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Acquisitions and Disposals :: Discloseable Transaction :: Proposed Sale of 40% Interest in Excel Precast 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 Sale of 40% Interest in Excel Precast Pte Ltd
Description	Please refer to the attachment.

Attachments
 Proposed_Sale_of_40_percent_Interest_In_Excel_Precast_Pte_Ltd.pdf
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CSC HOLDINGS LIMITED
(Company Registration No. 199707845E)

PROPOSED SALE OF 40% INTEREST IN EXCEL PRECAST PTE LTD

1. INTRODUCTION

The Board of Directors of CSC Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a conditional sale and purchase agreement dated 8 November 2011 (the “**SPA**”) with Santarli Construction Pte Ltd (the “**Purchaser**”) for the sale of 1,600,000 ordinary shares (the “**Sale Shares**”) in the capital of Excel Precast Pte Ltd (“**EP**”), representing 40% of its issued and paid-up share capital (the “**Sale**”).

Upon completion of the proposed Sale (“**Completion**”), EP will cease to be an associated company of the Company.

2. INFORMATION ON THE PARTIES

2.1 EP

EP is a private limited company incorporated in Singapore on 10 March 1999, and is principally engaged in the manufacture and sale of precast concrete products for the construction industry. EP has its office in Singapore and supplies the local construction industry with its products. It has a precast factory with six production lines equipped with gantry and crawler cranes, as well as a computerised concrete batching plant in the factory.

EP has a wholly-owned subsidiary, Excel Precast Sdn Bhd, which is incorporated in Malaysia and is currently dormant.

2.2 The Purchaser

The Purchaser is a private limited company incorporated in Singapore, and is principally engaged in the construction business. It is also involved in the supply of building material such as sand for reclamation work.

The Purchaser currently owns 2,400,000 ordinary shares in the capital of EP, representing the other 60% of its issued and paid-up share capital.

3. THE PROPOSED SALE

3.1 Consideration

Subject to the terms and conditions of the SPA, the Company has agreed to sell the Sale Shares for the cash consideration of S\$4,152,000 (the “**Consideration**”), which shall be fully payable by the Purchaser on Completion.

The Consideration was negotiated between the Company and the Purchaser at arms’ length and was determined on a willing-buyer willing-seller basis, taking into consideration:

- (a) EP's audited consolidated net tangible assets ("**NTA**") of approximately S\$9,684,000 and its audited consolidated net profit before tax of approximately S\$10,514,000 for the financial year ended 30 June 2010; and
- (b) EP's unaudited consolidated NTA of approximately S\$9,899,000 and its unaudited consolidated net profit after tax of approximately S\$2,210,000 for the financial year ended 30 June 2011.

Based on EP's book value of approximately S\$4,008,000 as at 30 September 2011, the Group will realise a gain of approximately S\$144,000 from the proposed Sale.

3.2 Conditions Precedent

Completion is conditional upon the satisfaction of, *inter alia*, the following:

- (a) the approval of the Purchaser's board of directors for the transactions contemplated under the SPA having been obtained and remaining valid;
- (b) the approval of the Purchaser's shareholders for the transactions contemplated under the SPA having been obtained (if so required) and remaining valid; and
- (c) all required approvals and consents from the relevant governmental bodies and the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") over the transactions contemplated under the SPA having been obtained and remaining valid.

Subject to the foregoing, Completion shall take place within 10 business days after the signing of the SPA (or such other date as the Company and the Purchaser may agree).

4. RATIONALE AND USE OF PROCEEDS

The Group is primarily engaged in the business of foundation and geotechnical engineering works. The proposed Sale represents an opportunity to divest a non-core business of the Group, which will enable the management to streamline the Group's operations and consolidate its resources in order to concentrate on the core business.

The proposed Sale will also allow the Group to realise the gain on its investment and strengthen its financial position. The Company intends to use the proceeds from the proposed Sale for the working capital requirements of the Group and to grow its core business of foundation and geotechnical engineering works.

5. RULE 1006 OF THE LISTING MANUAL

Based on the unaudited financial statements announcement of the Group for the first half ended 30 September 2011, the relative figures in respect of the proposed Sale as computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST are as follows:

(a) Rule 1006(a)

Net asset value of the assets disposed of	:	S\$4,008,000
Net asset value of the Group	:	S\$189,399,000
Size of relative figure	:	2.1%

(b) Rule 1006(b)

Net profits attributable to the assets disposed of	:	S\$844,000
Net profits of the Group	:	S\$4,994,000
Size of relative figure	:	16.9%

(c) Rule 1006(c)

Aggregate value of the consideration	:	S\$4,152,000
Company's market capitalisation (as at 4 November 2011)	:	S\$123,469,000
Size of relative figure	:	3.4%

(d) Rule 1006(d)

Number of equity securities to be issued as consideration	:	Not applicable
Number of equity securities in issue	:	Not applicable
Size of relative figure	:	Not applicable

As the relative figure set out in Rule 1006(b) exceeds 5% but does not exceed 20%, the proposed Sale constitutes a “discloseable transaction” within the meaning of Chapter 10 of the Listing Manual of the SGX-ST, and has to be announced immediately.

6. PRO FORMA FINANCIAL EFFECTS

The pro forma financial effects of the proposed Sale on the Group's NTA¹ per share, earnings per share (“EPS”) and gearing have been prepared based on (i) the audited consolidated financial statements of the Group for the financial year ended 31 March 2011 (“FY2011”) and (ii) the audited consolidated accounts of EP for financial year ended 30 June 2010 and the unaudited consolidated accounts of EP for the nine (9) months ended 31 March 2011.

The following assumptions have also been made:

- (a) the financial effects on the Group's EPS is computed assuming that the proposed Sale was completed on 1 April 2010; and
- (b) the financial effects on the Group's NTA per share and gearing are computed assuming that the proposed Sale was completed on 31 March 2011.

The pro forma financial effects are presented for illustrative purposes only and are not intended to reflect the actual financial position and/or results of the Group immediately after Completion.

¹ The Group's NTA excludes intangible assets.

6.1	NTA per share		
		Before the Sale	After the Sale
	NTA (S\$ million)	179.9	180.8
	Number of shares as at 31 March 2011 (million shares)	1,223.4	1,223.4
	NTA per share (cents)	14.7	14.8
6.2	EPS		
		Before the Sale	After the Sale
	Net profit after tax for FY2011 attributable to shareholders (S\$ million)	5.0	5.0
	Weighted average number of shares for FY2011 (million Shares)	1,222.9	1,222.9
	EPS (cents)	0.41	0.41
6.3	Gearing		
		Before the Sale	After the Sale
	Total borrowings as at 31 March 2011 (S\$ million)	98.4	98.4
	Shareholders' fund as at 31 March 2011 (S\$ million)	187.3	188.1
	Gearing (times)	0.5	0.5

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors (other than in his capacity as a director or shareholder of the Company) or controlling shareholders of the Company has an interest, direct or indirect, in the proposed Sale.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours from 9 a.m. to 5 p.m. at the registered office of the Company at 2 Tanjong Penjuru Crescent, Singapore 608968 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

See Yen Tarn
Group Chief Executive Officer

8 November 2011