



## CSE GLOBAL LIMITED

(Co. Reg. No. 198703851D)

### Third Quarter Financial Statement and Dividend Announcement for the period ended 30 September 2014

#### Key Financial Performance

S\$'000	2014 3Q	2013 3Q	Change	2014 9M	2013 9M	Change
Revenue	112,303	97,484	15.2%	313,557	287,024	9.2%
Profit from continuing operations before taxation	13,840	10,207	35.6%	36,434	33,599	8.4%
Profit from continuing operations after taxation	9,844	7,159	37.5%	26,297	24,693	6.5%
Profit after tax and non-controlling interests from continuing operations	9,401	6,734	39.6%	24,963	23,852	4.7%
Basic earnings per ordinary share from continuing operations (in cents)	1.82	1.31	38.9%	4.84	4.62	4.8%
Net asset value per ordinary share (in cents)	37.93	47.79	-20.6%	37.93	47.79	-20.6%
Net cash generated from operating activities	8,807	18,528	N.M	-1,170	65,662	N.M
Net gearing (%)	–	7.1	N.M	–	7.1	N.M
New orders received from continuing operations	119,317	92,407	29.1%	288,091	271,038	6.3%
Outstanding orders from continuing operations	201,737	262,915	-23.3%	201,737	262,915	-23.3%

#### Review of Performance - 3<sup>rd</sup> Quarter

CSE Group recorded profit after tax and non-controlling interests from continuing operations of S\$9.4 million in 3Q14, increased by 39.6% compared with S\$6.7 million in 3Q13. S3ID Group and Power Diesel contributed profits after tax and non-controlling interests of S\$0.3 million and S\$0.5 million respectively to the Group in 3Q14.

The Group's revenue was 15.2% higher in 3Q14 when compared to 3Q13. This was mainly due to higher revenues achieved in Asia Pacific and the Americas regions. In line with the growth in revenues, gross profit rose by 15.1% to S\$31.5 million in 3Q14 from S\$27.4 million in 3Q13. Gross profit margins for these two periods were maintained at healthy levels of 28.0% in 3Q14 and 28.1% in 3Q13 respectively.

Basic earnings per ordinary share from continuing operations was 1.82 cents, 38.9% higher compared with 3Q13.

New orders received for the quarter were S\$119.3 million, an increase of 29.1% as compared with 3Q13. Outstanding orders at the end of 3Q14 were S\$201.7 million.

The Group generated operating cash inflow of S\$8.8 million in 3Q14 compared to S\$18.5 million operating cash inflow in 3Q13. The Group ended the quarter with a net cash position of S\$12.0 million after making the FY2014 interim dividend payment of 1.25 cents, totaling S\$6.5 million in August 2014.



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**Review of Performance – 9 Months**

In 9M14, CSE Group recorded profit after tax and non-controlling interests from continuing operations of S\$25.0 million as compared to S\$23.9 million in 9M13, an increase of 4.7%.

Revenue increased by 9.2% in 9M14 compared to 9M13 due to higher revenues achieved in Asia-Pacific region.

Basic earnings per ordinary share from continuing operations of 4.84 cents was 4.8% higher compared with 9M13.

New orders received for the nine months of 2014 were S\$288.1 million as compared with S\$271.0 million for the corresponding period in 2013, an increase of 6.3%.

The Group generated operating cash outflow of S\$1.2 million in 9M14 but ended the quarter with a net cash position of S\$12.0 million.

**Performance of Geographical Segments**

<b>S\$'000</b>	<b>2014 3Q</b>	<b>2013 3Q</b>	<b>Change</b>	<b>2014 9M</b>	<b>2013 9M</b>	<b>Change</b>
<b>Revenue</b>						
Asia-Pacific	40,951	31,077	31.8%	126,035	96,498	30.6%
The Americas	59,769	51,761	15.5%	157,969	145,354	8.7%
Europe/Middle East/Africa	11,582	14,646	-20.9%	29,553	45,172	-34.6%
<b>Continuing operations</b>	<b>112,302</b>	<b>97,484</b>	<b>15.2%</b>	<b>313,557</b>	<b>287,024</b>	<b>9.2%</b>
Discontinued operation	–	24,548	N.M	–	71,083	N.M
<b>Group</b>	<b>112,302</b>	<b>122,032</b>	<b>-8.0%</b>	<b>313,557</b>	<b>358,107</b>	<b>-12.4%</b>
<b>Profit after tax, amortisation and non-controlling interests</b>						
Asia-Pacific	5,000	2,620	90.8%	13,171	10,215	28.9%
The Americas	4,309	3,823	12.7%	10,790	11,554	-6.6%
Europe/Middle East/Africa	92	291	-68.6%	1,002	2,083	-51.9%
<b>Continuing operations</b>	<b>9,401</b>	<b>6,734</b>	<b>39.6%</b>	<b>24,963</b>	<b>23,852</b>	<b>4.7%</b>
Discontinued operation	–	4,670	N.M	–	12,654	N.M
<b>Group</b>	<b>9,401</b>	<b>11,404</b>	<b>-17.6%</b>	<b>24,963</b>	<b>36,506</b>	<b>-31.6%</b>

In 3Q14, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 36.5%, 53.2% and 10.3% to revenue and 53.2%, 45.8% and 1.0% to profit after tax and minority interest respectively.

The Asia-Pacific region recorded higher revenue and profits by 31.8% and 90.8% respectively for 3Q14 compared with 3Q13 mainly due to higher revenues recorded in Australia in 3Q14.

The Americas region recorded higher revenue and profits by 15.5% and 12.7% respectively for 3Q14 compared with 3Q13 mainly driven by increased offshore instrumentation and electrical installation activities in the Americas region.

The EMEA region recorded lower revenue by 20.9% and 68.6% in profits for 3Q14 compared with 3Q13 mainly due to the completion or near completion of the projects carried over from previous year.



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In 9M14, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 40.2%, 50.4% and 9.4% to revenue and 52.8%, 43.2% and 4.0% to profit after tax and minority interest respectively.

Revenue and profit for 9M14 compared with 9M13 in the Asia-Pacific region was higher by 30.6% and 28.9% respectively, mainly from better performance in Australia.

The Americas region showed a slight increase of 8.7% in revenue but a slight decrease of 6.6% in profit compared with 9M13. This was due to the startup delay in projects but compensated by better margin mix of offshore activity in the USA.

The EMEA region recorded a decrease in revenue and profits of 34.6% and 51.9% respectively for 9M14 compared with 9M13 was mainly due to the completion or near completion of the projects carried over from previous year.

### **Liquidity and Capital Resources**

CSE remained in a net cash position of S\$12.0 million in 3Q14 after accounting for S\$0.7 million in foreign currency translation differences on non-monetary assets and liabilities of its subsidiaries whose functional currencies are in USD, GBP and AUD.

### **Outstanding Orders**

<b>S\$'000</b>	<b>3Q2014</b>	<b>2Q2014</b>	<b>3Q2013</b>
Automation	83.0	69.1	91.9
Telecommunication	105.7	112.6	150.7
Environmental	13.0	13.0	20.3
<b>Continuing operations</b>	<b>201.7</b>	<b>194.7</b>	<b>262.9</b>
Healthcare	–	–	102.5
<b>Total</b>	<b>201.7</b>	<b>194.7</b>	<b>365.4</b>

CSE received S\$119.3 million new orders in 3Q14. Outstanding orders increased to S\$201.7 million as at end of 3Q14 from S\$194.7 million as at end of 2Q14. Outstanding orders as at end of 3Q14 comprised S\$201.7 million of outstanding orders for the oil & gas, infrastructure and mineral & mining industries.

### **Outlook**

With an outstanding order book of S\$201.7 million and a net cash position of S\$12.0 million at the end of 3Q14, CSE remains cautiously optimistic that its performance for FY2014 would be better than FY2013.



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**PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q3) 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			Group		
	2014 3Q	2013 3Q	Change (%)	2014 9M	2013 9M	Change (%)
<b>Revenue</b>	112,303	97,484	15.2%	313,557	287,024	9.2%
<b>Cost of sales</b>	(80,823)	(70,128)	15.3%	(224,905)	(203,896)	10.3%
<b>Gross profit</b>	31,480	27,356	15.1%	88,652	83,128	6.6%
<b>Other operating income</b> (Note 1)	195	948	N.M	624	3,043	-79.5%
<b>Other operating expenses</b>						
Administrative costs (Note 3)	(16,378)	(15,679)	4.5%	(48,731)	(45,840)	6.3%
Selling and distribution costs (Note 4)	(1,122)	(1,048)	7.1%	(3,034)	(2,812)	7.9%
Other operating costs (Note 2)	(102)	(144)	-29.2%	(518)	(97)	N.M
Finance costs (Note 5)	(233)	(1,226)	-81.0%	(559)	(3,823)	-85.4%
<b>Total Expenses</b>	(17,835)	(18,097)	-1.4%	(52,842)	(52,572)	0.5%
Profit from continuing operations before taxation	13,840	10,207	35.6%	36,434	33,599	8.4%
Taxation (Note 7)	(3,996)	(3,048)	31.1%	(10,137)	(8,906)	13.8%
<b>Profit from continuing operations after taxation</b>	<b>9,844</b>	<b>7,159</b>	37.5%	<b>26,297</b>	<b>24,693</b>	6.5%
Profit from discontinued operation – CSE-UK (Note 6)	–	4,670	N.M	–	12,654	N.M
<b>Profit after taxation</b>	<b>9,844</b>	<b>11,829</b>		<b>26,297</b>	<b>37,347</b>	
<b>Attributable to :-</b>						
Equity owners of the Company	9,401	11,404	-17.6%	24,963	36,506	-31.6%
Non-controlling interests	443	425		1,334	841	
	9,844	11,829	-16.8%	26,297	37,347	-29.6%
<b>Earnings per ordinary share (cents)</b>						
-basic from continuing operations	1.82	1.31		4.84	4.62	
-basic	1.82	2.21		4.84	7.07	
-diluted	1.82	2.21		4.84	7.07	



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**Consolidated statement of comprehensive income for the third quarter ended 30 September 2014**  
**Group**

SS'000	2014 3Q	2013 3Q	Change (%)	2014 9M	2013 9M	Change (%)
<b>Profit, net of tax</b>	9,844	11,829	-16.8%	26,297	37,347	-29.6%
<b>Other comprehensive income :</b>						
Cashflow hedge	–	–	N.M	73	–	N.M
Foreign currency translation	566	(1,218)	N.M	(458)	847	N.M
<b>Other comprehensive income for the period, net of tax</b>	566	(1,218)		(385)	847	
<b>Total comprehensive income for the period</b>	10,410	10,611	N.M	25,912	38,194	N.M
<b>Total comprehensive income attributable to :-</b>						
Owners of the Company	9,967	10,186	N.M	24,578	37,353	N.M
Non-controlling interests	443	425		1,334	841	
	10,410	10,611	N.M	25,912	38,194	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:-

S\$'000	Group					
	2014 3Q	2013 3Q	Change (%)	2014 9M	2013 9M	Change %
Profit before taxation is arrived at after charging/(crediting) the following:						
(A) Interest on borrowings (Note 5)	194	934	-79.2%	438	2,844	-84.6%
(B) Depreciation and amortisation	954	843	13.2%	2,762	2,567	7.6%
(C) (Write back)/allowance for doubtful debts and bad debts	8	45	-82.2%	80	83	-3.6%
(D) Gain on disposal of property, plant and equipment	(116)	(59)	N.M	(199)	(456)	N.M
<i>N.M – Not meaningful</i>						

**Note 1**

S\$'000	Group					
	2014 3Q	2013 3Q	Change (%)	2014 9M	2013 9M	Change (%)
Rental income	42	47	-10.6%	136	142	-4.2%
Miscellaneous income	53	470	-88.7%	425	1,455	N.M
Net exchange (loss)/gain	37	339	N.M	(146)	1,171	N.M
<b>Miscellaneous income</b>	<b>132</b>	<b>856</b>	N.M	<b>415</b>	<b>2,768</b>	-85.0%
Finance income	63	92	-31.5%	209	275	-24.0%
<b>Other operating income</b>	<b>195</b>	<b>948</b>	N.M	<b>624</b>	<b>3,043</b>	-79.5%

**Note 2**

S\$'000	Group					
	2014 3Q	2013 3Q	Change (%)	2014 9M	2013 9M	Change (%)
Allowance for doubtful and bad debts	8	45	-82.2%	80	83	-3.6%
Amortisation of intangible assets	200	79	N.M	594	226	N.M
Inventories obsolescence	6	6	N.M	19	18	N.M
Miscellaneous expenses	4	73	N.M	24	226	N.M
Gain on disposal of property, plant and equipment	(116)	(59)	N.M	(199)	(456)	N.M
	<b>102</b>	<b>144</b>	-29.2%	<b>518</b>	<b>97</b>	N.M

*N.M. – Not meaningful*

**Note 3**

The increase in administrative cost in 9M14 was mainly due to the nine months consolidation of S3 ID Group which acquired in 3Q13.

**Note 4**

The increase in selling and distribution costs was mainly due to an increase in marketing activities.

**Note 5**

The decrease in finance costs was mainly due to lower loan utilisation as compared to 9M13.



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**Note 6**

The group divested the CSE-UK businesses through the initial public offering in December 2013.

**Note 7**

The Group operates in several tax jurisdictions with different tax rates. Thus, depending on where the revenue and profits are earned, the effective tax rate will differ.



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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	
	30-09-14	31-12-13	30-09-14	31-12-13
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	22,069	20,098	46	57
Investment in subsidiaries	–	–	222,403	222,551
Other investment	190	190	190	190
Intangible assets	44,225	44,802	1,330	1,451
Deferred tax assets	15,512	13,461	4,326	4,236
<b>CURRENT ASSETS</b>				
Gross amount due from customers for contract work-in-progress (Note 8)	67,676	62,737	–	–
Inventories (Note 8)	9,969	15,255	–	–
Trade and other receivables (Note 8)	106,883	112,676	5,745	1,649
Prepaid operating expenses	2,100	1,656	47	38
Amount due from subsidiary companies	–	–	17,552	6,456
Short-term deposits	909	3,676	–	–
Cash and bank balances	52,526	182,910	1,243	131,950
	240,063	378,910	24,587	140,093
<b>CURRENT LIABILITIES</b>				
Gross amount due to customers for contract work-in-progress (Note 8)	10,724	26,954	–	–
Trade payables and accruals (Note 9)	56,899	217,048	11,292	162,473
Finance leases	167	115	–	–
Loans and borrowings	40,222	1,457	40,021	1,056
Amount due to subsidiary companies	–	–	71,934	72,688
Provision for warranties	1,306	1,575	–	–
Provision for taxation	4,870	5,197	–	963
	114,188	252,346	123,247	237,180
<b>Net current assets/(liabilities)</b>	<b>125,875</b>	<b>126,564</b>	<b>(98,660)</b>	<b>(97,087)</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	(3,584)	(4,652)	–	–
Finance leases	(178)	(232)	–	–
Loans and borrowings	(1,165)	(1,265)	–	–
	<b>202,944</b>	<b>198,966</b>	<b>129,635</b>	<b>131,398</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	98,542	98,542	98,542	98,542
Revenue reserve	134,366	131,337	21,144	22,980
Other reserve	9,878	9,805	9,949	9,876
Foreign currency translation reserve	(47,043)	(46,585)	–	–
<b>Total Shareholders' Fund</b>	<b>195,743</b>	<b>193,099</b>	<b>129,635</b>	<b>131,398</b>
Non-controlling interests	7,201	5,867	–	–
<b>Total Equity</b>	<b>202,944</b>	<b>198,966</b>	<b>129,635</b>	<b>131,398</b>
<b>Group net cash</b>	<b>12,048</b>	<b>183,864*</b>		
<b>Group net gearing</b>	<b>–</b>	<b>–</b>		

\*Includes cash of S\$144.5 million reserved for special dividend paid in January 2014





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**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 decrease of trade payables and accruals is due to the special dividend of S\$144.5 million declared in December 2013 and being paid in January 2014.

**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 30 September 2014</b>		<b>As at 31 Dec 2013</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	S\$40,222,000	NIL	S\$1,457,000

**Amount repayable after one year**

<b>As at 30 September 2014</b>		<b>As at 31 Dec 2013</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	S\$1,165,000	NIL	S\$1,265,000

**Details of any collateral**

Not applicable.



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

S\$'000	GROUP			
	1.7.2014 to 30.9.2014	1.7.2013 to 30.9.2013	1.1.2014 to 30.9.2014	1.1.2013 to 30.9.2013
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES :-</u></b>				
Profit before tax from continuing operations	13,840	10,207	36,434	33,599
Profit before tax from discontinued operation	–	6,026	–	16,467
Profit before tax, total	13,840	16,233	36,434	50,066
Adjustments for :-				
Depreciation for property, plant and equipment attributable to continuing operations	754	764	2,168	2,341
Depreciation for property, plant and equipment attributable to discontinued operation	–	174	–	557
Amortisation of intangible assets attributable to continuing operations	200	79	594	226
Amortisation of intangible assets attributable to discontinued operation	–	227	–	690
Gain on disposal of property, plant and equipment	(116)	(59)	(199)	(456)
Changes in fair value of derivative financial instruments	–	–	73	–
Interest expense	194	934	438	2,844
Interest income	(63)	(92)	(209)	(275)
Currency realignment (Note 10)	978	(1,677)	(714)	1,972
<b>Operating profit before reinvestment in working capital</b>	<b>15,787</b>	<b>16,583</b>	<b>38,585</b>	<b>57,965</b>
(Increase)/decrease in receivable and prepaid operating expenses	(569)	12,253	5,347	32,068
Decrease/(increase) in projects-in-progress, net and inventories	765	(4,654)	(15,882)	9,094
Decrease in payables and accruals and provision for warranties	(2,217)	(1,803)	(15,407)	(21,867)
<b>Cash generated from operations</b>	<b>13,766</b>	<b>22,379</b>	<b>12,643</b>	<b>77,260</b>
Interest paid	(194)	(934)	(438)	(2,844)
Interest received	63	92	209	275
Income tax paid	(4,828)	(3,009)	(13,584)	(9,029)
<b>Net cash generated/(used) in operating activities</b>	<b>8,807</b>	<b>18,528</b>	<b>(1,170)</b>	<b>65,662</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Acquisitions of subsidiary companies, net of cash acquired	–	(12,242)	–	(14,854)
Third/second tranche payment for the subsidiary acquired	–	–	(512)	(755)
Purchase of property, plant and equipment	(2,283)	(970)	(4,890)	(2,595)
Proceeds from sale of property, plant and equipment	624	384	1,009	1,922
Adjustment of intangible assets due to change of purchase consideration (Power Diesel)	–	–	148	–
<b>Net cash used in investing activities</b>	<b>(1,659)</b>	<b>(12,828)</b>	<b>(4,245)</b>	<b>(16,282)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>				
Dividends paid to shareholders	(6,451)	(7,741)	(166,432)	(21,933)
Subsidiary's dividend paid to Non-controlling Interest	–	–	–	(816)
Proceeds/(repayment) of short term loans from bankers	6,522	(7,840)	38,765	(7,764)
(Repayment)/proceeds of long term loans from bankers	–	180	(100)	(12,632)
<b>Net cash generated/(used) in financing activities</b>	<b>71</b>	<b>(15,401)</b>	<b>(127,767)</b>	<b>(43,145)</b>
Net effect of exchange rate changes on cash and cash equivalents	2	(324)	31	463
Net increase/(decrease) in cash and cash equivalents	7,219	(9,701)	(133,182)	6,235
Cash and cash equivalents at beginning of financial period/year	46,214	90,920	186,586	74,197
<b>Cash and cash equivalents at end of financial period</b>	<b>53,435</b>	<b>80,895</b>	<b>53,435</b>	<b>80,895</b>



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**Note 10**

The currency realignment of S\$0.7 million resulted from CSE translating the non-monetary assets and liabilities of its subsidiaries whose functional currencies are USD, 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 S\$'000	Attributable to equity holders of the Company						
	Share capital	Revenue reserve	Other reserve	Foreign currency translation reserve	Total	Non- controlling interests	Total Equity
At 1 January 2013	98,542	189,005	9,805	(66,151)	231,201	1,522	232,723
Dividend for FY2012 declared and paid	–	(14,192)	–	–	(14,192)	–	(14,192)
Subsidiary's dividend paid to Non-controlling interest	–	–	–	–	–	(816)	(816)
Total comprehensive income for 1 <sup>st</sup> half 2013	–	25,102	–	2,065	27,167	416	27,583
<b>At 30 June 2013</b>	<b>98,542</b>	<b>199,915</b>	<b>9,805</b>	<b>(64,086)</b>	<b>244,176</b>	<b>1,122</b>	<b>245,298</b>
Total comprehensive income for 3 <sup>rd</sup> quarter	–	11,404	–	(1,218)	10,186	425	10,611
Non-controlling interest share of newly incorporated subsidiaries	–	–	–	–	–	3,400	3,400
Non-controlling interest share of newly acquired subsidiaries	–	–	–	–	–	952	952
Interim dividend for FY2013 declared and paid	–	(7,741)	–	–	(7,741)	–	(7,741)
<b>At 30 September 2013</b>	<b>98,542</b>	<b>203,578</b>	<b>9,805</b>	<b>(65,304)</b>	<b>246,621</b>	<b>5,899</b>	<b>252,520</b>
At 1 January 2014	98,542	131,337	9,805	(46,585)	193,099	5,867	198,966
Dividend for FY2013 declared and paid	–	(15,482)	–	–	(15,482)	–	(15,482)
Total comprehensive income for 1 <sup>st</sup> half 2014	–	15,561	73	(1,024)	14,610	891	15,501
<b>At 30 June 2014</b>	<b>98,542</b>	<b>131,416</b>	<b>9,878</b>	<b>(47,609)</b>	<b>192,227</b>	<b>6,758</b>	<b>198,985</b>
Total comprehensive income for 3 <sup>rd</sup> quarter	–	9,401	–	566	9,967	443	10,410
Interim dividend for FY2014 declared and paid	–	(6,451)	–	–	(6,451)	–	(6,451)
<b>At 30 September 2014</b>	<b>98,542</b>	<b>134,366</b>	<b>9,878</b>	<b>(47,043)</b>	<b>195,743</b>	<b>7,201</b>	<b>202,944</b>



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<b>Company S\$'000</b>	<b>Share capital</b>	<b>Revenue reserve</b>	<b>Other reserve</b>	<b>Total Equity</b>
At 1 January 2013	98,542	18,805	9,876	127,223
Dividend for FY2012 declared and paid	–	(14,192)	–	(14,192)
Total comprehensive income for the period	–	10,092	–	10,092
<b>At 30 June 2013</b>	<b>98,542</b>	<b>14,705</b>	<b>9,876</b>	<b>123,123</b>
Total comprehensive income for 3 <sup>rd</sup> quarter	–	(479)	–	(479)
Interim dividend for FY2013 declared and paid	–	(7,741)	–	(7,741)
<b>At 30 September 2013</b>	<b>98,542</b>	<b>6,485</b>	<b>9,876</b>	<b>114,903</b>
At 1 January 2014	98,542	22,980	9,876	131,398
Dividend for FY2013 declared and paid	–	(15,482)	–	(15,482)
Total comprehensive income for 1 <sup>st</sup> half 2014	–	313	73	386
<b>At 30 June 2014</b>	<b>98,542</b>	<b>7,811</b>	<b>9,949</b>	<b>116,302</b>
Total comprehensive income for 3 <sup>rd</sup> quarter	–	19,784	–	19,784
Interim dividend for FY2014 declared and paid	–	(6,451)	–	(6,451)
<b>At 30 September 2014</b>	<b>98,542</b>	<b>21,144</b>	<b>9,949</b>	<b>129,635</b>



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**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 30 September 2014	: 516,067,852
Number of shares as at 31 December 2013	: 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 2013, except for that disclosed under item 5.



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### 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 2014:

Revised FRS 27 – Separate Financial Statements

Revised FRS 28 – Investments in Associates and Joint Ventures

FRS 110 – Consolidated Financial Statements

FRS 111 – Joint Arrangements

FRS 112 – Disclosure of Interests in Other Entities

Amendment to FRS 32 – Financial Instruments: Presentation

Amendment to FRS 39 – Novation of Derivatives and Continuation of Hedge Accounting

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.

### 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:-

	3Q 2014	3Q 2013	9M 2014	9M 2013
<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	1.82	2.21	4.84	7.07
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	1.82	2.21	4.84	7.07
<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	516,067,852	516,067,852
Weighted average number of shares issued during the period	-	-	-	-
Adjusted weighted average number of shares	<u>516,067,852</u>	<u>516,067,852</u>	<u>516,067,852</u>	<u>516,067,852</u>
<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>				
Adjusted weighted average number of shares	<u>516,067,852</u>	<u>516,067,852</u>	<u>516,067,852</u>	<u>516,067,852</u>



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**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 :-**

	30 September 2014		31 December 2013	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued share capital (in cents)	37.93	25.12	37.42	25.46

**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**

**(a) Current financial period reported on**

No interim dividend has been declared or recommended in relation to third quarter ended 30 September 2014 or the previous corresponding financial period.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Not applicable.

**10. Date dividend is payable**

Not applicable.

**11. Book closure date**

Not applicable.

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

Not applicable.



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**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.

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

Not applicable.





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**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. 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\$	3Q 2014	3Q 2013	9M 2014	9M 2013
<b>Fees for Consultancy Services</b>				
Mr Tan Mok Koon	43,500	506,076	131,800	573,276
Acquisition of 66% of the total issued and paid up share capital of Power Diesel Engineering Pte Ltd	–	–	(148,074)*	(235,386)**
80% of the total issued and paid up share capital of the newly incorporated Company S3 ID Singapore Pte Ltd	–	13,600,000	–	13,600,000
<b>Total interested person transactions</b>	<b>43,500</b>	<b>14,106,076</b>	<b>(16,274)</b>	<b>13,937,890</b>

\*Reduction in third tranche payment

\*\*Reduction in second tranche payment

**18. 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 Third quarter ended 30 September 2014 financial statements to be false or misleading in any material aspect.

On behalf of the Board of Directors

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Name: Lim Ming Seong  
Designation: Chairman

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Name: Lim Boon Kheng  
Designation: Group Managing Director

By order of the Board

Lynn Wan Tiew Leng  
Company Secretary  
11 November 2014