

**First Quarter Financial Statement And Dividend Announcement For The Period Ended 31 March 2008**

**PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL 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		Change (%)
	2008	2007	
	1Q	1Q	
<b>Revenue</b>	105,116	84,292	25%
<b>Cost of sales</b>	(67,021)	(53,090)	26%
<b>Gross profit</b>	38,095	31,202	22%
<b>Other operating income (Note 1)</b>	44	57	-23%
<b>Other operating expenses</b>			
Administrative costs	(18,698)	(16,361)	14%
Selling and distribution costs	(1,491)	(1,329)	12%
Other operating costs (Note 2)	(539)	(221)	144%
Finance costs (Note 3)	(1198)	(1,445)	-17%
Share of results of associated companies, net of tax	110	186	-41%
<b>Total Expenses</b>	(21,816)	(19,170)	14%
<b>Profit before taxation</b>	16,323	12,089	35%
Taxation (Note 4)	(4,260)	(3,483)	22%
<b>Profit after taxation</b>	12,063	8,606	40%
Attributable to :-			
<b>Equity holders of the Company</b>	<b>12,074</b>	<b>8,619</b>	<b>40%</b>
Minority interest	(11)	(13)	-15%
	12,063	8,606	40%
<b>Earnings per ordinary shares (in cents)</b>			
- Basic	2.38	1.71	
- Diluted	2.37	1.70	

*N.M. – Not meaningful*

**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:-**

SS'000	2008	2007	Change
Profit before taxation is arrived at after charging/(crediting) the following:	1Q	1Q	%
(A) Interest on borrowings(Note 3)	1,124	1,394	-19%
(B) Depreciation and amortisation	939	769	22%
(C) Allowance for doubtful debts and bad debts	210	100	110%
(D) Foreign exchange loss	494	636	-22%
(E) Changes in fair value of financial instruments	-	(100)	N.M.

*N.M. – Not meaningful*

Note 1	2008	2007	Change
SS'000	1Q	1Q	(%)
Rental income	107	47	N.M.
Commission income	32	16	100%
Miscellaneous income	171	100	70%
Net exchange loss	(494)	(536)	N.M.
<b>Miscellaneous income</b>	<b>(184)</b>	<b>(373)</b>	<b>50%</b>
Finance income	228	430	-47%
<b>Other operating income</b>	<b>44</b>	<b>57</b>	<b>-24%</b>

*N.M. – Not meaningful*

Note 2	Group		Change (%)
SS'000	2008	2007	
	1Q	1Q	
Allowance for doubtful debts and bad debts	210	100	N.M.
Miscellaneous expenses	-	1	N.M.
Amortisation of intangible assets #	329	130	153%
Disposal of property, plant and equipment	-	(10)	N.M.
	<b>539</b>	<b>221</b>	

*N.M. – Not meaningful*

# The increase in amortisation of intangible assets was mainly due to the consolidation of ESPC Inc, previously an associated company.

#### Note 3

The decrease in finance costs for 1Q 2008 was mainly due to the reduction in loan interest rate.

#### Note 4

The Group operates in several tax jurisdictions with different tax rates. Thus, the effective tax rate will vary from time to time depending on where the sales and profits are recorded.

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

	Group 31-Mar-08 S\$'000	Group 31-Dec-07 S\$'000	Company 31-Mar-08 S\$'000	Company 31-Dec-07 S\$'000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	12,671	12,902	204	222
Investment in subsidiaries	-	-	174,125	174,125
Associated companies	7,119	7,009	-	-
Other investment	190	190	190	190
Intangible assets	68,717	70,457	95	103
Deferred tax assets	3,839	3,993	27	17
<b>CURRENT ASSETS</b>				
Projects in progress (Note 5)	78,658	74,128	-	-
Stocks (Note 5)	9,567	9,412	-	-
Trade debtors (Note 5)	87,927	79,505	4,958	4,360
Other debtors, deposits & prepayments	6,520	6,005	424	93
Amount due from subsidiary companies	-	-	45,350	48,233
Amount due from an associated company	201	6	-	-
Short-term deposits	3,963	8,771	-	-
Cash & bank balances	38,254	50,137	1,195	2,261
	<b>225,090</b>	<b>227,964</b>	<b>51,927</b>	<b>54,947</b>
<b>CURRENT LIABILITIES</b>				
Projects in progress (Note 5)	8,537	13,370	-	-
Trade creditors & accruals	57,497	63,514	3,799	5,230
Finance leases	170	199	-	-
Amount due to bankers	80,186	80,460	65,274	78,919
Amount due to subsidiary companies	-	-	40,032	25,157
Amount due to an associated company	2	2	-	-
Provision for warranties	1,920	1,570	-	-
Provision for taxation	6,113	3,354	438	325
	<b>154,425</b>	<b>162,469</b>	<b>109,543</b>	<b>109,631</b>
<b>Net current assets/(liabilities)</b>	<b>70,665</b>	<b>65,495</b>	<b>(57,616)</b>	<b>(54,684)</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	(3,995)	(4,115)	-	-
Finance leases	(405)	(380)	-	-
Amounts due to bankers	(15,781)	(19,172)	(15,781)	(19,172)
	<b>143,020</b>	<b>136,379</b>	<b>101,244</b>	<b>100,801</b>
<b>Equity attributable to equity holders of company</b>				
Share capital	90,381	90,343	90,381	90,343
Revenue reserve	66,619	54,545	11,047	9,774
Other reserves	(215)	653	(215)	653
Foreign currency translation reserve	(13,768)	(9,176)	31	31
<b>Total Shareholders' Fund</b>	<b>143,017</b>	<b>136,365</b>	<b>101,244</b>	<b>100,801</b>
Minority interest	3	14	-	-
	<b>143,020</b>	<b>136,379</b>	<b>101,244</b>	<b>100,801</b>

**Note 5**

The billing cycle turnover period comprising Stocks, Net Project-in-progress and Trade Debtors as of 31 March 2008 increase to 146 days from 145 days as at 31 March 2007.

**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 31 Mar 2008</b>		<b>As at 31 Dec 2007</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	S\$80,356,000	NIL	\$80,659,000

**Amount repayable after one year**

<b>As at 31 Mar 2008</b>		<b>As at 31 Dec 2007</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
NIL	S\$16,186,000	NIL	\$19,552,000

**Details of any collateral**

Not Applicable.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	1.1.2008 to 31.3.2008 S'000	1.1.2007 to 31.3.2007 S'000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES :-</u></b>		
Profit before taxation	16,323	12,089
Adjustments for :-		
Depreciation for property, plant and equipment	610	639
Share of results of associated companies, net of tax	(110)	(186)
Amortisation of intangible assets	329	130
Gain on disposal of property, plant and equipment	-	(10)
Changes in fair value of financial instruments	-	(100)
Interest expense	1,124	1,394
Interest income	(228)	(430)
Currency realignment	(2,692)	(392)
<b>Operating profit before reinvestment in working capital</b>	<b>15,356</b>	<b>13,134</b>
(Increase)/decrease in debtors	(8,937)	8,033
(Increase)/decrease in projects-in-progress, net and stocks	(9,518)	1,837
Decrease in creditors	(6,557)	(12,130)
<b>Cash (used)/generated from operations</b>	<b>(9,656)</b>	<b>10,874</b>
Interest paid	(1,124)	(1,394)
Interest received	228	430
Income tax paid	(1,468)	(4,280)
<b>Net cash (used)/ generated from operating activities</b>	<b>(12,020)</b>	<b>5,630</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
(Advance to)/repayment from associated companies	(195)	19
Payment of balance purchase consideration of a subsidiary	-	(30,706)
Purchase of property, plant and equipment	(835)	(631)
Proceeds from sale of property, plant and equipment	-	55
Purchase of intangible assets	-	(185)
<b>Net cash used in investing activities</b>	<b>(1,030)</b>	<b>(31,448)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Proceeds from issuance of shares	27	167
(Repayment of )/proceeds from short term loans to bankers	(3,664)	3,163
Repayment of finance leasing obligations	(4)	(31)
<b>Net cash (used in) / generated from financing activities</b>	<b>(3,641)</b>	<b>3,299</b>
Net change in cash and cash equivalents	(16,691)	(22,519)
Cash and cash equivalents at beginning of period	58,908	66,901
<b>Cash and cash equivalents at end of period</b>	<b>42,217</b>	<b>44,382</b>

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	— Attributable to equity holders of the Company—						Total Equity
	Share capital	Share premium	Revenue reserve	Other reserves	Translation reserve	Minority Interest	
<b>SS'000</b>							
At 1 January 2007	88,412	-	24,241	1,189	(5,455)	13	108,400
Foreign currency translation differences	-	-	-	-	(721)	-	(721)
Hedging of net investment	-	-	-	-	(96)	-	(96)
Net profit for the period	-	-	8,619	-	-	(13)	8,606
Transfer from Other Reserves- on exercise of share options	69	-	-	(69)	-	-	-
Issuance of ordinary share for cash	167	-	-	-	-	-	167
<b>At 31 March 2007</b>	<b>88,648</b>	<b>-</b>	<b>32,860</b>	<b>1,120</b>	<b>(6,272)</b>	<b>-</b>	<b>116,356</b>
At 1 January 2008	90,343	-	54,545	653	(9,176)	14	136,379
Foreign currency translation differences	-	-	-	-	(4,560)	-	(4,560)
Net fair value changes of cashflow hedges	-	-	-	(857)	-	-	(857)
Hedging of net investment	-	-	-	-	(32)	-	(32)
Net profit for the period	-	-	12,074	-	-	(11)	12,063
Transfer from Other Reserves- on exercise of share options	11	-	-	(11)	-	-	-
Issuance of ordinary share for cash	27	-	-	-	-	-	27
<b>At 31 March 2008</b>	<b>90,381</b>	<b>-</b>	<b>66,619</b>	<b>(215)</b>	<b>(13,768)</b>	<b>3</b>	<b>143,020</b>

1(d)(i)

<b>Company</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Revenue reserve</b>	<b>Other reserves</b>	<b>Translation reserve</b>	<b>Total Equity</b>
<b>SS'000</b>						
At 1 January 2007	88,412	-	9,702	1,189	34	99,337
Foreign currency translation differences	-	-	-	-	5	5
Net profit for the period	-	-	(398)	-	-	(398)
Transfer from Other Reserves-on exercise of share options	69	-	-	(69)	-	-
Issuance of ordinary share for cash	167	-	-	-	-	167
<b>At 31 March 2007</b>	<b>88,648</b>	<b>-</b>	<b>9,304</b>	<b>1,120</b>	<b>39</b>	<b>99,111</b>
As at 1 January 2008	90,343	-	9,774	653	31	100,801
Net fair value changes of cashflow hedges	-	-	-	(857)	-	(857)
Net profit for the period	-	-	1,273	-	-	1,273
Transfer from Other Reserves-on exercise of share options	11	-	-	(11)	-	-
Issuance of ordinary share for cash	27	-	-	-	-	27
<b>At 31 March 2008</b>	<b>90,381</b>	<b>-</b>	<b>11,047</b>	<b>(215)</b>	<b>31</b>	<b>101,244</b>



(Reg No198703851D)

**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.**

During 1Q 2008, there was an issue of 75,000 ordinary shares in the capital of the Company arising from the exercise of options to subscribe for 75,000 of ordinary shares in the capital of the Company under the CSE Global Limited Executives' Share Option Scheme.

Other than the above mentioned, 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 period reported on.

#### **Share Options**

As at 31 March 2008, there were unexercised options for 4,300,500 (31 December 2007 : 4,375,500) and 57,750 (31 December 2007: 57,750) of unissued ordinary shares in the capital of the Company under the CSE Global Limited Executives' Share Option Scheme and the CSE (U.S. Subsidiaries) Incentive Stock Option Plan respectively.

**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 31 <sup>st</sup> March 2008	:	506,847,602
Number of shares as at 31 <sup>st</sup> December 2007	:	506,772,602

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

Not Applicable.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Review Engagements 2400 (Engagements to Review Financial Statements), or an equivalent standard)**

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 2007.

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

Not Applicable.

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:-

	1Q 2008	1Q 2007
<b>Earning 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	2.38	1.71*
(b) On a fully diluted basis (detailing any adjustments made to the earnings).	2.37	1.70*

**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	506,772,602	502,652,861
Weighted average number of shares issued during the period	60,833	132,500
<b>Weighted average number of shares</b>	<b>506,833,435</b>	<b>502,785,361</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 :-**

Weighted average number of shares outstanding during the period, used in computation of basic earnings per share	506,833,435	502,785,361
Weighted average number of unissued shares under share options	4,372,417	5,757,500
Number of shares that would have been issued at fair value under share options	(2,381,223)	(2,165,679)
<b>Adjusted weighted average number of shares</b>	<b>508,824,629</b>	<b>506,377,182</b>

*\*Weighted average number of shares issued during the year and weighted average number of share outstanding during the year have been adjusted for the bonus issue, the earnings per ordinary share of the Group has been computed based on adjusted issued share capital in accordance with FRS33 Earnings Per Share.*

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares capital of the issuer at the end of the:-

	31 March 2008		31 December 2007	
	Group	Company	Group	Company
Net asset value per ordinary share based on existing issued share capital (in cents)	28.22	19.98	26.91	19.89

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### Review of Performance

The Group recorded an increase in revenue of \$20.8 million (24.7%) to \$105.1 million in 1Q 2008 from \$84.3 million in 1Q 2007 and an increase in profit after tax by \$3.5 million (40.1%) to \$12.1 million in 1Q 2008 from \$8.6 million in 1Q 2007.

The expanded growth of the Group operations in the Americas more than compensated for the translation losses arising from the weaker US Dollar. In the Europe/Middle East/Africa, the Group recorded lower margin because of fewer high engineering content projects in 1Q2008 compared with 1Q 2007. The Asia-Pacific region continued to expand its operations, mainly in Australia and Singapore.

#### Performance of Geographical Segments

	1Q 2008 \$'000	1Q 2007 \$'000	Variance %
<b>Revenue</b>			
Asia-Pacific	32,212	20,545	56.8%
The Americas	40,475	36,462	11.0%
Europe/Middle East/Africa	32,429	27,285	18.9%
<b>Group</b>	<b>105,116</b>	<b>84,292</b>	<b>24.7%</b>
<b>Profit after tax, amortisation and minority interest</b>			
Asia-Pacific	5,091	1,584	221.4%
The Americas	3,613	3,294	9.7%
Europe/Middle East/Africa	3,370	3,741	-9.9%
<b>Group</b>	<b>12,074</b>	<b>8,619</b>	<b>40.1%</b>

For 1Q 2008, the geographical regions of Asia-Pacific, The Americas and Europe/Middle East/Africa contributed 30.6%, 38.5% and 30.9% to revenue and 42.2%, 29.9% and 27.9% to profit after tax and minority interest respectively.

**Performance of Business Segments**

	<b>1Q 2008</b> <b>\$'000</b>	<b>1Q 2007</b> <b>\$'000</b>	<b>Variance</b> <b>%</b>
<b>Revenue</b>			
Industrial	105,116	84,292	24.7%
IT Consulting		-	
<b>Group</b>	<b>105,116</b>	<b>84,292</b>	<b>24.7%</b>
<b>Profit after tax, amortization and minority interest</b>			
Industrial	11,964	8,433	41.9%
IT Consulting	110	186	-40.9%
<b>Group</b>	<b>12,074</b>	<b>8,619</b>	<b>40.1%</b>

*N.B.: For details on business under Industrial business unit ("IBU") and IT Consulting business unit ("ITCBU"), please refer to Part II Item 13.*

For 1Q 2008, CSE's IBU division contributed \$105.1 million to revenue and \$12.1 million to profit after tax and minority interest respectively.

**Liquidity and Capital Resources**

For 1Q 2008, CSE generated an operational cash outflow of \$12.0 million. Several major payment milestones will only be achieved in 2Q/3Q 2008. At the end of the period, CSE's net gearing was 0.38 times.

**Orders**

<b>\$'000</b>	<b>Industrial Business</b>
Q1 2008 order book in	122,543
<b>Outstanding orders as of end 1Q 2008</b>	<b>327,814</b>

For 1Q 2008 CSE received new orders totaling \$122.5 million and the outstanding orders as at end of 1Q 2008 was \$327.8 million.

**9. 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.



(Reg No198703851D)

**10. A commentary at the date of the announcement significant trends and of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

CSE expects its business environment to remain competitive in its existing markets. Taking into account the outstanding orders as at end of 1Q FY2008 of \$327.8 million and the high level of activities for its existing markets, CSE remains confident as expressed in our last quarterly announcement that its performance for FY2008 will be better than FY2007.

**11. Dividend**

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

No interim ordinary dividend has been declared or recommended during the current financial period or the previous corresponding financial period.

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

Not Applicable

**(c) Date dividend is payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

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

Not Applicable.

**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.**

**Business Segments**

The Industrial Business unit ("IBU") offers

- a. a wide and diverse range of solutions involving the implementation of Control and Safety Shutdown Systems, Plant Information Systems, Terminal Automation Systems, Pneumatic and Hydraulic Control Systems, Subsea Control Systems, Supervisory Control and Data Acquisition (SCADA) Systems, Instrumentation and Electrical Field Construction Services for applications to the Oil and Gas, Power, Water and Sewerage, Process and Utility industries on a turnkey basis;
- 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/solution 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 and 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' related information to the Healthcare industry in relation to Mental Health, Community, Maternity and Children; and
- f. 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.

IT Consulting Business Unit ("ITCBU") offers

- a. solutions for Credit Management, Cash Management, Online Internet Banking Services, Mobile / Wireless Banking, Provision of Digital Sales Force Automation with built-in Customer Relationship Management Systems and the Trade Finance to the banking and finance industry.

**14. In review of performance, the factors leading to any material changes in contributions to turnover and earnings by business or geographical segments.**

Not applicable.

**15. A breakdown of sales as follows:-**

Not applicable.

**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.

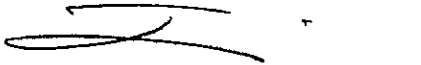
**17. Interested person transactions**

Not applicable.

**18. Confirmation by the Board**

We, Lim Ming Seong and Tan Mok Koon, 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 First Quarter ended 31 March, 2008 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: Tan Mok Koon  
Designation : Managing Director

By order of the Board

Tan San-Ju  
Company Secretary

14 May 2008