

CSE GLOBAL LIMITED

(Company Registration No. 198703851D)

(Incorporated in Singapore)

ACQUISITION OF 75% OF THE TOTAL ISSUED SHARE CAPITAL OF S3 ID GROUP LIMITED

The Board of Directors of CSE Global Limited (the “**Company**” or “**CSE**”, and together with its subsidiaries, the “**Group**”) are pleased to announce that its 80% owned subsidiary, CSE One Pte. Ltd. (“**CSE One**”), has entered into sale and purchase agreements with Mr. Derek Gennard, Finance Yorkshire Equity GP Limited, Cyblin AS and several smaller shareholders (collectively known as the “**Vendors**”) to acquire 75% of the total issued share capital of S3 ID Group Limited (“**S3 ID**”) for an aggregate cash consideration of GBP 7.65 million (S\$ 14.69 million) (the “**Acquisition**”). Following completion of the Acquisition on 22 July 2013, S3 ID became a subsidiary of CSE One and of the Company.

CSE One also entered into a put/call option on the remaining 25% of the issued share capital of S3 ID. Assuming the minimum target is achieved by S3 ID during the 3 year option period CSE One will be obliged to pay an amount of GBP 6.125 million (S\$ 11.76 million) for the 25% share.

CSE One also provided a loan of GBP 0.7 million (S\$ 1.34 million) to S3 ID replacing a loan previously advanced by Finance Yorkshire. The loan is unsecured, interest bearing at a rate of 6.5% per annum and is repayable in equal quarterly instalments over 3 years.

The consideration for the Acquisition and the loan to S3 ID were funded from internal resources / loans by CSE One’s shareholders in proportion to their respective shareholdings.

The purchase consideration of GBP 7.65 million for 75% of the total issued share capital was arrived at, following negotiations between CSE One and the Vendors, on a willing-buyer and willing-seller basis having taken into account the following factors:-

- I. The current oil and gas climate focused on safety will drive business growth opportunities,
- II. Good product track record with many blue chip customers,
- III. Solid gross margin, net margin and cash generation,
- IV. High quality management team,
- V. The net tangible assets at completion of approximately GBP 900,000 (SGD 1,728,000).

The purchase consideration of GBP 7.65 million comprised a single cash payment which was paid on completion. The Acquisition above is not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2013.

The Acquisition is in line with the long-term business plan of CSE to expand through the acquisition of companies with specialized skills and technologies complementary to CSE. The Acquisition will enable CSE to increase products and services offered to the Oil & Gas Industry.

Mr. Tan Mok Koon (“**TMK**”) is a director of, and a 20% shareholder in, CSE One. Besides TMK, none of the controlling shareholders of CSE or its Directors has any interest, direct or indirect, in the Acquisition, other than by reason of being such a Director or controlling shareholder of the Company.

Separately, CSE One will enter into a Management Consultancy Agreement with TMK under which he will provide certain management services to CSE One and S3 ID.

The relative figures for the Acquisition computed based on the applicable bases in Rule 1006 of the Listing Manual are less than 5%. As such, the Acquisition constitutes a non-discloseable transaction under Chapter 10 of the Listing Manual.

Copies of the sale and purchase agreements are available for inspection during normal business hours at the registered office of CSE at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 for a period of three months from the date of this announcement.

By Order Of The Board

Tan San-Ju

Company Secretary

23 July 2013

Information on S3 ID Group Limited

Registered number:	07458539
Date of incorporation:	2 December 2010
Place of incorporation:	England
Type of company:	Private Limited Company
Address of registered office:	Bow Bridge Close, Rotherham, United Kingdom, S60 1BY
Address of Business:	Bow Bridge Close, Rotherham, United Kingdom, S60 1BY

S3 ID Group Limited is the holding company of a group originally formed in 2008 and headquartered in Rotherham, UK primarily focused on the design and manufacture of computer programmable safety systems for electronic mustering, principally for the oil and gas sector. The group comprises the holding company, S3 ID Group Limited, together with operating companies in both the UK and Norway.

The company currently has 35 employees.

Top end-user customers for S3 ID products include Statoil, Shell, BP, Eni and Conoco Philips. The contracts are usually carried out through a main contractor such as Agip, Kvaerner, Alcatel-Lucent or Samsung.

Business Overview:

The Company has developed a range of specialist hardware and software products for the automation of Person On Board and Person On Site (POB: Off-shore/POS: On-shore) information at site access and muster assembly points and for the location of personnel. To obtain this the system allocates a unique ID tag to each individual working on an installation. Tags come in various forms; RFID (passive or active), Ultra wide Band, GPS, or even the new PassPort and CheckPoint Technology. These tags are then monitored by appropriate sensors which report back to a central system to provide 'positive location awareness' of each individual or even, where required, track their movements in real-time for safety purposes.

In the event of a major incident, oil and gas and petrochemical plants pose inherent dangers to persons on site due to the explosive and toxic nature of the products present. It is the duty of the plant operator to have an emergency or crisis management plan to recover from such an event promptly with priority regard for the health and safety of persons, to know who was present on the site at the time of the incident and exactly who is accounted for after the incident, usually at muster points, so that any persons unaccounted for may be searched for and rescued. Manual systems can be used but are subject to human error and take precious time to collate, interpret and disseminate information. An S3 ID automation system requires no manual operation or human intervention to provide real time information of personnel on site and persons safely mustered post incident. The system information is available instantaneously at multiple locations on and off site.

Depending on the technology chosen, solutions can provide various degrees of accuracy ranging from a general area or zone to an exact location in 3D. These products can also be used to control movements of personnel from one part of a plant to another, for example bridge tracking on off-shore installations to ensure that lifeboat capacity is not exceeded, or to pro-actively manage evacuations in a crisis. The solution can also provide enhanced post incident information to rescue services by highlighting the last known location of missing persons immediately prior to the incident. This information is used to direct search and rescue team quickly and accurately.

S3 ID products enable operators to exceed minimum safety requirements and raise global HSE. The products are ATEX certified (in accordance with ATEX directive 94/9/EC), use patented technology and are time proven in operations with a large installed base of working systems.