

**CSE GLOBAL LIMITED**  
(Company Registration No. 198703851D)  
(Incorporated in Singapore)

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**RESPONSE TO THE OPEN LETTER FROM QUARZ CAPITAL MANAGEMENT, LTD.**

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The Board of Directors of CSE Global Limited (“CSE” or the “Company”) refers to the open letter dated 26 February 2018 from Quarz Capital Management, Ltd. (“Quarz”) to CSE.

CSE welcomes Quarz as a shareholder and as with all shareholders, many of whom have been with CSE for years, Quarz is welcome to attend CSE’s Annual General Meetings (“AGMs”). In addition, CSE also organizes quarterly results briefings to provide a platform for analysts and fund managers to engage effectively with the management team. The AGMs and results briefings have provided opportunities where many of the issues highlighted in the open letter have been raised and considered.

CSE thanked Quarz for the meeting on 5 March 2018 and the opportunity to discuss the issues that were raised in the open letter. CSE attached a copy of the letter sent by Quarz (as part of this announcement as per Appendix A) subsequent to the meeting as public record of the discussion.

By Order Of The Board

Lai Kuan Loong, Victor  
Company Secretary

7 March 2018

**QUARZ CAPITAL MANAGEMENT, LTD. ISSUES OPEN LETTER TO  
THE MANAGEMENT AND BOARD OF CSE GLOBAL (SGX: 544)**

ALL RECIPIENTS ARE ADVISED TO READ  
**"IMPORTANT DISCLOSURE INFORMATION"**  
AT THE END OF THE ATTACHED LETTER

QUARZ CAPITAL MANAGEMENT, LTD.  
CLIFTON HOUSE 75 FORT STREET  
GEORGE TOWN | KY1-1108 | GRAND CAYMAN  
CAYMAN ISLANDS

7 March 2018

**DIVIDEND GUIDANCE FOR 2018, COMMITMENT TO RIGHTSIZE COST BASE AND FOCUS ON GROWTH  
DRIVERS**

Dear Mr. Lim, Mr. Foo and Members of the Board,

We thank Mr. Lim Boon Kheng, Mr. Lim Ming Seong and Mr. Eddie Foo for our discussions which cover our strategic proposals, the performance in each of CSE's business segments and potential growth drivers. During our discussions with the company, we concluded together that a reasonable dividend guidance can serve as the best tool to reassure CSE's shareholder base on the continuing strong fundamentals of the firm.

Quarz Capital welcomes CSE's board and management for providing a clear dividend guidance of S\$0.0275 per share for 2018 (S\$0.0025 of the dividend will be confirmed in 2Q18) amounting to a potential attractive dividend yield of 7.4%. Together with the already declared dividend of S\$0.015 in Feb 2018, the firm will potentially pay a total dividend yield of 11.4% by May 2019 to shareholders, making them one of the highest dividend payers on SGX's mainboard.

Additionally, we are supportive of management's commitment to continue with the rightsizing and turnaround of CSE's existing US business with the goal of achieving higher profitability in 2018. The firm has also provided a long-term target return on equity of >10%. Acquisitions will be integrated wherever possible to increase synergies and cost savings. The company has identified its growth areas and will focus on building its capabilities in onshore and deepwater Oil & Gas in the US and increasing its market share in the commercial Digital Mobile Radio (DMR) 2-way radio network for critical infrastructures in Australia.

While the priority for now is to increase CSE's profitability, we will continue our discussion with board and management to improve the alignment of top management's compensation with shareholders' interest.

Board and management are committed to improving their investor relations' efforts and providing the investment community with a more in-depth understanding of the firm's operations and growth drivers.

Quarz Capital is committed to maintain close engagement and collaboration with board and management to increase shareholder value.

Sincerely yours,

Mr. Jan F. Moermann  
Chief Investment Officer, Quarz Capital Management, Ltd.

Mr. Havard Chi, CFA  
Head of Research, Quarz Capital Asia (Singapore)

***For further information, please contact:***

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**About Quarz Capital Management**

Quarz Capital Management, Ltd. is a value oriented and research driven investment advisory firm that seeks to earn above average, long-term returns by identifying value investments across the globe.  
www.quarzcapital.com

**IMPORTANT DISCLOSURE INFORMATION**

**SPECIAL NOTE REGARDING THIS LETTER**

THIS LETTER CONTAINS OUR CURRENT VIEWS ON THE VALUE OF CSE GLOBAL LIMITED'S SECURITIES AND ACTION THAT CSE GLOBAL LIMITED'S BOARD MAY TAKE TO ENHANCE THE VALUE OF ITS SECURITIES. OUR VIEWS ARE BASED ON OUR ANALYSIS OF PUBLICLY AVAILABLE INFORMATION AND ASSUMPTIONS WE BELIEVE TO BE REASONABLE. THERE CAN BE NO ASSURANCE THAT THE INFORMATION WE CONSIDERED IS ACCURATE OR COMPLETE, NOR CAN THERE BE ANY ASSURANCE THAT OUR ASSUMPTIONS ARE CORRECT. CSE GLOBAL LIMITED ACTUAL PERFORMANCE AND RESULTS MAY DIFFER MATERIALLY FROM OUR ASSUMPTIONS AND ANALYSIS. WE HAVE NOT SOUGHT, NOR HAVE WE RECEIVED, PERMISSION FROM ANY THIRD-PARTY TO INCLUDE THEIR INFORMATION IN THIS LETTER. ANY SUCH INFORMATION SHOULD NOT BE VIEWED AS INDICATING THE SUPPORT OF SUCH THIRD PARTY FOR THE VIEWS EXPRESSED HEREIN. WE DO NOT RECOMMEND OR ADVISE, NOR DO WE INTEND TO RECOMMEND OR ADVISE, ANY PERSON TO PURCHASE OR SELL SECURITIES AND NO ONE SHOULD RELY ON THIS LETTER OR ANY ASPECT OF THIS LETTER TO PURCHASE OR SELL SECURITIES OR CONSIDER PURCHASING OR SELLING SECURITIES. ALTHOUGH WE STATE IN THIS LETTER WHAT WE BELIEVE SHOULD BE THE VALUE OF CSE GLOBAL LIMITED'S SECURITIES, THIS LETTER DOES NOT PURPORT TO BE, NOR SHOULD IT BE READ, AS AN EXPRESSION OF ANY OPINION OR PREDICTION AS TO THE PRICE AT WHICH CSE GLOBAL LIMITED'S SECURITIES MAY TRADE AT ANY TIME. AS NOTED, THIS LETTER EXPRESSES OUR CURRENT VIEWS ON CSE GLOBAL LIMITED. IT ALSO DISCLOSES OUR CURRENT HOLDINGS OF CSE GLOBAL LIMITED SECURITIES. OUR VIEWS AND OUR HOLDINGS COULD CHANGE AT ANY TIME. WE MAY SELL ANY OR ALL OF OUR HOLDINGS OR INCREASE OUR HOLDINGS BY PURCHASING ADDITIONAL SECURITIES. WE MAY TAKE ANY OF THESE OR OTHER ACTIONS REGARDING CSE GLOBAL LIMITED WITHOUT UPDATING THIS LETTER OR PROVIDING ANY NOTICE WHATSOEVER OF ANY SUCH CHANGES. INVESTORS SHOULD MAKE THEIR OWN DECISIONS REGARDING CSE GLOBAL LIMITED AND ITS PROSPECTS WITHOUT RELYING ON, OR EVEN CONSIDERING, ANY OF THE INFORMATION CONTAINED IN THIS LETTER.

As of the publication date of this report, Quarz Capital Management Ltd. and its affiliates (collectively "Quarz"), others that contributed research to this report and others that we have shared our research with (collectively, the "Authors") have long positions in and own options on the stock of the company covered herein (CSE GLOBAL) and stand to realize gains in the event that the price of the stock increases. Following publication of the report, the Authors may transact in the securities of the company covered herein. All content in this report represent the opinions of Quarz. The Authors have obtained all information herein from sources they believe to be accurate and reliable. However, such information is presented "as is", without warranty of any kind – whether express or implied. The Authors make no representation, express or implied, as to the accuracy, timeliness, or completeness of any such information or with regard to the results obtained from its use. All expressions of opinion are subject to change without notice, and the Authors do not undertake to update or supplement this report or any information contained herein.

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IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE EXPECTATIONS SET FORTH IN THIS LETTER INCLUDE, AMONG OTHER THINGS, THE FACTORS IDENTIFIED IN THE RISK SECTIONS IN CSE GLOBAL LIMITED ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31ST, 2016 AND PROSPECTUS. SUCH FORWARD-LOOKING STATEMENTS SHOULD THEREFORE BE CONSTRUCTED IN LIGHT OF SUCH FACTORS, AND QUARZ CAPITAL MANAGEMENT IS UNDER NO OBLIGATION, AND EXPRESSLY DISCLAIMS ANY INTENTION OR OBLIGATION, TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE, EXCEPT AS REQUIRED BY LAW.