

KTL GLOBAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200704519M)

RESPONSE TO THE QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”)

The Board of Directors (the “**Board**”) of KTL Global Limited (the “**Company**”) and together with its subsidiaries (the “**Group**”) refers to the announcement released by the Company on 30 November 2022 on the financial statements for the year ended 30 June 2022.

SGX-ST’s questions and the Company’s corresponding responses are listed below to enable investors to understand the matters raised by SGX-ST:

SGX-ST Query 1

It is noted that the Group has a non-current other receivable amounting to S\$600,000 as at 30 June 2022. It is also disclosed on page 16 of the unaudited financial statements that “*non-current assets of the Group increased by approximately S\$0.7 million from S\$0.05 million as at 31 December 2020 to S\$0.7 million as at 30 June 2022. The increase was mainly due to: 3) An advance of S\$0.6 million to Ebuy. The advance is unsecured and interest free; and will form part of the net investment in Ebuy upon completion of the acquisition of Ebuy.*”

It is further disclosed on page 18 of the unaudited financial statements that, the parties had entered into a definitive sale and purchase agreement in respect of the Proposed Acquisition on 21 April 2022. Given that the long stop date for the completion of the Proposed Acquisition is 6 months from the date of the SPA, please provide an update on the proposed acquisition of Ebuy, including the outstanding conditions to be fulfilled and whether there is an extension to the long stop date for the completion of the Proposed Acquisition.

Please also disclose the Board’s assessment of the recoverability of the non-current other receivables amounting to S\$600,000.

Company’s Response

The Company has been in active negotiations since end of last year with the vendors of Ebuy Pte. Ltd. (“**Ebuy**”) on the status of the Proposed Acquisition, which may include extending the long-stop date with a revised set of terms or terminating the Proposed Acquisition. The Company will make an announcement in due course once negotiations have been finalized. In such negotiations, at all times, the Board has made the return of the advance of S\$600,000 a priority.

SGX-ST Query 2

In respect of the Group’s other receivables, deposits and prepayments amounting to S\$818,000, please disclose: -

- (i) the nature and breakdown of the other receivables, deposits, and prepayments; and
- (ii) the underlying transactions and the terms of the transactions and payment terms of the underlying contracts.

Company’s Response

The Group’s other receivables, deposits and prepayment amounting to S\$818,000 consists of:

Nature of Transaction (i)	Type	Amount (\$)	Underlying transaction and terms of transaction (ii)
Deposit of proposed acquisition of premise	Deposit	600,000	For the purchase of property at 32 Quality Road as announced on 27 Jul 2021. The amounts have since been returned.
Rental Deposit	Deposit	6,000	2 months deposit for office rental at \$3,000 per month.
Other Deposits	Deposit	920	General Utilities
Prepayment for supply of vegetable and fruits	Prepayment	28,604	Total amount paid amounted to supplier was US\$44,400 of which US\$21,900 of good have been delivered. The prepayment represents the value of the outstanding products due to be shipped by the supplier. The Company had been discussing with the supplier on changing the product delivery mix and/or the return of the outstanding amount.
Prepayment for renovation works	Prepayment	149,135	The renovations work was commissioned in preparation for the Company's expansion into wholesale and trading of vegetable and fruits and have all been completed.
GST Receivables	Prepayment	33,263	GST
Other prepayments	Prepayment	320	Office management fees
Total		818,242	

SGX-ST Query 3

In respect of the Group's other payables and accruals of S\$1,092,000, please disclose the aging and nature of these payables and accruals and whether the counterparties are related parties.

Company's Response

Of the Group's other payables and accruals, other payables amounted to \$258,500 of which \$183,700 are more than 3 months old. The majority is due to legal fees, company secretarial fees and other professional fees amounting to \$218,700.

Accruals amounted to \$834,000 of which \$462,000 are provision for legal expenses, audit fees and the internal review fees. \$348,700 are accruals for director fees, salaries and employee claims while \$23,300 are accrued interest from related party loans.

Outstanding legal fees incurred and accrued due to Chevalier Law LLC amounted to \$94,400 and \$104,000 respectively are deemed related due to Mr Chong Eng Wee being a director of the Company during the period as announced on 22 March 2022.

SGX-ST Query 4

It is disclosed on page 12 of the unaudited financial statements that, a fair value gain on CEO Loan of S\$5,000 and S\$147,000 were recorded in other income in 6Q2022 and 18M2022 respectively. Please clarify how the fair value gain on CEO Loan is being arrived at.

Company's Response

The fair value gain is based on an assumed annual inflation rate of 2% of the CEO loan of S\$750,000 over the loan term of 3 years.

SGX-ST Query 5

Please clarify whether the Company has worked out debt repayment plans to fulfil its debt obligations. If yes, please disclose if the Company is on track to fulfilling these obligations.

Company's Response

Of the \$1,092,500 other payables and accruals, \$834,000 are accruals. Excluding the accruals, the Company will have net current asset of S\$338,000. The Company is in communication with its creditors and as at the latest practicable date, none of the Company's creditors have taken any action against the Company.

BY ORDER OF THE BOARD
KTL GLOBAL LIMITED

Chin Teck Oon
Executive Director and Chief Executive Officer
16 January 2023