
CALL ON PERFORMANCE BOND BY UES HOLDINGS PTE LTD

The Board of Directors of CSC Holdings Limited (the “**Company**”, and collectively with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, L&M Foundation Specialist Pte Ltd (“**LMFS**”) has received notification from a bank which issued a performance bond (“**Performance Bond**”) in relation to a sub-contract for the construction of an underground stormwater storage tank using diaphragm wall construction (the “**Sub-Contract**”) entered into between LMFS and UES Holdings Pte. Ltd. (“**UES**”). The Sub-Contract works were part of a project relating to the construction of the Stamford detention tank and its ancillary facilities where UES was the main contractor engaged by the Public Utilities Board.

By way of background, arising from disputes in the payment claims issued by LMFS to UES and UES’s assessment of LMFS’s claims and deductions in its interim valuation certificate, LMFS and UES were involved in an adjudication which was decided in May 2017. Thereafter, UES issued a letter of demand on 16 June 2017 making certain claims against LMFS that UES was unsuccessful in the adjudication. LMFS responded on 23 June 2017, denying UES’s claims and reminded UES of LMFS’s own claims for standby, as well as loss and expense arising from delays caused to LMFS’s work. Notwithstanding all of the foregoing, UES made a demand on the Performance Bond (for value S\$600,000 and of which is payable on demand notwithstanding any dispute between LMFS and UES) that LMFS had provided under the terms of the Sub-Contract. LMFS was notified of UES’s demand by the bank on the Performance Bond on 30 June 2017. LMFS will be indemnifying the bank for the payout of the Performance Bond.

The payment under the Performance Bond is not expected to have a material impact on the financial results of the Company and the Group for the current financial year ending 31 March 2018.

LMFS believes that it has valid claims against UES and the aggregation of such claims is or will be greater than the amount demanded under the Performance Bond. LMFS has been taking legal advice on its claims, and will continue to take legal advice on its options, as well as its rights, under the Sub-Contract and at law.

The Company will make announcements to update shareholders as and when appropriate and/or necessary.

By Order of the Board

Lee Quang Loong
Company Secretary

3 July 2017