

Press Release – 2nd Quarter/1st Half 2015 Results

CSE's Net Profit grows 23% to S\$9.9 million in 2Q15

Key Highlights:

- **Net Profit grew by 23.4% to S\$9.9 million**
- **Strong order intake of S\$97.4 million in 2Q15**
- **Robust order book of S\$237.8 million**
- **Net cash position at S\$7.1 million**
- **Outlook: Directors remains optimistic of its performance in FY2015**
- **Tax-exempt one-tier interim dividend of 1.25 cents per ordinary share declared**

Singapore, 12 August 2015 – CSE Global Limited (“CSE” or the “Group”) announced today its financial results for the quarter and half year ended 30 June 2015. The Group reported its second quarter net profit grew by 23.4% year-on-year to S\$9.9 million, on the back of 3.8% revenue growth compared to the same period a year ago. Revenue and net profit for the half year ended 30 June 2015 (“1H15”) also grew year-on-year by 8.2% and 12.5% to S\$217.7 million and S\$17.5 million respectively.

For the quarter ended 30 June 2015 (“2Q15”), the Group’s revenues rose by 3.8% to S\$112.1 million, driven mainly by higher revenues achieved in the Americas and EMEA regions. Gross profit margins for the quarter decreased to 26.6% from 29.2% in 2Q14, mainly attributed to higher revenues recognized from a large greenfield project in Australia, which has a lower gross margin. Consequently, 2Q15 gross profit were 5.5% lower year-on-year at S\$29.8 million.

Operating expenses grew by 3.3% to S\$18.6 million in 2Q15, driven mainly by higher selling and distribution expenses. Tax expenses in 2Q15 were S\$2.9 million, as compared to 2Q14 of S\$4.9 million. As a result, the Group recorded operating profit attributable to owners of the Company of S\$8.1 million in 2Q15, as compared to S\$8.0 million in 2Q14.

During the quarter, CSE Group divested its 66% owned subsidiary Power Diesel and recorded a gain on disposal of S\$1.8 million. With the divestment, CSE no longer participates in the offshore support vessel market. Consequently, net profit attributable to owners of the Company grew by 23.4% from S\$8.0 million in 2Q14 to S\$9.9 million in 2Q15.

The basic earnings per ordinary share in 2Q15 was 1.92 cents as compared to the basic earnings per ordinary share in 2Q14 of 1.56 cents.

In 2Q15, the Group received orders from greenfield and brownfield projects, totalling S\$97.4 million, an increase of 2.2% over 2Q14 order intake of S\$95.4 million. Order book increased by 22.1% to S\$237.8 million as at end of 2Q15 from S\$194.7 million as at end of 2Q14.

The Group generated an operating cash outflow of S\$12.9 million in 2Q15, mainly attributed to the funding for a large greenfield project in Australia as well as for earlier projects won in the Americas regions, which is in line with the year-on-year increase in revenue for the Americas regions. The Group ended the quarter with a net cash of S\$7.1 million after making the 2014 final dividend payment of 1.5 cents per share, totaling S\$7.7 million in May 2015.

Commenting on the Group's 2Q15 performance, Mr. Lim Boon Kheng, Group CEO of CSE, said, "Overall, given the challenging business and operating environment, I am pleased that CSE has delivered a respectable set of results in the second quarter. I am also encouraged to note that order intake numbers in 2Q15 remain healthy, which contributed to the robust order book of S\$237.8 million as at 30 June 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 continue 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 remain optimistic of its performance for FY2015.

The directors are also pleased to declare a tax-exempt one-tier interim dividend of 1.25 cents per ordinary share. The payment of the interim dividend will be on 18th September 2015.

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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>