



## Amcorp Global Limited

Incorporated in the Republic of Singapore  
Company Registration No: 201230851R

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### RESPONSE TO SGX-ST'S QUERIES IN RELATION TO THE RESULT ANNOUNCEMENT FOR THE 6-MONTH PERIOD ENDED 30 SEPTEMBER 2021

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The Board of Directors (“**Board**”) of Amcorp Global Limited (the “**Company**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in its email dated 29 November 2021 in relation to the Company’s result announcement for the 6-month period ended 30 September 2021 released on 10 November 2021 and wishes to provide the following information in response to the queries:

#### SGX-ST query 1

It was disclosed that, “On 6 August 2021, TEE International filed an application to the High Court of Singapore for a moratorium under Section 64 of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018) for 30 days (“Interim Moratorium”). The Interim Moratorium was extended till 18 October 2021, and further extended by 6 weeks to 30 November 2021 on 18 October 2021. Notwithstanding the above, the mortgage loan which is secured against the underlying TEE Building continued to be serviced and the Group is also covered by securities and undertakings from TEE International.”

It was also disclosed that, “the principal amount outstanding under the mortgage loan was S\$11,197,000” and “the mortgage loan which is secured against the underlying TEE Building continued to be serviced and the Group is also covered by securities and undertakings from TEE International”. Please disclose the Company’s potential financial exposure in respect of the mortgage loan and whether there is any material impact on the Company’s financials arising from the above.

#### Our reply

The Company’s potential financial exposure arose from the corporate guarantee provided by the Company to the financier of the mortgage loan, of which the outstanding amount as at 30 September 2021 was S\$11,197,000. Only in the event of a default and if the financier were to call on the loan, the Company would be obliged to repay the financier. In such case, the amount paid would become an outstanding amount owing from TEE International to the Company. Aside from the cashflow impact which the Company has adequate cash reserves, there should not be any profit/loss impact as the corporate guarantee is adequately secured taking into account collaterals that we hold. Moreover, as we understand that the loan is currently up-to-date, there is no indication that the loan will be recalled. We have been informed by TEE International that it intends to dispose or re-finance the property to extinguish its outstanding obligations to the financier and to us.

### SGX-ST query 2

Please disclose the nature and breakdown of the Group's other receivables as at 30 September 2021 and 31 March 2021 respectively.

#### Our reply

The nature and breakdown of the Group's other receivables as at 30 September 2021 and 31 March 2021 are as follows:

	<u>30 Sep 2021</u>	<u>31 Mar 2021</u>
	S\$'000	S\$'000
Amount due from a related party	1,113	1,113
Amounts due from TEE International Group	1,812	1,555
Deferred sales commission	4,571	4,171
Prepayments	228	435
Deposits	138	116
Others (including rental and interest receivable)	152	27
	<u>8,014</u>	<u>7,417</u>

### SGX-ST query 3

Given the Group's significant current liabilities of S\$148,362,000 and cash and cash equivalents balance of only S\$38,726,000 and noting that the Group incurred losses of S\$4,653,000 for the financial period ended 30 Sep 2021, please disclose the Board's assessment (i) whether the Group's current assets are adequate to meet its short term liabilities of S\$148,362,000, 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.

#### Our reply

A majority of the current liabilities of S\$148,362,000 consist of development project loans which are currently being undertaken by the Group. We would like to further elaborate on the following items in the current liabilities:

- i. Under bank borrowings, there are 2 development project loans of S\$78,113,000 and S\$28,575,000 respectively, which would mature within the next 12 months. Due to the Covid 19 pandemic which affected all developers in Singapore, the projected completion dates for both projects have been delayed. We are extending the maturity dates of the loans to be consistent with the new expected completion dates.
- ii. Under bank borrowings, there is also a money market loan of \$20.0 million for our completed properties, which are the 10 commercial units of our 183 Longhaus project. The loan was structured as a short-term loan for flexibility reason as these are completed properties intended for sale. The loan is fully secured with a charge over

the 10 commercial units, which has a valuation report value of \$38.0 million as at financial year-end of 31 March 2021. As the loan is fully secured and the loan-to-valuation percentage is low (52.6%), we do not expect the loan to be recalled, and repayable, within the next 12 months.

- iii. Included therein are contract liabilities of \$2,418,000 relating to deposits received from buyers upon signing of sale and purchase agreements for the sale of our ongoing development projects. These deposits will be recognised as revenue when the respective percentage-of-completion for the projects have been achieved. Therefore, the contract liabilities are non-cash items, which are not repayable within the next 12 months.

The Company is well aware of the above and is extending the maturity dates of the development project loans. Taking into consideration the extension of the above project loans' maturity dates, the Board expects the Company to be able to meet the current liabilities due within the next 12 months as the Group has a healthy cash and bank balance of approximately \$39 million.

By Order of the Board  
Ng Tah Wee  
Financial Controller and Company Secretary  
1 December 2021