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**Acquisitions and Disposals :: Discloseable Transaction :: Proposed acquisition of additional 40% stake in Double Wong Foundation Pte Ltd**


\* Asterisks denote mandatory information

Name of Announcer *	CSC HOLDINGS LTD
Company Registration No.	199707845E
Announcement submitted on behalf of	CSC HOLDINGS LTD
Announcement is submitted with respect to *	CSC HOLDINGS LTD
Announcement is submitted by *	See Yen Tarn
Designation *	Chief Executive Officer
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>> **Announcement Details**

The details of the announcement start here ...

Announcement Title *	Proposed acquisition of additional 40% stake in Double Wong Foundation Pte Ltd
Description	Please refer to the attachment.

**Attachments**
 Proposed\_Acquisition\_of\_additional\_40\_percent\_stake\_in\_DWF.pdf  
 Total size = **92K**  
 (2048K size limit recommended)





**CSC HOLDINGS LIMITED**  
(Company Registration No. 199707845E)

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**PROPOSED ACQUISITION OF ADDITIONAL 40%  
STAKE IN DOUBLE WONG FOUNDATION PTE. LTD.**

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**1. INTRODUCTION**

The Board of Directors (“**Board**”) of CSC Holdings Limited (the “**Company**”) wishes to announce that the Company has entered into a conditional sale and purchase agreement dated 21 September 2011 (the “**Agreement**”) with Mr. Wong Tuck Wai, Mr. Wong Tuck Keong, Mr. Wong Tuck Heng, Mr. Wong Tuck Pheng and Mr. Siah Jin Ben (She Renming) (collectively, the “**Vendors**”) and Double Wong Foundation Pte. Ltd. (“**DWF**”), pursuant to which:

- (a) the Vendors shall sell and the Company shall purchase a total of 1,468,000 ordinary shares, representing 40% of the total issued and paid-up share capital of DWF (the “**Sale Shares**”), free from all encumbrances and together with all rights, benefits and entitlements attaching thereto as at the date of the Agreement and thereafter; and
- (b) the Vendors shall assign to the Company the shareholders loans in the principal amount of S\$4,143,194 (the “**Relevant Loans**”) (out of the total shareholder loans in the principal amount of S\$6,047,420 owed by DWF to the Vendors),

for the aggregate consideration of S\$2,200,000 (the “**Consideration**”) payable by the Company to the Vendors, on the terms and subject to the conditions set out in the Agreement (collectively, the “**Acquisition**”).

The number of Sale Shares to be sold and the amount of Relevant Loans to be assigned by, and the portion of the Consideration to be paid to, each of the Vendors is set out in section 4.1 below.

**2. INFORMATION ON DWF**

DWF is a Building Construction Authority L6 registered foundation company, which operates primarily in Singapore. DWF specialises in the installation of large diameter bored piles in very hard ground conditions and owns one of the newest fleets of foundation equipment in Singapore.

DWF has recently completed, amongst others, foundation works for the Foresque Residences condominium at Petir Road, several public residential projects and the National Heart Centre. It is currently working on various projects, which include foundation works for the Beauty World Mass Rapid Transit Station along the new Bukit Timah Line, the Marina Coastal Expressway and a public residential project in Yishun.

Based on the unaudited management accounts of DWF as at 30 June 2011, the net tangible assets (“**NTA**”) value of DWF is approximately S\$6,240,655.

### 3. RATIONALE AND BENEFITS

As at the date hereof, the Company holds 1,101,000 ordinary shares representing 30% of the total issued and paid-up share capital of DWF. Upon completion of the proposed Acquisition (“**Completion**”), the Company will hold a total of 2,569,000 ordinary shares representing 70% of the total issued and paid-up share capital of DWF.

The Company is of the view that the proposed Acquisition represents a strategic and long-term investment in DWF. By acquiring an additional stake in DWF and thus making DWF a subsidiary, the Company will be in a position to better optimise the operations and resources of both the Company and DWF.

### 4. PRINCIPAL TERMS OF ACQUISITION

#### 4.1 Sale Shares and Relevant Loans

The number of Sale Shares to be sold and the amount of Relevant Loans to be assigned by, as well as the portion of the Consideration to be paid to, each of the Vendors are as follows:

Vendors	Number of Sale Shares	Amount of Relevant Loans	Amount of Consideration
Mr. Wong Tuck Wai (“ <b>Mr. Wong TW</b> ”)	440,400	S\$2,643,194	S\$1,400,000
Mr. Wong Tuck Keong	256,900	S\$375,000	S\$200,000
Mr. Wong Tuck Heng	256,900	S\$400,000	S\$200,000
Mr. Wong Tuck Pheng	256,900	S\$350,000	S\$200,000
Mr. Siah Jin Ben (She Renming)	256,900	S\$375,000	S\$200,000
<b>Total</b>	<b>1,468,000</b>	<b>S\$4,143,194</b>	<b>S\$2,200,000</b>

#### 4.2 Consideration

The Consideration of S\$2,200,000 was determined by the Company and the Vendors at arm’s length and on a willing-buyer willing-seller basis, after taking into consideration, *inter alia*, DWF’s unaudited NTA of S\$6,414,902 as at 31 March 2011. The Consideration shall be satisfied fully in cash by the Company on Completion.

#### 4.3 Conditions Precedent

Completion is conditional upon the satisfaction of the following conditions:

- (a) the resignation of the Vendors (other than Mr Wong TW) from their respective positions in DWF and the termination of their service agreements with DWF, on terms satisfactory to the Company;
- (b) Mr Wong TW having entered into a new service agreement with DWF (which shall supersede and cancel the existing service agreement), on terms satisfactory to the Company;

- (c) the completion of a stock-take by the Company on certain assets of DWF and the results of such stock-take being satisfactory to the Company;
- (d) certain companies (with names similar or related to that of DWF) having changed their names to the satisfaction of the Company;
- (e) the representations and warranties of the Company, the Vendors and DWF (collectively, the “Parties”) being true, accurate and not misleading in all material respects;
- (f) the receipt of all such approvals, waivers or consents from the relevant government or regulatory authority, agency or body (if required); and
- (g) the absence of any event which, in the opinion of the Company, has or is likely to have a material adverse effect on the business or financial condition of DWF.

#### 4.4 Post-Completion

Upon Completion:

- (a) the Company and Mr Wong TW shall be the only shareholders of DWF, and shall hold 2,569,000 and 1,101,000 Shares, representing 70% and 30% of the total issued and paid-up share capital of DWF, respectively;
- (b) DWF will owe the Company and Mr Wong TW shareholder loans of S\$4,443,194 and S\$1,904,226, representing 70% and 30% of the total amount of shareholder loans of DWF (the “Shareholder Loans”), respectively; and
- (c) the shareholders’ agreement dated 12 November 2010 which was entered into between the Parties in relation to the Company will terminate and cease to be of any further force or effect (save for certain provisions relating to confidentiality).

The Company, Mr Wong TW and DWF shall, as soon as practicable after Completion, procure the capitalisation of the Shareholder Loans, pursuant to which DWF shall issue 4,443,194 and 1,904,226 ordinary shares (the “Loan Shares”) to the Company and Mr Wong TW, deemed fully paid-up at the issue price of S\$1.00 per Loan Share, respectively.

Based on the unaudited management accounts of DWF as at 30 June 2011 and assuming the Shareholder Loans were capitalised on such date, the NTA of DWF shall be approximately S\$12,588,075.

#### 5. SOURCE OF FUNDS

The Company intends to use internal sources of funds and/or external borrowings to finance the Consideration payable to the Vendors.

#### 6. DISCLOSEABLE TRANSACTION

As announced by the Company on 11 March 2010, 12 November 2010 and 19 November 2010, the Company had previously acquired from the Vendors 1,101,000 ordinary shares representing 30% of the total issued and paid-up share capital of DWF for the consideration of S\$8,000,000 (the “Previous Transaction”).

Rule 1005 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) states that, in determining whether a transaction is a non-discloseable transaction, discloseable transaction, major transaction, very substantial acquisition or reverse takeover, the SGX-ST may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction.

Based on the unaudited financial statements announcement of the Company and its subsidiaries (the “Group”) for the first quarter ended 30 June 2011, the relative figures in respect of the proposed Acquisition (aggregated with that of the Previous Transaction pursuant to Rule 1005), as computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST, are as follows:

**Bases in Rule 1006**

(a) Net asset value of the assets to be disposed of, compared with net asset value of the Group	Not applicable <sup>1</sup>
(b) Net loss <sup>2</sup> of approximately S\$174,246 attributable to the Company’s total stake in DWF, compared with net profits <sup>2</sup> of the Group of approximately S\$1,321,579 <sup>3</sup>	Not applicable <sup>4</sup>
(c) Aggregate consideration of S\$10,200,000, compared with the Company’s market capitalisation <sup>5</sup> of approximately S\$123,525,396 as at 20 September 2011, being the market day immediately preceding the date of the Agreement	8.26%
(d) Number of equity securities issued for the Acquisition, compared with the number of shares of the Company previously in issue	Not applicable <sup>6</sup>

**Notes:**

- (1) Not applicable to an acquisition of assets.
- (2) “Net loss” or “net profit” means loss or profit before income tax, minority interests and extraordinary items.
- (3) Net profits of the Group excludes the share of loss in respect of DWF in the first quarter ended 30 June 2011.
- (4) Not applicable as the value is negative.
- (5) “Market capitalisation” is determined by multiplying the number of shares of the Company in issue by the weighted average price of such shares transacted on the market day preceding the date of the Agreement.
- (6) Not applicable as the Consideration shall be fully satisfied in cash.

As the relative figures as computed on the basis set out in Rule 1006 exceeds 5% but does not exceed 20%, the proposed Acquisition (aggregated with the Previous Transaction) constitutes a “discloseable transaction” within the meaning of Chapter 10 of the Listing Manual, and has to be immediately announced by the Company.

**7. FINANCIAL EFFECTS**

The pro forma financial effects of the proposed Acquisition (aggregated with that of the Previous Transaction), based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2011, are set out below. The pro forma financial effects are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Company or the Group after the completion of the proposed Acquisition.

### Earnings per Share

Assuming that the proposed Acquisition (and the Previous Transaction) had been completed on 1 April 2010, the effect on the earnings per share (the "EPS") of the Company will be as follows:

	Before the proposed Acquisition (and the Previous Transaction)	After the proposed Acquisition (and the Previous Transaction)
Profit after tax and minority interest (S\$'000)	6,825	1,536
Weighted average number of shares	1,222,901,407	1,222,901,407
EPS (cents)	0.56	0.13

### Net Tangible Assets

Assuming that the proposed Acquisition (and the Previous Transaction) had been completed on 31 March 2011, the effect on the NTA per share of the Company will be as follows:

	Before the proposed Acquisition (and the Previous Transaction)	After the proposed Acquisition (and the Previous Transaction)
NTA (S\$'000)	186,119	182,334
Number of shares (excluding treasury shares)	1,223,373,725	1,223,373,725
NTA per share (cents)	15.2	14.9

## 8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the proposed Acquisition.

## 9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection during normal business hours at the registered office of the Company at 2 Tanjong Penjuru Crescent, Singapore 608968, for a period of three months from the date of this announcement.

### BY ORDER OF THE BOARD

See Yen Tarn  
Group Chief Executive Officer  
21 September 2011