



KTL GLOBAL LIMITED

(Incorporated in the Republic of Singapore under Registration Number 200704519M)

RESPONSE TO SGX-ST QUERIES – CLARIFICATION IN RESPECT OF THE TWO ANNOUNCEMENTS DATED 21 MAY 2021 ENTITLED “ENTERING OF DEFAULT JUDGEMENT ANNOUNCEMENT” AND “RECEIPT OF ORIGINATING SUMMONS ANNOUNCEMENT” (“LITIGATION CASES”)

The Board of Directors (the “**Board**”) of KTL Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the following queries raised by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) to the Company in relation to the litigation matters, and wishes to provide its responses as follows:

SGX-ST’s Query 1:

In relation to the Entering of Default Judgment Announcement, please clarify when the Claim, interest at 5.33% per annum from the date of the Writ to Default Judgment, S\$2,300 in costs, as a result of the Company’s failure to enter appearance in the suit is payable?

Company’s response:

The Claim, statutory interest and costs (the “**Default Judgment Debt**”) is payable forthwith on demand. However, the Company has informed the Plaintiff that they are in the midst of setting aside the Default Judgment. Hence, the Default Judgment Debt would only be paid in accordance with the outcome of the setting aside application.

SGX-ST Query 2:

In relation to the Receipt of Originating Summons Announcement, please clarify what is the costs of the application of the Originating Summons to be provided for and when this is payable?

Company’s response:

The nature of the Originating Summons was an interrogatories application. Cost for such an application would be paid by the Plaintiff to the Defendant.

SGX-ST Query 3:

It is noted from the Company’s unaudited first quarter financial statements and dividend announcement for the financial period ended 31 March 2021 released on 14 May 2021, that the Company has no revenue and has a total comprehensive loss of S\$335,000 for the 3 months ended 31 March 2021. In addition, it has S\$404,000 in cash and bank balances and negative working capital.

In view of both the Entering of Default Judgment Announcement and the Receipt of Originating Summons Announcement, please disclose the Board of Directors’ assessment of the Company’s ability to operate as a going concern and the base(s) for such a view(s).

Company's response:

In view of the contingent liabilities, if any that may arise from those litigation cases against the Company, the Company has pro-actively taken the following actions to operate as a going concern and meet its short-term obligations when they fall due:

- (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; and
- (iii) entered into a sale and purchase agreement to acquire a company with principal business of sale and distribution of fresh vegetable and fruit produce (including import and export of fruits and vegetables, and growing of leafy and fruit vegetables).

Please refer to the Company's announcements dated 3 June 2021 for more details.

As at the date of this announcement and having consulted our lawyers, subject to the discovery of any new information (given the current status of the Litigation Cases), the Group does not expect the Litigation Cases to have a significant adverse impact on the financial position of the Group.

Based on the access to new funds and new revenue-generating businesses as stated above and its understanding of the facts and/or merits of the Litigation Cases (as advised by its lawyers), the Board is of the view 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.

BY ORDER OF THE BOARD

Liu Changsheng
Chief Executive Officer
9 June 2021