

General Announcement::Investment in residential development project in Cambridge, United Kingdom

Issuer & Securities

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Announcement Details

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CSC HOLDINGS LIMITED

Co Registration No. 199707845E

INVESTMENT IN RESIDENTIAL DEVELOPMENT PROJECT IN CAMBRIDGE, UNITED KINGDOM (“UK”)

1. INTRODUCTION

1.1 The Board of Directors (the “**Board**”) of CSC Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that it has entered into a joint venture (the “**Joint Venture**”) to acquire 50% stake in a residential development project in Cambridge, UK (the “**Development**”).

1.2 Please refer to Section 3 for information on the Joint Venture.

2. ABOUT THE DEVELOPMENT

2.1 The Development is located at Coldhams Lane in Cambridge. The city centre of Cambridge, Cambridge Railway Station and Cambridge International Airport are located within a 2 mile radius of the development site.

2.2 The Development is situated on a piece of freehold land which is 36,591 square feet (the “**Land**”). The Land has planning permission for the construction of 14 landed residential units providing approximately 19,300 square feet of gross floor area for sale. The construction work for the Development will commence in August 2018 and it is scheduled to be completed by end 2019.

2.3 The Land was valued by Strutt & Parker UK, a RICS registered valuer, at approximately GBP2.6 million (approximately S\$4.8 million) as at 13 March 2018.

2.4 Based on the Land valuation above, the Joint Venture has acquired 50% stake in the Development at GBP1.1 million (approximately S\$2.0 million) and extended a shareholders loan of GBP0.3 million (approximately S\$0.5 million) (collectively, the “**Investment Capital**”) for the Development.

2.5 The balance 50% stake of the Development is owned by Hemingford Estates Ltd which is the same partner for the Company’s first investment in a property development project in Hertford East, UK.

2.6 In addition to the Investment Capital by the Joint Venture, a loan facility from a financial institution in UK has also been secured to finance the Development.

3. INFORMATION ON THE JOINT VENTURE

- 3.1 The Joint Venture consists of 4 partners, namely CS Real Estate Investment Pte Ltd (“**CSREI**”), Wisescan Engineering Services Pte Ltd (“**WES**”), Ellpha Development Pte Ltd (“**ED**”) and KL Pile Sdn Bhd (“**KLP**”) (collectively, the “**JV Partners**”).
- 3.2 CSREI is a wholly owned subsidiary and WES is a 70% owned subsidiary of the Company respectively.
- 3.3 ED is private limited company incorporated in Singapore on 22 January 2018. KLP is private limited company incorporated in Malaysia on 16 June 1997. ED and KLP are third parties who are unrelated to the Group.
- 3.4 The JV Partners have entered into a shareholders agreement which sets out the terms and conditions of their participation in the Joint Venture.
- 3.5 The JV Partners have incorporated a new company, Coldhams Alliance Pte Ltd (the “**JV Co**”) to take part in the Development.
- 3.6 The JV Co has an issued and paid-up capital of S\$50,000 comprising 50,000 ordinary shares at S\$1.00 each and the JV Partners’ shareholdings in the JV Co are as follows:

Shareholders	Shareholding Proportion
CSREI	30%
WES	25%
ED	25%
KLP	20%
Total	100%

- 3.7 A shareholders’ loan of £1.4 million (approximately S\$2.5 million) has been provided to the JV Co by the JV Partners in the same proportion to their respective shareholdings.
- 3.8 The subscription of shares in the JV Co and shareholders’ loan by both CSREI and WES (the “**Transaction**”) amounts to S\$0.03 million and GBP0.77 million (approximately S\$1.4 million) respectively and were funded through internally generated funds.
- 3.9 The effective interests held by the Group in the Joint Venture and the Development are 47.5% and 23.75% respectively.

4. FINANCIAL EFFECTS

The Transaction is not expected to have a material effect on the consolidated earnings per share or net tangible assets per share of the Group for the financial year ending 31 March 2019.

5. RATIONAL OF THE JOINT VENTURE AND SHAREHOLDERS’ LOAN

The shareholders’ loan provided by CSREI and WES to the JV Co was a capital for the Development. The Board believes that the Joint Venture is beneficial as:

- (a) it provides the Company with an opportunity to diversify the Group’s revenue stream and achieve potential enhance of shareholder value;

- (b) it allows the Group to expand its investment and development portfolio in UK; and
- (c) the risks and rewards of the Joint Venture are in proportion to the equity of the each joint venture partner which enable the Company to mitigate its investment risk.

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

By the Order of the Board
CSC HOLDINGS LIMITED

Lee Quang Loong
Company Secretary
6 August 2018