

28 September 2017

***The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").***

**CSF Group plc**  
("CSF", the "Company" or the "Group")

### **Conditional disposal**

Following the Company's announcement on 12 September 2017, CSF announces that its wholly-owned subsidiary, CSF International Limited ("CSFI"), has entered into a conditional sale and purchase agreement (the "Share SPA") with BDC AssetCo Pte Ltd (the "Purchaser"), an investee company of Bain Capital Partners Asia Fund III and Bridge Data Centres (International) Pte Ltd, for the sale of the entire issued and paid-up share capital of CSF CX Sdn Bhd ("CSF CX"), a direct wholly-owned subsidiary of CSFI, for a cash consideration of RM2.00 (approximately £0.35) (the "Conditional Disposal").

The consideration for the Conditional Disposal will be paid in cash upon completion of the Conditional Disposal ("Completion") and was arrived at through arm's length negotiations on a willing buyer-willing seller basis based on, *inter alia*, various factors such as the existing financial position and business prospects of CSF CX.

The Share SPA is conditional upon, *inter alia*, the receipt of various regulatory consents. The Share SPA is also subject to certain timing restrictions. There can be no certainty that the Share SPA conditions can be fulfilled within the prescribed timeframe and there is a possibility that the transaction might not complete, in which case the Conditional Disposal would be terminated without any material financial compensation being paid by either CSF or the Purchaser.

CSF CX is the tenant and operator of the Group's CX2 and CX5 data centres. CX2 and CX5 are carrier-neutral multi-storey commercial data centre facilities located in the Selangor state of Malaysia, which occupy a total net floor area of approximately 345,000 square feet. The Group commenced to lease CX2 and CX5 in 2009 and 2012 respectively from an independent third party (the "Landlord").

Based on the latest audited financial statements of CSF CX for the financial year ended 31 March 2016, CSF CX recorded a total comprehensive loss for the year of RM12.7 million (approximately £2.2 million), representing approximately 35.0% of the Group's total comprehensive loss for the same financial year.

As at 31 March 2016 (the latest audited financial position), CSF CX had total assets of RM88.3 million (£15.5 million) and total liabilities (excluding amounts owing to Group companies) of RM144.3 million (£25.4 million), representing approximately 57.8% and 83.6%, respectively, of the total assets and total liabilities of the Group as at the same date. The capital deficiency of the Group attributable to CSF CX amounted to approximately RM56.0 million (£9.9 million) as at 31 March 2016.

The Board of CSF (the "Board") expects that the Conditional Disposal will improve the Group's financial position, principally due to the elimination of the net liabilities of CSF CX and the elimination of the Group's obligations on the leases payable, and the return of cash deposits pledged for banking facilities and rental deposits (approximately up to RM6 million (£1.1 million)) in connection with CX2 and CX5. The Group intends to apply the proceeds from the Conditional Disposal and the returned cash deposits towards additional working capital.

Following Completion, the Group will continue its maintenance and data centre design and development business. In addition the Group will also continue to market its data centre services in respect of its CX1 data centre. CX1 is a commercial data centre facility located in the Selangor state of Malaysia, which has been in operation since 2003 with a total net floor area of approximately of 45,500 square feet.

The Company will provide further updates as and when appropriate.

The Board expects that the Company's full year results for the year ended 31 March 2017 will be announced on 29 September 2017.

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