



HOR KEW CORPORATION LIMITED
(Reg. No. 199903415K)

RESPONSE TO SGX QUERY

The Board of Directors (the '**Board**') of Hor Kew Corporation Limited (the '**Company**' and together with its subsidiaries, the "**Group**") wishes to provide the following information in response to SGX's query received on 20 November 2020 relating to the Company's 3Q 2020 results released on 13 November 2020:-

SGX's query:

On page 1 of the Company's 3Q2020 financial statements for the period ended 30 September 2020, the Company disclosed Net impairment on financial and contract assets amounting to \$4.6 million for 3Q2020. Please provide details of the financial contract assets impairment of \$4.6 million, the factors that resulted in the impairments and how the value of impairment of these financial contract assets were measured and determined.

Company's response:

The Group has a major trade debtor that has entered into liquidation proceedings, and recoverability of the amount due from this trade debtor of \$4.6 million appeared unlikely. Other than assessing for the recoverability of this trade receivable, under SFRS(I) 9, the Group has also assessed the allowance for Expected Credit Losses (ECLs) to determine the adequacy level for impairment loss on trade receivables as at 30 September 2020. With these considerations and assessments, the Group had determined it necessary to impair its financial and contract assets as at 30 September 2020 by \$4.6 million.

BY ORDER OF THE BOARD

MS KOH EE KOON
COMPANY SECRETARY
24 November 2020