

**CSE GLOBAL LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number:198703851D)

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**ACQUISITION OF PROPERTY**

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**1. INTRODUCTION**

- 1.1 The Board of Directors (“**Board**”) of CSE Global Limited (the “**Company**” or “**CSE**”) wishes to announce that its indirect wholly-owned subsidiary, CSE Americas, Inc., together with its subsidiaries, has acquired 100% of the issued and outstanding membership interests (“**Membership Interests**”) of Volta Properties, LLC (known as “**Volta Properties**”) from Bradley Davis (known as “**Seller**”) under an Membership Interest Purchase Agreement (“**MIPA**”), (“**Acquisition**”).

The Seller is an independent third party unrelated to any of the directors, substantial shareholders or controlling shareholders, or their respective associates (as defined in the Listing Manual of the SGX-ST), of the Company. As at the date of this announcement, the Seller does not have any shareholding interests, direct or indirect, in the Company.

**2. INFORMATION ON VOLTA PROPERTIES**

Volta Properties owns a 100% interest in two properties (“the **Properties**”) at 1616 Gears Road and 1702 Gears Road, both located in Houston, Harris County, Texas. Volta Properties is a Texas limited liability company that leases land, offices and warehouses to Volta, LLC. The Properties has a land area of 16.7 acres.

**3. RATIONALE FOR THE ACQUISITION**

- (a) The Properties is directly occupied by the newly acquired subsidiary, Volta, LLC and this will enable the Company to continue operating under one roof in the present location with minimal disruption to its operations.
- (b) The Properties will continue to enhance management control and operational efficiencies and foster closer interaction among staff.
- (c) The Properties will also cater for the potential expansion of its Texas operations along with the planned revenue growth.
- (d) Aside from the above, the purchase of our own office premises will also help to allay rental cost pressures.

#### 4. PRINCIPAL TERMS OF THE ACQUISITION

##### 4.1 Consideration

The aggregate consideration for the Acquisition shall be US\$17 million (S\$23.6 million) (“**Consideration**”) payable in cash, comprising of US\$7.9 million (S\$11.0 million) to the Seller and US\$9.1 million (S\$12.6 million) for the repayment of the outstanding loans upon signing of the MIPA. The Consideration was arrived at following arm’s length negotiations between CSE and the Seller on a willing-buyer-willing-seller basis, after taking into consideration the location, rental income, occupancy, and the current market conditions. The independent valuation as at 26 July 2019 of the Properties by Colliers International Valuation and Advisory Services, which was appointed by CSE, is US\$16.3 million and derived using the direct capitalisation, sales comparison and replacement cost valuation approach.

##### 4.2 Source of funds for the Acquisition

The Acquisition will be financed using internal resources and bank borrowings.

#### 5. FINANCIAL EFFECTS

The Acquisition is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ending 31 December 2019.

#### 6. RELATIVE FIGURES OF THE ACQUISITION UNDER CHAPTER 10 OF THE LISTING MANUAL

##### 6.1 Relative Figures Pursuant to Rule 1006 of the Listing Manual

The relative figures in respect of the Acquisition, as computed on the bases set out in Rule 1006 of the Listing Manual and based on the latest announced unaudited consolidated financial statements of the Group for the period ended 30 June 2019, are as follows:

Bases of calculation		Size of relative figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable <sup>(1)</sup>
(b)	The net profits <sup>(2)</sup> attributable to the assets acquired or disposed of, compared with the Group's net profits.	2.8 <sup>(3)</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation <sup>(4)</sup> based on the total number of issued shares excluding treasury shares.	10.9 <sup>(5)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves <sup>(6)</sup> .	Not applicable

**Notes:**

- (1) This base is not applicable to an acquisition of assets.
- (2) "Net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (3) Based on the unaudited net profits of Volta Properties of US\$0.25 million (S\$0.35 million) for the period ended 30 June 2019 and the Group's unaudited net profits of S\$12.6 million for the period ended 30 June 2019.
- (4) The market capitalisation of the Company is determined by multiplying the Company's total number of issued shares of 507,950,352 by S\$0.4261, being the weighted average share price of the Company's shares on 29 August 2019, being the market day preceding the date of the MIPA.
- (5) Based on the Consideration payable by the Company.
- (6) This is only applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

This announcement is made pursuant to Rule 1010 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Acquisition is a discloseable transaction under Chapter 10 of the Listing Manual of the SGX-ST as the Consideration constitutes more than 5% of the Company's market capitalisation on 29 August 2019.

**7. SERVICE AGREEMENTS**

No person will be appointed to the Board in connection with the Acquisition and no service contracts in relation thereto will be entered into by the Company.

**8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the directors or controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect, in the Acquisition, other than through their respective shareholdings in the Company.

**9. DIRECTORS' RESPONSIBILITY STATEMENT**

The directors of the Company (including any who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and the directors of the Company jointly and severally accept full responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Sellers and Volta, the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.



**10. DOCUMENTS FOR INSPECTION**

A copy of the MIPA is available for inspection during normal business hours at the registered office of CSE at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 for a period of three (3) months from the date of this announcement.

**By Order of the Board**

Tan Lay Hong  
Company Secretary  
3 September 2019