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If you sell or otherwise transfer, or have sold or otherwise transferred all of your Ordinary Shares in CSF Group Plc, please send this document together with any accompanying documents to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares in CSF Group Plc, you should retain these documents and contact the stockbroker, bank or other agent through whom the sale was effected.

The London Stock Exchange has not itself examined or approved the contents of this document. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority and the AIM Rules are less demanding than those of the Official List of the UK Listing Authority.

The Directors, whose names appear on page (ii) of this document, and the Company accept responsibility collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document.

CSF Group Plc

(Incorporated and registered in Jersey with company number 104212)

Proposed cancellation of admission of the Company's Ordinary Shares to trading on AIM and Notice of Extraordinary General Meeting

You are recommended to read the whole of this document in conjunction with the accompanying Form of Proxy, but your attention is drawn, in particular, to the Chairman's letter to Shareholders which is set out on pages 1 to 9 of this document. This letter explains the background to and reasons for the proposed Cancellation and contains a recommendation that you vote in favour of the resolution to be proposed at an Extraordinary General Meeting of the Company.

Allenby Capital Limited (“Allenby”), which is authorised by the Financial Conduct Authority (register no. 489795), is acting exclusively for the Company and no one else in connection with the Cancellation and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Allenby or for advising any other person on the contents of this document or any matter, transaction or arrangement referred to herein. The responsibilities of Allenby as the Company’s nominated adviser and broker under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange plc and are not owed to the Company or to any Director, Shareholder or any other person. Allenby is not making any representation or warranty, express or implied, as to the contents of this document.

Allenby has given and not withdrawn its consent to the issue of this document and the references to its name in the form and context in which they appear.

Application has been made to the London Stock Exchange for the cancellation of the admission of the Company’s Ordinary Shares to trading on AIM. **It is expected that the final day on which the Ordinary Shares will be able to be traded on AIM will be 25 October 2016 with Cancellation expected to occur at 7:00 a.m. (BST) / 2:00 p.m. (MYT) on 26 October 2016.**

Notice of the Extraordinary General Meeting of the Company to be held immediately following the conclusion or the adjournment (as the case may be) of the Company's 7th Annual General Meeting which will take place at 7:00 a.m. (BST) / 2:00 p.m. (MYT) on 18 October 2016 at the Business Centre, Mezzanine Floor, CSF Computer Exchange 5, Jalan Cyber Point 2, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia are set out at the end of this document. Any further announcements (and any other relevant document and any other information published) shall be made available via the Company’s website at www.csf-group.com and any announcement shall also be made via a Regulatory Information Service. Please be aware that any notifications on the Company’s website or the said Regulatory Information Service shall not constitute a summary of this document and should not under any circumstances be used as a substitute for reading it in full.

A Form of Proxy for use by Shareholders at the Extraordinary General Meeting is enclosed with this document. **To be valid, the Form of Proxy must be completed, executed, and returned in accordance with the instructions printed thereon so as to be received at the office of the Company’s registrar, Computershare Investor Services (Jersey) Limited at The Registrar, Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES, by no later than 7:30 a.m. (BST) / 2:30 p.m. (MYT) on 14 October 2016.** Please refer to the notes in Part II of this document for further details on appointing a proxy. Completion and return of the Form of Proxy shall not prevent Shareholders from attending and voting in person at the Extraordinary General Meeting should they wish to do so.

Further details of the action you should take are set out in the paragraph headed “Action to be taken” in the letter from the Chairman.

This document does not constitute an offer of securities and is accordingly not an approved prospectus for the purposes of, and as defined in, section 85 of the Financial Services and Markets Act 2000 (as amended) and has not been prepared in accordance with the Prospectus Rules, nor has it been approved by, or filed with, the FCA or by any other authority which is a competent authority for the purpose of the Prospectus Rules. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules. The London Stock Exchange has not itself examined or approved the contents of this document.

Up until the Cancellation has become effective, any further announcements (and any other relevant document and any other information published) will be made available via the Company’s website at www.csf-group.com and any announcement will also be made via a Regulatory Information Service, however please be aware that any notifications on the Company’s website will not constitute a summary of this document and should not under any circumstances be used as a substitute for reading it in full.

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Expected Timetable of Principal Events

	2016
Dispatch of this Document	30 September
Extraordinary General Meeting	18 October
Expected last day of dealings in Ordinary Shares on AIM	25 October
Expected time and date of Cancellation	7:00 a.m. BST / 2:00 p.m. MYT on 26 October

Each of the times and dates set out above and mentioned in this document is subject to change. Dates set after the Extraordinary General Meeting assume that the Extraordinary General Meeting is not adjourned and that the Resolution is passed. Any such change shall be notified by an announcement on a Regulatory Information Service.

Directors and Advisers

Directors	Lee King Loon (<i>Chief Financial Officer</i>) Philip Cartmell (<i>Non-Executive Director and Chairman</i>) Ting Heng Peng (<i>Non-Executive Director</i>) Dennis Kian Jing Ow (<i>Non-Executive Director</i>)
Company Secretary	Norhazlina Hamdan CSF Group Plc CSF Computer Exchange 5 Jalan Cyber Point 2 Cyber 12 63000 Cyberjaya Selangor Darul Ehsan Malaysia
Registered Office	Ordnance House 31 Pier Road St Helier Jersey JE4 8PW
Nominated Adviser and Broker	Allenby Capital Limited 3 St Helen's Place London EC3A 6AB
Legal Advisers to the Company	Nabarro LLP 125 London Wall London EC2Y 5AL
Auditor	Deloitte LLP Abbots House Abbey Street Reading RG1 3BD
Registrars	Computershare Investor Services (Jersey) Limited The Registrar Queensway House Hilgrove Street St Helier Jersey JE1 1ES
Website	www.csf-group.com

Definitions

The following definitions apply throughout this document unless the context otherwise requires:

Act	the Companies (Jersey) Law 1991, as amended.
AIM	AIM, a market operated by the London Stock Exchange plc.
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange.
Allenby Capital	Allenby Capital Limited, the Company's nominated adviser and broker.
Articles	the articles of association of the Company as amended by special resolution dated 9 February 2010 and 12 March 2010.
BST	British Summer Time.
Business Day	a day, other than a Saturday or Sunday or public holiday, on which banks are open in London and Jersey for general commercial business.
Cancellation	the cancellation of admission of the Ordinary Shares to trading on AIM becoming effective in accordance with Rule 41 of the AIM Rules.
Company or CSFG	CSF Group Plc, a company incorporated and registered in Jersey under the Act with company number 104212, whose registered office is Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW.
Circular or this document	this document.
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations).
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755).
Directors or Board	the directors of the Company whose names appear on page 3 of this document.
Extraordinary General Meeting	the extraordinary general meeting of the Company to be held immediately following the conclusion or the adjournment (as the case may be) of the Company's 7 th Annual General Meeting which will take place at 7:00 a.m. (BST) / 2:00 p.m. (MYT) on 18 October 2016 at the Business Centre, Mezzanine Floor, CSF Computer Exchange 5, Jalan Cyber Point 2, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia, convened by the relevant Notice of Extraordinary General Meeting set out at the end of this document.
Form of Proxy	the form of proxy enclosed with this document for use by the Shareholders in connection with the Extraordinary General Meeting.

FY or Financial Year	the period used for calculating annual financial statements beginning on 1 April and ending on 31 March every year.
Jersey	the Bailiwick of Jersey, a Crown dependency of the United Kingdom.
London Stock Exchange	London Stock Exchange plc.
MYT	Malaysia Time.
Notice of Extraordinary General Meeting	the notice of Extraordinary General Meeting set out at the end of this Circular.
Ordinary Shares	ordinary shares of 10p each in the share capital of the Company.
Panel	The Panel on Takeovers and Mergers of the United Kingdom.
Regulatory Information Service	has the meaning given in the AIM Rules for Companies.
Resolution	the resolution to be proposed at the Extraordinary General Meeting as set out in the notice set out at the end of this document.
Shareholder(s)	the holders of the Ordinary Shares in the Company from time to time.
Takeover Code	the City Code on Takeovers and Mergers.
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland.
£ or GBP or Sterling or pence	the lawful currency of the UK.

PART I

LETTER FROM THE CHAIRMAN

CSF Group Plc

(Incorporated and registered in Jersey with company number 104212)

Directors

Lee King Loon *(Chief Financial Officer)*
Philip Cartmell *(Non-Executive Director and Chairman)*
Ting Heng Peng *(Non-Executive Director)*
Dennis Kian Jing Ow *(Non-Executive Director)*

Registered Office

Ordnance House
31 Pier Road
St Helier
Jersey
JE4 8PW

Principal Place of Business

CSF Computer Exchange 5 (CX5)
Jalan Cyber Point 2
Cyber 12
63000 Cyberjaya
Selangor Darul Ehsan
Malaysia

30 September 2016

To the holders of Ordinary Shares (and, for information purposes only, to holders of options in respect of Ordinary Shares).

Dear Shareholder,

Circular to Shareholders and Notice of Extraordinary General Meeting

On 26 September 2016, the Company announced that it intends to seek Shareholders' approval to cancel the admission of the Company's Ordinary Shares to trading on AIM (the "Proposal").

Pursuant to this announcement, I am writing to set out:

- the background to the Proposal;
- to explain to Shareholders why the Board has decided to proceed with the Proposal, subject to Shareholders' approval; and
- to explain why the Directors believe that the Proposal is in the best interests of the Company and Shareholders as a whole and why the Board recommends that Shareholders vote in favour of the Resolution at the forthcoming Extraordinary General Meeting.

At the end of this document, Shareholders will find a Notice of Extraordinary General Meeting, which has been convened in accordance with the Articles, and is scheduled to take place immediately following the conclusion or the adjournment (as the case may be) of the Company's 7th Annual General Meeting which will take place at 7:00 a.m. (BST) / 2:00 p.m. (MYT) on 18 October 2016 at the Business Centre, Mezzanine Floor, CSF Computer Exchange 5, Jalan Cyber Point 2, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia.

Subject to the passing of the Resolution, trading in the Ordinary Shares on AIM will cease at the close of business on 25 October 2016, with Cancellation expected to take effect at 7.00 a.m. (BST) on 26 October 2016.

Should Cancellation be approved by Shareholders at the Extraordinary General Meeting, the Company intends to put in place a matched bargain settlement facility which should facilitate Shareholders buying and selling Ordinary Shares on a matched bargain basis following Cancellation. The Board is reviewing several matched bargain settlement facilities and the Company intends to make an announcement in respect of such a facility ahead of the date of Cancellation.

Certain of the Directors, members of the Company's senior management team and the Company's employee benefit trust, whose shareholdings in aggregate represent 11.02 per cent. of the issued share ordinary capital of the Company, have given irrevocable undertakings to vote in favour of the Resolution.

1. BACKGROUND TO, AND REASONS FOR, THE PROPOSAL

1.1 Level of trading in the Ordinary Shares and lack of institutional demand

The Board considers that the total trading volumes in the Company's Ordinary Shares over the period from 1 January 2016 to 23 September 2016 were effectively negligible, representing less than 5.1 per cent. of the Company's issued ordinary share capital. The Board does not believe that there are currently any likely circumstances that would reverse this trend, and believes that the level of liquidity in the market for the Ordinary Shares is effectively meaningless.

Despite efforts to attract investors, the Board is of the view that there has been a relatively low demand for the Ordinary Shares, especially from institutional investors.

The Board also has certain reservations regarding the practical value of institutional investors. The Directors remain cognizant of the fact that meaningful amounts of additional working capital would be useful to the smooth-running of the Company's data centre infrastructure management business, given the expenses associated with capital and operating expenditure. However, the Board is also mindful that institutional investors may require shorter-term levels of return, which may be incompatible with the long-term nature of the data centre business and the Board's long-term strategy and business model. In any event, the Board is of the belief that the aversion to risk by institutional investors means that the illiquidity in the market for the Ordinary Shares acts as a further deterrent.

1.2 Inability to raise capital

At the beginning of 2015, the Company's share price plateaued and since then has never risen above a level of 3.5p, which represents a 65 per cent. discount to the Ordinary Shares' par value of 10p. As at 23 September 2016, being the latest practicable closing price prior to the Company's announcement regarding its intention to seek Shareholder approval for the Cancellation, the closing middle market price of an Ordinary Share on AIM was 1p. The Board views the continuing low share price as being a significant hindrance to the Company and partially as a consequence of this, despite significant efforts, the Directors have not been able to secure additional capital, especially by way of equity financing.

The Company's main reason for having its Ordinary Shares admitted to trading on AIM in 2010 was to access capital and the Board has now concluded that it is no longer possible for the Company to raise equity capital on AIM.

1.3 The cost of the Company's listing

It is estimated by the Board that the total costs directly related to the maintenance of the admission of the Ordinary Shares to trading on AIM are over £200,000 per annum. This includes fees payable to the London Stock Exchange, nominated adviser fees, shareholder communication time and costs, and other professional fees. Given that the Company's operations are principally based in Malaysia, a country currently facing declining economic growth, the fact that a significant number of these expenses are payable in currencies other than the Malaysian Ringgit exacerbates the costs to the Company of maintaining the admission to trading on AIM of the Ordinary Shares.

The Directors therefore believe that Cancellation will, accordingly, reduce the Company's recurring administrative costs, allowing the funds currently spent on such expenses to be better spent in running the business in a private capacity.

1.4 Conclusion

After careful consideration of the matters laid out above, the Directors have therefore concluded that the commercial disadvantages and costs of maintaining the admission to trading on AIM of the Ordinary Shares at this time in the Company's development outweigh the potential benefits, and that it is therefore no longer in the Company's or its Shareholders' best interests to maintain the admission to trading on AIM of the Ordinary Shares. Particular consideration has been given by the Directors to the very low liquidity in the Ordinary Shares, the lack of financing opportunities available to the Company, and the relative expense of the Company's quotation on AIM.

1.5 Potential consequences if the Cancellation is not approved

Shareholders should be aware that there may be potential consequences if the Cancellation is not approved at the Extraordinary General Meeting, which may include:

- The Company's non-executive Board members considering their position and potentially resigning. This would lead to Company's nominated adviser considering the suitability of the Company to be a Company with shares admitted to a public market in the UK.
- In the event that the Company's nominated adviser believes that the Company is not suitable to be a Company with shares admitted to a public market in the UK, then the nominated adviser will resign.
- Following the resignation of the Company's nominated adviser taking effect, in the absence of the appointment of a new nominated adviser, trading in the Company's Ordinary Shares on AIM will be suspended.
- If the Company cannot appoint a replacement nominated adviser within one month of such suspension, the admission of the Company's Ordinary Shares to trading on AIM will be cancelled.

2. CANCELLATION OF ADMISSION OF ORDINARY SHARES TO TRADING ON AIM

2.1 *Cancellation*

Under the AIM Rules, it is a requirement that the cancellation of admission to trading on AIM must be approved by not less than 75 per cent. of Shareholders voting in general meeting. Under the AIM Rules, the Cancellation also requires a notice period of not less than 20 Business Days from the date on which notice of the intended Cancellation is notified via a Regulatory Information Service and is given to the London Stock Exchange. Pursuant to Rule 41 of the AIM Rules, the Directors have notified the London Stock Exchange of the date of the proposed Cancellation.

Subject to the passing of the Resolution at the Extraordinary General Meeting on 18 October 2016, Cancellation will occur no earlier than 5 Business Days after the Extraordinary General Meeting and it is therefore expected that trading in the Ordinary Shares on AIM will cease at the close of business on 25 October 2016, with Cancellation expected to take effect at 7:00 a.m. (BST) / 2.00 p.m. (MYT) on 26 October 2016.

2.2 *Trading in the Ordinary Shares after Cancellation*

Whilst the Board believes that the Cancellation is in the interests of Shareholders as a whole, it recognises that the Cancellation will make it more difficult for Shareholders to buy and sell Ordinary Shares should they wish to do so. Following the Cancellation, although the Ordinary Shares will remain transferable they will no longer be tradable on AIM.

Accordingly, the Board intends, following the Cancellation, to put in place a matched bargain settlement facility (the “**Proposed Facility**”) which should facilitate Shareholders buying and selling Ordinary Shares on a matched bargain basis following Cancellation. The Board is reviewing several matched bargain settlement facilities and the Company intends to make an announcement in respect of such a facility ahead of the date of Cancellation. However, it is likely that the Proposed Facility will offer a substantially lesser degree of liquidity and potentially less attractive share prices than are currently available via the Company’s quotation on AIM.

The Board’s choice of matched bargain settlement facility provider will determine whether the Company’s existing CREST facility will remain in place following Cancellation and therefore whether Shareholders will be able to elect to hold their Ordinary Shares in dematerialised form. If the Company’s CREST facility is ceased, then it is likely that Shareholders will be issued share certificates in respect of their Ordinary Shares.

Following the implementation of the Proposed Facility, the Board intends to monitor its popularity amongst Shareholders and will review it at regular intervals to consider whether it remains cost effective.

2.3 *Effects of Cancellation on shareholders*

Market for the Company’s Ordinary Shares

The principal effect of the proposed Cancellation is that there would no longer be a formal market mechanism enabling Shareholders to trade their Ordinary Shares on AIM or any other recognised market or trading exchange. The underlying liquidity in the Ordinary Shares is low and, in the opinion of the Directors, is likely to remain that way for the foreseeable future. As described above, the Company intends to, shortly following Cancellation, put in place the Proposed Facility to serve as a limited platform for Shareholders and other persons to seek to buy or sell Ordinary Shares. However, the Proposed Facility is likely to offer a substantially lesser degree of liquidity and potentially less attractive share prices than are currently available via the Company’s quotation on AIM.

Taxation

Shareholders who are in any doubt about their tax position should consult with their own independent professional adviser as soon as possible.

Loss of shareholder protections

Shareholders should also be aware that the Company will no longer be bound by the AIM Rules following Cancellation. As a consequence, investors will not be able to benefit from certain of the protections provided by the AIM Rules. For example, the Company will no longer be required to announce material events, interim or final results or transactions (including related party transactions) and certain previously prescribed corporate governance procedures may not be adhered to by the Company in the future. Shareholders' approval will also not be required for reverse takeovers and/or fundamental changes in the Company's business. The Company will no longer be bound to comply with the corporate governance requirements applicable to UK-quoted companies and the Company would also no longer be required to have a nominated adviser, nor be required to retain a broker.

The Directors intend to keep Shareholders informed of the Company's progress from time to time and remain committed to high standards of corporate governance. Accordingly, following Cancellation, the Directors intend to:

- hold an annual general meeting and, when required, other general meetings, in accordance with applicable statutory requirements and the Articles;
- make available to all Shareholders an annual report and the Company's annual financial statements;
- maintain an 'investors' section on the Company's website at www.csf-group.com providing information on any significant events or developments in which Shareholders may be interested. Shareholders should, however, be aware that there will be no obligation on the Company to update this section of the website as is presently required under the AIM Rules and other currently applicable regulation; and
- comply with corporate governance standards appropriate for a company with the number of Shareholders it has.

Takeover Code

The Takeover Code currently applies to the Company and as such the Shareholders currently benefit from a number of protections contained in the Takeover Code. Following Cancellation, the Company's place of central management and control will not be in the United Kingdom, the Channel Islands or the Isle of Man and, pursuant to paragraph 3(a)(ii) to the Introduction to the Takeover Code, the Company will no longer be subject to the Takeover Code.

Shareholders should note that, if the Cancellation becomes effective, they will not receive the protections afforded by the Takeover Code in the event that there is a subsequent offer to acquire their Ordinary Shares.

Brief details of the Takeover Code and the protections given by the Takeover Code are described below. **Before giving your consent to the Cancellation, you may want to take independent professional advice from an appropriate financial adviser.**

The Takeover Code

The Takeover Code is issued and administered by the Panel. The Company is presently a company to which the Takeover Code applies and its Shareholders are accordingly entitled to the protections afforded by the Takeover Code.

The Takeover Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

The General Principles and Rules of the Takeover Code

The Takeover Code is based upon a number of general principles (“**General Principles**”) which are essentially statements of standards of commercial behaviour. The General Principles apply to all transactions with which the Takeover Code is concerned. They are expressed in broad general terms and the Takeover Code does not define the precise extent of, or the limitations on, their application. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the General Principles, the Takeover Code contains a series of rules (“**Rules**”), of which some are effectively expansions of the General Principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the Rules are expressed in more detailed language than the General Principles, they are not framed in technical language and, like the General Principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a Rule in certain circumstances.

Giving up the protection of the Takeover Code

Shareholders will be giving up certain important protections upon Cancellation. Your attention is drawn in particular to the following protections under the Takeover Code:

- (i) all holders of Ordinary Shares must be afforded equivalent treatment and, moreover, if a person acquires 30 per cent. or more of the Ordinary Shares in the Company (other than in the context of a voluntary offer to all Shareholders) such person would be required to make a mandatory offer to all of the other Shareholders;
- (ii) the holders of Ordinary Shares must have sufficient time and information to enable them to reach a properly informed decision on any bid; where it advises the holders of Ordinary Shares, the Board must give its views on the effects of implementation of the bid on employment, conditions of employment and the locations of the Company's place of business;
- (iii) the Board would be required to act in the interests of the Company as a whole and must not deny any holders of Ordinary Shares the opportunity to decide on the merits of a bid for the Company; and
- (iv) if a bid for the Company were to be made, the Board would be required to obtain competent independent advice as to whether the financial terms of any offer (including any alternative offers) are fair and reasonable and the substance of such advice must be made known to Shareholders.

The Jersey framework for takeovers following Cancellation

Certain brief details of the Jersey legal framework for takeovers, which following Cancellation will be applicable to the Company, as appropriate, are described below.

Acquisitions

A Jersey public limited company may be acquired in a number of ways, including by means of a "scheme of arrangement" between the company and its shareholders or by means of a takeover offer.

Scheme of arrangement

A "scheme of arrangement" is a statutory procedure under the Act pursuant to which the Royal Court of Jersey may approve an arrangement between a Jersey company and some or all of its shareholders. In a "scheme of arrangement," the company would make an initial application to the Royal Court of Jersey to convene a meeting or meetings of its shareholders at which a majority in number of shareholders representing 3/4ths of the voting rights of the shareholders present and voting either in person or by proxy at the meeting must agree to the arrangement by which they will sell their shares in exchange for the consideration being offered by the bidder. If the shareholders so agree, the company will return to the Royal Court of Jersey to request the court to sanction the arrangement. Upon such a scheme of arrangement becoming effective in accordance with its terms and the Act, it will bind the company and such shareholders.

Takeover offer

A takeover offer is an offer to acquire all of the outstanding shares of a company (other than shares which at the date of the offer are already held by the offeror). The offer must be made on identical terms to all holders of shares to which the offer relates. If the offeror, by virtue of acceptances of the offer, acquires or contracts to acquire not less than 90 per cent. in nominal value of the shares to which the offer relates, the Act allows the offeror to give notice to any non-accepting shareholder that the offeror intends to acquire his or her shares through a compulsory acquisition (also referred to as a "squeeze out"), and the shares of such non-accepting shareholders will be acquired by the offeror 6 weeks later on the same terms as the offer, unless the shareholder objects to the Royal Court of Jersey and the court enters an order that the offeror is not entitled to acquire the shares or specifying terms of the acquisition different from those of the offer.

The Act permits a scheme of arrangement or takeover offer to be made relating only to a particular class or classes of a company's shares.

3. FURTHER INFORMATION

3.1 *Current trading and prospects*

As at the date of this document, the Company is still incurring operating losses, due to insufficient data centre rental revenue to cover its operating overheads. Therefore, the Company's immediate focus is to fill the available capacity of its CX2 and CX5 data centres. The Board and the management team continue to follow-up on a number of key strategic initiatives and pursue a pipeline of potential customers and business alliances. The Board believes that the key strategic initiatives that are being undertaken have positioned the business in a more favourable direction and the Board remains focused on this strategy going forward. However, the Board expects for the data centre rental market in Malaysia to remain soft, especially when bidding for the business of larger users of data centres such as cloud computing service providers and digital content storage providers, due to competition from data centre companies owned by larger Malaysian telecommunications companies and competition from more established markets, such as Singapore.

The Board and the management team will continue to ensure that cash outlay is kept to a minimum other than the sums required to cover the committed lease rentals and other necessary operating overheads, subject to any further capital or operating expenditure that may be required in relation to tenancy contracts.

3.2 *Future strategy of the Company*

The Company will seek to continue to improve operational efficiencies and implement strategies to reduce operating costs. In spite of the soft data centre market in Malaysia, the Board intends to aggressively pursue new tenancy contracts, with a greater focus on Malaysian government agencies.

In order to expand its market reach, the Company intends to collaborate with data centre operators in Singapore and offer the Company's data centres as a means of expanding their capacity. However, such collaboration plans will require connectivity between Malaysia and Singapore. In this regard, the Company is currently formulating suitable collaboration strategies for approaching data centre owners and operators and telecommunications companies within Singapore.

4. EXTRAORDINARY GENERAL MEETING

Set out at the end of this document is a notice convening the Extraordinary General Meeting to be held immediately following the conclusion or the adjournment (as the case may be) of the Company's 7th Annual General Meeting which will take place at 7:00 a.m. (BST) / 2:00 p.m. (MYT) on 18 October 2016 at the Business Centre, Mezzanine Floor, CSF Computer Exchange 5, Jalan Cyber Point 2, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia for the purposes of considering and if thought fit, passing the Resolution.

5. IRREVOCABLE UNDERTAKINGS

The Company has received irrevocable undertakings to vote in favour of the Resolution at the Extraordinary General Meeting from certain of the Directors, members of the Company's senior management team and the Company's employee benefit trust in respect of their respective holdings of, in aggregate, 17,635,463 Ordinary Shares, representing approximately 11.02 per cent. of the total current issued ordinary share capital of the Company.

The aforesaid irrevocable undertakings will lapse if the Extraordinary General Meeting is not held or the Resolution is not put to Shareholders or in the event that the Resolution is not approved.

6. ACTION TO BE TAKEN

A Form of Proxy for use in connection with the Extraordinary General Meeting is enclosed with this document. Whether or not you intend to be present at the Extraordinary General Meeting in person, it is important that you duly complete, execute and return the Form of Proxy, by hand or by post, to the Company's registrar, Computershare Investor Services (Jersey) Limited at The Registrar, Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES.

To be valid, a completed Form of Proxy must be executed in accordance with the instructions printed thereon and returned as soon as possible and, in any event, so as to be received by the Company's Registrar no later than 7:30 a.m. (BST) / 2:30 p.m. (MYT) on 14 October 2016.

Unless the Form of Proxy is received by the relevant date and time specified above, it shall be invalid. Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting at the Extraordinary General Meeting in person, should he so wish.

7. RECOMMENDATION

The Board considers the Resolution as set out in the notice of the Extraordinary General Meeting to be in the best interests of the Company and its Shareholders as a whole. **Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolution. The Directors intend to vote their own beneficial holdings in favour of the Resolution, and procure the same from certain members of the management of the Company and the Company's employee benefit trust, which, in aggregate, amounts to 17,635,463 Ordinary Shares, representing approximately 11.02 per cent. of the issued ordinary share capital of the Company as at the date of this document.**

Yours faithfully,

Philip Cartmell
Non-Executive Director and Chairman

PART II

CSF Group Plc

(Incorporated and registered in Jersey with number 104212)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of CSF Group Plc (the “**Company**”) shall be held immediately following the conclusion or the adjournment (as the case may be) of the Company's 7th Annual General Meeting which will take place at 7:00 a.m. (BST) / 2:00 p.m. (MYT) on 18 October 2016 at the Business Centre, Mezzanine Floor, CSF Computer Exchange 5, Jalan Cyber Point 2, Cyber 12, 63000 Cyberjaya, Selangor Darul Ehsan Malaysia, for the purpose of considering, and if thought fit, passing the following resolution, to take effect as a resolution of the Company requiring 75 per cent. of the votes cast (in person or by proxy) to be in favour:

1. THAT, the admission of the ordinary shares of 10p each in the capital of the Company to trading on AIM, a market operated by the London Stock Exchange plc, be cancelled and that the directors of the Company be authorised to take all steps which they consider to be necessary or desirable in order to effect such cancellation.

Registered Office

Ordnance House
31 Pier Road
St Helier
Jersey
JE4 8PW

By Order of the Board

Philip Cartmell
Non-Executive Director and Chairman

30 September 2016

Notes:

No Holder (as defined in the Articles) is entitled in respect of a share of the Company held by him to be present or to vote, either in person or by proxy, at a general meeting or on a poll, or to exercise other rights conferred by membership in relation to the meeting or poll, if a call or other amount due and payable in respect of the share of the Company is unpaid.

- (a) Terms defined in the Circular to shareholders dated 30 September 2016 shall have the same meaning in these notes unless the context requires otherwise.
- (b) A Member (as defined in the Articles) entitled to attend and vote may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not also be a Member.
- (c) A Holder (as defined in the Articles) may appoint more than one proxy to attend on the same occasion provided each proxy is appointed to exercise the rights attached to a different share or shares held by him. When 2 or more valid but differing appointments of proxy are delivered or received for the same share of the Company for use at the meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share of the Company. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share of the Company.

- (d) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given in the Form of Proxy, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other business which may properly come before the meeting.
- (e) A Form of Proxy is enclosed with this notice. To be effective, the Form of Proxy and any power of attorney or other authority under which it is executed (or a copy of any authority certified notarially or certified in some other way approved by the directors) must be delivered to the Company's registrar, Computershare Investor Services (Jersey) Limited at The Registrar, Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES, not less than 24 hours before the time for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the Form of Proxy proposes to vote; or, in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is demanded, be deposited not less than 24 hours before the time appointed for the holding of the adjourned meeting or the taking of the poll; or, where in the case of a meeting adjourned for not more than 48 hours or in the case of a poll not taken immediately but taken no more than 48 hours after it was demanded, deposited at the adjourned meeting or at the meeting at which the poll was demanded to the chairman or to the Secretary (as defined in the Articles) or to a Director (as defined in the Articles).
- (f) To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on 0370 707 4040 or you may photocopy the Form of Proxy. Please indicate that proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate should not exceed the number of shares held by you). A failure to specify the number of shares each proxy appointment relates to will be deemed to authorise the proxy in respect of your entire shareholding. If you specify a number in excess of those held by the member this may result in the proxy appointment being invalid.
- (g) You can only appoint a proxy using the procedures set out in these notes and in the notes attached to the Form of Proxy.
- (h) In the case of joint Holders, the vote of the senior who tenders a vote, whether in person, or by proxy, shall be accepted to the exclusion of the votes of the other joint Holders, and seniority shall be determined by the order in which the names of the Holders stand in the register of members of the Company.
- (i) In the case of a member which is a corporation, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the corporation or an attorney for the corporation.
- (j) A corporation which is a Holder may, by resolution of its directors or other governing body or in accordance with its governing law or constitutional documents, authorise such persons as it thinks fit to act as its representative at the meeting. The person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents (in respect of that part of the corporation's holding of shares of the Company to which the authorisation relates) as that corporation could exercise if it were a natural person who is a Holder.
- (k) Pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company has specified that only those members entered in the register of members of the Company as at 7.00 a.m. (BST)/ 2.00 p.m. (MYT) on 14 October 2016 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 7.00 a.m. (BST)/ 2.00 p.m. (MYT) on 14 October 2016 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (l) Completing and returning a Form of Proxy will not prevent a member from attending the meeting or any adjournment thereof and voting in person should he so wish.