

INTERESTED PERSON TRANSACTION::RENEWAL OF LEASE AGREEMENTS FOR NO.8 SUNGEI KADUT AVENUE

Issuer & Securities

Issuer/ Manager

CSC HOLDINGS LIMITED

Securities

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Announcement Details

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Submitted By (Co./ Ind. Name)

Lee Quang Loong

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please refer to the attachment.

Additional Details

Interested Person Details

Please refer to the attachment.

Attachments

[Announcement Renewal of Lease Agreements.pdf](#)

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CSC HOLDINGS LIMITED

Co Registration No. 199707845E

ANNOUNCEMENT OF INTERESTED PERSON TRANSACTION – RENEWAL OF LEASE AGREEMENTS WITH TAT HONG HEAVYEQUIPMENT (PTE) LTD IN RESPECT OF THE PREMISES KNOWN AS NO. 8 SUNGEI KADUT AVENUE, SINGAPORE 729645

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of CSC Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its subsidiaries, CS Bored Pile System Pte Ltd, DW Foundation Pte Ltd, L & M Foundation Specialist Pte Ltd and THL Foundation Equipment Pte Ltd (“**THLFE**”) (collectively the “**Subsidiaries**”), have on 28 February 2020 renewed their lease agreements (the “**Lease Agreements**”) with Tat Hong HeavyEquipment (Pte) Ltd (“**THHE**”) in respect of the premises known as No. 8 Sungei Kadut Avenue, Singapore 729645 (the “**Premises**”), for a period of twenty four (24) months from 1 March 2020 to 28 February 2022.

The existing lease agreements between the Subsidiaries and THHE for the Premises are due to expire on 29 February 2020.

THHE is a wholly-owned subsidiary of Tat Hong Holdings Ltd, an associate of the Company, and is thus an interested person under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”). Accordingly, the Lease Agreements constitutes an interested person transaction under Chapter 9 of the Listing Manual.

2. RULE 916(1) OF THE LISTING MANUAL

The estimated rental fees payable for the duration of the renewed leases is approximately S\$3,323,483, representing approximately 2.36% of the Group’s latest audited net tangible assets. The lease is for a period of not more than three (3) years and is supported by an independent valuation report dated 4 February 2020 from GB Global Pte Ltd (the “**Valuation Report**”). The comparison between the estimated rental fees payable under the Lease Agreements and the open market rental value indicated by the Valuation Report for the Premises is as follows:-

	Approximate Area (square feet)	Rental fees payable	Open market rental value	Remarks
Dormitory	N.A.	S\$225 per bed (inclusive of utilities) per month before GST	S\$250 to S\$300 per bed (inclusive of utilities) per month before GST	Rental fees payable is 10.0% to 25.0% below the open market rental value
Office and yard	66,572	S\$67,828.46 per month before GST or approx. \$1.02 per square foot	S\$70,800 per month before GST or approx. \$1.06 per square foot	Rental fees payable is 4.2% below the open market rental value

The Audit Committee has reviewed the Lease Agreements and is of the view that the transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

Accordingly, the Lease Agreements and the renewed leases thereunder will not require the approval of the shareholders of the Company as exempted under Rule 916(1) of the Listing Manual.

3. DETAILS OF LEASE

The Premises has a land area of 98,356 square feet and a floor area of 82,462 square feet, comprising a single-storey workshop building and a four-storey workers' dormitory with five hundred (500) beds. Under the Lease Agreements, the Subsidiaries will lease 314 beds and THLFE will lease a space area of 66,572 square feet from THHE for a period of twenty four (24) months from 1 March 2020 to 28 February 2022. The estimated rental fees payable was arrived at based on the Valuation Report and after negotiation between the parties to the Lease Agreements.

4. RATIONALE FOR THE LEASE

The Company intends to use the Premises for office space, yard and workers' accommodation. In addition, as the rental rates in the Lease Agreements are lower than the market rate for similar properties, the renewed leases under the Lease Agreements will result in savings in rental costs for the Group.

5. CURRENT TOTAL VALUE OF INTERESTED PERSON TRANSACTIONS

The current total value of all interested person transactions, excluding transactions below S\$100,000, entered into by the Group from 1 April 2019 to 31 December 2019 is set out below:-

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	\$'000	\$'000
Tat Hong HeavyEquipment (Pte.) Ltd. ⁽¹⁾	1,314	Nil
Tat Hong Plant Leasing Pte Ltd ⁽¹⁾	1,091	Nil
CMC Construction Pte Ltd ⁽¹⁾	196	Nil
THAB Development Sdn Bhd ⁽²⁾	255	Nil

Note:

⁽¹⁾ Tat Hong HeavyEquipment (Pte.) Ltd., Tat Hong Plant Leasing Pte Ltd and CMC Construction Pte. Ltd. are related corporations of TH Investments Pte Ltd, a substantial shareholder of the Company.

⁽²⁾ With reference to the Group's announcement on 25 October 2013, the Group entered into a Shareholders' Agreement with Tat Hong International Pte Ltd, AME Land Sdn Bhd and BP Lands Sdn Bhd in relation to THAB Development Sdn Bhd, to jointly undertake mixed property development in Iskandar Malaysia.

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for their respective shareholding interests in the Company or as disclosed above, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Lease Agreements.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Lease Agreements and the Valuation Report are available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this Announcement.

By Order of the Board
CSC HOLDINGS LIMITED

Lee Quang Loong
Company Secretary
28 February 2020