RESPONSE TO SGX QUERIES::

Issuer & Securities

Issuer/ Manager

CSC HOLDINGS LIMITED

Securities

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Announcement Details

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Submitted By (Co./ Ind. Name)

See Yen Tarn

Designation

Executive Director & Group Chief Executive Officer

Description (Please provide a detailed description of the change in the box below)

Response to queries from Singapore Exchange Securities Trading Limited on the Condensed Interim Financial Statements Announcement for the 6 months and 12 months ended 31 March 2023.

Attachments

Response_to_SGX-ST_Query.pdf

Total size =113K MB

CSC HOLDINGS LIMITED
Co Registration No. 199707845E

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE CONDENSED INTERIM FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE 6 MONTHS AND 12 MONTHS ENDED 31 MARCH 2023

The Board of Directors (the "**Board**") of CSC Holdings Limited (the "**Company**", and collectively with its subsidiaries, the "**Group**") wishes to provide its responses to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 1 June 2023 with respect to the Condensed Interim Financial Statements Announcement for the 6 Months and 12 Months Ended 31 March 2023 released on 26 May 2023.

SGX-ST Query:

We note that the Group's trade and other receivables (current and non-current) had increased by $18.1 million from $73.9 million as at 31 March 2022 to $92.0 million as at 31 March 2023. Please disclose:

(i) the breakdown of the Group's trade and other receivables;
(ii) the underlying transactions in respect of other receivables, the terms of the transactions, terms of payment, and whether this was incurred in the ordinary course of business;
(iii) the ageing profile of the Group's trade and other receivables in bands of 3 months (with the upper limit disclosed);
(iv) whether these outstanding amounts are owing to related parties. If yes, to provide details and quantify;
(v) whether these debtors are related to any directors, key executives, substantial shareholders or their respective associates; and
(vi) the Board's assessment on the recoverability of the Group's trade and other receivables, and the basis for such an assessment.

Company's Response:

<u>Item (i)</u>

The trade and other receivables comprise the following:

	As at 31 March 2023 $'000	As at 31 March 2022 $'000
Trade receivables	71,762	53,453
Lease receivables (trade)	5,538	2,260
Amount owing by related corporations (trade)	410	483
Shareholder's loans owing by the joint venture companies for property development projects:		
- THAB Development Sdn Bhd	2,266	2,353
- WB Top3 Development Sdn Bhd	913	978
- 2TPC Investments Pte Ltd	4,245	4,245
	7,424	7,576
Other receivables	2,882	2,986
Deposits & prepayments	3,942	7,111
	91,958	73,869

Item (ii)

Other receivables as of 31 March 2023 are mainly related to project related expenses supplied to subcontractors in the ordinary course of business activities and operations of the Group. These receivables are repayable within 12 months.

Item (iii)

The aging for the trade receivables is as follows:

	As at 31 March 2023 $'000	**As at 31 March 2022 $'000**
1 to 3 months	60,753	47,126
4 to 6 months	4,569	2,260
7 to 12 months	4,141	1,779
More than 12 months	2,299	2,288
	71,762	53,453

The total receivables' turnover days (trade receivables, lease receivables and contract assets net of retention sums) was approximately 155 days as of 31 March 2023 (31 March 2022: 127 days).

Items (iv) and (v)

The trade amount owing by related corporations as of 31 March 2023 relates to revenue from foundation engineering works and equipment sales and leasing generated in the ordinary course of business activities and operations of the Group. These related corporations are related to TH Investments Pte Ltd ("THI"), a substantial shareholder of the Company. They are also the associates of controlling shareholders of the Company, namely, THI, Tat Hong Investments Pte Ltd, Chwee Cheng & Sons Pte Ltd, Mr Ng Sun Ho Tony, Mr Ng San Wee David, Mr Ng Sun Giam Roger and Mr Ng San Tiong Roland (who is also Non-Executive Director of the Company). These interested person transactions had been disclosed on Page 39 Item 3 of the Condensed Interim Financial Statements Announcement for the 6 Months and 12 Months Ended 31 March 2023 released on 26 May 2023.

Item (vi)

The Group evaluates, amongst other things, the nature and terms of the underlying transaction of trade and other receivables for recoverability assessment. The Group performs ongoing credit evaluations of its counterparties' financial condition, reviewing including but not limited to its on-going projects on hand, external ratings (if they are available), and credit agency information, audited financial statements, management accounts, cash flow projections, available press information about counterparties, etc. ("financial data"). The Group also performs expected credit loss assessments for counterparties in accordance with the requirement of Singapore Financial Reporting Standards (International) 9 *Financial Instruments*, by allocating each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including those financial data) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

The Board is of the view that the recoverability of trade and other receivables has been adequately assessed as at the reporting date.

By Order of the Board

See Yen Tarn
Executive Director and Group Chief Executive Officer

6 June 2023