

Press Release – 4th Quarter/ Full Year 2017 Results

FY2017 Key Highlights:

- **Revenue growth of 14% to S\$362.4m**
- **Core Profit after tax and NCI before Exceptional Items at S\$13.3m vs S\$21.2m in FY16**
- **Strong order intake growth of 33.2%**
- **Remained in net cash position**
- **Proposed final and special dividend totalling 1.5 cents per share**

Singapore, 23 February 2018 – CSE Global Limited (“CSE” or the “Group”) announced today its financial results for the fourth quarter and full year ended 31 December 2017.

The Group reported a net loss in the fourth quarter (“4Q17”) of S\$37.3 million, on the back of revenue of S\$116.7 million, amid the difficult business and operating environment. For the full year ended 31 December 2017 (“FY2017”), the Group recorded a revenue and net loss of S\$362.4 million and S\$45.1 million respectively.

For FY2017, revenue increased by 14% year-on-year as compared to FY2016 due to higher revenues generated in Americas and Asia Pacific regions. Gross margins, however, were lower at 26% in FY2017 as compared to 31.7% in FY2016, arising from increased sales generated at lower margins in oil and gas projects.

Operating expenses were 21.6% higher at S\$89.6 million in FY2017 as compared to FY2016. The operating expenses in FY2017 included a one-off impairment of receivables amounting to S\$11.7 million. On a normalized basis, operating expenses in FY2017 would have slightly increased by 5.7% year-on-year to S\$77.9 million.

During the fourth quarter, the Group booked certain one-off impairments on its financial assets. Taking into account these one-off impairments made in 4Q17 as well as the one-off settlement costs recorded in 2Q17 (collectively known as “exceptional items”), the Group recognised exceptional items totalling S\$58.5 million for FY2017. Excluding the impact from the exceptional items, core profit after tax and non-controlling interests would have been S\$13.3 million in FY2017 as compared to S\$21.2 million in FY2016.

The Group recorded a loss per ordinary share of 8.75 cents in FY17 as compared to the basic earnings per ordinary share in FY16 of 4.11 cents.

New orders received for FY2017 grew by 33.2% to S\$381.9 million from S\$286.6 million in FY2016, mainly from higher large greenfield projects in the Gulf of Mexico secured in March 2017 as well as higher flow orders from greenfield (new installations) and brownfield (maintenance, upgrade and enhancement of existing installations) in Americas and Australia.

In FY2017, the Group generated a cash outflow from operations of S\$2.3 million after funding of working capital for large greenfield projects secured in the Americas regions during the period. The Group ended the period with a net cash position of S\$15.5 million, after deducting for acquisition costs of S\$8.2 million, dividend payments of S\$14.2 million and the one-off settlement costs of S\$16.6 million.

On the outlook, Mr Lim commented, “The current oil/gas and commodity prices continue to influence investment decisions and customers remain highly focused on cost control and cash flow generation. With a current outlook of the higher flow orders in greenfield and brownfield orders, the Group expects a much better performance in FY2018. Going forward, CSE will focus on cost control and consolidating the acquisitions made in FY2016 and FY2017, and will continue to explore acquisition opportunities to support its long term sustainable growth objectives.”

To reward shareholders, the Board of Directors will be proposing a final (1-tier tax-exempt) dividend of 1.0 Singapore cents per ordinary share and a special (1-tier tax-exempt) dividend of 0.5 Singapore cents per ordinary share for the financial year ended 31 December 2017. Together with the interim cash dividend of 1.25 Singapore cents per ordinary share distributed last September, CSE will be paying out a total cash dividend of 2.75 Singapore cents per ordinary share for the financial year ended 31 December 2017.

###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 1,000 employees worldwide, and operates a network of 39 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 Oil & Gas, Infrastructure and Mining 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>