



**CSE GLOBAL LIMITED**  
(Co. Reg. No. 198703851D)

**First Quarter Financial Statement and Dividend Announcement for the period ended 31 March 2019**

**Key Financial Performance**

<b>S\$'000</b>	<b>1Q 2019</b>	<b>1Q 2018</b>	<b>Change</b>
Revenue	85,363	92,172	-7.4%
Gross margin (%)	27.7%	26.8%	+90bps
Profit after tax and non-controlling interest ("PAT")	5,729	5,702	0.5%
Core PAT*	4,590	4,360	5.3%
Cash generated from/(used in) operations	5,596	(5,327)	N.M.
New orders received	87,515	68,949	26.9%
Outstanding orders	182,160	148,594	22.6%

\*Profit after tax and non-controlling interest after deducting net exchange gain

*N.M. – Not meaningful*

**Review of Performance**

Group profit after tax and non-controlling interest for 1Q19 maintained flat at S\$5.7 million despite of a 7.4% decline in revenue to S\$85.4 million.

For the quarter ended 31 March 2019, the Group's revenues fall by 7.4% to S\$85.4 million due to lower large greenfield revenues recognized and the delay in delivery schedules for some projects in the Americas region.

In line with lower revenues, group gross profit also declined by 4.1% from S\$24.7 million in 1Q18 to S\$23.7 million in 1Q19. Gross margin, however, rose by 90bps to 27.7% in 1Q19 against 26.8% in 1Q18.

Operating expenses in 1Q19 were 2.5% lower at S\$17.9 million as compared to 1Q18 of S\$18.4 million, mainly due to reduction in personnel costs. Included in operating expenses in 1Q19 were expenses relating to non-recurring severance costs and associated legal expenses of S\$1.0 million, partially offset by a writeback of doubtful trade receivables of S\$0.4 million.

Despite the non-recurring operating expenses incurred (S\$0.6 million nett) and lower exchange gains (S\$0.2 million) in 1Q 2019, the group PAT in 1Q19 equalled the 1Q18 PAT of S\$5.7 million.

The basic earnings per ordinary share as at 31 March 2019 was 1.13 cents (as at 31 March 2018: 1.11 cents), while dilutive earnings per ordinary share as at 31 March 2019 was 1.11 cents (as at 31 March 2018: 1.11 cents).

New orders received for the quarter was S\$87.5 million, increase of 26.9% year-on-year, the Group ended the quarter with an outstanding order book of S\$182.2 million.

In 1Q19, the Group generated a cash inflow from operations of S\$5.6 million compared to a cash outflow from operations of S\$5.3 million in 1Q18, mainly attributed to better collections from trade receivables. The Group paid S\$3.2 million as purchase consideration for the acquisition in January 2019 and utilised S\$2.1 million for share buy-backs in March 2019, ending the quarter with a net cash position of S\$34.8 million.



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**Performance of Geographical Segments**

<b>S\$'000</b>	<b>1Q 2019</b>	<b>1Q 2018</b>	<b>Change</b>
<b>Revenue</b>			
Asia-Pacific	29,225	28,717	1.8%
The Americas	53,771	62,057	-13.4%
Europe/Middle East/Africa	2,367	1,398	69.3%
<b>Group</b>	<b>85,363</b>	<b>92,172</b>	<b>-7.4%</b>
<b>Earnings before interest and tax (EBIT)</b>			
Asia-Pacific	5,461	4,913	11.1%
The Americas	1,761	3,775	-53.3%
Europe/Middle East/Africa	(182)	(857)	78.8%
<b>Group</b>	<b>7,040</b>	<b>7,831</b>	<b>-10.1%</b>

In 1Q19, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 34.2%, 63.0% and 2.8% to revenue respectively, and 77.6%, 25.0% and -2.6% to EBIT respectively.

Revenues for the Asia-Pacific region grew moderately by 1.8% in 1Q19, mainly due to a large rental contract which was converted to sales of S\$1.8 million in 1Q18 were not repeated in 1Q19. EBIT increased by 11.1% year-on-year, mainly attributed to the increased infrastructure project revenues with higher gross margins being recognised in 1Q19.

The Americas region revenues decreased by 13.4% to S\$53.8 million, mainly due an absence of large greenfield projects recognised in 1Q19 (S\$7.4 million in 1Q18) as well as a non-recurring midstream automation project in 1Q18 of S\$2.8 million in the Americas region. In line with lower revenues, coupled with non-recurring severance costs and associated legal expenses of S\$1.0 million, EBIT decreased to S\$1.8 million in 1Q19.

Europe/Middle East/Africa region recorded an improvement in EBIT in 1Q19 due to contributions from more profitable project revenues recognized in 1Q19 as compared to 1Q18, as well a writeback for doubtful trade receivables of S\$0.4 million.

**Liquidity and Capital Resources**

In 1Q19, the Group generated a cash inflow from operations of S\$5.6 million compared to a cash outflow from operations of S\$5.3 million in 1Q18, mainly attributed to better collections from trade receivables. The Group paid S\$3.2 million as purchase consideration for the acquisition in January 2019 and utilised S\$2.1 million for share buy-backs in March 2019, ending the quarter with a net cash position of S\$34.8 million.

As at 31 March 2019, the Group's shareholder funds increased by S\$0.9 million at S\$172.1 million from S\$171.2 million as at 31 December 2018, after netting off from the unfavourable foreign currency translation differences due to a lower exchange rate for foreign currencies translated to SGD at end of 31 March 2019.



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**Outstanding Orders**

<b>S\$'000</b>	<b>1Q2019</b>	<b>4Q2018</b>	<b>1Q2018</b>
Asia-Pacific	122,006	127,149	75,373
The Americas	56,460	49,124	57,649
Europe/Middle East/Africa	3,694	4,757	15,572
<b>Total</b>	<b>182,160</b>	<b>181,030</b>	<b>148,594</b>

New orders received for the quarter was S\$87.5 million, an increase of 26.9% year-on-year, the Group ended the quarter with an outstanding order book of S\$182.2 million.

**Outlook**

We anticipate an increase in activities albeit a more stable pricing environment in the markets we serve. Consequently, we expect improvement in our financial performance in 2019.

Notwithstanding the market uncertainties, we are confident in generating positive operating cash flow for 2019. As a group, we are continuously looking out for value accretive and strategic acquisitions to grow our business to ensure a longer and sustainable income stream.



## CSE GLOBAL LIMITED

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### **PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL-YEAR ANNOUNCEMENTS**

1. The following statements in the form presented in the issuer's most recently audited annual financial statement:-

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

S\$'000	Group		Change%
	1Q 2019	1Q 2018	
<b>Revenue</b>	85,363	92,172	-7.4%
<b>Cost of sales</b>	(61,675)	(67,467)	-8.6%
<b>Gross profit</b>	23,688	24,705	-4.1%
<b>Other operating expenses</b>			
Administrative costs	(16,871)	(16,997)	-0.7%
Selling and distribution costs	(1,083)	(1,020)	6.2%
Other operating costs (Note 1)	39	(351)	N.M.
<b>Total operating expenses</b>	(17,915)	(18,368)	-2.5%
<b>Operating profit</b>	5,773	6,337	-8.9%
Interest expense (Note 2)	(391)	(202)	93.6%
Interest income	65	68	-4.4%
Other non-operating items (Note 3)	1,266	1,494	-15.3%
Profit before taxation	6,713	7,697	-12.8%
Taxation (Note 4)	(1,158)	(2,155)	-46.3%
<b>Profit after taxation</b>	5,555	5,542	0.2%
<b>Attributable to :</b>			
Equity owners of the Company	5,729	5,702	0.5%
Non-controlling interests	(174)	(160)	8.8%
	5,555	5,542	0.2%
<b>Earnings per ordinary share (cents)</b>			
- basic	1.13	1.11	1.8%
- diluted	1.11	1.11	–



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**Consolidated statement of comprehensive income for the first quarter ended 31 March 2019**

S\$'000	Group		Change %
	1Q 2019	1Q 2018	
<b>Profit after taxation</b>	5,555	5,542	0.2%
<b>Other comprehensive income :</b>			
Foreign currency translation	(1,984)	(5,897)	66.4%
<b>Other comprehensive loss for the period, net of tax</b>	(1,984)	(5,897)	
<b>Total comprehensive income for the period</b>	<u>3,571</u>	<u>(355)</u>	N.M.
<b>Total comprehensive income attributable to :</b>			
Owners of the Company	3,713	(250)	N.M.
Non-controlling interests	(142)	(105)	-35.2%
	<u>3,571</u>	<u>(355)</u>	N.M.

*N.M. – Not meaningful*



## CSE GLOBAL LIMITED

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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		Change %
	1Q 2019	1Q 2018	
Profit before taxation is arrived at after charging/(crediting) the following:			
Interest on borrowings	391	202	93.6%
Interest income	(65)	(68)	-4.4%
Depreciation for property, plant and equipment	1,467	1,510	-2.8%
Depreciation for right-to-use assets	725	-	-
Amortisation of intangible assets	421	412	2.2%
(Write back)/allowance for doubtful trade receivables, net	(380)	69	N.M.
(Write back)/allowance for stock obsolescence made, net	(33)	12	N.M.
Gain on disposal of property, plant and equipment	(83)	(172)	-51.7%

### Note 1

S\$'000	Group		Change %
	1Q 2019	1Q 2018	
(Write back)/allowance for doubtful trade receivables, net	(380)	69	N.M.
Amortisation of intangible assets	421	412	2.2%
Gain on disposal of property, plant and equipment	(83)	(172)	-51.7%
(Write back)/allowance for stock obsolescence made, net	(33)	12	N.M.
Bank charges	36	30	20.0%
	<b>(39)</b>	<b>351</b>	N.M.

### Note 2

Higher interest expense in 1Q19 was mainly due to the adoption of SFRS(I) 16 of S\$103,000 lease interest charged in 1Q19.

### Note 3

S\$'000	Group		Change %
	1Q 2019	1Q 2018	
Rental income	27	29	-6.9%
Miscellaneous income	100	123	-18.5%
Net exchange gain	1,139	1,342	-15.1%
<b>Other non-operating items</b>	<b>1,266</b>	<b>1,494</b>	-15.3%

### Note 4

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.**

SS'000	Group		Company	
	31-03-19	31-12-18	31-03-19	31-12-18
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	28,510	28,198	2,323	2,299
Right-to-use assets #	13,375	–	3,917	–
Investment in subsidiaries	–	–	196,018	196,018
Quoted investment	1,289	1,290	1,289	1,290
Investment in associate	105	106	–	–
Intangible assets	29,121	25,955	605	645
Deferred tax assets	3,497	3,073	1,049	1,138
	<b>75,897</b>	<b>58,622</b>	<b>205,201</b>	<b>201,390</b>
<b>CURRENT ASSETS</b>				
Contract assets (Note 5)	36,111	34,327	–	–
Inventories (Note 5)	17,295	16,490	–	–
Trade and other receivables (Note 5)	77,198	81,844	940	772
Prepaid operating expenses	3,973	3,748	153	85
Amount due from subsidiary companies	–	–	18,268	22,174
Short-term deposits	3,826	4,819	–	–
Cash and bank balances	61,423	69,232	6,872	9,389
	199,826	210,460	26,233	32,420
<b>CURRENT LIABILITIES</b>				
Contract liabilities (Note 5)	11,671	11,935	–	–
Trade payables and accruals ## (Note 5)	41,177	44,510	42,956	4,352
Lease liabilities #	2,886	–	467	–
Finance lease	–	8	–	–
Loans and borrowings	30,401	36,125	30,401	36,125
Amount due to subsidiary companies	–	–	80,750	78,853
Provision for warranties	323	467	–	–
Provision for taxation	3,910	2,880	585	761
	90,368	95,925	115,159	120,091
<b>Net current assets/(liabilities)</b>	<b>109,458</b>	<b>114,535</b>	<b>(88,926)</b>	<b>(87,671)</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	(615)	(481)	–	–
Lease liabilities #	(11,371)	–	(3,919)	–
Finance lease	(26)	(19)	–	–
Accruals	(341)	(326)	–	–
	<b>173,002</b>	<b>172,331</b>	<b>112,356</b>	<b>113,719</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	98,542	98,542	98,542	98,542
Treasury shares	(4,039)	(3,327)	(4,039)	(3,327)
Shares based payment reserve	–	1,393	–	1,393
Revenue reserve	87,121	82,216	7,928	7,235
Other reserve	9,893	9,844	9,925	9,876
Foreign currency translation reserve	(19,448)	(17,432)	–	–
<b>Total Shareholders' Fund</b>	<b>172,069</b>	<b>171,236</b>	<b>112,356</b>	<b>113,719</b>
Non-controlling interests	933	1,095	–	–
<b>Total Equity</b>	<b>173,002</b>	<b>172,331</b>	<b>112,356</b>	<b>113,719</b>
<b>Group net cash</b>	<b>34,848</b>	<b>37,926</b>		
<b>Group net gearing (%)</b>	–	–		



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# Capitalisation of right-to-use assets on adoption of SFRS(I) 16 on 1 January 2019

## Trade payables and accruals included S\$1.3m of CSE Global Education Award Fund.

**Note 5**

The Group recognises revenue using the input method over-time 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.

**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 Mar 2019</b>		<b>As at 31 Dec 2018</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	S\$30,401,000	NIL	S\$36,125,000

**Amount repayable after one year**

<b>As at 31 Mar 2019</b>		<b>As at 31 Dec 2018</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	NIL	NIL	NIL

**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	
	1.1.2019 to 31.3.2019	1.1.2018 to 31.3.2018
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES :-</u></b>		
Profit before taxation	6,713	7,697
Adjustments for :-		
Depreciation for property, plant and equipment	1,467	1,510
Depreciation for right-to-use assets	725	–
Amortisation of intangible assets	421	412
Gain on disposal of property, plant and equipment	(83)	(172)
(Write back)/allowance for doubtful trade receivables, net	(380)	69
(Write back)/allowance for stock obsolescence made, net	(33)	12
Interest expense	391	202
Interest income	(65)	(68)
<b>Operating profit before reinvestment in working capital</b>	<b>9,156</b>	<b>9,662</b>
Decrease in trade and other receivables and prepaid operating expenses	2,145	1,254
Increase in gross amount due from customers for contract assets, net and inventories	(3,075)	(4,781)
Decrease in payables and accruals and provision for warranties	(2,630)	(11,462)
<b>Cash generated from/(used in) from operations</b>	<b>5,596</b>	<b>(5,327)</b>
Interest paid	(391)	(202)
Interest received	65	68
Income tax paid	(562)	(1,841)
<b>Net cash generated from/(used in) operating activities</b>	<b>4,708</b>	<b>(7,302)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Cash consideration paid, net of cash assets & business acquired	(3,246)	(1,040)
Purchase of property, plant and equipment	(1,959)	(1,333)
Purchase of intangible assets	(282)	–
Proceeds from sale of property, plant and equipment	127	456
<b>Net cash used in investing activities</b>	<b>(5,360)</b>	<b>(1,917)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
(Repayment of)/proceeds from short-term borrowings, net	(5,724)	6,107
Purchase of treasury shares	(2,131)	–
<b>Net cash (used in)/generated from</b>	<b>(7,855)</b>	<b>6,107</b>
Net effect of exchange rate changes on cash and cash equivalents	(295)	(630)
Net decrease in cash and cash equivalents	(8,507)	(3,112)
Cash and cash equivalents at beginning of the financial year	74,051	46,910
<b>Cash and cash equivalents at end of the financial period</b>	<b>65,249</b>	<b>43,168</b>



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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 owners of the Company

Group S\$'000	Share capital	Treasury Shares	Share-based payment reserve	Revenue reserve	Other reserves	Foreign currency translation reserve	Total	Non-controlling interests	Total Equity
As previously reported at 1 January 2018	98,542	–	–	83,623	9,844	(18,055)	172,388	1,799	175,753
Effect of adopting SFRS (I) 9	–	–	–	(1,566)	–	–	–	–	(1,566)
At 1 January 2018	98,542	–	–	82,057	9,844	(18,055)	172,388	1,799	174,187
Total comprehensive income for the period	–	–	–	5,702	–	(5,952)	(250)	(105)	(355)
<b>At 31 March 2018</b>	<b>98,542</b>	<b>–</b>	<b>–</b>	<b>87,759</b>	<b>9,844</b>	<b>(24,007)</b>	<b>172,138</b>	<b>1,694</b>	<b>173,832</b>
As previously reported at 1 January 2019	98,542	(3,327)	1,393	82,216	9,844	(17,432)	171,236	1,095	172,331
Effect of adopting SFRS (I) 16	–	–	–	(824)	–	–	(824)	(20)	(844)
At 1 January 2019	98,542	(3,327)	1,393	81,392	9,844	(17,432)	170,412	1,075	171,487
Purchase of treasury shares	–	(2,131)	–	–	–	–	(2,131)	–	(2,131)
Re-issuance of treasury shares	–	1,419	(1,393)	–	49	–	75	–	75
Total comprehensive income for the period	–	–	–	5,729	–	(2,016)	3,713	(142)	3,571
<b>At 31 March 2019</b>	<b>98,542</b>	<b>(4,039)</b>	<b>–</b>	<b>87,121</b>	<b>9,893</b>	<b>(19,448)</b>	<b>172,069</b>	<b>933</b>	<b>173,002</b>



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<b>Company</b> <b>S\$'000</b>	<b>Share</b> <b>capital</b>	<b>Treasury</b> <b>Shares</b>	<b>Share-based</b> <b>payment</b> <b>reserve</b>	<b>Revenue</b> <b>reserve</b>	<b>Other reserves</b>	<b>Total</b> <b>Equity</b>
At 1 January 2018	98,542	–	–	3,694	9,876	112,112
Total comprehensive income for the period	–	–	–	11,031	–	11,031
<b>At 31 March 2018</b>	<b>98,542</b>	<b>–</b>	<b>–</b>	<b>14,725</b>	<b>9,876</b>	<b>123,143</b>
As previously reported at 1 January 2019	98,542	(3,327)	1,393	7,235	9,876	113,719
Effect of adopting SFRS (I) 16	–	–	–	(440)	–	(440)
At 1 January 2019	98,542	(3,327)	1,393	6,795	9,876	113,279
Purchase of treasury shares	–	(2,131)	–	–	–	(2,131)
Re-issuance of treasury shares	–	1,419	(1,393)	–	49	75
Total comprehensive income for the period	–	–	–	1,133	–	1,133
<b>At 31 March 2019</b>	<b>98,542</b>	<b>(4,039)</b>	<b>–</b>	<b>7,928</b>	<b>9,925</b>	<b>112,356</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 and subsidiary holdings, 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.**

Pursuant to the Share Purchase Mandate approved by the shareholders at the Annual General Meeting held on 19 April 2018, the Company purchased a total of 11,177,500 ordinary shares as at 31 March 2019 and kept as treasury shares. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$0.44 to S\$0.54 per share, the total consideration paid was S\$5,458,000 (including transaction costs).

During the first quarter ended 31 March 2019, 3,060,000 treasury shares were transferred to certain director and employees of the Company pursuant to the CSE Performance Share Plan.

Consequently, the Company's number of issued and paid up shares as at 31 March 2019 comprised 507,950,352 (31 December 2018: 508,890,352) ordinary shares and 8,117,500 (31 December 2018: 7,177,500) treasury shares.

Other than the above-mentioned, there were no other changes in the Company's share capital arising from rights issue, 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.

**Treasury Shares**

As at 31 March 2019, there were 8,117,500 treasury shares (31 December 2018: 7,177,500) in the share capital of the Company.

The Company does not have any outstanding convertibles and any subsidiary holdings.

**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 March 2019	: 507,950,352
Number of shares as at 31 December 2018	: 508,890,352

**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.**

As at 31 December 2018	:	7,177,500
Purchase of treasury shares	:	4,000,000
Re-issuance of treasury shares	:	<u>(3,060,000)</u>
Balance as at 31 March 2019	:	<u>8,117,500</u>

Other than the shares-based payment, there is no sale, transfer, disposal, cancellation and/or use of treasury shares for the current financial period.



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**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 2018, except for that disclosed under item 5.

**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.**

SFRS(I) 16 <i>Leases</i>	1 January 2019
SFRS(I) 1-19: <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
SFRS(I) INT 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to SFRS(I) 9: <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to SFRS(I) 1-28: <i>Long-term Interest in Associates and Joint Ventures</i>	1 January 2019
Annual improvements to SFRS(I)s 2015 - 2017 Cycle	1 January 2019

Except for SFRS(I) 16, the adoption of the other standards above will have no material impact on the financial statements in the current financial year.

The Group adopted the SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

On the adoption of SFRS(I) 16. The Group has chosen on a lease-by-lease basis, to measure the right-of-use asset at its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019.

In addition, the Group elected the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

As a result of adopting SFRS(I) 16, the Group recognised right-of-use assets of S\$13,550,000 and lease liabilities of S\$14,394,000 for its leases previously classified as operating leases, with a corresponding decrease on the opening retained earnings of S\$844,000 at the date of initial application, 1 January 2019.



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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:-**

	1Q 2019	1Q 2018
<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	1.13	1.11
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	1.11	1.11
<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	508,890,352	516,067,852
Weighted average number of share-based payment during the period	668,667	-
Weighted average number of shares buy back during the period	(860,056)	-
Adjusted weighted average number of shares	<b>508,698,963</b>	<b>516,067,852</b>

**For the computation of diluted earnings per share, the weighted average number of shares adjusted for the effect of all dilutive potential ordinary shares is determined as follows :-**

Weighted average number of shares outstanding during the period, used in computation of basic earnings per share	508,698,963	516,067,852
Weighted average number of treasury shares	7,368,889	-
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 SFRS(I) 33 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 March 2019		31 December 2018	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued share capital (in cents) ##	33.87	22.12	33.65	22.39

**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.



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**9. Dividend**

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

No interim ordinary dividend has been declared or recommended during the current financial period 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 and the reason(s) for the decision.**

The Company's practice is to consider dividend on half-yearly basis. Therefore, no dividend was declared for the first quarter ended 31 March 2019.



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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.**

Not applicable.

**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.

**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**

As at 31 March 2019, the Company does not have a general mandate from shareholders for Interested Person Transactions.

Subsequent to the period under review, a general mandate for Interested Person Transactions has been obtained from shareholders at an Extraordinary General Meeting convened on 18 April 2019.

**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 that the Company has procured the undertakings under Appendix 7.7 of the SGX-ST Listing Manual from the directors and executive officers and to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the first quarter ended 31 March 2019 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

Victor Lai Kuan Loong  
Company Secretary  
6 May 2019