

## CSE GLOBAL LTD

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

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### SHAREHOLDERS' AGREEMENT RELATING TO POWER DIESEL ENGINEERING PTE LTD

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The board of directors of CSE Global Ltd (the "**Company**") refers to the announcement made on 30 November 2012 relating to the acquisition of the entire issued and paid-up capital of Power Diesel Engineering Pte Ltd ("**Power Diesel**") together with Tan Mok Koon ("**TMK**") and Vivek M Dixit ("**Vivek**") for an aggregate consideration of up to S\$9.5 million in the following proportions:-

The Company	66%
TMK	32%
Vivek	2%
<b>Total</b>	<b>100%</b>

(the Company, TMK and Vivek collectively, the "**Power Diesel Shareholders**").

None of the Power Diesel Shareholders held any equity interest in Power Diesel prior to the above acquisition and the shares in Power Diesel were acquired by them contemporaneously.

#### Shareholders' Agreement in relation to Power Diesel

The board of directors of the Company wishes to announce that further to and in connection with the above acquisition, the Power Diesel Shareholders have today entered into a shareholders' agreement to regulate their relationship in Power Diesel (the "**Shareholders' Agreement**").

Under the Shareholders' Agreement, the Power Diesel Shareholders have agreed to participate as shareholders in Power Diesel on the basis that risks and rewards of their respective investments in Power Diesel shall be in proportion to their respective shareholding therein.

The relevant terms of the Shareholders' Agreement are as follows:-

(a) Board composition of Power Diesel

The board of Power Diesel shall comprise 3 directors. The Company shall be entitled to nominate 2 directors and TMK shall be entitled to nominate 1 director.

(b) No Shareholders' financing required

The Power Diesel Shareholders will not be required to provide any guarantee, indemnity, covenant, assurance or similar obligation, whether financial or otherwise in relation to the business, funding, operations or other aspect of Power Diesel. Notwithstanding the foregoing, where any financing by the Power Diesel Shareholders is to be provided, such financing (including the provision of any guarantee or security) shall be provided by the Power Diesel Shareholders in the respective proportions that they hold shares in Power Diesel.

#### Rationale for the Shareholders' Agreement

As announced on 30 November 2012, the Company's acquisition of its interest in Power Diesel is in line with the long-term business plan of the Company to expand through acquisition of companies with specialised skills and technologies complementary to the Company. The acquisition will enable the Company to increase the services offered to the oil and gas industry. The Shareholders' Agreement is entered into to formally regulate the shareholding relationship of the Power Diesel Shareholders.

### Interested Person Transaction

TMK is a Director of the Company and is accordingly an interested person within the meaning of Chapter 9 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited (the "**Listing Manual**").

Based on the maximum purchase consideration of S\$9.5 million, the Company's share of S\$6.27 million constitutes about 6.23% of its latest audited consolidated net tangible assets as at 31 December 2011.

Rule 916(2) of the Listing Manual provides that investment in a joint venture with an interested person is not required to comply with the requirement to obtain shareholders' approval under Rule 906 of the Listing Manual if:-

- (a) the risks and rewards are in proportion to the equity of each joint venture partner;
- (b) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and
- (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.

### Confirmation of Audit Committee

In compliance with Rule 916(2)(b) of the Listing Manual, the audit committee of the Company, having considered the terms and conditions of the Shareholders' Agreement, is of the view that the risks and rewards of the Shareholders' Agreement are in proportion to the equity of each Power Diesel Shareholder and the terms of the Shareholders' Agreement are not prejudicial to the interests of the Company and its minority shareholders.

### Interested Person Transactions for the Current Financial Year

As at the date of this announcement, the current total for the current financial year ending 31 December 2012 of all interested person transactions with TMK and his associates amounts to approximately S\$6.40 million (which includes the maximum investment of the Company of S\$6.27 million for the equity participation by the Company in Power Diesel and in connection with which the Shareholders' Agreement has been entered into).

Save as disclosed above, as at the date of this announcement, the Company does not have any other interested person transaction with TMK or any of his associates or any other interested persons of the Company for the current financial year ending 31 December 2012.

By Order Of The Board

Tan San-Ju  
Company Secretary

24 December 2012