
JOINT VENTURE WITH TRIPLESTAR PROPERTIES AND ZILLION HOLDING FOR A PROPOSED COMMERCIAL DEVELOPMENT

1. INTRODUCTION

The Board of Directors (the “**Board**”) of CSC Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to its announcements issued on 20 May 2016, 23 June 2016, 28 June 2016 and 7 September 2016 (the “**Announcements**”) regarding the joint venture in relation to a proposed commercial development in Seremban, Negeri Sembilan by Top3 Development Sdn Bhd (the “**JV Company**”)(the “**Joint Venture**”).

As disclosed in the Announcement on 20 May 2016, CS Real Estate Investments Pte Ltd (“**CSREI**”) (a wholly-owned subsidiary of the Company), Triplestar Properties Sdn Bhd (“**TSP**”) and Zillion Holding Sdn Bhd (“**ZH**”) had entered into a shareholder’s agreement on 20 May 2016 in relation to the Joint Venture (the “**Existing Shareholders’ Agreement**”).

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings ascribed to them in the Announcements.

The Board wishes to announce the following:-

- (i) On 14 September 2017, CSREI, TSP and ZH entered into a deed of revocation to revoke the Existing Shareholders’ Agreement (“**Revocation**”) and to terminate all existing rights and obligations amongst CSREI, TSP and ZH.
- (ii) Concurrently with the Revocation, ZH has transferred its 20% equity interest in the JV Company to Bluecrest Holding Pte Ltd (“**BH**”) (the “**Transfer**”). Following the Transfer, ZH has ceased to be a shareholder of the JV Company.
- (iii) Further, CSREI has entered into a new shareholders’ agreement with each of TSP, BH and WB Land (Ainsdale) Sdn Bhd (“**WB**”) in relation to the Joint Venture (the “**Revised Shareholders’ Agreement**”) on the same day.

2. SHAREHOLDING PROPORTION IN THE JV COMPANY

Pursuant to the terms of the Revised Shareholders’ Agreement, WB shall subscribe for 5,526,320 ordinary shares at RM1.00 per share in the share capital of the JV Company for a total consideration of RM5,526,320 (“**Share Subscription**”).

Following the Share Subscription, the equity interest of CSREI in the JV Company shall be diluted from 40% to 19% (“**Dilution**”) and the resultant shareholding proportion of the shareholders of the JV Company (“**New JV Partners**”) are as follows:

Shareholders	Number of shares held after Share Subscription by WB	Shareholding proportion after Share Subscription by WB	Shareholders' Loan (RM)
CSREI	2,000,000	19.0%	1,900,000
TSP	2,000,000	19.0%	1,900,000
BH	1,000,000	9.5%	950,000
WB	5,526,320	52.5%	5,250,000
Total	10,526,320	100.0%	10,000,000

BH and WB are private limited companies incorporated in Singapore on 19 June 2017 and in Malaysia on 21 July 2017 respectively and its respective shareholders are third parties who are unrelated to the Group.

3. SHAREHOLDERS' LOANS TO THE JV COMPANY

The loans intended to be advanced by each of CSREI, TSP and ZH to the JV Company pursuant to the Existing Shareholders' Agreement will no longer be relevant since all existing rights and obligations will terminate following the Revocation. Instead, under the Revised Shareholders' Agreement, the New JV Partners have agreed to extend shareholders' loans to the JV Company in accordance with their respective shareholding proportions as set out in the table above, which are on the same terms and conditions (the "**Shareholders' Loans**") as compared to the Existing Shareholders' Agreement.

The amount of Shareholders' Loan to be advanced by CSREI is RM1.9 million (approximately S\$0.6 million based on the exchange rate of RM1: S\$0.325 as the date of this announcement), which represents 0.4% of the Group's audited net tangible assets as at 31 March 2017.

4. RATIONALE OF THE REVISED SHAREHOLDERS' AGREEMENT

WB is a wholly-owned subsidiary of WB Land Sdn Bhd ("**WB Land**"), a property developer in Malaysia with an experienced property development team and a proven track record.

The Board believes that the entry into of the Revised Shareholders' Agreement resulting in the introduction of WB as a New JV Partner is beneficial to the Joint Venture as:

- the Joint Venture will be able to leverage on the expertise and network of WB Land in the property development industry;
- the Company is able to spread its investment risk in the JV Company with the introduction of an additional shareholder; and
- by providing the Shareholders' Loans to the JV Company, the New JV Partners will be able to provide the JV Company with capital to fund the Joint Venture.

5. NON-DISCLOSEABLE TRANSACTION UNDER CHAPTER 10 OF THE LISTING MANUAL

Notwithstanding that the Dilution is considered as a disposal of the Company's interest in the JV Company pursuant to Rule 1007 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited, none of the relative figures computed on the applicable bases set out in Rule 1006 of the Listing Manual exceeds 5% and in this regard, the Dilution does not constitute a "discloseable transaction" within the meaning of Chapter 10 of the Listing Manual.

The Dilution is not expected to have any material impact on the consolidated net tangible assets or earnings per shares of the Company for the financial year ending 31 March 2018.

6. CHANGE IN NAME OF THE JV COMPANY

Subject to the approval of the relevant authorities, the JV Company shall change its name to "WB Top3 Development Sdn Bhd".

7. INTERESTED PERSON TRANSACTIONS

As previously announced, each of Triplestar and TSP are considered "interested persons" for the purposes of Chapter 9 of the Listing Manual. Please refer to the Announcement on 20 May 2016 for further details.

Accordingly, the entry into of the Revised Shareholders' Agreement, and the provision of its Shareholders' Loan, by CSREI to the JV Company are interested person transactions.

The interested persons do not have any existing equity interest in the JV Company prior to the participation of CSREI, being the entity-at-risk, in the JV Company on 20 May 2016.

8. CURRENT TOTAL VALUE OF THE INTERESTED PERSON TRANSACTIONS

Other than transactions of less than S\$100,000, the current total of all interested person transactions entered into with Ng San Tiong Roland, a controlling shareholder, and his associates (including TSP) for the financial year ending 31 March 2018 ("**FY2018**"), as at the date of this announcement, is approximately S\$2.1 million, representing less than 3% of the Group's audited net tangible assets as at 31 March 2017.

Save as disclosed, the Company has not entered into any transaction with any interested persons for and has not obtained any shareholders' mandate for any transactions with interested persons for FY2018.

9. STATEMENT OF AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the terms of the Revised Shareholders' Agreement and is of the view that:

- (a) the entry into of the Revised Shareholders' Agreement and the provision of its Shareholders' Loan by CSREI are not prejudicial to the interests of the Company and its minority shareholders; and

- (b) the risks and rewards of the Joint Venture are in proportion to the equity of each joint venture partner and the terms of the Joint Venture are not prejudicial to the interests of the Company and its minority shareholders.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the directors, chief executive officer or controlling shareholders of the Company, and their respective associates, has any interest, direct or indirect (other than through their shareholdings in the Company), in the above transactions.

By Order of the Board

Lee Quang Loong
Company Secretary
14 September 2017