



CSE GLOBAL LIMITED

(Co. Reg. No. 198703851D)

Third Quarter Financial Statement and Dividend Announcement for the period ended 30 September 2013

Key Financial Performance

S\$'000	2013 3Q	2012 3Q	Change	2013 9M	2012 9M	Change
Revenue	122,032	130,290	-6.3%	358,107	409,221	-12.5%
Profit from continuing operations after taxation	11,829	10,773	9.8%	37,347	34,096	9.5%
Gain on Disposal from sale of associated company (1H12)	-	-	N.M	-	10,016	N.M
Profit/(loss) from discontinued operations (eBworx Berhad)	-	-	N.M	-	330	N.M
Profits attributable to owners of the Company	11,404	10,778	5.8%	36,506	44,455	-17.9%
Profits attributable to owners of the Company before discontinued operations and one-time gains	11,404	10,778	5.8%	36,506	34,109	7.0%
Basic earnings per ordinary share (in cents)	2.21	2.09	5.8%	7.07	8.61	-17.9%
Net asset value per ordinary share (in cents)	47.79	42.79	11.7%	47.79	42.79	11.7%
Net cash generated from operating activities	18,528	4,333	N.M	65,662	11,768	N.M
Net gearing (%)	7.1	28.3	21.2%	7.1	28.3	21.2%
New orders received	115,298	127,090	-9.3%	337,665	328,225	2.9%
Outstanding orders	365,407	358,795	1.8%	365,407	358,795	1.8%

Review of Performance - 3rd Quarter

CSE Group recorded profit after tax of S\$11.4 million in 3Q13, an improvement of 5.8% compared with S\$10.8 million in 3Q12.

The Group's revenue was 6.3% lower in 3Q13 when compared to 3Q12. This was mainly due to lower revenues in the Americas and EMEA regions, however, net margins in these regions improved substantially. The improvement was due to the lower level of zero-margin revenue in the Middle East and the higher level of more profitable offshore activity in the Americas compared to 3Q12.

Power Diesel (66% effective ownership) contributed profit after tax of S\$0.5 million in 3Q13 and newly-acquired S3 ID Group (60% effective ownership) was in a break-even position for the Group in the quarter after accounting for transaction costs and Non-controlling Interests.

Basic earnings per ordinary share was 5.8% higher at 2.21 cents in 3Q13 compared to basic earnings per ordinary share of 2.09 cents in 3Q12.

New orders received for the quarter were S\$115.3 million, a decrease of 9.3% compared with 3Q12. Outstanding orders at the end of 3Q13 were S\$365.4 million.

The Group generated operating cash inflow of S\$18.5 million in 3Q13 compared to S\$4.3 million in 3Q12 and net gearing of the Group was 7.1% at the end of 3Q13 compared to 6.2% at the end of 2Q13. The increase in net gearing in 3Q13 was partly due to the acquisition of S3 ID Group in the quarter.



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Review of Performance - 9 Months

In 9M13 CSE Group recorded profit after tax of S\$36.5 million compared to profit after tax of S\$34.1 million in 9M12 before discontinued operations and one-time transactions. This was an increase of 7.0% compared to 9M12. Profit after tax of S\$36.5 million in 9M13 compared to profit after tax of S\$44.5 million in 9M12 (including discontinued operations and one-time transactions). Power Diesel contributed profit after tax of S\$1.3 million in 9M13.

Revenue was reduced by 12.5% in 9M13 compared to 9M12 due to lower revenue in the Americas and EMEA regions.

Basic earnings per ordinary share from continuing operations and before one-time gains was 7.07 cents and 7.0% higher compared with 9M12. Basic earnings per ordinary share was 7.07 cents in 9M13 compared to basic earnings per ordinary share of 8.61 cents in 9M12 (which included discontinued operations and the one-time gain on the disposal of eBworx Berhad).

New orders received for the nine months of 2013 were S\$337.7 million compared with S\$328.2 million for the corresponding period in 2012, an increase of 2.9%.

The Group generated operating cash inflow of S\$65.7 million in 9M13 and improved Group net gearing to 7.1% at the end of 9M13 from 19.2% at the end of 4Q12 and 28.3% as at 9M12.

Gross Margin

SS'000	2013 3Q	2012 3Q	Change	2012 3Q Previously Reported	2013 9M	2012 9M	Change	2012 9M Previously Reported
Revenue	122,032	130,290	-6%	130,290	358,107	409,221	-13%	409,221
Gross Profit	39,213	35,935		40,688	116,545	109,403		123,861
Gross Margin %	32%	28%		31%	33%	27%		30%
Profit after Tax	11,829	10,773		10,773	37,347	44,442		44,442

The gross margins in 3Q12 and in 9M12 are slightly lower in % terms than the gross margin reported previously. Accordingly, overhead costs are also lower by a corresponding amount. Comparative gross margin numbers for the same period in the prior year are shown in the table above.

The gross margin in 9M13 was significantly higher at 33% compared with 9M12 of 27%. This was largely due to the recognition in 2012 of zero margin revenue arising from projects in the Middle East and revenue from on-shore green-field projects in the USA which have lower gross margins than traditional off-shore projects.



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Performance of Geographical Segments

SS'000	2013 3Q	2012 3Q	Change	2013 9M	2012 9M	Change
Revenue						
Asia-Pacific	32,179	30,380	5.9%	99,549	99,364	0.2%
The Americas	52,393	49,644	5.5%	147,191	162,879	-9.6%
Europe/Middle East/Africa	37,460	50,266	-25.5%	111,367	146,978	-24.2%
Group	122,032	130,290	-6.3%	358,107	409,221	-12.5%
Profit after tax, amortization and non-controlling interests						
Asia-Pacific	2,484	2,349	5.7%	10,033	10,183	-1.5%
The Americas	3,729	2,596	43.7%	11,235	9,440	19.0%
Europe/Middle East/Africa	5,191	5,833	-11.0%	15,238	14,486	5.2%
Discontinued operations and one-time transactions	–	–	N.M.	–	10,346	N.M.
Group	11,404	10,778	5.8%	36,506	44,455	-17.9%

In 3Q13, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 26%, 43% and 31% to revenue and 22%, 33% and 45% to profit after tax and Non-controlling interest respectively.

The Asia Pacific region recorded increases in revenue and profit for 3Q13 compared with 3Q12 by 5.9% and 5.7% respectively.

The Americas region recorded an increase in revenue by 5.5% with a significant increase of 43.7% in profits for 3Q13 compared with 3Q12 mainly due to the lower level of less profitable onshore activity in the USA compared to 3Q12.

The EMEA region recorded revenue lower by 25.5% and a decrease of 11.0% in profits for 3Q13 compared with 3Q12 mainly due to lower revenues in the Middle East.

In 9M13, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 28%, 41% and 31% to revenue and 27%, 31% and 42% to profit after tax and Non-controlling interest respectively.

Revenue and profit for 9M13 compared with 9M12 in the Asia-Pacific region was slightly increased by 0.2% and decreased by 1.5% respectively.

The Americas region showed a large 19% increase in profit despite a 9.6% decrease in revenue for 9M13 compared with 9M12. This was due to a higher contribution from the offshore market, which offset the lower level of activity in the onshore market.

The EMEA region recorded an increase in profit despite a decrease of 24.2% in revenue for 9M13 compared with 9M12 due to the lower level of zero-margin revenue in the Middle East, as the loss-making projects there are completed or nearing completion.



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Liquidity and Capital Resources

CSE significantly improved its net operational cash inflow to S\$18.5 million in 3Q13 after accounting for S\$2.0 million in foreign currency translation differences on non-monetary assets and liabilities of its subsidiaries whose functional currencies are in USD, EUR, GBP and AUD. At the end of 3Q13, CSE reduced its net gearing to 7.1% from 19.2% as at end of 4Q12. Net gearing at the end of 3Q12 was 28.3%.

Outstanding Orders

S\$million	3Q2013	2Q2013	3Q2012
Automation	135.2	137.9	136.5
Telecommunication	150.7	156.5	143.7
Environmental	20.3	22.5	12.1
Healthcare	59.2	58.1	66.5
Total	365.4	375.0	358.8

CSE received S\$115.3 million new orders in 3Q13. Outstanding orders increased by 1.8% to S\$365.4 million as at end of 3Q13 from S\$358.8 million as at end of 3Q12. Outstanding orders as at end of 3Q13 comprised S\$306.2 million of outstanding orders for Oil & Gas, Infrastructure and Mineral & Mining and S\$59.2 million of outstanding orders for Healthcare.

Divestment of Servelec Group PLC

CSE is currently pursuing a full divestment of its wholly owned subsidiary CSE Global UK Ltd. (now known as Servelec Group PLC) through a separate listing on the London Stock Exchange (“Listing”). The Listing is likely to proceed subject to market conditions and the approval of CSE’s shareholders. An Extraordinary General Meeting will be held on 28 November 2013.

The financial performance of Servelec Group PLC for the period ended 30 September 2013:-

S\$'000	3Q 2013	3Q 2012	9M 2013	9M 2012
Revenue	24,547	24,777	71,083	70,902
Profit Before Tax	6,026	4,917	16,467	15,744
Profit After Tax	4,670	3,915	12,654	12,298

Outstanding Orders

S\$million	3Q 2013	3Q 2012
Automation	43.4	49.9
Healthcare	59.2	66.5
Total	102.6	116.4



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The financial performance from the continuing operations of CSE Global excluding entities under the Proposed Divestment for the period ended 30 September 2013:-

S\$'000	2013 3Q	2012 3Q	2013 9M	2012 9M
Revenue	97,485	105,513	287,024	338,319
Profit Before Tax	10,207	9,636	33,599	30,465
Profit After Tax	6,734	6,863	23,852	21,811

Outstanding Orders

S\$million	3Q 2013	3Q 2012
Automation	91.8	86.6
Telecommunication	150.7	143.7
Environmental	20.3	12.1
Total	262.8	242.4

Outlook

With a healthy outstanding order book of S\$365.4 million at the end of 3Q13, CSE remains confident of an improvement in its overall profitability from operations in 2013 as compared to 2012.

CSE will consolidate the October and November financial statements of Servelec Group PLC (entities under the Proposed Divestment, formerly known as CSE Global UK Ltd), assuming the divestment will be completed in December 2013.



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PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q3) 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							
	2013 3Q	2012 3Q	Change (%)	2012 3Q (as previously reported)	2013 9M	2012 9M	Change (%)	2012 9M (as previously reported)
Revenue	122,032	130,290	-6%	130,290	358,107	409,221	-13%	409,221
Cost of sales	(82,819)	(94,355)	-12%	(89,602)	(241,562)	(299,818)	-19%	(285,360)
Gross profit	39,213	35,935	9%	40,688	116,545	109,403	7%	123,861
Other operating income (Note 1)	465	(1,271)	137%	(1,271)	1,805	(673)	368%	(673)
Other operating expenses								
Administrative costs	(20,441)	(17,146)	19%	(21,899)	(59,913)	(53,951)	11%	(68,409)
Selling and distribution costs (Note 3)	(1,423)	(1,211)	18%	(1,211)	(3,855)	(4,119)	-6%	(4,119)
Other operating costs (Note 2)	(370)	(164)	N.M	(164)	(713)	(448)	59%	(448)
Finance costs (Note 4)	(1,211)	(1,590)	-24%	(1,590)	(3,803)	(4,003)	-5%	(4,003)
Total Expenses	(23,445)	(20,111)	17%	(24,864)	(68,284)	(62,521)	9%	(76,979)
Profit before taxation	16,233	14,553	12%	14,553	50,066	46,209	8%	46,209
Taxation (Note 7)	(4,404)	(3,780)	16%	(3,780)	(12,719)	(12,113)	5%	(12,113)
Profit from continuing operations after taxation	11,829	10,773	10%	10,773	37,347	34,096	10%	34,096
Profit from discontinuing operation – eBworx Berhad (Note 5)	-	-	N.M	-	-	10,346	N.M	10,346
Profit after tax	11,829	10,773		10,773	37,347	44,442		44,442
Attributable to :-								
Equity owners of the Company	11,404	10,778	6%	10,778	36,506	44,455	18%	44,455
Non-controlling interests	425	(5)		(5)	841	(13)		(13)
	11,829	10,773	10%	10,773	37,347	44,442	16%	44,442
Earnings per ordinary share (cents)								
- basic	2.21	2.09			7.07	8.61		
- diluted	2.21	2.09			7.07	8.61		

The other operating expenses increased by 17% in 3Q2013 compared with 3Q2012 due to the consolidation of the new acquisitions of Power Diesel in December 2012 and S3 ID Group in July 2013.



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Consolidated statement of comprehensive income for the third quarter ended 30 September 2013

S\$'000	Group					
	2013 3Q	2012 3Q	Change (%)	2013 9M	2012 9M	Change (%)
Profit, net of tax	11,829	10,773	10%	37,347	44,442	-16%
Other comprehensive income :						
Foreign currency translation	(1,218)	(5,335)	N.M	847	(9,668)	N.M
Other comprehensive income for the period, net of tax	(1,218)	(5,335)		847	(9,668)	
Total comprehensive income for the period	10,611	5,438	N.M	38,194	34,774	N.M
Total comprehensive income attributable to :-						
Owners of the Company	10,186	5,443	N.M	37,353	34,787	N.M
Non-controlling interests	425	(5)		841	(13)	
	10,611	5,438	N.M	38,194	34,774	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					
	2013 3Q	2012 3Q	Change (%)	2013 9M	2012 9M	Change %
Profit before taxation is arrived <u>at after charging/(crediting) the following:</u>						
(A) Interest on borrowings (Note 4)	913	1,227	-26%	2,801	3,204	-13%
(B) Depreciation and amortization (Note 6)	1,244	1,018	22%	3,814	3,114	22%
(C) Allowance/(write back) for doubtful debts and bad debts	44	27	67%	9	(4)	N.M
(D) Inventories obsolescence	6	22	-73%	18	22	-18%
(E) Gain on disposal of property, plant and equipment	(59)	(56)	5%	(456)	(107)	N.M
<i>N.M – Not meaningful</i>						

Note 1

S\$'000	Group					
	2013 3Q	2012 3Q	Change (%)	2013 9M	2012 9M	Change (%)
Rental income	48	51	-6%	142	173	-18%
Commission income	3	1	N.M	19	13	46%
Miscellaneous income	20	32	-38%	118	84	40%
Net exchange gain / (loss)	285	(1,554)	N.M	1,201	(1,474)	N.M
Miscellaneous income	356	(1,470)	N.M	1,480	(1,204)	N.M
Finance income	109	199	-45%	325	531	-39%
Other operating income	465	(1,271)	N.M	1,805	(673)	N.M

Note 2

S\$'000	Group					
	2013 3Q	2012 3Q	Change (%)	2013 9M	2012 9M	Change (%)
Allowance/(write back) for doubtful and bad debts	44	27	64%	9	(4)	N.M
Amortisation of intangible assets	306	171	80%	916	537	71%
Inventories obsolescence	6	22	N.M	18	22	-18
Miscellaneous expenses	73	-	N.M	226	-	N.M
Gain on disposal of property, plant and equipment	(59)	(56)	5%	(456)	(107)	N.M
	370	164	N.M	713	448	59%

N.M. – Not meaningful

Note 3

The decrease in selling and distribution costs was mainly due to lower marketing activities.

Note 4

The decrease in finance costs was mainly due to lower loan drawdown when compared to 9M12.

Note 5

The investment in associated company, eBworx Berhad, was disposed of in May 2012.



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Note 6

The increase in amortisation of intangible assets is mainly due to the amortisation of the order backlog acquired in the previous acquisition of SIA (UK) and Astib Group (Australia).

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	
	30-09-13	31-12-12	30-09-13	31-12-12
NON-CURRENT ASSETS				
Property, plant and equipment	24,813	27,078	67	90
Investment in subsidiaries	-	-	280,086	243,700
Other investment	190	190	190	190
Intangible assets (Note 8)	118,094	102,866	1,491	1,612
Deferred tax assets	13,394	13,923	-	-
CURRENT ASSETS				
Gross amount due from customers for contract work-in-progress (Note 9)	91,879	94,615	-	-
Inventories (Note 9)	15,357	16,885	-	-
Trade and other receivables (Note 9)	111,907	139,066	3,242	1,285
Prepaid operating expenses	2,639	2,988	55	12
Amount due from subsidiary companies	-	-	5,392	48,133
Short-term deposits	11,503	18,244	-	-
Cash and bank balances	69,392	55,953	5,706	4,457
	302,677	327,751	14,395	53,887
CURRENT LIABILITIES				
Gross amount due to customers for contract work-in-progress (Note 9)	31,673	29,148	-	-
Trade payables and accruals (Note 10)	59,835	77,966	2,729	6,062
Finance leases	83	167	-	-
Loans and borrowings	20,643	28,408	18,877	28,321
Amount due to subsidiary companies	-	-	81,293	46,775
Provision for warranties	2,066	1,736	-	-
Provision for taxation	9,420	6,002	29	322
	123,720	143,427	102,928	81,480
Net current assets/(liabilities)	178,957	184,324	(88,533)	(27,593)
NON-CURRENT LIABILITIES				
Deferred tax liabilities	(4,963)	(5,040)	(763)	(686)
Finance leases	(330)	(351)	-	-
Loans and borrowings	(77,635)	(90,267)	(77,635)	(90,090)
	252,520	232,723	114,903	127,223
Equity attributable to owners of the Company				
Share capital	98,542	98,542	98,542	98,542
Revenue reserve	203,578	189,005	6,485	18,805
Other reserve	9,805	9,805	9,876	9,876
Foreign currency translation reserve	(65,304)	(66,151)	-	-
Total Shareholders' Fund	246,621	231,201	114,903	127,223
Non-controlling interests	5,899	1,522	-	-
Total Equity	252,520	232,723	114,903	127,223
Group net borrowing	17,383	44,478		
Group net gearing	7.1 %	19.2 %		



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Note 8

The increase in intangible assets was due to the consolidation and goodwill paid for the new acquisition of S3 ID Group in July 2013.

Note 9

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 10

The decrease of trade payables and accruals is due to settlement of the outstandings brought forward from the higher purchases to cater for the higher level of activity in 2012.

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

Amount repayable in one year or less, or on demand

As at 30 September 2013		As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
NIL	S\$20,643,000	NIL	S\$28,408,000

Amount repayable after one year

As at 30 September 2013		As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
NIL	S\$77,635,000	NIL	S\$90,267,000

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	1.7.2013 to 30.9.2013	1.7.2012 to 30.9.2012	1.1.2013 to 30.9.2013	1.1.2012 to 30.9.2012
<u>CASH FLOWS FROM OPERATING ACTIVITIES :-</u>				
Operating profit before taxation	16,233	14,553	50,066	56,555
Adjustments for :-				
Depreciation for property, plant and equipment	938	847	2,898	2,577
Amortisation of intangible assets	306	171	916	537
Gain on disposal of property, plant and equipment	(59)	(56)	(456)	(107)
Gain on disposal of associated company (Note 5)	-	-	-	(10,016)
Share of results of associated companies, net of tax (Note 5)	-	-	-	(330)
Changes in fair value of derivative financial instruments	-	-	-	288
Interest expense	913	1,227	2,801	3,204
Interest income	(109)	(199)	(325)	(531)
Currency realignment (Note 11)	(1,677)	(2,287)	1,972	(3,647)
Operating profit before reinvestment in working capital	16,545	14,256	57,872	48,530
Decrease/(increase) in receivable and prepaid operating expenses	12,253	27,266	32,068	(24,468)
(Increase)/decrease in projects-in-progress, net and inventories	(4,654)	(28,711)	9,094	(14,532)
(Decrease)/increase in payables and accruals and provision for warranties	(1,803)	(2,463)	(21,867)	17,627
Cash generated from operations	22,341	10,348	77,167	27,157
Interest paid	(913)	(1,227)	(2,801)	(3,204)
Interest received	109	199	325	531
Income tax paid	(3,009)	(4,987)	(9,029)	(12,716)
Net cash generated from in operating activities	18,528	4,333	65,662	11,768
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Proceeds from sale of associated company	-	-	-	20,874
Acquisitions of subsidiary companies, net of cash acquired	(12,242)	-	(14,854)	-
Second tranche payment for the subsidiary acquired	-	-	(755)	-
Purchase of property, plant and equipment	(970)	(884)	(2,595)	(5,454)
Proceeds from sale of property, plant and equipment	384	-	1,922	538
Net cash (used)/generated from investing activities	(12,828)	(884)	(16,282)	15,958
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Dividends paid to shareholders	(7,741)	(7,741)	(21,933)	(18,062)
Subsidiary's dividend paid to Non-controlling Interest	-	-	(816)	-
(Repayment)/proceeds from short term loans from bankers	(7,840)	2,459	(7,764)	(97,973)
Proceeds/(repayment) of long term loans from bankers	180	(6,614)	(12,632)	97,678
Net cash used in financing activities	(15,401)	(11,896)	(43,145)	(18,357)
Net effect of exchange rate changes on cash and cash equivalents	(324)	(1,151)	463	(2,084)
Net (decrease)/increase in cash and cash equivalents	(9,701)	(8,447)	6,235	9,369
Cash and cash equivalents at beginning of period	90,920	70,407	74,197	53,524
Cash and cash equivalents at end of period	80,895	60,809	80,895	60,809



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Note 11

The currency realignment of S\$2.0 million resulted from CSE translating the non-monetary assets and liabilities of its subsidiaries whose functional currencies are USD, EUR, 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 2012	98,542	150,970	9,805	(55,237)	204,080	27	204,107
Total comprehensive income for 1 st half 2012	–	33,677	–	(4,333)	29,344	(8)	29,336
Dividend for FY2011 declared and paid	–	(10,321)	–	–	(10,321)	–	(10,321)
At 30 June 2012	98,542	174,326	9,805	(59,570)	223,103	19	223,122
Total comprehensive income for 3 rd quarter	–	10,778	–	(5,335)	5,443	(5)	5,438
Interim Dividend for 2012 declared and paid	–	(7,741)	–	–	(7,741)	–	(7,741)
At 30 September 2012	98,542	177,363	9,805	(64,905)	220,805	14	220,819
At 1 January 2013	98,542	189,005	9,805	(66,151)	231,201	1,522	232,723
Total comprehensive income for 1 st half 2013	–	25,102	–	2,065	27,167	416	27,583
Subsidiary's dividend paid to Non-controlling interest	–	–	–	–	–	(816)	(816)
Dividend for FY2012 declared and paid	–	(14,192)	–	–	(14,192)	–	(14,192)
At 30 June 2013	98,542	199,915	9,805	(64,086)	244,176	1,122	245,298
Total comprehensive income for 3 rd quarter	–	11,404	–	(1,218)	10,186	425	10,611
NCI share of newly incorporated subsidiaries	–	–	–	–	–	3,400	3,400
NCI share of newly acquired subsidiaries	–	–	–	–	–	952	952
Interim Dividend for 2013 declared and paid	–	(7,741)	–	–	(7,741)	–	(7,741)
At 30 September 2013	98,542	203,578	9,805	(65,304)	246,621	5,899	252,520



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Company S\$'000	Share capital	Revenue reserve	Other reserve	Total Equity
At 1 January 2012	98,542	32,385	9,876	140,803
Total comprehensive income for the period	–	5,451	–	5,451
Dividend for FY2011 declared and paid	–	(10,321)	–	(10,321)
At 30 June 2012	98,542	27,515	9,876	135,933
Total comprehensive income for 3 rd quarter	–	(747)	–	(747)
Interim Dividend for 2012 declared and paid	–	(7,741)	–	(7,741)
At 30 September 2012	98,542	19,027	9,876	127,445
At 1 January 2013	98,542	18,805	9,876	127,223
Total comprehensive income for 1 st half 2013	–	10,092	–	10,092
Dividend for FY2012 declared and paid	–	(14,192)	–	(14,192)
At 30 June 2013	98,542	14,705	9,876	123,123
Total comprehensive income for 3 rd quarter	–	(479)	–	(479)
Interim Dividend for 2013 declared and paid	–	(7,741)	–	(7,741)
At 30 September 2013	98,542	6,485	9,876	114,903



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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 September 2013	: 516,067,852
Number of shares as at 31 December 2012	: 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 2012, 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 2013:

Revised FRS 19 – Employee Benefits
FRS 113 – Fair Value Measurement
Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendment to FRS 1 – Presentation of Financial Statements
Amendment to FRS 16 – Property, Plant and Equipment
Amendment to FRS 32 – Financial Instruments: Presentation

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.

In 2013 the Group decided to re-classify certain costs which are associated with the direct staff from below the gross margin line (“overhead”) of the income statement to above the gross margin line (“cost of sale”). This reclassification results in a consistent computation of gross margin across all business units within the Group.

The overall profit after tax result for the Group in the period is not affected by the re-classification of costs.

SS’000	2013 3Q Reclassified	2012 3Q Reclassified	Change	2012 3Q Previously Reported	2013 9M Reclassified	2012 9M Reclassified	Change	2012 9M Previously Reported
Revenue	122,032	130,290	-6%	130,290	358,107	409,221	-13%	409,221
Gross Profit	39,213	35,935		40,688	116,545	109,403		123,861
Gross Margin %	32%	28%	17%	31%	33%	27%	22%	30%
Profit after Tax	11,829	10,773		10,773	37,347	44,442		44,442

The reclassified gross margins in 3Q12 and in 9M12 are slightly lower in % terms than the gross margin reported previously. Due to the re-classification, overhead costs are also lower by a corresponding amount. Comparative gross margin numbers for the same period in the prior year are shown in the table above. It is the Group’s intention to report reclassified gross margin in future reports.

The reclassified gross margin in 9M13 was significantly higher at 33% compared with 9M12 of 27%. This was largely due to the recognition in 2012 of zero margin revenue arising from projects in the Middle East and revenue from on-shore green-field projects in the USA which have lower gross margins than traditional off-shore projects.



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

	3Q 2013	3Q 2012	9M 2013	9M 2012
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	2.21	2.09	7.07	8.61
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	2.21	2.09	7.07	8.61
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	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	516,067,852	516,067,852	516,067,852	516,067,852
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 :-				
Adjusted weighted average number of shares	516,067,862	516,067,862	516,067,862	516,067,862

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

	30 September 2013		31 December 2012	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued share capital (in cents)	47.79	22.27	44.80	24.65

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.



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9. Dividend

(a) Current financial period reported on

No interim dividend has been declared or recommended in relation to third quarter ended 30 September 2013 or the previous corresponding financial period.

(b) Corresponding Period of the Immediately Preceding Financial Year

Not applicable.

10. Date dividend is payable

Not applicable.

11. Book closure date

Not applicable.

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

Not applicable.

13. Interested person transactions

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

During the third quarter and nine months ended 30 September 2013, 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\$	2013 3Q	2012 3Q	2013 9M	2012 9M
Fees for Consultancy Services				
Mr. Tan Mok Koon	506,076	36,400	573,276	128,100
80% of the total issued and paid up share capital of the newly incorporated Company S3 ID Singapore Pte Ltd	13,600,000	—	13,600,000	—
Total interested person transactions	14,106,076	36,400	14,173,276	128,100



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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)

14. 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) SEPROL, TBOX and Kingfisher Ranges of RTU products designed for SCADA applications in a broad range of industries;
- e) RIO, a fully integrated Clinical Information System, to automate and facilitate the recording and reporting of patients’ information to the Healthcare industry in relation to Mental Health, Community, Maternity and Children;
- f) Oceano, a new Healthcare product developed for the Acute Healthcare market sector, the first module being Emergency Care;
- g) PICS, a clinical decision support system developed by the University Hospitals Birmingham and marketed under an exclusive arrangement by CSE Healthcare Systems Limited;
- h) 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;
- i) 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 in the United States, Asia, Europe and South America;
- j) Sales and service of diesel engine parts, transmission, fabrication and repair works mainly for the oil and gas industries;
- k) Specialist software and engineering consultancy to the water and environmental management industries.



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15. 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.

16. A breakdown of sales as follows:-

Not applicable.

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

Not applicable.

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 Third quarter ended 30 September 2013 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: Interim Group Managing Director

By order of the Board

Jimmy Yap Tuck Kong
Company Secretary
13 November 2013