



**KTL Global Limited**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 200704519M)  
(The "**Company**")

Condensed interim financial statements  
for the fourth quarter and twelve months ended  
31 December 2021

The Company is required, pursuant to the requirements of the Singapore Exchange Securities Trading Limited, to continue with quarterly reporting of its financial statements with effect from 7 February 2020, in view of the disclaimer opinion and material uncertainty relating to going concern highlighted by the auditors in its audited financial statements for the financial year ended 31 December 2020.

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## A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Group			Group		
	3 months ended			12 months ended		
	31 December 2021	31 December 2020	Change	31 December 2021	31 December 2020	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Continuing operations</b>						
<b>Revenue</b>	<b>513</b>	(1,698)	(130)	<b>706</b>	1,961	(64)
Cost of sales	(458)	(767)	(40)	(740)	(767)	(4)
Gross (loss)/ profit	<b>55</b>	(2,465)	(102)	<b>(34)</b>	1,194	(103)
Other income	<b>142</b>	20	NM	<b>147</b>	20	NM
Administrative expenses	(581)	(4,199)	(86)	(2,040)	(5,697)	(64)
Sales and marketing expenses	-	(64)	NM	-	(64)	NM
Finance costs	(16)	(1)	NM	(32)	(7)	NM
<b>Loss before tax</b>	<b>(400)</b>	(6,709)	(94)	<b>(1,959)</b>	(4,554)	(57)
Income tax (expense)/credit	(3)	1,783	NM	(33)	1,416	(102)
<b>Loss from continuing operations</b>	<b>(403)</b>	(4,926)	(92)	<b>(1,992)</b>	(3,138)	(37)
<b>Discontinued operation</b>						
Profit from discontinued operation, net of tax	-	21,525	NM	-	21,525	NM
<b>Total (loss)/profit</b>	<b>(403)</b>	16,599	(102)	<b>(1,992)</b>	18,387	(111)
<b>Other comprehensive loss</b>						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
- Reclassification of reserves upon disposal of subsidiaries	-	-	-	-	(774)	NM
<b>Other comprehensive loss, net of tax</b>	-	-	-	-	(774)	NM
<b>Total comprehensive (loss)/income for the financial period</b>	<b>(403)</b>	16,599	(102)	<b>(1,992)</b>	17,613	(111)
NM: Not Meaningful						

## A. Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

	Group			Group		
	3 months ended			12 months ended		
	31 December 2021	31 December 2020	Change	31 December 2021	31 December 2020	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>(Loss)/profit attributable to:</b>						
Equity holders of the Company	(799)	19,933	(104)	(1,988)	20,182	(110)
Non-controlling interests	396	(3,334)	(112)	(4)	(1,795)	(100)
	<b>(403)</b>	<b>16,599</b>	<b>(102)</b>	<b>(1,992)</b>	<b>18,387</b>	<b>(111)</b>
<b>(Loss)/profit attributable to equity holder of the Company relates to:</b>						
(Loss)/profit from continuing operations	(799)	(1,592)	(50)	(1,988)	(1,343)	(48)
Profit from discontinued operation	-	21,525	NM	-	21,525	NM
	<b>(799)</b>	<b>19,933</b>	<b>(104)</b>	<b>(1,988)</b>	<b>20,182</b>	<b>(110)</b>
<b>Total comprehensive (loss)/income attributable to:</b>						
Equity holders of the Company	(799)	19,933	(104)	(1,988)	19,510	(110)
Non-controlling interests	396	(3,334)	(112)	(4)	(1,897)	(100)
	<b>(403)</b>	<b>16,599</b>	<b>(102)</b>	<b>(1,992)</b>	<b>17,613</b>	<b>(111)</b>
<b>(Loss)/earnings per share for (loss)/profit for the period attributable to the equity holders of the Company:</b>						
<u>Basic (SGD in cent)</u>						
From continuing operations	(0.25)	(0.50)	(50)	(0.63)	(0.43)	(48)
From discontinued operation	-	6.81	-	-	6.82	-
	<b>(0.25)</b>	<b>6.31</b>	<b>(104)</b>	<b>(0.63)</b>	<b>6.39</b>	<b>(110)</b>
Weighted average number of ordinary shares ('000)	<b>315,559</b>	315,669		<b>315,559</b>	315,669	
<u>Diluted (Loss)/earnings per share (SGD in cent)</u>						
From continuing operations	(0.25)	(0.50)	(50)	(0.63)	(0.43)	(48)
From discontinued operation	-	6.81	-	-	6.82	-
	<b>(0.25)</b>	<b>6.31</b>	<b>(104)</b>	<b>(0.63)</b>	<b>6.39</b>	<b>(110)</b>
Weighted average number of ordinary shares ('000)	<b>347,927</b>	315,669		<b>347,927</b>	315,669	

NM: Not Meaningful

## B. Condensed interim statements of financial position – Group

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	80	46	-	-
Goodwill from investments	27	-	-	-
Subsidiaries	-	-	210	-
Other receivables	500	-	-	-
<b>Total non-current assets</b>	<b>607</b>	<b>46</b>	<b>210</b>	<b>-</b>
<b>Current assets</b>				
Inventories	861	-	-	-
Trade receivables	270	-	-	-
Other receivables, deposits and prepayments	736	32	-	23
Amount due from subsidiaries	-	-	2,025	-
Cash and bank balances	325	986	4	6
<b>Total current assets</b>	<b>2,192</b>	<b>1,018</b>	<b>2,029</b>	<b>29</b>
<b>Total assets</b>	<b>2,799</b>	<b>1,064</b>	<b>2,239</b>	<b>29</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	2,587	19	2,575	-
<b>Current liabilities</b>				
Trade payables	282	12	-	12
Contract liabilities	200	-	-	-
Amount due to subsidiaries	-	-	10	-
Other payables and accruals	709	156	612	94
Borrowings	334	31	-	-
Income tax payable	285	452	-	-
<b>Total current liabilities</b>	<b>1,810</b>	<b>651</b>	<b>622</b>	<b>106</b>
<b>Total liabilities</b>	<b>4,397</b>	<b>670</b>	<b>3,197</b>	<b>106</b>
<b>Net (liabilities)/assets</b>	<b>(1,598)</b>	<b>394</b>	<b>(958)</b>	<b>(77)</b>
<b>Equity</b>				
Issued capital	36,776	36,776	36,776	36,776
Reserves	(37,441)	(35,453)	(37,734)	(36,853)
Equity attributable to equity holders of the Company	(665)	1,323	(958)	(77)
Non-controlling interests	(933)	(929)	-	-
<b>Total equity</b>	<b>(1,598)</b>	<b>394</b>	<b>(958)</b>	<b>(77)</b>

### C. Condensed interim statements of changes in equity

	<u>Attributable to equity holders of the Company</u>								
	Issued Capital	Treasury shares reserve	Premium paid on acquisition of non-controlling interest	Translation (deficit)/ surplus	Statutory reserve fund	Accumulated Losses	Total	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>									
<b>Balance at 1 January 2021</b>	36,776	(706)	-	-	-	(34,747)	1,323	(929)	394
Net loss and total comprehensive losses for the period	-	-	-	-	-	(1,988)	(1,988)	(4)	(1,992)
<b>Balance at 31 December 2021</b>	<b>36,776</b>	<b>(706)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,735)</b>	<b>(665)</b>	<b>(933)</b>	<b>(1,598)</b>
Balance at 1 January 2020	36,776	(706)	(60)	717	15	(54,929)	(18,187)	2,288	(15,899)
Net profit/(loss) for the period	-	-	-	-	-	20,182	20,182	(1,795)	18,387
<u>Other comprehensive income</u>									
Reclassification of reserves upon disposal of subsidiaries	-	-	60	(717)	(15)	-	(672)	(102)	(774)
Total comprehensive income/(losses) for the period	-	-	60	(717)	(15)	20,182	19,510	(1,897)	17,613
Dividend paid	-	-	-	-	-	-	-	(1,320)	(1,320)
Balance at 31 December 2020	36,776	(706)	-	-	-	(34,747)	1,323	(929)	394

## C. Condensed interim statements of changes in equity (cont'd)

	Share Capital	Treasure Share Reserves	Accumulated Losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Company</b>				
<b>Balance at 1 January 2021</b>	36,776	(706)	(36,147)	(77)
Loss and total comprehensive losses for the financial period	-	-	(881)	(881)
<b>Balance at 31 December 2021</b>	<b>36,776</b>	<b>(706)</b>	<b>(37,028)</b>	<b>(958)</b>
Balance at 1 January 2020	36,776	(706)	(35,573)	497
Loss and total comprehensive losses for the financial period	-	-	(574)	(574)
Balance at 31 December 2020	36,776	(706)	(36,147)	(77)

## D. Condensed interim consolidated statement of cash flows

	Group	
	12 months ended	
	31 December 2021	31 December 2020
	S\$'000	S\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before income tax	(1,959)	16,971
Adjustments for:-		
Depreciation of plant and equipment	45	29
Impairment loss on trade receivables	-	3,959
Gain on disposal of discontinued operation	-	(21,525)
Gain on termination of ROU assets	(4)	-
Fair value adjustments on borrowings	(142)	-
Finance expense	32	7
<b>Operating loss before working capital changes</b>	<b>(2,028)</b>	<b>(559)</b>
Changes in operating assets and liabilities:-		
Inventories	(861)	-
Trade and other receivables	(374)	4,296
Trade and other payables	823	(1,378)
Contract liability	200	-
<b>Cash (used in)/generated from operations</b>	<b>(2,240)</b>	<b>2,359</b>
Taxation paid	(200)	(162)
<b>Net cash (used in)/generated from operating activities</b>	<b>(2,440)</b>	<b>2,197</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cashflow from disposal of discontinued operation	-	10
Acquisition of a subsidiary, net of cash acquired	(27)	-
Purchase of plant and equipment	(40)	-
Deposit paid to purchase of a property	(600)	-
Advance to a third party	(500)	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,167)</b>	<b>10</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(12)	-
Proceeds from convertible loans	2,000	-
Advance from a director related company	300	-
Proceeds from borrowings	700	-
Repayment of principal portion of lease liabilities	(42)	-
Repayment of borrowings	-	(37)
Dividend paid to non-controlling interest	-	(1,320)
<b>Net cash generated from/(used in) financing activities</b>	<b>2,946</b>	<b>(1,357)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(661)</b>	<b>850</b>
Cash and cash equivalents at beginning of the financial period	986	136
<b>Cash and cash equivalents at end of the financial period</b>	<b>325</b>	<b>986</b>

## E. Notes to the condensed interim financial statements

### 1. General information

KTL Global Limited (the “**Company**”) is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The address of the Company's registered office and its principal place of business is at 18 Boon Lay Way, #10-139 Tradehub 21, Singapore 609966.

These interim consolidated financial statements as at and for the three months ended 31 December 2021 (“**4Q2021**”) and twelve months ended 31 December 2021 (“**12M2021**”) comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is investment holding and the principal activities of the Group are sale and distribution of fresh vegetable and fruit produce (including import and export of fruits and vegetables, and growing of leafy and fruit vegetables), provision of technical, operational, procurement management services and other related services.

#### Change of financial year end

On 10 January 2022, the Company announced a change of its financial year end from 31 December to 30 June. With this change, the Company's current financial year will cover a period of 18 months from 1 January 2021 to 30 June 2022.

#### Rationale for the Change of Financial Year End

The Group had suspended its BOP services business since January 2021. Following the completion of the Company's acquisition of the entire issued and paid-up share capital of Tianci Agritech Pte. Ltd. (“**TCA**”) on 28 June 2021, the Group operates in one business segment involved in the sale and distribution of fresh vegetables and fruit produce. The Group will, as at 31 December 2021, record operations from TCA for only six (6) months. The Board is of the view that it would be more meaningful and reflective of the Group's performance if the financial year end of the Group was changed to 30 June which would then capture a full year of business activities of the Group. In addition, as announced on 17 August 2021, the Company had requested for voluntary suspension for trading of its shares on 17 August 2021 in view of the receipt by the Company of the auditor's report on discovery of potential fraud (the “**Report**”). The Audit Committee and the Board has engaged Deloitte & Touche Financial Advisory Services Pte Ltd (“**Deloitte**”) to undertake an independent review of the concerns raised in the Report, including the provision of branding, operation and procurement (the “**BOP**”) business segment of Bluegas Private Limited (the “**Review**”). The Review is currently still ongoing. The Board is of the view that the change would allow the Company additional time to strengthen and standardise its internal control processes thereby improving administrative and operational efficiencies.

Please refer to the announcement dated 10 January 2022 for more details regarding the change of financial year end.

### 2. Going concern

As at 31 December 2021, the Company and the Group was in a net liability position of S\$1.0 million and S\$1.6 million respectively. These conditions indicate an existence of a material uncertainty that may cast significant doubt on the Company's and the Group's ability to continue as a going concern.

The Board has assessed that there is an urgent need to raise funds and look for opportunities to inject new revenue-generating businesses into the Group. 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 of up to S\$1.5 million to the Company (“**CEO Loan**”). The CEO Loan is unsecured, bears interest at 2% per annum and has a term of 3 years from the date of drawdown.

The Company's and the Group's financial statements have been prepared on a going concern basis as the management is of the view that the Company and the Group will be able to continue as a going concern. If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the condensed interim statement of financial position. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide for further liabilities which may arise. No such adjustments have been made to these condensed financial statements.



### 3. Basis of preparation

The condensed interim financial statements for the twelve months ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020. The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 3.1 below. The condensed interim financial statements are presented in Singapore Dollars ("**S\$**") and rounded to nearest thousand (S\$'000) except when otherwise indicated.

#### 3.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### 3.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Except for net realisable value of inventories as disclosed in Note 15, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in Note 15.

### 4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 5. Revenue and segment information

#### Business segment

Following the completion of the Company's acquisition of TCA on 28 June 2021, the Group operates in one business segment involved in the sales and distribution of fresh vegetable and fruit produce in 4Q2021.

The revenue for the three months ended 31 December 2020 ("**4Q2020**") and twelve months ended 31 December 2020 ("**12M2020**") was generated by its 80% owned subsidiary, Bluegas Private Limited ("**Bluegas**") from the BOP services to our clients in the People's Republic of China ("**PRC**"). that manufactures smart automatic vending kiosks for the sales and dispensation of medical consumables and supplements. The Group has suspended its BOP services business since January 2021.

#### Geographical segment

In 2021, the Group's operations related to sales and distribution of fresh vegetables and fruit produce operations are located in Singapore. Revenue for the period ended 31 December 2020 represents income from BOP services generated entirely in the PRC.

## 6. Financial assets and liabilities

### (i) Financial instruments by category

At the reporting date, the aggregate carrying amount of financial assets at amortised cost are as follows:

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets measured at amortised costs</b>				
Trade receivables	270	-	-	-
Other receivables and deposits	13	32	-	23
Amount due from subsidiaries	-	-	2,025	-
Cash and bank balances	325	986	4	6
<b>Total financial assets measured at amortised cost</b>	<b>608</b>	<b>1,018</b>	<b>2,029</b>	<b>29</b>

At the reporting date, the aggregate carrying amount of financial liabilities at amortised cost are as follows:

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial liabilities measured at amortised costs</b>				
Trade payables	282	12	-	12
Other payables and accruals	709	156	612	94
Borrowings	2,921	50	2,575	-
Amount due to subsidiaries	-	-	10	-
<b>Total financial liabilities measured at amortised cost</b>	<b>3,912</b>	<b>218</b>	<b>3,197</b>	<b>106</b>

### (ii) Fair value measurements

#### **Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables approximate their fair values, either due to their short-term period of maturity and/or where the effect of discounting is immaterial.

The carrying amounts of borrowings approximate their fair values at the end of the reporting period, as the market lending rate at the end of the reporting period was not significantly different from either the interest rates of borrowings or market lending rate at the initial measurement date of the borrowings.

## 7. Loss before tax

This determined after charging/(crediting) the following:

	Group			Group		
	3 months ended			12 months ended		
	31 December 2021	31 December 2020	Change	31 December 2021	31 December 2020	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of plant and equipment	12	22	(45)	45	29	55
Impairment loss on trade receivables	-	3,959	NM	-	3,959	NM
Fair value adjustments on borrowings	(142)	-	NM	(142)	-	NM
Gain on disposal of discontinued operations	-	(21,525)	NM	-	(21,525)	NM
Gain on termination of ROU assets	-	-	NM	(4)	-	NM

NM - not meaningful

## 8. Income tax expenses/(credit)

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected taxable income. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group		Group	
	3 months ended		12 months ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current tax expenses</u>				
Current year	-	-	-	-
Under/(over) provision in prior year	3	(1,783)	33	(1,416)
Total income tax expenses/(credit)	3	(1,783)	33	(1,416)

## 9. Significant related party transactions

Other than disclosed elsewhere in the financial statements, transactions carried out with related parties in the normal course of business on terms agreed between the parties are as follows:

	Group		Group	
	3 months ended		12 months ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Drawdown of CEO Loan	700	-	700	-
Corporation in which a director of the Group is a member of key management personnel				
- Advance received from	-	-	300	-
- Legal services rendered by	81	-	150	-

## 10. Net (liabilities) / assets value

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Net assets/(liabilities) value per ordinary share based on issued share capital excluding treasury shares as at the end of the period/year (SGD in cent)	(0.21)	0.42	(0.30)	(0.02)
Number of ordinary shares issued at the end of the period ('000)	315,669	315,669	315,669	315,669

## 11. Plant and equipment

During the twelve months ended 31 December 2021, the Group purchased plant and equipment amounting to S\$0.04 million and ROU assets of S\$0.07 million and terminated ROU assets amounting to S\$0.03 million. There was no acquisition and disposal of plant and equipment and ROU assets for the 12-month financial year ended 31 December 2020.

## 12. Trade receivables

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables	270	3,959	-	-
Less: allowance for doubtful debts	-	(3,959)	-	-
	270	-	-	-

## 13. Borrowings

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	46	50	-	-
Borrowings	2,875	-	2,575	-
	2,921	50	2,575	-
<u>Represented by:</u>				
Amount repayable in one year or less, or on demand, unsecured				
Lease liabilities	34	31	-	-
Borrowings – advance from a director related company	300	-	-	-
	334	31	-	-
Amount repayable after one year and not later than five years, unsecured				
Lease liabilities	12	19	-	-
Convertible Loans	2,017	-	2,017	-
Borrowings – CEO Loan	558	-	558	-
	2,587	19	2,575	-

During the twelve months ended 31 December 2021, the Group purchased a ROU asset of S\$0.07 million (31 December 2020: nil) from a third party with a lease term of 2 years. The lease liability was recognised in accordance with SFRS(I) 16. The Group has terminated a ROU asset with a carrying value of S\$0.03 million. The associated lease liabilities of S\$0.03 million was derecognised upon termination of lease term in 12M2021. A difference between ROU assets and lease liabilities of S\$40,000 was recorded in the other income.

### 13. Borrowings (cont'd)

During the twelve months ended 31 December 2021, the Group received advances from a director related company. The advances are unsecured, interest free and repayable on demand. There was no such advance for the financial year ended 31 December 2020.

The Company has on 3 June 2021 entered into convertible loan agreements with He Yi, Lin Miaoli and Ng Yu Shu Andy (collectively, the "Lenders"), pursuant to which the Lenders have agreed to extend up to S\$2,000,000 in aggregate principal amount of convertible loans at 2% per annum (the "Convertible Loans"). The Convertible Loans were initially recognised at its amortised costs and subsequently remeasured at fair value.

In January 2022, the Lenders have opted to exercise their right to convert the entire convertible loans in the principal amount of S\$2,000,000 in accordance with the terms and subject to the conditions of the convertible loan agreements. The total number of conversion shares, based on a conversion price of S\$0.062 per conversion share, will be 32,258,063. Upon the completion of the issuance and allotment of conversion shares, the total number of issued shares in the share capital of the Company will increase to 347,927,082 and the conversion shares will represent approximately 9.27% of the enlarged share capital of the Company. Management is in the process of completing the issuance and allotment of the conversion shares.

During the twelve months ended 31 December 2021, the CEO Loan totalling S\$0.7 million has been drawdown. The CEO Loan was initially recognised at its amortised costs and subsequently remeasured at fair value. A fair value gain of S\$142,000 was recorded in the other income.

### 14. Share Capital

There have been no changes in the issued share capital of the Company since 31 December 2020.

The number of Shares that may be issued on the exercise of options as at 31 December 2021 is as follows:

	Group and Company	
	No. of Shares that may be issued	Share Capital S\$'000
<b>As at 31 December 2021</b>		
New shares to be issued on conversion of current outstanding convertible loans of S\$2.0 million at the conversion price of S\$0.062	32,258,063	2,000

There are no treasury shares or subsidiary holdings as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. The total number of issued shares as at 31 December 2021 is 315,669,019 (31 December 2020: 315,669,019).

The Company has no outstanding options, convertible securities, treasury shares or subsidiary holdings as at 31 December 2020.

There were no sales, transfers, cancellation and /or use of treasury shares or subsidiary holdings during the current financial period reported on.

### 15. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (i) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. For the twelve months ended 31 December 2021, except for net realisable value of inventories as disclosed below, there were no significant updates to the estimates and assumptions applied since the audited financial statements as at 31 December 2020.

## 15. Critical accounting estimates, assumptions and judgements (cont'd)

### (i) Critical accounting estimates and assumptions (cont'd)

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next interim period are included in the following notes:

#### (a) *Impairment of non-financial assets*

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. In estimating the future cash flows, management has taken into account past performance, market expectation and the Group's marketing plan.

#### (b) *Allowance for doubtful trade receivables*

The Group uses an individual (debtor-by-debtor) basis to calculate expected credit losses ("ECLs") for trade receivables. There is critical judgement used in the measurement of expected credit losses and forward-looking assumptions. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

#### (c) *Useful lives of plant and equipment*

The cost of plant and equipment is depreciated on a straight-line basis over the plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 2 to 3 years. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore future depreciation charges could be revised.

#### (d) *Estimated net realisable value of inventories*

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. A change in any of these assumptions will alter the estimated net realisable value and may therefore impact the carrying value of inventories.

### (ii) Critical judgements in applying the entity's accounting policies

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next interim period are included in the following notes:

#### (a) *Determination of functional currency*

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

## 16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## F. Other Information Required by Listing Rule Appendix 7.2

### 1 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

These figures have not been audited or reviewed.

### 2 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: a) Updates on the efforts taken to resolve each outstanding audit issue; b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

**This is not required for any audit issue that is a material uncertainty relating to going concern**

The disclaimer of opinion issued by the auditors were in relation to (i) trade receivables and corresponding revenue and (ii) allocation of dividends and profits/losses of a subsidiary of the Company, Bluegas between the Company and the non-controlling interest of the Bluegas. For more details of the audit opinion, please refer to the Company's announcement dated 31 August 2021.

The independent reviewer, Deloitte was appointed on 14 August 2021. The review is still ongoing.

At the latest annual general meeting convened and held by electronic means on 24 September 2021, the ordinary resolution for the re-appointment of RT LLP as auditors of the Company was not approved by the Shareholders, thereby resulting in the vacancy in the office of the Company's auditors. On 8 November 2021, the Company has submitted a draft shareholders' circular to SGX RegCo. The Company will update shareholders in due course in the event of any material development in relation to the independent review and SGX RegCo's review of the draft shareholders' circular on the change of auditors.

As announced by the Company on 7 February 2022, the Company has been notified by the sole director of Bluegas and Kimtech Pte. Ltd. ("**Kimtech**") (80% and 51% owned subsidiaries of the Company, respectively), that these two companies have submitted an application to the Accounting and Corporate Regulatory Authority ("**ACRA**") for their names to be struck off the register pursuant to Section 344A of the Companies Act 1967 (2020 Revised Edition) (the "**Applications**"). The Company understands that ACRA has approved the Applications by email on 14 January 2022. The Company has also received separate letters from ACRA (the "**ACRA Letters**") in respect of the Applications stating that unless the Company states its objection to the Applications showing cause why these two companies should not be struck off within 30 days from 15 January 2022, a notice (the "**Notice**") will be published in the government gazette. If there is no objection received within 60 days from the date of the Notice, these two companies will be struck off the register of companies maintained with ACRA. In view of, among others, the ongoing Review by Deloitte of matters relating to the BOP services provided by Bluegas and the announcement dated 21 May 2021 pertaining to the originating summons taken out against the Company, Bluegas, and Mr Liu Changsheng, the Company has filed the objections to the Bluegas' and Kimtech's Applications.

Save as disclosed, the Board confirms that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

### 3 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

#### Profit or Loss Review 4Q2021 vs 4Q2020 & 12M2021 vs 12M2020

##### Revenue

Following the completion of the Company's acquisition of TCA on 28 June 2021, the revenue for 4Q2021 and 12M2021 was generated from the sales and distribution of fresh vegetable and fruit produce in 4Q2021 and 12M2021.

The revenue for 4Q2020 and 12M2020 was generated from the provision of BOP services to our clients in the PRC that manufactures smart automatic vending kiosks for the sales and dispensation of medical consumables and supplements. The Group has suspended its BOP services business since January 2021.

The negative revenue of S\$1.7 million in 4Q2020 was due to revenue of approximately S\$2.0 million recorded for the nine months ended 30 September 2020 being reversed during the audit process as revenue from customers did not meet the criteria of SFRS(I)15 *Revenue from Contracts with Customers*. The material discrepancies between the unaudited and audited financial statements of the Group for the financial year ended 31 December 2020 have been announced by the Company on 15 September 2021.

##### Cost of sales

In 4Q2021 and 12M2021, the cost of sales included cost of fresh vegetable and fruit produce and other costs such as shipping and handling expenses. In 4Q2020 and 12M2020, costs of sales of S\$0.8 million were related to the purchase of vending machines for BOP services.

### **Gross profit/(loss)**

The Group recorded a gross profit of S\$55,000 in sales of fresh vegetable and fruit produce in 4Q2021. The gross profit was due to increased trading sales activities and a different product mix resulting in better gross profits.

The gross loss of S\$34,000 in sales of fresh vegetable and fruit produce in 12M2021 was due mainly to relatively low selling price so as to promote the business and costs of sales was also adversely affected by a surge in shipping costs in 12M2021 which could not be passed on to our customers.

The Group's gross loss from BOP services amounting to S\$2.5 million in 4Q2020 mainly comprised the reversal of revenue of S\$2.0 million as stated above as the revenue from customers did not meet the criteria of SFRS(I) 15 and the purchase of vending machines of S\$0.8 million being included in the cost of sales in 4Q2020.

The Group's gross profit from BOP services amounting to S\$1.2 million in 12M2020 was derived from the revenue of \$2.0 million offset against the cost of sales of S\$0.8 million in 12M2020.

### **Other income**

Other income in 4Q2021 and 12M2021 included a fair value gain of S\$142,000 on borrowings (Note 13) and a gain of S\$4,000 on termination of Right-Of-Use ("ROU") assets (Note 13).

Other income in 4Q2020 and 12M2020 comprised mainly the grants pertaining to jobs support schemes received by the Group.

### **Administrative expenses**

Administration expenses for 4Q2020 and 12M2020 included allowance for doubtful trade debts amounting to S\$4.0 million, in line with the Company's announcement on 2 February 2021 pertaining to collection of trade receivables. If the one-off allowance for doubtful trade debts was excluded, the administration expenses for 4Q2020 and 12M2020 would approximately amount to S\$199,000 and S\$1.7 million accordingly.

There was a decrease of approximately S\$3.6 million in administrative expenses in 4Q2021 and 12M2021 as compared to 4Q2020 and 12M2020. This was mainly due to the one-off allowance for doubtful trade debts of S\$4.0 million being included in 4Q2020 as stated above offset against the increase in the legal and professional service fees related to the independent reviews on BOP services business and corporate exercises related to the acquisition of TCA, entry into the convertible loan agreement with the Lenders and entry into the agreements pertaining to the brand management services rendered to Guangdong X Diamond Technology Co., Ltd, proposed share placement exercise, and proposed acquisition of Ebuy Pte. Ltd. ("Ebuy") and litigation matters in 4Q2021. There was no such expense in 4Q2020. In addition, there was a decrease of S\$0.4 million in administrative expenses related to BOP service business such as staff costs, professional fees and business development expenses in 12M2021 as compared to 12M2020.

### **Finance costs**

The increase in finance costs in 4Q2021 and 12M2021 was mainly attributable to an increase in interests charged on the outstanding Convertible Loans of S\$2 million pursuant to the convertible loan agreements entered with the Lenders by the Company as announced on 3 June 2021, the interest expenses derived from the Group's new leased office premises commenced in May 2021 which are recognised as ROU assets and lease liabilities in accordance with SFRS(I) 16 and the interest expenses on CEO Loan.

### **Income tax expenses/(credit)**

The income tax credit in 4Q2020 and 12M2020 was due to overprovision of income tax related to BOP services business which was suspended in 2021. There was no taxable income in 2021.

## **Statement of Financial Position Review**

### **31 December 2021 vs 31 December 2020**

#### **Non-current assets**

Non-current assets of the Group increased by approximately S\$0.6 million from S\$0.05 million as at 31 December 2020 to S\$0.6 million as at 31 December 2021. The increase was mainly due to:

- 1) Increase of plan and equipment by S\$34,000, which was attributed to purchase of plant and equipment of S\$40,000; increase of ROU assets by S\$70,000 related to new leased office premises in Singapore which was recognised as ROU assets in accordance with SFRS (I) 16; terminated ROU assets amounting to S\$30,000 and offset against depreciation of S\$45,000 recorded in the administrative expenses;
- 2) Goodwill of S\$27,000 derived from acquisition of TCA in June 2021; and
- 3) An advance of S\$0.5 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.



Non-current assets of the Company increased by S\$0.2 million from nil as at 31 December 2020 to S\$0.2 million as at 31 December 2021. The increase was mainly due to acquisition of a wholly owned subsidiary, TCA and incorporation of a wholly owned subsidiary, Gold Heartland Pte. Ltd. in June 2021.

### **Current assets**

Current assets of the Group increased by S\$1.2 million from S\$1.0 million as at 31 December 2020 to S\$2.2 million as at 31 December 2021. The increase was mainly due to:

- 1) Increase of trade receivables from nil as at 31 December 2020 to S\$0.3 million as at 31 December 2021;
- 2) Increase of inventories by S\$0.9 million from nil as at 31 December 2020 to S\$0.9 million as at 31 December 2021;
- 3) Increase of deposit of S\$0.6 million related to deposit of S\$0.6 million paid in connection with the purchase of property at 32 Quality Road, Singapore. For more details, please refer to the Company's announcement dated 27 July 2021; and
- 4) Decrease of cash and bank balances by approximately S\$0.7 million from S\$1.0 million as at 31 December 2020 to S\$0.3 million as at 31 December 2021. The cash was utilised to pay income tax of S\$0.2 million and the prompt payment of trade payables and other working capital.

Current assets of the Company increased by approximately S\$2.0 million from S\$0.03 million as at 31 December 2020 to S\$2.0 million as at 31 December 2021. The increase was mainly due to increase in amount due from subsidiaries from nil as at 31 December 2020 to S\$2.0 million as at 31 December 2021.

### **Current liabilities**

Current liabilities of the Group increased by approximately S\$1.2 million from S\$0.7 million as at 31 December 2020 to S\$1.8 million as at 31 December 2021. The increase was mainly due to:

- 1) Increase of trade payables by S\$0.3 million from S\$0.01 million as at 31 December 2020 to approximately S\$0.3 million as at 31 December 2021;
- 2) Contract liability of S\$0.2 million as at 31 December 2021 was due to receipt of brand management service payments from customers. Revenue would be recognised for the Group in future period when the service contract would be performed;
- 3) Increase of other payables and accruals of S\$0.6 million from S\$0.1 million as at 31 December 2020 to S\$0.7 million as at 31 December 2021 because of accrued legal and professional service fees of S\$0.4 million related to independent review on BOP services business, corporate exercises, litigation matters and other accrued operating expenses;
- 4) Increase of borrowings of S\$0.3 million as at 31 December 2021. This comprises advance received from a director related company which are unsecured, interest free and repayable on demand; and
- 5) Decrease of income tax payable by S\$0.2 million from S\$0.5 million as at 31 December 2020 to S\$0.3 million as at 31 December 2021 due to payment of income tax in 12M2021.

Current liabilities of the Company increased by S\$0.5 million from S\$0.1 million as at 31 December 2020 to S\$0.6 million as at 31 December 2021. The increase was mainly due to accrued legal and professional service fees of S\$0.4 million related to the independent review on BOP service business.

### **Non-current liabilities**

Non-current liabilities of the Group increased by S\$2.6 million from S\$0.02 million as at 31 December 2020 to approximately S\$2.6 million as at 31 December 2021. The increase was mainly due to Convertible Loans of S\$2.0 million pursuant to the loan agreement entered with the Lenders by the Company as announced on 3 June 2021 and drawdown of CEO Loan amounting to S\$0.7 million, offset against fair value adjustment of CEO Loan of S\$142,000 recorded in the other income.

Non-current liabilities of the Company increased by S\$2.6 million from nil as at 31 December 2020 to S\$2.6 million as at 31 December 2021 for the reason stated above.

The Group and the Company has recorded net liabilities of S\$1.6 million and S\$1.0 million respectively as at 31 December 2021. Notwithstanding the net liabilities position, the Board is of the opinion that the Group 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. For more details, please refer to the basis explained in section "Going Concern" in Note 2 to the condensed interim financial statements.

### **Cash Flow Review** **12M2021 vs 12M2020**

Net cash used in operating activities in 12M2021 was S\$2.4 million as compared to net cash generated in operating activities of S\$2.2 million in 12M2020. The net operating cash outflow was mainly due to an operating cash flow before working capital changes of S\$2.0 million, adjusted for working capital outflows of S\$0.2 million. The working capital

outflows in 12M2021 were attributed mainly to an increase in trade and other payables of S\$0.8 million and an increase in contract liabilities of S\$0.2 million, partially offset by an increase in trade and other receivables of S\$0.4 million and inventories of S\$0.9 million. The Group also paid income tax of S\$0.2 million in 12M2021.

Net cash used in investing activities in 12M2021 was S\$1.2 million as compared to S\$0.01 million in 12M2020. The net cash used in 12M2021 was mainly attributed to the acquisition of a wholly owned subsidiary, TCA, net of cash acquired of S\$0.03 million, purchase of plant and equipment of S\$0.04 million, deposit paid in connection with purchase of property of S\$0.6 million and a quasi-equity advance to Ebuy of S\$0.5 million. The net cash generated in 12M2020 was attributed from net cashflow from disposal of discontinued operation of S\$0.01 million.

Net cash generated from financing activities in 12M2021 was S\$2.9 million as compared to net cash used in financing activities in 12M2020 of S\$1.4 million. The net cash generated from financing activities in 12M2021 was mainly attributed to the borrowings from a director related company of S\$0.3 million, drawdown of CEO Loan of S\$0.7 million, proceeds from convertible loans of S\$2.0 million, partially offset by net repayment of lease liabilities of S\$0.04 million and payment of finance costs of S\$0.01 million. Comparatively, the net cash used in financing activities in 12M2020 was mainly attributed to dividend paid to non-controlling shareholders of S\$1.3 million and repayment of borrowings of S\$0.04 million.

**4 Where a forecast, or a prospect statement, had been previously disclosed to shareholders, any variance between it and the actual results**

There is no forecast or prospect statement which has been previously disclosed.

**5 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Group has suspended BOP service business since January 2021. In 12M2021, the Group registered a revenue of S\$0.7 million upon completion of acquisition of TCA in June 2021. In addition, the Group has entered into a number of cooperation agreements with various business partners to explore new business opportunities and improve its financial performance. The new business cooperation areas include distribution of fresh vegetables and fruit produces, synthetic diamonds, supply of agricultural products, fresh produces and consumer retail industry, sales of aquatic products and supply of vessel provisions and daily necessities.

As announced by the Company on 12 July 2021, the Company's wholly owned subsidiary, TCA has entered into a non-binding memorandum of understanding (the "MOU") with the sole shareholder of Ebuy to acquire a 51% equity stake in Ebuy for approximately S\$1.5 million, which will be satisfied by the issuance of new ordinary shares of the Company, subject to any change and the finalised terms in the definitive agreement(s) to be entered into by parties in relation to the proposed acquisition. On 21 September 2021, the Company announced that the parties had agreed to extend the exclusivity period to enter into definitive agreement(s) to 11 November 2021. On 11 November 2021, the Company announced that the parties had agreed to further extend such exclusivity period to 10 February 2022. The parties are currently in the process of negotiations to enter into a definitive agreement. The Board will update shareholders when there are further material developments.

As announced by the Company on 24 December 2021, TCA has entered into various Memorandum of Understandings ("MOUs") with strategic partners to collaborate and harness opportunities in the fresh produce, consumer products and logistics supply chain markets in Singapore and the region by leveraging on their respective resources, business strengths and networks.

The first MOU is with Scarlett Supermarket Pte. Ltd. ("**Scarlett**") to explore opportunities in the consumer products wholesale business within Southeast Asia, where the Group aims to provide a reliable supply source of good quality consumer products to Scarlett, while Scarlett will serve as one of the key distributors of the Group's products in the region and create new sales channels from both online and offline retail stores.

Established by Scarlett in October 2020, 思家客 Scarlett Supermarket is a Chinese specialty store providing a variety of products and within a short span of one year, it has expanded to 10 stores island wide across Singapore. In addition, 思家客 Scarlett Supermarket has built up a strong online retail presence via popular e-commerce platforms in Singapore. For more information on 思家客 Scarlett Supermarket, please visit <https://www.facebook.com/SiJiaKeisScarlett/>.

The second MOU is with Ebuy to develop new markets in consumer products together and strengthen warehousing and logistics management capabilities between both companies. Ebuy is an established e-commerce company in Singapore and a leading distributor of fresh produce in Singapore, which includes daily fresh vegetables and fruits, to food service providers, retailers, restaurants and hotels. With its fulfilment centre at the western region of Singapore, EBUY has built

up its own logistics supply chain network with a fleet of delivery vehicles. In addition, EBuy has a mobile application that serves as an online supermarket for consumers, offering a wide range of groceries.

The third MOU is with Shen Zhen Est Supply Chain Management Co., Ltd. (“**SZ EST Supply Chain**”) to provide marketing rights of SZ EST Supply Chain’s products to the Group and create supply chain logistics support for the Group outside of China. The Group shall undertake marketing activities to promote SZ EST Supply Chain’s products and develop new sales channels. SZ EST Supply Chain is an integrated supply chain solutions provider in China that specialises in supply chain management of the export and import of fresh produce, meat products and consumer products.

Since identifying the business opportunities that are driven by the rising food demand and consumption trends in Singapore and the region, the Group has made major strides in its business model to create new value propositions in this market segment. As we source our products primarily from Asian countries and regions, the global shortage of shipping containers caused by the Covid-19 pandemic has led to a drastic inflation in shipping and container prices. Our thin margin sales may not be able to fully absorb the increase cost of shipping and handling charges.

Notwithstanding the uncertainties and challenges faced by the Group, it remains vital to improve procurement and warehousing processes, strengthen the resilience of the supply chain and explore more business opportunities.

**6 If a decision regarding dividend has been made:-**

- (a) **Whether an interim (final) ordinary dividend has been declared (recommended)**  
None.
- (b) (i) **Amount per share**  
None.
- (ii) **Previous corresponding period**  
None.
- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**  
Not applicable
- (d) **The date the dividend is payable.**  
Not applicable.
- (e) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**  
Not applicable.

**7 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the current financial period up to the date of this announcement as the Group currently still has retained losses.

**8 Interested person transactions**

The Group has not obtained any general Interested Person Transaction mandate from its shareholders for the 12-month financial period ended 31 December 2021. The aggregate value of interested person transactions during the current financial period was as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Chong Eng Wee	Group Non-Executive Independent Directors	149,500	-

## 9 Confirmation pursuant to Rule 720 (1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) under 720 (1) of the Listing Manual.

## 10 Confirmation pursuant to Rule 705(5) of the Listing Manual

We, Wu Yongqiang and Chin Teck Oon, being two Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the fourth quarter ended 31 December 2021 to be false or misleading in any material aspect.

## 11 Use of proceeds

The Company has on 3 June 2021 entered into convertible loan agreements with the Lenders, pursuant to which the Lenders have agreed to extend up to S\$2,000,000 in aggregate principal amount of Convertible Loans at 2% per annum.

At the date of this announcement, a total of S\$2,000,000 of the Convertible Loans have been drawn down. The utilisation of the net proceeds of approximately S\$2,000,000 arising from the drawdown of the Loans is as follows:

<b>Use of net proceeds</b>	<b>Amount allocated S\$</b>	<b>Amount utilised S\$</b>	<b>Balance as at the date of this announcement S\$</b>
Investment in new businesses	1,500,000	1,500,000	-
General working capital: - purchase of inventories	500,000	500,000	-

The above utilisation of the proceeds from the drawdown of the Convertible Loans is consistent with the intended use as disclosed in the Company's announcement on 3 June 2021. On 25 October 2021, the SGX-ST has granted its approval in-principle for the listing and quotation of the conversion shares on the Main Board of SGX-ST, subject to certain conditions. For more details, please refer to the Company's announcement dated 25 October 2021.

For and on behalf of the Board of Directors

**KTL Global Limited**

Wu Yongqiang  
Non-Executive Chairman  
Date: 14 February 2022

Chin Teck Oon  
Chief Executive Officer  
Date: 14 February 2022