



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

First Half Financial Statement and Dividend Announcement for the period ended 30 June 2022

Key Financial Performance

S\$'000	1H22	1H21	Change
Revenue	262,186	234,455	11.8%
Gross profit	72,789	70,006	4.0%
Gross margin (%)	27.8%	29.9%	-2.1pp
Operating expenses	65,522	57,621	13.7%
EBITDA	18,023	23,563	-23.5%
Net profit	4,534	10,071	-55.0%
Net cash generated from operations	8,134	15,111	-46.2%
New orders received	421,733	210,556	100.3%
Outstanding orders	388,948	212,097	83.4%

Review of Performance – 1st Half (“1H22”)

In 1H22, Group revenue increased by 11.8% year-on-year to S\$262.2 million, mainly attributed to growth in infrastructure project revenues in Australia and the Americas region. In line with higher revenues, gross profit increased by S\$2.8 million or 4.0% year-on-year to S\$72.8 million. Gross margin decreased by 2.1% to 27.8% in 1H22, impacted by unfavourable sales mix of higher project revenues in the Energy sector at lower gross margins particularly in the Americas region.

In 1H22, group operating expenses were 13.7% or S\$7.9 million higher year-on-year at S\$65.5 million, mainly due to impact of newly acquired subsidiaries of S\$2.7 million, higher personnel costs of S\$1.8 million due to increased business activity of its existing operations, higher selling and distribution expenses of S\$1.8 million, and upkeep of building and equipment cost S\$1.1 million.

EBITDA decreased by 23.5% to S\$18.0 million as compared to 1H21 of S\$23.6 million, mainly attributed to lower gross margins, higher operating expenses and lower favourable exchange differences of S\$0.5 million.

With higher interest costs of S\$0.7 million year-on-year, net profit for 1H22 decreased by 55.0% year-on-year to S\$4.5 million from S\$10.1 million in 1H21.

Order intake in 1H22 surged by 100.3% to S\$421.7 million as compared to 1H21 of S\$210.6 million with broad based growth registered in all industry sectors. The Energy sector rose by 124.0% year-on-year growth to S\$238.3 million in 1H22 from S\$106.4 million in 1H21, contributed by new contracts for the maintenance of integrated control systems for production facilities and a large greenfield order in the Renewables space relating to installation and integration of solar power systems amounting to S\$79.3 million, supported by higher flow orders.

In the Infrastructure sector, order intake in 1H22 climbed by 92.9% to S\$153.7 million as compared to S\$79.7 million in 1H21, mainly due to a major contract secured to provide engineering solutions for the data-centre market and higher field services orders for the wastewater market in the Americas region, as well as stronger orders of radio communication equipment and solutions led by utility and renewables customers in Australia.

The Mining & Minerals Sector clinched S\$29.8 million worth of new orders in 1H22, as compared to S\$24.5 million in 1H21 mainly from an LTE system project secured for a mine site in Australia.

As at June 2022, the order book stood robust at S\$388.9 million.



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Performance of Geographical Segments

SS'000	1H22	1H21	Change
Revenue			
Americas	149,040	137,414	8.5%
Asia Pacific	104,450	91,108	14.6%
EMEA	8,696	5,933	46.6%
Group	262,186	234,455	11.8%
Earnings/(loss) before interest and tax (EBIT)			
Americas	(3,726)	3,125	N.M.
Asia Pacific	11,422	10,239	11.6%
EMEA	621	474	31.0%
Group	8,317	13,838	-39.9%

1H22 vs 1H21

In 1H22, the geographical regions of the Americas, Asia Pacific and Europe/Middle East/Africa (“EMEA”) contributed 56.8%, 39.8% and 3.4% to revenue respectively.

The Americas region registered an 8.5% increase in revenue for 1H22 of S\$149.0 million as compared to 1H21 of S\$137.4 million, mainly attributed to higher time and material revenue achieved. Despite higher revenue achieved in 1H22, the Americas region reported a loss before interest and tax of S\$3.7 million as a result of unfavorable sales mix at lower margins and higher operating and sales costs.

The Asia Pacific region reported a growth of 14.6% in 1H22 revenue to S\$104.5 million, due to higher project revenues for both Mining & Mineral and Infrastructure sectors in Australia. In line with growth in revenue, EBIT rose by 11.6% year-on-year to S\$11.4 million.

The EMEA region registered a 46.6% increase in revenues from S\$5.9 million in 1H21 to S\$8.7 million in 1H22 mainly due to contributions from new acquisitions in United Kingdom and hence, an improvement in EBIT to S\$0.6 million.

Liquidity and Capital Resources

For 1H22, the Group generated a cash inflow from operations of S\$8.1 million as compared to 1H21 of S\$15.1 million.

The Group’s net debt position was S\$74.4 million as at end of June 2022, as compared to December 2021 of S\$48.9 million, attributed to higher working capital of S\$10.2 million for new projects secured, S\$8.3 million made for business acquisitions and S\$9.4 million of capital expenditure for 1H22.



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Order Book

S\$'000	1H22	FY21	1H21
Americas	248,458	98,479	76,663
Asia Pacific	130,699	123,317	130,852
EMEA	9,791	7,605	4,582
Total	388,948	229,401	212,097

As at 30 June 2022, the order book stood robust at S\$388.9 million, with the geographical regions of the Americas, the Asia Pacific and EMEA contributing 63.9%, 33.6% and 2.5% to group order book respectively.

Outlook

Our customers in the Energy sector remained focused on their capital spending discipline that led to fewer large greenfield projects in the first six months of the year and foreseeably in the coming months and this trend will continue to weigh on the financial performance in the Americas region in 2H22. However, we do see higher flow business in the Energy sector and we have secured several renewables projects in 1H22 and expect this to continue for 2H22.

We continue to see a stable financial performance in the Infrastructure and Mining & Minerals sectors, supported by a steady stream of projects arising from requirements in digitalization, communications and enhancements in physical and cyber security globally, and from data-centres, water/waste water in the Americas region. We will continue to build our infrastructure business through a combination of acquisitions and invest organically through sales, marketing, engineering support and capacity enhancement which will lead to an increase in overheads.

Supply chain disruptions continue to affect our operations resulting in longer lead time to convert an order into revenue and increases the cost of project execution leading to lower gross margins. Nevertheless, CSE remains confident that the financial performance for 2H22 will be better than 1H22.



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CSE Global Limited

Condensed Interim Financial Statements
For the six months ended 30 June 2022

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A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

SS'000	Note	1H22	1H21	Change
Revenue	4	262,186	234,455	11.8%
Cost of sales		(189,397)	(164,449)	15.2%
Gross profit		72,789	70,006	4.0%
Operating expenses				
Administrative costs		(59,320)	(53,089)	11.7%
Selling and distribution costs		(3,858)	(2,103)	83.5%
Other operating costs		(2,344)	(2,429)	-3.5%
Total operating expenses		(65,522)	(57,621)	13.7%
Operating profit		7,267	12,385	-41.3%
Interest expense		(1,851)	(1,128)	64.1%
Interest income		124	123	0.8%
Share of (loss)/profit of an associate		(25)	2	N.M.
Other non-operating items	5	1,059	1,428	-25.8%
Profit before tax	5	6,574	12,810	-48.7%
Tax expense	7	(2,018)	(2,718)	-25.8%
Profit for the period		4,556	10,092	-54.9%
Attributable to:				
Equity owners of the Company		4,534	10,071	-55.0%
Non-controlling interests		22	21	4.8%
		4,556	10,092	-54.9%
Earnings per ordinary share (cents)				
- basic		0.88	1.97	
- diluted		0.88	1.95	



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A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (contd.)

SS'000	Note	1H22	1H21	Change
Profit after tax		4,556	10,092	-54.9%
Other comprehensive income:				
Foreign currency translation		65	1,017	-93.6%
Fair value changes on derivative liability		491	356	37.9%
Other comprehensive income for the period, net of tax		556	1,373	-59.5%
Total comprehensive income for the period		5,112	11,465	-55.4%
Total comprehensive income attributable to:				
Owners of the Company		5,090	11,444	-55.5%
Non-controlling interests		22	21	4.8%
		5,112	11,465	-55.4%

N.M. – Not meaningful



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B. Condensed Interim Statements of Financial Position

S\$'000	Note	Group		Company	
		30-06-22	31-12-21	30-06-22	31-12-21
NON-CURRENT ASSETS					
Property, plant and equipment	11	63,424	62,009	1,205	1,340
Right-to-use assets		21,814	21,638	2,142	2,358
Investment in subsidiaries		–	–	127,171	127,171
Other investment		1,270	1,273	1,270	1,273
Investment in associate		204	234	–	–
Intangible assets	10	64,853	58,525	81	162
Deferred tax assets		2,983	2,974	1,134	1,134
Finance lease receivables		475	587	–	–
		155,023	147,240	133,003	133,438
CURRENT ASSETS					
Contract assets		82,400	72,336	–	–
Inventories		35,865	29,272	–	–
Trade and other receivables		116,940	96,597	3,696	1,013
Finance lease receivables		292	261	–	–
Prepaid operating expenses		10,229	5,299	593	493
Amount due from subsidiary companies		–	–	143,496	144,493
Cash and bank balances	12	27,089	46,510	988	2,128
		272,815	250,275	148,773	148,127
Asset held-for-sale		4,303	–	–	–
		277,118	250,275	148,773	148,127
CURRENT LIABILITIES					
Contract liabilities		(29,266)	(19,038)	–	–
Trade payables and accruals		(79,229)	(59,106)	(1,026)	(1,278)
Lease liabilities		(5,939)	(5,317)	(641)	(631)
Loans and borrowings	13	(58,390)	(47,894)	(58,390)	(47,894)
Derivative liability		(674)	(1,112)	(674)	(1,112)
Amount due to subsidiary companies		–	–	(51,131)	(48,896)
Provision for warranties		(729)	(686)	–	–
Provision for taxation		(2,112)	(3,082)	(11)	(11)
		(176,339)	(136,235)	(111,873)	(99,822)
Net current assets		100,779	114,040	36,900	48,305
NON-CURRENT LIABILITIES					
Deferred tax liabilities		(4,597)	(3,354)	–	–
Lease liabilities		(17,691)	(18,248)	(2,063)	(2,328)
Loans and borrowings	13	(43,091)	(47,491)	(43,091)	(47,491)
Accruals		(993)	(183)	–	–
		(66,372)	(69,276)	(45,154)	(49,819)
Net Assets		189,430	192,004	124,749	131,924
Equity attributable to owners of the Company					
Share capital	14	98,542	98,542	98,542	98,542
Treasury shares	14	(1,910)	(1,910)	(1,910)	(1,910)
Revenue reserve		103,185	106,337	18,091	25,757
Other reserve		9,994	9,503	10,026	9,535
Foreign currency translation reserve		(20,364)	(20,429)	–	–
Total Shareholders' Fund		189,447	192,043	124,749	131,924
Non-controlling interests		(17)	(39)	–	–
Total Equity		189,430	192,004	124,749	131,924



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C. Condensed Interim Consolidated Statement of Cash Flows

S\$'000	Group 01.01.2022 to 30.06.2022	01.01.2021 to 30.06.2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,574	12,810
Adjustments for :-		
Allowance for expected credit loss on trade receivables, net	166	471
Allowance/(write back of allowance) for stock obsolescence	202	(17)
Depreciation for property, plant and equipment	5,036	4,976
Depreciation for right-to-use assets	2,932	2,888
Amortisation of intangible assets	1,738	1,861
Gain on disposal and write-off of property, plant and equipment	(47)	(64)
Share of loss/(profit) of an associate	25	(2)
Interest expense	1,867	1,151
Interest income	(124)	(123)
Operating profit before changes in working capital	18,369	23,951
Increase in trade and other receivables and prepaid operating expenses	(23,437)	(3,592)
Increase in gross amount due from customers for contract assets and inventories	(3,456)	(4,676)
Increase/(decrease) in payables and accruals and provision for warranties	16,658	(572)
Cash generated from operations	8,134	15,111
Interest paid	(1,453)	(1,087)
Interest received	124	123
Income tax paid	(2,819)	(3,421)
Net cash generated from operating activities	3,986	10,726
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of businesses, net of cash	(8,334)	(5,955)
Release of restricted cash	-	2,523
Purchase of property, plant and equipment	(9,447)	(5,653)
Proceeds from sale of property, plant and equipment	109	282
Net cash used in investing activities	(17,672)	(8,803)



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C. Condensed Interim Consolidated Statement of Cash Flows (contd.)

S\$'000	Group	
	01.01.2022 to 30.06.2022	01.01.2021 to 30.06.2021
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Purchase of treasury shares	–	(1,371)
Dividends paid to shareholders	(7,686)	(7,686)
Proceeds of borrowings, net	5,406	15,911
Proceeds from issuance of shares of a subsidiary to NCI	–	48
Payment of lease liabilities	(3,315)	(2,974)
Net cash (used in)/generated from financing activities	(5,595)	3,928
Net effect of exchange rate changes on cash and cash equivalents	(70)	415
Net (decrease)/increase in cash and cash equivalents	(19,281)	5,851
Cash and cash equivalents at beginning of the financial period	45,523	49,390
Cash and cash equivalents at end of the financial period	26,172	55,656
Cash and bank balances comprise of:-		
Cash and cash equivalents	26,172	55,656
Restricted cash arising from acquisition of subsidiaries	917	636
	27,089	56,292



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D. Condensed Interim Statements of Changes in Equity

Group S\$'000	Attributable to equity owners of the Company						Total	Non- controlling interests	Total Equity
	Share capital	Treasury shares	Revenue reserve	Share based payment reserve	Other reserve	Foreign currency translation reserve			
At 1 January 2021	98,542	(2,557)	105,425	1,935	8,750	(20,321)	191,774	(136)	191,638
Total comprehensive income for the period	–	–	10,071	–	356	1,017	11,444	21	11,465
Purchase of treasury shares	–	(1,371)	–	–	–	–	(1,371)	–	(1,371)
Re-issuance of treasury shares	–	2,018	–	(1,935)	(83)	–	–	–	–
Dividend for FY2020 declared and paid	–	–	(7,686)	–	–	–	(7,686)	–	(7,686)
Issuance of shares of a subsidiary to non-controlling interest	–	–	–	–	–	–	–	48	48
At 30 June 2021	98,542	(1,910)	107,810	–	9,023	(19,304)	194,161	(67)	194,094
At 1 January 2022	98,542	(1,910)	106,337	–	9,503	(20,429)	192,043	(39)	192,004
Total comprehensive income for the period	–	–	4,534	–	491	65	5,090	22	5,112
Dividend for FY2021 declared and paid	–	–	(7,686)	–	–	–	(7,686)	–	(7,686)
At 30 June 2022	98,542	(1,910)	103,185	–	9,994	(20,364)	189,447	(17)	189,430



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D. Condensed Interim Statements of Changes in Equity (contd.)

Company S\$'000	Share capital	Treasury shares	Share-based payment reserve	Revenue reserve	Other reserve	Total Equity
At 1 January 2021	98,542	(2,557)	1,935	36,290	8,782	142,992
Total comprehensive income for the period	–	–	–	1,245	356	1,601
Purchase of treasury shares	–	(1,371)	–	–	–	(1,371)
Re-issuance of treasury shares	–	2,018	(1,935)	–	(83)	–
Dividend for FY2020 declared and paid	–	–	–	(7,686)	–	(7,686)
At 30 June 2021	98,542	(1,910)	–	29,849	9,055	135,536
At 1 January 2022	98,542	(1,910)	–	25,757	9,535	131,924
Total comprehensive income for the period	–	–	–	20	491	511
Dividend for FY2021 declared and paid	–	–	–	(7,686)	–	(7,686)
At 30 June 2022	98,542	(1,910)	–	18,091	10,026	124,749



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E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

CSE Global Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “Group”). The primary activities of the Company are those relating to provision of total integrated industrial automation, information technology and intelligent transport solutions and investment holding.

The principal activities of the Group are:

- (a) Provision of infrastructure engineering services and telecommunications solutions
- (b) Sale and provision of system integration services
- (c) Distribution of electrical engineering equipment and manufacture of process control and automation equipment

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars (“S\$”) and all values are rounded to the nearest thousand (S\$’000), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgement made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgement in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:



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- Note 4 – Project revenue

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 6 – Impairment assessment of trade receivables and contract assets
- Note 10 – Impairment of goodwill

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

4.1 Reportable segments

For management purpose, the Group is organized into three operating segments based on their geographical locations, namely Asia Pacific, Americas and Europe/Middle East. These operating segments are reported in a manner consistent with internal reporting provided to the management of the Company who are responsible for allocating resources and assessing performance of the operating segments.

SS'000	Americas	Asia Pacific	Europe/ Middle East	Consolidated
1 January 2022 to 30 June 2022 (1H22)				
Sales to external customers	149,040	104,450	8,696	262,186
Profit/(loss) before interest and tax	(3,726)	11,422	621	8,317
Non-current assets	86,048	34,771	7,458	128,277
1 January 2021 to 30 June 2021 (1H21)				
Sales to external customers	137,414	91,108	5,933	234,455
Profit before interest and tax	3,125	10,239	474	13,838
Non-current assets	86,323	32,501	3,372	122,196



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4.2 Disaggregation of revenue

S\$'000	Group				Total revenue
	6 months ended 30 June 2022 (1H22)				
Segments	Project revenue	Time and material revenue	Maintenance revenue	Equipment rental	
Primary geographical markets					
Americas	81,426	64,678	2,936	–	149,040
Asia Pacific	22,240	62,533	10,884	8,793	104,450
Europe/Middle East	860	4,712	350	2,774	8,696
	<u>104,526</u>	<u>131,923</u>	<u>14,170</u>	<u>11,567</u>	<u>262,186</u>
Timing of transfer of goods or services					
At a point in time	–	131,923	–	–	131,923
Over time	104,526	–	14,170	11,567	130,263
	<u>104,526</u>	<u>131,923</u>	<u>14,170</u>	<u>11,567</u>	<u>262,186</u>

S\$'000	Group				Total revenue
	6 months ended 30 June 2021 (1H21)				
Segments	Project revenue	Time and material revenue	Maintenance revenue	Equipment rental	
Primary geographical markets					
Americas	79,172	58,227	15	–	137,414
Asia Pacific	16,554	56,696	9,210	8,648	91,108
Europe/Middle East	1,819	1,470	240	2,404	5,933
	<u>97,545</u>	<u>116,393</u>	<u>9,465</u>	<u>11,052</u>	<u>234,455</u>
Timing of transfer of goods or services					
At a point in time	–	116,393	–	–	116,393
Over time	97,545	–	9,465	11,052	118,062
	<u>97,545</u>	<u>116,393</u>	<u>9,465</u>	<u>11,052</u>	<u>234,455</u>



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5. Profit before taxation

5.1 Significant items

SS'000	1H22	1H21	Change
(a) Other non-operating items			
Miscellaneous income	528	446	18.4%
Net exchange gain	531	982	-45.9%
Other non-operating items	1,059	1,428	-25.8%
(b) Profit before tax is arrived at after charging/(crediting) the following:			
Interest expense *	1,851	1,128	64.1%
Interest expense recognised as an expense in cost of sales	16	23	-30.4%
Interest income	(124)	(123)	0.8%
Depreciation for property, plant and equipment	5,036	4,976	1.2%
Depreciation for right-to-use assets	2,932	2,888	1.5%
Amortisation of intangible assets	1,738	1,861	-6.6%
Allowance for expected credit loss on trade receivables, net	166	471	-64.8%
Allowance/(write back of allowance) for stock obsolescence made, net	202	(17)	N.M.
Gain on disposal of property, plant and equipment	(47)	(64)	-26.6%

* Included unrealized fair value loss on derivative liability of S\$53,000 in 1H22 (unrealized fair value gain on derivative liability of S\$468,000 in 1H21).

5.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.



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6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

SS'000	Note	Group		Company	
		30-06-22	31-12-21	30-06-22	31-12-21
Financial Assets					
<u>Non-current:</u>					
Other investment	16	1,270	1,273	1,270	1,273
<u>Current:</u>					
Trade and other receivables		116,717	96,381	3,696	1,013
GST receivables		223	216	–	–
		<u>116,940</u>	<u>96,597</u>	<u>3,696</u>	<u>1,013</u>
Add:					
Amount due from subsidiaries		–	–	143,496	144,493
Finance lease receivables		767	848	–	–
Cash and bank balances		27,089	46,510	988	2,128
Less:					
GST receivables		(223)	(216)	–	–
Total financial assets carried at amortised cost		145,843	145,012	149,450	148,907
Financial Liabilities					
<u>Non-current:</u>					
Accruals		993	183	–	–
<u>Current:</u>					
Trade payables and accruals		77,032	57,437	1,011	1,276
GST payables		2,197	1,669	15	2
		<u>79,229</u>	<u>59,106</u>	<u>1,026</u>	<u>1,278</u>
Add:					
Amount due to subsidiaries		–	–	51,131	48,896
Lease liabilities		23,630	23,565	2,704	2,959
Loans and borrowings		101,481	95,385	101,481	95,385
Less:					
GST payables		(2,197)	(1,669)	(15)	(2)
Total financial liabilities carried at amortised cost		203,136	176,570	156,327	148,516
Derivative liability carried at fair value through profit and loss	16	674	1,112	674	1,112
		<u>203,810</u>	<u>177,682</u>	<u>157,001</u>	<u>149,628</u>



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6.1 Impairment assessment of trade receivables

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

SS'000	Group	
	1H22	1H21
Movement in allowance accounts:		
At 1 January	1,181	1,753
Charge for the year, net	166	471
Written off	(107)	(111)
Currency realignment	26	(16)
At 30 June	1,266	2,097

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

SS'000	1H22	1H21
Current income tax expense	1,812	2,533
Deferred income tax expense relating to origination and reversal of temporary differences	–	167
Others	206	18
	2,018	2,718

8. Dividends

SS'000	Group	
	1H22	1H21
Ordinary dividends paid:		
- Final exempt (one-tier) dividend for 2021: S\$0.015 per share	7,686	–
- Final exempt (one-tier) dividend for 2020: S\$0.015 per share	–	7,686
	7,686	7,686

9. Net Asset Value

	30 June 2022		31 December 2021	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued share capital (in cents)	36.97	24.35	37.48	25.75



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10. Intangible assets

Group (S\$'000)	Goodwill	Sales order backlog	Non-compete agreement	Licences	Intellectual property rights	Technical know-how	Customer relationships	Total
Cost								
At 31 December 2021	71,615	2,262	1,976	1,801	505	3,214	16,933	98,306
Acquisition of businesses (Note 15)	4,641	–	–	1	–	–	3,694	8,336
Currency realignment	208	56	52	5	12	83	(170)	246
At 30 June 2022	76,464	2,318	2,028	1,807	517	3,297	20,457	106,888
Accumulated Amortisation								
At 31 December 2021	24,171	2,262	1,190	1,558	54	348	10,198	39,781
Amortisation of the period	–	–	99	100	13	162	1,364	1,738
Currency realignment	399	56	33	3	1	12	12	516
At 30 June 2022	24,570	2,318	1,322	1,661	68	522	11,574	42,035
Net carrying amount as at 30 June 2022	51,894	–	706	146	449	2,776	8,882	64,853



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10. Intangible assets (contd.)

Company	Licences S\$'000
Cost	
At 31 December 2021 and 30 June 2022	1,612
Accumulated Amortisation	
At 31 December 2021	1,450
Amortisation of the period	81
At 30 June 2022	1,531
Net carrying amount as at 30 June 2022	81

11. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to S\$9,447,000 (30 June 2021: S\$5,653,000) and disposed of assets amount to S\$62,000 (30 June 2021: S\$218,000).

12. Cash and bank balances

	Group		Company	
	30-06-22 S\$'000	31-12-21 S\$'000	30-06-22 S\$'000	31-12-21 S\$'000
Cash and cash equivalents	26,172	45,523	988	2,128
Restricted cash arising from acquisition of subsidiaries	917	987	-	-
	27,089	46,510	988	2,128

13. Borrowings

Amount repayable in one year or less, or on demand

As at 30 June 2022		As at 31 December 2021	
Secured	Unsecured	Secured	Unsecured
NIL	S\$58,390,000	NIL	S\$47,894,000

Amount repayable after one year

As at 30 June 2022		As at 31 December 2021	
Secured	Unsecured	Secured	Unsecured
NIL	S\$43,091,000	NIL	S\$47,491,000

Details of any collateral

Not applicable.



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14. Share capital

	Group and Company			
	30 June 2022		31 December 2021	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Issued and fully paid ordinary shares	516,068	98,542	516,068	98,542

Treasury shares

	Group and Company			
	30 June 2022		31 December 2021	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Beginning of interim period	(3,666)	(1,910)	(4,921)	(2,557)
Acquired during interim period	–	–	(2,654)	(1,371)
Re-issuance of treasury shares	–	–	3,909	2,018
End of interim period	(3,666)	(1,910)	(3,666)	(1,910)

Treasury shares relate to ordinary shares of the Company that are held by the Company.



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15. Acquisition of subsidiaries

Acquisition of business in Australia

In March 2022, a wholly-owned subsidiary of the Group, CSE Crosscom Pty Ltd (“CSE Crosscom”) acquired 100% of the issued share capital in General Communications Pty Ltd (“GenCom”) with a consideration of AUD 8.0 million (S\$8.1 million). The acquisition allowed the Group to continue to expand its business in the provision of telecommunications products and services in Australia.

The fair values of the identifiable assets and liabilities acquired, measured on provisional basis were as follows:

	Fair value
	S\$'000
Customer relationship	3,010
Intangible asset	1
Property, plant and equipment	496
Right-to-use assets	369
Inventories	1,870
Trade and other receivables	1,759
Cash and bank balances	415
Trade and other payables	(2,547)
Lease liabilities	(344)
Tax payables	(119)
Deferred tax liability	(903)
	<hr/>
Total identifiable net assets at fair value	4,007
Goodwill arising from acquisition	4,130
	<hr/>
Cash paid on acquisition	8,137
Less: cash and bank balances	(415)
Net cash outflow on acquisition	<hr/> 7,722 <hr/>



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Acquisition of business in United Kingdom

In February 2022, a wholly-owned subsidiary of the Group, CSE Crosscom UK Ltd (“CSE Crosscom UK”) acquired 100% of the issued share capital in DTS.Solutions (U.K.) Ltd. (“DTS”) for a consideration of GBP 2.6 million (approximately S\$4.7 million). The acquisition allowed the Group to expand its business in the provision of communication systems in United Kingdom.

The fair values of the identifiable assets and liabilities acquired, measured on provisional basis were as follows:

	Fair value
	S\$'000
Customer relationship	684
Property, plant and equipment	114
Inventories	694
Trade and other receivables	897
Cash and bank balances	3,375
Trade and other payables	(1,211)
Tax payables	(215)
Deferred tax liability	(130)
Total identifiable net assets at fair value	<hr/> 4,208
Goodwill arising from acquisition	511
Cash paid on acquisition	<hr/> 4,719
Less: cash and bank balances	(3,375)
Less: deferred cash consideration	(1,089)
Net cash outflow on acquisition	<hr/> 255 <hr/>



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16. Fair value of assets and liabilities

The Group classifies fair value measurements using a fair value hierarchy that is dependent on the valuation of inputs used as follows:

- (a) Level 1 – Quoted prices (unadjusted) in active market for identical assets and liabilities that the Group can access at the measurement date;
- (b) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3 – Unobservable inputs for the asset and liability.

S\$'000	Group and Company			
	30 June 2022		31 December 2021	
	Level 1	Level 2	Level 1	Level 2
	Quoted prices in active market for identical instruments	Significant unobservable inputs other than quoted prices	Quoted prices in active market for identical instruments	Significant unobservable inputs other than quoted prices
Fair value of financial instrument by classes that are not carried at fair value but which fair value is disclosed				
Debt securities	1,270	–	1,273	–
Finance lease receivables	–	767	–	848
Assets and liabilities measured at fair value				
Derivative liability	–	674	–	1,112

The fair value of financial assets and liabilities which are not carried at fair values in the balance sheet as at 30 June 2022 and 31 December 2021 are represented in the following table:

S\$'000	Group and Company					
	30 June 2022			31 December 2021		
	Carrying amount	Fair value	Unrecognised gain/(loss)	Carrying amount	Fair value	Unrecognised gain
Other investment						
Debt securities	1,270	1,265	(5)	1,273	1,319	46
Finance lease receivables	767	829	62	848	934	86

17. Subsequent event

There are no known subsequent events which have led to adjustments to this set of interim financial statements.



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F. Other Information Required by Listing Rule Appendix 7.2



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OTHER INFORMATION

- 1(a) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

Please refer to Note 14 in the Condensed Interim Financial Statement.

As at 30 June 2022, the Company's number of issued and paid up shares comprised 512,401,686 (31 December 2021: 512,401,686) ordinary shares and 3,666,166 (31 December 2021: 3,666,166) treasury shares.

Treasury Shares

Please refer to Note 14 in Condensed Interim Financial Statements.

As at 30 June 2022, there were 3,666,166 (30 June 2021: 3,666,166) treasury shares, representing 0.72% (30 June 2021: 0.72%) of the total number of issued shares excluding treasury shares.

The Company does not have any outstanding convertibles as at 30 June 2022 and 31 December 2021.

- 1(b) 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 2022	: 512,401,686
Number of shares as at 31 December 2021	: 512,401,686

- 1(c) 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**

Please refer to Note 14 in Condensed Interim Financial Statements.

Other than the shares-based payment, there is no sale, transfer, disposal, cancellation and/or use of treasury shares for the current financial period.

- 1(d) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as the Company has no subsidiary holdings as at 30 June 2022.



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

The condensed interim consolidated financial statements have not been audited nor reviewed by our auditors.

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

Not applicable.

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 2021, 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.

Amendments to SFRS(I) 3 – <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16 – <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37 – <i>Onerous Contracts – Costs of Fulfilling a Contract</i>	1 January 2022
Annual improvements to SFRS(I)s 2018 – 2020	1 January 2022

The adoption of the standards above will have no material impact on the financial statements in the current financial year.



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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:-**

	1H22	1H21
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	0.88	1.97
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	0.88	1.95
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	512,401,686	511,147,422
Weighted average number of share-based payment during the period	—	2,360,521
Weighted average number of share buybacks during the period	—	(1,635,779)
Adjusted weighted average number of shares	512,401,686	511,872,164
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	512,401,686	511,872,164
Weighted average number of treasury shares	3,666,166	4,195,688
Adjusted weighted average number of shares	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. **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.

8. **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

(c) Date dividend is payable

The interim dividend will be paid on 2 September 2022.

(d) Record Date

The Share Transfer Books and the Register of Members of the Company will be closed on 19 August 2022. Duly completed registrable transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to 5.00pm on 19 August 2022 will be registered for the dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the dividend will be paid by the Company to CDP which will, in turn, distribute the dividend to holders of the securities accounts.

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

Not applicable.

10. **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.**

No Interested Person Transaction mandate has been obtained.



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11. Confirmation pursuant to Rule 705(5) and Undertaking from all Directors and Executive Officers pursuant to Rule 720(1).

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 half year ended 30 June 2022 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

Chester Leong
Company Secretary
12 August 2022