

**CSE GLOBAL LIMITED**

(Company Registration No. 198703851D)

(Incorporated in Singapore)

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**PROPOSED PLACEMENT OF 60,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE PLACEMENT PRICE OF S\$0.40 PER PLACEMENT SHARE**

**– ENTRY INTO PLACEMENT AGREEMENT**

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**1. INTRODUCTION**

- 1.1 The board of directors (the "**Board**" or the "**Directors**") of CSE Global Limited (the "**Company**") wishes to announce that the Company has on 14 March 2024 entered into a placement agreement with Maybank Securities Pte. Ltd. (the "**Placement Agent**") (the "**Placement Agreement**").
- 1.2 Pursuant to the Placement Agreement, the Company has agreed to offer, by way of placement, and the Placement Agent has agreed, on a best efforts basis, to procure subscriptions for, an aggregate of 60,000,000 fully paid-up ordinary shares in the capital of the Company (the "**Placement Shares**") at an issue price of S\$0.40 for each Placement Share (the "**Placement Price**"), amounting to an aggregate consideration of S\$24,000,000 (the "**Proposed Placement**").
- 1.3 The Proposed Placement is not underwritten and will be undertaken by way of an exempt offering in Singapore in accordance with Section 272B (private placement), Section 274 (offer made to institutional investors) and Section 275 (offer made to accredited investors and certain other persons) of the Securities and Futures Act 2001 of Singapore and by way of a placement outside Singapore to institutional and other investors. Accordingly, no prospectus, offer document or offer information statement will be issued by the Company in connection with the Proposed Placement.
- 1.4 The offer of Placement Shares under the Proposed Placement will be made to eligible institutional, accredited and other investors. The Placement Shares to be offered under the Proposed Placement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the U.S., except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state laws. The Placement Shares are only being offered and sold outside the U.S. in "offshore transactions" as defined in and in accordance with Regulation S under the Securities Act. The Company does not intend to conduct a public offering of securities in the U.S. The Company, along with the Placement Agent, reserves the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

**2. THE PROPOSED PLACEMENT**

**2.1 Placement Price**

The Placement Price of S\$0.40 for each Placement Share was arrived at pursuant to discussions with the Placement Agent, taking into account, among others, the prevailing market price of the ordinary shares of the Company (the "**Shares**"). The Placement Price of S\$0.40 for each Placement Share represents a discount of approximately 6.6% to the volume weighted average price of S\$0.4281 per Share based on trades done on the Shares on the Singapore

Exchange Securities Trading Limited (the "**SGX-ST**") on 13 March 2024, being the last full market day preceding the date the Placement Agreement was signed.

## **2.2 Placement Shares**

The 60,000,000 Placement Shares represent approximately 9.8% of the existing issued Shares as at the date of this announcement, comprising 614,882,023 Shares (excluding treasury shares) and will represent approximately 8.9% of the enlarged issued Shares immediately after the Proposed Placement, comprising 674,882,023 Shares (excluding treasury shares).

The Placement Shares will be issued free from all claims, pledges, mortgages, charges, liens and encumbrances, and shall rank *pari passu* with the existing Shares in all respects, except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of the issue of the Placement Shares.

The Placement Shares are expected to be issued before the record date of 10 May 2024 for, and accordingly are expected to rank for, the final one-tier exempt cash dividend of 1.5 Singapore cents for each Share (the "**FY2023 Final Dividend**") recommended by the Directors and announced by the Company on 27 February 2024, which is subject to shareholders' approval for the payment of the dividend at the forthcoming annual general meeting of the Company scheduled for 29 April 2024.

The Placement Shares will not be placed to any person who is a director or a substantial shareholder of the Company, or any other person in the categories set out in Rule 812(1) of the SGX-ST Listing Manual, unless such subscription is otherwise agreed to by the SGX-ST. The Proposed Placement will not result in any transfer of controlling interest in the Company.

## **2.3 Shareholders' Approval for the Issuance of the Placement Shares**

The Company will be relying on the existing general share issue mandate approved by shareholders of the Company by way of an ordinary resolution at the annual general meeting of the Company held on 20 April 2023 (the "**2023 Share Issue Mandate**"). The 2023 Share Issue Mandate authorises the Directors to allot and issue new Shares and/or convertible securities of not more than 50% of the issued share capital of the Company as at the time of passing of the resolution to approve the 2023 Share Issue Mandate, of which the aggregate number of Shares and convertible securities issued other than on a pro rata basis to the existing shareholders of the Company shall not exceed 20% of the issued share capital of the Company as at the time of passing of the resolution to approve the 2023 Share Issue Mandate.

As at the time of passing of the resolution to approve the 2023 Share Issue Mandate, the Company had 614,882,023 Shares in issue and had 3,666,166 Shares in treasury. As such, the total number of Shares that may be issued pursuant to the 2023 Share Issue Mandate is 307,441,011 Shares, of which no more than 122,976,404 Shares may be issued for a non pro rata subscription. No new Shares have been issued under the 2023 Share Issue Mandate, and as such, the total number of Shares that may be issued pursuant to the 2023 Share Issue Mandate is 307,441,011 Shares, of which no more than 122,976,404 Shares may be issued for a non pro rata subscription.

Accordingly, prior approval of the shareholders of the Company is not required for the allotment and issuance of the Placement Shares under the Proposed Placement.

## 2.4 Additional Listing Application

The Company will be applying to the SGX-ST for the dealing in, listing of and quotation for the Placement Shares on the SGX-ST Mainboard and will make the necessary announcement upon receipt of the approval-in-principle from the SGX-ST.

## 3. SALIENT TERMS OF THE PLACEMENT AGREEMENT

### 3.1 Placement Commission

In consideration of the agreement of the Placement Agent procuring subscriptions on a best efforts basis for the Placement Shares, the Company shall pay to the Placement Agent, a placement commission of 3.0% of the Placement Price multiplied by such number of Placement Shares for which the Placement Agent has procured subscribers (and if applicable, goods and services tax thereon).

### 3.2 Placement Completion

Subject to the terms and conditions of the Placement Agreement, completion of the Proposed Placement (the "**Completion**" and the date of Completion, the "**Completion Date**") is expected to take place on the date falling one (1) business day after the date on which the SGX-ST grants its in-principle approval for the listing and quotation of the Placement Shares on the SGX-ST.

### 3.3 Conditions Precedent

Completion of the Proposed Placement pursuant to the Placement Agreement is conditional upon, *inter alia*, the following conditions:

- (a) the representations and warranties of the Company being true and correct on the Completion Date as though they had been given and made on such date with reference to the facts and circumstances then subsisting and the Company having performed all its obligations to be performed under the Placement Agreement on or before the Completion Date;
- (b) the transactions contemplated by the Placement Agreement not being prohibited by law or regulation or interpretation thereof (including without limitation, any statute, order, rule, regulation, request, judgement or directive promulgated or issued by any legislative, executive, judicial or regulatory body or authority (including without limitation, the Monetary Authority of Singapore and the SGX-ST)) in Singapore or any other jurisdiction which is applicable to the Company or the Placement Agent; and
- (c) the receipt of the approval-in-principle from the SGX-ST for the listing and quotation of the Placement Shares on the Mainboard of the SGX-ST; there not having occurred any revocation, amendment or withdrawal of such approval and where such approval is subject to conditions, such conditions being acceptable to the Placement Agent and the Company, and to the extent that any conditions to such approval are required to be fulfilled on or before the Completion Date, they are so fulfilled to the satisfaction of the SGX-ST or waived by the SGX-ST.

#### 4. RATIONALE OF THE PROPOSED PLACEMENT AND USE OF PROCEEDS

##### 4.1 Rationale

The Company has decided to undertake the Proposed Placement in order to increase resources available to it to pursue further inorganic growth through strategic acquisitions or investments primarily in its existing markets, including the United States of America (the "U.S."), Australia and New Zealand.

##### 4.2 Use of Proceeds

The estimated net proceeds from the Proposed Placement, after deducting estimated fees and expenses (including listing and application fees, the commission payable to the Placement Agent, professional fees and other miscellaneous expenses of approximately S\$850,000), is approximately S\$23,150,000 (the "Net Proceeds"). The Company intends to apply 100% of such Net Proceeds to finance, in part or in whole, such strategic acquisitions or investments.

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

The Company will make periodic announcement(s) on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Proceeds in the Company's full-year financial statements and/or its annual report(s). Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. Where the Net Proceeds are re-allocated for use for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcement(s) and annual report(s).

#### 5. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

5.1 The *pro forma* financial effects of the Proposed Placement on the Company's share capital, net tangible assets ("NTA") per Share and earnings per Share ("EPS") as set out below are strictly for illustrative purposes and are not indicative or reflective of the actual financial position and results of the Group following the completion of the Proposed Placement.

5.2 The pro forma financial effects have been prepared based on the latest unaudited financial results of the Group for the financial year ended 31 December 2023 ("FY2023"), on the following bases and assumptions:

- (a) 60,000,000 Placement Shares are allotted and issued;
- (b) the Proposed Placement had been completed on 31 December 2023 for the purpose of illustrating the financial effects on the NTA;
- (c) the Proposed Placement had been completed on 1 January 2023 for the purpose of illustrating the financial effects on the EPS; and
- (d) the expenses incurred by the Company in connection with the Proposed Placement amount to S\$850,000.

5.3 **NTA per Share**

	<b>Before the Proposed Placement</b>	<b>After the Proposed Placement</b>
NTA <sup>(1)</sup> as at 31 December 2023 (S\$'000)	122,740	145,890
Number of Shares (excluding treasury shares)	614,882,023	674,882,023
NTA per Share (Singapore cents)	19.96	21.62

**Note (1):**

NTA means total assets less the sum of total liabilities, non-controlling interests and intangible assets

5.4 **EPS**

	<b>Before the Proposed Placement</b>	<b>After the Proposed Placement</b>
Net earnings for FY2023 (S\$'000)	22,511	22,511
Number of Shares (excluding treasury shares)	614,882,023	674,882,023
EPS (Singapore cents)	3.66	3.34

**6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company, none of the Directors or substantial shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Placement.

**7. FURTHER ANNOUNCEMENTS**

The Company will make the appropriate announcements as and when there are material developments on the Proposed Placement.

**8. NOTIFICATION UNDER SECTION 309B OF THE SFA**

The Placement Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products

(as defined in MAS Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**9. CAUTIONARY STATEMENT**

Shareholders should note that the Proposed Placement remains subject to, amongst others, the fulfilment of the conditions precedent under the Placement Agreement. There is no certainty or assurance that the conditions precedent for the Proposed Placement can be fulfilled or that the Proposed Placement will be undertaken at all. Shareholders, securityholders and investors are advised to read this announcement and any past and future announcements by the Company carefully when dealing with the Shares and securities of the Company. Shareholders, securityholders, and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their Shares or securities of the Company.

**BY ORDER OF THE BOARD**

**Lim Boon Kheng**  
**Group Managing Director**

14 March 2024