



**KTL GLOBAL LIMITED**

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

**RESPONSE TO SGX-ST QUERIES ON 3QFY2021 RESULTS ANNOUNCEMENT**

KTL Global Limited (the “**Company**”) has received the following queries from the Singapore Securities Trading Limited (“**SGX-ST**”) on 19 November 2021 in respect of the Company’s unaudited third quarter financial statements for the financial period ended 30 September 2021 (“**3QFY2021 Results**”).

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’s Question**

- a) **Please disclose:**
- (i) **the nature and breakdown of the Group’s “Other receivables, deposits and prepayments” amounting to S\$698,000; and**
  - (ii) **The underlying transactions and the terms of the transactions (including the contract sum) and payment terms of the underlying contracts.**

***Company’s response:***

a)(i) & a)(ii) The details of the Group’s other receivables, deposits and prepayments as at 30 September 2021 is set out below:

<b>Group</b>	<b>31.09.2021</b>	<b>Terms and payment terms of the underlying contracts</b>
	<b>S\$’000</b>	
<b>Other receivables, deposits and prepayments</b>		
<b>Deposits</b>		
- 10% deposit paid on purchase of a property	600	<b>Note 1</b>
- Office rental and security	8	Deposits paid upon signing an office tenancy agreement and open an utility account.
<b>Prepayments</b>		
- Prepayment to acquire office computers and equipment	20	Paid in full when placing orders.
<b>Goods and Services Tax (“GST”) receivables</b>	70	GST paid when purchasing from GST-registered suppliers and importing goods to Singapore.
<b>Total</b>	<b>698</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, for a purchase price of S\$6,000,000. The leasehold 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. The rationale for the acquisition is in relation to the proposed acquisition of 51% equity interest in Ebuy Pte. Ltd. which is currently leasing and using the premises at the property for its business operations.

**SGX-ST's Question**

b) Please provide information on the Group's inventory turnover days.

***Company's response:***

The Group's inventory turnover days was 36 days for the financial period ended 30 September 2021.

**SGX-ST's Question**

c) Please disclose a breakdown of the "other payables and accruals" amounting to S\$624,000 as at 30 September 2021.

***Company's response:***

The breakdown of the Group's other payables and accruals as at 30 September 2021 is set out below:

<b>Group</b>	<b>31.09.2021</b>
	<b>S\$'000</b>
<b>Other payables and accruals</b>	
<b>Accrued expenses</b>	
- Accrued legal and professional services fees	362
- Accrued directors' fees	117
- Accrued audit fees	103
- Accrued operating expenses	42
<b>Total</b>	<b>624</b>

**SGX-ST's Question**

d) Given the Group's total liabilities amounting to S\$3,637,000 and cash and bank balances of only S\$58,000 and noting that the Group incurred losses of S\$1,589,000 for the 9 months ended 30 September 2021, please disclose the Board's assessment (i) whether the Group and Company's current assets are adequate to meet the Group and Company's short term liabilities of S\$1,610,000, including its bases of assessment and (ii) how the Group and Company intends to fulfil its significant payment obligations in the next 12 months. Where the Group and Company has worked out debt repayment plans to fulfil its debt obligations, please disclose if the Group and Company are on track to fulfilling these obligations.

***Company's response:***

The Company wishes to clarify that the Group's short term liabilities of S\$1.6 million mainly comprises of the trade payables of S\$0.2 million, contract liabilities of S\$0.2 million, other payables and accruals of S\$0.6 million, interest bearing loan and borrowings of S\$0.3 million and income tax payable of S\$0.3 million. The Company's short term liabilities of S\$0.6 million mainly comprises of the amount due to subsidiaries of S\$0.1 million and other payables and accruals of S\$0.5 million.

The Group's non-current liabilities of S\$2.0 million mainly comprise of the convertible loans of S\$2.0 million as at 30 September 2021. Pursuant to the loan agreement, any amount of loan drawn down by the Company and disbursed by a lender may be converted into conversion shares upon the terms and subject to the conditions of the loan agreement. The Company announced on 25 October 2021 that it has obtained approval-in-principle from SGX-ST in respect of the listing and quotation of the conversion

shares on the Main Board of SGX-ST, subject to certain terms and conditions.

As stated in Note 2 of the notes to the condensed interim financial statements for the third quarter three months ended and nine months ended 30 September 2021, the Group has recently taken the following actions to (i) operate as a going concern; and (ii) meet its short-term obligations as and when they fall due:

- a) sourced for new customers and held discussions with the Group's major customers to seek higher sales volume and negotiate for better prices;
- b) continuously seek improvements in the procurement and warehousing processes;
- c) announced a placement to raise up to S\$3.09 million from investors; and
- d) the Company has on 11 November 2021 entered into a loan agreement with Mr Chin Teck Oon, the Group CEO and shareholder, for a loan of up to S\$1.5 million to the Company. The loan is unsecured, bears interest at 2% per annum and has a term of 3 years from the date of drawdown.

The Group and the Company has no repayment plan with any creditor.

Based on the above, the Board is of the opinion that the Group and the Company will have sufficient working capital for the next 12 months and will be able to pay its debts as and when they fall due and the Group will be able to operate as a going concern.

**BY ORDER OF THE BOARD**

Chin Teck Oon  
Executive Director and CEO  
24 November 2021