



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

Second Quarter Financial Statement and Dividend Announcement for the period ended 30 June 2017

Key Financial Performance

S\$'000	2017 2Q	2016 2Q	Change	2017 1H	2016 1H	Change
Revenue	85,536	74,291	15.1%	160,068	158,512	1.0%
Gross margin (%)	25.7%	34.4%	-25.3%	27.3%	31.3%	-12.8%
Operating profit	3,829	6,971	-45.1%	7,574	13,256	-42.9%
Earnings before interest and tax	4,253	7,277	-41.6%	8,368	13,678	-38.8%
Profit before exceptional items and after tax and non-controlling interests	3,002	5,502	-45.4%	6,003	11,009	-45.5%
Net cash (used in)/generated from operating activities	(10,504)	22,672	N.M	(9,221)	42,340	N.M
New orders received	90,728	83,217	9.0%	208,604	158,163	31.9%
Outstanding orders	207,943	186,582	11.4%	207,943	186,582	11.4%

Review of Performance - 2nd Quarter

Profit before exceptional items and after tax and non-controlling interests for 2Q17 declined by 45.4% year-on-year to S\$3.0 million, despite a 15.1% growth in revenue to S\$85.5 million.

Revenues grew by 15.1% in 2Q17 compared with 2Q16, mainly attributed to higher revenues achieved in the Asia Pacific region, particularly in the Infrastructure industry sector. Gross profit, however, were 14.0% lower at \$22.0 million mainly due to lower gross margins from the oil and gas sector, which saw their gross margins decreasing from 30.7% in 2Q16 to 24.5% in 2Q17. Consequently, group gross margins declined to 25.7% in 2Q17.

Operating expenses were 2.3% lower in 2Q17 at S\$18.1 million as compared to 2Q16, mainly attributed to lower personnel costs of S\$0.6 million offsetted by higher amortization of intangible assets from new acquisitions of S\$0.25 million.

During the quarter, the Group made an exceptional provision of S\$16.8 million arising from a settlement agreement which was subsequently concluded in July 2017, resulting in a loss attributable to shareholders of the company of S\$13.8 million for 2Q17.

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\$90.7 million, an increase of 9.0% year-on-year, mainly due to higher flow orders. As at end of 2Q17, outstanding orders increased to S\$207.9 million from S\$204.2 million as at end of 1Q17.

In 2Q17, the Group generated an operating cash outflow of S\$10.5 million, mainly attributed to funding of working capital for earlier projects secured in the Americas regions and higher billings as at end of 2Q17.



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

Review of Performance - 1st Half

Revenue increased marginally by 1.0% year-on-year to S\$160.1 million in 1H17, mainly due to higher revenues achieved in the Asia Pacific region, particularly in the Infrastructure industry sector, offsetted by lower revenues in the Americas and EMEA regions. Gross profit, however, were 11.9% lower at \$43.7 million mainly due to lower gross margins as a result of the competitive landscape, particularly in the oil and gas industry. Consequently, group gross margins declined to 27.3% in 1H17 from 31.3% in 1H16.

Operating expenses remained relatively flat at S\$36.1 million as compared to 1H16, mainly attributed to lower personnel costs of S\$0.7 million offsetted by higher amortization of intangible assets from new acquisitions of S\$0.4 million.

In 1H17, CSE Group recorded profit before exceptional items and after tax and non-controlling interests of S\$6.0 million as compared to S\$11.0 million in 1H16. Including the provision of the exceptional costs in 2Q17, the group recorded a loss attributable to shareholders of the company of S\$10.8 million.

New orders received for 1H2017 increased by 31.9% year-on-year to S\$208.6 million as compared with S\$158.2 million for the same corresponding period in 2016, mainly due to the award of two large greenfield projects received in 1Q17 and higher flow orders in 1H2017. As at end of 1H17, outstanding orders increased to S\$207.9 million from S\$204.2 million as at end of 1Q17

In 1H17, the Group generated an operating cash outflow of S\$9.2 million, due to mainly attributed to funding of working capital for earlier projects secured in the Americas regions and higher billings as at end of 1H17. The Group ended the period with a net cash position of S\$35.2 million, after deducting for quoted investments of S\$2.1 million, acquisition costs of S\$8.2 million, and dividend payments of S\$7.7 million.

Performance of Geographical Segments

S\$'000	2017 2Q	2016 2Q	Change	2017 1H	2016 1H	Change
Revenue						
Asia-Pacific	36,316	26,159	38.8%	64,820	51,035	27.0%
The Americas	40,873	39,216	4.2%	78,092	86,603	-9.8%
Europe/Middle East/Africa	8,347	8,916	-6.4%	17,156	20,874	-17.8%
Group	85,536	74,291	15.1%	160,068	158,512	1.0%
Earnings before interest and tax (EBIT)						
Asia-Pacific	4,496	2,222	102.3%	8,312	5,395	54.1%
The Americas	120	2,782	-95.7%	88	5,697	-98.4%
Europe/Middle East/Africa	(363)	2,273	-116.0%	(32)	2,586	-101.2%
Group	4,253	7,277	-41.6%	8,368	13,678	-38.8%

2Q17 vs 2Q16

In 2Q17, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 42.4%, 47.8% and 9.8% to revenue respectively, and 105.7%, 2.8% and (8.5%) to EBIT respectively.

The Asia Pacific region recorded 38.8% and 102.3% higher revenue and EBIT respectively in 2Q17 as compared with 2Q16, mainly due to recognition of revenues for a large greenfield project coupled with higher flow revenues in Australia in 2Q17.

The Americas region recorded a slight increase of 4.2% in revenue and 95.7% decline in EBIT for 2Q17, mainly attributed to lower profit margins for both greenfield and brownfield projects due to competition.



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

Europe/Middle East/Africa (“EMEA”) region recorded a lower revenue and EBIT in 2Q17, mainly attributed to a change in sales mix to higher proportion of lower margin project revenues recognised in 2Q17 as compared to 2Q16.

1H17 vs 1H16

In 1H17, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 40.5%, 48.8% and 10.7% to revenue and 99.3%, 1.1% and (0.4%) to EBIT respectively.

Revenue and EBIT for 1H17 as compared with 1H16 in the Asia-Pacific region were higher by 27.0% and 54.1% respectively. In 1H17, mainly due to recognition of revenues for a large greenfield project coupled with higher flow revenues in Australia in 1H17.

The Americas region reported a drop of 9.8% in revenue and 98.4% in EBIT for 1H17 as compared with 1H16, mainly due to lower revenues and profit margins from greenfield and brownfield projects in Americas region.

The EMEA region recorded a 17.8% year-on-year decrease in revenue and a 101.2% year-on-year decline in-EBIT for 1H17 compared with 1H16. This is mainly due to a change in sales mix to higher proportion of lower margin project revenues recognised in 1H17 as compared to 1H16.

Liquidity and Capital Resources

In 1H17, the Group generated an operating cash outflow of S\$9.2 million, due to mainly attributed to funding of working capital for earlier projects secured in the Americas regions and higher billings as at end of 1H17. The Group ended the period with a net cash position of S\$35.2 million, after deducting for quoted investments of S\$2.1 million, acquisition costs of S\$8.2 million, and dividend payments of S\$7.7 million.

Outstanding Orders

S\$'000	2Q2017	1Q2017	2Q2016
Asia-Pacific	95,741	96,435	105,530
The Americas	89,436	78,721	27,805
Europe/Middle East/Africa	22,766	29,078	53,247
Total	207,943	204,234	186,582

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\$90.7 million, an increase of 9.0% year-on-year, mainly due to higher flow orders. As at end of 2Q17, outstanding orders increased to S\$207.9 million from S\$204.2 million as at end of 1Q17.



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

Outlook

Conditions in the industry sectors in which the Group operates remain difficult. Low oil/gas and commodity prices continue to influence investment decisions and customers remain highly focused on cost control and cash flow generation. Though the Group has secured higher orders in 1H17 compared to 1H16, the Group expects that the oil and gas industry will not see significant recovery for the rest of the year.

The Group will focus on executing the existing backlog and delivering the flow orders while keeping a look out for any new business opportunities that may arise either from its current operations or new investments in the oil and gas sector. In the infrastructure segment, there are the business opportunities, although not of a very significant nature, in Singapore and elsewhere that have yet to be awarded. The Group believes that, given its core engineering capabilities, it is in a good position in winning some of these opportunities for the rest of the year.

For the next quarter and FY2017, CSE expects to report weaker operating performance as compared to the same corresponding period in 2016, but it expects to remain in a net cash position at the end of the year. CSE will focus on integrating and consolidating the new acquisitions, and will continue to explore acquisition opportunities to support its long term sustainable growth objectives.



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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			Group		
	2017 2Q	2016 2Q	Change (%)	2017 1H	2016 1H	Change (%)
Revenue	85,536	74,291	15.1%	160,068	158,512	1.0%
Cost of sales	(63,581)	(48,759)	30.4%	(116,376)	(108,910)	6.9%
Gross profit	21,955	25,532	-14.0%	43,692	49,602	-11.9%
Operating expenses	(16,860)	(17,170)	-1.8%	(33,378)	(34,323)	-2.8%
Administrative costs						
Selling and distribution costs	(939)	(925)	1.5%	(1,915)	(1,844)	3.9%
Other operating costs (Note 1)	(327)	(466)	-29.8%	(825)	(179)	360.9%
Total operating expenses	(18,126)	(18,561)	-2.3%	(36,118)	(36,346)	-0.6%
Operating profit	3,829	6,971	-45.1%	7,574	13,256	-42.9%
Interest expense	(183)	(133)	37.6%	(382)	(395)	-3.3%
Interest income	168	243	-30.9%	306	301	1.7%
Other non-operating income (Note 2)	424	306	38.6%	794	422	88.2%
Profit before exceptional items	4,238	7,387	-42.6%	8,292	13,584	-39.0%
Exceptional items (Note 3)	(16,845)	–	N.M	(16,845)	–	N.M
Profit/(Loss) before tax	(12,607)	7,387	N.M	(8,553)	13,584	N.M
Taxation (Note 4)	(1,189)	(1,944)	-38.8%	(2,153)	(2,887)	-25.4%
Profit/(Loss) after tax	(13,796)	5,443	N.M	(10,706)	10,697	N.M
Attributable to :-						
Equity owners of the Company	(13,843)	5,502	N.M	(10,842)	11,009	N.M
Non-controlling interests	47	(59)	N.M	136	(312)	N.M
	(13,796)	5,443	N.M	(10,706)	10,697	N.M
Earnings/(loss) per ordinary share (cents)						
-basic	(2.68)	1.07		(2.10)	2.13	
-diluted	(2.68)	1.07		(2.10)	2.13	



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(Co. Reg. No. 198703851D)

Consolidated statement of comprehensive income for the second quarter ended 30 June 2017

SS'000	2016 2Q	2016 2Q	Group Change (%)	2017 1H	2016 1H	Change (%)
Profit/(Loss) after taxation	(13,796)	5,443	N.M	(10,706)	10,697	N.M
Other comprehensive income/(loss) :						
Foreign currency translation	(1,812)	(2,387)	-24.1%	(8,134)	(11,182)	-27.3%
Other comprehensive income/(loss) for the period, net of tax	(1,812)	(2,387)	-24.1%	(8,134)	(11,182)	-27.3%
Total comprehensive income/(loss) for the period	(15,608)	3,056	N.M	(18,840)	(485)	N.M
Total comprehensive income/(loss) attributable to :-						
Owners of the Company	(15,781)	3,312	N.M	(19,016)	1,260	N.M
Non-controlling interests	173	(256)	N.M	176	(775)	N.M
	(15,608)	3,056	N.M	(18,840)	(485)	N.M

N.M. – Not meaningful



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(Co. Reg. No. 198703851D)

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			2017 1H	2016 1H	Change %
	2017 2Q	2016 2Q	Change (%)			
Profit/(Loss) before taxation is arrived at after charging/(crediting) the following:						
(A) Interest expense	183	133	37.6%	382	395	-3.3%
(B) Interest income	(168)	(243)	-30.9%	(306)	(301)	1.7%
(C) Depreciation and amortisation #	1,846	1,457	26.7%	3,465	2,879	20.4%
(D) (Write back)/allowance for doubtful debts and bad debts, net	(61)	412	N.M	(58)	432	N.M
(E) (Write back)/allowance for stock obsolescence	(78)	21	N.M	34	31	9.7%
(F) Gain on disposal of property, plant and equipment	(3)	(167)	-98.2%	-	(711)	N.M

The depreciation and amortization included the depreciation and amortization expense of the newly acquired assets and businesses.

Note 1

S\$'000	Group			2017 1H	2016 1H	Change (%)
	2017 2Q	2016 2Q	Change (%)			
(Write back)/allowance for doubtful and bad debts, net	(61)	412	N.M	(58)	432	N.M
Miscellaneous expenses	-	(6)	N.M	-	1	N.M
Amortisation of intangible assets	429	181	137.0%	766	367	108.7%
Gain on disposal of property, plant and equipment	(3)	(167)	-98.2%	-	(711)	N.M
(Write back)/allowance for stock obsolescence	(78)	21	N.M	34	31	9.7%
Bank charges	40	25	60.0%	83	59	40.7%
Other operating costs	327	466	-29.7%	825	179	360.9%

Note 2

S\$'000	Group			2017 1H	2016 1H	Change (%)
	2017 2Q	2016 2Q	Change (%)			
Rental income	48	36	33.3%	49	83	-41.0%
Miscellaneous income	196	20	880.0%	300	155	93.5%
Net exchange gain	180	250	-28.0%	445	184	141.8%
Other non-operating income	424	306	38.6%	794	422	88.2%

Note 3

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 2Q17.

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.



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

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

S\$'000	Group		Company	
	30-06-17	31-12-16	30-06-17	31-12-16
NON-CURRENT ASSETS				
Property, plant and equipment (Note 5)	28,962	26,516	2,923	2,865
Investment in subsidiaries	–	–	204,495	204,495
Quoted investment	9,413	7,428	9,413	7,428
Other investment	306	304	190	190
Intangible assets (Note 5)	58,678	53,104	887	967
Deferred tax assets	10,460	11,548	2,506	2,727
CURRENT ASSETS				
Gross amount due from customers for contract work-in-progress (Note 6)	48,039	41,873	–	–
Inventories (Note 6)	19,334	14,732	–	–
Trade and other receivables (Note 6)	102,289	88,680	4,318	462
Prepaid operating expenses	2,740	3,659	132	77
Amount due from subsidiary companies	–	–	9,177	10,133
Short-term deposits	1,532	4,374	–	–
Cash and bank balances	52,364	86,404	7,649	11,853
	226,298	239,722	21,276	22,525
CURRENT LIABILITIES				
Gross amount due to customers for contract work-in-progress (Note 6)	9,616	10,989	–	–
Trade payables and accruals #	65,689	37,058	2,715	1,634
Finance leases	–	28	–	–
Loans and borrowings	18,724	20,581	3,481	8,889
Amount due to subsidiary companies	–	–	107,709	96,357
Provision for warranties	1,138	2,155	–	–
Provision for taxation	685	3,278	32	–
	95,852	74,089	113,937	106,880
Net current assets/(liabilities)	130,446	165,633	(92,661)	(84,355)
NON-CURRENT LIABILITIES				
Deferred tax liabilities	(5,690)	(5,424)	–	–
Accruals	(4,308)	(4,261)	(4,000)	(4,000)
	228,267	254,848	123,753	130,317
Equity attributable to owners of the Company				
Share capital	98,542	98,542	98,542	98,542
Revenue reserve	153,049	171,632	15,335	21,899
Other reserve	9,844	9,844	9,876	9,876
Foreign currency translation reserve	(36,842)	(28,668)	–	–
Total Shareholders' Fund	224,593	251,350	123,753	130,317
Non-controlling interests	3,674	3,498	–	–
Total Equity	228,267	254,848	123,753	130,317
Group net cash	35,172	70,197		
Group net gearing (%)	–	–		

Trade payables and accruals included S\$1.3 million of CSE Global Education Award Fund and the provision for the exceptional cost.



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

Note 5

The increase in fixed assets and intangible assets derived from the assets and business acquisition of Combined Communications and Gulf Coast Power & Control in 1Q17.

Note 6

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

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 30 June 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
NIL	S\$18,724,000	NIL	S\$20,581,000

Amount repayable after one year

As at 30 June 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
NIL	NIL	NIL	NIL

Details of any collateral

Not applicable.



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

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			
	1.4.2017 to 30.6.2017	1.4.2016 to 30.6.2016	1.1.2017 to 30.6.2017	1.1.2016 to 30.6.2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES :-</u>				
Profit/(Loss) before taxation	(12,607)	7,387	(8,553)	13,584
Adjustments for :-				
(Write back)/impairment on receivables, net	(61)	412	(58)	432
(Write back)/allowance for inventories obsolescence made, net	(78)	21	34	31
Depreciation for property, plant and equipment	1,417	1,276	2,699	2,512
Amortisation of intangible assets	429	181	766	367
Intangible assets written off	–	–	–	297
Fixed assets written off	42	93	42	93
Gain on disposal of property, plant and equipment	(3)	(167)	–	(711)
Interest expense	183	133	382	395
Interest income	(168)	(243)	(306)	(301)
Operating profit/(loss) before reinvestment in working capital	(10,846)	9,093	(4,994)	16,699
(Increase)/decrease in trade and other receivables and prepaid operating expenses	(11,219)	(758)	(15,240)	8,633
Decrease/(increase) in gross amount due from customers for contract work-in-progress, net and inventories	317	13,032	(12,561)	21,307
Increase/(decrease) in payables and accruals and provision for warranties	14,424	2,345	27,118	(2,884)
Cash (used in)/generated from operations	(7,324)	23,712	(5,677)	43,755
Interest paid	(183)	(133)	(382)	(395)
Interest received	168	243	306	301
Income tax paid	(3,165)	(1,150)	(3,468)	(1,321)
Net cash (used in)/generated from operating activities	(10,504)	22,672	(9,221)	42,340
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Cash consideration paid on quoted investment	–	(20,339)	(2,059)	(20,339)
Cash consideration paid, net of cash assets & business acquired	–	–	(8,181)	(10,367)
Purchase of property, plant and equipment	(1,847)	(1,769)	(5,350)	(4,628)
Purchase of intangible assets	(4)	(40)	(131)	(909)
Proceeds from sale of property, plant and equipment	–	86	139	799
Net cash used in investing activities	(1,851)	(22,062)	(15,582)	(35,444)



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

S\$'000	GROUP			
	1.4.2017 to 30.6.2017	1.4.2016 to 30.6.2016	1.1.2017 to 30.6.2017	1.1.2016 to 30.6.2016
<u>CASH FLOWS FROM FINANCING</u>				
<u>ACTIVITIES</u>				
Dividends paid to shareholders	(7,741)	(7,741)	(7,741)	(7,741)
Repayment of finance lease obligations	(28)	–	(28)	–
Repayment of short term loans from bankers	(1,328)	(3,978)	(1,858)	(40,541)
Net cash used in financing activities	(9,097)	(11,719)	(9,627)	(48,282)
Net effect of exchange rate changes on cash and cash equivalents	(470)	(1,125)	(2,452)	(4,299)
Net decrease in cash and cash equivalents	(21,452)	(11,109)	(34,430)	(41,386)
Cash and cash equivalents at beginning of the quarter/financial year	75,818	76,268	90,778	109,719
Cash and cash equivalents at end of the financial period	53,896	64,034	53,896	64,034



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

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						
	Share capital	Revenue reserve	Other reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total Equity
At 1 January 2016	98,542	164,635	9,844	(31,393)	241,628	4,184	245,812
Total comprehensive income/(loss) for 1 st quarter	–	5,507	–	(8,529)	(3,022)	(519)	(3,541)
At 31 March 2016	98,542	170,142	9,844	(39,922)	238,606	3,665	242,271
Total comprehensive income/(loss) for 2 nd quarter	–	5,502	–	(2,190)	3,312	(256)	3,056
Dividend for FY2015 declared and paid	–	(7,741)	–	–	(7,741)	–	(7,741)
At 30 June 2016	98,542	167,903	9,844	(42,112)	234,177	3,409	237,586
At 1 January 2017	98,542	171,632	9,844	(28,668)	251,350	3,498	254,848
Total comprehensive income/(loss) for 1 st quarter	–	3,001	–	(6,236)	(3,235)	3	(3,232)
At 31 March 2017	98,542	174,633	9,844	(34,904)	248,115	3,501	251,616
Total comprehensive income/(loss) for 2 nd quarter	–	(13,843)	–	(1,938)	(15,781)	173	(15,608)
Dividend for FY2016 declared and paid	–	(7,741)	–	–	(7,741)	–	(7,741)
At 30 June 2017	98,542	153,049	9,844	(36,842)	224,593	3,674	228,267

Company S\$'000	Share capital	Revenue reserve	Other reserve	Total Equity
At 1 January 2016	98,542	24,052	9,876	132,470
Total comprehensive income for 1 st quarter	–	624	–	624
At 31 March 2016	98,542	24,676	9,876	133,094
Total comprehensive income 2 nd quarter	–	689	–	689
Dividend for FY2015 declared and paid	–	(7,741)	–	(7,741)
At 30 June 2016	98,542	17,624	9,876	126,042
At 1 January 2017	98,542	21,899	9,876	130,317
Total comprehensive income for 1 st quarter	–	375	–	375
At 31 March 2017	98,542	22,274	9,876	130,692
Total comprehensive income 2 nd quarter	–	802	–	802
Dividend for FY2016 declared and paid	–	(7,741)	–	(7,741)
At 30 June 2017	98,542	15,335	9,876	123,753



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

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.

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

The Company does not have any outstanding convertibles and does not have any treasury shares and 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 30 June 2017	: 516,067,852
Number of shares as at 31 December 2016	: 516,067,852

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

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

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited nor reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements as at 31 December 2016, except for that disclosed under item 5.



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

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group adopted the following revised Financial Reporting Standards (“FRS”) that are relevant and effective for annual periods beginning on 1 January 2017:

Amendments to FRS 7 *Disclosure Initiative*

Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*

Improvements to FRSs (December 2016)

(a) Amendments to FRS 112 *Disclosure of Interest in Other Entities*

The Group and the Company have adopted the new and revised Financial Reporting Standards (“FRS”) which are effective for its financial year beginning 1 January 2017. The adoption of the new and revised FRS did not result in any material impact on the Group’s and the Company’s financial statements.



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

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:-

	2Q 2017	2Q 2016	1H 2017	1H 2016
Earnings/(Loss) 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	(2.68)	1.07	(2.10)	2.13
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	(2.68)	1.07	(2.10)	2.13
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	516,067,852	516,067,852	516,067,852	516,067,852
Weighted average number of shares issued during the period				
Adjusted weighted average number of shares	516,067,852	516,067,852	516,067,852	516,067,852

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	–	–	–	–
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 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 :-

	30 June 2017		31 December 2016	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued share capital (in cents)	43.52	23.98	48.70	25.25

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.



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

9. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? Yes.

Name of Dividend	Interim (One-Tier Tax Exempt) Dividend
Dividend type	Cash
Dividend Amount per Share (in Singapore cents)	1.25 cents per ordinary share
Tax Rate	Tax-exempt one-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for corresponding period of the immediately preceding financial year? Yes.

Name of Dividend	Interim (One-Tier Tax Exempt) Dividend
Dividend type	Cash
Dividend Amount per Share (in Singapore cents)	1.25 cents per ordinary share
Tax Rate	Tax-exempt one-tier

10. Date dividend is payable

The interim dividend will be paid on 13 September 2017.

11. Book closure date

The Share Transfer Books and the Register of Members of the Company will be closed on 25 August 2017. 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 24 August 2017 will be registered for the interim dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the dividend will be paid by the Company to CDP which will, in turn, distribute the dividend to holders of the securities accounts.

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

Not applicable.



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

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

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

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 Second quarter ended 30 June 2017 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

Victor Lai Kuan Loong
Company Secretary
10 August 2017