



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

**Full Year Financial Statement and Dividend Announcement for the period ended 31 December 2018**

**Key Financial Performance**

S\$'000	2018 4Q	2017 4Q	Change	FY2018	FY2017	Change
Revenue	100,102	116,727	-14.2%	376,787	362,352	4.0%
Gross margin (%)	30.2%	24.8%	+540bps	27.9%	26.0%	+190bps
Earnings before interest and tax (EBIT)	7,200	6,517*	10.5%	26,636	19,629*	35.7%
Profit after tax and non-controlling interests	5,064	4,322*	17.1%	20,105	13,329*	50.8%
Cash generated from operations	8,971	(2,169)	N.M.	56,324	(1,634)	N.M.
New orders received	145,233	86,856	67.2%	384,226	381,866	0.6%
Outstanding orders	181,030	174,955	3.5%	181,030	174,955	3.5%

\*Before exceptional items incurred in 2017 (Note 3)

**Review of Performance - FY2018**

Profit after tax and non-controlling interest from operations for FY2018 rose by 50.8% year-on-year to S\$20.1 million on the back of a 4.0% growth in FY2018 revenue to S\$376.8 million.

Revenue increased by a moderate 4.0% in FY2018 compared to FY2017, mainly due to strong growth in revenues generated from the Americas region offsetted by lower revenues in EMEA and Asia Pacific regions. Gross margins, however, improved to 27.9% in FY2018 as compared to 26.0% in FY2017 mainly due to the improving margin mix from the Americas region.

Operating expenses were 10.7% lower at S\$80.0 million in FY2018 as compared to FY2017 of S\$89.6 million, mainly due to a one-off impairment of receivables amounting to S\$11.7 million provided in FY2017.

In FY2018, CSE Group recorded profit after tax and non-controlling interests of S\$20.1 million as compared to S\$13.3 million in FY2017.

Basic earnings per ordinary share for FY2018 was 3.95 cents as compared with FY2017 loss per share of 8.75 cents.

New orders received for FY2018 grew to S\$384.2 million from S\$381.9 million in FY2017, mainly from higher order wins for large infrastructure projects in the Asia Pacific region as well as higher flow orders from greenfield (new installations) and brownfield (maintenance, upgrade and enhancement of existing installations) in Americas and Australia.



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**Performance of Geographical Segments**

SS'000	4Q18 4Q	4Q17 4Q	Change	FY2018	FY2017	Change
<b>Revenue</b>						
Asia-Pacific	35,677	37,768	-5.5%	129,118	132,647	-2.7%
Americas	62,285	74,176	-16.0%	238,709	206,195	15.8%
Europe/Middle East/Africa	2,140	4,783	-55.3%	8,960	23,510	-61.9%
<b>Group</b>	<b>100,102</b>	<b>116,727</b>	<b>-14.2%</b>	<b>376,787</b>	<b>362,352</b>	<b>4.0%</b>
<b>Earnings before interest and tax (EBIT)</b>						
Asia-Pacific	3,088	3,045	1.4%	14,152	17,929	-21.1%
Americas	5,821	6,036	-3.5%	17,107	6,361	168.9%
Europe/Middle East/Africa	(1,709)	(2,564)	33.3%	(4,623)	(4,661)	0.8%
<b>Group</b>	<b>7,200</b>	<b>6,517</b>	<b>10.5%</b>	<b>26,636</b>	<b>19,629*</b>	<b>35.7%</b>

\*Before exceptional items incurred in 2017 (Note 3)

**FY2018 vs FY2017**

In FY2018, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 34.3%, 63.3% and 2.4% to revenue.

In the Asia-Pacific region, revenue decreased slightly by 2.7% year-on-year in FY2018, due to delays in some infrastructure project orders. EBIT in FY2018 decreased by 21.1% as compared to FY2017, mainly attributed to lower margin contribution in line with decrease in revenues generated, as well as from higher exchange gain recognised in FY2017 (FY2018: S\$1.0 million vs FY2017 : S\$2.4 million).

The Americas region registered a strong recovery in FY2018, garnering a revenue growth of 15.8% to S\$238.7 million from both fixed bid and time and material contracts. In line with the growth in revenues and higher gross margin achieved, EBIT for FY2018 jumped by 168.9% year-on-year.

In FY2018, the EMEA region recorded a 61.9% year-on-year decline in revenue to S\$9.0 million, due to the lack of greenfield projects, and impairment expenses resulting in a loss before interest and tax of S\$4.6 million.

**Liquidity and Capital Resources**

In FY2018, the Group generated a strong cash inflow from operations of S\$56.3 million, through better working capital management of projects. With that, the Group ended the period with a net cash position of S\$37.9 million, after deducting share buyback of S\$3.3 million and dividend payments of S\$14.2 million.



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**Outstanding Orders**

<b>S\$'000</b>	<b>4Q2018</b>	<b>3Q2018</b>	<b>4Q2017</b>
Asia-Pacific	127,149	<b>72,114</b>	84,665
Americas	49,124	<b>49,748</b>	71,007
Europe/Middle East/Africa	4,757	<b>14,686</b>	19,283
<b>Total</b>	<b>181,030</b>	<b>136,548</b>	<b>174,955</b>

During the quarter, the Group continues to secure new orders from greenfield (new installations) projects and brownfield (maintenance, upgrade and enhancement of existing installations) projects totalling S\$145.2 million, an increase of 67.2% year-on-year, contributed mainly by higher infrastructure project orders secured. For FY2018, a total of S\$384.2 million new orders were received compared to FY2017 of S\$381.9 million. As at end of FY2018, outstanding orders increased to S\$181.0 million from S\$175.0 million as at end of FY2017.

**Outlook**

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

In view of the market uncertainties, we believe capital discipline is of utmost importance. Nevertheless, we are confident of 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.



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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.

S\$'000			Group	FY2018	FY2017	Change (%)
	2018 4Q	2017 4Q	Change (%)			
<b>Revenue</b>	100,102	116,727	-14.2%	376,787	362,352	4.0%
<b>Cost of sales</b>	(69,859)	(87,785)	-20.4%	(271,626)	(268,215)	1.3%
<b>Gross profit</b>	30,243	28,942	4.5%	105,161	94,137	11.7%
<b>Operating expenses</b>						
Administrative costs	(18,916)	(18,086)	4.6%	(71,411)	(67,927)	5.1%
Selling and distribution costs	(1,053)	(838)	25.7%	(4,279)	(3,837)	11.5%
Other operating costs (Note 1)	(2,986)	(14,340)	-79.2%	(4,343)	(17,842)	-75.7%
<b>Total operating expenses</b>	(22,955)	(33,264)	-31.0%	(80,033)	(89,606)	-10.7%
<b>Operating profit/(loss)</b>	7,288	(4,322)	N.M.	25,128	4,531	454.6%
Interest expense	(138)	(171)	-19.3%	(835)	(829)	0.6%
Interest income	59	83	-28.9%	278	510	-45.8%
Other non-operating items (Note 2)	(88)	(29,052)	N.M.	1,508	(41,637)	N.M.
Profit/(loss) before taxation	7,121	(33,462)	N.M.	26,079	(37,425)	N.M.
Taxation (Note 4)	(2,247)	(5,686)	-60.4%	(6,638)	(9,471)	-29.9%
<b>Profit/(loss) after taxation</b>	<b>4,874</b>	<b>(39,148)</b>	<b>N.M.</b>	<b>19,441</b>	<b>(46,896)</b>	<b>N.M.</b>
<b>Attributable to :-</b>						
Equity owners of the Company	5,064	(37,311)	N.M.	20,105	(45,149)	N.M.
Non-controlling interests	(190)	(1,837)	89.7%	(664)	(1,747)	62.0%
	4,874	(39,148)	N.M.	19,441	(46,896)	N.M.
<b>Earnings/(loss) per ordinary share (cents)</b>						
-basic	0.99	(7.23)		3.95	(8.75)	
-diluted	0.99	(7.23)		3.92	(8.75)	



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**Consolidated statement of comprehensive income for the financial year ended 31 December 2018**

<b>S\$'000</b>	<b>2018 4Q</b>	<b>2017 4Q</b>	<b>Group Change (%)</b>	<b>FY2018</b>	<b>FY2017</b>	<b>Change (%)</b>
<b>Profit/(loss) after taxation</b>	4,874	(39,148)	N.M.	19,441	(46,896)	N.M.
<b>Other comprehensive income/(loss) :</b>						
Foreign currency translation	588	(7,658)	N.M.	582	(18,007)	N.M.
<b>Other comprehensive income/(loss) for the period, net of tax</b>	588	(7,658)	N.M.	582	(18,007)	N.M.
<b>Total comprehensive income for the period</b>	5,462	(46,806)	N.M.	20,023	(64,903)	N.M.
<b>Total comprehensive income attributable to :-</b>						
Owners of the Company	5,692	(44,917)	N.M.	20,727	(63,204)	N.M.
Non-controlling interests	(230)	(1,889)	87.8%	(704)	(1,699)	58.6%
	5,462	(46,806)	N.M.	20,023	(64,903)	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		Change (%)
	2018 4Q	2017 4Q	Change (%)	FY2018	FY2017	
Profit/(loss) before taxation is arrived at after charging/(crediting) the following:						
Interest expense	138	171	-19.3%	835	829	0.6%
Interest income	(59)	(83)	-28.9%	(278)	(510)	-45.8%
Depreciation for property, plant and equipment	1,583	1,367	15.8%	6,094	5,497	10.9%
Amortisation of intangible assets	443	513	-13.6%	1,753	1,842	-4.8%
Impairment of receivables, net	1,838	9,173	-80.0%	1,966	11,161	-82.4%
Allowance for stock obsolescence, Net	233	1,047	-77.7%	267	1,160	-77.0%
Inventories written off	-	209	N.M.	-	209	N.M.
Write down of unbilled receivables	434	2,979	-85.4%	434	2,979	-85.4%
(Gain)/loss on disposal of property, plant and equipment	(66)	388	N.M.	(288)	334	N.M.
Impairment of goodwill	-	27,953	N.M.	-	27,953	N.M.
Impairment of other investments	-	190	N.M.	-	190	N.M.
One-off settlement costs	-	-	N.M.	-	16,845	N.M.

**Note 1**

S\$'000				Group		Change (%)
	2018 4Q	2017 4Q	Change (%)	FY2018	FY2017	
Impairment of receivables, net	1,838	9,173	-80.0%	1,966	11,161	-82.4%
Write down of unbilled receivables	434	2,979	-85.4%	434	2,979	-85.4%
Miscellaneous expenses	59	1	N.M.	60	2	N.M.
Amortisation of intangible assets	443	513	-13.6%	1,753	1,842	-4.8%
Allowance for stock obsolescence, Net	233	1,047	-77.7%	267	1,160	-77.0%
Inventories written off	-	209	N.M.	-	209	N.M.
(Gain)/loss on disposal of property, plant and equipment	(66)	388	N.M.	(288)	334	N.M.
Bank charges	45	30	50.0%	151	155	-2.7%
<b>Other operating costs</b>	<b>2,986</b>	<b>14,340</b>	<b>-79.2%</b>	<b>4,343</b>	<b>17,842</b>	<b>-75.7%</b>



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**Note 2**

S\$'000	2018 4Q	2017 4Q	Change (%)	Group		Change (%)
				FY2018	FY2017	
Rental income	27	34	-20.6%	116	110	5.5%
Miscellaneous (expense)/income	(33)	(267)	-87.6%	235	374	-37.2%
Net exchange (loss)/gain	(82)	(676)	-87.8%	1,157	2,867	-59.7%
One-off settlement costs	-	-	N.M.	-	(16,845)	N.M.
Impairment of goodwill	-	(27,953)	N.M.	-	(27,953)	N.M.
Impairment of other investment	-	(190)	N.M.	-	(190)	N.M.
<b>Other non-operating items</b>	<b>(88)</b>	<b>(29,052)</b>	N.M.	<b>1,508</b>	<b>(41,637)</b>	N.M.

**Note 3**

**Exceptional Items:**

S\$'000	Group FY2017
One-off settlement costs	16,845
Impairment of receivables	11,747
Impairment of goodwill, net of Non-controlling interest	26,211
Impairment of other investment	190
Write down of deferred tax assets	3,485
<b>Exceptional Items</b>	<b>58,478</b>

In July 2017, CSE entered into a settlement agreement (with no admission of liability) with the US government to settle its potential civil liability for alleged violations of the IEEPA and ITSR Act. Arising from this settlement, a provision of US\$12.0 million was recorded in 2Q2017 and paid in 3Q2017.

**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.

In FY2017, the Group has assessed and written down its deferred tax assets of S\$3.5 million, following a review of the recoverability of its deferred tax assets.



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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	
	31-12-18	Restated 31-12-17	31-12-18	31-12-17
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	28,198	28,002	2,299	2,705
Investment in subsidiaries	–	–	196,018	196,018
Quoted investment	1,290	1,296	1,290	1,296
Other investment	–	114	–	–
Investment in associate	106	–	–	–
Intangible assets	25,955	27,610	645	806
Deferred tax assets	3,073	2,799	1,051	1,556
	<b>58,622</b>	<b>59,821</b>	<b>201,303</b>	<b>202,381</b>
<b>CURRENT ASSETS</b>				
Contract Assets (Note 5)	34,327	66,284	–	–
Inventories (Note 5)	16,490	14,622	–	–
Trade and other receivables # (Note 5)	81,844	90,663	772	431
Prepaid operating expenses	3,748	2,963	85	95
Amount due from subsidiary companies	–	–	22,174	29,516
Short-term deposits	4,819	2,989	–	–
Cash and bank balances	69,232	43,921	9,389	3,874
	210,460	221,442	32,420	33,916
<b>CURRENT LIABILITIES</b>				
Contract liabilities (Note 5)	4,985	14,369	–	–
Trade payables and accruals ^	51,460	60,828	4,182	4,604
Finance Lease	8	–	–	–
Loans and borrowings	36,125	31,408	36,125	31,408
Amount due to subsidiary companies	–	–	78,853	88,173
Provision for warranties	467	819	–	–
Provision for taxation	2,880	2,076	611	–
	95,925	109,500	119,771	124,185
<b>Net current assets/(liabilities)</b>	<b>114,535</b>	<b>111,942</b>	<b>(87,351)</b>	<b>(90,269)</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	(481)	(3,047)	–	–
Finance lease	(19)	–	–	–
Accruals	(326)	(321)	–	–
<b>Net Assets</b>	<b>172,331</b>	<b>168,395</b>	<b>113,952</b>	<b>112,112</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	98,542	98,542	98,542	98,542
Treasury shares	(3,327)	–	(3,327)	–
Share based payment reserve	1,393	–	1,393	–
Revenue reserve #	82,216	76,265	7,468	3,694
Other reserve	9,844	9,844	9,876	9,876
Foreign currency translation reserve #	(17,432)	(18,055)	–	–
<b>Total Shareholders' Fund</b>	<b>171,236</b>	<b>166,596</b>	<b>113,952</b>	<b>112,112</b>
Non-controlling interests	1,095	1,799	–	–
<b>Total Equity</b>	<b>172,331</b>	<b>168,395</b>	<b>113,952</b>	<b>112,112</b>
<b>Group net cash</b>	<b>37,926</b>	<b>15,502</b>		
<b>Group net gearing (%)</b>	–	–		

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





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# FY2017 numbers had been restated due to the adoption of new financial reporting framework to reclassify S\$28.668 million of foreign currency translation reserve and S\$7.358 million transition adjustment to the opening retained earnings

**Note 5**

The Group contract 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.

**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 December 2018</b>		<b>As at 31 Dec 2017</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	S\$36,125,000	NIL	S\$31,408,000

**Amount repayable after one year**

<b>As at 31 December 2018</b>		<b>As at 31 Dec 2017</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			
	1.10.2018 to 31.12.2018	1.10.2017 to 31.12.2017	1.1.2018 to 31.12.2018	1.1.2017 to 31.12.2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES :-</b>				
Profit/(Loss) before taxation	7,121	(33,462)	26,079	(37,425)
Adjustments for :-				
Allowance for doubtful trade receivables, net	1,838	9,173	1,966	11,161
Write down of unbilled receivables	434	2,979	434	2,979
Allowance for stock obsolescence made, net	233	1,047	267	1,160
Inventories written off	–	209	–	209
Depreciation for property, plant and equipment	1,583	1,367	6,094	5,497
Amortisation of intangible assets	443	513	1,753	1,842
Property, plant and equipment written off	1	515	1	557
Impairment of goodwill	–	27,953	–	27,953
Impairment of other investment	–	190	–	190
(Gain)/loss on disposal of property, plant and equipment	(66)	388	(288)	334
Gain on disposal of quoted investment	–	–	–	(137)
One-off settlement costs	–	–	–	16,595
Interest expense	138	171	835	829
Interest income	(59)	(83)	(278)	(510)
<b>Operating profit before changes in working capital</b>	<b>11,666</b>	<b>10,960</b>	<b>36,863</b>	<b>31,234</b>
(Increase)/decrease in trade and other receivables and prepaid operating expenses	(1,596)	(9,213)	6,886	(23,881)
(Increase)/decrease in gross amount due from customers for contract work-in-progress, net and inventories	(4,387)	(14,635)	19,924	(29,941)
Increase/(decrease) in payables and accruals and provision for warranties	3,288	10,719	(7,349)	20,954
<b>Cash generated from/(used in) operations</b>	<b>8,971</b>	<b>(2,169)</b>	<b>56,324</b>	<b>(1,634)</b>
Interest paid	(138)	(171)	(835)	(829)
Interest received	59	83	278	510
One-off settlement costs (Note 3)	–	–	–	(16,595)
Income tax (paid)/refund	(4,177)	189	(8,562)	(4,498)
<b>Net cash generated from/(used in) operating activities</b>	<b>4,715</b>	<b>(2,068)</b>	<b>47,205</b>	<b>(23,046)</b>



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S\$'000	GROUP			
	1.10.2018 to 31.12.2018	1.10.2017 to 31.12.2017	1.1.2018 to 31.12.2018	1.1.2017 to 31.12.2017
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Proceeds/(cash consideration paid) on quoted investment	–	–	–	5,991
Acquisition of business and assets, net of cash acquired	–	(325)	(1,240)	(8,506)
Purchase of property, plant and equipment	(1,142)	(1,264)	(6,579)	(8,133)
Purchase of intangible assets	(81)	(34)	(95)	(168)
Proceeds from sale of property, plant and equipment	215	23	721	363
<b>Net cash used in investing activities</b>	<b>(1,008)</b>	<b>(1,600)</b>	<b>(7,193)</b>	<b>(10,453)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>				
Purchase of treasury shares	–	–	(3,327)	–
Dividends paid to shareholders	–	–	(14,154)	(14,192)
Increase in finance lease obligations	27	–	27	(28)
Proceeds from short term loans from bankers	14,417	4,185	4,711	10,419
<b>Net cash generated from/(used in) financing activities</b>	<b>14,444</b>	<b>4,185</b>	<b>(12,743)</b>	<b>(3,801)</b>
Net effect of exchange rate changes on cash and cash equivalents	(244)	(1,021)	(128)	(6,568)
Net increase/(decrease) in cash and cash equivalents	18,151	517	27,269	(37,300)
Cash and cash equivalents at beginning of the quarter/financial year	56,144	47,414	46,910	90,778
<b>Cash and cash equivalents at end of the financial period/year</b>	<b>74,051</b>	<b>46,910</b>	<b>74,051</b>	<b>46,910</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.

Group S\$'000	Attributable to equity owners of the Company						Total	Non-controlling interests	Total Equity
	Share capital	Treasury Shares	Share based payment reserve	Revenue reserve	Other reserve	Foreign currency translation reserve			
As previously reported at 1 January 2017	98,542	–	–	171,632	9,844	(28,668)	251,350	3,498	254,848
Adoption of SFRS(I) ##	–	–	–	(28,668)	–	28,668	–	–	–
At 1 January 2017 (restated)	98,542	–	–	142,964	9,844	–	251,350	3,498	254,848
Dividend for FY2016 declared and paid	–	–	–	(7,741)	–	–	(7,741)	–	(7,741)
Currency translation of equity to financial liabilities	–	–	–	–	–	(2,511)	(2,511)	–	(2,511)
Dividend for FY2017 declared and paid	–	–	–	(6,451)	–	–	(6,451)	–	(6,451)
Total comprehensive income/(loss) for 9 months 2017	–	–	–	(7,838)	–	(10,449)	(18,287)	190	(18,097)
<b>At 30 September 2017</b>	<b>98,542</b>	<b>–</b>	<b>–</b>	<b>120,934</b>	<b>9,844</b>	<b>(12,960)</b>	<b>216,360</b>	<b>3,688</b>	<b>220,048</b>
Total comprehensive income for 4 <sup>th</sup> quarter	–	–	–	(37,311)	–	(5,095)	(42,406)	(1,889)	(44,295)
<b>At 31 December 2017</b>	<b>98,542</b>	<b>–</b>	<b>–</b>	<b>83,623</b>	<b>9,844</b>	<b>(18,055)</b>	<b>173,954</b>	<b>1,799</b>	<b>175,753</b>



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Group S\$'000	Attributable to equity owners of the Company							Non-controlling interests	Total Equity
	Share capital	Treasury Shares	Share based payment reserve	Revenue reserve	Other reserve	Foreign currency translation reserve	Total		
As previously reported at 31 December 2017	98,542	–	–	112,291	9,844	(46,723)	173,954	1,799	175,753
Adoption of SFRS(I) ##	–	–	–	(28,668)	–	28,668	–	–	–
SFRS(I) 9 Transition adjustment ##	–	–	–	(7,358)	–	–	(7,358)	–	(7,358)
At 1 January 2018 (restated)	98,542	–	–	76,265	9,844	(18,055)	166,596	1,799	168,395
Purchase of treasury shares	–	(3,327)	–	–	–	–	(3,327)	–	(3,327)
Dividend for FY2017 declared and paid	–	–	–	(7,741)	–	–	(7,741)	–	(7,741)
Dividend for FY2018 declared and paid	–	–	–	(6,413)	–	–	(6,413)	–	(6,413)
Total comprehensive income for 9 months 2018	–	–	–	15,041	–	(5)	15,036	(474)	14,562
<b>At 30 September 2018</b>	<b>98,542</b>	<b>(3,327)</b>	<b>–</b>	<b>77,152</b>	<b>9,844</b>	<b>(18,060)</b>	<b>164,151</b>	<b>1,325</b>	<b>165,476</b>
Share based payment reserve	–	–	1,393	–	–	–	1,393	–	1,393
Total comprehensive income for 4 <sup>th</sup> quarter	–	–	–	5,064	–	628	5,692	(230)	5,462
<b>At 31 December 2018</b>	<b>98,542</b>	<b>(3,327)</b>	<b>1,393</b>	<b>82,216</b>	<b>9,844</b>	<b>(17,432)</b>	<b>171,236</b>	<b>1,095</b>	<b>172,331</b>



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Company S\$'000	Share capital	Treasury Shares	Share based payment reserve	Revenue reserve	Other reserve	Total Equity
At 1 January 2017	98,542	–	–	21,899	9,876	130,317
Total comprehensive income for 9 months 2017	–	–	–	2,547	–	2,547
Dividend for FY2016 declared and paid	–	–	–	(7,741)	–	(7,741)
Interim dividend for FY2017 declared and paid	–	–	–	(6,451)	–	(6,451)
<b>At 30 September 2017</b>	98,542	–	–	10,254	9,876	118,672
Total comprehensive income 4 <sup>th</sup> quarter	–	–	–	(6,560)	–	(6,560)
<b>At 31 December 2017</b>	98,542	–	–	3,694	9,876	112,112
At 1 January 2018	98,542	–	–	3,694	9,876	112,112
Total comprehensive income for 9 months 2017	–	–	–	18,744	–	18,744
Purchase of treasury shares	–	(3,327)	–	–	–	(3,327)
Dividend for FY2017 declared and paid	–	–	–	(7,741)	–	(7,741)
Interim dividend for FY2018 declared and paid	–	–	–	(6,413)	–	(6,413)
<b>At 30 September 2018</b>	98,542	(3,327)	–	8,284	9,876	113,375
Share based payment reserve	–	–	1,393	–	–	1,393
Total comprehensive income 4 <sup>th</sup> quarter	–	–	–	(816)	–	(816)
<b>At 31 December 2018</b>	98,542	(3,327)	1,393	7,468	9,876	113,952



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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 approval at the Annual General Meeting held on 19 April 2017, the Company purchased a total of 7,177,500 ordinary shares as at end 31 December 2018. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$0.44 to S\$0.49 per price, the total consideration paid was S\$3,327,000 (including transaction costs).

As of 31 December 2018, there were share buybacks of 7,177,500 ordinary shares in the capital of the Company.

Other than the above-mentioned, there were no other changes in the Company's share capital arising from rights issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

**Treasury Shares**

As at 31 December 2018, there were 7,177,500 treasury shares (31 December 2017: nil) 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 December 2018	: 508,890,352
Number of shares as at 31 December 2017	: 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.



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**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 2017, 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**

The Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting standards. The Group has adopted the new financial reporting framework on 1 January 2018 and adopted the Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective on 1 January 2018.

The effects of the adoption of the new SFRS(I) are detailed as follows:

(a) SFRS(I) 1 – *First-time Adoption of Singapore Financial Reporting Standards (International)*

The Group has elected the optional exemption in SFRS(I) to deem cumulative translation differences for foreign operations to be zero on 1 January 2017 and reclassified (\$28,668,000) of foreign currency translation reserve to the opening retained earnings as at 1 January 2017.

(b) SFRS(I) 9 – *Financial Instrument*

The Group adopted SFRS(I) 9 on the required effective date without restating prior period's information. As a result of adopting SFRS(I) 9, the Group recognised additional allowance for doubtful debts of \$7,358,000 which has been included in the opening retained earnings as at the date of initial application, 1 January 2018.

(c) SFRS(I) 15 – *Revenue from contracts with customers*

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance.

Following the presentation requirements in SFRS(I) 15, the Group has presented certain amounts in the Group's balance sheet as follows:

- i) Amounts due from customers on construction contracts was presented as contract assets.
- ii) Amounts due to customers on construction contracts was presented as contract liabilities.

Other than the abovementioned, the Group adopted SFRS(I) 15 retrospectively in accordance with the requirement of SFRS(I) 1 on the required effective date from 1 January 2018 and the impact is immaterial to the Group's financial statement.





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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:-**

	4Q 2018	4Q 2017	FY 2018	FY 2017
<b>Earnings/(Loss) 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	0.99	(7.23)	3.92	(8.75)
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	0.99	(7.23)	3.89	(8.75)
<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	516,067,852	516,067,852
Weighted average number of shares buy back during the period	–	–	(3,228,828)	–
<b>Adjusted weighted average number of shares</b>	<b>508,890,352</b>	<b>516,067,852</b>	<b>512,839,024</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	508,890,352	516,067,852	512,839,024	516,067,852
Weighted average number of treasury shares	–	–	3,948,642	–
<b>Adjusted weighted average number of shares</b>	<b>508,890,352</b>	<b>516,067,852</b>	<b>516,787,696</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 2018		31 December 2017	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued share capital (in cents)	33.65	22.39	32.28	21.72



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**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 (1-tier tax-exempt) dividend of 1.5 Singapore cents per ordinary share for the financial year ended 31 December 2018. Total dividend for FY2018 is 2.75 cents including 1.25 cents per ordinary share for interim dividend (1-tier tax-exempt) paid in September 2018 (FY2017: interim and final (1-tier tax-exempt) dividend of 2.75 cents per ordinary share).

**10. Date dividend is payable**

The dividend, if approved by shareholders at the Annual General Meeting scheduled for 18 April 2019, will be paid on 17 May 2019.

**11. Book closure date**

Notice is hereby given that, subject to shareholders' approval of the payment of the dividend at the Annual General Meeting scheduled for 18 April 2019, the Share Transfer Books and the Register of Members of the Company will be closed on 6 May 2019. 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 3 May 2019 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 and the reason(s) for the decision.**

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.**

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:-**

S\$'000	Group			
	2018	2017	Variance	Variance (%)
Turnover reported for first half of the year	184,304	160,068	24,236	15.1
Profit before tax before exceptional items reported for first half of the year	12,669	8,292	4,377	52.7
Exceptional items for first half of the year	–	(16,845)	16,845	N.M.
Profit/(loss) before tax reported for the first half of the year	12,669	(8,553)	21,222	N.M.
Turnover reported for second half of the year	192,483	202,284	(9,801)	-4.8
Profit before tax before exceptional items reported for second half of the year	13,410	(729)	14,139	N.M.
Exceptional items for second half of the year	–	(28,143)	28,143	N.M.
Profit/(loss) before tax reported for the second half of the year	13,410	(28,872)	42,088	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	14,154	14,192
<b>Total:</b>	<b>14,154</b>	<b>14,192</b>

**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.



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**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 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 financial year ended 31 December 2018 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  
20 February 2019