

CWX GLOBAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199905693M)

RESPONSE TO QUERY FROM THE SINGAPORE EXCHANGE REGULATION PTE LTD (“SGX”) IN RELATION TO THE MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

The board of directors (the “**Board**”) of CWX Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 3 October 2019 in relation to the material variances between unaudited financial statements and audited financial statements for the financial year ended 30 June 2019 (“**FY2019**”), and wishes to provide the following response to query received from the SGX on 4 October 2019.

SGX Query: The announcement on 4 October 2019 says that there is a variance of US\$5.1m in equity attributable to owners of the Company, bringing it from US\$55.7m to US\$50.6m.

The reason stated was “non-reciprocal capital contribution (waiver of intercompany balances amounting to US\$10,412,000 during the financial year ended 30 June 2017) made by the Company to a 51%-owned subsidiary, Loyz NZ Ventures Limited, which was not allocated proportionately to the non-controlling interests.”

Please explain the background as to how the variance came about, and how it relates to the waiver of intercompany balance of US\$10.4m.

Company’s response:

The Group operates its oil and gas business in New Zealand through its 51%-owned subsidiary, Loyz NZ Ventures Limited (“**Loyz NZ**”), held through the Company’s wholly-owned subsidiary, Loyz Oil Pte Ltd (“**Loyz Oil**”). The oil and gas business in New Zealand was fully funded by the Company and Loyz Oil, via loans extended by the Company and Loyz Oil to Loyz NZ (“**Inter-Company Loans**”).

In the financial year ended 30 June 2016 (“**FY2016**”), in view of the non-recoverability of the Inter-Company Loans, the Company and Loyz Oil had waived the entire amount of the Inter-Company Loans amounting to US\$10,412,000. Such waiver was deemed to be a “non-reciprocal capital contribution”. On consolidation of the financial results for FY2016, the amount waived of US\$10,412,000 had not been allocated proportionately to the 49% non-controlling interests (“**NCI**”) of Loyz NZ, as reflected in the audited financial statements for FY2016.

Subsequent to the release of the Group’s unaudited full year financial results announcement for the financial year ended 30 June 2019 (“**FY2019**”), the Company accepted an audit adjustment to make prior year restatements to allocate US\$5,102,000 (based on 49% of US\$10,412,000) to the 49% NCI of Loyz NZ to be in line with the accounting policies of the Group. Accordingly, this prior year adjustment resulted in the material variances between the unaudited financial statements and audited financial statements for FY2019.

BY ORDER OF THE BOARD

Pang Kee Chai, Jeffrey
Chief Executive Officer and Executive Director
4 October 2019

*This announcement has been prepared by CWX Global Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.