



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

**Second Quarter Financial Statement and Dividend Announcement for the period ended 30 June 2014**

**Key Financial Performance**

S\$'000	2014 2Q	2013 2Q	Change	2014 1H	2013 1H	Change
Revenue	108,068	92,932	16.3%	201,254	189,539	6.2%
Profit from continuing operations before taxation	13,390	11,962	11.9%	22,592	23,391	-3.4%
Profit from continuing operations after taxation	8,476	8,681	-2.3%	16,452	17,534	-6.2%
Profit after tax and non-controlling interests from continuing operations	8,029	8,545	-6.0%	15,561	17,118	-9.1%
Profit from discontinued operation (CSE-UK)	–	3,906	N.M	–	7,984	N.M
Profits attributable to owners of the Company	8,029	12,451	-35.5%	15,561	25,102	-38.0%
Basic earnings per ordinary share from continuing operations (in cents)	1.56	1.66	-6.0%	3.02	3.32	-9.1%
Basic earnings per ordinary share (in cents)	1.56	2.41	-35.5%	3.02	4.86	-38.0%
Net asset value per ordinary share (in cents)	37.25	47.31	-21.3%	37.25	47.31	-21.3%
Net cash generated from operating activities	-15,914	30,239	N.M	-9,977	47,134	N.M
Net gearing (%)	–	6.2	N.M	–	6.2	N.M
New orders received from continuing operations	95,378	105,205	-9.3%	168,774	178,631	-5.5%
Outstanding orders from continuing operations	194,724	272,565	-28.6%	194,724	272,565	-28.6%

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

CSE Group recorded profit after tax and non-controlling interests from continuing operations of S\$8.0 million in 2Q14, reduced by 6.0% compared with S\$8.5 million in 2Q13. S3ID Group and Power Diesel contributed profits after tax and non-controlling interests of S\$0.3 million and S\$0.5million respectively to the Group in 2Q14.

The Group's revenue was 16.3% higher in 2Q14 when compared to 2Q13. This was mainly due to higher revenues in Asia Pacific and the Americas regions. In line with the growth in revenues, gross profit rose by 9.5% to S\$31.5 million in 2Q14 from S\$28.8 million in 2Q13. Gross profit margins for these two periods were maintained at healthy levels of 29.2% in 2Q14 and 31.0% in 2Q13 respectively. However, net margins were impacted by higher tax expenses.

Basic earnings per ordinary share from continuing operations was 1.56 cents, 6.0% lower compared with 2Q13. Basic earnings per ordinary share was 1.56 cents in 2Q14 compared to basic earnings per ordinary share of 2.41 cents in 2Q13 (which included the discontinued operation of CSE-UK which was divested through the initial public offering in December 2013).

New orders received for the quarter were S\$95.4 million, a decrease of 9.3% compared with 2Q13. Outstanding orders at the end of 2Q14 were S\$194.7 million.

The Group generated operating cash outflow of S\$15.9 million in 2Q14 compared to S\$30.2 million operating cash inflow in 2Q13. The net cash outflow in 2Q14 was the result of funding of working capital arising from the 16.3% (2Q14 over 2Q13) year-on-year increase in revenue. The Group ended the quarter with a net cash position of S\$11.4 million after making the 2013 final dividend and special dividend payment of 2.0 cents and 1.0 cents per share respectively, totalling S\$15.5 million in May.



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

In 1H14, CSE Group recorded profit after tax and non-controlling interests from continuing operations of S\$15.6 million as compared to S\$17.1 million in 1H13, a decrease of 9.1%.

Revenue increased by 6.2% in 1H14 compared to 1H13 due to higher revenues in Asia-Pacific region.

Basic earnings per ordinary share from continuing operations of 3.02 cents was 9.1% lower compared with 1H13. Basic earnings per ordinary share was 3.02 cents in 1H14 compared to basic earnings per ordinary share of 4.86 cents in 1H13 (which included the discontinued operation divested through the initial public offering in December 2013.)

New orders received for the first half year of 2014 were S\$168.8 million as compared with S\$178.6 million for the corresponding period in 2013, a decrease of 5.5%.

The Group generated operating cash outflow of S\$10.0 million in 1H14 and maintained its net cash position of S\$11.4 million.

**Performance of Geographical Segments**

S\$'000	2014 2Q	2013 2Q	Change	2014 1H	2013 1H	Change
<b>Revenue</b>						
Asia-Pacific	44,882	34,835	28.8%	85,083	65,421	30.1%
The Americas	52,301	43,686	19.7%	98,200	93,593	4.9%
Europe/Middle East/Africa	10,885	14,411	-24.5%	17,971	30,525	-41.1%
<b>Continuing operations</b>	<b>108,068</b>	<b>92,932</b>	<b>16.3%</b>	<b>201,254</b>	<b>189,539</b>	<b>6.2%</b>
Discontinued operation	–	23,034	N.M	–	46,536	N.M
<b>Group</b>	<b>108,068</b>	<b>115,966</b>	<b>-6.8%</b>	<b>201,254</b>	<b>236,075</b>	<b>-14.7%</b>
<b>Profit after tax, amortisation and non-controlling interests</b>						
Asia-Pacific	4,123	4,217	-2.2%	8,170	7,595	7.6%
The Americas	2,808	3,304	-15.0%	6,481	7,731	-16.2%
Europe/Middle East/Africa	1,098	1,024	7.2%	910	1,792	-49.2%
<b>Continuing operations</b>	<b>8,029</b>	<b>8,545</b>	<b>-6.0%</b>	<b>15,561</b>	<b>17,118</b>	<b>-9.1%</b>
Discontinued operation	–	3,906	N.M	–	7,984	N.M
<b>Group</b>	<b>8,029</b>	<b>12,451</b>	<b>-35.5%</b>	<b>15,561</b>	<b>25,102</b>	<b>-38.0%</b>

In 2Q14, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 41.5%, 48.4% and 10.1% to revenue and 51.3%, 35.0% and 13.7% to profit after tax and minority interest respectively.

The Asia-Pacific region recorded higher revenue by 28.8% with a slight decrease of 2.2% in profits for 2Q14 compared with 2Q13 mainly due to the exchange loss suffered in 2Q14 of S\$229k compared with an exchange gain in 2Q13 of S\$622k.

The Americas region recorded higher revenue by 19.7% with a decrease of 15.0% in profits for 2Q14 compared with 2Q13 mainly due to the better margin mix of offshore activity in the USA in 2Q13.

The EMEA region recorded lower revenue by 24.5% but an increase of 7.2% in profits for 2Q14 compared with 2Q13 mainly due to the improvement in margins of telecommunication projects in the Middle East.



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In 1H14, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 42.3%, 48.8% and 8.9% to revenue and 52.5%, 41.7% and 5.8% to profit after tax and minority interest respectively.

Revenue and profit for 1H14 compared with 1H13 in the Asia-Pacific region was higher by 30.1% and 7.6% respectively, the profit in the Asia-Pacific region was impacted due to the exchange loss suffered in 1H14 of S\$183k compared with an exchange gain recognised in 1H13 of S\$833k.

The Americas region showed a slight increase of 4.9% in revenue but a decrease of 16.2% in profit compared with 1H13. This was due to the startup delay in projects in 1Q14 and the better margin mix of offshore activity in the USA in 2Q13.

The EMEA region recorded a decrease in revenue and profits for 1H14 compared with 1H13 mainly due to the completion or near completion of the projects carried over from previous year.

**Liquidity and Capital Resources**

CSE remained in a net cash position of S\$11.4 million in 2Q14 after accounting for S\$1.7 million in foreign currency translation differences on non-monetary assets and liabilities of its subsidiaries whose functional currencies are in USD, GBP and AUD.

**Outstanding Orders**

<b>S\$'000</b>	<b>2Q2014</b>	<b>1Q2014</b>	<b>2Q2013</b>
Automation	69.1	77.6	93.6
Telecommunication	112.6	115.0	156.5
Environmental	13.0	14.8	22.5
<b>Continuing operations</b>	<b>194.7</b>	<b>207.4</b>	<b>272.6</b>
Healthcare	–	–	102.4
<b>Total</b>	<b>194.7</b>	<b>207.4</b>	<b>375.0</b>

CSE received S\$95.4 million new orders in 2Q14. Outstanding orders reduced by 28.6% to S\$194.7 million as at end of 2Q14 from S\$272.6 million as at end of 2Q13. Outstanding orders as at end of 2Q14 comprised S\$194.7 million of outstanding orders for the oil & gas, infrastructure and mineral & mining industries.

**Outlook**

With an outstanding order book of S\$194.7 million and a net cash position of S\$11.4 million at the end of 2Q14, CSE remains optimistic of its prospects for FY2014.



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**PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q2) AND HALF-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			2014 1H	2013 1H	Change (%)
	2014 2Q	2013 2Q	Change (%)			
<b>Revenue</b>	108,068	92,932	16%	201,254	189,539	6%
<b>Cost of sales</b>	(76,561)	(64,164)	19%	(144,081)	(133,767)	8%
<b>Gross profit</b>	31,507	28,768	10%	57,173	55,772	3%
<b>Other operating income</b> (Note 1)	(8)	1,041	N.M	429	2,095	-80%
<b>Other operating expenses</b>						
Administrative costs (Note 3)	(16,747)	(15,637)	7%	(32,356)	(30,162)	7%
Selling and distribution costs (Note 4)	(981)	(807)	22%	(1,912)	(1,764)	8%
Other operating costs (Note 2)	(198)	(112)	77%	(416)	47	N.M
Finance costs (Note 5)	(183)	(1,291)	-86%	(326)	(2,597)	-87%
<b>Total Expenses</b>	(18,109)	(17,847)	1%	(35,010)	(34,476)	2%
Profit from continuing operations before taxation	13,390	11,962	12%	22,592	23,391	-3%
Taxation (Note 7)	(4,914)	(3,281)	50%	(6,140)	(5,857)	5%
<b>Profit from continuing operations after taxation</b>	<b>8,476</b>	<b>8,681</b>	-2%	<b>16,452</b>	<b>17,534</b>	-6%
Profit from discontinued operation – CSE-UK (Note 6)	–	3,906	N.M	–	7,984	N.M
<b>Profit after taxation</b>	<b>8,476</b>	<b>12,587</b>		<b>16,452</b>	<b>25,518</b>	
<b>Attributable to :-</b>						
Equity owners of the Company	8,029	12,451	-36%	15,561	25,102	-38%
Non-controlling interests	447	136		891	416	
	8,476	12,587	-33%	16,452	25,518	-36%
<b>Earnings per ordinary share (cents)</b>						
-basic from continuing operations	1.56	1.66		3.02	3.32	
-basic	1.56	2.41		3.02	4.86	
-diluted	1.56	2.41		3.02	4.86	



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**Consolidated statement of comprehensive income for the second quarter ended 30 June 2014**

S\$'000	Group					
	2014 2Q	2013 2Q	Change (%)	2014 1H	2013 1H	Change (%)
<b>Profit, net of tax</b>	8,476	12,587	-33%	16,452	25,518	-36%
<b>Other comprehensive income :</b>						
Cashflow hedge	12	(266)	N.M	73	–	N.M
Foreign currency translation	(3,460)	503	N.M	(1,024)	2,065	N.M
<b>Other comprehensive income for the period, net of tax</b>	<u>(3,448)</u>	<u>237</u>		<u>(951)</u>	<u>2,065</u>	
<b>Total comprehensive income for the period</b>	<u>5,028</u>	<u>12,824</u>	N.M	<u>15,501</u>	<u>27,583</u>	N.M
<b>Total comprehensive income attributable to :-</b>						
Owners of the Company	4,581	12,688	N.M	14,610	27,167	N.M
Non-controlling interests	447	136		891	416	
	<u>5,028</u>	<u>12,824</u>	N.M	<u>15,501</u>	<u>27,583</u>	N.M

*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					
	2014 2Q	2013 2Q	Change (%)	2014 IH	2013 IH	Change %
Profit before taxation is arrived <u>at after charging/(crediting) the following:</u>						
(A) Interest on borrowings (Note 5)	133	922	-86%	244	1,910	-87%
(B) Depreciation and amortisation	947	892	6%	1,808	1,724	5%
(C) (Write back)/allowance for doubtful debts and bad debts	65	69	N.M	72	38	N.M
(D) Gain on disposal of property, plant and equipment	(86)	(195)	N.M	(83)	(397)	N.M
<i>N.M – Not meaningful</i>						

**Note 1**

S\$'000	Group					
	2014 2Q	2013 2Q	Change (%)	2014 IH	2013 IH	Change (%)
Rental income	16	48	-67%	94	95	-1%
Commission income	–	(192)	N.M	–	–	N.M
Miscellaneous income	143	449	-68%	372	984	N.M
Net exchange (loss)/gain	(229)	622	N.M	(183)	833	N.M
<b>Miscellaneous income</b>	<b>(70)</b>	<b>927</b>	N.M	<b>283</b>	<b>1,912</b>	-85%
Finance income	62	114	-46%	146	183	-20%
<b>Other operating income</b>	<b>(8)</b>	<b>1,041</b>	N.M	<b>429</b>	<b>2,095</b>	-80%

**Note 2**

S\$'000	Group					
	2014 2Q	2013 2Q	Change (%)	2014 IH	2013 IH	Change (%)
Allowance for doubtful and bad debts	65	69	-6%	72	38	89%
Amortisation of intangible assets	198	73	N.M	394	147	N.M
Inventories obsolescence	13	12	N.M	13	12	N.M
Miscellaneous expenses	8	153	N.M	20	153	N.M
Gain on disposal of property, plant and equipment	(86)	(195)	N.M	(83)	(397)	N.M
	<b>198</b>	<b>112</b>	77%	<b>416</b>	<b>(47)</b>	N.M

*N.M. – Not meaningful*

**Note 3**

The increase in administrative cost was mainly due to the consolidation of the newly acquired subsidiaries, S3 ID Group, in July 2013.

**Note 4**

The increase in selling and distribution costs was mainly due to an increase in marketing activities.

**Note 5**

The decrease in finance costs was mainly due to lower loan utilisation as compared to 1H13.



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**Note 6**

The group divested the CSE-UK businesses through the initial public offering in December 2013.

**Note 7**

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



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

S\$'000	Group		Company	
	30-06-14	31-12-13	30-06-14	31-12-13
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	21,246	20,098	40	57
Investment in subsidiaries	–	–	222,403	222,551
Other investment	190	190	190	190
Intangible assets	44,760	44,802	1,370	1,451
Deferred tax assets	13,812	13,461	4,338	4,236
<b>CURRENT ASSETS</b>				
Gross amount due from customers for contract work-in-progress (Note 8)	62,550	62,737	–	–
Inventories (Note 8)	14,636	15,255	–	–
Trade and other receivables (Note 8)	107,067	112,676	3,724	1,649
Prepaid operating expenses	1,349	1,656	55	38
Amount due from subsidiary companies	–	–	13,654	6,456
Short-term deposits	528	3,676	–	–
Cash and bank balances	45,686	182,910	1,120	131,950
	231,816	378,910	18,553	140,093
<b>CURRENT LIABILITIES</b>				
Gross amount due to customers for contract work-in-progress (Note 8)	9,501	26,954	–	–
Trade payables and accruals (Note 9)	59,390	217,048	10,770	162,473
Finance leases	280	115	–	–
Loans and borrowings	33,699	1,457	33,399	1,056
Amount due to subsidiary companies	–	–	85,942	72,688
Provision for warranties	1,032	1,575	–	–
Provision for taxation	3,987	5,197	481	963
	107,889	252,346	130,592	237,180
<b>Net current assets/(liabilities)</b>	<b>123,927</b>	<b>126,564</b>	<b>(112,039)</b>	<b>(97,087)</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	(3,600)	(4,652)	–	–
Finance leases	(185)	(232)	–	–
Loans and borrowings	(1,165)	(1,265)	–	–
	<b>198,985</b>	<b>198,966</b>	<b>116,302</b>	<b>131,398</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	98,542	98,542	98,542	98,542
Revenue reserve	131,416	131,337	7,811	22,980
Other reserve	9,878	9,805	9,949	9,876
Foreign currency translation reserve	(47,609)	(46,585)	–	–
<b>Total Shareholders' Fund</b>	<b>192,227</b>	<b>193,099</b>	<b>116,302</b>	<b>131,398</b>
Non-controlling interests	6,758	5,867	–	–
<b>Total Equity</b>	<b>198,985</b>	<b>198,966</b>	<b>116,302</b>	<b>131,398</b>
<b>Group net cash</b>	<b>11,350</b>	<b>183,864*</b>		
<b>Group net gearing</b>	<b>–</b>	<b>–</b>		

\*Includes cash of S\$144.5 million reserved for special dividend paid in January 2014





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**Note 8**

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

**Note 9**

The decrease of trade payables and accruals is due to the special dividend of S\$144.5 million declared in December 2013 and being paid in January 2014.

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

**Amount repayable in one year or less, or on demand**

<b>As at 30 June 2014</b>		<b>As at 31 Dec 2013</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	S\$33,699,000	NIL	S\$1,457,000

**Amount repayable after one year**

<b>As at 30 June 2014</b>		<b>As at 31 Dec 2013</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	S\$1,165,000	NIL	S\$1,265,000

**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			
	1.4.2014 to 30.6.2014	1.4.2013 to 30.6.2013	1.1.2014 to 30.6.2014	1.1.2013 to 30.6.2013
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES :-</u></b>				
Profit before tax from continuing operations	13,390	11,962	22,592	23,391
Profit before tax from discontinued operation	–	5,055	–	10,441
Profit before tax, total	13,390	17,017	22,592	33,832
Adjustments for :-				
Depreciation for property, plant and equipment attributable to continuing operations	749	819	1,414	1,577
Depreciation for property, plant and equipment attributable to discontinued operation	–	176	–	383
Amortisation of intangible assets attributable to continuing operations	198	73	394	147
Amortisation of intangible assets attributable to discontinued operation	–	233	–	464
Gain on disposal of property, plant and equipment	(86)	(195)	(83)	(397)
Changes in fair value of derivative financial instruments	12	(266)	73	–
Interest expense	133	922	244	1,910
Interest income	(62)	(114)	(146)	(183)
Currency realignment (Note 10)	(2,925)	2,282	(1,690)	3,649
<b>Operating profit before reinvestment in working capital</b>	<b>11,409</b>	<b>20,947</b>	<b>22,798</b>	<b>41,382</b>
Decrease in receivable and prepaid operating expenses	8,624	26,747	5,916	19,815
(Increase)/decrease in projects-in-progress, net and inventories	(18,512)	(6,695)	(16,647)	13,748
Decrease in payables and accruals and provision for warranties	(10,298)	(6,435)	(13,190)	(20,064)
<b>Cash (used)/generated from operations</b>	<b>(8,777)</b>	<b>34,564</b>	<b>(1,123)</b>	<b>54,881</b>
Interest paid	(133)	(922)	(244)	(1,910)
Interest received	62	114	146	183
Income tax paid	(7,066)	(3,517)	(8,756)	(6,020)
<b>Net cash (used)/generated from operating activities</b>	<b>(15,914)</b>	<b>30,239</b>	<b>(9,977)</b>	<b>47,134</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Acquisitions of subsidiary companies, net of cash acquired	–	–	–	(2,612)
Third/second tranche payment for the subsidiary acquired	–	–	(512)	(755)
Purchase of property, plant and equipment	(1,154)	(779)	(2,607)	(1,625)
Proceeds from sale of property, plant and equipment	11	635	385	1,538
Adjustment of intangible assets due to change of purchase consideration (Power Diesel)	148	–	148	–
<b>Net cash used in investing activities</b>	<b>(995)</b>	<b>(144)</b>	<b>(2,586)</b>	<b>(3,454)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>				
Dividends paid to shareholders	(15,482)	(14,192)	(159,981)	(14,192)
Subsidiary's dividend paid to Non-controlling Interest	–	–	–	(816)
Proceeds/(repayment) of short term loans from bankers	15,325	(396)	32,243	76
Repayment of long term loans from bankers	–	(6,202)	(100)	(12,812)
<b>Net cash used in financing activities</b>	<b>(157)</b>	<b>(20,790)</b>	<b>(127,838)</b>	<b>(27,744)</b>
Net effect of exchange rate changes on cash and cash equivalents	(505)	759	29	787
Net (decrease)/increase in cash and cash equivalents	(17,066)	9,305	(140,401)	15,936
Cash and cash equivalents at beginning of financial period/year	63,785	80,856	186,586	74,197
<b>Cash and cash equivalents at end of financial period</b>	<b>46,214</b>	<b>90,920</b>	<b>46,214</b>	<b>90,920</b>



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**Note 10**

The currency realignment of S\$1.7 million resulted from CSE translating the non-monetary assets and liabilities of its subsidiaries whose functional currencies are USD, GBP and AUD.

**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 holders of the Company						
	Share capital	Revenue reserve	Other reserve	Foreign currency translation reserve	Total	Non- controlling interests	Total Equity
At 1 January 2013	98,542	189,005	9,805	(66,151)	231,201	1,522	232,723
Subsidiary's dividend paid to Non-controlling interest	-	-	-	-	-	(816)	(816)
Total comprehensive income for the period	-	12,651	266	1,562	14,479	280	14,759
<b>At 31 March 2013</b>	<b>98,542</b>	<b>201,656</b>	<b>10,071</b>	<b>(64,589)</b>	<b>245,680</b>	<b>986</b>	<b>246,666</b>
Total comprehensive income for 2 <sup>nd</sup> quarter	-	12,451	(266)	503	12,688	136	12,824
Dividend for FY2012 declared and paid	-	(14,192)	-	-	(14,192)	-	(14,192)
<b>At 30 June 2013</b>	<b>98,542</b>	<b>199,915</b>	<b>9,805</b>	<b>(64,086)</b>	<b>244,176</b>	<b>1,122</b>	<b>245,298</b>
At 1 January 2014	98,542	131,337	9,805	(46,585)	193,099	5,867	198,966
Total comprehensive income for the period	-	7,532	61	2,436	10,029	444	10,473
<b>At 31 March 2014</b>	<b>98,542</b>	<b>138,869</b>	<b>9,866</b>	<b>(44,149)</b>	<b>203,128</b>	<b>6,311</b>	<b>209,439</b>
Total comprehensive income for 2 <sup>nd</sup> quarter	-	8,029	12	(3,460)	4,581	447	5,028
Dividend for FY2013 declared and paid	-	(15,482)	-	-	(15,482)	-	(15,482)
<b>At 30 June 2014</b>	<b>98,542</b>	<b>131,416</b>	<b>9,878</b>	<b>(47,609)</b>	<b>192,227</b>	<b>6,758</b>	<b>198,985</b>
<b>Company</b> S\$'000							
At 1 January 2013				98,542	18,805	9,876	127,223
Total comprehensive income for the period				-	204	266	470
<b>At 31 March 2013</b>				<b>98,542</b>	<b>19,009</b>	<b>10,142</b>	<b>127,693</b>
Total comprehensive income for 2 <sup>nd</sup> quarter				-	9,888	(266)	9,622
Dividend for FY2012 declared and paid				-	(14,192)	-	(14,192)
<b>At 30 June 2013</b>				<b>98,542</b>	<b>14,705</b>	<b>9,876</b>	<b>123,123</b>
At 1 January 2014				98,542	22,980	9,876	131,398
Total comprehensive income for the period				-	272	-	272
<b>At 31 March 2014</b>				<b>98,542</b>	<b>23,252</b>	<b>9,876</b>	<b>131,670</b>
Total comprehensive income for 2 <sup>nd</sup> quarter				-	41	73	114
Dividend for FY2013 declared and paid				-	(15,482)	-	(15,482)
<b>At 30 June 2014</b>				<b>98,542</b>	<b>7,811</b>	<b>9,949</b>	<b>116,302</b>



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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, if any, against the total number of issue shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

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

The Company does not have any outstanding convertibles and does not have any treasury shares.

**1(d)(iii) To show the total number of issued shares, excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

Number of shares as at 30 June 2014	: 516,067,852
Number of shares as at 31 December 2013	: 516,067,852

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

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

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

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

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

Not Applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements as at 31 December 2013, except for that disclosed under item 5.



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

The Group adopted the following revised Financial Reporting Standards (“FRS”) that are relevant and effective for annual periods beginning on or after 1 January 2014:

- Revised FRS 27 – Separate Financial Statements
- Revised FRS 28 – Investments in Associates and Joint Ventures
- FRS 110 – Consolidated Financial Statements
- FRS 111 – Joint Arrangements
- FRS 112 – Disclosure of Interests in Other Entities
- Amendment to FRS 32 – Financial Instruments: Presentation
- Amendment to FRS 39 – Novation of Derivatives and Continuation of Hedge Accounting

The adoption of the above FRSs did not result in any substantial change to the Group’s accounting policies nor any significant impact on the financial statements of the Group.

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

	2Q 2014	2Q 2013	1H 2014	1H 2013
<b>Earnings per ordinary share of the group after deducting any provision for preference dividends:-</b>				
(a) Based on weighted average number of ordinary shares in issue; and	1.56	2.41	3.02	4.86
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	1.56	2.41	3.02	4.86
<b>For the computation of basic earnings per share, the basis of arriving at the weighted average number of shares is determined as follows :-</b>				
Weighted average number of shares outstanding during the period	516,067,852	516,067,852	516,067,852	516,067,852
Weighted average number of shares issued during the period	-	-	-	-
Adjusted weighted average number of shares	<b>516,067,852</b>	<b>516,067,852</b>	<b>516,067,852</b>	<b>516,067,852</b>
<b>For the computation of diluted earnings per share, the weighted average number of shares adjusted for the effect of all dilutive potential ordinary shares is determined as follows :-</b>				
Adjusted weighted average number of shares	<b>516,067,852</b>	<b>516,067,852</b>	<b>516,067,852</b>	<b>516,067,852</b>



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**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year :-**

	30 June 2014		31 December 2013	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued share capital (in cents)	37.25	22.54	37.42	25.46

**8. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

There is no variance between the previous prospect statement and the actual results.

**9. Dividend**

**(a) Current financial period reported on**

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

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

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

Name of Dividend	Interim (One-Tier Tax Exempt) Dividend
Dividend type	Cash
Dividend Amount per Share (in Singapore cents)	1.5 cents per ordinary share
Tax Rate	Tax-exempt one-tier

**10. Date dividend is payable**

The interim dividend will be paid on 27 August 2014.

**11. Book closure date**

The Share Transfer Books and the Register of Members of the Company will be closed on 20 August 2014. Duly completed registrable transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623, up to 5.00pm on 19 August 2014 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.

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

Not applicable.



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

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

**CSE Offers**

- a) A wide and diverse range of solutions involving the implementation of Process Control Systems, Safety Shutdown Systems, Fire and Gas Detection Systems, Supervisory Control and Data Acquisition (SCADA) Systems, Pipeline Control Systems, Wellhead Control Systems, Subsea Control Systems, Chemical Injection Systems, Instrumentation & Electrical Construction, Plant Information Systems, Data Reconciliation & Yield Accounting Systems, Laboratory Information Management Systems and Terminal Automation Systems;
- b) Turnkey telecommunication network solutions for infrastructure projects to the Oil and Gas and Power industry including voice, data, radio, video, security access and LAN/WAN telecommunication systems;
- c) Electrical engineering products/solutions to the Mining, Process, Power generation, Power Transmission/Distribution, Oil and Gas, Water and Sewerage and Manufacturing industries, specializing in the supply and support of high quality electrical engineering products such as protection, control and motor starting control equipment;
- d) Intelligent Transport Systems such as the toll collection system, congestion charging system, urban traffic control and surveillance system, motorway management system, transportation communication system and security system;
- e) Design and installation of high temperature thermal process and incineration systems. It supplies multiple hearth, fluidised bed, shaft kiln and rotary kiln furnace systems, usually on an installed basis, to municipal and industrial clients;
- f) Sales and service of diesel engine parts, transmission, fabrication and repair works mainly for the oil and gas industries;
- g) Manufacture and development of computer programmable safety systems and a range of specialist hardware and software products for the automation of Person On Board and Person On Site (POB: Off-shore/POS:On-shore) information at site access and muster assembly points and for location of personnel.

**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.



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

Not applicable.

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

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

During the financial period, the following interested person transactions were entered into by the Group:

**Aggregate value of all interested person transactions during the financial period (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**

S\$	2Q 2014	2Q 2013	1H 2014	1H 2013
<b>Fees for Consultancy Services</b>				
Mr Tan Mok Koon	53,100	27,000	88,300	67,200
Acquisition of 66% of the total issued and paid up share capital of Power Diesel Engineering Pte Ltd	–	–	(148,074)*	(235,386)**
<b>Total interested person transactions</b>	<b>53,100</b>	<b>27,000</b>	<b>(59,774)</b>	<b>(168,186)</b>

\*Reduction in third tranche payment

\*\*Reduction in second tranche payment

**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 of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the Second quarter ended 30 June 2014 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

Jimmy Yap Tuck Kong  
Company Secretary  
11 August 2014