

# KTL GLOBAL LIMITED

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

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## APPLICATION FOR EXTENSION OF TIME TO COMPLY WITH RULE 1314 OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”) LISTING MANUAL (THE “LISTING RULES”)

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### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of KTL Global Limited (the “**Company**”) and together with its subsidiaries (the “**Group**”) wishes to announce that the Company has today, 18 November 2022, submitted an application to seek the SGX-ST’s approval for an extension of time for a period of up to twelve (12) months to comply with the requirements of:

- (i) Rule 1314 of the Listing Rules, which states that “[a]n issuer on the watch-list may apply to the Exchange to be removed from the watch-list if it records consolidated pre-tax profit for the most recently completed financial year (based on audited full year consolidated accounts) and has an average daily market capitalisation of S\$40 million or more over the last 6 months”; and
- (ii) Rule 1315 of the Listing Rules, which states that “[a]n issuer must take active steps to meet the requirements of Rule 1314. If the issuer fails to comply with Rule 1314 within 36 months of the date on which it was placed on the watch-list, the Exchange may either remove the issuer from the Official List, or suspend trading of the listed securities of the issuer (without the agreement of the issuer) with a view to removing the issuer from the Official List”,

(collectively, the “**EOT Application**”) for the reasons set out in paragraph 2 below.

### 2. REASONS FOR THE EOT APPLICATION

The Company is applying to the SGX-ST for the EOT Application for the following reasons:

- (i) Since the Company’s entry into the watch-list in December 2019, the Company had been exploring various business opportunities to increase its revenue streams, including but not limited to exploring the provision of branding, operation and procurement services (“**BOP**”), as well as the supply and distribution of vegetables and fruit produce to various consumer groups in Singapore. The Company had also been faced with a decline in income due to the outbreak of COVID-19, especially for its financial year ended 31 December 2020 and during the period of 1 January 2021 to 30 June 2022.
- (ii) On 10 August 2021, the Company had requested for a trading halt pending the announcement of a report from its then-statutory auditors, RT LLP (“**RT LLP**”), which was extended and then subsequently converted into a voluntary suspension by the Company (“**Suspension**”). As announced on 26 August 2021, the Audit Committee (“**AC**”) had received a report from RT LLP reporting that during the course of their audit, they had discovered potential fraud in financial reporting of one of the Company’s subsidiaries. Subsequent to such report, the AC and the Board had, in consultation with the SGX RegCo, engaged Deloitte & Touche Financial Advisory Services Pte Ltd (“**Deloitte**”), to undertake an independent review of the concerns raised by RT LLP (the “**Independent Review**”).
- (iii) Since then, the Independent Review has been ongoing. Amongst others, as the Board and Management of the Company present at the material time of the Potential Fraud had since ceased in their roles, it has fallen upon the shoulders of the present Board and Management to assist as necessary in the Independent Review. The present Board and Management would not have been familiar as to the details, information and documents surrounding the

Potential Fraud. This has inevitably also led to some delay in the Independent Review process and a diversion of the management time and resources from focusing on its businesses.

- (iv) Further, as Deloitte reports to the SGX RegCo and the AC, the Company has no supervisory oversight on the preparation of the report. Until the report is ready to be announced, the Company is not in a position to share the results. The anticipated report has caused uncertainty and in a number of its business ventures and opportunities, the Company's potential partners have expressed concern over the Independent Review. The Board understands that there is hesitation on projects to be taken further with the Group given the uncertainty of the impact of the Independent Review on the Company. It has also caused the Company's potential partners to have misgivings and be more wary about cooperating with the Company. With the Suspension as well, it has led to uncertainty in the Company's ability to undertake corporate actions such as the issue of consideration shares or placement shares for transactions. This includes the termination of a placement which would otherwise have raised funds for the Group, as announced by the Group on 13 May 2022.
- (v) In light of the above, despite the Company's efforts since December 2019, the combination of the impact of COVID-19, as well as the uncertainty arising from the Independent Review has made it difficult for the Company to improve its financial position. Hesitation due to uncertainty on the part of potential investors and partners of the Company has also meant that the Company is unable to continue exploring different business opportunities and increase its revenue streams. The Suspension arising from circumstances surrounding the Independent Review has also not made it possible for the Company to evidence any difference in its market capitalisation.
- (vi) However, the Company has nevertheless been making preparations and taking steps to place itself in a position to apply for removal from the Watchlist, as much as it is able to do so within the circumstances. As previously shared with the SGX RegCo in the Company's response on 10 October 2022, the Company has been undergoing a review of its businesses during this period of time and is exploring other business opportunities to increase revenue stream so as to improve shareholders' value. At a later time, the Company also intends to seek shareholders' approval for any such new business. The Company would only be able to share this information at a later time when it has better clarity on the Company's business direction going forward.

In view of the issues raised above the Company is unable to meet the exit criteria under Rules 1314 and 1315 and therefore seeks an extension of 12 months to the 36-month cure period under Rule 1315 of the Listing Rules so that it will have the needed time to place itself in a position to apply for removal from the Watchlist.

The Company will make further announcements to update its shareholders on the outcome of the above application to the SGX-ST and ACRA in due course.

**BY ORDER OF THE BOARD**  
**KTL GLOBAL LIMITED**

Chin Teck Oon  
Executive Director and Chief Executive Officer  
18 November 2022