

KTL GLOBAL LIMITED

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

RESPONSE TO THE QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”)

The Board of Directors (the “**Board**”) of KTL Global Limited (the “**Company**” and together with its subsidiaries (the “**Group**”) refers to the announcement released by the Company on 6 September 2023 on the financial statements for the half year ended 31 March 2023.

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

SGX-ST Query 1

In respect to the Group’s non-current other receivables of S\$493,000, please disclose:

- (i) the breakdown of the non-current other receivables (where applicable);
- (ii) the nature of the non-current receivables; and
- (iii) the Board’s assessment of the recoverability of the non-current other receivables.

Company’s Response

The non-current other receivables refer to amount due from Ebuy Pte Ltd amounting to S\$493,000 (Q2 FYE 2023: S\$600,000) as a result of the set-off against payments of \$107,000 paid to Fastfix Systems Pte Ltd (a debtor of the Group) (“**Fastfix**”).

The Board is of the view that to the best of its knowledge, there is no requirement to impair such receivables at this stage.

SGX-ST Query 2

In respect to the Group’s current other receivables, deposits and prepayments of S\$45,000, please disclose:

- (i) the nature and breakdown of the Group’s other receivables, deposits and prepayments; and
- (ii) the underlying transactions and the terms of the transactions (including the contract sum) and payment terms of the underlying contracts.

Company’s Response

The Group’s other receivables, deposits and prepayment amounting to S\$216,616 consists of:

Nature of Transaction (i)	Type	Amount (\$)	Underlying transaction and terms of transaction (ii) and actions taken to recover the other receivables (iii).
Other Deposits	Deposit	920	(ii) General Utilities (iii) not applicable
Prepayment for supply of vegetable and fruits	Prepayment	28,604	(ii) Total amount paid amounted to supplier was US\$44,400 of which US\$21,900 of goods have been delivered. The prepayment

			represents the value of the outstanding products due to be shipped by the overseas supplier. (iii) The Company is still in discussion with the supplier on the return of the outstanding amount.
GST Receivables	Prepayment	15,259	(ii) GST (iii) not applicable
Other prepayments	Prepayment	320	(ii) Office management fees (iii) not applicable
Total		45,103	

SGX-ST Query 3

In respect to the Group's other payables and accruals amounting to S\$1,428,000 as at 31 March 2023, please disclose the aging and nature of these other payables and whether the counterparties are related parties.

Company's Response

(i) The breakdown of the Group's other payables and accruals are:

Type of Payables	Amount (S\$)	Remarks
Other Payables	624,982	Refer to (ii)
Accruals	803,085	\$442,000 are provision for legal expenses, audit fees and the internal review fees; \$316,602 are accruals for director fees, salaries and employee claims while \$27,496 are accrued interest from related party loans. The remainder \$16,987 refers to GST refunds wrongly classified.
Total	1,428,067	

(ii) Details of Other Payables

	Current	> 30 days	> 60 days	> 90 days	Total
Contracting Works	203,300	-	-	-	203,300
Legal Fees	-	-	-	146,474	146,474
Consultancy Fees	14,000	10,000	40,000	72,196	136,196
SGX Fees	108,567			25,380	133,947
Others	-	-	-	5,065	5,065
Total	325,867	10,000	40,000	249,115	624,982

(iii) The legal fees and accrued legal fees include fees payable to Chevalier Law LLC amounting to S\$94,400 and S\$104,000 respectively are deemed related due to Mr Chong Eng Wee being an ex-director of the Company when the expenses are incurred. Mr Chong has since resigned from the Company as a director on 21 March 2022.

SGX-ST Query 4

Given the Group's significant liabilities of S\$2,923,000 and cash and bank balance of only S\$24,000 and noting that the Company incurred a net loss of S\$1,045,000 for the third quarter ended 31 March 2023, please disclose the Board's assessment on:

- (i) whether the Company's current assets are adequate to meet the Company's short term liabilities of S\$2,253,000, including its bases of assessment; and
- (ii) how the Company intends to fulfil its significant payment obligations in the next 12 months.

Where the Company has worked out debt repayment plans to fulfil its debt obligations, please disclose if the Company is on track to fulfilling these obligations.

Company's Response

Notwithstanding that the Group has current liabilities of S\$2,923,000, S\$984,000, 33.7% are accruals and as such, are not due and payable. It also includes a S\$300,000 advancement from a former director who have agreed not to recall his advancement.

Although the Group have not yet settled on a debt repayment plan, the Group has been actively negotiating with its creditors for their support. On 21 August 2023, the Company entered into a non-binding term sheet with Everose Holdings Pte Ltd (the "Investor") ("Term Sheet") to invest into the Company by way of a convertible loan of S\$5,000,000. Pursuant to the Term Sheet, the Investor has extended S\$200,000 to the Company to service some of its debts as the 1st tranche of disbursements. Save for the existing claims as outlined below in the Company's response to Query 5, no other creditors have taken action against the Company.

SGX-ST Query 5

As at 30 June 2023, the Group has significant liabilities of S\$2,923,000 with cash and bank balances of S\$24,000. Further, the Group recorded a loss before taxation of S\$1,045,000 for the third quarter ended 31 March 2023.

- (i) Please assess the Company's ability to operate as a going concern.
- (ii) Please assess the Company's ability to meet its debt covenants (if any).
- (iii) Please assess the Company's ability to meet its short-term obligations when they fall due.

Company's Response

The Board believes that the Company is able to meet its short-term obligations with its current cash balance. However, the Board is aware that the Company's current cash balance is inadequate in the medium term unless the Group conducts a cash injection through a capital raising which the Company is actively pursuing. On 21 August 2023, the Company entered into the Term Sheet with the Investor to invest into the Company by way of a convertible loan of S\$5,000,000. Pursuant to the Term Sheet, the Investor has extended S\$200,000 to the Company to service some of its debts as the 1st tranche of disbursements.

The Company notes that save for the events outlined below, no other creditors have taken action against the Company and the Company is also in discussions with the creditor to work out repayment arrangements.

The Group has two contingent liabilities that may potentially impact the Company's ability to operate as a going concern.

- a. Notwithstanding that the Company has overturned the Unless Order Judgement as disclosed on 6 September 2023, the Company remains a defendant under HCS 347/2021.
- b. On 17 March 2023, the Company's subsidiary, Tianci Agritech Pte Ltd ("TAP"), received an originating summons from Fastfix in relation for a claim for S\$203,000. TAP has decided not to contest and will discuss with Fastfix for a potential settlement. In the event that no settlement is reached, any action against TAP, the Company may have to write-off its investment and loans to TAP. The Company has recognized this amount in its financial statements for the third quarter for

the year ended 2023 as disclosed on 6 September 2023 as other payables.

Accordingly, the Company is of the view that it continues to operate as a going concern. The Company will provide further updates at a later stage.

BY ORDER OF THE BOARD
KTL GLOBAL LIMITED

Chin Teck Oon
Executive Director and Chief Executive Officer
29 September 2023