

General Announcement::Joint venture for a proposed commercial development in Seremban, Negeri Sembilan, Malaysia

Issuer & Securities

Issuer/ Manager	CSC HOLDINGS LIMITED
Securities	CSC HOLDINGS LTD - SG1F84861094 - C06
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
Date & Time of Broadcast	20-May-2016 18:43:39
Status	New
Announcement Sub Title	Joint venture for a proposed commercial development in Seremban, Negeri Sembilan, Malaysia
Announcement Reference	SG160520OTHRIOD6
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.
Attachments	📎 Joint Venture Proposed Commercial Development in Seremban.pdf Total size =45K



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CSC HOLDINGS LIMITED
Co Registration No. 199707345E

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

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 its wholly-owned subsidiary, CS Real Estate Investment Pte Ltd (“**CSREI**”), has entered into a shareholders’ agreement with each of Triplestar Properties Sdn Bhd (“**TSP**”) and Zillion Holding Sdn Bhd (“**ZH**”) (collectively, the “**JV Partners**”) on 20 May 2016 (the “**Shareholders’ Agreement**”) in relation to a proposed commercial development in Seremban, Negeri Sembilan, Malaysia (“**Joint Venture**”).
- 1.2 Pursuant to the terms of the Shareholders’ Agreement, the JV Partners have incorporated TOP3 Development Sdn Bhd (“**JV Company**”) to acquire a piece of freehold land in Seremban (the “**Land**”) in connection with the development of commercial properties for sale.
- 1.3 In connection with the Joint Venture, upon the acquisition of the Land, the JV Partners shall provide shareholders’ loans to the JV Company for the development of the Land (the “**Loan**”). The proportion of the Loan to be contributed by each of CSREI, TSP and ZH is based on the respective shareholdings of CSREI, TSP and ZH in JV Company.
- 1.4 In the event the JV Company fails to secure the acquisition of the Land within six (6) months from 20 May 2016, being the date of the Shareholders Agreement, the Shareholders’ Agreement shall terminate automatically and the Joint Venture amongst the JV Partners shall be dissolved.

2. INTERESTED PERSON TRANSACTIONS

TSP is a private limited company incorporated in Malaysia on 29 August 2013 and its shares are held by Triplestar Holdings Pte Ltd (75%) and Mr Ng Sang Kuey (25%). Triplestar Holdings Pte Ltd (“**Triplestar**”) is a private limited company incorporated in Singapore on 13 August 2013 and is wholly-owned by Mr Ng San Tiong Roland, the controlling shareholder of the Company (“**Mr Ng**”), and his immediate family. Mr Ng Sang Kuey is the sibling of Mr Ng.

ZH is a private limited company incorporated in Malaysia on 2 February 2016 and its shares are held by Lim Yew Chee (40%), Loh Kok Pong (30%) and Ku Hoy Tiam (30%), all of whom are third parties.

As (i) Mr Ng is a controlling shareholder of the Company and (ii) Triplestar and TSP are each deemed associates of a controlling shareholder of the Company, each of Triplestar and TSP are considered “interested persons” for the purposes of Chapter 9 of the Listing Manual Singapore Exchange Securities Trading Limited (the “**Listing Manual**”). Accordingly, the entry into of the Joint Venture by CSREI and the provision of the Loan by CSREI to the JV Company are interested person transactions.

3. DETAILS OF THE JOINT VENTURE AND LOAN

Shareholding Proportion & Shareholders’ Loans

The JV Partners shall subscribe for an aggregate of 5,000,000 new shares in the share capital of JV Company in the following proportion:-

Shareholders	Number of Shares of RM1.00 each	Shareholding Proportion
CSREI	2,000,000	40%
TSP	2,000,000	40%
ZH	1,000,000	20%
Total	5,000,000	100%

In addition, the JV Partners shall extend an initial shareholders’ loan to the JV Company on the same terms and conditions and in proportion to their respective shareholding in the JV Company as follows:

Shareholders	Initial Shareholders’ Loans (RM)	Shareholding Proportion
CSREI	2,000,000	40%
TSP	2,000,000	40%
ZH	1,000,000	20%
Total	5,000,000	100%

The JV Partners further agree to extend a subsequent shareholders’ loan to the JV Company at a later time or whenever it is necessary on the same terms and conditions and in proportion to their respective shareholding proportion as follows:

Shareholders	Subsequent Shareholders’ Loans (RM)	Shareholding Proportion
CSREI	4,000,000	40%
TSP	4,000,000	40%
ZH	2,000,000	20%
Total	10,000,000	100%

The subscription amount and the shareholder’s loan to be advanced by CSREI is expected to be RM8 million (approximately S\$2.70 million), which represents 1.52% of the Group’s audited tangible assets as at 31 March 2015.

All of the shareholders’ loans will be extended by the JV Partners in accordance with their respective shareholding proportion in the JV Company and on the same terms and conditions. None of the interested persons have any existing interests in the JV Company prior to the participation of the JV Partners.

4. RATIONALE OF THE JOINT VENTURE AND LOAN

By providing the Loan to the JV Company, CSREI will provide the JV Company with capital for the acquisition and development of the Land in Seremban. 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 enhancement of shareholder value;
- (b) it will allow the Group to expand its investment and development portfolio in Malaysia; and
- (c) it taps on the expertise and network of its JV Partners.

5. CURRENT TOTAL VALUE OF THE INTERESTED PERSON TRANSACTIONS

Other than transactions of less than S\$100,000, and transactions carried out under the Company's shareholders' mandate for transactions with interested persons, the current total of all transactions for the financial year ending 31 March 2017 with the TSP and the current total of all interested person transactions for the same financial year, as at the date of this announcement is approximately S\$2.70 million representing 1.52% of the Group's audited tangible assets as at 31 March 2015.

6. STATEMENT OF AUDIT COMMITTEE

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

- (a) the entry into of the Joint Venture and the provision of the Loan 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.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this Announcement, none of the directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the above transactions.

By the Order of the Board
CSC HOLDINGS LIMITED

Lee Quang Loong
Company Secretary
20 May 2016