



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

Condensed interim financial statements
for the Half Year ended
31 December 2022

The Company is required, pursuant to the requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), to continue with quarterly reporting of its financial statements, 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.

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. Accordingly, the six months interim financial statements will be for the period 1 July 2022 to 31 December 2022.

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

	Group		
	6 months ended		
	31 Dec 2022	31 Dec 2021	Change
	Unaudited	Unaudited	
	S\$'000	S\$'000	%
Continuing operations			
Revenue	150	706	-79
Cost of sales	(275)	(740)	-63
Gross (loss)/profit	(124)	(34)	265
Other income	-	147	NM
Administrative expenses	(580)	(1,426)	-59
Sales and marketing expenses	-	-	-
Finance costs	(27)	(30)	-10
Loss before tax	(732)	(1,343)	-46
Income tax (expense)/credit	-	(33)	NM
Loss from continuing operations	(732)	(1,376)	-47
Discontinued operation			
Profit from discontinued operation, net of tax	-	-	-
Total (loss)/profit	(732)	(1,376)	-47
Other comprehensive loss			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
- Reclassification of reserves upon disposal of subsidiaries	-	-	-
Other comprehensive loss, net of tax	-	-	-
Total comprehensive (loss)/income for the financial period	(732)	(1,376)	-47
NM: Not Meaningful			

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

	Group		Change
	6 months ended		
	31 Dec 2022	31 Dec 2021	
	Unaudited	Unaudited	
	S\$'000	S\$'000	%
(Loss)/profit attributable to:			
Equity holders of the Company	(732)	(1,376)	-47
Non-controlling interests	-	(266)	NM
	(732)	(1,642)	-55
(Loss)/profit attributable to equity holder of the Company relates to:			
Loss from continuing operations	-	(1,376)	-47
Profit from discontinued operation	-	-	-
	(732)	(1,376)	-47
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	-	(1,376)	NM
Non-controlling interests	-	(266)	NM
	(732)	(1,642)	-55
(Loss)/earnings per share for (loss)/profit for the period attributable to the equity holders of the Company:			
<u>Basic (SGD in cent)</u>			
From continuing operations	(0.210)	(0.436)	-52
From discontinued operation	-	-	-
	(0.210)	(0.436)	-52
Weighted average number of ordinary shares ('000)	347,927	315,669	10
<u>Diluted (Loss)/earnings per share (SGD in cent)</u>			
From continuing operations	(0.210)	(0.436)	-52
From discontinued operation	-	-	-
	(0.210)	(0.436)	-52
Weighted average number of ordinary shares ('000)	347,927	315,669	-

NM: Not Meaningful

B. Condensed interim statements of financial position – Group

	Group		Company	
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Plant and equipment	13	66	-	-
Goodwill from investments	27	27	-	-
Subsidiaries	-	-	210	210
Other receivables	600	600	-	-
Total non-current assets	640	693	210	210
Current assets				
Inventories	-	274	-	-
Trade receivables	510	354	-	-
Other receivables, deposits and prepayments	199	818	-	-
Amount due from subsidiaries	-	-	1,654	1,963
Cash and bank balances	152	28	6	6
Total current assets	861	1,474	1,660	1,969
Total assets	1,501	2,167	1,870	2,179
LIABILITIES				
Non-current liabilities				
Borrowings	657	633	657	633
Current liabilities				
Trade payables	229	64	-	-
Contract liabilities	200	200	-	-
Amount due to subsidiaries	-	-	10	10
Other payables and accruals	998	1,092	885	916
Borrowings	300	329	-	-
Income tax payable	285	285	-	-
Total current liabilities	2,012	1,970	895	926
Total liabilities	2,669	2,603	1,552	1,559
Net (liabilities)/assets	(1,168)	(436)	318	620
Equity				
Issued capital	38,776	38,776	38,776	38,776
Reserves	(39,011)	(38,279)	(38,458)	(38,156)
Equity attributable to equity holders of the Company	(235)	497	318	620
Non-controlling interests	(933)	(933)	-	-
Total equity	(1,168)	(436)	318	620

C. Condensed interim statements of changes in equity

Group	Attributable to equity holders of the Company						Total	Non-controlling Interests	Total Equity
	Issued Capital	Treasury shares reserve	Premium paid on acquisition of non-controlling interest	Translation (deficit)/ surplus	Statutory reserve fund	Accumulated Losses			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2022	38,776	(706)	-	-	-	(37,573)	497	(933)	(436)
Conversion of shares from convertible loans	-	-	-	-	-	-	-	-	-
Net loss and total comprehensive losses for the period	-	-	-	-	-	(732)	(732)	-	(732)
Balance at 31 December 2022	38,776	(706)	-	-	-	(38,305)	(235)	(933)	(1,168)
Balance at 1 January 2021	36,776	(706)	-	-	-	(34,747)	1,323	(929)	394
Net Loss and Total comprehensive income/(losses) for the period	-	-	-	-	-	(1,987)	(1,987)	(3,730)	(1,991)
Balance at 31 December 2021	36,776	(706)	-	-	-	(36,734)	(664)	(933)	(1,597)

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

Company	Share Capital	Treasure Share Reserves	Accumulated Losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2022	38,776	(706)	(37,450)	620
Conversion of shares from convertible loans	-	-	-	-
Loss and total comprehensive losses for the financial period	-	-	(302)	(302)
Balance at 31 December 2022	38,776	(706)	(37,752)	318
Balance at 1 January 2021	36,776	(706)	(36,147)	(77)
Loss and total comprehensive losses for the financial period	-	-	(881)	(881)
Balance at 31 December 2021	36,776	(706)	(37,028)	(958)

D. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended	6 months ended
	31 Dec 2022	31 Dec 2021
	Unaudited	Unaudited
	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before income tax from continuing operation	(732)	(1,343)
Profit before income tax from discontinued operation	-	-
Adjustments for:		
Depreciation of plant and equipment	27	30
Impairment loss on trade receivables	5	(4)
Gain on disposal of discontinued operation	-	-
Gain on termination of ROU assets	-	-
Fair value adjustments on borrowings	-	(142)
Finance expense	27	30
Operating loss before working capital changes	(673)	(1,429)
Changes in operating assets and liabilities:		
Inventories	274	(861)
Trade and other receivables	462	(378)
Trade and other payables	72	896
Contract liability	-	-
Cash (used in)/generated from operations	136	(1,772)
Taxation paid	-	(17)
Net cash (used in)/generated from operating activities	136	(1,789)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cashflow from disposal of discontinued operation	-	-
Acquisition of a subsidiary, net of cash acquired	-	-
Purchase of plant and equipment	-	(40)
Deposit paid to renovation works	-	-
Deposit paid to purchase of a property	-	(600)
Advance to a third party	-	(500)
Net cash (used in)/generated from investing activities	-	(1,140)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(3)	5
Proceeds from convertible loans	-	2,000
Advance from a director related company	-	-
Proceeds from borrowings	-	1,000
Repayment of principal portion of lease liabilities	(9)	(42)
Repayment of borrowings	-	-
Dividend paid to non-controlling interest	-	-
Net cash generated from/(used in) financing activities	(12)	2,963
Net (decrease)/increase in cash and cash equivalents	124	34
Cash and cash equivalents at beginning of the financial period	28	291
Cash and cash equivalents at end of the financial period	152	325

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 LINK@AMK, 3 Ang Mo Kio Street 62 #06-34 Singapore 569139.

These interim consolidated financial statements as at and for the six months ended 31 Dec 2022 (“**1H FY2023**”) 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. Accordingly, the 1st half will be for the period 1 July 2022 to 31 December 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

The Company continued its losses for the six months ending 31 December 2022 (“**1HFY2023**”) of S\$731K. As at 31 December 2022, the Group was in a net liability position of S\$1.2 million. 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 customers to seek higher sales volume and negotiate for better prices;
- b) continuously seek improvements in the procurement and warehousing processes;
- c) recovery of deposits and other receivables from third parties;
- d) the Company had on 11 November 2021 entered into a loan agreement with Mr Chin Teck Oon, Chief Executive Officer and Executive Director, and a shareholder of the Company 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;
- e) the Company had on 1 March 2022 entered into a loan agreement with Mr Wu Yongqiang, the former Non-Executive Non-Independent Director and Non-Executive Chairman, and a shareholder of the Company of up to S\$10.0 million to the Company (“**Shareholder Loan**”). The Shareholder Loan is unsecured, bears interest at 5% per annum and has a term of 5 years from the date of drawdown. The Shareholder Loan will be subject to the approval of Shareholders pursuant to Rule 906(1)(a) of the SGX-ST Listing Rules, which will be obtained at an extraordinary general meeting to be convened. The Company has yet to obtain the approval of the shareholders since the agreement and given the extended lapsed period, the Company is still in discussion with Mr Wu to update the status of the loan agreement; and
- f) seeking new investors.

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 six months ended 31 December 2022 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 unaudited financial statements for the year ended 30 June 2022. 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 30 June 2022.

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

Due to the change in the Company's financial year end from 31 December to 30 June, the revenue for the current financial period is from 1 July 2022 to 31 December 2022 ("**1H FY2023**"). Accordingly, the corresponding period for comparison is from 1 July 2021 to 31 December 2021.

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 since FY2021.

The revenue for the period ended 31 December 2022 as well as the corresponding period ending 31 December 2021 were generated from the sales and distribution of fresh vegetable and fruit produce by TCA.

Geographical segment

For the relevant periods, the Group's operations related to sales and distribution of fresh vegetables and fruit produce operations are located in Singapore.

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 Dec 2022	30 June 2022	31 Dec 2022	30 June 2022
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets measured at amortised costs				
Trade receivables	510	354	-	-
Other receivables and deposits	150	-	-	-
Amount due from subsidiaries	-	-	1,654	1,963
Cash and bank balances	152	28	6	6
Total financial assets measured at amortised cost	812	382	1,660	1,969

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

	Group		Company	
	31 Dec 2022	30 June 2022	31 Dec 2022	30 June 2022
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Financial liabilities measured at amortised costs				
Trade payables	229	64	-	-
Other payables and accruals	989	1,092	885	916
Borrowings	957	962	657	633
Amount due to subsidiaries	-	-	10	10
Total financial liabilities measured at amortised cost	2,175	2,118	1,552	1,559

6. Financial assets and liabilities (cont'd)

(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		
	6 months ended		
	31 Dec 2022	31 Dec 2021	Change
	Unaudited	Unaudited	
	S\$'000	S\$'000	%
Depreciation of plant and equipment	27	30	-10
Impairment loss on trade receivables	-	-	NM
Fair value adjustments on borrowings	-	(142)	NM
Gain on disposal of discontinued operations	-	-	NM
Gain on termination of ROU assets	-	(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	
	6 months ended	
	31 Dec 2022	31 Dec 2021
	Unaudited	Unaudited
	S\$'000	S\$'000
<u>Current tax expenses</u>		
Current year	-	-
Under/(over) provision in prior year	-	33
Total income tax expenses/(credit)	-	33

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	
	6 months ended	
	31 Dec 2022	31 Dec 2021
	Unaudited	Unaudited
	S\$'000	S\$'000
Drawdown of CEO Loan	-	700
Corporation in which a former director of the Group is a member of the key management personnel		
- Advance received from	-	300
- Legal services rendered by	-	150

10. Net assets/ (liabilities) value

	Group		Company	
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	Unaudited	Unaudited	Unaudited	Unaudited
Net (liabilities)/assets value per ordinary share based on issued share capital excluding treasury shares as at the end of the period/year (SGD in cent)	(0.34)	(0.13)	0.09	0.18
Number of ordinary shares issued at the end of the period ('000)	347,927	347,927	347,927	347,927

11. Plant and equipment

There was no acquisition and disposal of plant and equipment during the period.

12. Trade receivables

	Group		Company	
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables	510	354	-	-
Less: allowance for doubtful debts	-	-	-	-
	510	354	-	-

13. Borrowings

	Group		Company	
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	-	29	-	-
Borrowings	957	933	657	633
	957	962	657	633
<u>Represented by:</u>				
Amount repayable in one year or less, or on demand, unsecured				
Lease liabilities	-	29	-	-
Borrowings – advance from a former director related company	300	300	-	-
	300	329	-	-
Amount repayable after one year and not later than five years, unsecured				
Lease liabilities	-	-	-	-
Borrowings – CEO Loan	657	633	657	633
	657	633	657	633

Lease liabilities

During the financial period ended 30 June 2022, the Group purchased a ROU asset of S\$0.07 million 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 in FY2021. The associated lease liabilities of S\$0.03 million was derecognised upon termination of lease term in 18M2022. A difference between ROU assets and lease liabilities of S\$4,000 was recorded in the other income.

Advance from a former director related company

As at 31 December 2022, the Group had received advances from a former director related company. The advances are unsecured, interest free and repayable on demand.

CEO Loan

As at 31 December 2022, the CEO Loan totalling S\$750,000 has been drawdown. The CEO Loan was initially recognised at its amortised costs and subsequently remeasured at fair value.

14. Share Capital

There have been no changes in the Company's share capital since 30 June 2022.

	Group and Company	
	No. of Shares	Share Capital S\$'000
As at 31 December 2022	347,927,082	38,776

There are no treasury shares or subsidiary holdings as at the end of the current financial period and as at the end of the corresponding period of the immediately preceding financial year.

The Company has no outstanding options, convertible securities, treasury shares or subsidiary holdings as at 31 December 2022.

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

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 eighteen months ended 30 June 2022, 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. Notwithstanding, the consolidated accounts for FYE 30 June 2022 has not been audited as the Group is still in the process of appointing an external auditor. Should the opinion of the external auditor differ with the opinion of the management, the accounts for FYE 30 June 2022 may change and affect the results for the period ending 31 December 2022.

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.

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

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

(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 critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the condensed interim financial statements is 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 condensed 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. The Company is taking necessary steps to appoint another firm of auditors to act as the independent auditors of the Company.

The Company will make necessary announcements as and when there are any material updates in respect of the foregoing.

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 **1H FY2023**

Revenue

The revenue for the period ended 31 December 2022 as well as the corresponding period ending 31 December 2021 were generated from the sales and distribution of fresh vegetable and fruit produce by TCA. Revenue decreased 79% from \$706K to \$150K.

Cost of sales

Cost of sales decreased from S\$740K to S\$275K by 63%.

Gross profit

The Group recorded a gross loss of S\$124K compared to a gross loss of S\$34K. The gross loss in the earlier period were due mainly to relatively low selling price to promote the business and the high cost of sales due to a surge in shipping and handling costs in FY2021 which could not be passed on to our customers. The gross loss in the current period was due to certain expiring and expired inventory which were sold at discounted prices.

Other Income

The Group had no other income during the period.

Administrative expenses

Administration expenses amounted to S\$580K for 1H FY2023 and fairly consistent between Q1 FY2023 (ending Sep 2022) and Q2 FY2023 (ending Dec 2022). However, this is a decrease of 59% compared to the same period last year which amounted to S\$1,426K.

For the period 1 July 2021 to 31 December 2021, there was an increase in legal and professional service fees related to the independent review on BOP services business and corporate exercises related to the acquisition of TCA, entry into the convertible loan agreement and brand management services rendered to Guangdong X Diamond Technology Co., Ltd, the proposed share placement exercise, proposed acquisition of Ebuy Pte Ltd and litigation matters in 4Q 2021.

Net Profit/(Loss)

The Group closed the period with a net loss of S\$732K as compared to a net loss of S\$1,376K in the corresponding period. This is primarily due to the lower administrative expenses which were offset by the lower revenue during the period.

Statement of Financial Position Review **31 December 2022 vs 30 June 2022**

Non-current assets

Non-current assets of the Group decreased from S\$693K to S\$640K for period ending 30 June 2022 to 31 December 2022 respectively. This is due to depreciation of the plant and equipment.

Current assets

Current assets of the Group dropped from S\$1,474K for period ending 30 June 2022 to \$861K for 31 December 2022. The decrease was mainly due to:

- 1) Decrease in inventories from S\$274K to zero;
- 2) Increase in trade receivables from S\$354K to S\$510K;
- 3) Decrease in other receivables, deposits and prepayments from S\$818K to S\$199K due to the return of the deposit for the purchase of the land premise;
- 4) Increase in cash and bank balances from S\$28K to S\$152K.

Non-current liabilities

Non-current liabilities of the Group increased marginally by S\$24K due to accruing interest from the CEO Loan.

Current liabilities

Current liabilities of the Group increased from S\$1,970K for the period 30 June 2022 to S\$2,012K for the current period. This is largely due to the increase in trade payables from S\$64K to \$229K while other payables and accruals decreased from S\$1,092K to S\$998K.

Total equity

Total equity of the Group decreased from a negative equity of S\$436K as at 30 June 2022 to net deficit of S\$1,168K as at 31 December 2022 due to the increase in accumulated losses from S\$38.3 million as at 30 June 2022 to S\$39.0 million as at 31 December 2022, which reflected the Company's net operating losses for the period.

Cash Flow Review **31 December 2022 vs 31 December 2021**

Net cash generated in operating activities in the period 1H FY2023 was S\$136K as compared to net cash used in operating activities of S\$1,789K in the period ending December 2021. The net operating cash inflow was mainly due to an operating cash flow before working capital changes of S\$673K, adjusted for working capital inflows of S\$136K. The working capital inflows were attributed mainly to a decrease in trade and other receivables of S\$463K, an increase in trade and other payables of S\$72K and a decrease in inventories of S\$274K.

There was no investing activities in the period 1H FY2023.

Net cash generated from financing activities in the period 1H FY2023 was a net deficit of S\$12K. The net cash used in financing activities was mainly attributed repayment of lease liabilities and interests.

As at the end of the period, the Company had a net cash and cash equivalent of S\$152K.

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 continue to improve its procurement and warehousing processes, strengthen the resilience of the supply chain and explore more business opportunities while monitoring the costs and cash flow. The Group will continue to work with strategic business partners and customers to grow the business as well as continue discussions with interested investors.

As previously announced, 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 of Ebuy (as announced on 21 April 2022), which may include extending the long-stop date with a revised set of terms or terminating the proposed acquisition. This would also include the net amount recoverable by the Company should the parties decide to terminate the transaction. This is because the Company had previously utilised Ebuy's facilities for warehousing, office rental and other services of which some of these services provided by Ebuy were not invoiced to the Company due to the proposed acquisition while in turn, the Company had made an advanced payment of S\$600,000 for the proposed acquisition which Ebuy has fully acknowledged. The Company will make an announcement in due course once negotiations have been finalized.

Current litigations

The Group's ongoing litigations are set out as follows:

A. Litigations where the Company is a Defendant:

HC Suit No S347/2021 and Sub-case HC/SUM 4380/2022 in relation to Khua Kian Keong's claim against the Company for acquiring his 5,500,000 shares in the Company on 20 April 2015.

For further details please refer to the Company's announcements dated 17 and 21 May 2021. As the litigations are still ongoing, quantification of the financial impact is not available at this point in time.

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.

(b)(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.

During the current financial period, the Company did not enter into any interested person transaction that exceed S\$100,000 in value save for the existing interested person transactions aggregated as at 30 June 2022 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)
Wu Yongqiang (resigned on 27 June 2022) ⁽¹⁾	Former Non-Executive Non-Independent Director and Non-Executive Chairman of the Company	2,500,000	-
Chong Eng Wee (resigned on 21 March 2022) ⁽²⁾	Former Group Non-Executive Independent Directors	255,000	-

Note:

- (1) Mr Wu is the spouse of substantial shareholder, Ms. Zhang Xuemei. As announced on 2 March 2022, Ms Zhang Xuemei has a direct interest in an aggregate of 40,250,000 ordinary shares in the capital of the Company representing more than 5% of the entire issued share capital of the Company. Pursuant to Chapter 9 of the SGX-ST Listing Rules, Mr Wu is deemed as an interested person and the provision of the Loan to the Company constitutes an interested person transaction ("IPT"). The Shareholder Loan, up to S\$10.0 million, is unsecured, bears interest at 5% per annum and has a term of 5 years from the date of drawdown. As the value of the transaction, being interest payable on the Loan, exceeds 5% of the Group's latest audited net tangible assets as at 31 December 2020, the Shareholder Loan will be subject to the approval of Shareholders pursuant to Rule 906(1)(a) of the SGX-ST Listing Rules, which will be obtained at an extraordinary general meeting to be convened. For more details about Shareholder Loan, please refer to the Company's announcement dated 2 March 2022.
- (2) As Company's announcement on 22 March 2022, the Group had entered into several interested person transactions with Chevalier Law LLC ("**Chevalier Law**"), for the provision of legal services on various litigation, transactions and/or corporate actions involving and/or undertaken by the Company (the "**Legal IPTs**"). Mr. Chong Eng Wee is the managing director and a shareholder who holds more than 30% shareholding interest in Chevalier Law. The aggregate value of the Legal IPTs for the period under review exceeded 5% of the group's latest audited net tangible assets as at 31 December 2020. The Company is making necessary arrangements to seek shareholder's ratification of the Legal IPTs (the "**Proposed IPTs Ratification**"). For more details about Proposed IPTs Ratification, please refer to the Company's announcement dated 22 March 2022.

For completeness, as Company's announcement on 12 November 2021, the CEO Loan, extended by Mr Chin Teck Oon, Chief Executive Officer and Executive Director of the Company, up to S\$1.5 million, is unsecured, bear interest at 2% per annum and has a term of 3 years from the date of drawdown. As the value of the transaction, being interest payable on the CEO Loan, is less than S\$100,000, the Company is not required to obtain the approval of its shareholder for the CEO Loan pursuant to Rule 905(3) of the SGX-ST Listing Rules.

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 Rule 720 (1) of the Listing Manual.

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

We, Andrew 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 six months ending 31 December 2022 to be false or misleading in any material aspect.

11. Review of performance of the Group – turnover and earnings

Please refer to paragraph 3 above for additional information.

12. Use of proceeds

Not applicable.

13. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual, KTL Global Limited confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

For and on behalf of the Board of Directors

KTL Global Limited

Chin Teck Oon
Chief Executive Officer and Executive Director
14 February 2023