



CSC HOLDINGS LIMITED
Co Registration No. 199707345E

JOINT VENTURE WITH NEW HOPE GROUP TO INVEST IN THE DEVELOPMENT OF LAND PLOT 48 AT TUAS SOUTH STREET 9

1. INTRODUCTION

- 1.1 Further to the announcement on 18 December 2014, the Board of Directors (the “Board”) of CSC Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) wishes to announce that its wholly-owned subsidiary, CS Industrial Properties Pte. Ltd. (“CS Industrial”), has entered into a joint venture agreement on 12 February 2015 (the “Joint Venture Agreement”) with New Hope Singapore Premix Pte Ltd (“NH Premix”) in relation to the acquisition and development of the land Plot 48 at Tuas South Street 9 (the “Land”) following the award of the tender for the Land on 21 November 2014.
- 1.2 Pursuant to the terms of the Joint Venture Agreement the parties jointly undertake to carry out the business of owning, developing and managing the Land through the joint venture company, NH Singapore Biotechnology Pte Ltd (“JV Company”).

2. OVERVIEW OF THE JOINT VENTURE

2.1 INFORMATION ON NEW HOPE

NH Premix is a wholly owned subsidiary of New Hope Singapore Pte. Ltd. (“New Hope Singapore”) which is, in turn, a wholly owned subsidiary of New Hope Liuhe Co. Ltd. (“New Hope Liuhe”), a leading agribusiness and animal feed operations operating in the People’s Republic of China.

As at the date of this announcement, none of the directors or controlling or substantial shareholders of the Company has an interest, direct or indirect in NH Premix, New Hope Singapore and/or New Hope Liuhe (collectively referred to as the “New Hope Group”).

2.2 INFORMATION ON THE JV COMPANY

The JV Company was incorporated on 31 October 2014 in Singapore with an initial issued and paid-up share capital of S\$2.00. The JV Company was incorporated for the purpose of undertaking the Joint Venture and has not commenced business since its incorporation.

3. PRINCIPAL TERMS OF THE JOINT VENTURE AGREEMENT

The salient terms of the Joint Venture Agreement are as follows:

3.1 Business of the JV Company

The JV Company shall undertake the business of acquiring and developing the Land into, *inter alia*, a modern high value added factory, fabrication yards and workshops for the respective business operations and requirements of each of the New Hope Group and the Group (the “Project”).

3.2 Shareholding Proportion

Pursuant to the terms of the Joint Venture Agreement, each of CS Industrial and NH Premix shall subscribe and accordingly shall hold, directly or indirectly, equity interest in the JV Company in the shareholding proportion as set out below (“Shareholding Proportion”):

Shareholder	Number of Shares	Issued and paid up share capital
NH Premix	255,000	51%
CS Industrial	245,000	49%
Total	500,000	100%

Completion of the subscription of the shares in the JV Company (or in the immediate holding company of the JV Company) is expected to take place on or prior to the expiry of 30 days of the date of signing of the Joint Venture Agreement.

3.3 Contributions

CS Industrial shall make an aggregate contribution of S\$4,304,355 to the JV Company (the “Aggregate Contribution”) comprising the following:

- (i) initial equity participation of S\$245,000; and
- (ii) shareholders loans aggregating S\$4,059,355 (the “Shareholders Loans”).

The Shareholders Loans shall be disbursed by the Company to the JV Company at the request of the JV Company from time to time. It is the intention of the Company that the Aggregate Contribution be funded by way of internal cash resources and/or external bank borrowings.

3.4 Directors and management of the JV Company

The board of directors of the JV Company (“Board”) shall comprise four directors, with two directors nominated by each of NH Premix and the CS Industrial. The initial chairman shall be a director appointed by CS Industrial but is not entitled to a second or casting vote at any meeting of the board or at a general meeting of the JV Company.

The Board shall be responsible for the operation, management and supervision of the Project and shall establish a management committee (the “Management Committee”) which shall be responsible for overseeing the management of the Project and monitoring the performance of service providers.

3.5 Funding

Each Party shall be responsible for its own funding of the Project whether by way of internal resources and/or by way of external bank borrowings.

3.6 Appointment of Service Provider

The Parties have agreed to appoint the JV Company as the project manager for the Project.

3.7 Others

Each of the Company and New Hope Singapore has undertaken not to transfer, or otherwise sell, dispose of or deal with all or any part of their respective interests in CS Industrial and NH Premix.

4. **RATIONALE FOR THE JOINT VENTURE**

The JV Company will develop modern high value added fabrication yards and workshops to support the operations of the Group. The Board is of the view that the use of these modern facilities would result in a substantial increase of productivity and efficiency with respect to the repair and maintenance activities conducted by the Group. In addition, the new fabrication yards and workshops will supplement the Group's operations in the existing facilities, allowing the Group to upgrade and modernize its existing fabrication yards and workshops upon completion of the Project without affecting operations.

5. **RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL**

The relative figures of the Joint Venture computed on the bases set out in Rule 1006 of the Listing Manual are as set out below:

(a) Rule 1006(a) - the net asset value of the assets to be disposed of, compared with the group's net asset value.

Net asset value of the assets to be disposed of	:	Not applicable
Net asset value of the Group	:	Not applicable.
Size of relative figure	:	Not applicable.

(b) Rule 1006(b) – the net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.

Net profits attributable to the Acquisition	:	Not applicable
Net profit of the Group	:	Not applicable
Size of relative figure (Compared over annualised net profits)	:	Not applicable

(c) Rule 1006(c) – the aggregate value of the consideration given, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares.

	S\$
Aggregate value of consideration to be given	: 4,304,355
Company's market capitalisation as at 11 February 2015	: 59,397,435
Size of relative figure	: 7.25%

(d) Rule 1006(d) – the number of equity securities issued by the Company as consideration for the Acquisition, compared with the number of equity securities previously in issue.

Number of equity securities to be issued by the Company as consideration for the acquisition	: Not applicable.
Number of equity securities in issue	: Not applicable.
Size of relative figure	: Not applicable.

As the relative figure set out in Rules 1006(c) exceeds 5% but does not exceed 20%, the Joint Venture is classified as a discloseable transaction as defined in Chapter 10 of the Listing Rules.

As the JV Company was recently incorporated on 31 October 2014, the information under Rule 1010(5) and Rule 1010(7) of the Listing Manual relating to the book value and net tangible asset value and the net profits attributable to the assets being acquired respectively are not applicable.

6. FINANCIAL EFFECTS OF THE JOINT VENTURE

The joint venture is not expected to have any material financial impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the current financial year ending 31 March 2015.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this announcement, none of the directors (other than in his capacity as a director or shareholder of the Company) and so far as they are aware, none of the controlling or substantial shareholders of the Company has an interest, direct or indirect, in the joint venture.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Joint Venture Agreement will be made available for inspection during normal business hours from 9 a.m. to 5 p.m. at the registered office of the Company for a period of three (3) months from the date of this Announcement.

By the Order of the Board
CSC HOLDINGS LIMITED

Lee Quang Loong
Company Secretary
12 February 2015