A wide and diverse range of solutions involving the implementation of Process Control Systems, Safety Shutdown Systems, Fire and Gas Detection Systems, Supervisory Control and Data Acquisition (SCADA) Systems, Pipeline Control Systems, Wellhead Control Systems, Subsea Control Systems, Chemical Injection Systems, Instrumentation & Electrical Construction, Plant Information Systems, Data Reconciliation & Yield Accounting Systems, Laboratory Information Management Systems and Terminal Automation Systems;
- 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/solutions 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, control and motor starting control equipment;
- d) 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;
- e) Design and installation of high temperature thermal process and incineration systems. It supplies multiple hearth, fluidised bed, shaft kiln and rotary kiln furnace systems, usually on an installed basis, to municipal and industrial clients;
- f) Sales and service of diesel engine parts, transmission, fabrication and repair works mainly for the oil and gas industries;
- g) Manufacture and development of computer programmable safety systems and a range of specialist hardware and software products for the automation of Person On Board and Person On Site (POB: Off-shore/POS:On-shore) information at site access and muster assembly points and for location of personnel.

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

Not applicable.





(Reg No198703851D)

**15. A breakdown of sales as follows:-**

S\$'000	Group			
	2013	2012 (Reclassified)	Variance	Variance (%)
Turnover for continuing operations reported for first half of the year	189,539	232,806	(43,267)	-18.6
Profit/(Loss) before tax for continuing operations reported for the first half of the year	23,391	20,829	2,562	12.3
Profit before tax reported for discontinued operations for the first half of the year	10,441	11,157	(716)	-6.4
Gain from disposal of associated company	–	10,016	(10,016)	N.M
Profit/(Loss) before tax reported for the first half of the year	33,832	42,002	(8,170)	-19.5
Turnover for continuing operations reported for second half of the year	226,500	215,435	11,065	5.1
Profit/(Loss) before tax for continuing operations for the second half of the year	16,115	18,223	(2,108)	-11.6
Profit before tax reported for discontinued operations for the second half of the year	9,125	12,372	(3,247)	-26.2
Gain from disposal of subsidiaries	90,379	(830)	91,209	N.M
Goodwill written off for the second half of the year	(26,991)	–	(26,991)	N.M
Profit/(Loss) before tax reported for the second half of the year	88,628	29,765	58,863	N.M

**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	166,432	18,062
Preference	-	-
<b>Total:</b>	<b>166,432</b>	<b>18,062</b>



(Reg No198703851D)

**17. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

The Company does not have a general mandate for interested person transactions.

During the financial period, the following interested person transactions were entered into by the Group:

**Aggregate value of all interested person transactions during the financial period (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**

S\$	FY 2013	FY 2012
<b>Fees for Consultancy Services</b>		
Mr. Tan Mok Koon	615,806	128,100
Acquisition of 66% of the total issued and paid up share capital of Power Diesel Engineering Pte Ltd	–	6,270,000
80% of the total issued and paid up share capital of the newly incorporated Company S3 ID Pte Ltd	13,600,000	
<b>Total interested person transactions</b>	<b>14,215,806</b>	<b>6,398,100</b>

**18. Disclosure of persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There is no person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

**19. Confirmation by the Board**

We, Lim Ming Seong and Lim Boon Kheng, being two directors of CSE Global Limited (the “Company”), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the FY2013 financial statements to be false or misleading in any material aspect.

On behalf of the Board of Directors

\_\_\_\_\_  
Name: Lim Ming Seong  
Designation : Chairman

\_\_\_\_\_  
Name: Lim Boon Kheng  
Designation : Group Managing Director

By order of the Board

Jimmy Yap Tuck Kong  
Company Secretary  
27 February 2014