



## TYE SOON LIMITED

Company Registration No. 195700114W

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### RESPONSE TO QUERY IN RELATION TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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The Board of Directors of Tye Soon Limited (**Company**) would like to announce the following in response to the query raised by the Singapore Exchange Securities Trading Limited (**SGX-ST**) to the Company on 10 March 2021.

#### SGX-ST's Query

Given the Group's current liabilities of \$97,019,000 and cash and bank balance of \$21,130,000, please disclose the Board's assessment (i) whether the Company's current assets are adequate to meet the Company's current liabilities of \$97,019,000, including its bases of assessment; and (ii) how the Company intends to fulfil its significant payment obligations in the next 12 months. Where the Company has worked out debt repayment plans to fulfil its debt obligations, please disclose if the Company is on track to fulfilling these obligations.

#### Company's response

	Group 31 Dec 2020 \$'000
Current tax assets	139
Inventories	100,310
Trade and other receivables	28,525
Cash and cash equivalents	21,130
<b>Current assets</b>	<b>150,104</b>
Loans and borrowings	61,450
Contract liabilities	1,373
Trade and other payables	29,611
Current tax liabilities	787
Lease liabilities	3,798
<b>Current liabilities</b>	<b>97,019</b>

The above table sets out the Group Current Assets and Current Liabilities as at 31 December 2020.

Current Assets, amounting to \$150.1 million, mainly consisted of cash balances (\$21.1 million), trade/other receivables (\$28.5 million) and inventories (\$100.3 million). Current Liabilities, amounting to \$97.0 million, mainly consisted of loans/borrowings (\$61.5 million) and trade/other payables (\$29.6 million). Current Assets exceeded Current Liabilities by \$53.1 million.

In addition to cash balances, the Group's collection pattern for trade receivables has been steady as indicated by Group receivable levels at 1.6 months as at 31 December 2020. Inventories are being sold each business day. Although the majority of such sales will be on account, some sales will be done on cash terms. The Group can also call on its unused banking facilities when required in its ordinary course of business.

Loans/borrowings and trade payables generally are on tenures ranging from 30 to 120 days but some up to 180 days. Loans/borrowings are used to finance the Group's working capital and consist mainly of trade bills and some advances from bank.

Based on the above, the Board's view is that the Group's Current Assets as at 31 December 2020 supplemented by the availability to call on unused banking facilities are sufficient to meet its obligations set out under Current Liabilities as at 31 December 2020. The Group is carrying out its operations in the ordinary course of business and is not working within any debt repayment plan.

BY ORDER OF THE BOARD

David Chong  
Managing Director  
12 March 2021