

CSE GLOBAL LIMITED

(Company Registration No. 198703851D)
(Incorporated in Singapore)

SETTLEMENT AGREEMENT

1. Settlement Agreement

The Board of Directors of CSE Global Limited (“**CSE**”) wishes to announce that CSE and its wholly-owned Singapore subsidiary, CSE-Transtel Pte. Ltd. (“CSE Transtel”), have entered into a settlement agreement with the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”). Under the terms of the settlement agreement, CSE and CSE Transtel agreed to pay US\$12,027,066 to settle its potential civil liability for alleged violations of the International Emergency Economic Powers Act (IEEPA) and the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (ITSR).

The alleged violations, which occurred from on or about June 4 2012 to on or about March 27 2013, arose out of the payments, in US dollars, for non-US goods and services lawfully rendered by CSE Transtel, directly or indirectly through non-US third party vendors, to Iran or persons located in Iran. CSE Transtel made these payments in US dollars through a non-US financial institution.

After due and careful consideration, CSE and CSE Transtel have agreed to settle with OFAC, the matter of the alleged violations as the alternative would have been a costly and lengthy litigation in the United States, which would take up much of management time and resources, the outcome of which is not at all certain.

As part of the settlement process, OFAC has released and discharged CSE and CSE Transtel permanently, without any finding of fault, from any and all civil liability in connection with the alleged violations arising under the legal authorities that OFAC administers.

While the settlement with OFAC is very much regretted, the Board of CSE has taken active remedial steps to review its business and operational processes to ensure that such alleged violations or anything similar will not happen again.

2. Financial Impact

CSE is expected to recognise a one-time exceptional charge of US\$12.0 million (approximately S\$16.6 million). Although this is a non-operational item, this one-time charge is likely to result in a net loss for 2Q17 and a drag on the full year 2017 performance, notwithstanding that the core business is likely to remain profitable.

3. Interests of Directors and Controlling Shareholders

None of the Directors or Controlling Shareholders of CSE has an interest, direct or indirect, in the settlement agreement other than through their respective shareholding interests, if any, in CSE.

By Order of the Board

Lai Kuan Loong, Victor
Company Secretary
22 July 2017