



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

Third Quarter Financial Statement and Dividend Announcement for the period ended 30 September 2019

Key Financial Performance

S\$'000	2019 3Q	2018 3Q	Change	2019 9M	2018 9M	Change
Revenue from continuing operations	111,453	91,447	21.9%	295,168	274,180	7.7%
Gross margin (%)	25.9%	27.4%	-1.5pp	27.0%	26.9%	+0.1pp
Operating profit from continuing operations	7,113	6,952	2.3%	20,160	19,167	5.2%
Net profit	5,721	4,858	17.8%	15,558	14,567	6.8%
Cash generated from operations	13,638	24,789	-45.0%	19,830	47,353	-58.1%
Order intake from continuing operations	156,139	80,259	94.5%	348,780	236,082	47.7%
Order book - continuing operations	232,638	135,634	71.5%	232,638	135,634	71.5%

Review of Performance - 3rd Quarter

Group net profit in 3Q19 rose by 17.8% year-on-year to S\$5.7 million on the back of a 21.9% growth in revenue to S\$111.5 million.

The growth in group revenues in 3Q19 was due to higher revenues achieved in the Americas and the Asia Pacific regions. In line with the growth in revenues, gross profit in 3Q19 rose by 15.5% or S\$3.9 million to S\$28.9 million.

During the quarter, group operating expenses increased by 20.5% year-on-year to S\$21.8 million, due to increase in transaction expenses relating to Volta Acquisitions of S\$0.9 million, as well the inclusion of the operating expenses of newly acquired subsidiaries, Volta, LLC and Volta Properties, LLC (collectively "Volta Acquisitions") amounting to S\$0.8 million.

Operating profit registered a modest growth of 2.3% at S\$7.1 million as compared to 3Q18 of S\$7.0 million.

Group net profit increased by 17.8% to S\$5.7 million in 3Q19 from S\$4.9 million in 3Q18, contributed by a gain on divestment of its subsidiary, S3ID Group of S\$0.7 million which was partially offset by an increase in interest expenses of S\$0.3 million resulting from Volta Acquisitions.

Order intake in Q319 surged by 94.5% to S\$156.1 million, including new orders from Volta of S\$46.4 million. As at the end of the quarter, the order book stood at S\$232.6 million, registering a 71.5% growth over 3Q18 of S\$135.6 million.



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Review of Performance - 9 Months 2019 (“9M19”)

Group revenues were higher at S\$295.2 million in 9M19 as compared to 9M18, mainly attributed to the growth in revenues in the Americas and the Asia Pacific regions. Gross profit in 9M19 rose by 8.1% or S\$6.0 million to S\$79.7 million.

Operating profit was 5.2% higher in 9M19 at S\$20.2 million as compared to 9M18 of S\$19.2 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 9M19 and professional fees relating to acquisitions incurred in 9M19 of S\$1.4 million.

The Group net profit in 9M19 increased by 6.8% year-on-year to S\$15.6 million as compared to S\$14.6 million in 9M18.

Order intake for 9M19 increased by 47.7% year-on-year to S\$348.8 million as compared with S\$236.1 million for the same corresponding period in 2018. As at end of 9M19, order book stood at S\$232.6 million, 71.5% higher than 3Q18 of S\$135.6 million.

Performance of Geographical Segments

SS'000	2019 3Q	2018 3Q	Change	2019 9M	2018 9M	Change
Revenue from continuing operations						
Asia-Pacific	42,083	33,963	23.9%	109,014	92,709	17.6%
Americas	67,758	55,780	21.5%	181,332	176,408	2.8%
Europe/Middle East/Africa	1,612	1,704	-5.4%	4,822	5,064	-4.8%
Group	111,453	91,447	21.9%	295,168	274,180	7.7%
Earnings before interest and tax (EBIT) from continuing operations						
Asia-Pacific	4,212	3,450	22.1%	12,638	11,482	10.1%
Americas	2,577	4,640	-44.5%	7,877	11,291	-30.2%
Europe/Middle East/Africa	197	(1,243)	N.M.	617	(2,093)	N.M.
Group	6,986	6,847	2.0%	21,132	20,680	2.2%

3Q19 vs 3Q18

In 3Q19, the geographical regions of Asia-Pacific, the Americas and Europe/Middle East/Africa contributed 37.8%, 60.8% and 1.4% to revenue respectively.

The Asia Pacific region recorded a 23.9% 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 22.1% year-on-year.

The Americas region registered a revenue growth of 21.5% in 3Q19 as compared to 3Q18, mainly attributed to higher time and material revenues achieved as well as revenues from inclusion of Volta. However, the Americas region registered lower EBIT in 3Q19 as lower gross margins for the newer projects was being recognised, coupled with transaction expenses associated with the Volta Acquisitions of S\$0.9 million.

Europe/Middle East/Africa (“EMEA”) region recorded a lower revenue of 5.4% year-on-year in 3Q19 but reported better profitability in 3Q19 from improvement in gross margins for its projects.



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9M19 vs 9M18

In 9M19, the geographical regions of Asia-Pacific, the Americas and Europe/Middle East/Africa contributed 36.9%, 61.5% and 1.6% to revenue.

The Asia Pacific region recorded a 17.6% year-on-year growth in 9M19 revenues due to higher recognition of revenues for projects in the infrastructure and mining sectors. In line with the growth in revenues, EBIT saw a 10.1% increase year-on-year.

The Americas region revenues registered a moderate revenue growth of 2.8%. However, EBIT declined by 30.2% year-on-year to S\$7.9 million due to lower gross margins, coupled with non-recurring severance costs and associated legal expenses of S\$1.0 million, transaction costs relating to acquisitions of S\$1.4 million.

The EMEA region recorded a 4.8% decline in revenue but managed to return to profitability in 9M19 from improvement in gross margins and better optimization of costs.

Liquidity and Capital Resources

For 3Q19, the Group generated a cash inflow from operations of S\$13.6 million. For 9M19, the Group generated a cash inflow from operations of S\$19.8 million. The Group ended the period with a net debt position of S\$45.7 million, after S\$73.2 million of acquisitions made in 2019 and dividend payments of S\$14.0 million.

Order Book

S\$'000	3Q2019	2Q2019	3Q2018
Asia-Pacific	129,182	129,413	71,988
Americas	97,719	51,983	49,748
Europe/Middle East/Africa	5,737	6,213	13,898
Total	232,638	187,609	135,634

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\$156.1 million, ending the quarter with an order book of S\$232.6 million.



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Outlook

Conditions in the industry which the Group operates continue to remain uncertain in view of ongoing trade tensions and a global economic slowdown. Despite the uncertain business environment, the Group had announced on 29th October 2019 that it has secured two large greenfield projects in the Americas region worth S\$103.7 million.

From our existing customer installed base, CSE anticipates a steady flow of orders in 4Q2019. With a strong order book, we expect an improvement in our financial performance in 2019 over 2018, particularly after taking into account the acquisition of Volta.

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.

S\$'000			Group			Change (%)
	2019 3Q	2018 3Q	Change (%)	2019 9M	2018 9M	
Revenue	111,453	91,447	21.9%	295,168	274,180	7.7%
Cost of sales	(82,560)	(66,422)	24.3%	(215,498)	(200,489)	7.5%
Gross profit	28,893	25,025	15.5%	79,670	73,691	8.1%
Operating expenses						
Administrative costs	(20,273)	(16,398)	23.6%	(55,680)	(50,429)	10.4%
Selling and distribution costs	(1,122)	(1,199)	-6.4%	(3,339)	(3,109)	7.4%
Other operating costs (Note 1)	(385)	(476)	-19.1%	(491)	(986)	-50.2%
Total operating expenses	(21,780)	(18,073)	20.5%	(59,510)	(54,524)	9.1%
Operating profit	7,113	6,952	2.3%	20,160	19,167	5.2%
Interest expense (Note 2)	(524)	(213)	146.0%	(1,227)	(673)	82.3%
Interest income	63	73	-13.7%	182	203	-10.3%
Other non-operating items (Note 3)	(127)	(105)	21.0%	972	1,513	-35.8%
Profit before tax	6,525	6,707	-2.7%	20,087	20,210	-0.6%
Taxation (Note 4)	(1,499)	(1,430)	4.8%	(4,299)	(4,390)	-2.1%
Profit after tax from continuing operations	5,026	5,277	-4.8%	15,788	15,820	-0.2%
Discontinued operations						
Profit/(loss) from discontinued operations, net of tax	695	(419)	N.M.	(230)	(1,252)	-81.6%
Profit for the year	5,721	4,858	17.8%	15,558	14,568	6.8%
Attributable to :-						
Continuing operations						
Equity owners of the Company	5,032	5,282	-4.7%	15,828	15,834	–
Non-controlling interests	(6)	(5)	20.0%	(40)	(14)	185.7%
	5,026	5,277	-4.8%	15,788	15,820	-0.2%
Discontinued operations						
Equity owners of the Company	695	(264)	N.M.	118	(792)	-114.9%
Non-controlling interests	–	(155)	N.M.	(348)	(460)	-24.3%
	695	(419)	N.M.	(230)	(1,252)	-81.6%



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	2019 3Q	2018 3Q	2019 9M	2018 9M
Earnings per ordinary share (cents)				
-basic	1.13	0.98	3.14	2.96
-diluted	1.11	0.97	3.09	2.94

Consolidated statement of comprehensive income for the third quarter ended 30 September 2019

SS'000	2019 3Q	2018 3Q	Group Change (%)	2019 9M	2018 9M	Change (%)
Profit after taxation	5,721	4,858	17.8%	15,558	14,568	6.8%
Other comprehensive income/(loss) :						
Foreign currency translation	3,029	(2,057)	N.M.	263	(6)	N.M.
Other comprehensive income/(loss) for the period, net of tax	3,029	(2,057)	N.M.	263	(6)	N.M.
Total comprehensive income for the period	8,750	2,801	212.4%	15,821	14,562	8.6%
Total comprehensive income attributable to :-						
Owners of the Company	8,682	2,960	193.3%	16,138	15,036	7.3%
Non-controlling interests	68	(159)	N.M.	(317)	(474)	N.M.
	8,750	2,801	212.4%	15,821	14,562	8.6%

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 3Q	2018 3Q	Change (%)	2019 9M	2018 9M	Change %
Profit before taxation is arrived at after charging/(crediting) the following:						
Interest expense	524	213	146.0%	1,227	673	82.3%
Interest income	(63)	(73)	-13.7%	(182)	(203)	-10.3%
Depreciation for property, plant and equipment	1,620	1,566	3.4%	4,772	4,512	5.8%
Depreciation for right-to-use assets	998	–	N.M	2,347	–	N.M
Amortisation of intangible assets	305	368	-17.1%	920	940	-2.1%
Allowance/ (write back of allowance) for expected credit loss on trade receivables, net	126	125	0.8%	(188)	128	-246.9%
Allowance/ (write back of allowance) for stock obsolescence made, net	1	21	-95.2%	(42)	34	-223.5%
Gain on disposal of property, plant and equipment	(84)	(54)	55.6%	(291)	(222)	31.1%

Note 1

S\$'000	Group					
	2019 3Q	2018 3Q	Change (%)	2019 9M	2018 9M	Change (%)
Allowance/ (write back of allowance) for expected credit loss on trade receivables, net	126	125	0.8%	(188)	128	-246.9%
Amortisation of intangible assets	305	368	-17.1%	920	940	-2.1%
Gain on disposal of property, plant and equipment	(84)	(54)	55.6%	(291)	(222)	31.1%
Allowance/ (write back of allowance) for stock obsolescence made, net	1	21	-95.2%	(42)	34	-223.5%
Bank charges	37	16	131.3%	92	106	-13.2%
Other operating costs	385	476	-19.1%	491	986	-50.2%

Note 2

Higher interest expense is due to the adoption of SFRS(I) 16 of S\$169,000 lease interest charged in 9M19.

Note 3

S\$'000	Group					
	2019 3Q	2018 3Q	Change (%)	2019 9M	2018 9M	Change (%)
Miscellaneous income	87	5	N.M	366	268	36.6%
Net exchange (loss)/gain	(214)	(110)	94.5%	606	1,245	-51.3%
Other non-operating items	(127)	(105)	21.0%	972	1,513	-35.8%

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	
	30-09-19	31-12-18	30-09-19	31-12-18
NON-CURRENT ASSETS				
Property, plant and equipment	59,624	28,198	2,129	2,299
Right-to-use assets #	14,044	–	3,634	0
Investment in subsidiaries	–	–	190,895	196,018
Quoted investment	1,286	1,290	1,286	1,290
Investment in associate	102	106	–	–
Intangible assets	60,017	25,955	524	645
Deferred tax assets	4,105	3,073	925	1,138
	139,178	58,622	199,393	201,390
CURRENT ASSETS				
Contract Assets (Note 5)	44,890	34,327	–	–
Inventories (Note 5)	22,193	16,490	–	–
Trade and other receivables (Note 5)	108,090	81,844	4,783	772
Prepaid operating expenses	4,821	3,748	121	85
Amount due from subsidiary companies	–	–	25,383	22,174
Short-term deposits	5,093	4,819	–	–
Cash and bank balances	47,070	69,232	4,855	9,389
	232,157	210,460	35,142	32,420
CURRENT LIABILITIES				
Contract liabilities (Note 5)	(21,498)	(11,935)	–	–
Trade payables and accruals	(62,058)	(44,510)	(1,159)	(4,352)
Lease liabilities #	(3,875)	–	(443)	–
Finance lease	(8)	(8)	–	–
Loans and borrowings	(97,858)	(36,125)	(97,858)	(36,125)
Amount due to subsidiary companies	–	–	(22,262)	(78,853)
Provision for warranties	(181)	(467)	–	–
Provision for taxation	(3,032)	(2,880)	(746)	(761)
	(188,510)	(95,925)	(122,468)	(120,091)
Net current assets/(liabilities)	43,647	114,535	(87,326)	(87,671)
NON-CURRENT LIABILITIES				
Deferred tax liabilities	(456)	(481)	–	–
Lease liabilities #	(11,712)	–	(4,597)	–
Finance lease	(15)	(19)	–	–
Accruals	(337)	(326)	–	–
Net Assets	170,305	172,331	107,470	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	–	1,393	–	1,393
Revenue reserve #	83,369	82,216	3,042	7,235
Other reserve	9,893	9,844	9,925	9,876
Foreign currency translation reserve #	(17,304)	(17,432)	–	–
Total Shareholders' Fund	170,461	171,236	107,470	113,719
Non-controlling interests	(156)	1,095	–	–
Total Equity	170,305	172,331	107,470	113,719
Group net cash/(debt)	(45,695)	37,926		

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



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Note 5

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

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount repayable in one year or less, or on demand

As at 30 September 2019		As at 31 Dec 2018	
Secured	Unsecured	Secured	Unsecured
NIL	S\$97,858,000	NIL	S\$36,125,000

Amount repayable after one year

As at 30 September 2019		As at 31 Dec 2018	
Secured	Unsecured	Secured	Unsecured
NIL	NIL	NIL	NIL

Details of any collateral

Not applicable.



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

S\$'000	GROUP			
	1.7.2019 to 30.9.2019	1.7.2018 to 30.9.2018	1.1.2019 to 30.9.2019	1.1.2018 to 30.9.2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES :-</u>				
Profit before tax from continuing operations	6,525	6,707	20,087	20,210
Profit/ (loss) before tax from discontinued operations	695	(419)	(230)	(1,252)
Profit before tax, total	7,220	6,288	19,857	18,958
Adjustments for :-				
Allowance/ (write back of allowance) for expected credit loss on trade receivables, net	126	125	(188)	128
Allowance/ (write back of allowance) for stock obsolescence made, net	1	21	(42)	34
Depreciation for property, plant and equipment	1,620	1,566	4,772	4,512
Depreciation for right-to-use assets	998	–	2,347	–
Amortisation of intangible assets	305	490	1,154	1,310
Gain on disposal of property, plant and equipment	(84)	(54)	(291)	(222)
Gain on disposal of subsidiary	(695)	–	(695)	–
Interest expense	524	221	1,239	697
Interest income	(63)	(80)	(189)	(218)
Operating profit before reinvestment in working capital	9,952	8,577	27,964	25,199
(Increase)/decrease in trade and other receivables and prepaid operating expenses	(4,461)	4,791	(5,435)	8,481
Decrease/(increase) in gross amount due from customers for contract assets, net and inventories	3,463	11,665	(4,473)	24,311
(Decrease)/increase in payables and accruals and provision for warranties	4,684	(244)	1,774	(10,637)
Cash generated from operations	13,638	24,789	19,830	47,354
Interest paid	(524)	(221)	(1,239)	(697)
Interest received	63	80	189	218
Income tax (paid)/ refund	(2,570)	488	(5,558)	(4,384)
Net cash generated from operating activities	10,607	25,136	13,222	42,491
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Cash consideration paid, net of cash assets & business acquired	(58,247)	(200)	(73,245)	(1,240)
Proceeds from sales of subsidiary	3,586	–	3,586	–
Purchase of property, plant and equipment	(5,050)	(2,989)	(10,574)	(5,437)
Purchase of right-to-use assets	–	–	(1,357)	–
Purchase of intangible assets	–	(14)	(341)	(14)
Proceeds from sale of property, plant and equipment	1,172	51	1,521	506
Net cash used in investing activities	(58,539)	(3,152)	(80,410)	(6,185)



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S\$'000	GROUP			
	1.7.2019 to 30.9.2019	1.7.2018 to 30.9.2018	1.1.2019 to 30.9.2019	1.1.2018 to 30.9.2018
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Dividends paid to shareholders	(6,349)	(6,413)	(13,968)	(14,154)
Purchase of treasury shares	–	(1,876)	(2,131)	(3,327)
Proceeds from/(repayment) of short-term borrowings, net	62,556	(11,531)	61,733	(9,706)
Net cash generated from/ (used in) financing activities	56,207	(19,820)	45,634	(27,187)
Net effect of exchange rate changes on cash and cash equivalents	327	(153)	(334)	115
Net increase/(decrease) in cash and cash equivalents	8,275	2,164	(21,554)	9,119
Cash and cash equivalents at beginning of the quarter/financial year	43,561	54,133	74,051	46,910
Cash and cash equivalents at end of the financial period	52,163	56,144	52,163	56,144



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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	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	–	–	(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/(loss) for 1 st half 2018	–	–	10,023	–	2,053	12,076	(315)	11,761
Purchase of treasury shares	–	(1,451)	–	–	–	(1,451)	–	(1,451)
Dividend for FY2017 declared and paid	–	–	(7,741)	–	–	(7,741)	–	(7,741)
At 30 June 2018	98,542	(1,451)	84,339	9,844	(16,002)	175,272	1,484	176,756
Total comprehensive income/(loss) for 3 rd quarter	–	–	5,018	–	(2,058)	2,960	(159)	2,801
Purchase of treasury shares	–	(1,876)	–	–	–	(1,876)	–	(1,876)
Interim dividend for FY2018 declared and paid	–	–	(6,413)	–	–	(6,413)	–	(6,413)
At 30 September 2018	98,542	(3,327)	82,944	9,844	(18,060)	169,943	1,325	171,268



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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 At 1 January 2019	–	–	(824)	–	–	–	(824)	(20)	(844)
Total comprehensive income/(loss) for 1 st half 2019	–	–	10,218	–	–	(2,762)	7,456	(385)	7,071
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)
At 30 June 2019	98,542	(4,039)	83,991	–	9,893	(20,194)	168,193	690	168,883
Total comprehensive income for 3 rd quarter	–	–	5,727	–	–	2,955	8,682	68	8,750
Disposal of subsidiary	–	–	–	–	–	(65)	(65)	(914)	(979)
Interim dividend for FY2019 declared and paid	–	–	(6,349)	–	–	–	(6,349)	–	(6,349)
At 30 September 2019	98,542	(4,039)	83,369	–	9,893	(17,304)	170,461	(156)	170,305



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Company S\$'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 1 st half 2018	–	–	–	10,891	–	10,891
Purchase of treasury shares	–	(1,451)	–	–	–	(1,451)
Dividend for FY2017 declared and paid	–	–	–	(7,741)	–	(7,741)
At 30 June 2018	98,542	(1,451)	–	6,844	9,876	113,811
Total comprehensive income 3rd quarter	–	–	–	7,853	–	7,853
Purchase of treasury shares	–	(1,876)	–	–	–	(1,876)
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
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 1 st half 2019	–	–	–	811	–	811
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)
At 30 June 2019	98,542	(4,039)	–	(13)	9,925	104,415
Total comprehensive income 3rd quarter	–	–	–	9,404	–	9,404
Dividend for FY2019 declared and paid	–	–	–	(6,349)	–	(6,349)
At 30 September 2019	98,542	(4,039)	–	3,042	9,925	107,470



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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 September 2019, the Company's number of issued and paid up shares comprised 507,950,352 (30 September 2018: 508,890,392) ordinary shares and 8,117,500 (30 September 2018: 7,177,500) treasury shares.

Treasury Shares

As at 30 September 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 September 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 September 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 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(I) 1-19: <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
SFRS(I) INT 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to SFRS(I) 9: <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to SFRS(I) 1-28: <i>Long-term Interest in Associates and Joint Ventures</i>	1 January 2019
Annual improvements to SFRS(I)s 2015 - 2017 Cycle	1 January 2019

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

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

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

In addition, the Group elected the following practical expedients:

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

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



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6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

	3Q 2019	3Q 2018	9M 2019	9M 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	1.13	0.98	3.14	2.96
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	1.11	0.97	3.09	2.94
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	514,900,871	508,890,352	516,067,852
Weighted average number of shares based payment during the period	–	–	1,699,069	–
Weighted average number of share buybacks during the period	–	(1,478,227)	(2,217,548)	(1,898,140)
Adjusted weighted average number of shares	507,950,352	513,422,644	508,371,873	514,169,712
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	513,422,644	508,371,873	514,169,712
Weighted average number of treasury shares	8,117,500	2,645,208	7,695,979	1,898,140
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 :-

	30 September 2019		31 December 2018	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued share capital (in cents)	33.56	21.16	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

No Interim dividend has been declared or recommended in relation to third quarter ended 30 September 2019 or the previous corresponding financial period.

(b) Corresponding Period of the Immediately Preceding Financial Year

Not applicable.

10. Date dividend is payable

Not applicable.

11. Book closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

The Company's practice is to consider dividend on half-yearly basis. Therefore, no dividend was declared for the third quarter ended 30 September 2019.



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PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

14. In review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15. A breakdown of sales as follows:-

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.

Not applicable.

17. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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 September 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 Third quarter ended 30 September 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
6 November 2019