

ACQUISITION OF CHICAGO COMMUNICATIONS LLC

1. INTRODUCTION

The Board of Directors (the “**Board**”) of CSE Global Limited (the “**Company**”), together with its subsidiaries, the “**Group**”) wishes to announce that its indirect wholly-owned subsidiary, CSE Crosscom USA, Inc. (“**CSE Crosscom USA**”), has on 30 April 2025 entered into a sale and purchase agreement (“**SPA**”) with Cynthia Anne Glashagel Trust Dated June 1, 2001 and Kurt T. Hessler (collectively the “**Sellers**”) to acquire all of the issued and outstanding equity interests (“**Sale Shares**”) of Chicago Communications LLC (“**Chicago Communications**”), in accordance with the terms and conditions of the SPA (the “**Acquisition**”).

The Acquisition was completed on 30 April 2025 (“**Completion Date**”), and consequently, Chicago Communications LLC has become an indirect wholly-owned subsidiary of the Company.

The Sellers are the legal and beneficial owners of all of the issued and outstanding equity interests of Chicago Communications. The Sellers are independent and unrelated third parties to the Company, its Directors and controlling shareholders or their respective associates.

2. INFORMATION ON CHICAGO COMMUNICATIONS

- 2.1 Chicago Communications sells, rents, installs, and maintains communications equipment for United States customers located primarily in Illinois and Indiana. These includes solutions for two-way radio communications, wireless networks, distributed antenna systems, 911 communication systems, and service communications equipment. Chicago Communications has been in business since 1953 and is headquartered in Elmhurst, Illinois with an additional location in Dyer, Indiana.

Based on the unaudited financial statements of Chicago Communications for the twelve months ended 31 December 2024, it recorded net profit before tax of approximately USD 1.8 million (S\$2.4 million) and EBITDA of USD 1.9 million (S\$2.5 million). Further, the net book value and net tangible assets as at 31 December 2024 attributable to the Sale Shares were approximately USD 5.8 million (S\$7.7 million).

3. PRINCIPAL TERMS OF THE ACQUISITION

3.1 Sale and Purchase of the Sale Shares

The Sellers shall sell to the Company, in accordance with the terms and conditions of the SPA, on completion of the Acquisition ("**Completion**"), the Sale Shares free from all encumbrances and together with all rights and advantages attaching to them as at Completion (including the right to receive all dividends or distributions declared, made or paid on or after Completion).

As at 30 April 2025, the conditions precedents as stated in the SPA have been satisfied.

3.2 Consideration

The aggregate consideration for the Acquisition is USD 8.5 million (approximately equivalent to S\$11.1 million based on exchange rate of USD 1: S\$1.308 on Completion Date) (the "**Consideration**"), subject to any post-closing adjustments to be determined within 90 days from the Completion Date, unless extended by mutual agreement between CSE Crosscom USA and the Sellers (collectively the "**Parties**"). The Consideration was arrived at pursuant to arm's length negotiations between the Sellers and the Company on a willing buyer-willing seller basis, after taking into account prevailing market conditions, the net book value, existing customer contracts, intellectual property, goodwill and the rationale and benefits for the Acquisition as disclosed in paragraph 4 below.

There is no open market value for the Sale Shares as they are not publicly traded.

3.3 Settlement of Consideration

The Consideration shall be paid in cash in two tranches to the Sellers as follows:

- (a) the amount of USD 7.65 million (approximately equivalent to S\$10.0 million) on 30 April 2025 to the Sellers; and
- (b) the remaining amount of the Consideration shall be payable to the Sellers subject to any post-closing adjustments to be determined within 90 days from the Completion Date.

3.4 Source of funds

The Consideration is intended to be funded fully from both the remaining proceeds from the Company's private placement conducted in March 2024 and from bank borrowings.

3.5 Representations and Warranties

The SPA contains customary representations and warranties for transactions of this nature as agreed between the Parties, including but not limited to the power and authority of the Parties to enter into the transactions contemplated under the SPA, title to the Sale Shares and there being no litigation against Chicago Communications.

4. RATIONALE FOR THE ACQUISITION

The Company has been engaged in radio and critical communications business in similar markets and it views the Acquisition as a strategic fit to complement its current business.

The Acquisition forms part of the Group's strategy to expand and grow its Communications businesses in the infrastructure industry markets and participate in an expanding sector where demand for increased connectivity and security is expected to continue to grow.

It is also envisaged that the Acquisition will likewise strengthen the Company's existing business partner and customer relationships for its Communications business, as well as extend its geographic coverage into the USA market for its Communications business, thereby enhancing its market position in the USA market.

With the Acquisition, our geographical coverage for our Communications business in the United States will increase to 4 states: California, Florida, Illinois and Indiana.

The Acquisition is earnings accretive to the Group.

5. CHAPTER 10 OF THE LISTING MANUAL

5.1 Relative figures

The relative figures for the Acquisition, based on the Consideration computed on the bases set out in Rule 1006 of the Listing Manual and based on the Group's latest announced consolidated financial statement, being the audited financial statements for the twelve months ended 31 December 2024 are set out below:

| Rule 1006 | Bases | Relative Figures (%) ⁽¹⁾ |
|-----------|---|-------------------------------------|
| (a) | Net asset value of the assets to be disposed of, compared with the Group's net asset value. | Not applicable ⁽²⁾ |
| (b) | Net profit attributable to the assets acquired or disposed of, compared with the Group's net profits | 6.84% ⁽³⁾ |
| (c) | Aggregate value of the Consideration given compared with the Company's market capitalisation of approximately S\$296.5 million based on the total number of issued shares in the Company, excluding treasury shares | 3.75% ⁽⁴⁾ |
| (d) | Number of equity securities issued by the Company as consideration for the Acquisition, compared with the number of equity securities previously in issue | Nil |
| (e) | 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 | Not applicable ⁽⁵⁾ |

Notes:

- (1) Percentage figures are rounded to the nearest two (2) decimal places.
- (2) Not applicable, as the Acquisition is in relation to the acquisition (and not a disposal) of assets.
- (3) The Group's and the Chicago Communications' net profits of approximately S\$35.7 million and S\$2.4 million have been computed based on their respective financial statements for the twelve-month period ended 31 December 2024.
- (4) "market capitalisation" is calculated by the number of ordinary shares in the capital of the Company (excluding treasury shares) multiplied by the volume weighted average market price of S\$0.4197 per share as at 29 April 2025, being the market day immediately preceding the date of the SPA.
- (5) Not applicable, as the Company is not a mineral, oil and gas company.

As the relative figures under Rule 1006 (b) exceed 5% but do not exceed 20%, the Acquisition constitutes a Discloseable Transaction as defined under Chapter 10 of the SGX-ST Listing Manual.

6. FINANCIAL EFFECTS OF THE ACQUISITION

6.1 Illustrative Nature of Financial Effects

The financial effects of the Acquisition on the net tangible assets (“NTA”) per share and earnings per share (“EPS”) of the Company have been prepared based on the Group’s audited financial statements for the financial year ended 31 December 2024. The financial effects below are purely for illustrative purposes.

6.2 Assumptions

For the purposes of illustrating the financial effects of the Acquisition, the financial effects have been prepared based on, inter alia, the above bases and the following assumptions:

- 6.2.1 the total acquisition cost is USD 8.5 million (approximately equivalent to S\$10.0 million);
- 6.2.2 the Acquisition is assumed to be funded by both the remaining proceeds of a private placement conducted in March 2024 and bank borrowings;
- 6.2.3 the exclusion of financial effects of purchase price allocation under SFRS(I) 3, for illustrating the financial effects on the consolidated NTA and EPS of the Group;
- 6.2.4 the exclusion of transaction costs for the Acquisition;
- 6.2.5 the exclusion of operational savings from synergies with the Acquisition; and
- 6.2.6 Chicago Communications’ financial information in USD have been translated based on an exchange rate of USD 1: S\$1.3348.

6.3 NTA

Assuming that the Acquisition had been effected on 31 December 2024 (being the end of the most recently completed financial year ended 31 December 2024), the effects on the NTA per ordinary share of the Company would be as follows:

| | Before the Acquisition | After the Acquisition |
|---|------------------------|-----------------------|
| NTA (S\$ million) | 148.6 | 144.4 |
| Number of ordinary shares outstanding (million) | 706.4 | 706.4 |
| NTA per ordinary share (cents) | 21.03 | 20.55 |

6.4 EPS

Assuming that the Acquisition had been effected on 1 January 2024 (being the beginning of the most recently completed financial year ended 31 December 2024), the effects of the Acquisition on the EPS of the Company would be as follows:

| | Before the Acquisition | After the Acquisition |
|--|------------------------|-----------------------|
| Profit attributable to shareholders (S\$ million) | 26.3 | 28.1 |
| Weighted average number of ordinary shares (million) | 674.6 | 674.6 |
| EPS (cents) – Basic | 3.91 | 4.16 |

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above, none of the directors of the Company or the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect, in the Acquisition, otherwise than through their respective shareholdings (if any) in the Company.

8. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Acquisition.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPA are available for inspection at the registered office of the Company at 20 Collyer Quay, #11-07, Singapore 049319, during normal business hours on any weekday for three (3) months from the date of this announcement.

10. FURTHER ANNOUNCEMENTS

The Company will make further announcements as and when there are material developments on the Acquisition.

BY ORDER OF THE BOARD

Lai Kuan Loong Victor
Company Secretary
1 May 2025