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## PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE

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### 1. INTRODUCTION

- 1.1 The Board of Directors (the “**Directors**” or the “**Board**”) of CSC Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights cum warrants issue (the “**Rights cum Warrants Issue**”) of up to 403,241,241 new ordinary shares in the capital of the Company (the “**Rights Shares**”) with up to 2,016,206,205 free detachable warrants (the “**Warrants**”), on the basis of one (1) Rights Share for every three (3) existing ordinary Shares (“**Shares**”) held by shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined by the Directors for the purpose of determining the Shareholders’ entitlements under the Rights cum Warrants Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded, and five (5) Warrants for every one (1) Rights Share subscribed.
- 1.2 The Company will be seeking specific approval from Shareholders by way of an extraordinary general meeting (the “**EGM**”) to be convened for, *inter alia*, the undertaking of the Rights cum Warrants Issue. A circular (the “**Circular**”) setting out, amongst other things, the details of, and other relevant information pertaining to the Rights cum Warrants Issue, together with the notice of the EGM, will be despatched to the Shareholders in due course.

### 2. DETAILS OF RIGHTS CUM WARRANTS ISSUE

#### 2.1 Terms of Rights cum Warrants Issue

The Company is proposing to offer up to 403,241,241 Rights Shares at an issue price of S\$0.03 per Rights Share (the “**Issue Price**”), and up to 2,016,206,205 Warrants, with each Warrant carrying the right to subscribe for one (1) new Share (the “**Warrant Share**”) at the exercise price of S\$0.01 per Warrant Share (the “**Exercise Price**”), on the basis of one (1) Rights Share for every three (3) Shares held by Shareholders as at the Books Closure Date and five (5) Warrants for every one (1) Rights Share subscribed.

Entitled Shareholders (as defined below) will be at liberty to accept (in full or in part), decline, or otherwise renounce or trade (during the provisional allotment trading period prescribed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) their provisional allotment of Rights Shares with Warrants and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue.

Fractional entitlements to the Rights Shares with Warrants, if any, will be disregarded in arriving at the provisional allotments of Rights Shares of Entitled Shareholders (as defined below) and will, together with the provisional allotments of Rights Shares with Warrants which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares with Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

In the allotment of excess Rights Shares with Warrants, the Company will allocate the excess Rights Shares with Warrants in a manner deemed fit and appropriate, either proportionately based on (i) the shareholding of the Entitled Shareholders (as defined below) applying for excess Rights Shares with Warrants; or (ii) the number of excess Rights Shares with Warrants applied for by each Entitled Shareholder (as defined below). The allocation method

will be decided based on the results of the Rights Shares with Warrants applications by the Directors after the last date for acceptance and/or excess application and payment for the Rights Shares with Warrants. Preference will be given to the rounding of odd lots, and Directors, and substantial Shareholders who have an interest directly or indirectly in 5% or more of the total number of Shares ("**Substantial Shareholders**") who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares with Warrants. The Company will also not make any allotment and issue of any excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The Rights Shares will be payable in full upon acceptance and application by Entitled Shareholders (as defined below). The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the Company's Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares. For this purpose, "**record date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

## 2.2 Terms of Warrants

The Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on the Official List of the SGX-ST under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on the Official List of the SGX-ST, subject to, *inter alia*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants.

Subject to the terms and conditions governing the Warrants to be set out in an instrument by way of a deed poll (the "**Deed Poll**"), each Warrant will carry the right to subscribe for one (1) Warrant Share at the Exercise Price at any time during the period commencing on and including the date of issue of the Warrants and expiring on the day immediately preceding the fifth (5<sup>th</sup>) anniversary of such date of issue (the "**Exercise Period**"). The Warrants that remain unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any and all purposes.

The Exercise Price and the number of Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll and appropriate announcements on the adjustments will be made by the Company.

The Warrant Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Warrant Shares.

## 2.3 Underwriting Arrangement

No underwriting commitment has been arranged with any financial institution for the Rights cum Warrants Issue. The Company has decided to proceed with the Rights cum Warrants Issue on a non-underwritten basis as the Company believes that the Issue Price for each Rights Share and the Exercise Price for each Warrant is sufficiently attractive. Further, the Board is of the opinion that there is no minimum amount which must be raised from the Rights cum Warrants Issue. Hence, in view of the above and the savings enjoyed for not having to bear underwriting fees, the Company has decided to proceed with the Rights cum Warrants Issue on a non-underwritten basis.

## 2.4 Size of Rights cum Warrants Issue

As at the date of this announcement, the issued share capital of the Company (excluding treasury shares) comprises 1,209,723,725 Shares (the "**Existing Share Capital**").

Based on the Existing Share Capital, and assuming that all of the Entitled Shareholders (as defined below) subscribe and pay for their *pro-rata* entitlements of Rights Shares with Warrants (the “**Maximum Subscription Scenario**”), the Company will issue 403,241,241 Rights Shares and 2,016,206,205 Warrants under the Rights cum Warrants Issue.

## 2.5 Issue Price and Exercise Price

The Issue Price of S\$0.03 per Rights Share and S\$0.01 per Warrant represents a discount of approximately 9% and 70% respectively to the last traded price of S\$0.033 for Shares traded on the Official List of the SGX-ST on 17 August 2015, being the market day immediately preceding this announcement on which Shares were traded on the Official List of the SGX-ST.

## 2.6 Further Information

The terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Directors may in their absolute discretion deem fit. The final terms and conditions of the Rights cum Warrants Issue will be contained in an offer information statement to be lodged by the Company with the Monetary Authority of Singapore (the “**MAS**”) in connection with the Rights cum Warrants Issue (the “**Offer Information Statement**”), and to be despatched by the Company to Entitled Shareholders (as defined below) in due course.

## 3. RATIONALE AND USE OF PROCEEDS

The Company is undertaking the Rights cum Warrants Issue to strengthen the financial position and capital base of the Group. The Rights cum Warrants Issue will also provide the Shareholders with an opportunity to further participate in the equity of the Company, and will allow the Group to be less reliant on external sources of funding. The net proceeds arising from the Rights cum Warrants Issue will equip the Company with readily available cash resources to take advantage of opportunities that may arise and execute its business and expansion plans. With the available cash reserves, the Company will be able to participate in opportunities and business plans that require a larger cash outlay.

There is no minimum amount to be raised from the Rights cum Warrants Issue.

The net proceeds arising from the Rights cum Warrants Issue, after deducting estimated costs and expenses of S\$0.3 million relating thereto, and the intended use of such net proceeds (in the following order of priority) are set out below:

Use of Proceeds	Maximum Subscription Scenario	
	Amount (S\$ million)	Percentage (%)
1. Financing of proposed new business ventures through acquisitions and/or strategic joint ventures	5.5 to 7.0	47 to 59
2. Working capital purposes	4.8 to 6.3	41 to 53
<b>Net proceeds arising from the Rights cum Warrants Issue, before the exercise of the Warrants</b>	11.8	100
3. As and when the Warrants are exercised, the proceeds arising therefrom may, at the discretion of the Directors, be applied towards expanding the business of the Group, financing new business ventures through acquisitions and/or strategic investments, working capital and/or such other purposes as the Directors may deem fit	Up to approximately S\$20.2 million arising from the exercise of all of the Warrants	

Pending the deployment of the net proceeds raised from the Rights cum Warrants Issue, such proceeds may be deposited with banks and/or financial institutions, used for investment in

short-term money markets instruments and/or marketable securities, as the Directors may deem appropriate in the interests of the Company.

The Company will make periodic announcements on the use of the proceeds from the Rights cum Warrants Issue as and when such proceeds are materially disbursed and will provide a status report on the use of proceeds from the Rights cum Warrants Issue in the annual report(s) of the Company, until such time the proceeds have been fully utilised.

#### **4. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS CUM WARRANTS ISSUE**

##### **4.1 Entitled Depositors**

Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date (the “**Depositors**”) will be provisionally allotted Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be “**Entitled Depositors**”, Depositors must have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore, they must provide CDP, at 9 North Buona Vista Drive #01-19/20 The Metropolis, Singapore 138588, with registered addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants.

##### **4.2 Entitled Scripholders**

Shareholders whose share certificates are not deposited with CDP and whose Shares are not registered in the name of CDP (the “**Scripholders**”) will have to submit duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Company’s share registrar, M & C Services Private Limited (the “**Share Registrar**”) in order to be registered to determine the transferee’s provisional allotments of Rights Shares with Warrants.

To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date or if they have registered addresses outside Singapore must provide the Share Registrar, at 112 Robinson Road #05-01, Singapore 068902, with registered addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants.

The Entitled Depositors and Entitled Scripholders shall be collectively referred to as “**Entitled Shareholders**” in this announcement.

##### **4.3 CPF Investment Scheme**

Persons who bought their Shares previously using their Central Provident Fund account savings (“**CPF Funds**”) may use the same for the payment of the Issue Price to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants, subject to the applicable rules and regulations of the Central Provident Fund. Such persons who wish to accept their provisional allotments of Rights Shares with Warrants will need to instruct their respective approved banks where they hold their CPF Investment Accounts, to accept their provisional allotment of Rights Shares with Warrants and (if applicable) apply for the excess Rights Shares with Warrants on their behalf in accordance with the Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares with Warrants directly from the market.

#### 4.4 Foreign Shareholders

For practicable reasons and in order to avoid any violation of securities legislation applicable in countries other than Singapore, the Rights Shares with Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) market days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). As such, no provisional allotments of the Rights Shares with Warrants will be made to, and no purported acceptance thereof and application therefor by, Foreign Shareholders will be valid.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares with Warrants which would otherwise be provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the Official List of the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares with Warrants commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective securities accounts as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained for the sole benefit of the Company or dealt with as the Directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or CDP in connection therewith.

#### 5. WHITEWASH WAIVER

TH Investments Pte Ltd (“**THI**”) is a wholly-owned subsidiary of Tat Hong Investments Pte Ltd, which is, in turn, a wholly-owned subsidiary of Chwee Cheng & Sons Pte Ltd. Mr. Ng San Tiong Roland is a director and shareholder, and Mr. Ng Chwee Cheng is a shareholder, of Chwee Cheng & Sons Pte Ltd. 42.03% of the issued share capital of Chwee Cheng & Sons Pte Ltd is owned by the Chwee Cheng Trust (constituted under trustee). Accordingly, each of the trustees of Chwee Cheng Trust, namely, Mr. Ng San Tiong Roland, Mr. Ng Sun Ho Tony, Mr. Ng San Wee David and Mr. Ng Sun Giam Roger, is deemed to be interested in the Shares held by THI. For the purposes of the Singapore Code on Take-overs and Mergers (the “**Code**”), each of THI, Tat Hong Investments Pte Ltd, Chwee Cheng & Sons Pte Ltd, Mr. Ng Chwee Cheng, Chwee Cheng Trust, Mr. Ng San Tiong Roland, Mr. Ng Sun Ho Tony, Mr. Ng San Wee David and Mr. Ng Sun Giam Roger are deemed concert parties (the “**Concert Party Group**”).

As at the date of this announcement, the Concert Party Group holds in aggregate 413,191,271 Shares, representing approximately 34.2% of the Existing Share Capital. The shareholding interest of the Concert Party Group is disclosed below:

<b>Name</b>	<b><u>Direct Interest</u></b>	<b>%</b>	<b><u>Deemed Interest</u></b>	<b>%</b>
THI <sup>(1)</sup>	-	-	344,825,771	28.50%
Tat Hong Investments Pte Ltd <sup>(1)</sup>	-	-	344,825,771	28.50%
Chwee Cheng & Sons Pte Ltd <sup>(1)</sup>	-	-	344,825,771	28.50%
Ng San Tiong Roland <sup>(1)(2)</sup>	3,457,000	0.29%	345,325,771	28.55%
Ng Sun Ho Tony <sup>(1)</sup>	-	-	344,825,771	28.50%
Ng San Wee David <sup>(1)</sup>	-	-	344,825,771	28.50%
Ng Sun Giam Roger <sup>(1)</sup>	-	-	344,825,771	28.50%
Ng Chwee Cheng <sup>(1)(3)</sup>	18,472,500	1.53%	45,936,000	3.80%

**Notes:**

- (1) THI is a wholly-owned subsidiary of Tat Hong Investments Pte Ltd, which is, in turn, a wholly-owned subsidiary of Chwee Cheng & Sons Pte Ltd. 42.03% of the issued share capital of Chwee Cheng & Sons Pte Ltd is owned by the Chwee Cheng Trust (constituted under trustee). Accordingly, each of the trustees of Chwee Cheng Trust, namely, Mr. Ng San Tiong Roland, Mr. Ng Sun Ho Tony, Mr. Ng San Wee David and Mr. Ng Sun Giam Roger along with Chwee Cheng & Sons Pte Ltd and Tat Hong Investments Pte Ltd, is deemed to be interested in the Shares held by THI. All Shares of THI is held through nominees.
- (2) Mr. Ng San Tiong Roland is also deemed interested in 500,000 Shares held through nominees.
- (3) Mr. Ng Chwee Cheng is deemed interested in 45,936,000 Shares held through nominees.

Assuming that the Concert Party Group subscribes and pays for their *pro-rata* entitlement of Rights Shares with Warrants, and none of the Entitled Shareholders (excluding the Concert Party Group) subscribes and pays for their *pro-rata* entitlement of Rights Shares with Warrants, the aggregate shareholding interests of the Concert Party Group in the Company would be approximately 40.9% following their subscription of the Rights Shares (based on the enlarged share capital of the Company of 1,347,454,148 Shares immediately following the allotment and issue of 137,730,423 Rights Shares to the Concert Party Group), and approximately 60.9% following their exercise of the Warrants (based on the enlarged share capital of the Company of 2,036,106,263 Shares immediately following the allotment and issue of 688,652,115 Warrants Shares to the Concert Party Group).

Accordingly, the subscription and payment by the Concert Party Group for their *pro-rata* entitlement of Rights Shares with Warrants will result in the Concert Party Group increasing their aggregate shareholdings in the Company by 1% or more within a period of six (6) months. In such event, the Concert Party Group would incur an obligation to make a mandatory general offer for the Company pursuant to Rule 14 of the Code unless such obligation is waived by the Securities Industry Council (the "**SIC**") on such terms and conditions as it may impose.

The Company has, on 17 August 2015 made an application to the SIC seeking a waiver of the obligations of the Concert Party Group to make a mandatory general offer for the Company under Rule 14 of the Code as a result of the subscription of the Rights Shares and Warrants Shares arising from the exercise of the Warrants under the Rights cum Warrants Issue (the "**Proposed Whitewash Waiver**").

If approved by SIC, the Proposed Whitewash Waiver will be subject to, *inter alia*, the following conditions:

- (i) a majority of holders of voting rights of the Company approving at a general meeting by way of poll to waive their rights to receive a mandatory general offer from the Concert Party Group as a result of or in connection with the Rights cum Warrants Issue (the "**Whitewash Resolution**");
- (ii) the Whitewash Resolution being separate from other resolutions;
- (iii) the Concert Party Group, and parties not independent of them, abstain from voting on the Whitewash Resolution; and
- (iv) the Company appoints an independent financial adviser to advise the Shareholders on the Whitewash Resolution.

If approved by SIC, the Company will be seeking approval of the Shareholders other than the Concert Party Group (the "**Independent Shareholders**") for the Whitewash Resolution at the EGM.

The Company is in the process of appointing an independent financial adviser ("**IFA**") to advise such Directors who are considered independent for the purposes of making the recommendation to Independent Shareholders in relation to the Whitewash Resolution.

Company will make necessary announcements upon receipt of SIC's approval of the Proposed Whitewash Waiver and upon appointment of the IFA.

For the avoidance of doubt, the application to the SIC for the Proposed Whitewash Waiver does not amount to an undertaking by the Concert Party Group to subscribe for their *pro-rata* entitlement to the Rights Shares with Warrants under the Rights cum Warrants Issue. The Concert Party Group has however, indicated their interest to the Board to subscribe and pay for, and/or procure the subscription and payment for, their *pro-rata* entitlement of 137,730,423 Rights Shares with Warrants under the Rights cum Warrants Issue to demonstrate their support for the Rights cum Warrants Issue.

**Shareholders should note that this indication of interest does not amount to an irrevocable undertaking by the Concert Party Group to take up their *pro-rata* entitlement under the Rights cum Warrants Issue and there is no obligation on their part to take up or pay or procure the subscription or payment, for their *pro-rata* entitlement under the Rights cum Warrants Issue.**

## 6. APPROVALS

The Rights cum Warrants Issue is subject to, *inter alia*,

- (i) grant of the Proposed Whitewash Waiver by the SIC (and such approval not having been withdrawn or revoked on or prior to the closing date of the offer of the Rights Shares with Warrants under the Rights cum Warrants Issue);
- (ii) approval in-principle from the SGX-ST for the dealing in, listing and quotation of the Rights Shares, the Warrants and the Warrant Shares on the Official List of the SGX-ST having been obtained (and such approval not having been withdrawn or revoked on or prior to the closing date of the offer of the Rights Shares with Warrants under the Rights cum Warrants Issue);
- (iii) approvals of the Shareholders for the Rights cum Warrants Issue and approval of the Independent Shareholders for the Whitewash Resolution, at the EGM to be convened; and
- (iv) the lodgment of the Offer Information Statement with the MAS.

An application will be made to the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and the Warrants Shares on the Official List of the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

## 7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the Directors and Substantial Shareholders has any interests, direct or indirect, in the Rights cum Warrants Issue, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

## 8. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Rights cum Warrants Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the circular in its proper form and context.

**9. TRADING CAUTION**

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

**BY ORDER OF THE BOARD**

Lee Quang Loong  
Company Secretary

17 August 2015