

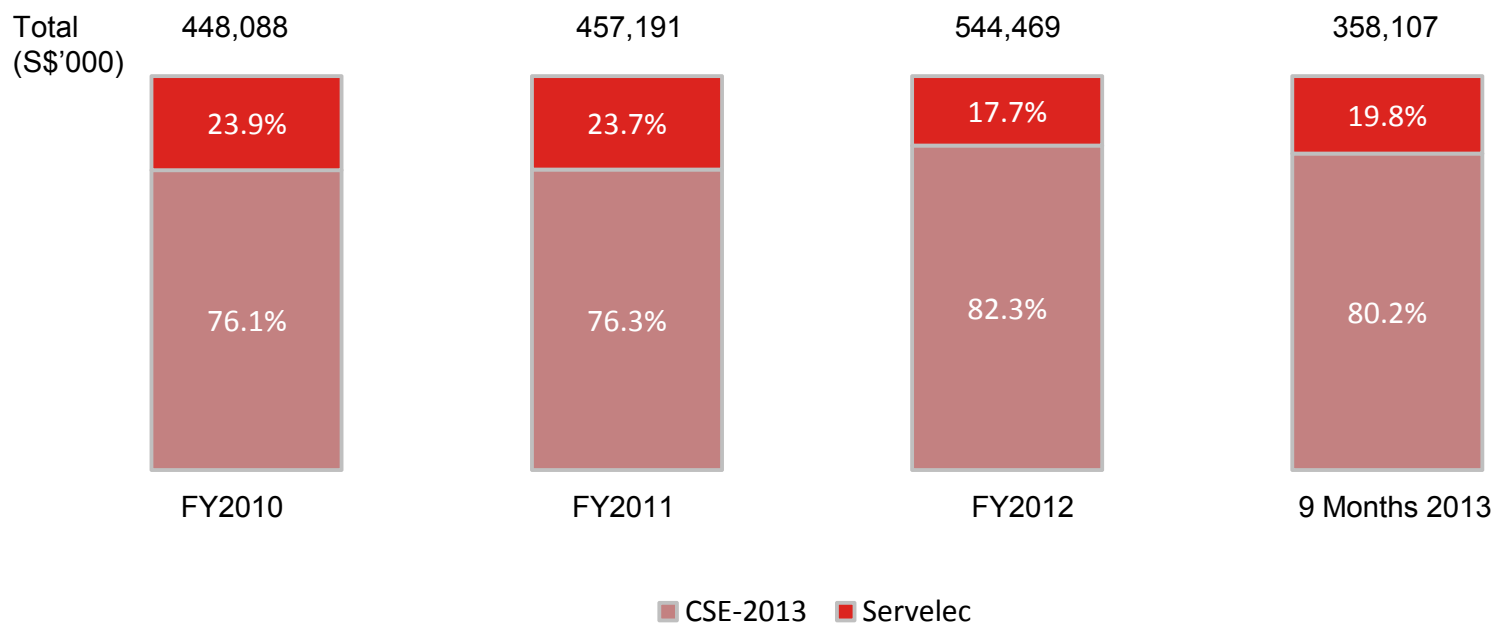
**CSE Global Limited**  
**Proposed Divestment of Servelec Group PLC**  
**28 November 2013**

# Introduction

- On 13 August 2013, the Company announced the proposed listing of the Servelec Group on the London Stock Exchange and the proposed divestment of its entire shareholding interest in Servelec.
- The terms of the Proposed Divestment were announced on 13 November 2013
- The Company seeks Shareholders' approval for the Proposed Divestment

# Proforma Contribution to the Group's Revenue by the Servelec Group and CSE-2013

- Revenue Breakdown – Servelec and CSE-2013<sup>1</sup>



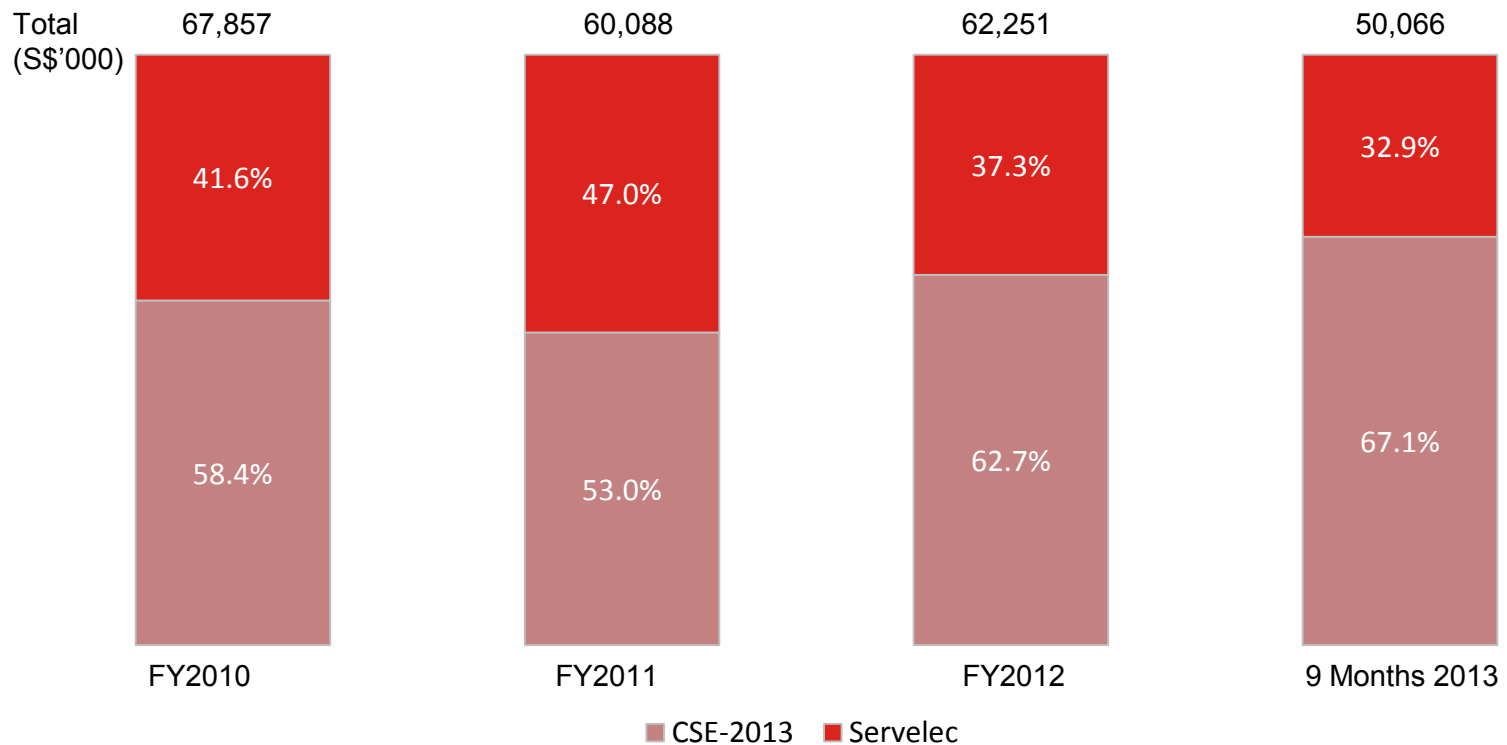
<sup>1</sup> The CSE Global Group (the Company and its subsidiaries), excluding the Servelec Group, after the Proposed Divestment

<sup>2</sup> The financial figures above are based on continuing operations only

<sup>3</sup> The figures for CSE-2013 exclude any gain on disposal arising from the Proposed Divestment

# Proforma Contribution to the Group's Profit before tax by the Servelec Group and CSE-2013

## Profit before tax Breakdown – Servelec and CSE-2013<sup>1</sup>



<sup>1</sup> The CSE Global Group (the Company and its subsidiaries), excluding the Servelec Group, after the Proposed Divestment

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**CSE**

# Proposed Divestment

- **Divestment Description**
  - Servelec Group is pursuing a separate listing on the London Stock Exchange
  - Pursuant to the Proposed Listing, CSE Global intends to divest its entire ownership in Servelec by selling the Sale Shares<sup>1</sup> at the IPO, following which Servelec will cease to be a subsidiary of CSE Global
- **Target Listing Date**
  - Expected to be completed in 2 December 2013
- **Offering Price**
  - The offer price of each Sale Share is determined through a book building process
  - The gross proceeds will amount to approximately £122.03 million (S\$244.1 million<sup>2</sup>)
  - IPO fully underwritten by Investec Bank plc

<sup>1</sup> Servelec's entire issued and paid-up share capital held by the Company

<sup>2</sup> GBP-SGD exchange rate to be 1:2 as at 12 November 2013



# Rationale for the Proposed Divestment

- **Unlock the value of investment in Servelec**
- Servelec will be divested at a LTM P/E of 12.6x, significantly higher than the LTM P/E of CSE of 8.0x
- CSE Global is expected to record a divestment gain of approximately S\$88.9 million
  
- **Strengthen CSE Global's balance sheet**
- The NTA per Share will increase from 27.53 cents to 32.72 cents as at 30 June 2013
- Net cash position
  
- **Enable Servelec to access the capital markets**
- Enable Servelec to be financially independent and access debt and equity capital markets



# Use of Proceeds

## Use of Net Proceeds

- Expected to receive net proceeds of **S\$219.6** million<sup>1</sup> from the Proposed Divestment
- **S\$75.1** million to repay the CSE Global Group's bank borrowings
- **S\$144.5** million to be distributed to Shareholders through the Interim Special Dividend

<sup>1</sup> After deducting expenses of approximately S\$24.5 million, which includes the Management Payout



# Resolution Sought (1)

- **Ordinary Resolution**
- Proposed divestment of the company's entire shareholding interest in Servelec Group Plc that:
  - approval be given for the Proposed Divestment, on the terms and conditions set out in the Circular and such other terms and conditions as the Directors may deem fit in the interest of the Company; and
  - the Directors of the Company be authorised to do and approve all other acts and things, and generally to exercise all the powers of the Directors, as may be necessary, desirable or expedient in connection with the Proposed Divestment and for the purpose of giving effect to the resolution
- **Conditionality**
- The completion of the Proposed divestment and the payment of the Interim Special Dividend shall be conditional upon the completion of the IPO. In the event that the IPO is not completed, the Proposed Divestment will not take place and the Interim Special Dividend will not be payable to Shareholders

## Resolution Sought (2)

- **Proposed Interim Special Dividend**
- In the event that the IPO is completed, details of the proposed Interim Special Dividend will be as follows:
  - Dividend Type: Cash
  - Dividend Amounts: S\$0.28 Per Share
  - Book Closure Date: 2 January 2014
  - Payments Date: 13 January 2014

### **Directors' recommendations**

The Directors (save for Alan Russell Stubbs and Richard Last) collectively view the Proposed Divestment in the interest of CSE Global and therefore recommend that Shareholders vote in favour of the Ordinary Resolution

### **Abstention from voting**

Each of the Servelec Management Employees (including Alan Russell Stubbs) and Richard Last will abstain from voting at the EGM



Thank You



**CSE**