



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

**Second Quarter Financial Statement and Dividend Announcement for the period ended 30 June 2019**

**Key Financial Performance**

<b>S\$'000</b>	<b>2019 2Q</b>	<b>2018 2Q</b>	<b>Change</b>	<b>2019 1H</b>	<b>2018 1H</b>	<b>Change</b>
Revenue	99,900	92,132	8.4%	185,264	184,304	0.5%
Gross margin (%)	27.8%	26.9%	90bps	27.8%	26.9%	90bps
Operating profit	6,283	5,000	25.7%	12,056	11,337	6.3%
Profit after tax and non-controlling interest	4,489	4,321	3.9%	10,218	10,023	1.9%
Net cash generated from operations	595	27,891	-97.9%	6,191	22,564	-72.6%
New orders received	106,345	89,138	19.3%	193,860	158,087	22.6%
Outstanding orders	188,108	148,750	26.5%	188,108	148,750	26.5%

**Review of Performance - 2<sup>nd</sup> Quarter**

Group profit after tax and non-controlling interests in 2Q19 rose by 3.9% year-on-year to S\$4.5 million on the back of an 8.4% growth in revenue to S\$99.9 million.

The growth in revenues for 2Q19 was due to higher revenues achieved in the Asia Pacific and the Americas regions. In line with the growth in revenues and an improvement in gross margins to 27.8%, gross profit in 2Q19 rose by 11.9% or S\$3.0 million to S\$27.8 million.

Operating profit was 25.7% higher in 2Q19 at S\$6.3 million as compared to 2Q18 of S\$5.0 million, led by higher gross profit which was partially offset by increase in administrative expenses of S\$0.9 million, sales and marketing expenses of S\$0.3 million as well as professional fees relating to acquisitions of \$0.5 million.

With a higher effective tax rate at 27.7%, the Group's profit after tax and non-controlling interest grew by 3.9% year-on-year to S\$4.5 million in 2Q19 from S\$4.3 million in 2Q18.

During the quarter, new orders received surged by 19.3% to S\$106.3 million. As at the end of the quarter, the order book stood at S\$188.1 million, registering a 26.5% growth over 2Q18 of S\$148.8 million.

**Review of Performance - 1<sup>st</sup> Half**

Group revenues were relatively flat at S\$185.3 million in 1H19 as compared to 1H18, mainly attributed to the growth in revenues in the Asia-Pacific and EMEA regions offset by lower revenues in the Americas region. Gross profit in 1H19 rose by 3.9% or S\$1.9 million to \$51.5 million mainly due to an improvement in gross margin to 27.8% from 26.9% in 1H18.

Operating profit was 6.3% higher in 1H19 at S\$12.1 million as compared to 1H18 of S\$11.3 million, led by higher gross profit which was partially offset by non-recurring severance costs and associated legal expenses of S\$1.0 million incurred in 1H19, increased sales and marketing expenses of S\$0.3 million and professional fees relating to acquisitions incurred in 2Q19 of \$0.5 million.

In 1H19, the Group recorded lower other non-operating income of S\$0.5 million against 1H18. With that, CSE Group recorded profit after tax and non-controlling interests of S\$10.2 million as compared to S\$10.0 million in 1H18.



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New orders received for 1H19 increased by 22.6% year-on-year to S\$193.9 million as compared with S\$158.1 million for the same corresponding period in 2018. As at end of 1H19, outstanding orders stood at S\$188.1 million as compared to \$181.0 million at end of 2018.

**Performance of Geographical Segments**

SS'000	2019 2Q	2018 2Q	Change	2019 1H	2018 1H	Change
<b>Revenue</b>						
Asia-Pacific	37,796	30,652	23.3%	67,022	59,369	12.9%
Americas	59,803	58,586	2.1%	113,574	120,643	-5.9%
Europe/Middle East/Africa	2,301	2,894	-20.5%	4,668	4,292	8.7%
<b>Group</b>	<b>99,900</b>	<b>92,132</b>	<b>8.4%</b>	<b>185,264</b>	<b>184,304</b>	<b>0.5%</b>
<b>Earnings before interest and tax (EBIT)</b>						
Asia-Pacific	2,922	2,765	5.7%	8,384	7,678	9.2%
Americas	3,539	2,873	23.2%	5,300	6,648	-20.3%
Europe/Middle East/Africa	(276)	(462)	40.3%	(460)	(1,319)	65.1%
<b>Group</b>	<b>6,185</b>	<b>5,176</b>	<b>19.5%</b>	<b>13,224</b>	<b>13,007</b>	<b>1.7%</b>

**2Q19 vs 2Q18**

In 2Q19, the geographical regions of Asia-Pacific, the Americas and Europe/Middle East/Africa contributed 37.8%, 59.9% and 2.3% to revenue respectively.

The Asia Pacific region recorded a 23.3% year-on-year growth in revenues due to higher recognition of revenues for projects in the mining sector. However, EBIT only rose by 5.7% year-on-year, resulting from lower profitability for these projects.

The Americas region registered a moderate revenue growth of 2.1% in 2Q19 as compared to 2Q18, mainly attributed to higher time and material revenues achieved which was offsetted by lower large greenfield project revenues recognised in 2Q19 as compared to 2Q18, as these large greenfield projects were substantially completed in 2Q19. EBIT increased by 23.2% year-on-year due to improvement in gross margins as a result of better sales mix.

Europe/Middle East/Africa (“EMEA”) region recorded a lower revenue year-on-year but narrowed its losses in 2Q19 from improvement in gross margins and better optimization of costs.

**1H19 vs 1H18**

In 1H19, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 36.2%, 61.3% and 2.5% to revenue.

The Asia Pacific region recorded a 12.9% year-on-year growth in 1H19 revenues due to higher recognition of revenues for projects in the mining sector. However, EBIT only rose by 9.2% year-on-year, attributed by lower profitability for these projects.

The Americas region revenues decreased by 5.9%, mainly due to lower large greenfield project revenues recognised in 1H19 as compared to 1H18, as these large greenfield projects were substantially completed in 1H19. In line with lower revenues, coupled with non-recurring severance costs and associated legal expenses of S\$1.0 million incurred and higher professional fees relating to acquisitions incurred of S\$0.5 million, EBIT in 1H19 decreased by 20.3% year-on-year to S\$5.3 million.



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The EMEA region recorded an 8.7% increase in revenue and narrowed its losses in 1H19 from improvement in gross margins and better optimization of costs.

**Liquidity and Capital Resources**

In 1H19, the Group generated a cash inflow from operations of S\$6.2 million. The Group ended the period with a net cash position of S\$8.6 million, after payment of S\$15.0 million for acquisitions made in January 2019 and April 2019, S\$7.6 million for dividends in May 2019 and S\$2.1 million for share buy-backs in March 2019.

**Outstanding Orders**

<b>S\$'000</b>	<b>2Q2019</b>	<b>1Q2019</b>	<b>2Q2018</b>
Asia-Pacific	129,479	122,006	76,562
Americas	51,983	56,460	54,920
Europe/Middle East/Africa	6,646	3,694	17,268
<b>Total</b>	<b>188,108</b>	<b>182,160</b>	<b>148,750</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\$106.3 million, ending the quarter with an order book of S\$188.1 million.

**Outlook**

Conditions in the industry sectors which the Group operates continue to remain uncertain. Our customers remain highly focused on cost control and cash flow generation, resulting in a lack of investments in large greenfield projects. This notwithstanding, we expect to see a steady flow of smaller projects arising from our existing customer installed base.

The Group will continue to focus on its profitability and gross margins by supporting and servicing its existing installed base of customers more closely as well as exploring available opportunities either from its current operations or new investments in the market.

Looking ahead, CSE expects its operating net profit for the current financial year to improve over FY2018 and it intends to maintain the full year dividend of S\$0.0275 per ordinary share for FY2019.



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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					
	2019 2Q	2018 2Q	Change (%)	2019 1H	2018 1H	Change (%)
<b>Revenue</b>	99,900	92,132	8.4%	185,264	184,304	0.5%
<b>Cost of sales</b>	(72,114)	(67,310)	7.1%	(133,789)	(134,777)	-0.7%
<b>Gross profit</b>	27,786	24,822	11.9%	51,475	49,527	3.9%
<b>Operating expenses</b>						
Administrative costs	(19,857)	(18,444)	7.7%	(36,730)	(35,441)	3.6%
Selling and distribution costs (Note 1)	(1,250)	(970)	28.9%	(2,333)	(1,990)	17.2%
Other operating costs (Note 2)	(396)	(408)	-2.9%	(356)	(759)	-53.1%
<b>Total operating expenses</b>	(21,503)	(19,822)	8.5%	(39,419)	(38,190)	3.2%
<b>Operating profit</b>	6,283	5,000	25.7%	12,056	11,337	6.3%
Interest expense (Note 3)	(323)	(274)	17.9%	(714)	(476)	50.0%
Interest income	61	70	-12.9%	126	138	-8.7%
Other non-operating items (Note 4)	(98)	176	N.M	1,168	1,670	-30.1%
Profit before tax	5,923	4,972	19.1%	12,636	12,669	-0.3%
Taxation (Note 5)	(1,642)	(805)	104.0%	(2,800)	(2,961)	-5.4%
<b>Profit after tax</b>	<b>4,281</b>	<b>4,167</b>	<b>2.7%</b>	<b>9,836</b>	<b>9,708</b>	<b>1.3%</b>
<b>Attributable to :-</b>						
Equity owners of the Company	4,489	4,321	3.9%	10,218	10,023	1.9%
Non-controlling interests	(208)	(154)	-35.1%	(382)	(315)	-21.3%
	4,281	4,167	2.7%	9,836	9,708	1.3%
<b>Earnings per ordinary share (cents)</b>						
-basic	0.88	0.84		2.01	1.94	
-diluted	0.87	0.84		1.98	1.94	



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**Consolidated statement of comprehensive income for the second quarter ended 30 June 2019**

S\$'000	2019 2Q	2018 2Q	Group Change (%)	2019 1H	2018 1H	Change (%)
<b>Profit after taxation</b>	4,281	4,167	2.7%	9,836	9,708	1.3%
<b>Other comprehensive income :</b>						
Foreign currency translation	(781)	7,949	N.M	(2,765)	2,053	N.M
<b>Other comprehensive income for the period, net of tax</b>	(781)	7,949	N.M	(2,765)	2,053	N.M
<b>Total comprehensive income for the period</b>	3,500	12,116	-71.1%	7,071	11,761	-39.9%
<b>Total comprehensive income attributable to :-</b>						
Owners of the Company	3,743	12,326	-69.6%	7,456	12,076	-38.3%
Non-controlling interests	(243)	(210)	-15.7%	(385)	(315)	-22.2%
	3,500	12,116	-71.1%	7,071	11,761	-39.9%

*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			2019 1H	2018 1H	Change %
	2019 2Q	2018 2Q	Change (%)			
Profit before taxation is arrived at after charging/(crediting) the following:						
Interest on borrowings	323	274	17.9%	714	476	50.0%
Interest income	(61)	(70)	-12.9%	(126)	(138)	-8.7%
Depreciation for property, plant and equipment	1,685	1,436	17.3%	3,152	2,946	7.0%
Depreciation for right-to-use assets	624	–	–	1,349	–	–
Amortisation of intangible assets	428	408	5.0%	849	820	3.5%
Allowance/(write back) for doubtful trade receivables, net	66	(66)	N.M	(314)	3	N.M
(Write back)/allowance for stock obsolescence made, net	(10)	2	N.M	(43)	14	N.M
(Gain)/loss on disposal of property, plant and equipment	(124)	4	N.M	(207)	(168)	23.3%

**Note 1**

Higher selling and distribution costs in 1H19 is due to increased selling and marketing activities during the period.

**Note 2**

S\$'000	Group			2019 1H	2018 1H	Change (%)
	2019 2Q	2018 2Q	Change (%)			
Allowance/(write back) for doubtful trade receivables, net	66	(66)	N.M	(314)	3	N.M
Amortisation of intangible assets	428	408	5.0%	849	820	3.5%
(Gain)/loss on disposal of property, plant and equipment	(124)	4	N.M	(207)	(168)	23.3%
(Write back)/allowance for stock obsolescence made, net	(10)	2	N.M	(43)	14	N.M
Bank charges	36	60	-40.0%	71	90	-21.1%
<b>Other operating costs</b>	<b>396</b>	<b>408</b>	<b>-2.9%</b>	<b>356</b>	<b>759</b>	<b>-53.1%</b>

**Note 3**

Higher interest expense is due to the adoption of SFRS(I) 16 of S\$169,000 lease interest charged in 1H19.

**Note 4**

S\$'000	Group			2019 1H	2018 1H	Change (%)
	2019 2Q	2018 2Q	Change (%)			
Rental income	33	28	17.9%	60	57	5.3%
Miscellaneous income	179	139	28.8%	279	262	6.5%
Net exchange (loss)/gain	(310)	9	N.M	829	1,351	-38.6%
<b>Other non-operating items</b>	<b>(98)</b>	<b>176</b>	<b>N.M</b>	<b>1,168</b>	<b>1,670</b>	<b>-30.1%</b>

**Note 5**

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



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

S\$'000	Group		Company	
	30-06-19	31-12-18	30-06-19	31-12-18
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	31,605	28,198	2,223	2,299
Right-to-use assets #	12,869	–	3,776	–
Investment in subsidiaries	–	–	196,018	196,018
Quoted investment	1,287	1,290	1,287	1,290
Investment in associate	104	106	–	–
Intangible assets	34,917	25,955	564	645
Deferred tax assets	3,597	3,073	925	1,138
	<b>84,379</b>	<b>58,622</b>	<b>204,793</b>	<b>201,390</b>
<b>CURRENT ASSETS</b>				
Contract Assets (Note 6)	38,531	34,327	–	–
Inventories (Note 6)	19,917	16,490	–	–
Trade and other receivables (Note 6)	85,684	81,844	1,771	772
Prepaid operating expenses	4,214	3,748	140	85
Amount due from subsidiary companies	–	–	17,993	22,174
Short-term deposits	4,369	4,819	–	–
Cash and bank balances	39,192	69,232	3,940	9,389
	191,907	210,460	23,844	32,420
<b>CURRENT LIABILITIES</b>				
Contract liabilities (Note 6)	9,256	11,935	–	–
Trade payables and accruals ##	44,458	44,510	2,195	4,352
Lease liabilities #	2,949	–	467	–
Finance lease	–	8	–	–
Loans and borrowings	34,929	36,125	34,929	36,125
Amount due to subsidiary companies	–	–	82,082	78,853
Provision for warranties	436	467	–	–
Provision for taxation	3,474	2,880	746	761
	95,502	95,925	120,419	120,091
<b>Net current assets/(liabilities)</b>	<b>96,405</b>	<b>114,535</b>	<b>(96,575)</b>	<b>(87,671)</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	(606)	(481)	–	–
Lease liabilities #	(10,919)	–	(3,803)	–
Finance lease	(25)	(19)	–	–
Accruals	(351)	(326)	–	–
<b>Net Assets</b>	<b>168,883</b>	<b>172,331</b>	<b>104,415</b>	<b>113,719</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	98,542	98,542	98,542	98,542
Treasury shares	(4,039)	(3,327)	(4,039)	(3,327)
Shares based payment reserve	–	1,393	–	1,393
Revenue reserve #	83,991	82,216	(13)	7,235
Other reserve	9,893	9,844	9,925	9,876
Foreign currency translation reserve #	(20,194)	(17,432)	–	–
<b>Total Shareholders' Fund</b>	<b>168,193</b>	<b>171,236</b>	<b>104,415</b>	<b>113,719</b>
Non-controlling interests	690	1,095	–	–
<b>Total Equity</b>	<b>168,883</b>	<b>172,331</b>	<b>104,415</b>	<b>113,719</b>
<b>Group net cash</b>	<b>8,632</b>	<b>37,926</b>		

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

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



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**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**

<b>As at 30 June 2019</b>		<b>As at 31 Dec 2018</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	S\$34,929,000	NIL	S\$36,125,000

**Amount repayable after one year**

<b>As at 30 June 2019</b>		<b>As at 31 Dec 2018</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	NIL	NIL	NIL

**Details of any collateral**

Not applicable.





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

SS'000	GROUP			
	1.4.2019 to 30.6.2019	1.4.2018 to 30.6.2018	1.1.2019 to 30.6.2019	1.1.2018 to 30.6.2018
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES :-</u></b>				
Profit before taxation	5,923	4,972	12,636	12,669
Adjustments for :-				
Allowance/(write back) for doubtful receivables, net	66	(66)	(314)	3
(Write back)/allowance for stock obsolescence made, net	(10)	2	(43)	14
Depreciation for property, plant and equipment	1,685	1,436	3,152	2,946
Depreciation for right-to-use assets	624	-	1,349	-
Amortisation of intangible assets	428	408	849	820
(Gain)/loss on disposal of property, plant and equipment	(124)	4	(207)	(168)
Interest expense	323	274	714	476
Interest income	(61)	(70)	(126)	(138)
<b>Operating profit before reinvestment in working capital</b>	<b>8,854</b>	<b>6,960</b>	<b>18,010</b>	<b>16,622</b>
(Increase)/decrease in trade and other receivables and prepaid operating expenses	(3,117)	2,435	(973)	3,689
(Increase)/decrease in gross amount due from customers for contract assets, net and inventories	(4,861)	17,427	(7,936)	12,646
(Decrease)/increase in payables and accruals and provision for warranties	(281)	1,069	(2,910)	(10,393)
<b>Cash generated from operations</b>	<b>595</b>	<b>27,891</b>	<b>6,191</b>	<b>22,564</b>
Interest paid	(323)	(274)	(714)	(476)
Interest received	61	70	126	138
Income tax paid	(2,426)	(3,034)	(2,988)	(4,873)
<b>Net cash (used in)/generated from operating activities</b>	<b>(2,093)</b>	<b>24,653</b>	<b>2,615</b>	<b>17,353</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Cash consideration paid, net of cash assets & business acquired	(11,752)	-	(14,998)	(1,040)
Purchase of property, plant and equipment	(3,565)	(1,116)	(5,524)	(2,449)
Purchase of intangible assets	(59)	-	(341)	-
Payment for right-to-use assets	(1,357)	-	(1,357)	-
Proceeds from sale of property, plant and equipment	222	-	349	456
<b>Net cash used in investing activities</b>	<b>(16,511)</b>	<b>(1,116)</b>	<b>(21,871)</b>	<b>(3,033)</b>



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S\$'000	<b>GROUP</b>			
	<b>1.4.2019 to 30.6.2019</b>	<b>1.4.2018 to 30.6.2018</b>	<b>1.1.2019 to 30.6.2019</b>	<b>1.1.2018 to 30.6.2018</b>
<b><u>CASH FLOWS FROM FINANCING</u></b>				
<b><u>ACTIVITIES</u></b>				
Dividends paid to shareholders	(7,619)	(7,741)	(7,619)	(7,741)
Purchase of treasury shares	–	(1,451)	(2,131)	(1,451)
Proceeds/(repayment of) from short-term borrowings, net	4,901	(4,282)	(823)	1,825
<b>Net cash used in financing activities</b>	<b>(2,718)</b>	<b>(13,474)</b>	<b>(10,573)</b>	<b>(7,367)</b>
Net effect of exchange rate changes on cash and cash equivalents	(366)	902	(661)	270
Net (decrease)/increase in cash and cash equivalents	(21,322)	10,063	(29,829)	6,953
Cash and cash equivalents at beginning of the quarter/financial year	65,249	43,168	74,051	46,910
<b>Cash and cash equivalents at end of the financial period</b>	<b>43,561</b>	<b>54,133</b>	<b>43,561</b>	<b>54,133</b>



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Attributable to equity owners of the Company

Group S\$'000	Share capital	Treasury shares	Share-based payment reserve	Revenue reserve	Other reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total Equity
As previously reported at 1 January 2018	98,542	–	–	83,623	9,844	(18,055)	173,954	1,799	175,753
Adoption of SFRS(I) 9	–	–	–	(1,566)	–	–	(1,566)	–	(1,566)
At 1 January 2018	98,542	–	–	82,057	9,844	(18,055)	172,388	1,799	174,187
Total comprehensive income for 1 <sup>st</sup> quarter	–	–	–	5,702	–	(5,952)	(250)	(105)	(355)
<b>At 31 March 2018</b>	<b>98,542</b>	<b>–</b>	<b>–</b>	<b>87,759</b>	<b>9,844</b>	<b>(24,007)</b>	<b>172,138</b>	<b>1,694</b>	<b>173,832</b>
Total comprehensive income for 2 <sup>nd</sup> quarter	–	–	–	4,321	–	8,005	12,326	(210)	12,116
Purchase of treasury shares	–	(1,451)	–	–	–	–	(1,451)	–	(1,451)
Dividend for FY2017 declared and paid	–	–	–	(7,741)	–	–	(7,741)	–	(7,741)
<b>At 30 June 2018</b>	<b>98,542</b>	<b>(1,451)</b>	<b>–</b>	<b>84,339</b>	<b>9,844</b>	<b>(16,002)</b>	<b>175,272</b>	<b>1,484</b>	<b>176,756</b>



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Attributable to equity owners of the Company

Group S\$'000	Share capital	Treasury shares	Share-based payment reserve	Revenue reserve	Other reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total Equity
As previously reported at 1 January 2019	98,542	(3,327)	1,393	82,216	9,844	(17,432)	171,236	1,095	172,331
Effect of adopting SFRS(I) 16	–	–	–	(824)	–	–	(824)	(20)	(844)
At 1 January 2019	98,542	(3,327)	1,393	81,392	9,844	(17,432)	170,412	1,075	171,487
Purchase of treasury shares	–	(2,131)	–	–	–	–	(2,131)	–	(2,131)
Re-issuance of treasury shares	–	1,419	(1,393)	–	49	–	75	–	75
Total comprehensive income for 1 <sup>st</sup> quarter	–	–	–	5,729	–	(2,016)	3,713	(142)	3,571
<b>At 31 March 2019</b>	<b>98,542</b>	<b>(4,039)</b>	<b>–</b>	<b>87,121</b>	<b>9,893</b>	<b>(19,448)</b>	<b>172,069</b>	<b>933</b>	<b>173,002</b>
Total comprehensive income for 2 <sup>nd</sup> quarter	–	–	–	4,489	–	(746)	3,743	(243)	3,500
Dividend for FY2018 declared and paid	–	–	–	(7,619)	–	–	(7,619)	–	(7,619)
<b>At 30 June 2019</b>	<b>98,542</b>	<b>(4,039)</b>	<b>–</b>	<b>83,991</b>	<b>9,893</b>	<b>(20,194)</b>	<b>168,193</b>	<b>690</b>	<b>168,883</b>



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<b>Company</b> <b>S\$'000</b>	<b>Share</b> <b>capital</b>	<b>Treasury shares</b>	<b>Share-based</b> <b>payment reserve</b>	<b>Revenue reserve</b>	<b>Other reserve</b>	<b>Total</b> <b>Equity</b>
At 1 January 2018	98,542	–	–	3,694	9,876	112,112
Total comprehensive income for 1 <sup>st</sup> quarter	–	–	–	11,031	–	11,031
<b>At 31 March 2018</b>	98,542	–	–	14,725	9,876	123,143
Total comprehensive income 2 <sup>nd</sup> quarter	–	–	–	(140)	–	(140)
Purchase of treasury shares	–	(1,451)	–	–	–	(1,451)
Dividend for FY2017 declared and paid	–	–	–	(7,741)	–	(7,741)
<b>At 30 June 2018</b>	98,542	(1,451)	–	6,844	9,876	113,811
At 1 January 2019	98,542	(3,327)	1,393	7,235	9,876	113,719
Effect of adopting SFRS(I) 16	–	–	–	(440)	–	(440)
At 1 January 2019	98,542	(3,327)	1,393	6,795	9,876	113,279
Purchase of treasury shares	–	(2,131)	–	–	–	(2,131)
Re-issuance of treasury shares	–	1,419	(1,393)	–	49	75
Total comprehensive income for 1 <sup>st</sup> quarter	–	–	–	1,133	–	1,133
<b>At 31 March 2019</b>	98,542	(4,039)	–	7,928	9,925	112,356
Total comprehensive income for 2 <sup>nd</sup> quarter	–	–	–	(322)	–	(322)
Dividend for FY2018 declared and paid	–	–	–	(7,619)	–	(7,619)
<b>At 30 June 2019</b>	98,542	(4,039)	–	(13)	9,925	104,415



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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.**

There were no 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.

As at 30 June 2019, the Company's number of issued and paid up shares comprised 507,950,352 (30 June 2018: 513,067,852) ordinary shares and 8,117,500 (30 June 2018: 3,000,000) treasury shares.

**Treasury Shares**

As at 30 June 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 30 June 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 30 June 2019	:	<u>8,117,500</u>

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 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:-**

	2Q 2019	2Q 2018	1H 2019	1H 2018
<b>Earnings per ordinary share of the group after deducting any provision for preference dividends:-</b>				
(a) Based on weighted average number of ordinary shares in issue; and	0.88	0.84	2.01	1.94
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	0.87	0.84	1.98	1.94
<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	507,950,352	516,067,852	508,890,352	516,067,852
Weighted average number of share-based payment during the period	–	–	927,781	–
Weighted average number of share buybacks during the period	–	(1,166,981)	(1,209,329)	(586,714)
<b>Adjusted weighted average number of shares</b>	<b>507,950,352</b>	<b>514,900,871</b>	<b>508,608,804</b>	<b>515,481,138</b>
<b>For the computation of diluted earnings per share, the weighted average number of shares adjusted for the effect of all dilutive potential ordinary shares is determined as follows :-</b>				
Weighted average number of shares outstanding during the period, used in computation of basic earnings per share	507,950,352	514,900,871	508,608,804	515,481,138
Weighted average number of treasury shares	8,117,500	1,166,981	7,459,048	586,714
<b>Adjusted weighted average number of shares</b>	<b>516,067,852</b>	<b>516,067,852</b>	<b>516,067,852</b>	<b>516,067,852</b>

\* Weighted average number of ordinary shares issued during the year, the earnings per ordinary share of the Group has been computed based on adjusted issued share capital in accordance with SFRS(I)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 :-**

	30 June 2019		31 December 2018	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued share capital (in cents)	33.11	20.56	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**

**(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 2019.

**11. Book closure date**

The Share Transfer Books and the Register of Members of the Company will be closed on 26 August 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 23 August 2019 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 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:-**

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**

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 30 June 2019, there was no Interested Person Transactions conducted under the shareholders’ mandate.

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

On behalf of the Board of Directors

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Name: Lim Ming Seong  
Designation: Chairman

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Name: Lim Boon Kheng  
Designation: Group Managing Director

By order of the Board

Victor Lai Kuan Loong  
Company Secretary  
14 August 2019