



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

Full Year Financial Statement and Dividend Announcement for the period ended 31 December 2019

Key Financial Performance

S\$'000	2019 4Q	2018 4Q	Change	FY 2019	FY 2018	Change
Revenue from continuing operations	156,588	99,308	57.7%	451,756	373,488	21.0%
Gross margin (%)	28.1%	30.2%	-2.1pp	27.4%	27.7%	-0.3pp
Operating profit from continuing operations	9,958	7,827	27.2%	30,118	26,994	11.6%
Net profit attributable to equity owners of the Company	8,108	5,064	60.1%	24,054	20,105	19.6%
Cash generated from operations	(1,812)	9,217	N.M.	18,027	56,586	-68.1%
Order intake from continuing operations	230,068	144,504	59.2%	578,848	380,586	52.1%
Order book - continuing operations	307,305	180,211	70.5%	307,305	180,211	70.5%

Review of Performance – 4Q2019

Group net profit in 4Q2019 rose by 60.1% year-on-year to S\$8.1 million on the back of a 57.7% growth in revenue to S\$156.6 million.

The growth in group revenues in 4Q19 was broad based across all geographic regions, led by the Americas and Asia-Pacific regions. In line with the growth in revenues, gross profit in 4Q19 rose by 47.1% to S\$44.0 million. Gross margin in 4Q19 was 2.1 percentage points lower at around 28.1% as compared to 4Q18, mainly attributed to higher share of lower margin infrastructure project revenues recognized in 4Q19.

During the quarter, group operating expenses increased by 38.6% or S\$8.5 million year-on-year to S\$30.6 million, mainly due to higher personnel costs of S\$6.9 million as a result of increased headcounts and higher amortisation of intangible assets of S\$1.7 million.

Operating profit registered a modest growth of 27.2% at S\$10.0 million as compared to 4Q18 of S\$7.8 million.

Net profit attributable to equity owners of the Company increased by 60.1% to S\$8.1 million in 4Q19 from S\$5.1 million in 4Q18.

Order intake in 4Q19 surged by 59.2% to S\$230.1 million, mainly led by two major oil and gas greenfield project orders worth S\$103.7 million secured in October 2019, and supported by growth in flow orders in 4Q19. As at the end of the quarter, the order book stood at S\$307.3 million, registering a 70.5% growth over 4Q18 of S\$180.2 million.



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Review of Performance – FY2019

Group revenues in FY2019 grew by 21.0% to S\$451.8 million as compared to FY2018 of S\$373.5 million, driven by higher oil and gas revenues in the Americas regions and infrastructure revenues in the Asia-Pacific regions. In line with the 21.0% growth in revenues and a stable gross margin of 27.4%, gross profit in FY2019 rose by 19.4% to S\$123.7 million.

Operating profit was 11.6% higher in FY2019 at S\$30.1 million as compared to FY18 of S\$27.0 million, led by higher gross profit which was partially offset by higher personnel costs of S\$10.5 million due to increased headcounts, additional amortisation of intangible assets of S\$1.5 million and higher professional fees of S\$2.7 million.

Net profit attributable to equity owners of the Company increased by 19.6% to S\$24.1 million in FY2019 from S\$20.1 million in FY2018.

Order intake for FY19 increased by 52.1% year-on-year to S\$578.8 million as compared with S\$380.6 million for the same corresponding period in 2018. As at end of FY19, order book stood at S\$307.3 million, 70.5% higher than FY18 of S\$180.2 million.

Performance of Geographical Segments

SS'000	2019 4Q	2018 4Q	Change	FY 2019	FY 2018	Change
Revenue from continuing operations						
Asia-Pacific	56,106	35,495	58.1%	165,120	128,203	28.8%
Americas	98,106	62,285	57.5%	279,438	238,693	17.1%
Europe/Middle East/Africa	2,376	1,528	55.5%	7,198	6,592	9.2%
Group	156,588	99,308	57.7%	451,756	373,488	21.0%
Earnings before interest and tax (EBIT) from continuing operations						
Asia-Pacific	3,778	3,164	19.4%	16,416	14,646	12.1%
Americas	6,831	5,820	17.4%	14,708	17,111	-14.0%
Europe/Middle East/Africa	94	(1,223)	N.M.	711	(3,317)	N.M.
Group	10,703	7,761	37.9%	31,835	28,440	11.9%

4Q19 vs 4Q18

In 4Q2019, the geographical regions of Asia-Pacific, the Americas and Europe/Middle East/Africa contributed 35.8%, 62.7% and 1.5% to revenue respectively.

The Asia Pacific region recorded a 58.1% year-on-year growth in revenues due to higher recognition of revenues for projects for the infrastructure projects in Singapore and Australia. In line with the increase in revenues, EBIT rose by 19.4% year-on-year.

The Americas region registered a revenue growth of 57.5% in 4Q19 as compared to 4Q18, mainly attributed to higher time and material revenues achieved as well as revenues from inclusion of newly acquired subsidiaries, Volta, LLC and Volta Properties, LLC (collectively known as “Volta”). Due to the growth in revenues and a stable gross margin, the Americas region registered a 17.4% growth in EBIT in 4Q19.



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Europe/Middle East/Africa (“EMEA”) region also registered an increase of 55.5% in revenues year-on-year in 4Q19 and improved profitability in 4Q19 from improvement in gross margins for its projects.

FY2019 vs FY2018

In FY2019, the geographical regions of Asia-Pacific, the Americas and Europe/Middle East/Africa contributed 36.5%, 61.9% and 1.6% to revenue.

The Asia Pacific region recorded a 28.8% year-on-year growth in FY2019 revenues due to higher recognition of revenues for projects in the infrastructure and mining sectors in Singapore and Australia. In line with the growth in revenues, EBIT saw a 12.1% increase year-on-year.

The Americas region revenues registered a revenue growth of 17.1% year-on-year in FY2019, mainly higher time and material revenues achieved as well as revenues from inclusion of Volta. However, EBIT declined by 14.0% year-on-year to S\$14.7 million due to additional amortisation of intangible assets of S\$1.3 million coupled and higher professional fees of S\$2.4 million.

The EMEA region recorded a 9.2% growth in revenue and managed to return to profitability in FY2019 from improvement in gross margins.

Liquidity and Capital Resources

For 4Q19, the Group generated a cash outflow from operations of S\$1.8 million. For FY2019, the Group generated a cash inflow from operations of S\$18.0 million. The Group ended the period with a net debt position of S\$44.5 million, after S\$73.2 million of acquisitions made in 2019 and dividend payments of S\$14.0 million.

Order Book

SS'000	4Q2019	3Q2019	4Q2018
Asia-Pacific	118,090	129,182	127,074
Americas	184,811	97,719	49,123
Europe/Middle East/Africa	4,404	5,737	4,014
Total	307,305	232,638	180,211

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 totaling S\$230.1 million, led by two major oil and gas greenfield project orders worth S\$103.7 million secured in October 2019, and supported by growth in flow orders in 4Q19. With the higher orders secured in 4Q19, the order book as at 31 December 2019 grew to S\$307.3 million, a 70.5% growth over 4Q18 order book of S\$180.2 million.



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Outlook

Conditions in the industry which the Group operates continue to remain uncertain in view of ongoing trade tensions, a global economic slowdown and the impact of prolonged outbreak of Covid-19 virus. Despite the uncertain business environment, CSE anticipates a steady flow of orders in 2020 from its existing customer installed base. Together with a strong order book of S\$307.3 million, CSE expects an improvement in our financial performance in 2020 over 2019, particularly after taking into account the full year contribution of Volta acquisition (4 months' contribution in 2019).

We believe capital discipline is of utmost importance and we will focus on our cashflow management. As a group, we are continuously looking out for value accretive and strategic acquisitions to grow our business to ensure a diversified and sustainable income stream.



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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.

SS'000	2019 4Q	2018 4Q	Group Change (%)	FY 2019	FY 2018	Change (%)
Revenue	156,588	99,308	57.7%	451,756	373,488	21.0%
Cost of sales	(112,547)	(69,364)	62.3%	(328,045)	(269,853)	21.6%
Gross profit	44,041	29,944	47.1%	123,711	103,635	19.4%
Operating expenses						
Administrative costs	(30,105)	(18,282)	64.7%	(85,785)	(68,711)	24.8%
Selling and distribution costs	(1,174)	(1,004)	16.9%	(4,513)	(4,113)	9.7%
Other operating costs (Note 1)	(2,804)	(2,831)	-1.0%	(3,295)	(3,817)	-13.7%
Total operating expenses	(34,083)	(22,117)	54.1%	(93,593)	(76,641)	22.1%
Operating profit	9,958	7,827	27.2%	30,118	26,994	11.6%
Interest expense (Note 2)	(913)	(162)	463.7%	(2,140)	(835)	156.3%
Interest income	119	75	58.7%	300	278	7.8%
Other non-operating items (Note 3)	745	(67)	N.M.	1,717	1,446	18.7%
Profit before tax	9,909	7,673	29.1%	29,995	27,883	7.6%
Taxation (Note 4)	(1,807)	(2,266)	-20.3%	(6,106)	(6,657)	-8.3%
Profit after tax from continuing operations	8,102	5,407	49.8%	23,889	21,226	12.5%
Discontinued operations						
Loss from discontinued operations, net of tax	–	(533)	N.M.	(230)	(1,785)	-87.1%
Profit for the year	8,102	4,874	66.2%	23,659	19,441	21.7%
Attributable to :-						
Equity owners of the Company	8,108	5,064	60.1%	24,054	20,105	19.6%
Non-controlling interests	(6)	(190)	-96.8%	(395)	(664)	-40.5%
	8,102	4,874	66.2%	23,659	19,441	21.7%
Earnings per ordinary share (cents)						
-basic	1.60	0.99		4.73	3.92	
-diluted	1.57	0.99		4.66	3.89	



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Consolidated statement of comprehensive income for the financial year ended 31 December 2019

SS'000	2019 4Q	2018 4Q	Group Change (%)	FY 2019	FY 2018	Change (%)
Profit after taxation	8,102	4,874	66.2%	23,659	19,441	21.7%
Other comprehensive income :						
Foreign currency translation	(3,868)	588	N.M.	(3,604)	583	N.M.
Other comprehensive income for the period, net of tax	(3,868)	588	N.M.	(3,604)	583	N.M.
Total comprehensive income for the period	4,234	5,462	-22.5%	20,055	20,024	0.2%
Total comprehensive income attributable to :-						
Owners of the Company	4,210	5,692	-26.0%	20,348	20,728	-1.8%
Non-controlling interests	24	(230)	N.M.	(293)	(704)	N.M.
	4,234	5,462	-22.5%	20,055	20,024	0.2%

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:-

Continuing and Discontinued Operations

S\$'000	2019 4Q	2018 4Q	Change (%)	Group		Change %
				FY 2019	FY 2018	
Profit before taxation is arrived at after charging/(crediting) the following:						
Interest expense	939	138	580.4%	2,178	835	160.8%
Interest income	(119)	(75)	-58.7%	(300)	(278)	7.9%
Depreciation for property, plant and equipment	1,825	1,583	15.3%	6,597	6,094	8.3%
Depreciation for right-to-use assets	1,385	–	N.M	3,732	–	N.M
Amortisation of intangible assets	2,130	443	380.8%	3,284	1,753	87.3%
Allowance/ (write back of allowance) for expected credit loss on trade receivables, net	152	1,838	-91.7%	(36)	1,966	N.M
Allowance for stock obsolescence made, net	455	233	95.3%	414	267	55.1%
(Loss)/ gain on disposal of property, plant and equipment	7	(66)	N.M	(284)	(288)	-1.4%

Note 1

S\$'000	2019 4Q	2018 4Q	Change (%)	Group		Change (%)
				FY 2019	FY 2018	
Allowance/ (write back of allowance) for expected credit loss on trade receivables, net	152	1,838	-91.7%	(36)	1,966	N.M
Amortisation of intangible assets	2,130	443	380.8%	3,049	1,260	142.0%
Write down of unbilled receivables	–	434	N.M	–	434	N.M
Miscellaneous expenses	–	60	N.M	–	60	N.M
Gain/ (loss) on disposal of property, plant and equipment	7	(66)	N.M	(284)	(288)	-1.4%
Allowance for stock obsolescence made, net	455	233	95.3%	414	267	55.1%
Bank charges	60	12	400.0%	152	118	28.8%
Other operating costs	<u>2,804</u>	<u>2,831</u>	-1.0%	<u>3,295</u>	<u>3,817</u>	-13.7%

Note 2

Higher interest expense is due to the adoption of SFRS(I) 16 of S\$348,000 lease interest charged in FY19.



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Note 3

S\$'000	Group					
	2019 4Q	2018 4Q	Change (%)	FY 2019	FY 2018	Change (%)
Miscellaneous income	408	(33)	N.M	774	235	229.4%
Net exchange gain/ (loss)	337	(34)	N.M	943	1,211	-22.1%
Other non-operating items	<u>745</u>	<u>(67)</u>	N.M	<u>1,717</u>	<u>1,446</u>	18.7%

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.

S\$'000	Group		Company	
	31-12-19	31-12-18	31-12-19	31-12-18
NON-CURRENT ASSETS				
Property, plant and equipment	58,240	28,198	2,029	2,299
Right-to-use assets #	13,837	–	3,492	–
Investment in subsidiaries	–	–	125,104	196,018
Quoted investment	1,284	1,290	1,284	1,290
Investment in associate	103	106	–	–
Intangible assets	58,854	25,955	484	645
Deferred tax assets	2,564	3,073	907	1,138
	134,882	58,622	133,300	201,390
CURRENT ASSETS				
Contract assets (Note 4)	45,781	34,327	–	–
Inventories (Note 4)	21,658	16,490	–	–
Trade and other receivables (Note 4)	127,932	81,844	3,765	772
Prepaid operating expenses	7,439	3,748	369	85
Amount due from subsidiary companies	–	–	145,080	22,174
Short-term deposits	3,392	4,819	–	–
Cash and bank balances	55,246	69,232	2,102	9,389
	261,448	210,460	151,316	32,420
CURRENT LIABILITIES				
Contract liabilities (Note 4)	(22,619)	(11,935)	–	–
Trade payables and accruals	(71,497)	(44,510)	(4,266)	(4,352)
Lease liabilities #	(4,209)	–	(486)	–
Finance lease	(79)	(8)	–	–
Loans and borrowings	(69,400)	(36,125)	(69,400)	(36,125)
Amount due to subsidiary companies	–	–	(21,399)	(78,853)
Provision for warranties	(657)	(467)	–	–
Provision for taxation	(4,458)	(2,880)	(612)	(761)
	(172,919)	(95,925)	(96,163)	(120,091)
Net current assets/(liabilities)	88,529	114,535	55,153	(87,671)
NON-CURRENT LIABILITIES				
Deferred tax liabilities	(360)	(481)	–	–
Lease liabilities #	(10,693)	–	(3,552)	–
Finance lease	(41)	(19)	–	–
Loans and borrowings	(33,740)	–	(33,740)	–
Accruals	(2,372)	(326)	–	–
Net Assets	176,205	172,331	151,161	113,719
Equity attributable to owners of the Company				
Share capital	98,542	98,542	98,542	98,542
Treasury shares	(4,039)	(3,327)	(4,039)	(3,327)
Shares based payment reserve	1,972	1,393	1,972	1,393
Revenue reserve #	91,477	82,216	45,067	7,235
Other reserve	9,587	9,844	9,619	9,876
Foreign currency translation reserve #	(21,202)	(17,432)	–	–
Total Shareholders' Fund	176,337	171,236	151,161	113,719
Non-controlling interests	(132)	1,095	–	–
Total Equity	176,205	172,331	151,161	113,719
Group net (debt)/ cash	(44,502)	37,926		



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

Note 4

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

As at 31 December 2019		As at 31 December 2018	
Secured	Unsecured	Secured	Unsecured
NIL	S\$69,400,000	NIL	S\$36,125,000

Amount repayable after one year

As at 31 December 2019		As at 31 December 2018	
Secured	Unsecured	Secured	Unsecured
NIL	S\$33,740,000	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			
	1.10.2019 to 31.12.2019	1.10.2018 to 31.12.2018	1.1.2019 to 31.12.2019	1.1.2018 to 31.12.2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES :-</u>				
Profit before tax from continuing operations	9,909	7,673	29,995	27,883
Loss before tax from discontinued operations	–	(533)	(230)	(1,785)
Profit before tax, total	9,909	7,140	29,765	26,098
Adjustments for :-				
Allowance/ (write back of allowance) for expected credit loss on trade receivables, net	152	1,838	(36)	1,966
Write down of unbilled receivables	–	434	–	434
Allowance for stock obsolescence made, net	455	233	414	267
Depreciation for property, plant and equipment	1,825	1,583	6,597	6,094
Depreciation for right-to-use assets	1,385	–	3,732	–
Amortisation of intangible assets	2,130	443	3,284	1,753
Loss/ (gain) on disposal of property, plant and equipment	7	(66)	(284)	(288)
Gain on disposal of subsidiary	–	–	(695)	–
Property, plant and equipment written off	–	1	–	1
Interest expense	939	138	2,178	835
Interest income	(119)	(75)	(300)	(278)
Operating profit before reinvestment in working capital	16,683	11,669	44,655	36,882
(Increase)/decrease in trade and other receivables and prepaid operating expenses	(25,730)	(1,378)	(31,164)	7,104
Decrease/(increase) in gross amount due from customers for contract assets, net and inventories	731	(2,815)	(3,742)	21,496
Increase/ (decrease) in payables and accruals and provision for warranties	6,504	1,741	8,278	(8,896)
Cash (used in)/generated from operations	(1,812)	9,217	18,027	56,586
Interest paid	(591)	(138)	(1,830)	(835)
Interest received	119	75	300	278
Income tax refund/ (paid)	894	(4,157)	(4,664)	(8,542)
Net cash (used in)/generated from operating activities	(1,390)	4,997	11,833	47,487



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S\$'000	GROUP			
	1.10.2019 to 31.12.2019	1.10.2018 to 31.12.2018	1.1.2019 to 31.12.2019	1.1.2018 to 31.12.2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Cash consideration paid, net of cash assets & business acquired	–	–	(65,258)	(1,239)
Restricted cash from acquisition of subsidiary	–	–	(7,987)	–
Proceeds from sales of subsidiary	–	–	3,586	–
Purchase of property, plant and equipment	111	(1,114)	(10,463)	(6,552)
Payment of principal portion of lease liabilities	(1,740)	–	(3,097)	–
Purchase of intangible assets	(2,600)	(81)	(2,941)	(95)
Proceeds from sale of property, plant and Equipment	(660)	(72)	861	434
Net cash used in investing activities	(4,889)	(1,267)	(85,299)	(7,452)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Dividends paid to shareholders	–	–	(13,968)	(14,154)
Purchase of treasury shares	–	–	(2,131)	(3,327)
Proceeds from short-term borrowings, net	5,283	14,417	67,016	4,711
Net cash generated from/ (used in) financing activities	5,283	14,417	50,917	(12,770)
Net effect of exchange rate changes on cash and cash equivalents	(516)	(240)	(851)	(124)
Net (decrease)/increase in cash and cash equivalents	(996)	18,147	(22,549)	27,265
Cash and cash equivalents at beginning of the quarter/financial year	52,163	56,144	74,051	46,910
Cash and cash equivalents at end of the financial period	50,651	74,051	50,651	74,051
Restricted cash from acquisition of subsidiary	7,987	–	7,987	–
Cash and bank balances at end of the financial period	58,638	74,051	58,638	74,051



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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	Revenue reserve	Share based payment reserve	Other reserve	Foreign currency translation reserve			
As previously reported at 1 January 2018	98,542	–	83,623	–	9,844	(18,055)	173,954	1,799	175,753
Effect of adopting of SFRS(I) 9	–	–	(7,358)	–	–	–	(7,358)	–	(7,358)
At 1 January 2018	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)
Interim dividend for FY2018 declared and paid	–	–	(6,413)	–	–	–	(6,413)	–	(6,413)
Total comprehensive income/(loss) for 9 months 2018	–	–	15,041	–	–	(5)	15,036	(474)	14,562
At 30 September 2018	98,542	(3,327)	77,152	–	9,844	(18,060)	164,151	1,325	165,476
Share based payment reserve	–	–	–	1,393	–	–	1,393	–	1,393
Total comprehensive income/(loss) for 4th quarter	–	–	5,064	–	–	628	5,692	(230)	5,462
At 31 December 2018	98,542	(3,327)	82,216	1,393	9,844	(17,432)	171,236	1,095	172,331



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Attributable to equity owners of the Company

Group S\$'000	Share capital	Treasury shares	Revenue reserve	Share based payment reserve	Other reserve	Foreign currency translation reserve	Total	Non- controlling interests	Total Equity
As previously reported at 1 January 2019	98,542	(3,327)	82,216	1,393	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)	81,392	1,393	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
Dividend for FY2018 declared and paid	–	–	(7,619)	–	–	–	(7,619)	–	(7,619)
Interim dividend for FY2019 declared and paid	–	–	(6,349)	–	–	–	(6,349)	–	(6,349)
Disposal of subsidiary	–	–	–	–	–	(65)	(65)	(914)	(979)
Total comprehensive income/(loss) for 9 months 2019	–	–	15,945	–	–	193	16,138	(317)	15,821
At 30 September 2019	98,542	(4,039)	83,369	–	9,893	(17,304)	170,461	(156)	170,305
Share based payment reserve	–	–	–	1,972	(306)	–	1,666	–	1,666
Total comprehensive income/(loss) for 4th quarter	–	–	8,108	–	–	(3,898)	4,210	24	4,234
At 31 December 2019	98,542	(4,039)	91,477	1,972	9,587	(21,202)	176,337	(132)	176,205



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Company SS'000	Share capital	Treasury shares	Share-based payment reserve	Revenue reserve	Other reserve	Total Equity
At 1 January 2018	98,542	–	–	3,694	9,876	112,112
Total comprehensive income for 9 months 2018	–	–	–	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)
At 30 September 2018	98,542	(3,327)	–	8,284	9,876	113,375
Share based payment reserve	–	–	1,393	–	–	1,393
Total comprehensive income/(loss) 4th quarter	–	–	–	(1,049)	–	(1,049)
At 31 December 2018	98,542	(3,327)	1,393	7,235	9,876	113,719
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
Total comprehensive income for 9 months 2019	–	–	–	10,215	–	10,215
Purchase of treasury shares	–	(2,131)	–	–	–	(2,131)
Re-issuance of treasury shares	–	1,419	(1,393)	–	49	75
Dividend for FY2018 declared and paid	–	–	–	(7,619)	–	(7,619)
Interim dividend for FY2019 declared and paid	–	–	–	(6,349)	–	(6,349)
At 30 September 2019	98,542	(4,039)	–	3,042	9,925	107,470
Share based payment reserve	–	–	1,972	–	(306)	1,666
Total comprehensive income 4th quarter	–	–	–	42,025	–	42,025
At 31 December 2019	98,542	(4,039)	1,972	45,067	9,619	151,161



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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.

There were no changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.

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

Treasury Shares

As at 31 December 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 December 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 December 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.

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 modifications 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 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(1) 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:-

	4Q 2019	4Q 2018	FY 2019	FY 2018
Earnings per ordinary share of the group after deducting any provision for preference dividends:-				
(a) Based on weighted average number of ordinary shares in issue; and	1.60	0.99	4.73	3.92
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	1.57	0.99	4.66	3.89
For the computation of basic earnings per share, the basis of arriving at the weighted average number of shares is determined as follows :-				
Weighted average number of shares outstanding during the period	507,950,352	513,422,644	508,890,352	516,067,852
Weighted average number of shares based payment during the period	–	–	2,470,356	–
Weighted average number of share buybacks during the period	–	(4,532,292)	(3,225,767)	(3,228,828)
Adjusted weighted average number of shares	507,950,352	508,890,352	508,134,941	512,839,024
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	507,950,352	508,890,352	508,134,941	512,839,024
Weighted average number of treasury shares	8,117,500	7,177,500	7,932,911	3,228,828
Adjusted weighted average number of shares	516,067,852	516,067,852	516,067,852	516,067,852

* 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) 1-33 Earnings Per Share.



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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 :-

	31 December 2019		31 December 2018	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued share capital (in cents)	34.72	29.76	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.

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 2019. Total dividend for FY2019 is 2.75 cents including 1.25 cents per ordinary share for interim dividend (1-tier tax-exempt) paid in September 2019 (FY2018: 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 16 April 2020, will be paid on 12 May 2020.

11. Record Date

Notice is hereby given that, subject to shareholders' approval of the payment of the dividend at the Annual General Meeting scheduled for 16 April 2020, the Share Transfer Books and the Register of Members of the Company will be closed on 4 May 2020. 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 4 May 2020 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			
	2019	2018	Variance	Variance (%)
Turnover for continuing operations reported for first half of the year	183,715	182,733	982	0.5
Profit before tax before exceptional items for continuing operations reported for first half of the year	13,562	13,502	60	0.4
Loss before tax before exceptional items for discontinued operations reported for first half of the year	(925)	(833)	-92	11.0
Profit before tax reported for the first half of the year	12,637	12,669	-32	-0.3
Turnover for continuing operations reported for second half of the year	268,041	190,755	77,286	40.5
Profit before tax before exceptional items for continuing operations reported for second half of the year	16,433	14,381	2,052	14.3
Profit /(loss) before tax before exceptional items for discontinued operations reported for second half of the year	695	(971)	1,666	-171.6
Profit before tax reported for the second half of the year	17,128	13,410	3,718	27.7

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	13,968	14,154
Total:	13,968	14,154



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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.

A general mandate for Interested Person Transactions has been obtained from shareholders at an Extraordinary General Meeting convened on 18 April 2019.

For the period ended 31 December 2019, there was no Interested Person Transactions conducted under the shareholders' mandate.

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 2019 financial statements to be false or misleading in any material aspect.

On behalf of the Board of Directors

Name: Lim Ming Seong
Designation: Chairman

Name: Lim Boon Kheng
Designation: Group Managing Director

By order of the Board

Tan Lay Hong
Company Secretary
26 February 2020