

**RESPONSE TO SGX QUERIES::**

## Issuer &amp; Securities

## Issuer/ Manager

SUNRIGHT LIMITED

## Securities

SUNRIGHT LTD - SG1B17008288 - S71

## Stapled Security

No

## Announcement Details

## Announcement Title

Response to SGX Queries

## Date &amp; Time of Broadcast

18-Apr-2023 17:23:20

## Status

New

## Supplementary Title

On Financial Statements

## Announcement Reference

SG230418OTHL9AG

## Submitted By (Co./ Ind. Name)

Christina Foong

## Designation

Company Secretarial Executive

## Effective Date and Time of the event

18/04/2023 17:23:00

## Description (Please provide a detailed description of the change in the box below)

Please refer to the attachment.

## Attachments

[Sunright Annt Response to SGX RegCo Queries 20230418.pdf](#)

Total size =171K MB



**SUNRIGHT LIMITED**  
(Co. Reg. No.: 197800523M)  
1093 Lower Delta Road, #02-01/08  
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## ANNOUNCEMENT

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### RESPONSE TO SGX REGCO'S QUERIES IN RELATION TO THE COMPANY'S ANNOUNCEMENT DATED 10 MARCH 2023

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The Board of Directors of Sunright Limited (the "Company") refers to the queries raised by Singapore Exchange Regulation ("SGX RegCo") on 13 April 2023 in relation to the Company's announcement dated 10 March 2023 concerning its unaudited financial results for the six months ended 31 January 2023 ("1H2023 Financial Statements") and wishes to respond to the queries as follows:

#### Query (i)

It was disclosed in the 1H2023 Financial Statements that the Group reported a decrease in the "Other receivables" financial statement line item under its non-current assets from S\$497,000 as at 31 July 2022 to S\$413,000 as at 31 January 2023. It also reported a decrease in the "Trade and other receivables" financial statement line item under its current assets from S\$19,944,000 as at 31 July 2022 to S\$19,208,000 as at 31 January 2023.

At page 16, it was provided that: "Current trade and other receivables were lower by \$0.7 million or 4%, from \$19.9 million to \$19.2 million, due to lower sundry receivables by \$1.1 million mainly upon collections of purchases made on behalf, partially offset by higher trade receivables of \$0.3 million largely due to slower collections."

In this regard, please disclose:

- (a) The nature and breakdown of the Group's trade and other receivables in its current and non-current assets;
- (b) The underlying transactions and terms of the transactions (including contract sum) and payment terms of the underlying contracts;
- (c) Aging of the Group's trade and other receivables;
- (d) The Group's plans to recover these trade and other receivables; and
- (e) The Board's assessment on the recoverability of these trade and other receivables;
- (f) In relation to the "lower sundry receivables by \$1.1 million mainly upon collections of purchases made on behalf", please explain the nature of "purchases made on behalf";
- (g) The balance of the purchases made on behalf as at 31 January 2023; and
- (h) Identity of the parties which the Group has made the purchases on behalf, and confirmation as to whether these are related parties.



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### Company's Response

- (a) The nature and breakdown of the Group's trade and other receivables (current and non-current) are as follows:

S\$'000	As at 31 January 2023	As at 31 July 2022
<b>Non-current</b>		
Other receivables:		
- Sundry deposits	413	497
<b>Current</b>		
Trade receivables:		
- Trade receivables	18,347	18,090
Allowance for impairment:		
- Trade receivables	(766)	(786)
	<u>17,581</u>	<u>17,304</u>
Other receivables:		
- Sundry deposit	259	183
- Sundry receivables	1,342	2,457
- Forward currency contracts	26	-
	<u>1,627</u>	<u>2,640</u>
Total current trade and other receivables	<u>19,208</u>	<u>19,944</u>
<b>Total trade and other receivables</b>	<b><u>19,621</u></b>	<b><u>20,441</u></b>

- (b) Trade transactions primarily arose from the Group's burn-in, testing and electronic manufacturing services, mainly to large corporations and multi-national companies. They are non-interest bearing, generally on 30 to 90 days' credit terms and are recognised at their original invoice amounts.



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(c) The aging of the Group's trade receivables are as follows:

S\$'000	As at 31 January 2023	As at 31 July 2022
Neither past due nor impaired	15,804	15,443
Past due not impaired		
- 1 to 90 days	1,638	889
- 91 to 180 days	87	972
- More than 180 days	52	-
Past due and impaired	766	786
<b>Trade receivables</b>	<b>18,347</b>	<b>18,090</b>

86% or S\$15.8 million of the trade receivables are not past due as at 31 January 2023. 10% or S\$1.8 million aged up to 180 days, are not impaired as they are largely due from customers which are still in active trade. The remaining 4% or S\$0.8 million are past due and has been fully impaired.

Other receivables (current and non-current) primarily refer to sundry deposits mainly for factory/office rental deposits, and sundry receivables mainly for VAT receivables, accrued interest income and purchases made on behalf of a customer.

- (d) The Group trades with recognised and creditworthy third parties. Credit terms are extended after credit verification. Receivables are monitored on an ongoing basis, and closely followed up with the result that the Group's exposure to bad debts is not significant.
- (e) The Board is of the view that trade and other receivables (other than those already impaired) have no significant recoverability concern.
- (f) "Purchases made on behalf" pertained to a one-off collaboration between a key customer and one of the subsidiary companies in response to the global component shortages. Under this program, components were procured in advance on behalf of the customer and were subsequently billed in accordance with the agreed credit terms.
- (g) The balance of the purchases made on behalf due by the customer as at 31 January 2023 amounted to S\$229,000 (July 2022: S\$1,207,000).
- (h) The Group had made purchases on behalf of a key customer, who is not a related party.



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#### Query (ii)

Please provide the reason(s) for the trade and other payables of S\$18,943,000 when the Group recorded cash and cash equivalents of S\$36,383,000 as at 31 January 2023.

#### Company's Response

The breakdown of the trade and other payables are as follows:

S\$'000	As at 31 January 2023	As at 31 July 2022
Trade payables	4,383	5,865
Accrued operating expenses	4,704	5,300
Sundry payables	9,856	4,847
Forward currency contracts	-	9
<b>Trade and other payables</b>	<b>18,943</b>	<b>16,021</b>

Included in Sundry payables was an amount of S\$5.4 million for the purchases of machinery and test equipment. These payables were reflected in the "Cash flows from operations" in deriving the Group's cash and cash equivalents of S\$36,383,000, and generally settled on 30 to 90 days' terms upon acceptance.

By Order of the Board

Adeline Lim Kim Swan  
Company Secretary  
18 April 2023