

SERVICE AGREEMENT

The Board of Directors of CSE Global Ltd (the “**Company**”) wishes to announce that the Company has today entered into a service agreement (the “**Service Agreement**”) with Tan Mok Koon (“**TMK**”) whereby TMK shall provide services in relation to proposed acquisitions to be undertaken by the Company or companies within its group (each such company, a “**Group Company**”) of businesses or companies (as the case may be) (such businesses or companies, the “**Targets**”), subject to the terms and conditions set out in the Service Agreement (any such proposed acquisition, a “**Proposed Acquisition**”).

Pursuant to the Service Agreement, TMK shall provide the following services:-

- (1) collect and provide information with respect to the Targets;
- (2) co-ordinate and conduct feasibility studies, schedule meetings and oversee all aspects of the negotiation process in relation to Proposed Acquisitions;
- (3) introduce the Company to the shareholders or owners of the Targets, and/or the Targets;
- (4) act as a mediator in discussions between the Company, the shareholders or owners of the Targets, and/or the Targets; and
- (5) provide such other services that may be necessary or incidental for the successful completion of Proposed Acquisitions,

(collectively, the “**Services**”).

In consideration of TMK providing the Services but subject to the terms and conditions of the Service Agreement, the Company shall pay to TMK a success fee (the “**Fee**”) which shall be calculated (on a tiered basis) based on the Purchase Price paid by the Company as follows:-

Tier of Purchase Price	Fee (as a percentage of Purchase Price)
For the first S\$1.00 to S\$2,000,000 of the Purchase Price	5%
For the next tier of S\$2,000,000 to S\$10,000,000 of the Purchase Price	4%
For the next tier of S\$10,000,000 to S\$20,000,000 of the Purchase Price	3%
For the next tier above S\$20,000,000 of the Purchase Price	2%

The Purchase Price, in relation to a Proposed Acquisition, means the price paid by any Group Company or Group Companies (as the case may be) for shares in, ownership of and/or rights in (as the case may be) any Target:-

- (1) after deducting the amount of any cash determined by the Company in its sole absolute discretion to be in excess of working capital requirements of the Target;

- (2) after adding the amount of any guarantee or debt assumed by any Group Company in place of another person, in connection with the Proposed Acquisition;
- (3) for the avoidance of doubt, not including any fees (including without limitation, commission, professional fees, service fees, finder's fees and introduction fees), taxes or charges paid or payable by the Group Company to any party in connection with the Proposed Acquisition; and
- (4) including any deferred consideration.

The Fee is payable only if:-

- (1) TMK procures and introduces the Target which is ready, willing and able to enter into the Proposed Acquisition, on terms acceptable to the Company; and
- (2) the Proposed Acquisition is completed.

The Service Agreement shall be for a period of one (1) year and thereafter may be renewed by both parties if deemed necessary and on such terms as the parties shall mutually agree. The parties agree that during the term of the Service Agreement, the Company's engagement of TMK and TMK's provision of the Services to the Company shall be exclusive.

TMK is a Director of the Company and the Service Agreement is accordingly an interested person transaction within the meaning of Chapter 9 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited. The Audit Committee of the Company has reviewed the terms and conditions of the Service Agreement and is of the view that the Service Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

Save as disclosed above, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Service Agreement.

Apart from the Management Consultancy Agreement entered into between the Company and TMK to appoint TMK as consultant to oversee the entire operations and management of the Company's subsidiary, Power Diesel Engineering Pte Ltd as announced on 2 January 2013 for which the Company has paid S\$54,000.00 fees to TMK since the beginning of the current financial year up to 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 in the current financial year.

By Order of the Board

Tan San-Ju
Company Secretary

8 July 2013