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RESPONSES TO SGX QUERIES :: ON FINANCIAL STATEMENTS :: Reply to SGX query on financial statements & dividend announcement for the year ended 31 March 2010

*\* 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 *	Lee Quang Loong
Designation *	Company Secretary
Date & Time of Broadcast	25-May-2010 17:38:08
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>> ANNOUNCEMENT DETAILS

*The details of the announcement start here ...*

Announcement Title *	Reply to SGX query on financial statements & dividend announcement for the year ended 31 March 2010
Subject of Query *	On Financial Statements
Description	Please refer to the attachment.
Attachments	<p> <a href="#">CSCHL_Replies_to_SGX_Queries_20100525.pdf</a></p> <p>Total size = <b>42K</b> (2048K size limit recommended)</p>

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Co Registration No. 199707845E

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**REPLY TO SGX QUERIES ON FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 31 MARCH 2010**

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Further to the release of the Company's Financial Statements for the 12 Months Ended 31 March 2010, the Board of Directors of the Company wishes to provide the following additional information in response to SGX queries on 24 May 2010.

- (a) *We note in the Consolidated Income Statement, the 'Cost of sales' dropped by 49.8% to S\$238 million in comparison to the last financial year. On the other hand, the Balance Sheet indicated that 'Trade and other payables' fell by only 24.8% to S\$94 million. Kindly provide a breakdown of the major items and explain why the 'Trade and other payables' fell by only 24.8% in comparison to the 50% decrease in 'Cost of Sales'.*

The breakdown of Trade and Other Payables as of 31 March 2010 were as follows:

	31 March 2010	31 March 2009	Change
	'000	'000	%
Trade payables and accruals	86,469	123,524	(30.0)
Other payables and deposits	2,241	1,952	14.8
Deposits from sale of industrial property	5,631	-	100.0
Total	94,341	125,476	(24.8)

As of 31 March 2010, the Company and its subsidiaries (collectively referred to as "the Group") had collected deposits for the sale of some units from their industrial development in Tuas amounting to \$ 5.6 million (31 March 2009: NIL).

As at 31 March 2009, the trade payables turnover days were approximately 95 days. For FY2010, the trade payables turnover days at each quarter were as follows:

	1Q 2010	2Q 2010	3Q 2010	4Q 2010
Trade Payables Turnover (Days)	138	146	148	132

The trade payables turnover days increased in FY2010 as a result of prudent working capital management by the Group during the uncertain economic climate in the early quarters of the financial year. However, as at 31 March 2010, the Group's trade payables turnover days had improved to 132 days as compared to the earlier quarters.

- (b) *We note that under the Consolidated Statement of Cash Flows; the non-cash adjustments made for 'impairment losses (reversed)/recognised' on property, plant and equipment has actually decreased by approximately S\$8.3 million to negative S\$1.8 million. Kindly disclose*



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*the reasons and provide a breakdown of the underlying items that account for this significant change in value.*

Financial Reporting Standards 36: Impairment of Assets ("FRS 36"), requires that the Group carries out impairment assessments of its property, plant and equipment at each reporting date.

In accordance with FRS 36, the estimated recoverable amount of certain property, plant and equipment were lower than their carrying values as at 31 March 2009. The estimated recoverable amount of these property, plant and equipment were lower than their respective carrying values as at 31 March 2009. This was due to the uncertain economic environment arising from the global financial crisis. Accordingly, an aggregate impairment loss of \$ 6.5 million was recognised in the financial statements of the Group.

As at 31 March 2010, the estimated recoverable amounts of the property, plant and equipments were higher on the back of improved economic conditions and consequently no further impairment losses were required. In addition, an impairment loss of \$ 1.8 million recognised in 31 March 2009 was reversed out due to the higher estimated recoverable amount as at 31 March 2010.

By the Order of the Board

Lee Quang Loong  
Company Secretary

25 May 2010