

Press Release – First Quarter 2015 Results

CSE's Operating Profit grows 20.7% to S\$11.1 million

Key Highlights:

- **Operating Profit grew by 20.7% to S\$11.1 million on the back of revenue growth of 13.2%**
- **Strong order intake of S\$103.1 million in 1Q15, 40.4% growth over 1Q14 of S\$73.4 million**
- **Robust order book of S\$252.5 million**
- **Net cash position at S\$23 million**

Singapore, 11 May 2015 – CSE Global Limited (“CSE” or the “Group”) announced today its financial results for the quarter ended 31 March 2015. The Group reported its first quarter operating profit grew by 20.7% year-on-year to S\$11.1 million, on the back of 13.2% revenue growth compared to the same period a year ago.

For the quarter ended 31 March 2015 (“1Q15”), the Group’s revenues rose by 13.2% to S\$105.5 million, driven mainly by higher revenues achieved in the Americas and EMEA regions. In line with the growth in revenues, gross profit rose by 17.3% to S\$30.1 million in 1Q15 from S\$25.7 million in 1Q14. Gross profit margins improved moderately to 28.5% in 1Q15 as compared to 27.5% in 1Q14.

Operating profit for 1Q15 grew by 20.7% year-on-year to S\$11.1 million, as compared to S\$9.2 million for 1Q14. Operating expenses were 15.0% higher at S\$19.3 million in 1Q15, driven mainly by higher personnel related expenses and provisions for doubtful debts. Tax expenses in 1Q15 were S\$3.1 million, as compared to 1Q14 of S\$1.2 million, mainly attributed to the write-back of deferred tax and the non-recurring tax deductions received for education funds made to polytechnics and universities in 1Q14 of S\$1.3 million. Consequently, the Group recorded profit attributable to owners of the Company of S\$7.6 million in 1Q15, as compared to S\$7.5 million in 1Q14.

The basic earnings per ordinary share in 1Q15 was 1.47 cents as compared to the basic earnings per ordinary share in 1Q14 of 1.46 cents.

In 1Q15, the Group received a strong order intake from greenfield and brownfield projects, totalling S\$103.1 million, an increase of 40.4% over 1Q14 order intake of S\$73.4 million. Order book increased by 21.8% to S\$252.5 million as at end of 1Q15 from S\$207.4 million as at end of 1Q14.



The Group generated an operating cash outflow of S\$1.6 million in 1Q15, mainly due to the increase in work-in-progress for an LNG project in Australia, which is moving to Final Acceptance Test stage. The Group ended the quarter with a net cash of S\$23 million.

Commenting on the Group's 1Q15 performance, Mr. Lim Boon Kheng, Group CEO of CSE, said, "Despite the difficult operating environment, I am pleased that CSE has performed credibly with the revenue and operating profit growth achieved in the first quarter. I am also encouraged by the strong order intake achieved in 1Q15, which contributed to the robust order book of S\$252.5 million as at 31 March 2015."

On the outlook, Mr Lim added, "With the uncertain global economic outlook and low commodity prices, the operating environment remains challenging. However, CSE's strategy to build a diversified and quality customer base has enabled the Group to build long-term sustainable growth. Looking ahead, the Group is strategically well positioned to manage its business and capitalise on opportunities available in the market."

The Group will continue to invest in its engineering's capabilities and technical competencies, as well as improving ongoing financial and operational efficiencies which will enable it to carry on enhancing bottom-line.

Against this background, the Directors are optimistic of its prospects for FY2015.

###end of release###

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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>