

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

SERBA DINAMIK HOLDINGS BERHAD

The Board of Directors of CSE Global Limited (“**CSE**” or the “**Company**”) welcomes Serba Dinamik Holdings Berhad (“**Serba**”) as a new shareholder of the Company. Serba has requested for two board seats and the request is currently being reviewed by the Nominating Committee (the “**NC**”) of the Company. The Company will announce the appointments after the due process has been completed by the NC and Board.

The Board of Directors and Management of CSE look forward to work with Serba’s team to leverage on each other customers base and know-how for the benefits of all stakeholders.

CSE has attached a copy of the announcement made via Bursa Malaysia by Serba on 13 April 2018 (as part of this announcement as per Appendix A).

By Order Of The Board

Lai Kuan Loong, Victor
Company Secretary

16 April 2018

SERBA DINAMIK HOLDINGS BERHAD (“SDHB” OR THE “COMPANY”)

PROPOSED ACQUISITION OF 128,166,250 ORDINARY SHARES IN CSE GLOBAL LIMITED (“CSE GLOBAL”), REPRESENTING APPROXIMATELY 24.84% OF THE TOTAL NUMBER OF ISSUED SHARES OF CSE GLOBAL, BY SERBA DINAMIK INTERNATIONAL LTD (“SDIL”), A WHOLLY-OWNED SUBSIDIARY OF SDHB, FOR A TOTAL CASH CONSIDERATION OF APPROXIMATELY SGD57.67 MILLION (EQUIVALENT TO APPROXIMATELY RM170.57 MILLION) (“PURCHASE CONSIDERATION”), FROM CERTAIN EXISTING SHAREHOLDERS OF CSE GLOBAL (“PROPOSED ACQUISITION”)

Unless otherwise stated, the exchange rate of Singapore Dollars (“SGD”) 1.00:Ringgit Malaysia (“RM”) 2.9574, being Bank Negara Malaysia’s prevailing middle rate as at 5.00 p.m. on 12 April 2018, being the latest practicable date prior to release of this announcement (“LPD”), has been applied in this announcement for illustration purposes.

1. INTRODUCTION

The Board of Directors of SDHB (“**Board**”) wishes to announce that the Company’s wholly-owned subsidiary, SDIL had on 13 April 2018 entered into eight (8) separate conditional share sale and purchase agreements in relation to the Proposed Acquisition (each an “**SPA**” and collectively “**SPAs**”) with the following existing shareholders of CSE Global:-

- (i) Tan Mok Koon;
- (ii) CAM-GTF Limited (“**CAM-GTF**”);
- (iii) FIL Investment Management (Hong Kong) Limited as professional fiduciary for the accounts namely AVALS, F/ASCO, F/SPD and PFII (“**FIL**”);
- (iv) Raffles-Asia Investment Company (“**Raffles-Asia**”);
- (v) George Lee Private Limited (“**GLPL**”);
- (vi) CAM GTi Limited (“**CAM GTi**”);
- (vii) Lee Chuan Su Ian; and
- (viii) Irene Lee.

(Tan Mok Koon, CAM-GTF, FIL, Raffles-Asia, GLPL, CAM GTi, Lee Chuan Su Ian and Irene Lee are hereinafter collectively referred to as the “**Vendors**”).

Further details of the Proposed Acquisition are set out in the ensuing sections.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Salient terms of the Proposed Acquisition

For the purpose of this Section 2.1, the following terms shall have the following respective meanings:-

- “**Business Day**” : means a day (excluding Saturdays, Sundays and gazetted public holidays in Singapore) on which banks are open for business in Singapore.
- “**Closing Date**” or “**Completion Date**” : means the day on which the last of the conditions precedent in Clause 3.1 of the SPA has been satisfied (or otherwise waived by the respective entitled Party) on which Closing or Completion takes place, such date falling on or before 13 April 2018, or such other date as the Parties may agree to in writing. Please refer to Section 2.1.2 for details of the Conditions Precedent.

- “Closing” or “Completion”** : means completion of the sale and purchase of the Sale Shares pursuant to Clause 6 of the SPA and **“Close”** or **“Complete”** shall be construed accordingly.
- “Encumbrance”** : means and includes any interest or equity or adverse claims of any matter whatsoever or any person, including without prejudice to the generality of the foregoing, any right to acquire, option over, right of pre-emption, right of retention of title, mortgage, charge (whether fixed or floating), pledge, lien, assignment, priority or security interest or arrangement of whatsoever nature or any obligation (including any conditional obligation) to create any of the same, over or in the relevant property.
- “Exchange”** : means the Singapore Exchange Securities Trading Limited.
- “Group”** : means CSE Global and its subsidiaries collectively and **“Group Member”** means each of them.
- “Market Day”** : means a day on which the Exchange is open for securities trading.
- “MAS”** : means the Monetary Authority of Singapore.
- “Parties”** : means the Vendors and the Purchaser, collectively and each, a **“Party”**.
- “Purchase Consideration”** : means the purchase consideration in each of the SPA to be satisfied wholly in cash, in the proportion set out below:-

Name of Vendor	Number of Sale Shares (% of CSE Global)	Purchase Consideration
Tan Mok Koon	57,234,650 (11.09%)	SGD25,755,592.50
CAM-GTF	34,831,800 (6.75%)	SGD15,674,310
FIL	12,400,100 (2.40%)	SGD5,580,045
Raffles-Asia	10,652,000 (2.06%)	SGD4,793,400
GLPL	10,272,000 (1.99%)	SGD4,622,400
CAM GTi	1,412,800 (0.27%)	SGD635,760
Lee Chuan Su lan	790,000 (0.15%)	SGD355,500
Irene Lee	572,900 (0.11%)	SGD257,400
TOTAL	128,166,250 (24.84%)	SGD57,674,812.50

- “Purchaser”** : means SDIL.
- “Shares”** : means the issued and fully-paid ordinary shares in the share capital of CSE Global which are duly and freely listed and quoted and are freely tradeable without limitation or restriction on the Exchange, and a **“Share”** shall be construed accordingly.
- “Sale Shares”** : means the aggregate of 128,166,250 Shares representing approximately 24.84% of the issued share capital of CSE Global, legally and beneficially owned by and registered in the name of the respective Vendors (or the accounts for which the Vendor acts) in the proportion set out in Schedule 1 of each of the SPAs (as set out below), and a **“Sale Share”** shall be construed accordingly;

Name of Vendor	Number of Sale Shares (% of CSE Global)
Tan Mok Koon	57,234,650 (11.09%)
CAM-GTF	34,831,800 (6.75%)
FIL	12,400,100 (2.40%)
Raffles-Asia	10,652,000 (2.06%)
GLPL	10,272,000 (1.99%)
CAM GTi	1,412,800 (0.27%)
Lee Chuan Su lan	790,000 (0.15%)
Irene Lee	572,900 (0.11%)
TOTAL	128,166,250 (24.84%)

- “SIC”** : means the Securities Industry Council of Singapore.
- “Vendors”** : means Tan Mok Koon, CAM-GTF, FIL, Raffles-Asia, GLPL, CAM GTi, Lee Chuan Su lan and Irene Lee collectively and **“Vendor”** means each of them.

The salient terms of the SPAs include, *inter alia*, the following:-

2.1.1 Sale and purchase of Sale Shares

The Sale Shares shall be sold by the Vendors to the Purchaser for the Purchase Consideration:-

- (i) together with all rights, benefits and entitlements attaching and accruing thereto (including, without limitation, the rights to any dividends or other distributions declared or payable thereon);
- (ii) free from all Encumbrances to be freely dealt with by the Purchaser;
- (iii) ranking *pari passu* with all existing Shares;
- (iv) duly admitted to the official list of the Exchange and freely listed, quoted and tradeable on the Exchange without limitation or restriction, and
- (v) not subject to any moratorium on disposal placed by CSE Global or the Exchange or by contractual undertaking or otherwise or under any restrictions by any government authority or regulatory authority restricting the sale and transfer of the Sale Shares.

2.1.2 Conditions Precedent

The sale and purchase of the Sale Shares and Closing of the SPA shall be subject to the fulfilment and satisfaction (or waiver by the respective entitled Party) of all the conditions set out below, on or prior to the Closing Date:-

- (a) the Vendor (or the accounts for which the Vendor acts) being, on the Closing Date, (a.) the sole legal, beneficial and registered owner of all his/her/its respective Sale Shares and not holding the same on trust for other parties, and (b.) entitled to sell and transfer to the Purchaser the full legal title and beneficial ownership of his/her/its respective Sale Shares together with all rights, benefits and entitlements attaching and accruing thereto (including, without limitation, the rights to any dividends or other distributions declared or payable thereon);
- (b) the Sale Shares (a.) being free from all Encumbrances to be freely dealt with by the Purchaser, (b.) being validly issued and authorised and ranking *pari passu* with all existing Shares, (c.) being duly admitted to the official list of the Exchange and freely listed, quoted and tradeable without limitation or restriction on the Exchange, and (d.) being not subject to any restriction on disposal placed by CSE Global or by contractual undertaking or otherwise or under any restrictions by any government authority or regulatory authority restricting the sale and transfer of the Sale Shares;
- (c) there are no third party claimants to and/or disputes relating to ownership of and/or title to the Sale Shares;
- (d) the Shares have not been suspended from trading on the Exchange or have not otherwise been untradeable or subject to any trading halt imposed by the Exchange for an aggregate of three (3) or more Market Days during the six (6) months before and including the Closing Date;

- (e) the approval of the corporate Vendors' respective (a.) boards of directors and (b.) shareholders (as may be required under their constitutive documents or under the relevant laws and rules applicable to them respectively); (c.) the approvals of their respective investment committees (if applicable); for the entering into of the SPA and the transactions under the SPA and any related transactions as may be required in relation thereto;
- (f) all licenses, consents, approvals, waivers, authorisations or other orders of and all notices, registrations, submissions or filings with all relevant government bodies, statutory authorities or regulatory, administrative or supervisory bodies (including, without limitation, the Exchange, MAS and SIC, third party contractors, counterparties, financing or facility providers of CSE Global as may be required for or in connection with the sale and transfer of the Sale Shares to the Purchaser by the Vendor having been unconditionally obtained or made (as the case may be) and remaining in full force and effect and all conditions of each such authorisation having been complied with, and all other actions having been taken by or on behalf of the Vendor to comply with all legal and other requirements applicable to the Vendor, necessary to ensure that the transfer of the Sale Shares is in accordance with, and do not infringe any, existing law, regulation, guidelines, contract or agreement;
- (g) all licenses, consents, approvals, waivers, authorisations or other orders of and all notices, registrations, submissions or filings with all relevant government bodies, statutory authorities or regulatory, administrative or supervisory bodies, that are necessary to enable each Group Member to carry out all their respective businesses and operations in all jurisdictions have been obtained or made (as the case may be) being in full force and effect and all conditions of each such authorisation having been complied with and all other actions have been taken by or on behalf of each Group Member to comply with all legal and other requirements applicable to such Group Member, necessary to ensure that the carrying out of its respective businesses and operations in all jurisdictions are in accordance with, and do not infringe any, existing law, regulation, guidelines, contract or agreement;
- (h) there being no change or any development likely to result in a material adverse change in the condition (financial or otherwise), operations, business, assets and undertakings of CSE Global and its Group as a whole from that as at the date of the SPA nor any breach of, nor the occurrence of any event or the discovery of any matter rendering untrue or incorrect, any of the Vendors' representations, warranties or undertakings contained in the SPA;
- (i) there being no current or pending investigations, actions, suits or proceedings (including but not limited to claims, litigation, arbitration, administrative, tribunal, regulatory, statutory, criminal or insolvency proceedings) against or affecting each and all the Group Members, there being no such investigations, actions, suits or proceedings threatened or contemplated and there being no incidents, events, claims or circumstances known to each and all the Vendors in respect of each and all the Group Members which are likely to give rise to any claim, investigations, actions, suits or proceedings which in any such case may have or has an effect on the transactions contemplated in the SPA;

- (j) there being no current or pending investigations, actions, suits or proceedings (including but not limited to claims, litigation, arbitration, administrative, tribunal, regulatory, criminal or insolvency proceedings) against or affecting the Vendor which may materially affect the ability of the Vendor to perform his/her/its obligations under the SPA and no such investigations, actions, suits or proceedings are threatened or contemplated and there are no incidents, events, claims or circumstances known to the Vendor which are likely to give rise to any claim, investigations, actions, suits or proceedings which in any such case may have or has an effect on the transactions contemplated in the SPA;
- (k) there being no unsatisfied award, judgment or court order outstanding against any Group Member or the Vendor nor any distress, execution or other process that has been levied against the undertakings, properties or assets of any Group Member or the Vendor;
- (l) there being no proceedings, applications, petitions or summons have been started or threatened, nor any steps taken thereto by any person with a view to the winding-up of any of the Group Members or Vendor, or for the appointment of a receiver, trustee or similar officer over any of the Group Members or Vendor or their undertakings, properties or assets or any of them;
- (m) CSE Global has not, during the period from (and including) the date of the SPA up to (and including) the Closing Date, other than the purchase of Shares pursuant to the share purchase mandate approved by shareholders of the Company and the transfer of treasury shares to participants under any employee share plan implemented by CSE Global (a.) undergone any capital reorganization, share consolidation or change in its capital structure; (b.) issued nor agreed to issue any Shares, securities convertible into Shares, options, warrants, conversion privileges or rights of any kind to acquire any new Shares or other securities in the capital of CSE Global; and (iii) entered into any unusual, long term and onerous commitments or contracts, or otherwise than on arms-length terms;
- (n) each and all Group Members and the Vendor being in compliance in all respects with all laws, rules, regulations, directives and orders that are applicable to the respective Group Member and the Vendor; and
- (o) the representations and warranties of the Vendor set out in the SPA being true and accurate in all material respects on and as of the Closing Date, with the same force and effect as though made on and as of the Closing Date, and each Party having performed and complied with all their respective undertakings, covenants and agreements set out in the SPA on or prior to the Closing Date.

Unless specifically waived by the respective entitled Party, if any of the conditions precedent referred to in Clause 3.1 in the SPA are not fulfilled on or before the Closing Date or such later date as the Parties may agree to in writing, the respective entitled Party may at any time prior to the Closing Date, in addition to and without prejudice to its other rights and remedies under the SPA, at law or in equity, by notice in writing to the defaulting Party defer the Closing Date to such date as the entitled Party shall prescribe provided that such date shall be no later than 18 April 2018 (or such other date as the Parties may mutually agree in writing) or rescind the SPA, whereupon in the latter case, the SPA shall be deemed to be rescinded and of no further force or effect save for (a) all such rights and remedies as shall have accrued in favour of the respective Parties, and (b) all such terms and conditions of the SPA as are expressed to survive termination.

2.1.3 Termination

- (i) **Termination by Notice.** A Party (“**non-defaulting Party**”) may immediately terminate the SPA by written notice to the other Party (“**defaulting Party**”) at any time if the defaulting Party fails to perform or comply with any of its obligations under the SPA except where, in the sole and absolute opinion of the non-defaulting Party, that failure can be remedied within three (3) Business Days after receipt of written notice from the non-defaulting Party, if the defaulting Party remedies the failure within that period.
- (ii) **Consequences of Termination by Notice.** Upon termination of the SPA pursuant to Clause 9.1 of the SPA, the SPA shall terminate and the Parties shall be released and discharged from their respective obligations under the SPA with effect from the date of such termination except for such rights and remedies as shall have accrued to each respective Party prior to the date of such termination and the respective obligations, covenants or undertakings of the Parties which, pursuant to the terms of the SPA, are to expressed to survive such termination.

2.1.4 Governing law

- (i) The SPA shall be governed by, and construed in accordance with, the laws of Singapore.
- (ii) Any dispute arising out of or in connection with the SPA and/or the documents referred to in the SPA, including any question regarding their existence, validity or termination, shall be referred to and finally resolved by the Courts of Singapore and the Parties unconditionally and irrevocably submit to the non-exclusive jurisdiction of the Courts of Singapore.

2.2 Basis and justification on arriving at the Purchase Consideration

The Purchase Consideration was arrived at on a "willing buyer-willing seller" basis after taking into consideration, amongst others, the following:-

- (i) the audited consolidated net assets (“**NA**”) of CSE Global as at financial year ended (“**FYE**”) 31 December 2017 of approximately SGD173.95 million (equivalent to approximately RM514.44 million), representing NA per ordinary share in CSE Global (“**CSE Global Share(s)**”) of approximately SGD0.34 (equivalent to approximately RM1.01);
- (ii) the audited consolidated profit after taxation and non-controlling interests before exceptional items¹ of CSE Global for the FYE 31 December 2017 of approximately SGD13.33 million (equivalent to approximately RM39.42 million); and
- (iii) the future earnings potential of CSE Global and its group of companies (“**CSE Global Group**”) which are expected to be favourable due to higher flow orders, as CSE Global Group continued to secure new orders from greenfield (comprises new installations) and brownfield (comprises maintenance, upgrade and enhancement of existing installations) projects, totaling approximately SGD381.90 million (equivalent to approximately RM1.13 billion) during the FYE 31 December 2017, representing an increase of approximately 33.2% year-on-year.

¹ Exceptional items amounted to approximately SGD58.50 million (equivalent to approximately RM173.01 million), comprising of the one-off settlement costs, impairment of receivables, impairment of goodwill net of non-controlling interest, impairment of other investments and write down of deferred tax assets.

Further, CSE Global Group's outstanding flow orders as at the FYE 31 December 2017 stood at approximately SGD175.00 million (equivalent to approximately RM517.55 million).

For illustrative purposes, the new orders and outstanding orders of CSE Global Group from the first (1st) quarter of FYE 31 December 2016 up to the fourth (4th) quarter of FYE 31 December 2017 are as follows:-

		FYE 31 December 2016				FYE 31 December 2017			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
New Orders	SGD 'mil	74.90	83.20	70.80	57.70	117.90	90.70	86.40	86.90
	RM 'mil	221.51	246.06	209.38	170.64	348.68	268.24	255.52	257.00
Outstanding Orders	SGD 'mil	179.70	186.60	179.00	163.10	204.20	207.90	207.60	175.00
	RM 'mil	531.44	551.85	529.37	482.35	603.90	614.84	613.96	517.55

(Source: CSE Global's fourth (4th) quarter results for the twelve (12)-month financial period ended 31 December 2017)

2.3 Mode of satisfaction of the Purchase Consideration

The Purchase Consideration has been satisfied entirely in cash by SDIL.

2.4 Liabilities to be assumed

Save for the obligations arising from or pursuant to the SPAs and existing liabilities incurred in the ordinary course of business of CSE Global, there are no other liabilities, including contingent liabilities and/or guarantees to be assumed by SDHB and its group of companies ("**SDHB Group**") arising from the Proposed Acquisition.

2.5 Sources of funding

The Purchase Consideration has been satisfied entirely in cash through bank borrowings.

3. BACKGROUND INFORMATION ON CSE GLOBAL

3.1 History and principal activities

CSE Global was founded by Tan Mok Koon in 1985 and is headquartered in Singapore. CSE Global became a public listed company in February 1999 and was listed on the SESDAQ Board (now known as Catalist Board) of Singapore Exchange Securities Trading Limited ("**SGX-ST**"). CSE Global was subsequently transferred to Mainboard of SGX-ST on 20 April 2001.

CSE Global Group provides total integrated industrial automation, telecommunications and environmental solutions projects in the Americas, Asia Pacific, Europe, Middle East and Africa. CSE Global Group operates a network of 41 offices in 17 countries across the globe, including amongst others, in the United States of America ("**USA**"), Mexico, United Kingdom, United Arab Emirates, Nigeria, Australia, New Zealand, India, China, South Korea and Indonesia, generating more than 90% of its revenue outside Singapore and has over 1,100 employees worldwide.

3.2 Issued share capital

As at the LPD, the issued share capital of CSE Global is approximately SGD98.54 million (equivalent to approximately RM291.42 million) comprising 516,067,852 CSE Global Shares.

3.3 Substantial shareholders

As at the LPD, the substantial shareholders of CSE Global and their respective shareholdings in CSE Global are as follows:-

Substantial shareholders	<----- Direct ----->		<----- Indirect ----->	
	No. of CSE Global Shares	%	No. of CSE Global Shares	%
Tan Mok Koon	57,236,150	11.09	-	-
Fidelity Puritan Trust	43,215,700	8.37	-	-
FMR Co., Inc	-	-	51,799,000 ⁽¹⁾	10.04
Fidelity Management & Research Company	-	-	51,799,000 ⁽²⁾	10.04
FMR LLC	-	-	51,799,000 ⁽³⁾	10.04
Chartered Asset Management Pte Ltd	-	-	47,469,500 ⁽⁴⁾	9.20
Capital Growth Investments Pte Ltd	-	-	47,469,500 ⁽⁵⁾	9.20
Low Siew Kheng	-	-	47,469,500 ⁽⁶⁾	9.20
Colin Lee Yung-Shih	-	-	47,469,500 ⁽⁷⁾	9.20
CAM-GTF	34,831,800 ⁽⁸⁾	6.75	-	-
Edgbaston Investment Partners LLP	-	-	27,525,100 ⁽⁹⁾	5.33

Notes:-

- (1) *FMR Co., Inc. is deemed interested in the CSE Global Shares in its capacity as investment advisor of various funds and accounts, including certain funds of Fidelity Puritan Trust. FMR Co., Inc. is a wholly-owned subsidiary of Fidelity Management & Research Company.*
- (2) *Fidelity Management & Research Company's deemed interest arising by virtue of the funds and/or accounts managed by one or more Fidelity Management & Research Company's direct and indirect subsidiaries, which are fund managers. Fidelity Management & Research Company is a wholly-owned subsidiary of FMR LLC.*
- (3) *FMR LLC's deemed interest arising by virtue of the funds and/or accounts managed by one or more FMR LLC's direct or indirect subsidiaries, which are fund managers.*
- (4) *Chartered Asset Management Pte Ltd ("CAM") is having a deemed interest through investment position taken in the course of ordinary business in fund management.*
- (5) *Capital Growth Investments Pte Ltd ("CGI") is the holding company of CAM. CGI is deemed interested in the CSE Global Shares by virtue of holding no less than 50% interest in shares of CAM.*
- (6) *Low Siew Kheng is deemed interested in the CSE Global Shares by virtue of holding no less than 20% interest in shares of CAM.*
- (7) *CGI is the holding company of CAM. CGI is deemed interested in the CSE Global Shares by virtue of holding no less than 50% interest in shares of CAM. Lee Yung-Shih Colin, through his 100% shareholding in CGI, is deemed to have an interest in the CSE Global Shares in which CGI has an interest in.*
- (8) *Held through HSBC (Singapore) Nominees Pte Ltd.*

- (9) *Edgbaston Investment Partners LLP ("EIP LLP") is deemed to have interest in 27,525,100 CSE Global Shares by virtue of acting as the fully discretionary investment manager for two (2) commingled funds: (i) the Edgbaston Asian Equity Trust and (ii) the Edgbaston Asian Equity (Jersey) Trust (together the "Clients"). In acting for its Clients, EIP LLP is given full discretionary authority over its Client's investments and is empowered to vote all proxies on its Clients' behalf.*

3.4 Directors

As at the LPD, the names and designations of the Directors of CSE Global and their respective shareholdings in CSE Global are as follows:-

Directors	Designation	<----- Direct ----->		<----- Indirect ----->	
		No. of CSE Global Shares	%	No. of CSE Global Shares	%
Lim Ming Seong	Chairman and Non-Executive Director	100,000	0.02	3,150,000 ⁽¹⁾	0.61
Lim Boon Kheng	Group Managing Director/Chief Executive Officer	3,000,500	0.58	4,172,500 ⁽²⁾	0.81
Lee Soo Hoon Phillip	Independent Director	450,000	0.09	-	-
Sin Boon Ann	Independent Director	-	-	-	-
Lam Kwok Chong	Independent Director	-	-	-	-
Tan Hien Meng	Independent Director	-	-	-	-
Lee Kong Ting	Independent Director	-	-	-	-

Notes:-

- (1) *150,000 CSE Global Shares are held by the spouse of Lim Ming Seong, 3,000,000 CSE Global Shares are held by Citibank Nominees Singapore Pte Ltd for which Lim Ming Seong is deemed to have an interest.*
- (2) *4,172,500 CSE Global Shares are held by Citibank Nominees Singapore Pte Ltd and United Overseas Bank Nominees Pte Ltd for which Lim Boon Kheng is deemed to have an interest.*

3.5 Financial information

For the latest audited consolidated FYE 31 December 2017, CSE Global recorded a consolidated revenue of approximately SGD362.35 million (equivalent to approximately RM1.07 billion) and a consolidated loss after taxation and non-controlling interests ("LATNCI") of approximately SGD45.15 million (equivalent to approximately RM133.53 million). The LATNCI is mainly attributable to the adjustments for exceptional items comprising of the one-off settlement costs, impairment of receivables, impairment of goodwill net of non-controlling interest, impairment of other investments and write down of deferred tax assets. As at the latest audited consolidated FYE 31 December 2017, CSE Global recorded a consolidated NA of approximately SGD173.95 million (equivalent to approximately RM514.44 million).

4. DETAILS OF THE CORPORATE VENDORS

4.1 CAM-GTF

The principal activity of CAM-GTF is to invest in a portfolio of listed securities.

As at the LPD, the substantial shareholders of CAM-GTF and their respective shareholdings in CAM-GTF are as follows:-

Substantial shareholders	<----- Direct ----->		<----- Indirect ----->	
	No. of CAM-GTF shares	%	No. of CAM-GTF shares	%
Colin Lee Yung-Shih	33	33.0	100 ⁽¹⁾	100.0
Capital Growth Investment Pte Ltd	33	33.0	-	-
Ratpack Investments Pte Ltd	34	34.0	-	-

Note:-

(1) *The indirect interest of the shareholder referred to above arises through his interests in the company's shareholders, or shares held by the shareholder's spouse.*

As at the LPD, the Directors of CAM-GTF and their respective shareholdings in CAM-GTF are as follows:-

Directors	<----- Direct ----->		<----- Indirect ----->	
	No. of CAM-GTF shares	%	No. of CAM-GTF shares	%
Colin Lee Yung-Shih	33	33.0	100 ⁽¹⁾	100.0
Cyrus Jonathan Patel	-	-	-	-
Low Siew Kheng	-	-	100 ⁽¹⁾	100.0
Louis Emmanuel Ng Cheong Tin	-	-	-	-
Pierre Dinan	-	-	-	-
Joseph Jean Marc Hardy	-	-	-	-

Note:-

(1) *The indirect interest of the Directors referred to above arises through their interests in the company's shareholders, or shares held by the Directors' spouse.*

4.2 FIL

FIL is principally involved in asset management.

The information on the substantial shareholders and Directors of FIL are not made available to the Company.

4.3 Raffles-Asia

The principal activity of Raffles-Asia is to invest in a portfolio of listed securities.

As at the LPD, the substantial shareholders of Raffles-Asia and their respective shareholdings in Raffles-Asia are as follows:-

Substantial shareholders	<----- Direct ----->		<----- Indirect ----->	
	No. of Raffles-Asia shares	%	No. of Raffles-Asia shares	%
Springvale International Limited	12,684,093	35.2	-	-
Nanyang Press (Singapore) Limited	8,120,788	22.5	-	-
Devon Worldwide Limited	2,955,680	8.2	-	-
The Nyalas Rubber Estates Limited	2,478,620	6.9	-	-
Mixed Holdings Pte Ltd	2,413,892	6.7	-	-

As at the LPD, the Directors of Raffles-Asia and their respective shareholdings in Raffles-Asia are as follows:-

Directors	<----- Direct ----->		<----- Indirect ----->	
	No. of Raffles-Asia shares	%	No. of Raffles-Asia shares	%
Colin Lee Yung-Shih	-	-	4,828,321 ⁽¹⁾	13.4
John A. Hawkins	-	-	-	-
Louis Emmanuel Ng Cheong Tin	-	-	-	-
Low Siew Kheng	-	-	4,091,196 ⁽¹⁾	11.4
Peter H. Fletcher	-	-	-	-
Ashraf Ramtoola	-	-	-	-

Note:-

(1) The indirect interest of the Directors referred to above arises through their interests in the company's shareholders, or shares held by the Directors' spouse or parents.

4.4 GLPL

GLPL is principally involved in trading in securities.

As at the LPD, the substantial shareholder of GLPL and its shareholdings in GLPL are as follows:-

Substantial shareholder	<----- Direct ----->		<----- Indirect ----->	
	No. of GLPL shares	%	No. of GLPL shares	%
Nanyang Press (Singapore) Limited	15,259,400	100.0	-	-

As at the LPD, the Directors of GLPL and their respective shareholdings in GLPL are as follows:-

Directors	<----- Direct ----->		<----- Indirect ----->	
	No. of GLPL shares	%	No. of GLPL shares	%
Lee Yee Wai Eva	-	-	-	-
Lee Chuan Su Ian	-	-	-	-
Lee Un Su	-	-	-	-
Sarah Kirstie Lee	-	-	-	-
Lee Eng Su	-	-	-	-
Lim Suay Moi	-	-	-	-

4.5 CAM GTi

The principal activity of CAM GTi is to invest in a portfolio of listed securities.

As at the LPD, the substantial shareholder of CAM GTi and its shareholdings in CAM GTi are as follows:-

Substantial shareholder	<----- Direct ----->		<----- Indirect ----->	
	No. of CAM GTi shares	%	No. of CAM GTi shares	%
Chartered Asset Management Investment (Mauritius) Pte Ltd	100	100.0	-	-

As at the LPD, the Directors of CAM GTi and their respective shareholdings in CAM GTi are as follows:-

Directors	<----- Direct ----->		<----- Indirect ----->	
	No. of CAM GTi shares	%	No. of CAM GTi shares	%
Colin Lee Yung-Shih	-	-	100 ⁽¹⁾	100.0
Cyrus Jonathan Patel	-	-	-	-
Low Siew Kheng	-	-	100 ⁽¹⁾	100.0
Louis Emmanuel Ng Cheong Tin	-	-	-	-
Pierre Dinan	-	-	-	-
Joseph Jean Marc Hardy	-	-	-	-

Note:-

(1) The indirect interest of the Directors referred to above arises through their interests in the company's shareholders.

5. RATIONALE FOR THE PROPOSED ACQUISITION

CSE Global is a global technologies company listed on SGX-ST, with an international presence spanning across the Americas, Asia Pacific, Europe, Middle East and African regions, with market capitalisation of approximately SGD209.01 million (equivalent to approximately RM618.13 million) as at the LPD. In addition, it is a leading systems integrator, focusing on the provision and installation of a variety of control systems as well as turnkey telecommunication network and security solutions, targeting the oil and gas, infrastructure and mining industries.

The Proposed Acquisition is part of SDHB Group's overall strategy to expand its geographical footprint in the areas where CSE Global Group has presence which include countries that SDHB Group does not have presence in, namely the USA, Mexico, Australia and New Zealand.

Upon completion of the Proposed Acquisition, SDHB Group seeks to leverage on CSE Global Group's client base in the oil and gas industry, whereby SDHB Group might be able to provide its engineering, procurement, construction and commissioning services, as well as operations and maintenance services. Apart from the oil and gas sector, SDHB Group hopes to strengthen its information technology ("IT") segment by potentially integrating CSE Global Group's various IT solution platforms, which include systems automation, integration and packager, and thus offering better IT solution services to its existing and future clientele base.

Additionally, SDHB Group hopes to leverage on CSE Global Group's know-how on incinerator technology for environmental industry and thus, strengthen SDHB Group's capabilities in its sewerage treatment plant projects.

The Proposed Acquisition will allow SDHB Group to gain a stake in a profitable target with its own financial capabilities and ready order books without the requirement for SDHB Group to inject further capital. As at 31 December 2017, CSE Global Group has cash balances and short-term investments of approximately SGD46.91 million (equivalent to approximately RM138.73 million) which will enable it to continue meeting its business requirements.

Moving forward, the Proposed Acquisition is expected to contribute positively to the consolidated earnings of SDHB.

6. PROSPECTS OF CSE GLOBAL GROUP

The conditions in the sectors in which CSE Global Group operates remain challenging. The current oil and gas and commodity prices continue to influence investment decisions and customers of CSE Global Group remain highly focused on cost control and cash flow generation.

Overall, businesses of CSE Global's major subsidiaries are anticipated to remain resilient. CSE Global Group is on track to deliver its medium growth projectory through a combination of organic growth via meeting its existing customer needs together with a focused plan to make acquisitions to complement and complete the products, services and geographical gaps in its current business portfolios.

Further, with higher flow orders in the greenfield and brownfield projects, CSE Global Group expects a much better performance in financial year ending 2018.

Going forward, CSE Global Group will focus on cost control and consolidating the acquisitions made in the past two (2) financial years and will continue to explore acquisition opportunities to support its long term sustainable growth objectives.

(Source: CSE Global's fourth (4th) quarter results for the twelve (12)-month financial period ended 31 December 2017)

The Proposed Acquisition represents a strategic investment by SDHB Group with a view to enhance its future earnings and long-term shareholders' value. The Board is of the view that, barring any unforeseen circumstances, the prospects and future financial performance of CSE Global Group are expected to be favourable given the positive prospects of CSE Global Group's existing and new flow orders. Further, with the anticipated revenue synergies to be achieved between SDHB Group and CSE Global Group, the Board expects that the performance of CSE Global Group will continue to be positive in the long run.

7. RISK FACTORS

The risk factors associated with the Proposed Acquisition, which are by no means exhaustive, are as follows:-

7.1 Investment risk

The Proposed Acquisition is expected to further enhance SDHB Group's profitability. However, there is no assurance that the potential synergistic benefits of the Proposed Acquisition will be realised or that SDHB Group will be able to generate sufficient profits arising from the Proposed Acquisition to offset the associated acquisition costs incurred.

7.2 Financing risk

The Proposed Acquisition will be funded through bank borrowings. Incurring additional bank borrowings will correspondingly increase the borrowings and gearing level of SDHB Group. The abovementioned would expose SDHB Group to additional interest rate and debt servicing risks.

Notwithstanding the above, SDHB Group will endeavour to manage its cash flow position and funding requirements prudently, to address the above risks.

7.3 Future dividends from CSE Global are dependent on the future performance of CSE Global Group

SDHB Group's future source of return from its proposed investment in CSE Global will be mainly in the form of dividend. The ability of CSE Global to pay dividends or other distribution will be dependent on several factors, such as its operating results, cash flow position, capital commitments, working capital requirements as well as covenants in its existing/future loan agreements.

7.4 Impairment risk

SDHB Group will recognise goodwill arising from the Proposed Acquisition, the amount of which has yet to be determined. Any fair value adjustments to CSE Global Shares, and the effect of amortisations of the fair value adjustments, if any, may adversely affect the financial position of SDHB Group.

8. EFFECTS OF THE PROPOSED ACQUISITION

8.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the issued share capital and shareholdings of the substantial shareholders of SDHB as the Proposed Acquisition does not involve the issuance of shares in SDHB.

8.2 NA, NA per share and gearing

The Proposed Acquisition is not expected to have any material effect on the audited consolidated NA and NA per share in SDHB for the financial year ending 31 December 2018.

For illustrative purposes, based on the audited consolidated statement of financial position of SDHB as at FYE 31 December 2017 and assuming the Proposed Acquisition is funded via bank borrowings, the proforma effects of the Proposed Acquisition on the consolidated NA, NA per share in SDHB and gearing of SDHB (before taking into consideration the expenses relating to the Proposed Acquisition) are as follows:-

	Audited as at 31 December 2017 RM'000	(I) After adjusting for subsequent event up to the LPD ⁽¹⁾ RM'000	(II) After (I) and the Proposed Acquisition RM'000
Share capital	928,194	1,355,394	1,355,394
Merger reserve	(434,709)	(434,709)	(434,709)
Other reserve	64,534	64,534	64,534
Retained earnings	825,833	818,533	818,533
Shareholders' funds / NA	1,383,852	1,803,752	1,803,752
No. of shares in SDHB	1,335,000,000	1,468,500,000	1,468,500,000
NA per share in SDHB (RM)	1.04	1.23	1.23
Total borrowings (RM'000)	706,042	706,042	876,609
Gearing (times)	0.51	0.39	0.49

Note:-

(1) Adjusted for the private placement exercise which was completed on 30 January 2018.

8.3 Earnings and earnings per share ("EPS")

The effects of the Proposed Acquisition on the future consolidated earnings and EPS of SDHB would depend on, amongst others, the future performance of the CSE Global Group and the funding costs associated with the bank borrowings to be taken for the Proposed Acquisition. Notwithstanding the above, the Proposed Acquisition is expected to contribute positively to the consolidated earnings and EPS of SDHB in the future through its shareholding in CSE Global.

9. APPROVAL REQUIRED

The Proposed Acquisition is not subject to the approval of SDHB's shareholders or any regulatory authorities.

The Proposed Acquisition is not conditional upon any other proposal undertaken or to be undertaken by SDHB.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders and/or persons connected to them have any interest, direct and/or indirect, in the Proposed Acquisition.

11. DIRECTORS' STATEMENT

The Board, after having considered all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of SDHB.

12. PERCENTAGE RATIOS UNDER PARAGRAPH 10.02(G) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("LISTING REQUIREMENTS")

The highest percentage ratio applicable to the Proposed Acquisition pursuant to paragraph 10.02(g) of the Listing Requirements is 12.33%, based on the latest audited consolidated NA of CSE Global as at 31 December 2017 (in proportion to the equity interest of CSE Global to be acquired by SDIL), compared with the latest audited consolidated NA of SDHB as at 31 December 2017.

13. COMPLETION

The Proposed Acquisition has been completed on the date of the SPAs.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPAs will be made available for inspection at SDHB's registered office at No. 8-5, Pusat Dagangan UMNO Shah Alam, Lot 8, Persiaran Damai, Seksyen 11, 40100 Shah Alam, Selangor, during office hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 13 April 2018.