

PROFIT GUIDANCE FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2022

The Board of Directors of CSE Global Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that following a preliminary review of the unaudited consolidated financial results of the Group for the second half-year ended 31 December 2022 (“**2H2022**”), the Group expects to report significantly lower net profit after non-controlling interests (“**net profit**”) for 2H2022 as compared to the net profit of S\$4.5 million for the first half-year ended 30 June 2022 (“**1H2022**”) and compared to the net profit of S\$4.9 million for the second half-year ended 31 December 2021.

As part of the Group strategy to maintain sustainable growth, it would periodically review the viability of its various business operations around the world. In 2H2022, the Group has restructured a business division in United States of America (“**USA**”) and incurred a restructuring cost of S\$1.3 million as part of its efforts to focus on profitable income stream for the future. After restructuring, it had discovered cost overruns in two projects due to under-estimation of the effort/costs to execute them amounting to S\$5.9 million and had recorded the loss in 2H2022. The Group will continue to closely monitor and manage the outstanding projects in that division.

Notwithstanding the above, the Company expects to report an overall net profit in respect of the Group for the full-year ended 31 December 2022 (“**FY2022**”).

The businesses and operations of the Group continue to face uncertainties and challenges resulting from uncertain operating environment impacted by continued supply chain disruptions and inflationary pressures.

In FY2022, the Group continues to execute its diversification strategy through a combination of organic business development by using existing skill set and knowhow to provide new solutions and enter into new markets in the data-centre, renewables and municipal market in the USA and through acquisition of critical communications solution companies in Australia, New Zealand, United Kingdom and USA. The Group recorded a new orders of S\$807.5 million for the year (an increase of 74.8% over FY2021) and ended the year with a backlog of S\$478.0 million (an increase of 108.4% over FY2021). In FY2022, it also managed to reduce the contribution to Group’s revenue from Energy segment customers to less than 50%. However, the diversification has increased its overheads and lowered its profits in FY2022.

The Group is in the process of finalising its unaudited consolidated results for 2H2022 and FY2022. The Company will provide further details of the Group’s financial performance when it releases its unaudited consolidated financial results for 2H2022 and FY2022 on or before 27th February 2023.

In the meantime, shareholders of the Company are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stock broker, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Chester Leong
Company Secretary
15 February 2023