



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

First Half Financial Statement and Dividend Announcement for the period ended 30 June 2024

Key Financial Performance

S\$'000	1H2024	1H2023	Change
Revenue	428,879	349,279	22.8%
Gross profit	118,448	95,824	23.6%
Gross margin (%)	27.6%	27.4%	0.2pp
Operating expenses	95,491	78,142	22.2%
Operating profit	22,957	17,682	29.8%
EBITDA	38,315	30,862	24.1%
Net profit	15,016	11,007	36.4%
Net profit margin (%)	3.5%	3.2%	0.3pp
Cash generated from/(used in) operating activities	15,831	(1,141)	N.M
Order intake	390,600	390,996	-0.1%
Order book	692,318	521,780	32.7%

Review of Performance – 1H2024

In 1H2024, Group's revenue grew 22.8% or S\$79.6 million year-on-year to S\$428.9 million, mainly attributed to broad base growth across all business segments and geographical regions. In line with higher revenue, the Group's gross profit increased S\$22.6 million or 23.6% year-on-year to S\$118.4 million. The Group's gross margin was relatively stable at 27.6% when compared year-on-year.

The Group's operating expenses for 1H2024 were 22.2% or S\$17.3 million higher year-on-year at S\$95.5 million, mainly due to incremental expenses from consolidation of newly acquired subsidiaries of S\$6.8 million, higher personnel costs of S\$5.3 million and increase in building and equipment expenses of S\$3.7 million.

Group EBITDA improved 24.1% to S\$38.3 million as compared to S\$30.9 million in 1H2023, mainly attributed to higher gross profits of S\$22.6 million offset by higher operating costs (excluding depreciation and amortisation expenses) of S\$15.3 million.

With higher operating leverage, operating profit grew 29.8% to S\$23.0 million, despite additional depreciation expenses of S\$2.0 million. Consequently, Group net profit for 1H2024 rose 36.4% to S\$15.0 million from S\$11.0 million in 1H2023.



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Performance of Geographical Segments

SS'000	1H2024	1H2023	Change
Revenue			
Americas	273,716	204,287	34.0%
Asia Pacific	144,406	134,928	7.0%
EMEA	10,757	10,064	6.9%
Group	428,879	349,279	22.8%
Earnings before interest and tax (EBIT)			
Americas	10,286	3,393	203.2%
Asia Pacific	13,756	15,111	-9.0%
EMEA	726	855	-15.1%
Group	24,768	19,359	27.9%

1H2024 vs 1H2023

The Americas, Asia Pacific and EMEA regions contributed 63.8%, 33.7% and 2.5% to 1H2024 revenue respectively.

The Americas region registered a strong revenue growth of 34.0% in 1H2024 of S\$273.7 million as compared to S\$204.3 million in 1H2023, mainly attributed to higher project revenue achieved by the Electrification business from major contracts secured in 2023. In line with growth in revenue and gross margin as well as improvement in cost efficiencies, 1H2024 EBIT for the Americas region improved to S\$10.3 million as compared to S\$3.4 million in 1H2023.

The Asia Pacific region reported a 7.0% growth in 1H2024 revenue to S\$144.4 million from S\$134.9 million in 1H2023, mainly due to higher revenue for Automation and Communications business segments in Singapore. Despite revenue growth, the Asia Pacific region reported lower EBIT as a result of unfavourable sales mix at lower gross margins in 1H2024 and higher personnel costs (S\$2.7 million), as well as the absence of one-off reversals in 1H2023 for licence fee and network extension cost accruals of S\$2.2 million.

The EMEA region registered a 6.9% increase in revenues from S\$10.1 million in 1H2023 to S\$10.8 million in 1H2024 mainly due to stronger British Pound Sterling exchange rate that has appreciated approximately 3.8% year-on-year. Excluding the effects of foreign exchange fluctuations, revenue for the EMEA region grew 3.1% year-on-year. However, EBIT declined 15.1% year-on-year due to higher operating cost of 4.0% in 1H2024 as compared to 1H2023.

Liquidity and Capital Resources

For 1H2024, the Group generated a stronger cash inflow from operating activities of S\$15.8 million due to achievement of several large project billing milestones and stronger collections from receivables.

The Group's net debt position was S\$60.1 million as at end of June 2024, as compared to S\$76.0 million as at end of December 2023. This includes net proceeds from CSE Global's March 2024 share placement of S\$23.2 million offset by S\$11.2 million capital expenditure incurred for the upgrade of machinery and network equipment replacement, as well as S\$4.1 million made for business acquisitions in 1H2024.



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Order Book

S\$'000	1H2024	FY2023	1H2023
Americas	491,141	534,827	342,769
Asia Pacific	193,766	187,933	170,012
EMEA	7,411	7,837	8,999
Total	692,318	730,597	521,780

As at 30 June 2024, the order book stood at S\$692.3 million, with the geographical regions of the Americas, the Asia Pacific and EMEA contributing 70.9%, 28.0% and 1.1% to group order book respectively.

Outlook

CSE is well positioned to achieve a healthy financial performance in 2024 with an order book of S\$692.3 million as at 30 June 2024. However, the current global economic outlook and inflationary pressures continue to present uncertainties in the markets we operate.

Our strategy to focus on Electrification and Communications businesses is expected to yield positive outcomes for the Group. The recent acquisition of RFC Wireless, Inc. (announced on 1 August 2024) will strengthen the Company's existing business partner and customer relationships as well as extend its geographic coverage into the USA market for its Communications business, thereby enhancing its market position in the USA market.

Going forward, we will expand our engineering capabilities and technology solutions to pursue new market opportunities brought about by the emerging trends towards urbanisation, electrification and decarbonisation.



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CSE Global Limited

Condensed Interim Financial Statements
For the six months ended 30 June 2024

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

S\$'000	Note	1H2024	1H2023	Change
Revenue	4	428,879	349,279	22.8%
Cost of sales		(310,431)	(253,455)	22.5%
Gross profit		118,448	95,824	23.6%
Operating expenses				
Administrative costs		(86,521)	(70,322)	23.0%
Selling and distribution costs		(5,767)	(4,041)	42.7%
Other operating costs		(3,203)	(3,779)	-15.2%
Total operating expenses		(95,491)	(78,142)	22.2%
Operating profit		22,957	17,682	29.8%
Interest expense		(4,579)	(4,719)	-3.0%
Interest income		274	109	151.4%
Share of loss of an associate		(11)	(5)	120.0%
Other non-operating items	5	1,811	1,665	8.8%
Profit before tax	5	20,452	14,732	38.8%
Tax expense	7	(5,375)	(3,714)	44.7%
Profit for the period		15,077	11,018	36.8%
Attributable to:				
Equity owners of the Company		15,016	11,007	36.4%
Non-controlling interests		61	11	454.5%
		15,077	11,018	36.8%
Earnings per ordinary share (cents)				
- basic		2.31	1.79	
- diluted		2.31	1.79	



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

SS'000	Note	1H2024	1H2023	Change
Profit after tax		15,077	11,018	36.8%
Other comprehensive (loss)/income:				
Foreign currency translation		3,831	(181)	N.M
Other comprehensive (loss)/income for the period, net of tax		3,831	(181)	N.M
Total comprehensive income for the period		18,908	10,837	74.5%
Total comprehensive income attributable to:				
Owners of the Company		18,845	10,825	74.1%
Non-controlling interests		63	12	425.0%
		18,908	10,837	74.5%

N.M. – Not meaningful



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B. Condensed Interim Statements of Financial Position

S\$'000	Note	Group		Company	
		30-06-24	31-12-23	30-06-24	31-12-23
Non-current assets					
Property, plant and equipment	11	76,449	70,337	620	768
Right-to-use assets		26,106	26,215	1,053	1,325
Investment in subsidiaries		–	–	223,070	223,070
Investment in associate		155	166	–	–
Intangible assets	10	95,829	93,432	–	–
Deferred tax assets		8,320	7,018	897	540
Finance lease receivables		195	223	–	–
		<u>207,054</u>	<u>197,391</u>	<u>225,640</u>	<u>225,703</u>
Current assets					
Contract assets		141,794	124,765	–	–
Inventories		70,226	70,764	–	–
Trade and other receivables		148,044	153,013	716	1,028
Finance lease receivables		99	166	–	–
Prepaid operating expenses		13,227	8,932	449	363
Derivative asset		9	–	9	–
Amount due from subsidiary companies		–	–	135,675	120,258
Cash and bank balances	12	101,773	39,426	31,614	3,321
		<u>475,172</u>	<u>397,066</u>	<u>168,463</u>	<u>124,970</u>
Asset held-for-sale		4,033	3,911	–	–
		<u>479,205</u>	<u>400,977</u>	<u>168,463</u>	<u>124,970</u>
Total assets		686,259	598,368	394,103	350,673
Current liabilities					
Contract liabilities		(98,587)	(96,703)	–	–
Trade payables and accruals		(128,574)	(127,012)	(8,421)	(4,985)
Lease liabilities		(9,928)	(8,380)	(704)	(669)
Loans and borrowings	13	(137,454)	(95,927)	(127,563)	(92,791)
Derivative liability		–	(6)	–	(6)
Amount due to subsidiary companies		–	–	(52,239)	(72,983)
Provision for warranties		(457)	(316)	–	–
Provision for taxation		(8,331)	(6,541)	(7)	(309)
		<u>(383,331)</u>	<u>(334,885)</u>	<u>(188,934)</u>	<u>(171,743)</u>
Net current assets		95,874	66,092	(20,471)	(46,773)
Non-current liabilities					
Deferred tax liabilities		(6,043)	(6,136)	–	–
Lease liabilities		(17,577)	(19,395)	(670)	(1,051)
Loans and borrowings	13	(24,400)	(19,500)	(24,400)	(19,500)
Accruals		(1,310)	(2,372)	–	–
		<u>(49,330)</u>	<u>(47,403)</u>	<u>(25,070)</u>	<u>(20,551)</u>
Total liabilities		(432,661)	(382,288)	(214,004)	(192,294)
Net Assets		253,598	216,080	180,099	158,379
Equity attributable to owners of the Company					
Share capital	14	160,683	131,902	160,683	131,902
Treasury shares	14	(244)	(1,910)	(244)	(1,910)
Share-based payment reserve		–	1,373	–	1,373
Revenue reserve		107,478	102,633	9,927	16,988
Other reserve		9,701	9,994	9,733	10,026
Foreign currency translation reserve		(24,018)	(27,847)	–	–
Total Shareholders' Fund		253,600	216,145	180,099	158,379
Non-controlling interests		(2)	(65)	–	–
Total Equity		253,598	216,080	180,099	158,379



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C. Condensed Interim Consolidated Statement of Cash Flows

S\$'000	Group	
	01-01-2024 to 30-06-2024	01-01-2023 to 30-06-2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	20,452	14,732
Adjustments for:		
Allowance for expected credit loss on trade receivables, net	1,030	1,273
Reversal of write-down of inventories, net	(379)	(307)
Depreciation for property, plant and equipment	6,556	5,854
Depreciation for right-to-use assets	4,624	3,255
Amortisation of intangible assets	2,367	2,394
Loss/(gain) on disposal and write-off of property, plant and equipment, net	424	(50)
Gain on lease modification	–	(136)
Gain on liquidation of a subsidiary	(266)	–
Share of loss of an associate	11	5
Interest expense	4,590	4,736
Interest income	(274)	(109)
Operating profit before changes in working capital	39,135	31,647
Increase in trade and other receivables and prepaid operating expenses	(263)	(15,858)
Increase in gross amount due from customers for contract assets and inventories	(12,667)	(32,128)
(Decrease)/increase in payables and accruals and provision for warranties	(2,597)	22,455
Cash generated from operations	23,608	6,116
Interest paid	(4,088)	(4,572)
Interest received	274	109
Income tax paid	(3,963)	(2,794)
Net cash generated from/(used in) operating activities	15,831	(1,141)



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

S\$'000	Group	
	01-01-2024 to 30-06-2024	01-01-2023 to 30-06-2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of businesses, net of cash	(4,091)	(16,945)
Release of restricted cash from acquisition of business	–	2,125
Purchase of property, plant and equipment	(11,218)	(7,351)
Proceeds from sale of property, plant and equipment	289	541
Release of restricted cash arising from disposal of a property	–	7,940
Purchase of intangible assets	–	(900)
Net cash used in investing activities	(15,020)	(14,590)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Net proceeds from issuance of ordinary shares	23,209	–
Dividends paid to shareholders	(4,599)	(9,223)
Proceeds from borrowings, net	47,373	28,212
Payment of lease liabilities	(5,391)	(3,861)
Net cash generated from financing activities	60,592	15,128
Net effect of exchange rate changes on cash and cash equivalents	956	(93)
Net increase/(decrease) in cash and cash equivalents	61,403	(603)
Cash and cash equivalents at beginning of the financial period	38,380	24,147
Cash and cash equivalents at end of the financial period	100,739	23,451
Cash and bank balances comprise of:		
Cash and cash equivalents	100,739	23,451
Restricted cash arising from acquisition of subsidiaries	1,034	–
	101,773	23,451



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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	Share-based payment reserve	Revenue reserve	Other reserve	Foreign currency translation reserve			
At 1 January 2023	131,902	(1,910)	–	97,015	9,994	(24,700)	212,301	(1)	212,300
Total comprehensive income/(loss) for the period	–	–	–	11,007	–	(182)	10,825	12	10,837
Dividends on ordinary shares (Note 8)	–	–	–	(9,223)	–	–	(9,223)	–	(9,223)
At 30 June 2023	131,902	(1,910)	–	98,799	9,994	(24,882)	213,903	11	213,914
At 1 January 2024	131,902	(1,910)	1,373	102,633	9,994	(27,847)	216,145	(65)	216,080
Total comprehensive income for the period	–	–	–	15,016	–	3,829	18,845	63	18,908
Issuance of ordinary shares, net	23,209	–	–	–	–	–	23,209	–	23,209
Dividends on ordinary shares (Note 8)	5,572	–	–	(10,171)	–	–	(4,599)	–	(4,599)
Re-issuance of treasury shares	–	1,666	(1,373)	–	(293)	–	–	–	–
At 30 June 2024	160,683	(244)	–	107,478	9,701	(24,018)	253,600	(2)	253,598



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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 2023	131,902	(1,910)	–	22,928	10,026	162,946
Total comprehensive loss for the period	–	–	–	(3,389)	–	(3,389)
Dividends on ordinary shares (Note 8)	–	–	–	(9,223)	–	(9,223)
At 30 June 2023	131,902	(1,910)	–	10,316	10,026	150,334
At 1 January 2024	131,902	(1,910)	1,373	16,988	10,026	158,379
Total comprehensive income for the period	–	–	–	3,110	–	3,110
Issuance of ordinary shares, net	23,209	–	–	–	–	23,209
Dividends on ordinary shares (Note 8)	5,572	–	–	(10,171)	–	(4,599)
Re-issuance of treasury shares	–	1,666	(1,373)	–	(293)	–
At 30 June 2024	160,683	(244)	–	9,927	9,733	180,099



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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 2024 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 2024 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 financial statements for the year ended 31 December 2023.

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 2023.

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 2024 to 30 June 2024 (1H2024)				
Sales to external customers	273,716	144,406	10,757	428,879
Profit before interest and tax	10,286	13,756	726	24,768
Non-current assets	95,961	67,133	9,184	172,278
1 January 2023 to 30 June 2023 (1H2023)				
Sales to external customers	204,287	134,928	10,064	349,279
Profit before interest and tax	3,393	15,111	855	19,359
Non-current assets	94,428	57,130	9,463	161,021



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4.2 Disaggregation of revenue

S\$'000	Group				
	6 months ended 30 June 2024 (1H2024)				
Segments	Project revenue	Time and material revenue	Maintenance revenue	Equipment rental	Total revenue
Primary geographical markets					
Americas	195,029	70,557	7,295	835	273,716
Asia Pacific	22,340	95,130	15,747	11,189	144,406
Europe/Middle East	47	6,487	1,236	2,987	10,757
	217,416	172,174	24,278	15,011	428,879
Timing of transfer of goods or services					
At a point in time	–	172,174	–	–	172,174
Over time	217,416	–	24,278	15,011	256,705
	217,416	172,174	24,278	15,011	428,879

S\$'000	Group				
	6 months ended 30 June 2023 (1H2023)				
Segments	Project revenue	Time and material revenue	Maintenance revenue	Equipment rental	Total revenue
Primary geographical markets					
Americas	128,439	69,715	5,388	745	204,287
Asia Pacific	19,146	93,319	12,804	9,659	134,928
Europe/Middle East	120	6,667	801	2,476	10,064
	147,705	169,701	18,993	12,880	349,279
Timing of transfer of goods or services					
At a point in time	–	169,701	–	–	169,701
Over time	147,705	–	18,993	12,880	179,578
	147,705	169,701	18,993	12,880	349,279



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5. Profit before taxation

5.1 Significant items

S\$'000	1H2024	1H2023	Change
(a) Other non-operating items			
Miscellaneous income	630	424	48.6%
Net exchange gain	1,339	1,167	14.7%
(Loss)/gain on disposal and write-off of property, plant and equipment, net	(424)	50	N.M
Others	266	24	1008.3%
Other non-operating items	<u>1,811</u>	<u>1,665</u>	8.8%
(b) Profit before tax is arrived at after charging/(crediting) the following:			
Interest expense *	4,579	4,719	-3.0%
Interest expense recognised as an expense in cost of sales	11	17	-35.3%
Interest income	(274)	(109)	151.4%
Depreciation for property, plant and equipment	6,556	5,854	12.0%
Depreciation for right-to-use assets	4,624	3,255	42.1%
Amortisation of intangible assets	2,367	2,394	-1.1%
Allowance for expected credit loss on trade receivables, net	1,030	1,273	-19.1%
Reversal of write-down of inventories, net	(379)	(307)	23.5%
Loss/(gain) on disposal and write-off of property, plant and equipment, net	<u>424</u>	<u>(50)</u>	N.M

* Included unrealized fair value gain on derivative liability of S\$15,000 in 1H2024 (1H2023: S\$210,000).

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 2024 and 31 December 2023:

S\$'000	Note	Group		Company	
		30-06-24	31-12-23	30-06-24	31-12-23
Financial assets					
<u>Current:</u>					
Trade and other receivables		147,911	152,857	712	1,028
GST receivables		133	156	4	–
		<u>148,044</u>	<u>153,013</u>	<u>716</u>	<u>1,028</u>
Add:					
Amount due from subsidiaries			–	135,675	120,258
Finance lease receivables		294	389	–	–
Cash and bank balances		101,773	39,426	31,614	3,321
Less:					
GST receivables		(133)	(156)	(4)	–
Total financial assets carried at amortised cost		249,978	192,672	168,001	124,607
Derivative asset carried at fair value through profit and loss	16	9	–	9	–
		<u>249,987</u>	<u>192,672</u>	<u>168,010</u>	<u>124,607</u>
Financial liabilities					
<u>Current:</u>					
Trade payables and accruals		124,810	122,473	739	4,937
GST payables		3,764	4,539	7,682	48
		<u>128,574</u>	<u>127,012</u>	<u>8,421</u>	<u>4,985</u>
<u>Non-current:</u>					
Accruals		1,310	2,372	–	–
Add:					
Amount due to subsidiaries		–	–	52,239	72,983
Lease liabilities		27,505	27,775	1,374	1,720
Loans and borrowings		161,854	115,427	151,963	112,291
Less:					
GST payables		(3,764)	(4,539)	–	(48)
Total financial liabilities carried at amortised cost		315,479	268,047	213,997	191,931
Derivative liability carried at fair value through profit and loss	16	–	6	–	6
		<u>315,479</u>	<u>268,053</u>	<u>213,997</u>	<u>191,937</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:

S\$'000	Group	
	1H2024	1H2023
Movement in allowance accounts:		
At 1 January	4,491	1,494
Charge for the period, net	1,030	1,273
Acquisition of subsidiaries	19	108
Written off	(1,554)	(48)
Currency realignment	24	10
At 30 June	4,010	2,837

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:

S\$'000	1H2024	1H2023
Current income tax expense	6,009	4,432
Deferred income tax expense relating to origination and reversal of temporary differences	(758)	(781)
Others	124	63
	5,375	3,714

8. Dividends

S\$'000	Group	
	1H2024	1H2023
Ordinary dividends paid:		
- Final exempt (one-tier) dividend for 2023: S\$0.015 per share	10,171	–
- Final exempt (one-tier) dividend for 2022: S\$0.015 per share	–	9,223
	10,171	9,223
Dividend paid in cash	4,599	9,223
Dividend paid through issuance of new shares under the Scrip Dividend Scheme (Note 14)	5,572	–
	10,171	9,223

9. Net Asset Value

	30 June 2024		31 December 2023	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued share capital (in cents)	36.60	25.99	35.15	25.76



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10. Intangible assets

Group (S\$'000)	Goodwill	Sales order backlog	Non-compete agreement	Licences	Intellectual property rights	Customer relationships	Technical know-how	Total
Cost								
At 1 January 2024	100,857	2,202	1,923	2,706	492	28,967	3,670	140,817
Acquisition of businesses (Note 15)	3,191	–	–	–	–	530	–	3,721
Reclassification	–	–	–	–	–	(456)	–	(456)
Currency realignment	1,738	66	61	7	14	445	115	2,446
At 30 June 2024	105,786	2,268	1,984	2,713	506	29,486	3,785	146,528
Accumulated Amortisation								
At 1 January 2024	23,752	2,202	1,541	1,870	102	16,411	1,507	47,385
Amortisation of the period	–	–	98	65	13	2,031	160	2,367
Currency realignment	467	66	50	6	2	307	49	947
At 30 June 2024	24,219	2,268	1,689	1,941	117	18,749	1,716	50,699
Net carrying amount as at 30 June 2024	81,567	0	295	772	389	10,737	2,069	95,829



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10. Intangible assets (contd.)

Company	Licences S\$'000
Cost	
At 31 December 2023 and 30 June 2024	1,612
Accumulated Amortisation	
At 31 December 2023 and 30 June 2024	1,612
Net carrying amount as at 30 June 2024	–

11. Property, plant and equipment

During the financial period ended 30 June 2024, the Group acquired assets amounting to S\$11,218,000 (30 June 2023: S\$7,351,000) and disposed of assets amount to S\$713,000 (30 June 2023: S\$491,000).

12. Cash and bank balances

	Group		Company	
	30-06-24 S\$'000	31-12-23 S\$'000	30-06-24 S\$'000	31-12-23 S\$'000
Cash and cash equivalents	100,739	38,380	31,614	3,321
Restricted cash arising from acquisition of subsidiaries and disposal of a property	1,034	1,046	–	–
	101,773	39,426	31,614	3,321

13. Borrowings

Amount repayable in one year or less, or on demand

As at 30 June 2024		As at 31 December 2023	
Secured	Unsecured	Secured	Unsecured
NIL	S\$137,454,000	NIL	S\$95,927,000

Amount repayable after one year

As at 30 June 2024		As at 31 December 2023	
Secured	Unsecured	Secured	Unsecured
NIL	S\$24,400,000	NIL	S\$19,500,000

Details of any collateral

Not applicable.



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14. Share capital

	Group and Company			
	30 June 2024		31 December 2023	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Issued and fully paid ordinary shares				
Beginning of period	618,548	131,902	618,548	131,902
Issuance of placement shares*	60,000	23,209	–	–
Issuance of shares pursuant to Scrip Dividend	14,860	5,572	–	–
End of period	693,408	160,683	618,548	131,902

* On 25 March 2024, 60,000,000 ordinary shares of the Company at the issue price of S\$0.40 were issued following the completion of the placement. The placement shares were issued free from all claims, charges, liens and other encumbrances whatsoever and rank pari passu in all respects with and carry all rights similar to the existing issued shares.

Treasury shares

	Group and Company			
	30 June 2024		31 December 2023	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Beginning of period	(3,666)	(1,910)	(3,666)	(1,910)
Re-issuance of treasury shares	3,193	1,666	–	–
End of period	(473)	(244)	(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

CSE Uniserve Pty Ltd (“CSE Uniserve”), an indirect wholly-owned subsidiary of the Company, has acquired 100% of the issued share capital in Linked Group Services Pty Ltd and Linked Constructions Pty Ltd (referred as “Linked Group”) from an unrelated third party (“the Acquisition”) on 1 February 2024. Linked Group is a privately owned business located in Australia providing trade services and renewable energy products to the mining and resources, construction, agricultural, industrial and government sectors. Following the Acquisition, Linked Group Services Pty Ltd and Linked Constructions Pty Ltd have become indirect wholly-owned subsidiaries of the Company. The aggregate consideration paid by CSE Uniserve is AUD3.5 million (approximately S\$3.1 million).

The acquisition allowed the Group to expand and extend its existing communication business and solutions to its customers in Australia.

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

	Fair value
	S\$'000
Property, plant and equipment	665
Deferred tax assets	346
Trade and other receivables	805
Cash and bank balances	50
Trade and other payables	(1,157)
Loans and borrowings	(140)
	<hr/>
Total identifiable net assets at fair value	569
Goodwill arising from acquisition	2,495
	<hr/>
Cash paid on acquisition	3,064
Less: cash and bank balances	(50)
	<hr/>
Net cash outflow on acquisition	3,014
	<hr/>

Acquisition of business in United States

Converge Resources, Inc, a majority-owned, indirect subsidiary of the Company, has acquired the business of Carlton Staffing (referred as “Carlton”) from an unrelated third party (“the Acquisition”) on 11 March 2024. Carlton is a privately owned business located in United States providing staffing and recruiting services in the State of Texas. Following the Acquisition, Carlton has become indirect subsidiary of the Company. The aggregate consideration paid by Converge Resources, Inc is USD0.8 million (approximately S\$1.1 million).

The acquisition allowed the Group to expand and provide staffing solutions to leading businesses and job seekers in the United States.

	Fair value
	S\$'000
Goodwill arising from acquisition	1,077
Cash paid on acquisition, representing net cash outflow on acquisition	1,077
	<hr/>



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Acquisition of business in New Zealand

In April 2023, a wholly-owned subsidiary of the Group, CSE New Zealand Ltd acquired 100% of the issued share capital in TL Parker Ltd, Parker Communication Limited and the remaining 50% shares in Orion NZ Radio Group Limited (collectively referred as “TL Parker Group”) for a consideration of NZD2.7 million (approximately S\$2.2 million). The acquisition allowed the Group to expand and extend its existing radio communication business and solutions to its customers in New Zealand.

The purchase price allocation of the acquisition was provisional in the Group’s financial statement for the year ended 31 December 2023. Subsequent to the completion of the purchase price allocation in the current financial year, the Group made certain adjustments to the valuations of the business recorded the adjustments in the current financial year as follows:

	Fair value S\$’000	Adjustments S\$’000	Fair value recognized S\$’000
Customer relationships	–	530	530
Property, plant and equipment	349	–	349
Right-to-use assets	61	–	61
Inventories	130	–	130
Trade and other receivables	706	–	706
Cash and bank balances	2	–	2
Trade and other payables	(603)	–	(603)
Lease liabilities	(59)	–	(59)
Loans and borrowings	(35)	–	(35)
Deferred tax liability	–	(149)	(149)
Tax payables	(8)	–	(8)
Total identifiable net assets at fair value	543	381	924
Goodwill arising from acquisition	1,670	(381)	1,289
Cash paid on acquisition	2,213	–	2,213
Less: cash and bank balances	(2)	–	(2)
Less: contingent consideration	(812)	–	(812)
Net cash outflow on acquisition	1,399	–	1,399



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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 2024		31 December 2023	
	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				
Finance lease receivables	–	294	–	389
Assets and liabilities measured at fair value				
Derivative asset/(liability)	–	9	–	(6)

The fair value of financial assets and liabilities which are not carried at fair values in the balance sheet as at 30 June 2024 and 31 December 2023 are represented in the following table:

S\$'000	Group					
	30 June 2024			31 December 2023		
	Carrying amount	Fair value	Unrecognised gain	Carrying amount	Fair value	Unrecognised gain
Finance lease receivables	294	400	106	389	434	45

17. Subsequent event

Acquisition of RFC Wireless, Inc

On 31 July 2024, the Group completed the acquisition of 100% of the issued share capital in RFC Wireless, Inc. for a consideration of USD 11.5 million (approximately equivalent to S\$15.4 million).



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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 2024, the Company's number of issued and paid up shares comprised 692,934,414 (31 December 2023: 614,882,023) ordinary shares and 473,143 (31 December 2023: 3,666,166) treasury shares.

Treasury Shares

Please refer to Note 14 in Condensed Interim Financial Statements.

As at 30 June 2024, there were 473,143 (31 December 2023: 3,666,166) treasury shares, representing 0.07% (31 December 2023: 0.60%) of the total number of issued shares excluding treasury shares.

The Company does not have any outstanding convertibles as at 30 June 2024 and 31 December 2023.

- 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 2024	: 692,934,414
Number of shares as at 31 December 2023	: 614,882,023

- 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.

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 2024.



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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 2023, 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) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 7 and SFRS(I) 1-7: Supplier Finance Arrangements	1 January 2024

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:-

	1H2024	1H2023
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	2.31	1.79
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	2.31	1.79
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	614,882,023	614,882,023
Weighted average number of placement shares during the period	32,304,601	—
Weighted average number of share-based payment during the period	1,819,321	—
Adjusted weighted average number of shares	<u>649,005,945</u>	<u>614,882,023</u>
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	<u>649,005,945</u>	<u>614,882,023</u>



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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 or share-in-lieu
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 27 September 2024.

(d) Record Date

NOTICE IS HEREBY GIVEN THAT the Transfer Book and Register of Members of CSE Global Limited ("Company") will be closed at 5.00 p.m. on 15 August 2024 for the purpose of determining its shareholders' entitlements to the interim dividend. Duly completed registrable transfers of the ordinary shares in the capital of the Company ("Shares") 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 5.00 p.m. on 15 August 2024 will be registered before entitlements to the interim dividend are determined.

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. Update of Use of Placement Proceeds

As at the 30 June 2024, the net proceeds of S\$23.2 million from the private placement in March 2024 for the 60,000,000 ordinary shares of the Company has not been utilized.

As announced on 1 August 2024, the Company has utilised S\$15.4 million from the net proceeds to fund the acquisition of RFC Wireless, Inc.

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

We, Tan Teck Koon 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 2024 financial statements to be false or misleading in any material aspect.

On behalf of the Board of Directors

Name: Tan Teck Koon
Designation: Chairman

Name: Lim Boon Kheng
Designation: Group Managing Director

BY ORDER OF THE BOARD

Eunice Hooi
Company Secretary
6 August 2024