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Acquisitions and Disposals :: Discloseable Transaction :: Proposed acquisition of remaining 30% 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 *	Group Chief Executive Officer
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	Proposed acquisition of remaining 30% stake in Double Wong Foundation Pte Ltd
Description	Please refer to the attachment for more details.

Attachments
 Proposed_Acquisition_Remaining_Stake_in_DWF.pdf
 Total size = **74K**
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CSC HOLDINGS LIMITED
(Company Registration No. 199707845E)

**PROPOSED ACQUISITION OF REMAINING 30%
STAKE IN DOUBLE WONG FOUNDATION PTE. LTD.**

1. INTRODUCTION

The Board of Directors of CSC Holdings Limited (the “**Company**”) wishes to announce that the Company has entered into a conditional sale and purchase agreement dated 22 November 2012 (the “**Agreement**”) with Mr. Wong Tuck Wai (the “**Vendor**”) and Double Wong Foundation Pte. Ltd. (“**DWF**”), pursuant to which the Vendor shall sell and the Company shall purchase 3,005,226 ordinary shares of DWF (the “**Sale Shares**”), representing 30% of its issued and paid-up share capital, for the consideration of S\$1,500,000 (the “**Acquisition**”).

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. The recent projects completed by DWF include a public residential project in Yishun and industrial development projects in Eunos and Tampines.

Based on the unaudited management accounts of DWF as at 30 September 2012, and after taking into account the fair value adjustments for certain of its leasehold properties, the net tangible assets value of DWF is S\$4,948,756 (the “**Adjusted NTA**”). The determination of the fair value had been undertaken following the completion of the previous acquisition by the Company of a 40% stake in DWF on 28 October 2011.

3. RATIONALE AND BENEFITS

As at the date hereof, the Company owns 7,012,194 ordinary shares of DWF, representing 70% of its issued and paid-up share capital. Upon completion of the proposed Acquisition, the Company will own the entire issued and paid-up share capital of DWF. The Company regards the acquisition of DWF as a strategic and long-term investment. By acquiring the remaining 30% stake in DWF, the Company will be in a better position to further restructure DWF in order to achieve greater cost savings for its business operations.

4. PRINCIPAL TERMS

4.1 Consideration

The consideration of S\$1,500,000 in respect of the proposed Acquisition (the “**Consideration**”) was determined by the Company and the Vendor at arm’s length and on a willing-buyer willing-seller basis, after taking into account, *inter alia*, the Adjusted NTA of DWF of S\$4,948,756. The Consideration is payable in cash on completion of the proposed Acquisition (“**Completion**”).

4.2 Conditions Precedent

Completion is conditional upon the satisfaction of, among others, the following conditions:

- (a) the resignation of the Vendor as a director of DWF; and
- (b) 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.

5. SOURCE OF FUNDS

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

6. DISCLOSEABLE TRANSACTION

The relative figures in respect of the proposed Acquisition, as computed on the bases set out in Rule 1006 of the Listing Manual, are as follows:

Bases in Rule 1006

(a)	Net asset value of the assets to be disposed	Not applicable ⁽¹⁾
	Net asset value of the Group	-
	Size of relative figure	-
(b)	Net profits ⁽²⁾ attributable to the assets acquired	S\$(626,034) ⁽³⁾
	Net profits of the Group	S\$4,202,122 ⁽⁴⁾
	Size of relative figure	Not meaningful
(c)	Aggregate value of the Consideration	S\$1,500,000
	Market capitalisation ⁽⁵⁾ of the Company	S\$132,704,626
	Size of relative figure	1.13%
(d)	Number of equity securities to be issued	Not applicable ⁽⁶⁾
	Number of shares of the Company in issue	-
	Size of relative figure	-

Notes:

- (1) This is not applicable to an acquisition of assets.
- (2) "Net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (3) Based on the unaudited management accounts of DWF for the six months ended 30 September 2012.
- (4) Based on the unaudited results announcement of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2012.
- (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 21 November 2012 (being the market day preceding the date of the Agreement).
- (6) This is not applicable as the Consideration is payable in cash.

As the relative figures as computed on the foregoing basis exceeds 5% but does not exceed 20%, the proposed Acquisition 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, based on the restated consolidated financial statements of the Group for the financial year ended 31 March 2012, 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 Completion.

Earnings per Share

Assuming that the proposed Acquisition had been completed on 1 April 2011, the effect on the earnings per share (the "EPS") of the Company will be as follows:

	Before Acquisition	After Acquisition
Profit after tax and minority interest (S\$)	7,829,272	4,457,583 ⁽¹⁾
Weighted average number of shares	1,222,789,791	1,222,789,791
EPS (cents)	0.64	0.36

Net Tangible Assets

Assuming that the proposed Acquisition had been completed on 31 March 2012, the effect on the net tangible assets ("NTA") per share of the Company will be as follows:

	Before Acquisition	After Acquisition
NTA (S\$)	197,926,469	197,926,469 ⁽²⁾
Number of shares (excluding treasury shares)	1,222,243,725	1,222,243,725
NTA per share (cents)	16.2	16.2

Notes:

- (1) This is based on the Company (i) having an existing 30% shareholding interest in DWF as at 1 April 2011, (ii) acquiring another 30% shareholding interest in DWF on 1 April 2011 (assuming completion of the proposed Acquisition) and (iii) acquiring another 40% shareholding interest in DWF on 28 October 2011.
- (2) There is no change in the NTA after the proposed Acquisition because the additional equity interest of DWF to be acquired does not result in a change of control, and represents a transaction between the owners of DWF and its non-controlling shareholder. Any difference between the Consideration and carrying amounts of the assets and liabilities to be acquired will be recognised directly in equity.

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

22 November 2012