



KTL Global Limited

(Incorporated in the Republic of Singapore)

(Company Registration No. 200704519M)

(The "Company")

Condensed interim financial statements for the second quarter three months ended and half year six months ended 30 June 2021

The Company is required, pursuant to the requirements of the Singapore Exchange Securities Trading Limited, to continue with quarterly reporting of its financial statements with effect from 7 February 2020, in view of the disclaimer opinion and material uncertainty relating to going concern highlighted by the auditors in its audited financial statements for the financial year ended 31 December 2020.

Table of contents	Page
1. Condensed consolidated statement of profit or loss and other comprehensive income	3
2. Condensed interim statement of financial position	4
3. Condensed interim statements of changes in equity	6
4. Condensed interim consolidated statement of cash flows	8
5. Notes to the condensed interim financial statements	9
6. Other information required by Listing Rule Appendix 7.2	16

Condensed consolidated statement of profit or loss and other comprehensive income

(Amount expressed in Singapore dollars)

	Note	3 months ended 30 June			6 months ended 30 June		
		2021 \$'000	2020 \$'000	Change %	2021 \$'000	2020 \$'000	Change %
Revenue	5	-	527	NM	-	2,517	NM
Cost of sales		-	-	NM	-	-	NM
Gross profit		-	527	NM	-	2,517	NM
Administrative expenses		(279)	(371)	(25)	(614)	(1,151)	(47)
Finance costs		(1)	(2)	(50)	(2)	(5)	(60)
(Loss) / profit before tax	7	(280)	154	NM	(616)	1,361	NM
Income tax expenses	8	-	(30)	NM	-	(338)	NM
Total (loss) / profit		(280)	124	NM	(616)	1,023	NM
Total comprehensive profit for the period		(280)	124	NM	(616)	1,023	NM
(Loss)/profit and total comprehensive (loss)/income attributable to:							
Equity holders of the Company		(10)	154	NM	(346)	97	NM
Non-controlling interests		(270)	(30)	NM	(270)	926	NM
		(280)	124	NM	(616)	1,023	NM
 (Loss)/Profit per share attributable to equity holders of the Company (cents per share)							
	10						
Basic (loss)/profit per share		(0.003)	0.05		(0.11)	0.03	
Diluted (loss)/profit per share		(0.003)	0.05		(0.11)	0.03	

NM – not meaningful

Condensed interim statement of financial position as at 30 June 2021
 (Amount expressed in Singapore dollars)

	Note	Group		Company	
		As at	As at	As at	As at
		30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	31	46	-	-
Goodwill from investments		27	-	-	-
Subsidiaries		-	-	210	-
		<u>58</u>	<u>46</u>	<u>210</u>	<u>-</u>
Current assets					
Trade receivables		-	-	-	-
Other receivables, deposits and prepayments		28	32	23	23
Cash and bank balances		291	986	23	6
		<u>319</u>	<u>1,018</u>	<u>46</u>	<u>29</u>
TOTAL ASSETS		<u>377</u>	<u>1,064</u>	<u>256</u>	<u>29</u>

Condensed interim statement of financial position as at 30 June 2021 (Cont'd)
 (Amount expressed in Singapore dollars)

	Note	Group		Company	
		As at 30 Jun 2021 \$'000	As at 31 Dec 2020 \$'000	As at 30 Jun 2021 \$'000	As at 31 Dec 2020 \$'000
LIABILITIES					
Current liabilities					
Trade payables		12	12	12	12
Contract liabilities		200	-	-	-
Amount due to subsidiaries		-	-	520	-
Other payables and accruals		82	156	78	94
Interest-bearing loans and borrowings	13	33	31	-	-
Income tax payable		269	452	-	-
		597	651	610	106
Non-current liabilities					
Interest-bearing loans and borrowings	13	2	19	-	-
		2	19	-	-
TOTAL LIABILITIES		599	670	-	-
NET (LIABILITIES) / ASSETS		(222)	394	(354)	(77)
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	14	36,776	36,776	36,776	36,776
Reserves		(35,799)	(35,453)	(37,130)	(36,853)
		977	1,323	(354)	(77)
Non-controlling interests		(1,199)	(929)	-	-
TOTAL (DEFICIT) / EQUITY		(222)	394	(354)	(77)

Condensed interim statements of changes in equity

(Amount expressed in Singapore dollars)

	Attributable to equity holders of the Company								
	Share capital	Treasury shares reserve	Premium paid on acquisition of non-controlling interest	Translation (deficit)/surplus	Statutory reserve fund	Accumulated losses	Total	Non-controlling interests	Total (deficit)/equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021									
Balance at 1 January 2021	36,776	(706)	-	-	-	(34,747)	1,323	(929)	394
Loss for the period	-	-	-	-	-	(346)	(346)	(270)	(616)
Balance at 30 June 2021	36,776	(706)	-	-	-	(35,093)	977	(1,199)	(222)

	Attributable to equity holders of the Company								
	Share capital	Treasury shares reserve	Premium paid on acquisition of non-controlling interest	Translation (deficit)/surplus	Statutory reserve fund	Accumulated losses	Total	Non-controlling interests	Total deficit
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020									
Balance at 1 January 2020	36,776	(706)	(60)	717	15	(54,929)	(18,187)	2,288	(15,899)
Profit for the period	-	-	-	-	-	97	97	926	1,023
Dividend paid	-	-	-	-	-	-	-	(1,000)	(1,000)
Release of reserves due to disposal of subsidiaries	-	-	60	(717)	(15)	21,363	20,691	-	20,691
Balance at 30 June 2020	36,776	(706)	-	-	-	(33,469)	2,601	2,214	4,815

Condensed interim statements of changes in equity (cont'd)

(Amount expressed in Singapore dollars)

<u>Company:</u>	Share capital \$'000	Treasury shares reserves \$'000	Accumulated losses \$'000	Total deficit \$'000
Balance at 1 January 2020	36,776	(706)	(35,573)	497
Profit for the period, representing total comprehensive income for the period	-	-	886	886
Balance at 30 June 2020	<u>36,776</u>	<u>(706)</u>	<u>(34,687)</u>	<u>1,383</u>
Balance at 1 January 2021	36,776	(706)	(36,147)	(77)
Loss for the period, representing total comprehensive loss for the period	-	-	(277)	(277)
Balance at 30 June 2021	<u>36,776</u>	<u>(706)</u>	<u>(36,424)</u>	<u>(354)</u>

Condensed interim consolidated statement of cash flows
(Amount expressed in Singapore dollars)

		6 months ended 30 June	
	Note	2021	2020
		\$'000	\$'000
Cash flows from operating activities			
Total (loss) / profit		(616)	1,023
Adjustments:			
Income tax expenses		-	338
Depreciation of property, plant and equipment	7	15	14
Interest expense		2	5
		<hr/>	<hr/>
Operating (loss) / profit before working capital changes		(599)	1,380
Trade and other receivables		4	1,618
Trade and other payables		(73)	100
Contract liability		200	(199)
		<hr/>	<hr/>
Cash generated (used in)/ generated from operations		(468)	2,899
Income tax paid		(183)	-
		<hr/>	<hr/>
Net cash (used in)/ generated from operating activities		(651)	2,899
		<hr/>	<hr/>
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired		(27)	-
		<hr/>	<hr/>
Net cash used in investing activities		(27)	-
		<hr/>	<hr/>
Cash flows from financing activities			
Interest paid		(17)	(10)
Dividend paid to non-controlling interest		-	(1,000)
		<hr/>	<hr/>
Net cash used in financing activities		(17)	(1,010)
		<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents		(695)	1,889
Cash and cash equivalents at beginning of period		986	136
Cash and cash equivalents at the end of period		291	2,025
		<hr/>	<hr/>

Notes to the condensed interim financial statements

1. General information

KTL Global Limited (the “**Company**”) is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“**SGX**”). The address of the Company’s registered office and its principal place of business is at 18 Boon Lay Way, #10-139 Tradehub 21, Singapore 609966.

These interim consolidated financial statements as at and for the three months ended (“**second quarter**”) and six months ended (“**half year**”) 30 June 2021 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is investment holding and the principal activities of the Group are provision of technical, operational, procurement management services and other related services.

2. Going concern

As at 30 June 2021, the Company and the Group was in a net liability position of \$354,000 and \$222,000 respectively. These conditions indicate an existence of a material uncertainty that may cast significant doubt on the Company’s and the Group’s ability to continue as a going concern.

Notwithstanding the above, the Company’s and the Group’s financial statements have been prepared on a going concern basis as the management is of the view that the Company and the Group will be able to continue as a going concern with the net proceeds from placement of shares amounting to approximately \$3 million.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the condensed interim statement of financial position. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide for further liabilities which may arise. No such adjustments have been made to these condensed financial statements.

3. Basis of preparation

The condensed interim financial statements for the three months and six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020. The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 3.1 below. The condensed interim financial statements are presented in Singapore Dollars (“**SGD**”) and rounded to nearest thousand (\$’000) except when otherwise indicated.

3.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

3.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities,

income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in Note 15.

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5. Revenue and segment information

Business segment

Revenue for the period ended 30 June 2020 represents income from BOP services. As the Group has suspended its BOP services business since January 2021, no reporting by business operations is presented.

Geographical segment

Revenue for the period ended 30 June 2020 represents income from BOP services generated entirely in the People's Republic of China. As the Group has suspended its BOP services business since January 2021, no reporting by geographical location of operations is presented.

6. Financial assets and liabilities

(i) Financial instruments by category

At the reporting date, the aggregate carrying amount of financial assets at amortised cost and financial liabilities at amortised cost are as follows:

	Group		Company	
	30 June 2021 \$'000	31 December 2020 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Financial assets measured at amortised cost				
Trade receivables	-	-	-	-
Other receivables	28	32	23	23
Cash and bank balances	291	986	23	6
Total financial assets measured at amortised cost	319	1,018	46	29
Financial liabilities measured at amortised cost				
Trade payables	12	12	12	12
Other payables	82	156	78	94
Lease liabilities from SFRS (I) 16 (rights to use)	35	50	-	-
Total financial liabilities measured at amortised cost	129	218	90	106

(ii) **Fair value measurements**

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables and borrowings are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

7. (Loss) / Profit before tax

This determined after charging the following:

	3 months ended 30 June		6 months ended 30 June	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Depreciation of property, plant and equipment	8	7	15	14

8. Income tax expenses

	3 months ended 30 June		6 months ended 30 June	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Current income tax expenses	-	30	-	338

9. Significant related party transactions

For the six months ended 30 June 2021, the Group had no significant related party transactions.

10. (Loss) / Profit per share attributable to equity holders of the Company

The calculation of basic and diluted (loss) / profit per share for the periods was based on:

	3 months ended 30 June		6 months ended 30 June	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
(Loss)/ Profit attributable to the equity holders of the Company	(10)	154	(346)	97

Weighted average number of ordinary shares for the calculation of basic / diluted (loss) / profit per share ('000)	315,669	315,669	315,669	315,669
Basic (loss) / profit per share (cents)	(0.003)	0.05	(0.11)	0.03
Diluted (loss) / profit per share (cents)	(0.003)	0.05	(0.11)	0.03

11. Net (liabilities) / assets value

	Group		Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
(in S\$ cents) Net (liabilities)/assets value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period/year reported on	(0.07)	0.12	(0.11)	(0.02)

12. Property, plant and equipment

During the six months ended 30 June 2021, the Group did not acquire and dispose of any property, plant and equipment.

13. Interest-bearing loans and borrowings

	Group	
	As at 30 Jun 2021 \$'000	As at 31 Dec 2020 \$'000
Lease liabilities from SFRS (I) 16 (rights to use):		
- Current (amount repayable in one year or less, or in demand, unsecured)	33	31
- Non-current (amount repayable after one year, unsecured)	2	19
	<u>35</u>	<u>50</u>

14. Share capital

	Group and Company			
	As at 30 Jun 2021		As at 31 Dec 2020	
	Number of ordinar	\$'000	Number of ordinar	\$'000
Issued and fully paid:				
At beginning of period	315,66	36,776	315,66	36,776
At end of period	315,66	36,776	315,66	36,776

All ordinary shares carry one vote per share without any restriction. There is no par value for these ordinary shares.

There have been no changes in the issued share capital of the Company since 31 December 2020. As at 30 June 2021, the Company held no treasury shares (30 June 2020: nil) against a total number of 315,669,019 issued shares (30 June 2020: 315,669,019 issued shares excluding treasury shares). The percentage of the aggregate number of treasury shares held against the total number of issued shares as at 30 June 2021 is nil% (30 June 2020: nil%).

The Company had no outstanding options, convertible securities, treasury shares or subsidiary holdings as at 30 June 2021 and 30 June 2020.

There were no sales, transfers, cancellation and/or use of treasury shares or subsidiary holdings during the current financial period reported on.

15. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. For the 6 months ended 30 June 2021, there were no significant updates to the estimates and assumptions applied since the audited financial statements as at 31 December 2020.

(a) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. In estimating the future cash flows, management has taken into account past performance, market expectation and the Group's marketing plan.

(b) Allowance for doubtful trade receivables

The Group uses an individual (debtor-by-debtor) basis to calculate expected credit losses (ECLs) for trade receivables.

There is critical judgement used in the measurement of expected credit losses and forward-looking assumptions. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(c) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 2 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore future depreciation charges could be revised.

(ii) Critical judgements in applying the entity's accounting policies

(a) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

16. Subsequent events

A. Proposed acquisition of 51% equity stake in EBUY PTE. LTD.

On 12 July 2021, the Company announced that the Group's wholly owned subsidiary, Tianci Agritech Pte. Ltd. ("**Tianci Agritech**") has entered into a non-binding memorandum of understanding (the "**MOU**") with the sole shareholder (the "**Vendor**") of Ebuy Pte. Ltd. ("**Ebuy**") to acquire a 51% equity stake in Ebuy for approximately \$1.476 million, which will be satisfied by the issuance of new ordinary shares of the Company, subject to any change and the finalised terms in the definitive agreement(s) to be entered into by parties in relation to the proposed acquisition. For more details, please refer to the Company's announcement dated 12 July 2021.

B. Proposed placement of an aggregate of 30,000,000 new ordinary share in the capital of the Company

On 15 July 2021, the Company announced that it has entered into a placement agreement with several placees (the "**Placees**") pursuant to which the Company shall issue and allot an aggregate of 30,000,000 ordinary shares in the capital of the Company. For more details, please refer to the Company's announcement dated 15 July 2021.

C. Entry into memorandum of understanding to acquire industrial property

On 27 July 2021, Tianci Agritech entered into a memorandum of understanding with Warehouse Logistic Net Asia Pte. Ltd. in respect of the acquisition of the property, located at 32 Quality Road, Singapore 618804, for a purchase price of \$6,000,000. For more details, please refer to the Company's announcement dated 27 July 2021.

D. Exclusive distribution and procurement agreement

On 29 July 2021, Tianci Agritech entered into an exclusive distribution and procurement agreement with Jining Fuyuan Fruit and Vegetable Co., Ltd. (济宁富源果菜有限公司) ("**Fuyuan Fruit**") to be appointed as Fuyuan Fruit's exclusive agent in Singapore to sell its products. For more details, please refer to the Company's announcement dated 29 July 2021.

E. Exclusive agency agreement

On 4 August 2021, Tianci Agritech entered into an exclusive agency agreement with 荣成皇朝马汉外贸综合服务有限公司, unofficially translated as Rongcheng Dynasty Mahan Foreign Trade Comprehensive Service Co., Ltd. ("**Rongcheng**") in respect of the exclusive right to distribute Tai Xiang brand (泰祥品牌) products that meet the import standards of Singapore. For more details, please refer to the Company's announcement dated 4 August 2021.

F. Entry into Strategic Partnership

On 6 August 2021, Tianci Agritech entered into a strategic cooperation agreement with 水发浩海（山东）供应链有限公司, unofficially translated as “Shuifa Haohai (Shandong) Supply Chain Co., Ltd.”. For more details, please refer to the Company’s announcement dated 6 August 2021.

G. Entry into Strategic Cooperation framework

On 11 August 2021, Tianci Agritech entered into a strategic cooperation framework agreement with 泉盈(福建)科技有限公司, unofficially translated as “Quanying (Fujian) Technology Co., Ltd.”. For more details, please refer to the Company’s announcement dated 11 August 2021.

H. Appointment of Chief Executive Officer (“CEO”) and Chairman of Audit Committee

On 17 August 2021, the Company announced that Mr. Chin Teck Oon, an existing Executive Director of the Company has been appointed as CEO with effect from 16 August 2021 and Mr. Chua Thiam Chwee, an existing member of the Audit Committee has been appointed as the Chairman of the Audit Committee in place of Mr. Tso Sze Wai with effect from 16 August 2021.

I. Memorandum of understanding with Marine Alliance Services Pte. Ltd.

On 8 September 2021, Tianci Agritech entered into a memorandum of understanding with Marine Alliance Services Pte. Ltd.. For more details, please refer to the Company’s announcement dated 10 September 2021.

J. Strategic Cooperation Framework Agreement with Taiwan Farming Co-op & Jinhao Shipping

On 13 September 2021, Tianci Agritech entered into a strategic cooperation framework agreement with Taiwan Farming Co-op and Jinhao Shipping Co., Ltd.. For more details, please refer to the Company’s announcement dated 13 September 2021.

Other Information Required by Listing Rule Appendix 7.2

- 1 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The condensed interim statements of financial position of KTL Global Limited and its subsidiaries as at 30 June 2021 and the related condensed interim consolidated statement of profit or loss and other comprehensive income for the three-month and six-month period then ended, the condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

- 2 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

a) Updates on the efforts taken to resolve each outstanding audit issue;

b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern

The disclaimer of opinion issued by the auditors were in relation to (i) trade receivables and corresponding revenue and (ii) allocation of dividends and profits/losses of a subsidiary of the Company, Bluegas Private Limited ("**Bluegas**") between the Company and the non-controlling interest of Bluegas. For more details of the audit opinion, please refer to the Company's announcement dated 31 August 2021.

The Audit Committee of the Company and the Board have, in consultation with the SGX-ST RegCo, engaged Deloitte & Touche Financial Advisory Services Pte Ltd, to undertake an independent review to resolve the outstanding audit issues. The Company will update Shareholders once the scope of the independent review is confirmed.

Save as disclosed, the Board confirms that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

- 3 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Profit or Loss Review

Revenue

2Q 2021 vs 2Q 2020 & HY 2021 vs HY 2020

As the Group has suspended the services with customers since January 2021, no revenue of the Group for the three months ended 31 March 2021 ("**1Q 2021**") and for the six months ended 30 June 2021 ("**HY 2021**") was generated by its 80% owned subsidiary, Bluegas from the provision of branding, operation and procurement ("**BOP**") services to our clients in Mainland China that manufactures smart automatic vending kiosks ("**AVK**") for the sales and dispensation of medical consumables and supplements. BOP services include (i) branding management, (ii) operational support, (iii) central procurement, (iv) recruitment, customised training and development of human resource to the downstream operators that supply to hospitals, clinics and pharmacies in different provinces of Mainland China with smart AVK.

The revenue recognised for HY 2020 and for 1Q 2020 represented the BOP services income of Bluegas.

Administration Expenses

2Q 2021 vs 2Q 2020 & HY 2021 vs HY 2020

Administration expenses for 2Q 2021 and HY 2021 were much lower compared with the administration expenses in 2Q 2020 and HY 2020 respectively due to suspension of BOP services of the Group from the beginning of year 2021.

Finance Costs

2Q 2021 vs 2Q 2020 & HY 2021 vs HY 2020

Finance costs represented the interest expenses derived from the Group's leased premises and are recognised in accordance with SFRS(I) 16.

Profit or loss, attributable to the equity holders of the Company

2Q 2021 vs 2Q 2020 & HY 2021 vs HY 2020

Losses attributable to the equity holders of the Company were incurred in 2Q 2021 and HY 2021 mainly due to no revenue of the BOP business contributed by Bluegas during 2Q 2021 and HY 2021.

Statement of Financial Position Review

30 June 2021 vs 31 December 2020

Non-current assets

Increase in non-current assets of the Company arose from the acquisition of a wholly owned subsidiary, Tianci Agritech during June 2021.

Current assets

The decrease in current assets mainly represents reduction of cash and bank balances for payments of administration expenses such as director fees, listing and professional fees.

Current liabilities

Current liabilities include other payables and accruals, finance lease obligation recognised in accordance with SFRS(I) 16, income tax payables.

Increase in contract liability of the Group of S\$200,000 as at 30 June 2021 was due to receipt of brand management service payments from customers. Revenue would be recognised for the Group in future period when the service contract would be performed after June 2021. Drop in income tax payable of the Group is due to payments of corporate income tax during the period ended 30 June 2021.

The amount due to subsidiaries of the Company has increased at 30 June 2021. It is because its subsidiaries have paid various expenses and investments on behalf of the Company during the period ended 30 June 2021.

The Group and the Company has recorded negative working capital of S\$278,000 and S\$564,000 as at 30 June 2021. The Board is of the opinion that the Group is able to meet its debt obligations with the basis explained under "Going concern of the Group" in note 5 to "Other Information Required by Listing Rule Appendix 7.2".

Cash Flow Review

HY 2021

The net cash flows used in operating activities for HY 2021 was S\$0.7 million and this was mainly due to the losses incurred in HY 2021 amounting to S\$0.6 million. The net cash flows used in investing activities during the period of HY 2021 represent the acquisition of a wholly owned subsidiary, Tianci Agritech, net of cash acquired. The net cash flows used in financing activities was S\$17k lease payments.

4 Where a forecast, or a prospect statement, had been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

5 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group has ceased to undertake any further BOP business through Bluegas since January 2021. As the situation pertaining to COVID-19 pandemic remains highly uncertain, the Group will monitor the situation closely. Notwithstanding uncertainties and challenges faced by the Group, the Group has been exploring new business opportunities to diversify its businesses.

The Group has entered into a number of cooperation agreements with various business partners to explore new business opportunities and improve its financial performance. The new business cooperation areas include distribution of fresh vegetables and fruit produces, synthetic diamonds, supply of agricultural products, fresh produces and consumer retail industry, sales of aquatic products and supply of vessel provisions and daily necessities. The Board will update shareholders when there are material developments.

Going concern of the Group

The Board is of the opinion that the Group and the Company are able to meet their debt obligations as and when they fall due and are able to continue to operate as a going concern as the Group has recently taken the following actions:

- (i) incorporated a new subsidiary with principal activities of other investment holdings and value added logistics providers including supply chain services;
- (ii) entered into a convertible loan agreement with loan facility of up to S\$2,000,000;
- (iii) entered into a sale and purchase agreement to acquire a company with principal business of sales and distribution of fresh vegetables and fruit produce; and
- (iv) announced a placement to raise up to S\$3.09 million from investors.

6 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

None.

(b) (i) Amount per share

None.

(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

7 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the current financial period up to the date of this announcement as the Group currently still has retained losses.

8 Interested person transactions

The Company does not have a general mandate for interested person transactions.

In the current financial period, the Company did not enter into any interested person transaction that exceed S\$100,000 in value.

9 Confirmation pursuant to Rule 720 (1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) under 720 (1) of the Listing Manual.

10 Confirmation pursuant to Rule 705(5) of the Listing Manual

We, Chng Hee Kok and Chin Teck Oon, being two Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the second quarter ended 30 June 2021 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors
KTL Global Limited

Chng Hee Kok
Non-executive Chairman
Date: 1 October 2021

Chin Teck Oon
Chief Executive Officer
Date: 1 October 2021