

CSF Group plc
("CSF" or the "Group")

RESTRUCTURED TERMS OF LEASE RENTAL PAYMENTS

CSF Group plc (AIM: CSFG) is pleased to announce that, further to previous announcements, it has completed its negotiations with the freeholder of the CX1, CX2 and CX5 data centres and has agreed heads of terms (the "Heads of Terms") to restructure the lease rental payments. As at 30 November 2015, prior to any restructuring, the overall liability of the relevant lease rental payments was RM63.6m.

The main commercial terms agreed with the freeholder are as follows:

- (i) Settlement of the outstanding lease rental payable accrued up to 31 December 2015 by way of monthly cash instalments over a period of ten (10) years commencing on 1 January 2016 ("Debt Settlement"). The monthly instalment payments, which shall include finance charges, shall be lower in the earlier years and progressively increasing thereafter;
- (ii) Restructured schedule of lease rental payments commencing 1 January 2016 whereby the lease rental payments shall be lower in the earlier years and progressively increasing thereafter ("Restructured Lease Rental Payments"); and
- (iii) The tenure of the leases for CX1, CX2 and CX5 shall be nine years commencing 1 January 2016 with an option to extend by an additional 16 years subject to lease rental rates to be mutually agreed between the parties at the relevant time ("Revised Lease Period").

The financial effects of the Debt Settlement and the Restructured Lease Rental Payments will be reflected in the financial statements of the Group with effect from the fourth quarter of the current financial year. Following the completion of the lease rental payments restructuring, the estimated overall liability of the Debt Settlement and the Restructured Lease Rental Payments as at 31 December 2015 will be RM68.8m.

The Heads of Terms will be encapsulated in the following agreements to be executed in due course between CSF and the freeholder:

- (a) Debt Settlement Agreement pertaining to the Debt Settlement; and
- (b) Supplemental Lease Agreement pertaining to the Restructured Lease Rental Payments and the Revised Lease Period.

The completion of the restructuring of the lease rental payments will reduce the burden on operating cash flow whilst allowing the Group to focus on securing new tenancy contracts in order to further reduce the burn rate of its cash reserve.

Further announcements will be made in due course.

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