

Press Release – Full Year 2014 Results

CSE's net profit from continuing operations grows 16.4% to S\$35.4M in FY14

Key Highlights:

- **Net Profit from continuing operations grew by 16.4% to S\$35.4 m in FY14**
- **Strong order intake of S\$461.6m in FY14, 27.3% growth over FY13**
- **Robust order book rises to S\$255.0m at end of FY14**
- **Net cash position strengthened to S\$23.4m from 3Q14**
- **Proposed final dividend of 1.5 cents per share**

Singapore, 26 February 2015 – CSE Global Limited (“CSE” or the “Group”) announced today its financial results for the year ended 31 December 2014. The Group reported that its full year net profit after tax and non-controlling interests from continuing operations (which excludes profit from the CSE-UK divestment in December 2013) grew by 16.4% year-on-year to S\$35.4 million, despite challenging market conditions.

For the year ended 31 December 2014 (“FY14”), the strong growth in profitability was driven mainly by enhancement in gross margins. The Group’s revenues from continuing operations rose by 4.3% to S\$433.8 million, driven mainly by higher revenues achieved in Asia Pacific and the Americas regions. Gross profit rose by 11.4% to S\$124.5 million in FY14 from S\$111.7 million in FY13. Gross profit margins improved from 26.8% in FY13 to 28.7% in FY14.

Consequently, profit after tax and non-controlling interests from continuing operations grew by 16.4% from S\$30.4 million in FY13 to S\$35.4 million in FY14.

The basic earnings per ordinary share from continuing operations was 6.85 cents in FY14 as compared to the basic earnings per ordinary share in FY13 of 5.89 cents.

The Group generated a positive operating cashflow of S\$10.7 million and ended the year with a net cash position of S\$23.4 million, improved from S\$12.0 million in 3Q14.

In 4Q14, the Group received a strong order intake from greenfield and brownfield projects, totalling S\$173.5 million, which takes the full year order intake to S\$461.6 million. Order book increased to S\$255.0 million as at end of 2014.



Mr Lim Boon Kheng, Group MD of CSE, said, “I am pleased that CSE has performed creditably with a 16.4% increase in profitability to S\$35.4 million for FY2014 and I am also encouraged by the strong order intake of S\$173.5 million achieved in 4Q14.”

The fall in oil prices during the second half of 2014 continues to fuel concerns on the near term outlook for the oil and gas industry. Major oil and gas companies have announced in recent weeks a reduction in their capital expenditure and deferral of their planned projects.

On the outlook, Mr Lim added, “In light of the current market conditions, the Group expects to face increased competition for greenfield projects in the oil and gas industry. Despite the sluggish outlook, the market continues to provide pockets of opportunities for the Group’s businesses in 2015. The Group has a robust order book of S\$255.0 million, and expects to win more orders from its existing customers. In addition, the Group will continue to focus on cash generation and look for new growth prospects. Hence, we believe the overall businesses of our major subsidiaries should remain resilient.”

To reward shareholders, the Board of Directors will be proposing a final dividend (1-tier tax-exempt) of 1.5 Singapore cents per ordinary share. Together with the interim cash dividend of 1.25 Singapore cents per ordinary share distributed last August, CSE will be paying out a total cash dividend of 2.75 cents per ordinary share for the financial year ended 31 December 2014.

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About CSE Global Limited (“CSE”):

Listed on Singapore Exchange since 1999, CSE Global Limited is a global technologies company with an international presence spanning the Americas, Asia Pacific, Europe, Middle East and Africa. The Group has now more than 1,300 employees worldwide, and operates a network of 30 offices across the globe, generating more than 95 percent of its revenues outside its home market. In line with global ambitions, the Group has adopted the ISO 9001 Quality Management System as certified by Lloyd’s Register Quality Assurance (LRQA) and DNV. The CSE Group of companies has been very successful in offering cost-effective, totally integrated solutions to industries in the Automation, Telecommunications and Environmental sectors. CSE has a consistent profit track and a management that is focused on operational excellence to achieve sustainable profit growth and enhance shareholder returns.

For more information, please log onto: <http://www.cse-global.com>