
RESPONSE TO QUERIES FROM SGX

The Board of Directors (the “Board”) of Cheung Woh Technologies Ltd (the “Company”, together with its subsidiaries, collectively the “Group”) wishes to announce the following in response to the queries raised by SGX in respect of the unaudited financial statements and related announcement for the financial year ended 28 February 2021.

Query (1)

Please explain why the Group’s interest income amounted to only S\$190,000 for the year ended 2021 when the Group has cash and bank balances amounting to S\$38,674,000 as at 28 February 2021?

Company Response:

The Group’s interest income comprises interest on current accounts and fixed deposits. During the financial year, interest rates on fixed deposits decreased from 1.39% p.a. in March 2020 to 0.60% p.a. in May 2020 and 0.43% p.a. in December 2020. Interest earned from current accounts was slightly more than 0.3% p.a. throughout the financial year.

Of the cash and bank balances amounting to S\$38,674,000 as at 28 February 2021, S\$6 million was only received in December 2020 and only earned interest income from December 2020 onwards.

Query (2)

Please disclose a breakdown of the Group’s other payables amounting to S\$3,396,000 as at 28 February 2021. Please also disclose the aging and nature of these other payables and whether the counterparties are related parties.

Company Response:

Please refer to the table below:

Breakdown	S\$'000	Nature	Aging	
			Current (not due) S\$'000	1-30 days S\$'000
Accrued operating expenses	1,168	Accrued expenses are incurred expenses while pending for receipt of invoices and Directors’ fee which will be paid after shareholders’ approval.	1,168	-
Accrued personnel expenses	891	Accruals for salary for the month of February 2021 to be paid in March 2021; and	-	668
		Provision for AWS (for January and February 2021) to be paid in December 2021.	223	-
Advanced payment from customers	153	Payments made in advance by customers upon confirmation of orders.	153	-

Breakdown	S\$'000	Nature	Aging	
			Current (not due) S\$'000	1-30 days S\$'000
Deposit received	292	Deposits received from customers; and Deposit received from related party for the sale of used motor vehicle; and Security deposits received from tenant.	292	-
Other creditors	892	Amount owing to suppliers for non-trade purchases. GST payable to IRAS.	429 402	61 -
	3,396		2,667	729

Included in the other payables as at 28 February 2021 where the counterparties are related parties are as follows:

1. Directors' fee;
2. Directors' remuneration; and
3. Deposit received for sale of used motor vehicle.

Query (3)

Please provide the reason(s) for the Group's trade payables amounting to S\$2,707,000 as at 28 February 2021 and the Group's other payables amounting to S\$3,396,000 as at 28 February 2021 when the Group recorded cash and bank balances of S\$38,674,000 as at 28 February 2021.

Company Response:

The Group had trade payables amounting to S\$2,707,000 as at 28 February 2021 as they are not due for payment.

The Group had other payables amounting to S\$3,396,000 as at 28 February 2021 of which S\$729,000 was due for payment on 28 February 2021 and has been paid as of today. The balance of S\$2,667,000 is not due for payment as of 28 February 2021, of which S\$445,000 is advance payment from customers and deposit received and need not be paid.

By Order of the Board

Law Yu Chui
Director

18 May 2021