



**KTL GLOBAL LIMITED**

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

**RESPONSE TO SGX-ST QUERIES ON 5QFY2021 RESULTS ANNOUNCEMENT**

KTL Global Limited (the “**Company**”) has received the following queries from the Singapore Exchange Regulation Pte. Ltd. (“**SGX RegCo**”) on 17 June 2022 in respect of the Company’s unaudited fifth quarter financial statements for the financial period ended 31 March 2022 (“**5QFY2021 Results**”).

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

**SGX RegCo’s Question**

- 1 In respect of the Group’s Non-current Other receivables of S\$600,000, please disclose:-  
 (i) the breakdown of the other receivables;  
 (ii) the nature of the other receivables; and  
 (iii) the Board’s assessment of the recoverability of the non-current other receivables.

***Company’s response:***

1(i)&(ii) The Group’s non-current receivables include an advance payment of S\$600,000 to Ebuy Pte Ltd. (“**Ebuy**”) as at 31 March 2022. The advance is unsecured, interest free and will form part of the net investment in Ebuy upon completion of the acquisition of Ebuy. In the event that the completion of the acquisition is affected by unforeseen circumstances, management will require Ebuy to return the entire amount of the advance payment immediately.

1(iii) The management has taken into consideration all reasonable and supportable information available that includes, both qualitative and quantitative information, such as business operation, financial conditions and the age of the debts, to assess the recoverability of the receivables. The Board has reviewed and accepted management’s analysis and estimates and will continue to monitor the progress of the collectability of this advance to Ebuy.

**SGX RegCo’s Question**

- 2 In respect of the Group’s other receivables, deposits and prepayments amounting to S\$848,000, please disclose:-  
 (i) the nature and breakdown of the other receivables, deposits and prepayments;  
 (ii) the underlying transactions and the terms of the transactions (including the contract sum) and payment terms of the underlying contracts; and  
 (iii) the actions taken to recover the other receivables

***Company’s response:***

2(i)&(ii) The details of the Group’s other receivables as at 31 March 2022 is set out below:

<b>Group</b>	<b>31.03.2022</b>	<b>Remark</b>
	<b>S\$’000</b>	
<b>Deposits</b>		
- 10% deposit paid on purchase of a property	600	<b>Note 1</b>
- Office rental	6	
- Deposit paid for renovation works	204	Deposits paid upon signing an office tenancy agreement
<b>Prepayments</b>		Full payment related to the renovation works. As of the date of this announcement, the renovation works have been completed.
- Prepayment to acquire equipment	10	Full payment for the purchase of storage equipment, which was delivered after 31 March 2022, and is currently in use.
<b>Goods and Services Tax (“GST”) receivables</b>	28	GST paid when purchasing from GST-registered suppliers and importing goods to Singapore.
<b>Total</b>	<b>848</b>	

**Note 1**

As announced by the Company on 27 July 2021, the Group's wholly owned subsidiary, Tianci Agritech Pte. Ltd. has entered into a memorandum of understanding (the "MOU") with Warehouse Logistic Net Asia Pte. Ltd. in respect of the acquisition of the property, located at 32 Quality Road, Singapore 618804 (the "Property"), for a purchase price of S\$6,000,000. The Property carried a tenure of 30 years commencing from 1 February 1997. The Group has paid a deposit of S\$600,000 (10% of the purchase price) upon the date of the MOU while the remaining amount will be payable upon completion of the acquisition. Under the terms and conditions set forth in the MOU, the deposit is refundable if the application for JTC's in-principle approval is rejected by JTC. The rationale for the acquisition is in relation to the proposed acquisition of 51% equity interest in Ebuy which is currently leasing and using the premises at the Property for its business operations.

- 2(iii) The Group evaluates, amongst other factors, the nature and the underlying transactions and the terms of the transactions of the other receivables. Based on the management representation, the Board is of the opinion that there is no issue on the recoverability of the other receivables.

**SGX RegCo's Question**

- 3 In respect of the Group's Inventories of S\$720,000, please provide a breakdown and information on the Group's inventory turnover days.

***Company's response:***

<b>Group</b>	<b>31.03.2022</b>
<b>Inventories</b>	<b>S\$'000</b>
- Fruit and vegetables and other consumer goods	451
- Frozen vegetables and rootstock	147
- Goods in transit	122
<b>Total</b>	<b>720</b>

The Group's inventory turnover days was 182 days for the financial period ended 31 March 2022.

**SGX RegCo's Question**

- 4 In respect of the Company's Amount due from subsidiaries of S\$1,964,000, please disclose:-  
 (i) the breakdown of the significant amounts due;  
 (ii) when these amounts are due for repayment; and  
 (iii) the Board's assessment of the recoverability of the amount due from subsidiaries.

***Company's response:***

- 4(i)&(ii) The details of the Company's amount due from subsidiaries as at 31 March 2022 is set out below:

<b>Company</b>	<b>31.03.2022</b>
	<b>S\$'000</b>
Receipt of proceeds from convertible bonds on behalf of the Company	2,000
Receipt of loan from Group CEO on behalf of the Company	750
Payments of the operating expenses on behalf of the Company	(786)
<b>Total</b>	<b>1,964</b>
<b>Group</b>	
<i>Represented by:</i>	
Advance payment to Ebuy	600
Deposit paid on purchase of Property	600
General working capital	764
<b>Total</b>	<b>1,964</b>

The amount due from subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand.

- 4(iii) There was an advance payment of S\$600,000 to Ebuy and a deposit of S\$600,000 placed with vendor to purchase Property included in the amount of S\$1,964,000 due from the subsidiaries. The recoverability of amount due from subsidiaries are assessed for impairment at each reporting date. The Group evaluates, amongst other factors, the duration, nature and underlying transactions of the receivables. Changes in the financial health and near-term business outlook, including, among others factors, industry and sector performance, operating and financial cash flows, will impact the recoverable amounts of its receivables. Based on the management representation, the Board believes there is no issue on the recoverability of the amount due from subsidiaries and will continue to monitor the progress of the collectability of these receivables from subsidiaries.

**SGX RegCo's Question**

- 5 In respect of the Group's Other payables and accruals of S\$846,000, please disclose the aging and nature of these payables and accruals and whether the counterparties are related parties.

***Company's response:***

<b>Group</b>	<b>Aging</b>	<b>31.03.2022</b>
		<b>S\$'000</b>
<b>Other payables</b>		
(1) Legal and professional services fees		
- 0 – 3 months	0 – 3 months	144
(2) Business consulting and public relations fees		
- 0 – 3 months	0 – 3 months	10
- 4 – 6 months	4 – 6 months	26
- > 6 months	> 6 months	26
<b>Subtotal – other payables</b>		<b>206</b>
<b>Accrued expenses</b>		
- Accrued legal and professional services fees	Not applicable	260
- Accrued directors' fees	Not applicable	153
- Accrued audit fees	Not applicable	145
- Accrued other operating expenses	Not applicable	82
<b>Subtotal – accrued expenses</b>		<b>640</b>
<b>Total</b>		<b>846</b>

Save for the accrued directors' fee disclosed above, the accrued interest payable of S\$2,000 to our Group CEO on the CEO loan and legal and professional services fees of S\$154,000 payable to Chevalier Law LLC, of which one of our former independent directors is the managing director and a shareholder who holds more than 30% shareholding interest in the Chevalier Law LLC ("**Legal IPTs**"), all other payables are to unrelated counterparties. For more details on the CEO loan and Legal IPTs, please refer to the fifth quarter announcement dated 13 May 2022.

**SGX RegCo's Question**

- 6 In respect of the Group's Trade payables of S\$263,000 as at 31 March 2022, please explain the significant increase from S\$12,000 as at 31 December 2020.

***Company's response:***

<b>Group</b>	<b>31.3.2022</b>	<b>31.12.2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Trade payables</b>		
- Directors & keyman insurance	-	12
- Trade creditors	263	-
<b>Total</b>	<b>263</b>	<b>12</b>

The significant increase of trade payables from S\$12,000 as at 31 December 2020 to S\$263,000 as at 31 March 2022 was due mainly to the commencement of the Group's new business segment involving the sale and distribution of fresh vegetables and fruit produce upon completion of the acquisition of the entire issued and paid-up share capital of Tianci Agritech Pte. Ltd. on 28 June 2021. There is no such business activity as at 31 December 2020.

**BY ORDER OF THE BOARD**

Chin Teck Oon  
Executive Director and CEO  
21 June 2022