

GLOBAL TESTING CORPORATION LIMITED
(Incorporated in Singapore)
(Registration No. 200409582R)

**CLARIFICATION ON UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS
ENDED 30 JUNE 2023**

The Board of Directors (the “**Board**”) of Global Testing Corporation Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 18 August 2023 in relation to the Company’s unaudited financial results for the 6 months ended 30 June 2023, and wishes to clarify as follows:

SGX-ST’s queries

- (i) The Group reported total revenue of US\$21,077,000 as at 30 June 2023.

The Group also reported “Trade receivables” of US\$8,563,000 and “Other receivables and prepayments” of US\$611,000 under its current assets as at 30 June 2023. It also reported “Other receivables and prepayments” of US\$545,000 under its non-current assets as at 30 June 2023.

Taking into account the significant proportion of the Group’s revenue as represented by its trade and other receivables, please provide the ageing of the “Trade receivables” and the nature and breakdown of “Other receivables” under its current assets. Please also disclose the Group’s plans to recover them as well as the Board’s assessment on their recoverability.

Company’s response to query (i)

The ageing of the “Trade receivables” are as follows:

	Current (US\$’000s)	Past due		Total (US\$’000s)
		1-90 days (US\$’000s)	After 90 Days	
Significant Customer A	819	235	Nil	1,054
Significant Customer B	1,056	263	Nil	1,319
Other customers	6,152	136	Nil	6,288
Provision allowance	(68)	(30)	Nil	(98)
	7,959	604	Nil	8,563

Assessment of recoverability by management, Audit Committee (“AC”) and Board.

Collection status as of 22 August 2023:

For 1-90 days (past due):

- Customer A: US\$235,000 collected on 5 July 2023
- Customer B: US\$263,000 collected on 10 July 2023
- Other customers: US\$136,000 collected in July 2023

Total past due US\$ 634,000 have all been collected as at 22 August 2023. Management and the Board are confident of the full recoverability of all outstanding accounts receivable.

The nature and breakdown of “Other receivables & prepayments” under the Group’s current assets are as follows:

	US\$’000s	Note
Accrued interest receivable	74	Interest payments to be received from the bank.

Prepaid expenses	168	Rents, insurance, Information technology ("IT") maintenance, company secretary retainer fee and annual SGX listing fee, which most of these expenses will be fully utilised at the year-end.
Prepaid sales tax	37	Based on VAT tax return which would be offset from the "Output VAT" in the next tax filing.
Supplies inventory	307	Prepayment for purchase of consumptive materials for the next 3 to 4 months' use.
Others	25	Sales tax refund receivable from tax office and other receivables.
Total	611	

(ii) Specifically in relation to the "Other receivables and prepayment" under its non-current assets of US\$545,000 as at 30 June 2023, please disclose:

- The breakdown of "Other receivables and prepayments" of US\$545,000 under its non-current assets as at 30 June 2023;
- The underlying transactions and terms of the transactions (including contract sum) and payment terms of the underlying contracts;
- Aging of the Group's other receivables under its non-current assets;
- The Group's plans to recover these other receivables; and
- The Board's assessment on the recoverability of these other receivables.

In respect of the "prepayments", please also disclose the nature of these prepayments, when they were made and the terms of the prepayments (where applicable). Please also provide the rationale for these prepayments.

Company's response to query (ii)

The breakdown, underlying transactions and terms of the transactions (including contract sum) and payment terms of the underlying contracts of "Other receivables & prepayments" under the Group's non-current assets are as follows:

	US\$'000s	Underlying transactions, terms of the transactions and payment terms
Defined benefit assets	460	Based on the actuarial report following the nation's pension plan.
Refundable deposits	85	Deposits for car rentals which are refundable at the end of leases.
Total	545	

Assessment of recoverability by management, AC and Board

Defined benefit assets are based on the actuarial report following the nation's pension plan law and refundable deposits are based on leasing contracts. Assessment of recoverability is not applicable.

By order of the Board

Chen, Tie-Min
Senior Executive Director
23 August 2023