KTL GLOBAL

ANNUAL REPORT **2020**

INNOVATE & INTEGRATE

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CORPORATE PROFILE

VISION

We shall strive to position ourselves as a leader of sales and distribution of fresh vegetable and fruit produce in the region.

CHAIRMAN'S **MESSAGE**

Dear Shareholders,

It has been a challenging FY2020 for most due to the Covid-19 pandemic. The Group was not spared and experienced significant impact on the Group's BOP services including (i) branding management; (ii) operational support; (iii) central procurement; and (iv) recruitment, customised training and development of human resources to the downstream operators.

On 3 February 2020, the Group announced and updated the shareholders on the impact of the Covid-19 outbreak on its BOP services and businesses in the People's Republic of China ("**PRC**"). The Group experienced a negative impact on its revenue, reporting a loss of S$3.1 million from continuing operation due to adverse changes to the business environment and sluggish market conditions. The significant decline in our business was attributed to the drop in the demand for BOP services in the PRC. Our partner manufactures smart automatic vending kiosks ("**AVK**") for the sales and dispensing of medical consumables and supplements. The AVKs were supplied to hospitals, clinics and pharmacies in different provinces of the PRC.

The COVID-19 pandemic has resulted in a significant impact on the BOP business of the Group. Due to the default of the Group's customers in complying with the repayment plan for settlement of their outstanding balances, the Group has suspended the BOP services since January 2021, as announced as part of the business update on collection of trade receivables on 11 January 2021. Although the Group has taken necessary debts recovery procedures against such customers, there was no repayment made by the customers since the last receipt of payment from these customers in November 2020.

As the situation pertaining to the COVID-19 pandemic remains highly uncertain, the Group will continue to monitor the situation closely. Notwithstanding uncertainties and challenges faced by the Group, the Group has been exploring new business opportunities to diversify its operations.

On 3 June 2021, the Group announced its proposed acquisition of Tianci Agritech Pte. Ltd. ("Tianci Agritech") whose principal business is in the sale and distribution of fresh vegetable and fruit produce (including import and export of fruits and vegetables) and incorporated a subsidiary, Gold Heartland Pte. Ltd. The acquisition of Tianci Agritech was completed on 28 June 2021. Tianci Agritech is now a direct wholly-owned subsidiary of the Company. The Board believes that the new businesses will provide opportunities for the Group to broaden its business scope and diversify the Group's business direction. The new businesses will help the Group to capitalise on growth opportunities. Subsequent to this, the group has entered into a number of agreements and investments to deepen its business in the food industry.

On 3 June 2021, the Company entered into a convertible loan agreement with three (3) lenders to extend the Company a loan facility of up to S$2,000,000 in aggregate (the "Facility"). The purpose of the Facility is for investment in new businesses and/or working capital in connection with the existing business and operations of the Group. The Facility bears an interest at the rate of 2.0% per annum and for a maturity period of two (2) years from the Disbursement Date of the drawdown of the loan at the option of the Company. On assumption that the Company draws down fully the S$2,000,000 being the maximum Facility amount, the lenders may elect to exercise the Conversion Right to convert the convertible loan into 32,258,063 shares (being the maximum number of conversion shares) at the conversion price of S$0.062 per Conversion Share, pursuant to the existing general

CHAIRMAN'S MESSAGE

mandate to issue Shares passed at the annual general meeting of the Company held on 29 June 2020 (the "2020 AGM Mandate"). For more details, please refer to the announcement released on 3 June 2021.

On 23 and 30 June 2021, the Company announced that the Company entered into a brand management service agreement with Guangdong X Diamond Technology Co., Ltd. ("Guangdong X Diamond"), a company incorporated in the PRC and is in the business of manufacturing and sales of synthetic diamonds. Guangdong X Diamond has granted the Company a royalty-free exclusive license to use the GXD Trade Marks for the purposes of the provision of the brand management ("BOP") services by the Company to Guangdong X Diamond and also agreed that the Company be entitled to grant a sub-license in respect of the GXD Trade Marks to any person it deems necessary as part or for the purposes of, in connection with, the provision of the BOP services provided by the Company under such agreement. The Company also intended for the BOP services to the foregoing local partners to be provided by the Company's wholly-owned subsidiary, Gold Heartland Pte. Ltd. ("GHPL"). The service fee payable by the local partner for the BOP services is S$200,000 in cash and full immediate payment to be made upon the signing of the X Diamond BOP services agreement. On 30 June 2021, GHPL entered into a X Diamond BOP service agreement with one (1) local partner, Win+ Pte. Ltd. ("Win+") which the Company has introduced to/connected with Guangdong X Diamond. GHPL will provide BOP services to the local partner (and the physical and online stores as may be operated by the local partner) for a period of 1 year from the date of the agreement (the "Initial Term") and will be automatically renewed for successive one-year term (each being a "Renewal Term"), up to a maximum of 4 Renewal Terms, unless (i) a party gives the other a written notice of non-renewal at least 2 months before the end of the Initial Term or a Renewal Term, or (ii) the agreement is terminated earlier in accordance with its terms. On 11 August 2021, GHPL entered into a strategic collaboration framework agreement with Guangdong X Diamond, Win+ and X Diamond Capital Pte. Ltd. ("X Diamond Capital"), where parties intend to by way of this in-depth partnership, enhance the overall operational efficiency of the GXD brand management, reduce marketing costs while reaching out rapidly through parties' network connections to increase global market share and create greater business value both online and offline. Pursuant to the Framework Agreement, Guangdong X Diamond and X Diamond Capital will continue to utilize its strong product design capabilities, research and development expertise, an integrated manufacturing and supply chain for lab-grown diamonds, and the brand "X Diamond" has been created for its lab-grown diamonds for this collaboration. Gold Heartland shall undertake the investment and management of the "X DIAMOND" brand with a view to accelerate the international image of the "X DIAMOND" brand. WIN+ shall be involved in the branding and marketing activities in accordance with the omni-channel branding development strategy to support the business activities of the online and offline "X DIAMOND" stores.

On 9 July 2021, the Company announced that its wholly-owned subsidiary, Tianci Agritech had procured nearly 18 containers of fresh produce and consumer products to be distributed and marketed in Singapore, offering more options to Singapore consumers' agricultural products including apples, peanuts and vegetables, among others from Shandong Province, China and popular Chinese brands such as 山东鲁花集 团 and 泰祥集团.

On 12 July 2021, the Company announced that it had entered into a Memorandum of Understanding ("MOU") to acquire a 51% equity stake in Ebuy Pte. Ltd. ("EBuy"), a leading distributor of fresh produce in Singapore, including daily fresh vegetables and fruits, to food service providers, retailers, restaurants and hotels for approximately S$1.476 million which would be satisfied by the issuance of new ordinary shares of the Company. This proposed acquisition shall expand its business presence in the fresh produce and consumer retail industry in Singapore. On 27 July 2021, the Company also announced that it had entered into another MOU to acquire an industrial property at 32 Quality Road for S$6 million which is currently tenanted by EBuy's e-commerce platform. With its own fulfilment centre, EBuy had built up its logistic supply chain network with a fleet of delivery vehicles as well as mobile application that serves as an online supermarket for consumers, offering a wide range of groceries.

On 15 July 2021, the Company announced that it had entered into a placement agreement ("Agreement") with several placees ("Placees") pursuant to which the Company shall issue and allot to such Placees up to an aggregate of 30,000,000 Shares ("Placement Shares") at the issue price of S$0.103 per Placement Shares (the "Placement Price") which represents a discount of 9.89% of the volume weighted average price of S$0.1143 per Share for trades done on the SGX-ST on 13 July 2021, being the last full market day prior to which the Agreement was signed, on which trades were done (the "Placement"). The rationale for the Placement was to raise funds primarily for (i) as working capital for Tianci Agritech in its business of supplying and distributing vegetable and fruits produce to various consumer groups in Singapore; and (ii) as general working capital of the Group. This will accelerate growth of the Company's new businesses initiatives targeted at the fresh produce and consumer-centric business in Singapore. The estimated net proceeds from the Placement, after deducting expenses in connection with the Placement, is expected to amount to approximately S$2,972,300 (the "Net Proceeds"). The issuance of the Placement Shares is pursuant to the existing 2020 AGM Mandate to issue Shares held on 29 June 2020. For more details, please refer to the announcement released on 15 July 2021.

On 28 July 2021, Tianci Agritech entered into an exclusive distribution and procurement agreement with 济宁富源果菜有限公司, unofficially translated as "Jining Fuyuan Fruit and Vegetable Co., Ltd." ("Fuyuan Fruit"). whereby Fuyuan Fruit appoints Tianci Agritech as its exclusive agent in Singapore to sell the products of Fuyuan Fruit for a term period of approximately one year, commencing from the date of signing the agreement to 1 September 2022. Both parties could terminate or renew the agreement in accordance to the terms stated therein. Fuyuan Fruit specialises on the export of fresh fruits and produce with key products such as garlic, ginger, corn, chestnut, grape, apple, lemon, tangerine etc. to overseas markets including Europe, Asia, Africa, the Middle East, among others.

On 3 August 2021, Tianci Agritech entered into an exclusive agency agreement (the "Agency Agreement") with 荣成皇朝马汉外贸综合服务有限公司, unofficially translated as "Rongcheng Dynasty Mahan Foreign Trade Comprehensive Service Co., Ltd." ("Rongcheng") where, Rongcheng grants Tianci Agritech the exclusive agency right to distribute Tai Xiang brand (泰祥品牌) products that meet the import standards of Singapore and to use the trademarks and proprietary names of Tai Xiang (泰祥商标). Rongcheng shall not appoint other agents and distributors to sell their products in Singapore or other areas agreed by both parties. The term of the Agency Agreement is for a period of approximately one year, commencing from the date of the signing to 31 December 2022, subject to there being no occurrence of any event which constitutes a ground for termination (including Tianci Agritech 's failure to achieve the specified minimum sale volume) in the Agency Agreement and neither party providing prior 90 days' written notice to terminate, the Agency Agreement may be automatically renewed for an additional period of 1 year. Rongcheng, established in 1994, is one of China's leading food and beverage ("F&B") manufacturers with business activities comprising food manufacturing, food processing,

CHAIRMAN'S **MESSAGE**

F&B marketing, warehousing and supply chain solutions. Rongcheng achieved various international accreditions and certifications as a testament to its quality assurance and stringent food safety standards. Its food products are also sold and distributed globally to more than 20 countries.

On 5 August 2021, Tianci Agritech entered into a strategic cooperation agreement (the "Strategic Agreement") with 水发浩海（山东）供应链有限公司, unofficially translated as "Shuifa Haohai (Shandong) Supply Chain Co., Ltd." ("Shuifa Haohai"). whereby utilising each respective business advantage in products, brands, technologies, and channels, both parties will carry out in-depth cooperation to achieve efficiency in resource sharing, complementary advantages, and establish a long-term, comprehensive and sustainable strategic partnership. In a win-win collaboration, since both parties are engaged in the agricultural products trading business, (i) Tianci Agritech shall utilise the advantage of its knowledge of marketing and sales channels of agricultural products in Singapore while Shuifa Haohai shall tap on its expertise and experience in the operation and supply chain system of the entire vegetable and fruit industry from planting and processing in the agricultural sector of the People's Republic of China ("PRC"). Shuifa Haohai shall organise for high-quality products to be supplied to Singapore market in a timely and efficient manner in accordance with Tianci Agritech 's and its customers' needs, (ii) Joint development of agricultural base in Singapore and vegetable planting by deploying its local resources and tapping on policy(ies) advantages in Singapore, Tianci Agritech is responsible for the application to establish an agricultural base in Singapore. Both parties shall organise for PRC experts, equipment, and plan and implement the joint development of the agricultural base including professionals and experts in the standardisation of produce from the agricultural base, management of automation/ intelligence, product sourcing and sales branding. The term of the Agreement is three years, commencing from the date of signing of the Agreement.

On 11 August 2021, Tianci signed a 3-year supply agreement with 泉盈(福建)科技有限公司 ("QuanYing Technology"). Under the agreement, both parties plan to jointly develop a complete aquatic product supply chain in Singapore. QuanYing Technology will supply various fish and seafood to KTL and utilising its supply chain network and sales channels in Singapore, Tianci Agritech will then market and distribute them for sale in Singapore. Tianci Agritech targets to import 120 containers of fish and seafood annually into Singapore. The term of the Agreement is three years, commencing from 6 August 2021 to 5 August 2024.

On 17 August 2021, the Company had sought for the shares of the Company to be placed into a voluntary suspension of trading in order to have more time to prepare an announcement in relation to a report received by the Audit Committee from its statutory auditors. On 26 August 2021, the Company released an Auditor's Report on Discovery of Potential Fraud. The Company has since engaged an external audit firm to conduct an independent review of the past transactions. This review has no bearings on the new businesses. Since the later half of 2021, the Group has embarked on new strategic directions and collaborations to inject new dynamics to the Group.

APPRECIATION

A number of changes to the Board took place in FY2020. I shall like to thank my past directors, Mr. Kenny Lim, Mr. Tan Kheng Kuan, Mr. Liu ChangSheng, and Mr. Tso Sze Wai (whom has tendered his resignation as Independent Director with effect from 31 August 2021) for their contributions to the Company.

During FY2020 and up to the date of this report, other than myself, we also welcomed Mr. Chin Teck Oon (Executive Director and Chief Executive Officer), Mr. Tso Sze Wai, Mr. Teh Chong Seng and Mr. Chua Thiam Chwee to the Board. These inclusions will help to strengthen and bring new injections of business and ideas to the Board amidst the pandemic. I shall like to thank my fellow Directors, the management and all staff for their diligence and contribution in the past year.

In addition, I would also like to welcome Mr. Wu YongQiang as Advisor to the Company. Mr. Wu has extensive experiences, expertise and connections in the food industry, both in Singapore and the PRC. I am confident that Mr. Wu will bring to the Company a host of business opportunities and connections hence supporting the growth of the Company as a whole.

I shall also like to take this opportunity to express my sincere gratitude to our shareholders, business partners and customers for their valuable support during these trying times. We shall continue to strive to do our best.

CHNG HEE KOK
Non-Executive Chairman and Lead Independent Director

FINANCIAL AND OPERATIONS **REVIEW**

FINANCIAL HIGHLIGHTS

The Group's revenue in financial year ended 31 December 2020 ("**FY2020**") decreased by approximately 85.4% from S$13.7 million in the previous financial year to S$2.0 million, mainly because of the suspension of BOP services in FY2020 during the COVID-19 pandemic. Gross profit margin for the year substantially decreased by approximately 31.5% as revenue from provision of BOP services has substantially dropped during the year.

Operating expenses from continuing operations, which comprised administration expenses as well as sales and marketing costs, amounted to S$5.8 million, an increase of S$4.0 million, as compared to S$1.8 million in FY2019. The increase of operating expense from continuing operations is mainly due to one-off allowance for doubtful debts amounting to S$4.0 million. Finance costs remained stable at approximately S$7,000 compared with S$8,000 in FY2019.

Net profit attributable to equity holders of the Company of S$20.2 million was due to one-off gain on disposal of subsidiaries.

CASH FLOW

The Group's positive operating cash flow was approximately S$2.2 million in the year under review. This was mainly due to decrease of accounts and other receivables of S$4.3 million.

There was change in net cash from investing activities of S$10,000 in the year under review.

Net cash used in financing activities amounted to S$1.4 million in FY2020, compared with net cash used in financing activities of S$4.3 million in previous financial year, mainly due to decrease in dividend paid to non-controlling interests of S$3.0 million.

The Group ended the year with S$1.0 million in cash and cash equivalents.

STATEMENTS OF FINANCIAL POSITION

The Group's equity attributable to equity holders of the Company came to S$0.4 million, compared to S$15.9 million deficit attributable to equity holders of the Company as at 31 December 2019 mainly due to disposal of loss-making discontinued operations during the year.

BOARD OF DIRECTORS

MR CHNG HEE KOK

NON-EXECUTIVE CHAIRMAN AND
LEAD INDEPENDENT DIRECTOR

MR CHNG HEE KOK was appointed as a Non-Executive Chairman and Lead Independent Director on 24 July 2020. He is also the Nominating Committee Chairman as well as a member of the Audit, Remuneration and Performance Share Scheme Committees.

Mr Chng was formerly a Member of Parliament of Singapore from 1984 to 2001. His business experience and leadership positions spanned across Manufacturing, Property Development, Hotel Management, Trading, Entertainment and Food & Beverage Industries. He was the Chief Executive Officer of Yeo Hiap Seng Ltd, Scotts Holdings Limited, Hartawan Holdings Limited, HG Metals Manufacturing Limited and LH Group Limited. He held past directorships at Public Utilities Board, Sentosa Development Corporation and Singapore Institute of Directors.

Mr Chng currently serves as an Independent Director in Metech International Limited, in Full Apex (Holdings) Limited, Luxking Group Holdings Limited, United Food Holdings Limited, The Place Holdings Ltd., Blackgold Natural Resources Limited, Sandpiper Digital Payment AG and as Chairman and Independent Director in Ellipsiz Ltd.

Mr Chng graduated from the University of Singapore with a First Class Honours degree in Mechanical Engineering and was awarded Institute of Engineers Singapore Gold Medal and Mobil Silver Medal. He also holds a Master of Business Administration degree from the National University of Singapore, and completed the Program for Executive Development at IMD Lausanne Switzerland.

MR CHIN TECK OON

EXECUTIVE DIRECTOR AND
CHIEF EXECUTIVE OFFICER

Mr. Chin was appointed as an Executive Director on 28 April 2021. He was appointed as Chief Executive Officer of the Company on 16 August 2021. As a key member of the Group's Management Team, Mr. Chin is responsible for managing and overseeing the overall new business strategies and development of the Group.

Mr Chin is a businessman with over 25 years of entrepreneurship and business management experiences. He has founded many companies, both in Singapore and Malaysia, specialising in precision engineering and agritech.

Prior to joining our Group, he founded A-A Precision Wire Cut Pte Ltd and Tianci International Pte Ltd in Singapore and Ice United Sdn Bhd, AA Home Star Sdn Bhd and Mersing Star Sdn Bhd. He remained as a director in these companies.

CHONG ENG WEE

INDEPENDENT DIRECTOR

Mr Chong was appointed as Independent & Non Executive Director ("**INED**") on 1 August 2019 and currently serves as Chairman of its Remuneration and Performance Share Scheme Committees, and member of its Audit and Nominating Committees.

He is qualified to practice law in Singapore, Hong Kong, New South Wales, Australia, and New Zealand, and is the Managing Director of Chevalier Law LLC. He has advised on a wide range of corporate, capital markets, mergers and acquisitions, and private equity transactions including IPO, pre-IPO investments, dual listings, reverse takeovers, public takeovers, de-listings, rights and warrants issues, placement, local and cross border acquisitions and disposals of shares and assets, downstream investment and compliance by private equity funds, corporate restructuring and corporate actions by listed companies. He has advised on cross-border transactions with PRC elements, and frequently advises listed companies on their regulatory compliance and corporate governance matters. He is currently also an INED at 3 other SGX-ST listed companies, Heatec Jietong Holdings Limited, GS Holdings Limited, and OEL (Holdings) Limited, and the company secretary for Hong Kong ("**HK**") listed China Vanadium Titano-Magnetite Mining Company Limited and LHN Limited (dual listed on SGX-ST and HK Stock Exchange). He has been ranked as one of Singapore's Top 40 Most Influential Lawyers aged under 40 by Singapore Business Review in 2015.

BOARD OF DIRECTORS

ANDREW CHUA THIAM CHWEE

INDEPENDENT DIRECTOR

Mr Andrew Chua was appointed as an independent Director on 28 April 2021. Mr. Chua is the Chairman of the Audit Committee and a member of the Nominating, Remuneration and Performance Share Scheme Committee.

Mr Chua has extensive experience in banking and finance, having made his career in the course of over 32 years in three international and renowned banks in functional areas of corporate banking and general management. Before striking out on his own in 2009, Mr Chua was the Managing Director of Enterprise Banking at DBS Bank Ltd, where he had spent more than 20 years. He also serves as an independent director of GKE Corporation Limited and Lum Chang Holdings Limited.

Mr Chua is active in community service, sitting as a member and chairing various community-based committees.

MR TEH CHONG SENG

INDEPENDENT DIRECTOR

Mr Teh was appointed as an independent Director on 28 April 2021. He is also a member of the Audit, Nominating, Remuneration and Performance Share Scheme Committees.

Mr Teh has more than 35 years of experience in the securities and capital markets of Asia Pacific. He had previously held senior executive positions with regional securities firm, and investment firms that focus on equities in South East Asia and Asia Pacific in general. Mr. Teh has previously been a Senior Vice President of Maybank Kim Eng Securities for more than 30 years and is a Non-Executive Director of Higashi & Sons K.K. to manage investments in the commodities and resources industries or value chain. He is currently the Chairman and Executive Director of Adventus Holdings Limited.

FINANCIAL **HIGHLIGHTS**

	FY2018	FY2019	FY2020
KEY FINANCIAL RATIOS			
(Loss)/earnings Per Share (S¢)	(7.54)	(0.40)	6.39
Net (Liability)/Asset Net Value Per Share (S¢)	(5.42)	(5.04)	0.12
STATEMENT OF PROFIT OR LOSS (S$ MILLION)			
Revenue	53.8	13.7	2.0
Gross profit	7.5	12.5	1.2
Net attributable (loss)/profit	(19.6)	5.2	18.4
STATEMENT OF FINANCIAL POSITION (S$ MILLION)			
Non-current assets	16.8	0.08	0.05
Current assets	23.6	48.4	1.0
Non-current liabilities	3.6	0.05	0.02
Current liabilities	53.9	64.4	0.7
Shareholders' (deficit)/equity attributable to owners of the Company	(17.1)	(15.9)	0.4

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

CHNG HEE KOK
Non-Executive Chairman and Lead Independent Director

CHIN TECK OON *Executive Director and Chief Executive Officer*

CHONG ENG WEE *Independent Director*

TEH CHONG SENG *Independent Director*

CHUA THIAM CHWEE *Independent Director*

AUDIT COMMITTEE

CHUA THIAM CHWEE *(Chairman)*
CHONG ENG WEE
CHNG HEE KOK
TEH CHONG SENG

REMUNERATION COMMITTEE

CHONG ENG WEE *(Chairman)*
CHNG HEE KOK
TEH CHONG SENG
CHUA THIAM CHWEE

NOMINATING COMMITTEE

CHNG HEE KOK *(Chairman)*
CHONG ENG WEE
TEH CHONG SENG
CHUA THIAM CHWEE

PERFORMANCE SHARE SCHEME COMMITTEE

CHONG ENG WEE *(Chairman)*
TEH CHONG SENG
CHUA THIAM CHWEE
CHNG HEE KOK

COMPANY SECRETARY

NG SIEW HOONG LINUS

REGISTERED OFFICE

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#10-139 Tradehub 21
Singapore 609966
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SHARE REGISTRAR

Tricor Barbinder
Share Registration Services
(A division of Tricor
Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

AUDITORS

RT LLP
297 South Bridge Road
Singapore 058839

Partner-in-charge: Mr. New Boon Poh
(since financial year ended
31 December 2020)

PRINCIPAL BANKERS

United Overseas Bank Limited
DBS Bank Limited

FINANCIAL **CONTENTS**

CORPORATE GOVERNANCE **REPORT**

KTL Global Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance. The Company understands that good corporate governance is an integral element of a sound corporation and enables it to be more transparent and forward-looking. In addition, sound corporate governance is an effective safeguard against fraud and dubious financial engineering, and hence helps to protect shareholders' interests. This also helps the Company to create long-term value and returns for its shareholders.

The Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") requires all listed companies to describe in their Annual Reports, their corporate governance practices, with specific reference to the principles of the Code of Corporate Governance 2018 (the "**Code**") issued by the Ministry of Finance in August 2018.

This report describes the Group's corporate governance structures and practices that were in place throughout the financial year ended 31 December 2020 ("**FY2020**"), with specific reference made to the principles and guidelines of the Code.

The Board of Directors of the Company (the "**Board**") is pleased to confirm that for FY2020, the Group has generally adhered to the principles and/or guidelines set out in the Code. In so far as any principles and/or guideline has not been complied with, the reason and relevant explanation has been provided.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provisions of the Code	KTL Corporate Governance Practices
1.1 Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issue of conflict.	Currently, the Board has five (5) Directors, four (4) of whom are Independent Directors. The Directors of the Company as at the date of this statement are:

Name of Director	Designation
Chng Hee Kok	Non-Executive Director and Independent Director
Chin Teck Oon	Executive Director and Chief Executive Officer
Chong Eng Wee	Independent Director
Teh Chong Seng	Independent Director
Chua Thiam Chwee	Independent Director

Notes:
(1) Mr. Liu Changsheng resigned as Executive Director and Chief Executive Officer of Company with effect from 31 July 2021.
(2) Mr. Tso Sze Wai resigned as Independent Director with effect from 31 August 2021.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
	The Board is collectively responsible for the stewardship of the Group and is primarily responsible for the preservation and enhancement of long-term value and returns for the shareholders. The Board has in place a code of conduct and ethics, sets appropriate tone from the top and desired organisational culture and ensures proper accountability within the Company. The principal functions of the Board, in addition to carrying out its statutory responsibilities, are as follows: (a) providing entrepreneurial leadership, overseeing and approving the formulation of the Group's overall long-term strategic objectives and directions, corporate strategy and objectives as well as business plans; (b) overseeing and reviewing the management of the Group's business affairs and financial controls, performance and resource allocation, including ensuring that the required financial and human resources are available for the Group to meet its objectives; (c) establishing a framework of prudent and effective controls to assess and manage risks and safeguard shareholders' interests and the Group's assets; (d) constructively challenging and reviewing the Management's performance; (e) setting the Group's values and standards and ensuring that obligations to shareholders and other stakeholders are understood and met; (f) assuming the responsibilities of corporate governance; and (g) ensuring transparency and accountability to key stakeholder groups. The Directors on the Board have the appropriate core competencies and diversity of experience to enable them to contribute effectively. They can objectively raise issues and seek clarification as and when necessary from the Board and the Management on matters pertaining to their area of responsibilities.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
	Each Director is required to promptly disclose any conflict or potentially conflict of interest in relation to a transaction or proposed transaction. On an annual basis, each Director is also required to submit details of his associates for purposes of monitoring interested persons transactions. In addition, the Constitution of the Company restricts a Director to vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
1.2 Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.	To the best of their abilities, all Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group. The Directors are periodically furnished with information concerning the Group so that they can be kept up to date on the performance of the Group, and the decisions and actions taken by the Management. Directors may request to visit the Group's operating facilities and meet with the Management to gain a better understanding of the Group's business operations and corporate governance practices. The Board is kept up to date on pertinent business developments in the business, including the key changes in the relevant regulatory requirements and financial reporting standards, risk management, corporate governance and industry. The Directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group and attendance of appropriate courses and seminars will be arranged and funded by the Company. Newly appointed Directors will receive a formal letter explaining their duties and responsibilities and will undergo orientation and be briefed on the business and governance practices of the Group as well as industry specific knowledge. All Directors who have no prior experience as directors of a listed company will undergo training and/or briefing on the roles and responsibilities as directors of a listed company.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
	The details of update sessions, seminars, conferences and training programmes attended by the Directors collectively in FY2020 include: • the external auditors, RT LLP, briefed the AC and the Board on the developments in financial reporting and governance standards; • the internal auditors, GRC Chamber Limited, briefed the AC and the Board on compliance with laws and regulations; and • the CEO updated the Board at each meeting on the business and strategic developments pertaining to the Group's business.
1.3 The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.	The Company has in place internal guidelines which specify the corporate matters that require approval of the Board. The approval of the Board is required for matters such as corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, the release of the Group's quarterly and full-year results and interested person transactions of a material nature. The Board has adopted internal guidelines setting forth matters that require the Board's approval which include, but is not limited to the developing of significant business plans, acquisitions and disposals of investments, share issuance and the declaration of dividend, the release of the Group's quarterly, half yearly and full year results and interested person transactions of a material nature exceeding S$100,000. The Board clearly communicates the internal guidelines in relation to matters requiring Board approval in writing to the Management.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
1.4 Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.	To assist the Board in discharging its oversight functions and to enhance the Company's corporate governance framework, various Board Committees, namely Audit Committee ("**AC**"), Remuneration Committee ("**RC**"), Nominating Committee ("**NC**") and Performance Share Scheme Committee ("**PSSC**") have been constituted with clearly defined written terms of reference. These terms of reference are reviewed on a regular basis, along with the committee structures and membership, to ensure their continue relevance, taking into consideration the changes in the governance and legal environment. Any change to the terms of reference of any Board Committee requires the written approval of the Board. The compositions of the Board Committees are as follows:

	AC	RC	NC	PSSC
Chairman	Chua Thiam Chwee	Chong Eng Wee	Chng Hee Kok	Chong Eng Wee
Member	Chng Hee Kok	Chng Hee Kok	Chong Eng Wee	Chng Hee Kok
Member	Chong Eng Wee	Chua Thiam Chwee	Chua Thiam Chwee	Chua Thiam Chwee
Member	Teh Chong Seng	Teh Chong Seng	Teh Chong Seng	Teh Chong Seng

All Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. The Directors are invited to attend meetings of the Board Committees. The Board acknowledges that while the Board Committees have the authority to examine issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

The terms of reference and the activities of the respective Board Committee is set out in the various Principles in this Corporate Governance Report.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
1.5 Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendance at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.	The Board meets regularly and is provided with relevant updates and information. The dates of meetings of all the Board and Board Committee meetings as well as the Annual General Meeting ("**AGM**"), are scheduled well in advance, in consultation with the Board. When a physical meeting is not possible, timely communication with members of the Board can be achieved through teleconferences, which is allowed under the Company's Constitution. Besides formal meetings, the Board and Board Committees also make decisions through circulating resolutions. The Board held four scheduled meetings in FY2020. Besides the scheduled Board meetings, the Board meets on an ad-hoc basis as warranted by circumstances. All Directors are required to declare their board representations. When a director has multiple board representation, the NC will consider whether the director is able to adequately carry out his duties as a director of the Company, after taking into consideration the director's number of listed company board representations and other principle committees. Based on the directors' annual confirmation and the directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Committee meetings, the NC and the Board are satisfied that the all the directors were able to and have been adequately carrying out their duties as directors of the Company in FY2020.

Board and Board Committees Meetings and Attendance

The attendance of the Directors at the scheduled Board and Board Committees meetings during FY2020 is set out below:

Name of director	Board	AC	RC	NC	PSSC
No. of meetings held	**4**	**4**	**1**	**1**	**0**
No. of meetings attended					
Chng Hee Kok[1] (Non-Executive Chairman and Lead Independent Director)	2	2	–	–	–
Liu Changsheng[2] (Executive Director and Chief Executive Officer)	4	4 (by invitation)	1 (by invitation)	1 (by invitation)	–
Chin Teck Oon[3] (Executive Director and Chief Executive Officer)	–	–	–	–	–
Chong Eng Wee (Independent Director)	4	4	1	1	–
Tso Sze Wai[4] (Independent Director)	3	3	–	–	–
Teh Chong Seng[5] (Independent Director)	–	–	–	–	–
Chua Thiam Chwee[6] (Independent Director)	–	–	–	–	–

1 Appointed on 24 July 2020
2 Resigned on 31 July 2021
3 Appointed on 28 April 2021 and appointed as CEO on 16 August 2021
4 Appointed on 9 June 2020 and resigned on 31 August 2021
5 Appointed on 28 April 2021
6 Appointed on 28 April 2021

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
1.6 Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.	The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The Directors are periodically furnished with information concerning the Group so that they can be kept up to date on the performance of the Group, as well as the decisions and actions taken by the Management. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business and operations. Board and Board Committee papers are circulated to the Directors ahead of meetings to allow Directors sufficient time to review and consider the matters to be discussed so that discussions can be more meaningful and productive. As a general rule, notices are sent to the directors one week in advance of Board and Board Committees meetings, followed by the Board papers, in order for the directors to be adequately prepared for the meetings. The CEO personally ensures that the Board papers contain all necessary facts and figures to facilitate thorough deliberation and discussion of the issues. Where necessary, other members of the Management or external consultants engaged for a specific project will be invited to the meetings to address queries and provide additional information.
1.7 Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.	The Board (whether individually or as whole) has separate and independent access to the Management and Company Secretary at all times through email, telephone or face-to-face meetings. Under the direction of the Chairman, the Company Secretary ensures timely and good information flows within the Board and its Board Committees and between the Management and Independent Directors. The Directors, whether individually or collectively, in furtherance of their duties, can seek legal and other independent professional advice, which expenses will be borne by the Company, concerning any aspect of the Group's operations or undertakings. The Company Secretary attends all Board and Board Committee meetings and ensures that all Board procedures are followed. Where the Company Secretary is unable to attend any Board or Board Committee meeting, he ensures that a suitable replacement is in attendance and that proper minutes of the same are taken and kept. The Company Secretary also ensures that the Company complies with the requirements of the Companies Act, Chapter 50 of Singapore, and the SGX-ST Listing Manual. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

CORPORATE GOVERNANCE **REPORT**

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provisions of the Code		KTL Corporate Governance Practices
2.1	An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.	Each Independent Director is required to complete a Confirmation of Independence Checklist annually to confirm his independence based on the guidelines as set out in the Code. The Independent Directors must also confirm whether they have any relationships as stated in the Code that would otherwise deem any of them not to be independent. The Board and NC will review the independence of Directors based on the guidelines defined in the Code and the Listing Manual, and any other salient factors. In its review, the NC will consider the nature of relationships and circumstance that could influence the judgments and decisions of the Directors prior to obtaining approval from the Board. Based on the respective confirmations and results of the NC's review, the NC is satisfied that the Independent Directors comply with Provision 2.1 of the Code and do not fall under any of the circumstances set out in Listing Rule 210(5)(d). None of the Independent Directors have served the Company for a period exceeding nine years.
2.2	There should be a strong and independent element of the Board, with independent directors making up at least one-third of the Board. Independent directors make up a majority of the Board where the Chairman is not independent	As at the date of this report, the Board comprises of five (5) Directors, of whom four (4) are considered independent by the Board, which complies with the Code's guideline on the proportion of independent directors on the Board and make up at least one-third of the Board. There is a strong independent element on the Board, with independent directors constituting majority of the Board. This enables the Board to exercise independent judgment on corporate affairs and provide the Management with a diverse and objective perspective on issues. It also allows the Board to interact and work with the Management through a constructive exchange of ideas and views to shape the strategic process.
2.3	Non-executive directors make up a majority of the Board.	The Company consists of a majority of four (4) non-executive directors (out of five (5) directors). Accordingly, it has complied with the relevant provisions.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
2.4 The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosure in the company's annual report.	The profile of the Directors and key information are set out on pages 9 to 10 of this Annual Report. The NC is responsible for examining the size and composition of the Board and Board Committees. The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills and core competencies and experience for the Group, regardless of gender. The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The Board as a group provides an appropriate balance and diversity of skills, experience and knowledge of the Company, with core competencies in accounting and finance, legal, business and management experience, industry knowledge, strategic planning and customer-based experience and knowledge. This enables the Management to benefit from the external and expert perspectives of the Directors who collectively possess the core competencies relevant to the direction and growth of the Group. The Board and NC recognises the importance of having an effective and diverse Board, taking into consideration the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age, ethnicity and other relevant factors. In reviewing the appointments of new Directors, the Board, together with the NC ensures that it sets relevant objectives to promote and achieve diversity on the Board. In discharging its duties, the Board and the NC shall give due regard to the benefits of all aspects of diversity and strive to ensure that the Board is appropriately balanced to support the long-term success of the Company. The main objective is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Company.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
	Each Director has been appointed based on his calibre and experience and is expected to bring his knowledge experience in his field of expertise to contribute to the development of the Group's strategy and the performance of its business. Taking into account the nature and scope of the Group's business, in concurrence with the NC, the Board believes that the current size of the Board and Board Committees is appropriate, and that the composition of the Board and Board Committees provide sufficient diversity without interfering with efficient decision making. The Board will continue to review its composition and size to ensure optimal balance in the membership of the Board. The Board and the NC will also as far as possible, take into consideration female representation.
2.5 Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.	The views and opinions of the Non-Executive Directors provide alternative perspectives to the Group's business and they bring independent judgment on business activities and transactions involving conflicts of interest and other complexities. Where necessary, the Company co-ordinates informal meetings for Independent Directors without the presence of the Management to review matters such as Board effectiveness and Management's performance. The Independent Directors had met and discussed with the external auditors one time in the absence of key management personnel in FY2020.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions of the Code	KTL Corporate Governance Practices
3.1 The Chairman and the Chief Executive Officer ("**CEO**") are separate persons to ensure appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.	As at the date of this report, Mr. Chng Hee Kok holds the position as Independent Non-Executive Chairman of the Board while Mr. Chin Teck Oon holds the position of CEO. The Chairman and CEO are not related and the separation of the roles of the Chairman and CEO ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
	The Board is of the view that power is not unduly concentrated in the hands of one individual nor is there any compromised accountability and independent decision-making as all major decisions and policy changes are conducted through the respective Board Committees, all of which are chaired by an Independent Director. The Board collectively ensures the following: • in consultation with the Management, the scheduling of meetings to enable the Board to perform its duties responsibly, while not interfering with the flow of the Company's operations; • in consultation with the Management, the preparation of the agenda for Board meetings; • in consultation with the Management, the exercise of control over the quality, quantity and timeliness of information between the Management and the Board and the facilitation of effective contribution from the non-executive directors; • effective communication with shareholders and compliance with corporate governance best practices; and • compliance with the Company's guidelines on corporate governance.
3.2 The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.	The Chairman of the Board is Mr. Chng Hee Kok. The overall role of the Chairman is to lead and ensure the effectiveness of the Board. This includes: • promoting a culture of openness and debate at the Board; • facilitating the effective contribution of all directors; and • promoting high standards of corporate governance. Externally, the Chairman is the face of the Board, and ensures effective communication with shareholders and other stakeholders. The CEO is responsible for the operations and oversees the day-to-day management of the business operations. He is instrumental in formulating strategies, business development, goals and performance targets and ensuring objectives are met.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
3.3 The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.	The independent element was further strengthened by the appointment of Lead Independent Director. Mr. Chng Hee Kok is the Lead Independent Non-Executive Chairman to co-ordinate and to lead the independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is available to shareholders and stakeholders of the Company with concerns which they cannot resolve through the normal channels of the CEO and the Management. There were no query or request on any matters which requires the Lead Independent Director's attention received in FY2020.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into consideration the need for progressive renewal of the Board.

Provisions of the Code	KTL Corporate Governance Practices
4.1 The Board establishes a Nominating Committee to make recommendations to the Board on relevant matters relating to: (a) the review of succession plans for decisions, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors; (c) the review of training and professional development programmes for the Board and its directors; and (d) The appointment and re-appointment of directors (including alternate directors, if any).	The primary functions of the NC in accordance with its terms of reference are as follows, amongst others: (a) making recommendations to the Board on relevant matters relating to the review of board succession plans for directors, in particular, the Chairman and for the CEO (or equivalent), the development of a process for evaluation of the performance of the Board, its Board Committees and directors, and the review of training and professional development programmes for the Board; (b) making recommendations to the Board on the appointment and re-appointment of directors (including alternate directors, if applicable), taking into consideration the composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance (such as attendance, preparedness, participation and candour); (c) ensuring that all directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years; (d) determining annually, and as and when circumstances require, whether a director (including an alternate director) is independent, bearing in mind Principle 2.1 of the Code and any other salient factors;

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
	(e) deciding if a director is able to and has been adequately carrying out his duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments; and (f) assessing the effectiveness of the Board as a whole and its Board Committees and the contribution by the Chairman and each individual director to the effectiveness of the Board.
4.2 The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.	The NC comprises entirely Independent Directors and the members of the NC as at the date of this report are as follows: Chng Hee Kok (Chairman) Chong Eng Wee Teh Chong Seng Chua Thiam Chwee The Lead Independent Director is the Chairman of the NC.
4.3 The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.	***Process for selection and appointment of New Directors*** The Company does not have a formal process for the selection and appointment of new directors to the Board. When the need for a new director arises, or where it is considered that the Board would benefit from the services of a new director with particular skills or to replace a retiring director, the NC, in consultation with the Board, will determine the selection criteria and will select candidates with the appropriate expertise and experience for the position. In its search and nomination process for new directors, the NC may rely on search companies, personal contacts and recommendations for the right candidates. Board appointments are made by the Board after the NC has, upon reviewing the resume of the proposed director and conducting appropriate interviews, recommended the appointment to the Board. Newly appointed directors will receive a formal letter explaining their duties and responsibilities and will undergo orientation and be briefed on the business and governance practices of the Group as well as industry-specific knowledge. All directors who have no prior experience as directors of a listed company will undergo training and/or briefing on the roles and responsibilities as directors of a listed company.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
	Process for Re-appointment of Directors All Directors, including the CEO, submit themselves for re-nomination and re-election at regular intervals. Under the Constitution, each Director shall retire from office at least once every three (3) years and a retiring Director shall be eligible for re-election. Pursuant to Regulation 104 of the Company's Constitution, one-third of the Board are to retire from office by rotation and be subject to re-appointment at the Company's AGM. In addition, Regulation 114 of the Company's Constitution stipulates that a director newly appointed by the Board shall only hold office until the next AGM following his appointment. Thereafter, he is subject to be re-appointed at least once every three years at the Company's AGM. In assessing whether the Director should be recommended for re-election, the NC would assess the performance of the Director in accordance with the performance criteria set by the Board; review the annual evaluations done by the Board, Board Committees and individual Directors; and assess the current needs of the Board. Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-election of the Director to the Board for its consideration and approval. Each member of the NC abstains from making any recommendations and/or participating in any deliberation of the NC and from voting on any resolution, in respect of the assessment of his re-nomination as a Director of the Company. The Board recognises the contribution of its Independent Directors who over time have developed deep insight into the Group's businesses and operations and who are therefore able to provide invaluable contributions to the Group. As such, the Board has not set a fixed term of office for each of its Independent Directors so as to be able to retain the services of the Directors as necessary.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
	Mr. Chng Hee Kok, who was appointed on 24 July 2020, and Mr. Chin Teck Onn, Mr. Teh Chong Seng and Mr. Chua Thiam Chwee, each of whom were appointed on 28 April 2021, shall be required under Article 114 of the Company's Constitution to retire at the forthcoming annual general meeting. After assessing their contribution and performance, the NC has recommended the re-election of Mr. Chng Hee Kok, Mr. Chin Teck Oon, Mr. Teh Chong Seng and Mr. Chua Thiam Chwee at the forthcoming annual general meeting. Mr. Chng Hee Kok will, upon re-election as a Director, remain as the Chairman of the NC, and a member of the AC, RC and PSSC. Mr. Teh Chong Seng will, upon re-election as Director, remain as a member of the AC, RC, NC and PSSC. Mr. Chua Thiam Chwee will, upon re-election as Director, remain as the Chairman of AC and a member of the RC, NC and PSSC. Please refer to page 118 in this Annual Report on information relating to the retiring Directors as set out in Appendix 7.4.1 of the Listing Manual, pursuant to Rule 720(6) of the Listing Manual.
4.4 The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.	The NC is responsible for determining the independence of the Directors as set out under Provision 2.1 above. Mr. Chng Hee Kok, Mr. Chong Eng Wee, Mr. Tso Sze Wai, Mr. Teh Chong Seng and Mr. Chua Thiam Chwee have confirmed their independence in accordance with the Code. The Board, after taking into consideration the views of the NC, is of the view that Mr. Chng Hee Kok, Mr. Chong Eng Wee, Mr. Tso Sze Wai, Mr. Teh Chong Seng and Mr. Chua Thiam Chwee are independent and that, no individual or small group of individual dominates the Board's decision making process and do have any relationships as stated in the Code that would otherwise deem any of them not to be independent. During FY2020, there was no alternate director on the Board. *__Note:__ Mr. Tso Sze Wai has resigned as Independent Director with effect from 31 August 2021.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
4.5 The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharged his or her duties.	The NC ensures that new Directors are aware of their duties and obligations. For re-nomination and re-appointment of Directors, the NC takes into consideration the competing time commitments faced by Directors and their ability to devote appropriate time and attention to the Company, which are also evident in their level of attendance and participation at Board and Committee meetings. The NC and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as Directors of the Company in FY2020.

The dates of initial appointment and last re-election of the directors, together with their directorships and other listed companies and principal commitments, are set out below:

Director	Position	Date of Initial Appointment	Date of Last Re-election	Current directorships in other listed companies	Past directorships in listed companies (in the last 5 years)	Principal Commitments
Chng Hee Kok	Non-Executive Chairman and Lead Independent Director	24 July 2020	–	Metech International Limited Ellipsiz Ltd Full Apex (Holdings) Limited Luxking Group Holdings Limited United Food Holdings Limited The Place Holdings Ltd Blackgold Natural Resources Limited	China Flexible Packaging Holding Limited Pacific Star Development Limited Pacific Century Regional Developments Limited Rich Capital Holdings Limited	None
Chin Teck Oon	Executive Director & CEO	28 April 2021	–	None	None	CEO – KTL Global Limited
Chong Eng Wee	Independent Director	1 August 2019	29 June 2020	Heatec Jietong Holdings Limited GS Holdings Limited OEL (Holdings) Limited	CW Group Holdings Limited Innopac Holdings Limited	Managing Director – Chevalier Law LLC

CORPORATE GOVERNANCE **REPORT**

Tso Sze Wai[1]	Independent Director	9 June 2020	29 June 2020	Net Pacific Financial Holdings Limited China Jicheng Holdings Limited China Asia Valley Group Limited	Hua Han Health Industry Holdings Limited	None
Teh Chong Seng	Independent Director	28 April 2021	–	Adventus Holdings Ltd	None	Executive Chairman – Adventus Holdings Ltd
Chua Thiam Chwee	Independent Director	28 April 2021	–	Lum Chang Holdings Limited GKE Corporation Limited	None	Managing Director – SME Care Pte. Ltd.

[1] Mr. Tso Sze Wai has resigned as Director of the Company with effect from 31 August 2021.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions of the Code	KTL Corporate Governance Practices
5.1 The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.	The Board's performance is linked to the overall performance of the Group. The Board ensures that the Company is in compliance with the applicable laws, and members of our Board are required to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. Updates on progress of the Group's operations are made at formal Board meetings. Regular discussions are also held between Management and Directors who offer their views and guidance on the matters. The Board, based on the recommendation of the NC, recognises the need for regular reviews and evaluations of the effectiveness of the Board as a whole and the effectiveness of individual directors. Based on the recommendations of the NC, the Board has in place an annual assessment exercise for the Directors to assess the effectiveness of the Board as a whole, and of each Board Committee, and the contribution by individual directors to the effectiveness of the Board.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
	The performance criteria for the Board and Board Committees evaluation are in respect of board structure, strategy and performance, board risk management and internal control, board information, board procedures, CEO and top management, standards of conduct, compensation and communication with shareholders. The primary objective of the board evaluation exercise is to create a platform for the Board to provide constructive feedback on the board procedures and processes and the changes which should be made to enhance the effectiveness of the Board. The evaluation of individual Directors aims to assess whether each Director continues to contribute effectively and demonstrate commitment to the role, including commitment of time for Board and Board Committee meetings, and any other duties. The Non-Executive Chairman will be briefed on the results of the performance evaluation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of directors, in consultation with the NC.
5.2 The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.	During FY2020, the NC had conducted the assessment via a questionnaire which is completed by each Director for the evaluation of the Board. For the evaluation of the Board Committees, each committee members completed a questionnaire for the respective Board Committee. Each Director also completed a self-assessment form to assess their own performances and contributions to the Board's effectiveness. To ensure confidentiality, the completed evaluation forms were submitted to the Company Secretary for collation. The consolidated responses were presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancement of the Board effectiveness. Following the review in FY2020, the Board is of the view that the Board and its Board Committees operate effectively and each director is contributing to the overall effectiveness of the Board. No external facilitator was used in the evaluation process.

CORPORATE GOVERNANCE **REPORT**

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions of the Code	KTL Corporate Governance Practices
6.1 The Board establishes a Remuneration Committee ("**RC**") to review and make recommendations to the Board on: (a) a framework of remuneration for the Board and key management personnel; and (b) the specific remuneration packages for each director as well as for the key management personnel.	The role of the RC is to review and make recommendations to the Board on the remuneration package of each Executive Director and key management personnel ("**KMPs**"). The RC also recommends the level of fees for Directors and Board Committee members which are subject to the approval of shareholders. No director is involved in the deliberation of his own remuneration or fee level. Where necessary, independent professional advice on the framework for remuneration packages may be sought by the RC.
6.2 The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.	The RC comprises entirely Independent Directors and the members of the RC as at the date of this report are as follows: Chong Eng Wee (Chairman) Chng Hee Kok Teh Chong Seng Chua Thiam Chwee
6.3 The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.	The members of the RC are familiar with executive compensation matters as they manage their own businesses and/or are holding other directorships. In recommending the remuneration packages of the Executive Director and KMPs, the RC is largely guided by the financial performance of the Group. It believes that the remuneration level should be competitive and sufficient to attract, retain and motivate the Executive Director and KMPs. In devising the packages, the RC is aware that termination clauses, wherever applicable, have to be fair, and not overly generous. The Company's remuneration policy may be amended to take into account the overall performance of the Company, the meeting of key targets, shareholders' value enhancement and individual performance.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
6.4 The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.	The RC, has explicit authority within its terms of reference to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters where necessary. During the FY2020, the RC did not require the service of an external remuneration consultant.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions of the Code	KTL Corporate Governance Practices
7.1 A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.	The Executive Director does not receive Directors' fees but are remunerated as a member of Management. The remuneration packages of the Executive Director and the KMPs comprises a fixed component (basic salary) and a variable component (cash-based annual bonus) that is linked to the performance of the Group as a whole as well as the individual performance. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group. The Company has entered into a fixed-term service agreement with Mr. Chin Teck Oon. Either party may terminate the service agreement at any time by giving the other party not less than six months' notice in writing, or in lieu of notice, payment of an amount equivalent to six months' salary respectively based on his last drawn monthly salary. The RC is of the view that it is currently not necessary to have contractual provisions to allow the Company to reclaim incentive components of remuneration from the executive director and KMPs in exceptional circumstances of misstatements of financial statements, or of misconduct resulting in financial loss to the Company.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
7.2 The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.	Each of the Non-Executive Directors receives a base director's directors fees. The Chairman of the Board and the Chairman of each sub-committee will receive an additional allowance. The Directors' fees are recommended by the Board for approval at the Company's Annual General Meeting. Save for the Directors' fees, the non-executive Directors do not receive any other forms of remuneration from the Company. The non-executive Directors do not have any service agreements with the Company. The RC is of the view that the remuneration policy and amounts paid to Directors are adequate and in line with present market conditions.
7.3 Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.	The remuneration policy of the Company is to offer compensation packages that are at least pegged to market rates and reward good performances. The adopted principle is that the remuneration packages have to be attractive in order to attract, retain and motivate Directors, executives and managers. The size of the remuneration packages takes into account the performance of the Company and the individuals. In structuring the compensation framework, the RC also takes into account the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks. The Company recognises the importance of motivating each employee and in this regard, the KTL Performance Share Scheme (the "**Scheme**") was approved at the extraordinary general meeting on 23 October 2009 and renewed at the annual general meeting held on 28 June 2019. Details on the Scheme are set out in the letter to shareholders dated 12 June 2019 issued by the Company. The Scheme is administered by the PSSC. As at the date of this Report, Mr. Chng Hee Kok, Mr. Chong Eng Wee, Mr. Teh Chong Seng and Mr. Chua Thiam Chwee are members of the PSSC.

CORPORATE GOVERNANCE **REPORT**

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1(a) - The breakdown of the total remuneration of the directors of the Company for FY2020 is set out below:

Name of Directors	Salary & CPF (%)	Bonus & CPF (%)	Director's fee[1] (%)	Other Benefits (%)	Total
Below S$250,000					
Liu Changsheng[2]	100	–	–	–	100
Chin Teck Oon[3]	–	–	–	–	–
Chng Hee Kok[4]	–	–	100	–	100
Chong Eng Wee	–	–	100	–	100
Tso Sze Wai[5]	–	–	100	–	100
Teh Chong Seng[6]	–	–	–	–	–
Chua Thiam Chwee[7]	–	–	–	–	–
Lim Yeow Hua @ Lim You Qin[8]	–	–	100	–	100
Tan Kheng Kuan[9]	–	–	100	–	100

Provision 8.1(b) – The breakdown of total remuneration of the top five key management personnel of the Group (who are not directors) for FY2020 is set out below:

Name of KMPs	Salary & CPF (%)	Bonus & CPF (%)	Other benefits (%)	Total
Below S$250,000				
Wong Ming Chun[10]	100	–	–	100
Ng Kok Peng[11]	100	–	–	100

[1] Approved at the annual general meeting held on 29 June 2020
[2] Resigned as Executive Director and Chief Executive Officer on 31 July 2021
[3] Appointed as Independent Director on 28 April 2021
[4] Appointed as Non-Executive Chairman and Lead Independent Director on 24 July 2020
[5] Appointed as Independent Director on 9 June 2020 and resigned as Director with effect from 31 August 2021
[6] Appointed as Independent Director on 28 April 2021
[7] Appointed as Independent Director on 28 April 2021
[8] Retired as Independent Director on 29 June 2020
[9] Retired as Non-Executive Director on 29 June 2020
[10] Appointed as Chief Financial Officer on 1 September 2020
[11] Resigned as Chief Financial Officer on 31 January 2020

CORPORATE GOVERNANCE **REPORT**

The above remuneration for FY2020 has been pro-rated according to the individuals' date of appointment or date of resignation (where applicable).

Although the Code recommends full disclosure in aggregate to the nearest thousand dollars of the total remuneration paid to each individual Director and the CEO (or equivalent) on a named basis as well as the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO), the Board is of the view that full disclosure of the specific remuneration of each individual director and key management personnel is not in the best interests of the Company, taking into account the sensitive nature of the subject, the competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group. The Board believes that such disclosure presentation provides sufficient overview of the remuneration of the Directors and key management personnel and that such information would be sufficient to the shareholders for their understanding of the Company's compensation policies. In any event, the Company has disclosed the remuneration of each Director in bands no wider than S$250,000 and a breakdown of their remuneration, to ensure transparency in the level and mix of remuneration.

Provisions of the Code		KTL Corporate Governance Practices
8.2	The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.	During the year, save for Mr. Liu Changsheng, a former Executive Director and CEO, who is a substantial shareholder of the Company, there was no employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or substantial shareholder of the Company.
8.3	The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.	The Company had adopted the KTL Performance Share Scheme (the "**Scheme**") on 23 October 2009, and renewed the Scheme at its annual general meeting held on 28 June 2019. The Scheme is administered by the PSSC. Under the Scheme, awards of fully-paid ordinary shares in the capital of the Company in the form of existing shares held as treasury shares and/or new shares will be delivered free of charge, to selected employees of the Group and other selected participants. The aggregate number of shares which may be delivered under the Scheme shall not exceed 15% of the total number of issued shares (excluding treasury shares and any subsidiary holdings) of the Company from time to time. Further details on the Scheme are set out in the letter to shareholders dated 12 June 2019 issued by the Company. Participation by Directors who are controlling shareholders or Directors who are associates of controlling shareholders shall be approved by independent shareholders in separate resolutions for each such person for each such Award. During FY2020, no awards were granted under the Scheme.

CORPORATE GOVERNANCE **REPORT**

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provisions of the Code	KTL Corporate Governance Practices
9.1 The Board determines the nature and extent of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.	The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against the occurrence of material errors or poor judgment in decision-making. The Group has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems and reviews the adequacy and effectiveness of such systems at least annually. The external and internal auditors conduct annual reviews of the adequacy and effectiveness of the Group's key internal controls, including financial, operational, compliance and information technology controls, and risk management. Any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the AC and the Board. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored. In FY2020, the AC, on behalf of the Board, reviewed the internal and external audit reports relating to the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. It also reviewed the effectiveness of the actions taken by the Management on the recommendations made by external auditors in this respect.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
9.2 The Board requires and discloses in the company's annual report that it has received assurance from:	
(a) the CEO and the Chief Financial Officer ("**CFO**") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) the CEO and other key management personnel who are responsible regarding the adequacy and effectiveness of the company's risk management and internal control systems.	For the financial year under review, save for the issues and concerns raised by the external auditors set out below, the Board has received written assurance from the CEO and the CFO: (a) that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) that the Group's risk management and internal controls systems in place were adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations. The issues and concerns raised by the external auditors are: (a) Trade receivables and corresponding revenue; (b) Allocation of dividends and profit/losses of Bluegas between the Company and the non-controlling interest ("NCI") of Bluegas. The details of the issues and concerns raised by the external auditors are set out on pages 54 to 55 of the Annual Report. Based on the Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, as well as the reviews performed and reports submitted by the external and internal auditors, the Board, with the concurrence of the AC, is of the opinion that save for the issues and concerns raised by the external auditors as highlighted above, the Group's internal control, addressing the financial, operational, compliance and information technology risks and risk management systems are adequate and effective to address the risks that the Group considers relevant and material to its operations.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
AUDIT COMMITTEE ***Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.***	
10.1 The duties of the AC include: (a) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance; (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems; (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements; (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors; (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company public discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.	The written terms of reference of the AC have been approved and adopted, and they include the following: (a) reviewing the audit plans of the external auditors and the internal auditors, including the results of the external and internal auditors' review and evaluation of the Group's system of internal controls; (b) reviewing the annual consolidated financial statements and the external auditors' report on those financial statements, and discussing any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore financial reporting standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval. Where the external auditors, in their review or audit of the company's year-end financial statements, raise any significant issues (e.g. significant adjustments) which have a material impact on the interim financial statements or financial updates previously announced by the company, the AC should bring this to the Board's attention immediately. The AC should also advise the Board if changes are needed to improve the quality of future interim financial statements or financial updates; (c) reviewing the periodic consolidated financial statements comprising the profit and loss statements and the balance sheets and any such other information required by the SGX-ST Listing Manual, before submission to the Board for approval; (d) reviewing and discussing with external and internal auditors (if any), any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response; (e) reviewing the co-operation given by the Management to the external auditors;

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
	(f) reviewing the independence of the external auditors annually and stating (a) the aggregate amount of fees paid to the external auditors for that financial year, and (b) a breakdown of the fees paid in total for audit and non-audit services respectively, or an appropriate negative statement, in the Company's annual report; (g) making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors (taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority ("**ACRA**")), and approving the remuneration and terms of engagement of the external auditors; (h) ensuring that the internal audit function is adequately resourced and has appropriate standing within the Group, and reviewing the adequacy, effectiveness, independence, scope and results of the external audit and internal audit function at least annually; (i) reviewing and/or ratifying any interested person transactions falling within the scope of Chapter 9 of the Listing Manual; (j) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management (such review may be carried out internally or with the assistance of any competent third parties); (k) reviewing the procedures by which employees of the Group and any other persons may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensuring that there are arrangements in place for such concerns to be safely raised and independently investigated (e.g. through a whistle-blowing channel), and for appropriate follow-up action to be taken; (l) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems; (m) reviewing the assurance from the CEO and Financial Controller on the financial records and financial statements; (n) reviewing any potential conflicts of interest;

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
	(o) approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced; (p) reviewing the scope and results of the external audit and its cost effectiveness and the independence and objectivity of the external auditors, and where the external auditors also supply a substantial volume of non-audit services to the Company, keeping the nature and extent of such services under review, seeking to maintain objectivity; (q) approving internal control procedures and arrangements for all interested person transactions; (r) reviewing and recommending hedging policies and instruments, if any, to be implemented by the Company to the Board; and (s) undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC. The AC has power to conduct or authorise investigations into any matter within its scope of responsibility. It is also given reasonable resources to enable it to perform its function properly, including access to external consultants and auditors. The AC meets with the Company's external auditors to review accounting, auditing and financial reporting matters. The AC has full access to the Management and the full discretion to invite any members of the Management to attend its meetings, as well as procure reasonable resources to enable it to discharge its function properly. The AC held four meetings in FY2020 where the former CEO and the CFO were present in all the meetings and the external auditors on one occasion. The AC meets on a quarterly basis to review the quarterly and the audited financial statements, SGXNet announcements and all related disclosure to shareholders. The AC has undertaken a review of the services, scope, independence and objectivity of the external auditors, RT LLP, the external auditors of the Company, has confirmed that they are a public accounting firm registered with the Accounting and Corporate Regulatory Authority and has provided a confirmation of their independence to the AC.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
	The AC noted that the external auditor will be paid $78,000 for its audit service for FY2020. The AC has also undertaken a review of all non-audit services provided by the auditors and noted that they did not provide any non-audit services in FY2020. Having paid regards to the adequacy and experience of the firm, their overall qualification and their independence status, the AC is satisfied that Rule 712 of the Listing Manual has been complied with and has recommended to the Board, the nomination of the external auditors for re-appointment at the forthcoming AGM. The auditors of the Company's subsidiaries are disclosed in Note 8 of the Financial Statements in this Annual Report. In appointing auditors for the Company's subsidiaries and significant associated companies, the Group has complied with Rule 712 and Rule 715 of the Listing Manual. The Group has implemented a whistle-blowing policy. The policy aims to provide an avenue for employees to raise concerns about misconduct or improprieties in the Group and at the same time assure them that they will be protected from victimisation for whistle-blowing in good faith. Cases that are significant are reviewed by the AC for adequacy of investigation actions and resolutions. Contact details of the AC have been made available to all employees. There were no reported incidents pertaining to whistleblowing during FY2020 and until the date of this Annual Report. The AC is kept abreast by the Management and the external auditors of changes to the financial reporting standards, Listing Manual and other codes and regulation which could have an impact on the Group's business and financial statements.
10.2 The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting and related financial management expertise or experience.	The AC comprises entirely Independent Directors and the members of the AC as at the date of this report are: Chua Thiam Chwee (Chairman) Chong Eng Wee Chng Hee Kok Teh Chong Seng The Board is satisfied that the AC members, collectively, have relevant accounting and related financial management expertise or experience and are appropriately qualified to discharge their responsibilities.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
10.3 The AC does not comprise former partners or directors' of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.	None of the members nor the AC Chairman are former partners or directors of the Group's existing auditing firm within the last twelve months nor does any of them has any financial interests in the said auditing firm.
10.4 The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.	The AC approves the appointment of the internal auditors. GRC Chamber Limited was engaged by the Company to perform an internal audit of the Group for FY2020. The internal auditors report directly to the Chairman of the AC and administratively to the CEO. The internal auditor has full access to the Company's documents, records, properties and personnel. The AC is satisfied that the internal audit firm is staffed by suitably qualified and experienced persons. The internal auditors plan its internal audit schedules in consultation with, but independent of, the Management. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit. The AC will review the activities of the internal auditors, including overseeing and monitoring of the implementation of improvements required on internal control weaknesses identified. The internal auditors carry out their work in accordance to "International Standards for the Professional Practice Internal Auditing (Standards) issued by the Institute of Internal Auditors. The internal auditors had presented their report to the AC for FY2020. The AC was satisfied with the adequacy and effectiveness of the Company's internal audit function and is of the view that the Company's internal audit function is independent, effective and adequately resourced.
10.5 The AC meets with the external auditors, and with the internal auditors, in each case, without the presence of Management, at least annually.	In FY2020 the AC had one meeting with the external auditors without the presence of the Management.

CORPORATE GOVERNANCE **REPORT**

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions of the Code	KTL Corporate Governance Practices
11.1 The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.	Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the local newspaper and posted onto the SGXNET. Annual reports are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all the relevant information about the Company, including future developments and other disclosures required by the Listing Manual, Companies Act and Singapore Financial Reporting Standards. As the Board is accountable to the shareholders, it is the aim of the Board to provide shareholders with a balanced and easy-to-understand assessment of the Company's performance, position and prospects when presenting financial and other price sensitive public reports, and reports to regulators, if required. The AGM is the principal forum for dialogue with shareholders. The Company encourages its shareholders to attend the AGM to ensure a high level of accountability and to stay informed of the Company's performance and plans. The Company's Constitution allows a shareholder to appoint one or two proxies to attend and vote on his or her behalf.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
	A Relevant Intermediary[1] may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the general meetings in person. CPF and SRS Investors who are unable to attend the general meetings but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the general meetings to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the general meetings. In light of the COVID-19 situation, the forthcoming AGM of the Company to be held in September 2021 will be held by way of electronic means. Shareholders will not be able to attend the AGM in person, but may participate at the AGM by watching and/or listening to the proceedings via a Live Webcast/Live Audio Feed. Shareholders will also be given the opportunities to submit their questions related to the resolutions to be tabled for approval in advance of the AGM. The responses to those substantial and relevant questions received from the Shareholders will be published via SGXNET and the Company's website before the AGM. The Company recognises the value of feedback from shareholders. The Company has taken steps to solicit and understand the views of the shareholders, especially during annual general meetings, shareholders are given ample time and opportunities to air their views and concerns.
11.2 The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.	The resolutions tabled at the general meetings are on each substantially separate issue and not bundled, including the election or re-election of each director. The tabling of separate resolutions gives shareholders the right to express their views and exercise their voting rights on each resolution separately. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the Notice of AGM in the Annual Report.

[1] A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
11.3 All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.	All shareholders are given the opportunity to voice their views and to direct queries regarding the Group to directors, including the chairperson of each of the Board Committees. All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. The Company's AGM in FY2020 was conducted through live web-cast in light of the COVID-19 pandemic, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and guidance from ACRA, the Monetary Authority of Singapore, and/or SGX-ST on the conduct of general meetings.

General Meeting Attendance

The attendance of the Directors of the Company at the Company's general meeting(s) held during FY2020 are reflected in the table below:

Name of director	General Meetings
No. of meetings held	**1**[1]
No. of meeting attended	
Chng Hee Kok[2] (Non-Executive Chairman and Lead Independent Director)	0
Liu Changsheng[3] (Executive Director and Chief Executive Officer)	1
Chin Teck Oon[4] (Executive Director and Chief Executive Officer)	0
Chong Eng Wee (Independent Director)	1
Tso Sze Wai	1
Teh Chong Seng[5]	0
Chua Thiam Chwee[6]	0

[1] The annual general meeting of the Company was held on 29 June 2020
[2] Mr. Chng Hee Kok was only appointed on 24 July 2020
[3] Mr. Liu Changsheng has resigned on 31 July 2021
[4] Mr. Chin Teck Oon was appointed on 28 April 2021
[5] Mr. Teh Chong Seng was appointed on 28 April 2021
[6] Mr. Chua Thiam Chwee was appointed on 28 April 2021

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
11.4 The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.	The Company does not implement absentia voting methods such as voting via mail, e-mail or fax as these may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised.
11.5 The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.	The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the resolutions tabled for approval and/or ask the directors or the Management questions regarding the Company and its operations. The Company Secretary prepare minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and the corresponding responses from the Board and the Management. These minutes are published on the Company's corporate website as soon as practicable. The Company also ensures that all material information relating to the Group is disclosed in an accurate and timely manner through publication on SGXNET and is made available to everyone, including Shareholders.
11.6 The company has a dividend policy and communicates it to shareholders.	The Company does not have a formal dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate. Based on these factors, the Board did not recommend any payment of dividends for FY2020.

CORPORATE GOVERNANCE **REPORT**

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions of the Code	KTL Corporate Governance Practices
12.1 The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders. 12.2 The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.	The Company recognises that effective communication leads to transparency and enhances accountability. The Company's quarterly and full year results announcements, announcements and press releases are issued via SGXNet. The Company discloses all material information in a timely manner to its shareholders via these announcements and press releases and ensures that price-sensitive information is publicly released and is announced within the mandatory period. The Company does not practise selective disclosure. Where there is inadvertent disclosure made to a select group, the Company will endeavour to make the same disclosure publicly to all others promptly. In the meantime, information on the Company can be found on the Company's website where shareholders are able to access freely and shareholders can submit their feedback and raise any questions to the Company at the email address provided in the Company's website.
12.3 The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.	The Company engages 8PR Asia Pte Ltd as its dedicated investor relation team to handle investors' queries and assist on all matters related to investor relation. To enhance and encourage communication with shareholders and investors, the Company provides the contact information of its investor relations in its press release. In addition, the Company maintains a website (http://www.ktl.group/) which allows the public to be aware of the Group's latest development and businesses. The public can provide feedback to the Company via its electronic mail address or its registered office address. Calls and emails requesting information are generally attended to promptly, taking into consideration the fact that Management may need to consult with the Board or any of the Company's relevant advisors before communicating or disseminating certain information. Chng Hee Kok, as Lead Independent Director, is the contact person for shareholders in situations where there are concerns or issues that communication with the Management has failed to resolve or where such communication is inappropriate.

CORPORATE GOVERNANCE **REPORT**

MANAGING STAKEHOLDERS RELATIONSHIPS
ENGAGEMENT WITH STAKEHOLDERS
Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions of the Code	KTL Corporate Governance Practices
13.1 The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.	The Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth. The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly are able to impact the Group's business and operations. Four stakeholders groups have been identified through an assessment of their significance to the business operations. They are namely, employees, investors, regulators and customers.
13.2 The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	The Company believes that good corporation social responsibility ("**CSR**") practice goes hand-in-hand with good corporate management practice. It also recognises that it is vital that its management approaches are adaptable to the dynamics of business and operation environment in such a way that it can continuously assess our impacts, develop sustainability objectives and respond in a proper manner to meet its stakeholders' (including customers and suppliers) expectations. The Company's CSR framework is based on its approach to sustainability and includes policies and measurement mechanisms to monitor the impacts made by its businesses and operations. Key to the success of the Company's sustainability programme is regular and up-to-date communication about our CSR policies and activities to all our stakeholders, and the provision of appropriate feedback mechanisms so that it can monitor and evaluate how it is doing and explore new possibilities stimulated by stakeholder responses. The Company sees its sustainability reports as being a critical component of this continuous cycle of communication and evaluation. The overall sustainability context of the stakeholder engagements is managed through the Company's CSR plan for its sustainability governance oversight. Please refer to the Sustainability Report released by the Company on 31 May 2021 for further details.

CORPORATE GOVERNANCE **REPORT**

Provisions of the Code	KTL Corporate Governance Practices
13.3 The company maintains a current corporate website to communicate and engage with stakeholders.	All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET and the Company's website. The Company does not practice selective disclosure of material information. As mentioned above, the Company maintains a website (http://www.ktlgroup/) which allows stakeholders to communicate and engage with the Company, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders.

DEALING IN SECURITIES

In compliance with the best practices set out in the SGX-ST Listing Manual on dealings in securities, the Company has a set of internal guidelines to provide guidance to the Directors and employees of the Group on their dealings in the Company's securities, as well as the implications of insider trading. The Company prohibits its Directors and employees from dealing in the Company's securities for the period commencing two weeks prior to the announcement of the Company's financial results for the first three quarters of the financial year and one month prior to the announcement of the full year results and ending on the date of the announcement of the relevant results.

Reminders were emailed to all Directors and employees of the above ruling before the commencement of the respective periods. In the same emails, they were also reminded not to deal in the Company's securities when they are in possession of any potentially price-sensitive information which have not been announced or on short-term considerations.

RISK MANAGEMENT

The Company does not have a Risk Management Committee. However, the Management regularly reviews the Group's business and operational activities to identify areas of significant business risks, as well as appropriate measures through which to control and mitigate these risks. The Management reviews all significant control policies and procedures, and highlights all significant matters to the Board and the AC.

INTERESTED PERSON TRANSACTIONS

The Company's internal policy with respect of any transaction with interested persons ("**IPT**") sets out the procedures for review and approval of such IPTs. When a potential conflict of interest arises, the Directors concerned do not participate in discussions and refrain from exercising any influence over other members of the Board. Prior to entry by the Company into an IPT, the Board and AC will review such a transaction to ensure that the relevant rules under Chapter 9 of the Listing Manual are complied with.

In FY2020 there were no IPTs involving transactions of more than S$100,000 and the Company did not seek shareholders' mandate pursuant to Rule 920 of the Listing Manual.

CORPORATE GOVERNANCE **REPORT**

MATERIAL CONTRACTS

There was no material contact involving the interests of any director or controlling shareholder entered into by the Company or any of its subsidiaries since the end of the previous financial year. There was no such contract subsisted at the end of the financial year under review.

SUSTAINABILITY REPORT

The Sustainability Report of the Company has been released via SGXNet on 31 May 2021.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The directors present their statement to the members together with the audited consolidated financial statements of KTL Global Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2020.

In the opinion of the directors,

(i) the consolidated financial statements are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity of the Group and of the Company, and the cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

(ii) at the date of this statement, after considering the measures taken by the Group and the Company as described in Note 2.1(b) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Chong Eng Wee
Chng Hee Kok (appointed on 24 July 2020)
Tso Sze Wai (appointed on 9 June 2020)
Chin Teck Oon (appointed on 28 April 2021)
Chua Thiam Chwee (appointed on 28 April 2021)
Teh Chong Seng (appointed on 28 April 2021)

The directors of the Company who resigned between the date of the previous directors' statement up to the date of this statement are as follows:

Lim Yeow Hua @ Lim You Qin (resigned on 29 June 2020)
Tan Kheng Kuan (resigned on 29 June 2020)
Liu Changsheng (resigned on 31 July 2021)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Cap. 50, none of the directors holding office at the end of the financial period had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Direct interests		Deemed interests	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
The Company				
Ordinary shares				
Tan Kheng Kuan (resigned on 29 June 2020)	977,756	–	123,200,000	–
Liu Changsheng	–	–	47,000,000	83,079,000

There was no change in any of the above-mentioned interest in the Company and its related corporations between the end of the financial period and 21 January 2021.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTIONS

During the financial period, no options to take up unissued shares of the Company or any subsidiaries were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries. There were no unissued shares of the Company or any subsidiaries under option at the end of the financial period.

AUDIT COMMITTEE

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap 50, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance. The functions performed are detailed in the Corporate Governance Report.

INDEPENDENT AUDITORS

The independent auditors, RT LLP, have expressed their willingness to accept the appointment as auditors of the Company.

On behalf of the Board of Directors

CHNG HEE KOK
Director

CHIN TECK OON
Director

30 August 2021

INDEPENDENT AUDITOR'S **REPORT**

TO THE MEMBERS OF KTL GLOBAL LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit the financial statements of KTL Global Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

(I) Trade receivables and corresponding revenue

1. During our audit, we noted the following with regards to trade receivables and the corresponding revenue during the current financial year:

   (a) Bluegas Private Ltd ("Bluegas") had contracted with four Branding, Operation and Procurement ("BOP") customers in the People's Republic of China ("PRC"). The contracts were signed by Mr. Liu XiaoQing ("LXQ"), the Chief Executive Officer of Shenzhen Green Leopard Medical Technology Co., Ltd.. We were not able to obtain satisfactory explanations as to why LXQ was able to act on behalf of the four BOP customers. We were not able to ascertain the authority under which LXQ signed on behalf of the BOP customers. Consequently, there could be related party relationships and arrangements, directly or indirectly, that are beyond the scope of our audit procedures, which would require further investigation.

   (b) Purported collections during the year from the four BOP customers were received through third-party remittance firms in multiple tranches without any written evidence of whom the payments were from or what the payments were for. The determination of which debtor's accounts were to be credited with the payments was directed by LXQ to Bluegas. Firstly, it is not common that a party outside the Company would give directions as to who should be credited with incoming funds. Secondly, we were not able to validate the basis of allocation by LXQ against accounting records. Consequently, we were not able to match receipts to specific invoices or trade debtors. Without evidence to support and trace the source of funds, purpose of funds and proper allocation of funds, these movements of funds need to be investigated further. They do not appear to be borne out of normal course of business, at least to the extent of the revenue generation activities in the year under audit.

   (c) As stated in Note 29B to the financial statements, on 19 May 2021, the Company and one of its subsidiaries, Bluegas, together with Mr. Liu ChangSheng were served with an originating summons taken out by the solicitors of Lawrence Group Inc, a company incorporated in the United States of America, in relation to the supply of surgical gloves.

INDEPENDENT AUDITOR'S **REPORT**

TO THE MEMBERS OF KTL GLOBAL LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Basis for Disclaimer of Opinion (Continued)

(I) Trade receivables and corresponding revenue (Continued)

(d) Related to (b) above, we noted that the accounting treatment of the receipts by Bluegas of an aggregate amount of US$700,000 directly and indirectly from Lawrence Group Inc from September 2020 to November 2020, was irregular. These monies were used to partially offset the balances of the four trade debtors even though the remittances were clearly done by a non-PRC entity from the United States of America and were in United States Dollars. Bluegas continued to record these amounts as trade receivables collections in the accompanying financial statements of the Group even after it was made aware by Lawrence Group Inc through the originating summons on 19 May 2021 that it had made the remittances on the understanding it was for a purported purchase of surgical gloves. To our understanding, Bluegas is not in the production or sales of surgical gloves.

(e) Audit confirmations of balances as at 31 December 2020 with the four trade debtors were provided by the management of Bluegas to us instead of the trade debtors replying to us directly. Our attempts to contact the four trade debtors to verify those confirmations were unsuccessful. On 13 August 2021, we received confirmations from two trade debtors through emails which we were not able to verify the authenticity. We were also unable to perform alternative audit procedures to verify the existence and valuation of those trade debtors.

2. Consequently, we were unable to satisfy ourselves in respect of:

(a) the existence; rights and obligations; accuracy valuation and allocation; and classification of trade receivables of S$3,959,000 and allowance for doubtful debt of S$3,959,000 (Note 11 to the financial statements) and their related disclosures in the financial statements as at 31 December 2020; and

(b) the occurrence of revenue of S$1,961,000 (Note 19 to the financial statements) and its related disclosures in the financial statements for the financial year ended 31 December 2020.

(II) Allocation of dividends and profits/losses of Bluegas between the Company and the non-controlling interest ("NCI") of Bluegas

1. We refer to Note 18(c) to the financial statements which describes the special arrangement with the NCI of Bluegas with respect to the ratios of allocation of performance dividends of Bluegas between the Company and the NCI of Bluegas.

2. We noted that the allocation of profits/losses of Bluegas between the Company and the NCI of Bluegas follows the same ratios as that for the performance dividends.

3. As we were unable to obtain satisfactory explanations from the management of Bluegas, we were unable to understand the rationale for implementing the aforesaid special arrangement and whether it was done in the best interest of equity holders of the Company or otherwise.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1(b) in the financial statements. As at 31 December 2020, the Company was in a net current liability position and net liability position of S$87,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S **REPORT**

TO THE MEMBERS OF KTL GLOBAL LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by a subsidiary corporation, Bluegas Private Ltd incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

The accounting and other records required by the Act to be kept by the other subsidiary corporation, Kimtech Private Ltd incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. New Boon Poh.

RT LLP
Public Accountants and
Chartered Accountants
Singapore

30 August 2021

STATEMENTS OF FINANCIAL **POSITION**

AS AT 31 DECEMBER 2020

	Note	Group As at 31 Dec 2020 $'000	Group As at 31 Dec 2019 $'000	Company As at 31 Dec 2020 $'000	Company As at 31 Dec 2019 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	**46**	75	**–**	–
Subsidiaries	8	**–**	–	**–**	50
		46	75	**–**	50
Current assets					
Trade receivables	11	**–**	11,171	**–**	–
Other receivables, deposits and prepayments	10	**32**	26	**23**	17
Amount due from a subsidiary	12	**–**	–	**–**	647
Cash and bank balances	13	**986**	136	**6**	91
		1,018	11,333	**29**	755
Assets of disposal group classified as held-for-sale	14	**–**	37,096	**–**	1
		1,018	48,429	**29**	756
TOTAL ASSETS		**1,064**	48,504	**29**	806
LIABILITIES					
Current liabilities					
Trade payables		**12**	1,209	**12**	29
Contract liabilities	19(a)	**–**	2,910	**–**	–
Other payables and accruals	15	**156**	337	**94**	280
Interest-bearing loans and borrowings	16	**31**	29	**–**	–
Income tax payable		**452**	2,030	**–**	–
		651	6,515	**106**	309
Liabilities directly associated with disposal group classified as held-for-sale	14	**–**	57,837	**–**	–
		651	64,352	**106**	309
Non-current liabilities					
Interest-bearing loans and borrowings	16	**19**	51	**–**	–
		19	51	**–**	–
TOTAL LIABILITIES		**670**	64,403	**106**	309
NET ASSETS/(LIABILITIES)		**394**	(15,899)	**(77)**	497
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	17	**36,776**	36,776	**36,776**	36,776
Reserves	18	**(35,453)**	(54,963)	**(36,853)**	(36,279)
		1,323	(18,187)	**(77)**	497
Non-controlling interests		**(929)**	2,288	**–**	–
TOTAL EQUITY/(DEFICIT)		**394**	(15,899)	**(77)**	497

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group 31 Dec 2020 $'000	Group 31 Dec 2019 $'000
Continuing operations			
Revenue	19	**1,961**	13,686
Cost of sales		**(767)**	(1,179)
Gross profit		**1,194**	12,507
Other operating income	20	**20**	74
Administrative expenses		**(5,697)**	(1,628)
Sales and marketing expenses		**(64)**	(131)
Finance costs	22	**(7)**	(8)
(Loss)/profit before tax	23	**(4,554)**	10,814
Income tax credit/(expense)	24	**1,416**	(2,019)
(Loss)/profit from continuing operation		**(3,138)**	8,795
Discontinued operations			
Profit/(loss) from discontinued operations, net of tax	14	**21,525**	(3,546)
Total profit		**18,387**	5,249
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
– Currency translation differences arising from consolidation		**–**	334
– Reclassification of reserves upon disposal of subsidiaries		**(774)**	–
Other comprehensive (loss)/income, net of tax		**(774)**	334
Total comprehensive profit for the year		**17,613**	5,583
Profit/(loss) attributable to:			
Equity holders of the Company		**20,182**	(1,247)
Non-controlling interests		**(1,795)**	6,496
		18,387	5,249
Profit/(loss) attributable to equity holders of the Company relates to:			
(Loss)/profit from continuing operations		**(1,343)**	2,319
Profit/(loss) from discontinued operations		**21,525**	(3,566)
		20,182	(1,247)
Total comprehensive (loss)/Income attributable to:			
Equity holders of the Company		**19,510**	(913)
Non-controlling interests		**(1,897)**	6,496
		17,613	5,583
Loss per share ("LPS") or profit per share ("PPS") attributable to equity holders of the Company (cents per share)	25		
Basic (LPS)/PPS			
From continuing operations		**(0.43)**	0.73
From discontinued operations		**6.82**	(1.13)
Diluted (LPS)/PPS			
From continuing operations		**(0.43)**	0.73
From discontinued operations		**6.82**	(1.13)

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN **EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Attributable to equity holders of the Company								
2020	**Share capital $'000**	**Treasury shares reserve $'000**	**Premium paid on acquisition of non-controlling interest $'000**	**Translation (deficit)/ surplus $'000**	**Statutory reserve fund $'000**	**Accumulated losses $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total (deficit)/ equity $'000**
Balance at 1 January 2020	**36,776**	**(706)**	**(60)**	**717**	**15**	**(54,929)**	**(18,187)**	**2,288**	**(15,899)**
Profit for the year	–	–	–	–	–	**20,182**	**20,182**	**(1,795)**	**18,387**
Other comprehensive income, net of tax									
Reclassification of reserves upon disposal of subsidiaries	–	–	**60**	**(717)**	**(15)**	–	**(672)**	**(102)**	**(774)**
Total comprehensive profit for the year	–	–	**60**	**(717)**	**(15)**	**20,182**	**19,510**	**(1,897)**	**17,613**
Distributions to owners									
Dividends paid (Note 18(c))	–	–	–	–	–	–	–	**(1,320)**	**(1,320)**
Total contributions by and distributions to owners	–	–	–	–	–	–	–	**(1,320)**	**(1,320)**
Balance at 31 December 2020	**36,776**	**(706)**	–	–	–	**(34,747)**	**1,323**	**(929)**	**394**

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN **EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Attributable to equity holders of the Company								
2019	**Share capital $'000**	**Treasury shares reserve $'000**	**Premium paid on acquisition of non-controlling interest $'000**	**Translation (deficit)/ surplus $'000**	**Statutory reserve fund $'000**	**Accumulated losses $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total (deficit) $'000**
Balance at 1 January 2019	36,776	(706)	(60)	(2,591)	15	(50,609)	(17,175)	73	(17,102)
Adoption of SFRS(I) 1 (Note 2.2)	–	–	–	2,974	–	(2,974)	–	–	–
Adoption of SFRS(I) 9 (Note 2.2)	–	–	–	–	–	(50)	(50)	–	(50)
Adoption of SFRS(I) 16 (Note 2.2)	–	–	–	–	–	(49)	(49)	–	(49)
Balance at 1 January 2019 (as restated)	36,776	(706)	(60)	383	15	(53,682)	(17,274)	73	(17,201)
Loss for the year	–	–	–	–	–	(1,247)	(1,247)	6,496	5,249
Other comprehensive income, net of tax	–	–	–	334	–	–	334	–	334
Total comprehensive loss for the period	–	–	–	334	–	(1,247)	(913)	6,496	5,583
Contributions to owners									
Dividend paid (Note 18(c))	–	–	–	–	–	–	–	(4,281)	(4,281)
Total contributions by and distributions to owners	–	–	–	–	–	–	–	(4,281)	(4,281)
Balance at 31 December 2019	36,776	(706)	(60)	717	15	(54,929)	(18,187)	2,288	(15,899)

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN **EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Company:	**Share capital $'000**	**Treasury shares reserves $'000**	**Accumulated losses $'000**	**Total equity/(deficit) $'000**
Balance at 1 January 2019	36,776	(706)	(35,697)	373
Profit for the year, representing total comprehensive income for the year	–	–	124	124
Balance at 31 December 2019	36,776	(706)	(35,573)	497
Balance at 1 January 2020	36,776	(706)	(35,573)	497
Loss for the year, representing total comprehensive loss for the year	–	–	(574)	(574)
Balance at 31 December 2020	**36,776**	**(706)**	**(36,147)**	**(77)**

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	31 Dec 2020 $'000	31 Dec 2019 $'000
Cash flows from operating activities			
Total profit		**18,387**	5,249
Adjustments:			
Income tax (credit)/expenses		**(1,416)**	2,130
Reversal of impairment on plant and equipment	4	**–**	(394)
Depreciation of property, plant and equipment	4	**29**	1,703
Depreciation of investment properties	7	**–**	25
Amortisation of prepaid land lease	6	**–**	123
Impairment loss on trade receivables	23	**3,959**	–
Reversal of impairment loss		**–**	(5)
Bad debts written off		**–**	93
Debts waived by related company		**–**	(527)
Loss on disposal of property, plant and equipment		**–**	182
Gain on disposal of discontinued operation	14	**(21,525)**	–
Interest expense		**7**	1,738
Foreign exchange loss		**–**	297
Operating (loss)/profit before working capital changes		**(559)**	10,614
Inventories		**–**	(869)
Trade and other receivables		**4,296**	(7,650)
Trade and other payables		**(1,378)**	(390)
Cash generated from operations		**2,359**	1,705
Income tax paid		**(162)**	(111)
Net cash from operating activities		**2,197**	1,594

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	31 Dec 2020 $'000	31 Dec 2019 $'000
Cash flows from investing activities			
Net cash flow from disposal of discontinued operation	14	**10**	–
Purchase of property, plant and equipment	A	**–**	(1,509)
Proceeds from disposal of property, plant and equipment		**–**	1,456
Proceeds from liquidation of joint venture	9	**–**	502
Net cash from investing activities		**10**	449
Cash flows from financing activities			
Loans from controlling shareholders		**–**	5,310
Repayments of interest-bearing loans and borrowings		**(37)**	(3,541)
Financing cash flows related to liabilities	16	**(37)**	1,769
Interest paid		**–**	(1,738)
Dividend paid to non-controlling interest		**(1,320)**	(4,281)
Net cash used in financing activities		**(1,357)**	(4,250)
Net increase/(decrease) in cash and cash equivalents		**850**	(2,207)
Cash and cash equivalents at beginning of year		**136**	2,453
Effects of exchange rate changes in cash and cash equivalents		**–**	3
Cash and cash equivalents		**986**	249
Cash and cash equivalents are classified as assets of disposal group classified as held-for-sale	14	**–**	(113)
Cash and cash equivalents at the end of year	13	**986**	136

Note A

	Note	31 Dec 2020 $'000	31 Dec 2019 $'000
Total additions to property, plant and equipment	4	**–**	1,596
Less: Amount financed through finance lease		**–**	(87)
Purchase of property, plant and equipment per consolidated statement of cash flows		**–**	1,509

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

These notes form an integral part of and should be read in conjunction with the accompanying 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"). 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.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are shown in Note 8.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2020 were authorised for issue by the Board of Directors on the date of statement by directors.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

(a) Basis of accounting

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

The financial statements are presented in Singapore Dollars ("SGD") and rounded to nearest thousand ($'000) except when otherwise indicated.

(b) Going concern

As at 31 December 2020, the Company was in a net liability position of $77,000 (2019: net asset position of $497,000). These conditions indicate an existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Notwithstanding the above, the Company's financial statements have been prepared on a going concern basis as the management is of view that the Company will be able to continue as a going concern with the proceeds from placement of shares amounting to approximately $3 million.

If the Company is unable to continue in operational existence for the foreseeable future, the Company 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 statement of financial position. In addition, the Company 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 financial statements.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of new and amended standards and interpretations

During financial year ended 31 December 2019, the Group and the Company prepared its first set of financial statements in accordance with SFRS(I)s. On preparing the financial statements, the Group's and the Company's opening statements of financial position were not presented as at 1 January 2019, the Group's and the Company's date of transition to SFRS(I)s. This is due to the retrospective application, retrospective restatement or the reclassification did not have any material effect on the information in the statements of financial position as at 1 January 2019. The principal adjustments made by the Group on adoption of SFRS(I)s and the adoption of the new standards that are effective on 1 January 2018 and 2019 are disclosed below.

Exemptions applied on adoption of SFRS(I)s

SFRS(I)s allow first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I)s. The Group has applied the following exemptions:

- SFRS(I) 3 *Business Combinations* has not been applied to either acquisitions of subsidiaries that are considered businesses under SFRS(I)s, or acquisitions of interests in associates and joint ventures that occurred before 1 July 2017. The carrying amounts of assets and liabilities at the date of transition to SFRS(I)s is the same as previously reported under Financial Reporting Standards ("FRSs").

- SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* has not been applied retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I)s. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

- Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, 1 July 2017. As a result, an amount of $2,974,000 was adjusted against the opening retained profits as at 1 July 2017.

- The comparative information do not comply with SFRS(I) 9 *Financial Instruments* or SFRS(I) 7 *Financial Instruments*: Disclosures to the extent the disclosures related to items within the scope of SFRS(I) 9.

Except for the impact arising from the exemptions applied as described above and the adoption of SFRS(I) 9 described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

SFRS(I) 1 First-time Adoption of SFRS(I)s

The Group is required to retrospectively apply all SFRS(I)s effective at the end of the first SFRS(I)s reporting period which is the financial year ending 31 December 2019, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The Group has elected the relevant optional exemptions and the exemptions resulting in adjustments to the Group's financial statements is as follows:

<u>Cumulative translation differences</u>

The Group has elected for the optional exemption to reset its cumulative translation differences for all foreign operations to nil at the date of transition at 1 July 2017. As a result, cumulative translation losses of $2,974,000 are reclassified from foreign currency translation reserves to retained profits as at 1 July 2017 for the Group. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before 1 July 2017.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of new and amended standards and interpretations (Continued)

SFRS(I) 9 Financial Instruments

On 1 January 2019, the Group adopted SFRS(I) 9 Financial Instruments, which is effective for annual periods beginning on or after 1 January 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) 1 and has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 9 adoption was included in the opening retained profits at the date of initial application, 1 January 2019. The comparative information was prepared in accordance with the requirements of FRS 39.

The effect of adopting SFRS(I) 9 for the Group as at 1 January 2019 were at follows:

	Reference	**(Decrease)/Increase**
		$
Assets		
Trade receivables	(b)	(50)
Total assets		**(50)**
Total adjustment on equity:		
Accumulated losses	(b)	50
		50

The nature of the adjustments are described below:

(a) Classification and measurement

SFRS(I) 9 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL"). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

The Group has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Group's financial liabilities.

The classification and measurement requirements of SFRS(I) 9 did not have a significant impact to the Group.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of new and amended standards and interpretations (Continued)

SFRS(I) 9 Financial Instruments (Continued)

(a) Classification and measurement (Continued)

In summary, upon the adoption of SFRS(I) 9, the Group had the following required or elected reclassifications as at 1 January 2019:

		SFRS(I) 9 measurement category		
FRS 39 measurement category	**$'000**	**FVPL $'000**	**FVOCI $'000**	**Amortised cost $'000**
Loans and receivables				
Trade receivables (Note 13)	6,916	–	–	6,916
Other receivables (Note 10)	846	–	–	846
Amounts owing by associate and joint venture companies (Note 14(b))	198	–	–	198
		–	–	7,960

(b) Impairment

SFRS(I) 9 requires the Group to record expected credit losses ("ECLs") on its financial assets measured at amortised cost, debt securities at FVOCI and financial guarantees. The Group previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired.

Upon adoption of SFRS(I) 9, the Group recognised additional impairment of $50,000 on the Group's trade receivables, resulting in a increase in accumulated losses $50,000 as at 1 January 2019.

The reconciliation for allowance for doubtful receivable for the Group are as follow:

	Allowance for impairment under FRS 39 as at 31 December 2018 $'000	**Remeasurement $'000**	**ECL under SFRS(I) 9 as at 1 January 2019 $'000**
Loan and receivables under FRS 39/Financial assets at amortised cost under SFRS(I) 9	(3,080)	(50)	(3,130)

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of new and amended standards and interpretations (Continued)

SFRS(I) 16 Leases

On 1 January 2019, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I). The effect of adoption of the adoption of SFRS(I) 16 Leases to the Group's accounting policies and and on the amounts reported are disclosed as follow:

(a) When the Group is the lessee

Prior to the adoption of SFRS(I) 16, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Group's accounting policy on leases after the adoption of SFRS(I) 16 is as disclosed in Note 2.11.

On initial application of SFRS(I) 16, the Group has elected to apply the following practical expedients:

(i) For all contracts entered into before 1 January 2019 and that were previously identified as leases under SFRS(I) 1-17 Lease and SFRS(I) INT 4 Determining whether an Arrangement contains a Leases, the Group has not reassessed if such contracts contain leases under SFRS(I) 16; and

(ii) On a lease-by-lease basis, the Group has:

(a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;

(b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;

(c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;

(d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and

(e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 January 2019.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of new and amended standards and interpretations (Continued)

SFRS(I) 16 Leases (Continued)

For leases previously classified as operating leases on 1 January 2019, the Group has applied the following transition provisions:

(i) On a lease-by-lease basis, the Group chose to measure its ROU assets (except for ROU assets which meet the definition of investment property) at a carrying amount as if SFRS(I) 16 had been applied since the commencement of the lease but discounted using the incremental borrowing rate at 1 January 2019.

(ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 January 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.

(iii) The difference between the carrying amounts of the ROU assets and lease liabilities as at 1 January 2019 is adjusted directly to opening accumulated losses. Comparative information is not restated.

(iv) For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liability as at 1 January 2019 are determined as the carrying amount of the ROU assets and lease liabilities.

The effects of adoption of SFRS(I) 16 on the Group's financial statements as at 1 January 2019 are as follows

	Increase **$**
Property, plant and equipment	670
Borrowings	719
Accumulated losses	49

In the current financial year ended 31 December 2020, the accounting policies adopted are consistent with those previously applied under SFRS(I)s. The adoption of these standards does not have any material impact to the financial performance or position of the Group and the Company.

Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 16: *Leases (Covid-19-Related Rent Concessions)*	1 June 2020
Amendments to SFRS(I) 16: *Leases (Covid-19-Related Rent Concessions beyond 30 June 2021)*	1 April 2021
Annual improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: *Presentation of Financial Statements* (Classification of Liabilities as Current or Non-current)	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of new and amended standards and interpretations (Continued)

SFRS(I) 16 Leases (Continued)

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application.

2.3 Group accounting

(i) Subsidiaries

(a) Basis of consolidation

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(b) Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement. Acquisition-related costs, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with SFRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured until it is finally settled within equity.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (Continued)

(i) Subsidiaries (Continued)

(b) Acquisition of businesses (Continued)

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to recognise them either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, at the date of acquisition.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

(c) Disposals of subsidiaries or businesses

The assets and liabilities of the subsidiary, including any goodwill, are derecognised when a change in the Company's ownership interest in a subsidiary result in a loss of control over the subsidiary. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss. Subsequently, the retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(ii) Transactions with non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(iii) Joint ventures

The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share control over the economic activity of the entities with one or more parties. The Group recognises its interest in the joint venture using proportionate consolidation method. Proportionate consolidation involves combining the Group's share of the joint ventures' income and expenses, assets and liabilities and cash flows of the jointly-controlled entities on a line-by-line basis with similar items in the Group's financial statements.

When the Group sells assets to a joint venture, the Group recognises only the portion of gains or losses on the sale of assets that is attributable to the interest of the other venturers. The Group recognises the full amount of any loss when the sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss. When the Group purchases assets from a joint venture, it does not recognise its share of the profits of the joint ventures arising from the Group's purchase of assets until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (Continued)

(iii) Joint ventures (Continued)

The accounting policies of joint ventures have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Upon loss of joint control, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the former joint venture entity upon loss of joint venture control and the aggregate of the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries and joint ventures, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.4 Currency translation

(i) Functional and presentation currency

The individual financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Singapore dollars, which is the functional currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(iii) Translation of the Group's financial statements

The assets and liabilities of foreign operations are translated into Singapore dollars at the rate of exchange ruling at the reporting date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Currency translation (Continued)

(iii) Translation of the Group's financial statements (Continued)

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (see the accounting policy for borrowing costs as set out in this Note). The cost of an item of property, plant and equipment including subsequent expenditure is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of property, plant and equipment is required to be replaced in intervals, the Group recognises such parts as individual assets with specific lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance expenses are recognised in profit or loss when incurred.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

All items of property, plant and equipment are depreciated using the straight-line method to write-off the cost of the assets over their estimated useful lives as follows:

	Useful lives (Years)
Leasehold building	30 to 50
Buildings	2 to 3
Plant and machinery	5 to 15
Motor vehicles	3 to 10
Furniture and fittings	5
Office equipment	5
Renovation	5
Computers	5

The estimated useful life and depreciation method are reviewed, and adjusted as appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Fully depreciated assets are retained in the financial statements until they are no longer in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss within "Other operating income/(expenses)".

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Prepaid land lease

Prepaid land lease are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised on a straight-line basis over the lease term of 30 years.

2.7 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of investment properties is met and they are accounted for as finance leases.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. The properties are continued to be depreciated over its remaining useful life.

	Useful lives
Investment properties	50

The useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the investment properties.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The gain or loss on the retirement or disposal of an investment property is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in statement of profit or loss and other comprehensive income in the year of retirement or disposal within "Other operating income/(expenses)".

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of non-financial assets (Continued)

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecasts calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth years.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 Financial Instruments

(a) Financial assets

Classification and measurement

Financial assets are classified into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial Instruments (Continued)

(a) Financial assets (Continued)

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of trade and other receivables (excluding prepayments), amounts owing by subsidiaries, and cash and bank balances.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL.

(a) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(b) FVOCI

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(c) FVPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial Instruments (Continued)

(a) Financial assets (Continued)

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, the Group becomes a party to contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of financial assets

The Group recognises an allowance for ECLs for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.11 Leases

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within “Property, plant and equipment”.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Leases (Continued)

(a) When the Group is the lessee: (Continued)

(ii) Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

- There is a change in future lease payments arising from changes in an index or rate;
- There is a changes in the Group's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.12 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions, and short term, highly liquid investments readily convertible to known amounts of cash and subjected to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised as a liability at their fair values, adjusted for transaction costs directly attributable to the issuance of the guarantees. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liabilities will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recorded at fair value, net of transaction costs and subsequently carried for at amortised costs using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings which are due to be settled within twelve months after the reporting date are included in current borrowings in the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue.

2.15 Share capital and treasury shares

Proceeds from issuance of ordinary shares are classified as share capital in equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

When ordinary shares are reacquired ("treasury shares"), the amount of consideration paid including any directly attributable incremental costs is presented as a component within equity, until they are cancelled, sold or reissued. When treasury shares are subsequently cancelled, the cost of the treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company, if the shares are purchased out of earnings of the Company. When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the treasury shares reserve of the Company.

2.16 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Branding, Operation and Procurement (BOP) services

Revenue from BOP services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the monthly rendered services relative to the relevant quarter.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Employees' benefits

(i) Retirement benefits

The Group participates in the national schemes as defined by the laws of the countries in which it has operations.

Singapore

The Company makes contribution to the Central Provident Fund (CPF) Scheme in Singapore, a defined contribution pension scheme.

Malaysia

The Company makes contribution to the Employee Provident Fund (EPF) Scheme in Malaysia, a defined contribution pension scheme.

(ii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the reporting date.

(iii) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

2.18 Taxes

(a) Current income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been substantially enacted by the reporting date in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Taxes (Continued)

(b) Deferred tax

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associate, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the financial year; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in other comprehensive income. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Goods and Service Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.19 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are deducted in reporting the related expense.

2.20 Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (Chief Executive Officer) responsible for allocating resources and assessing performance of the operating segments.

2.22 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and:

(a) represents a separate major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

3. 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.

(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. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. In estimating the future cash flows, management has taken into account past performance, market expectation and the Group's marketing plan.

The carrying amounts and further details of the key assumptions and the sensitivity analysis for the impairment assessment of property, plant and equipment and subsidiaries are disclosed in Notes 4 and 8 to the financial statements.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(i) Critical accounting estimates and assumptions (Continued)

(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.

The carrying amounts of trade receivables and the allowance for doubtful trade receivables as at 31 December 2020 are disclosed in Note 11.

(c) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 2 to 50 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. The carrying amount of the Group's property, plant and equipment as at 31 December 2020 is disclosed in Note 4.

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

(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.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold building $'000	Buildings $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fittings $'000	Office equipment $'000	Renovation $'000	Computers $'000	Total $'000
Cost									
As at 1 January 2019	7,822	–	17,654	1,858	1,203	377	2,304	1,026	32,244
Adoption of SFRS(I) 16	–	980	-	423	-	241	-	-	1,644
Additions	90	229	1,159	81	29	4	–	4	1,596
Disposals	–	–	(3,793)	(1,031)	(30)	–	(3)	–	(4,857)
Written off	–	(490)	–	(38)	–	–	–	–	(528)
Reclassified to computers	–	–	–	–	–	(4)	–	4	–
Reclassified to disposal group (Note 14)	(7,859)	(632)	(14,938)	(1,290)	(1,177)	(618)	(2,297)	(1,033)	(29,844)
Exchange differences	(53)	–	(82)	(3)	(25)	–	(4)	(1)	(168)
As at 31 December 2019 and 2020	–	87	–	–	–	–	–	–	87
Accumulated depreciation and impairment loss									
As at 1 January 2019	1,071	–	14,323	869	1,201	356	2,280	1,001	21,101
Adoption of SFRS(I)16	–	490	–	327	–	157	–	–	974
Charge for the period									
– Continuing operations (Note 23)	–	12	–	–	–	–	–	–	12
– Discontinued operations	195	590	604	228	4	55	6	9	1,691
Disposals	–	–	(2,182)	(612)	(30)	–	(1)	–	(2,825)
Written off	–	(490)	–	(38)	–	–	–	–	(528)
Reclassified to computers	–	–	–	–	–	(4)	–	4	–
Reclassified to disposal group (Note 14)	(1,261)	(590)	(12,296)	(771)	(1,150)	(564)	(2,279)	(1,013)	(19,924)
Reversal of Impairment loss	–	–	(392)	–	–	–	(2)	–	(394)
Exchange differences	(5)	–	(57)	(3)	(25)	–	(4)	(1)	(95)
As at 31 December 2019	–	12	–	–	–	–	–	–	12
As at 1 January 2020	–	12	–	–	–	–	–	–	12
Charge for the year	–	29	–	–	–	–	–	–	29
As at 31 December 2020	–	41	–	–	–	–	–	–	41
Net carrying amount									
As at 31 December 2019	–	75	–	–	–	–	–	–	75
As at 31 December 2020	–	46	–	–	–	–	–	–	46

(a) Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 5(a).

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

5. LEASES – THE GROUP AS A LESSEE

Nature of the Group's leasing activities

Buildings

The Group leases office space for the purpose of back office operations.

Office equipment and motor vehicles

The Group leases office equipment for the office operation and leases motor vehicles for the transportation of goods.

(a) Carrying amounts

	31 Dec 2020 $'000	31 Dec 2019 $'000
Right-of-use assets classified within property, plant and equipment		
Buildings	**46**	75

(b) Depreciation charge during the year

	31 Dec 2020 $'000	31 Dec 2019 $'000
Buildings	**29**	602
Office equipment	**–**	48
Motor Vehicles	**–**	77
	29	727

(c) Interest expense

	31 Dec 2020 $'000	31 Dec 2019 $'000
Interest expense on lease liabilities		
– Under discontinued operation	**–**	50
– Under continuing operation	**7**	8
	7	58

(d) Lease expense not capitalised in lease liabilities

	31 Dec 2020 $'000	31 Dec 2019 $'000
Lease expense – short-term leases	**45**	315
Lease expense – low-value leases	**–**	34
	45	349

(e) Total cash outflow for all the leases in 2020 was $82,000 (2019: $1,454,000).

(f) Addition of right-of-use assets during the financial year 2020 was Nil (2019: $229,000).

(g) Future cash outflow which are not capitalised in lease liabilities.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

5. LEASES – THE GROUP AS A LESSEE (CONTINUED)

(h) Extension options

The leases for certain office spaces, equipment and motor vehicles contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

6. PREPAID LAND LEASE

	Group	
	As at 31 Dec 2020 $'000	**As at 31 Dec 2019 $'000**
Cost		
At beginning of year	–	3,713
Reclassified to disposal group (Note 14)	–	(3,695)
Exchange differences	–	(18)
At end of year	–	–
Accumulated amortisation and impairment loss		
At beginning of year	–	639
Amortisation for the year	–	123
Reclassified to disposal group (Note 14)	–	(759)
Exchange differences	–	(3)
At end of year	–	–
Net carrying amount	–	–

7. INVESTMENT PROPERTIES

	Group	
	As at 31 Dec 2020 $'000	**As at 31 Dec 2019 $'000**
Cost		
At beginning of year	–	1,748
Reclassified to disposal group (Note 14)	–	(1,739)
Exchange differences	–	(9)
At end of year	–	–
Accumulated depreciation and impairment loss		
At beginning of year	–	93
Depreciation for the year	–	25
Reclassified to disposal group (Note 14)	–	(118)
Exchange difference	–	^
At end of year	–	–
Net carrying amount	–	–

^Less than $1,000

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8. SUBSIDIARIES

	Company As at 31 Dec 2020 $'000	Company As at 31 Dec 2019 $'000
Unquoted equity shares, at cost		
– KTL Offshore Pte. Ltd. ("KTLO")	**–**	29,662
– KTL Investment Pte. Ltd. ("KTLI")	**–**	1
– Bluegas Private Limited ("Bluegas")	**50**	50
– Kimtech Private Ltd ("Kimtech")	**^**	–
Reclassified to disposal group (Note 14)	**–**	(29,663)
	50	50
Less: Impairment loss	**(50)**	–
	–	50

^Less than $1,000

The movement in allowance for impairment loss is as follows:

	Company As at 31 Dec 2020 $'000	Company As at 31 Dec 2019 $'000
At beginning of the year	**–**	13,160
Additions	**50**	16,502
Reclassified to disposal group (Note 14)	**–**	(29,662)
At end of the year	**50**	–

Impairment testing of investment in subsidiary

As at reporting date, management performed an impairment test for the investment in subsidiaries that recorded operating losses and have been in equity deficit. As a result, an impairment loss of $50,000 (2019: S$16,502,000) was recognised for the financial year ended 31 December 2020.

Name of companies	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest As at 31 Dec 2020 %	Proportion (%) of ownership interest As at 31 Dec 2019 %
Held by the Company				
KTL Offshore Pte. Ltd.	Trading of rigging equipment and related services	Singapore	–	100
KTL Investment Pte. Ltd.	Investment holding	Singapore	–	100
Bluegas Private Limited (Formerly known as Yingjie Holdings Private Limited)[(i)]	Provision of technical, operational, procurement management services and other related services.	Singapore	80	80

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8. SUBSIDIARIES (CONTINUED)

Impairment testing of investment in subsidiary (Continued)

Name of companies	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest As at 31 Dec 2020 %	As at 31 Dec 2019 %
Kimtech Private Ltd[(i)]	Development of e-commerce applications and wholesale on a fee or contract basis.	Singapore	51	–
Held through KTL Offshore Pte. Ltd.				
PT. KTL Offshore Indonesia	Inspection and certification of lifting equipment and certification of wire ropes	Indonesia	–	95
KTL Offshore (Middle East) FZC	Trading of rigging equipment and related services	United Arab Emirates	–	98
KTL Offshore (Malaysia) Sdn. Bhd.	Trading of rigging equipment and related services	Malaysia	–	100
KTL Offshore Services Pte. Ltd.	Inspection and certification of lifting equipment and certification of wire ropes	Singapore	–	100
KTL Offshore Trading (Malaysia) Sdn. Bhd.	Trading of rigging equipment	Malaysia	–	100
KTL Offshore Services (Malaysia) Sdn. Bhd.	Provision of services to customers mainly in the offshore, oil and gas and marine industries	Malaysia	–	100
Future Synthetics Pte. Ltd.	Developing and advancing the technology of synthetics material for use in the manufacture of heavy lift synthetics slings	Singapore	–	100
Held through KTL Investment Pte. Ltd.				
KTL Realty Holding Sdn Bhd	Property investment	Malaysia	–	100

(i) Audited by RT LLP, Singapore

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8. SUBSIDIARIES (CONTINUED)

	As at 31 Dec 2020 $'000	As at 31 Dec 2019 $'000
Carrying value of non-controlling interests		
Bluegas Private Limited	**(924)**	2,186
Other subsidiaries with immaterial non-controlling interest	**(5)**	102
Total	**(929)**	2,288

Summarised financial information of subsidiary with material non-controlling interests

Set out below are the summarised financial information for the subsidiary that has non-controlling interests that are material to the Group. The summarised financial information below represents amounts before intragroup eliminations.

Bluegas Private Limited

	As at 31 Dec 2020 $'000	As at 31 Dec 2019 $'000
Current		
Assets	**995**	11,225
Liabilities	**(1,265)**	(6,855)
Net current (liabilities)/assets	**(270)**	4,370
Non-current		
Assets	**46**	75
Liabilities	**(19)**	(51)
	27	24
Net (liabilities)/assets	**(243)**	4,394

Summarised statement of comprehensive income

	Bluegas Private Limited	
	31 Dec 2020 $'000	31 Dec 2019 $'000
Revenue	**1,961**	13,686
Expenses	**(5,614)**	(1,705)
(Loss)/profit before tax	**(3,653)**	11,981
Income tax credit/(expense)	**1,416**	(2,030)
Post-tax (loss)/profit from continuing operation	**(2,237)**	9,951
Total comprehensive (loss)/income	**(2,237)**	9,951
Total comprehensive (loss)/income allocated to non-controlling interests	**(1,790)**	6,476
Dividend paid to non-controlling interests	**1,320**	4,281

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8. SUBSIDIA RIES (CONTINUED)

Summarised cash flows

	Bluegas Private Limited	
	31 Dec 2020 $'000	31 Dec 2019 $'000
Net cash generated from operating activities	**3,302**	4,962
Net cash used in financing activities	**(2,386)**	(4,922)

9. JOINT VENTURES

	Group	
	As at 31 Dec 2020 $'000	As at 31 Dec 2019 $'000
At beginning of year	**–**	502
Disposal	**–**	(502)
At end of year	**–**	–

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	As at 31 Dec 2020 $'000	As at 31 Dec 2019 $'000	As at 31 Dec 2020 $'000	As at 31 Dec 2019 $'000
Current				
Deposits	**9**	9	**–**	–
Prepayments	**–**	8	**–**	8
GST receivable	**–**	2	**–**	2
Other receivables	**23**	7	**23**	7
	32	26	**23**	17

11. TRADE RECEIVABLES

	Group	
	As at 31 Dec 2020 $'000	As at 31 Dec 2019 $'000
Trade receivables	**3,959**	11,171
Less: Allowance for doubtful debt	**(3,959)**	–
	–	11,171

Trade receivables are non-interest bearing and are generally on 30 days (2019: 30 days) term. Trade receivables are not secured by any collateral.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11. TRADE RECEIVABLES (CONTINUED)

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL:

	Group	
	As at 31 Dec 2020 $'000	**As at 31 Dec 2019 $'000**
At beginning of the year	**–**	–
Charged during the year	**3,959**	–
At end of the year	**3,959**	–

12. AMOUNT DUE FROM A SUBSIDIARY

	Company	
	As at 31 Dec 2020 $'000	**As at 31 Dec 2019 $'000**
Amount due from a subsidiary	**723**	647
	723	647
Less: Impairment loss	**(723)**	–
	–	647

The movement in allowance for impairment loss is as follows:

	Company	
	As at 31 Dec 2020 $'000	**As at 31 Dec 2019 $'000**
At beginning of the year	**–**	16,502
Charged during the year	**723**	–
Reversal	**–**	(16,502)
At end of the year	**723**	–

The amount due from a subsidiary is non-trade, unsecured, interest-free and repayable on demand.

13. CASH AND BANK BALANCES

	Group		**Company**	
	As at 31 Dec 2020 $'000	**As at 31 Dec 2019 $'000**	**As at 31 Dec 2020 $'000**	**As at 31 Dec 2019 $'000**
Cash at banks	**986**	136	**6**	91
Cash and cash equivalents presented on the consolidated statement of cash flows	**986**	136	**6**	91

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 22 August 2019, the Group entered into a sale and purchase agreement with the existing shareholder of the subsidiaries, KTL Offshore Pte Ltd ("KTLO") and KTL Investment Pte Ltd ("KTLI") for the disposal of its 100% equity interest in the subsidiaries for a consideration of $10,000. The entire assets and liabilities related to KTLO and KTLI was presented as a disposal group held for sale as at 31 December 2019, and the entire results from KTLO and KTLI was presented separately on the statement of comprehensive income as "Discontinued operations" for the year ended 31 December 2019. Thus, the comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operation separately from continuing operations. The disposal was completed on 22 January 2020.

(a) The results of the discontinued operations and the re-measurement of the disposal group are as follows:

	Group	
	1 Jan 2020 to 22 Jan 2020 $'000	**31 Dec 2019 $'000**
Revenue	–	26,631
Other operating income	–	1,271
Expenses	–	(31,337)
Loss before tax from discontinued operations	–	(3,435)
Tax expenses (Note 24)	–	(111)
Loss after tax from discontinued operations	–	(3,546)
Gain on sale of discontinued operations (Note 14(e))	**21,525**	–
Profit/(Loss) from discontinued operations	**21,525**	(3,546)

(b) The impact of the discontinued operations on the cash flows of the Group was as follows:

	Group	
	1 Jan 2020 to 22 Jan 2020 $'000	**31 Dec 2019 $'000**
Operating cash outflows	–	(2,085)
Investing cash inflows	**10**	449
Financing cash inflows	–	47
Net cash inflows/(outflows)	**10**	(1,589)

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

(c) Details of the assets and liabilities of disposal group classified as held for sale were as follows:

	Group	
	As at 22 Jan 2020 $'000	**As at 31 Dec 2019 $'000**
Assets		
Property, plant and equipment	**9,920**	9,920
Prepaid land lease	**2,936**	2,936
Investment properties	**1,621**	1,621
Trade and other receivables	**8,684**	8,684
Inventories	**13,822**	13,822
Cash and bank balances	**113**	113
	37,096	37,096
Liabilities		
Trade and other payables	**12,588**	12,588
Bills payables	**4,938**	4,938
Due to controlling shareholder	**16,935**	16,935
Interest-bearing loans and borrowings	**23,376**	23,376
	57,837	57,837
Net liabilities of the disposal group	**(20,741)**	(20,741)

(d) Cumulative income recognised in other comprehensive income relating to disposal group classified as held for sale were as follows:

	Group	
	As at 22 Jan 2020 $'000	**As at 31 Dec 2019 $'000**
Currency translation differences	**(717)**	334

(e) Analysis of the gain on sale of discontinued operation:

	Group 2020 $'000
Consideration received	**10**
Net liabilities of the disposal group	**(20,741)**
Less: Non-controlling interest	**(102)**
	(20,843)
Reclassification of currency translation reserves	**(717)**
Realisation of other reserves	**45**
Net liabilities disposed of	**(21,515)**
Gain on sale of discontinued operations (Note 14(a))	**(21,525)**

NOTES TO THE FINANCIAL **STATEMENTS**

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14. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

(f) Details of assets of disposal group classified as held for sale under Company level were as follows:

	Company	
	As at 31 Dec 2020 $'000	**As at 31 Dec 2019 $'000**
Investment in subsidiary (Note 8)	**–**	1

During financial year ended 31 December 2019, the Group measured a disposal group classified as held for sale at the lower of its carrying amount and fair value less costs to sell in accordance with SFRS(I) 5. The fair value less costs to sell is determined based on the selling price for the disposal of KTLO and KTLI of $10,000. As the fair value less costs to sell of $10,000 is higher than the net carrying amount of the disposal group of $20,741,000 net liabilities, there is no further write down on the assets of the disposal group.

The selling price of $10,000 is a non-recurring fair value measure, which was derived using observable inputs, being the quoted prices for similar disposal group in market that are not active and is therefore within level 2 of the fair value hierarchy.

15. OTHER PAYABLES AND ACCRUALS

	Group		**Company**	
	As at 31 Dec 2020 $'000	**As at 31 Dec 2019 $'000**	**As at 31 Dec 2020 $'000**	**As at 31 Dec 2019 $'000**
Accrued expenses	**112**	206	**94**	151
Other payables	**44**	131	**–**	129
Total	**156**	337	**94**	280

16. INTEREST-BEARING LOANS AND BORROWINGS

	Group	
	As at 31 Dec 2020 $'000	**As at 31 Dec 2019 $'000**
Lease liabilities:		
– Current	**31**	29
– Non-current	**19**	51
	50	80

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

16. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

Reconciliation of liabilities arising from financing activities

Group

	As at 1 January 2020	Cash flows	Non-cash changes: Accretion of interests	Non-cash changes: Other	As at 31 December 2020
	$'000	$'000	$'000	$'000	$'000
Lease liabilities	**80**	**(37)**	**7**	**–**	**50**
	80	**(37)**	**7**	**–**	**50**

Group

	As at 1 January 2019	Non-cash changes: Adoption of SFRS(I) 16	Non-cash changes: New lease during the financial year	Non-cash changes: Reclassified as part of disposal group	Financing cash flows	As at 31 December 2019
	$'000	$'000	$'000	$'000	$'000	$'000
Loan	24,970	–	–	(22,534)	(2,436)	–
Lease liabilities	1,221	719	87	(842)	(1,105)	80
Due to controlling shareholders	11,625	–	–	(16,935)	5,310	–
	37,816	719	87	(40,311)	1769	80

17. SHARE CAPITAL

	Group and Company			
	As at 31 Dec 2020		As at 31 Dec 2019	
	Number of ordinary shares '000	$'000	Number of ordinary shares '000	$'000
Issued and fully paid:				
At beginning of year	**315,669**	**36,776**	315,669	36,776
At end of year	**315,669**	**36,776**	315,669	36,776

All ordinary shares carry one vote per share without any restriction. There is no par value for these ordinary shares.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. RESERVES

(a) Treasury shares reserve

Treasury shares reserve represents the gain or loss arising from purchase, sales, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (where in cash or otherwise) of the Company's assets may be made in respect of this reserve.

(b) Statutory reserve fund

As at 31 December 2019, in accordance with the Implementing Regulations of the Hamriyah Free Zone Authority applicable to a subsidiary in the Hamriyah Free Zone, United Arab Emirates, the subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory profits after tax as determined in accordance with the applicable accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's paid up share capital. The reserve is not available for distribution except as provided in the Federal Law of Hamriyah Free Zone.

Upon completion of the disposal of the subsidiary, the statutory reserves fund was reversed during the financial year ended 31 December 2020.

(c) Dividends

During financial year ended 31 December 2019, the Company entered into a special arrangement with the non-controlling interest ("NCI") of one of its subsidiaries, Bluegas Private. Ltd., in respect of the entitlement of the performance dividends of Bluegas Private Ltd. Accordingly, the entitlement and allocation of the performance dividends between the Group and the non-controlling interest are as follows:

Basis	Entitlement of performance dividends
If the annual audited net profit after tax ("PAT") in respect of any financial year:	
– is less than or equal to $5,000,000	1st Tier Performance Dividends
– is more than $5,000,000 but less than or equal to $20,000,000	1st and 2nd Tier Performance Dividends
– is more than $20,000,000	1st, 2nd and 3rd Tier Performance Dividends

Entitlement of performance dividends	Allocation
1st Tier Performance Dividends	At least seventy-five (75%) of PAT shall be distributed amongst the shareholders on a basis of: (i) the Company – 20%; and (ii) NCI – 80%
2nd Tier Performance Dividends	At least seventy-five (75%) of the excess of PAT over $5,000,000 (such excess shall not exceeding $20,000,000) shall be distributed amongst the shareholders on a basis of: (i) The Company – 50%; and (ii) NCI – 50%
3rd Tier Performance Dividends	At least seventy-five (75%) of the excess of PAT over $25,000,000 shall be distributed amongst the shareholders on a basis of: (i) The Company – 80%; and (ii) NCI – 20%

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. RESERVES (CONTINUED)

The following exempt (one-tier) dividends were declared and paid by the Group:

	Group	
	31 Dec 2020 $'000	**31 Dec 2019 $'000**
Paid by Bluegas Private Ltd to NCI		
In respect of financial year ended 31 December 2019:		
1st Tier Performance Dividends	**–**	4,000
2nd Tier Performance Dividends	**1,000**	281
In respect of financial year ended 31 December 2020:		
1st Tier Performance Dividends	**320**	–
$13,200 per ordinary shares (2019: $42,810)	**1,320**	4,281

19. REVENUE

	Group	
	31 Dec 2020 $'000	**31 Dec 2019 $'000**
Revenue from BOP services	**1,961**	13,686
Timing of transfer of good or services:		
Over time	**1,961**	13,686
	1,961	13,686

(a) Contract liabilities

	Group	
	31 Dec 2020 $'000	**31 Dec 2019 $'000**
Contract Liabilities		
– BOP services contract	**–**	2,910
Total contract liabilities	**–**	2,910

20. OTHER OPERATING INCOME

	Group	
	31 Dec 2020 $'000	**31 Dec 2019 $'000**
Foreign exchange gain – net	**–**	74
Others	**20**	–
	20	74

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21. PERSONNEL EXPENSES

	Group	
	31 Dec 2020 $'000	**31 Dec 2019 $'000**
Salaries, bonuses and allowances (i)	**1,158**	1,270
Contributions to defined contribution plan (i)	**7**	25
	1,165	1,295

(i) Includes directors' remuneration as disclosed in Note 26.

22. FINANCE COSTS

	Group	
	31 Dec 2020 $'000	**31 Dec 2019 $'000**
Interest expense on:		
– Lease liabilities	**7**	8
	7	8

23. (LOSS)/PROFIT BEFORE TAX

This determined after charging the following:

	Group	
	31 Dec 2020 $'000	**31 Dec 2019 $'000**
Depreciation of property, plant and equipment	**29**	12
Audit fees		
– Auditors of the Company	**70**	32
– Other auditors	**–**	15
Impairment loss on trade receivables (Note 11)	**3,959**	–
Loss on disposal of property, plant and equipment	**–**	182

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

24. INCOME TAX EXPENSES

	Group	
	31 Dec 2020	**31 Dec 2019**
	$'000	**$'000**
Tax expenses attributable to profit is made up of:		
Profit for the financial year:		
From continuing operations		
Current income tax expense		
– Singapore	**–**	2,030
	–	2,030
From discontinued operations		
Current income tax		
– Foreign	**–**	111
	–	2,141
Over provision in prior financial year:		
From continuing operations		
Current income tax	**(1,416)**	(11)
	(1,416)	2,130
Tax expense is attributable to:		
– continuing operations	**(1,416)**	2,019
– discontinued operations (Note 14)	**–**	111
	(1,416)	2,130

The tax on the Group's (loss)/profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	31 Dec 2020	**31 Dec 2019**
	$'000	**$'000**
(Loss)/profit before tax from:		
– continuing operations	**(4,554)**	10,814
– discontinued operations (Note 14)	**21,525**	(3,435)
	16,971	7,379
Tax calculated at tax rate of 17% (2019: 17%)	**2,885**	1,254
Effect of:		
Non-deductible expenses	**1,013**	683
Non-taxable income	**(4,179)**	(433)
Over provision in respect of previous years		
– current income tax	**(1,416)**	(11)
Deferred tax assets not recognised	**281**	668
Effect of difference in tax rates in other countries	**–**	(31)
Income tax (credit)/expenses	**(1,416)**	2,130

24. INCOME TAX EXPENSES (CONTINUED)

Deferred tax assets

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of $1,655,000 (2019: Nil) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

The Company and subsidiaries in Singapore

The Company and subsidiaries in Singapore are subjected to an applicable tax rate of 17% (31 December 2019: 17%). Certain subsidiaries are in tax loss positions and hence they are not subjected to tax in the current and previous years.

Subsidiaries in Malaysia

For the financial year ended 31 December 2019, subsidiaries in Malaysia were subjected to an applicable tax rate of 24%. The subsidiaries were in tax loss positions and hence they were not subjected to tax in the previous year.

Subsidiary in United Arab Emirates

For the financial year ended 31 December 2019, subsidiary incorporated in United Arab Emirates was exempted from income tax.

Subsidiary in Indonesia

For the financial year ended 31 December 2019, subsidiary in Indonesia was subjected to an applicable tax rate of 25%.

25. PROFIT/(LOSS) PER SHARE

(i) Basic profit/(loss) per share

Basic profit/(loss) per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	31 Dec 2020 $'000	31 Dec 2019 $'000
Net profit/(loss) attributable to equity holders of the Company:		
(Loss)/profit from continuing operations	**(1,343)**	2,319
Profit/(loss) from discontinued operations	**21,525**	(3,566)
	20,182	(1,247)

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25. PROFIT/(LOSS) PER SHARE (CONTINUED)

(ii) Diluted profit/(loss) per share

For the purpose of calculating diluted profit/(loss) per share, profit/(loss) attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

Diluted profit/(loss) per share are calculated by dividing profit/(loss) for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. There were no dilutive potential ordinary shares as at 31 December 2020 and 31 December 2019.

The following table reflects the profit/(loss) and number of shares used in the computation of basic and diluted profit/(loss) per share for the year ended 31 December 2020 and 31 December 2019:

	Group	
	31 Dec 2020	**31 Dec 2019**
Weighted average number of ordinary shares outstanding for basic/ diluted profit/(loss) per share ('000)	**315,669**	315,669
Basic profit/(loss) per share (cents) attributable to owners of the Company		
From continuing operations	**(0.43)**	0.73
From discontinued operations	**6.82**	(1.13)
Total profit/(loss) per share	**6.39**	(0.40)
Diluted profit/(loss) per share (cents)		
From continuing operations	**(0.43)**	0.73
From discontinued operations	**6.82**	(1.13)
Total diluted profit/(loss) per share	**6.39**	(0.40)

26. RELATED PARTY INFORMATION

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

26. RELATED PARTY INFORMATION (CONTINUED)

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Compensation of directors and key management personnel remuneration

The remuneration of directors and other members of key management during the financial year are as follows:

	Group	
	31 Dec 2020	**31 Dec 2019**
	$'000	**$'000**
Key management personnel compensation		
Salaries, bonuses and allowances	**386**	825
Directors fee	**358**	303
	744	1,128
Employer's contribution to defined contribution plans	**7**	25
	751	1,153

27. SEGMENT INFORMATION

Business segment

As the Group operates principally in a single business segment which is the provider of BOP Services, no reporting by business operations is presented.

Geographical segment

As the business of the Group is engaged entirely in the People's Republic of China, no reporting by geographical location of operations is presented.

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28. FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risks (interest rate risk and foreign currency risk), liquidity risk and credit risk. The Group's risk management approach seeks to minimise the potential material adverse impact of these exposures.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(i) Market risk

(a) Foreign exchange risk

The Group is exposed to foreign currency risk on BOP services that are denominated in a currency other than the functional currencies of Group's entities.

The currencies that give rise to this risk mainly include Renminbi "RMB".

The Group manages foreign currency risk by matching assets and liabilities in the same currency denomination. The Group does not use derivative financial instruments to mitigate the financial impact associated with foreign currency fluctuation from its businesses.

The Group and the Company are not exposed to foreign exchange risk as at 31 December 2020 as the trade receivables derived from BOP services are fully impaired.

Group **31 December 2019**	**Singapore dollars** **$'000**	**Renminbi** **$'000**	**Total** **$'000**
Financial assets			
Cash and bank balances	136	–	136
Trade receivables	–	11,171	11,171
Other receivables	16	–	16
	152	11,171	11,323
Financial liabilities			
Trade payables	29	1,180	1,209
Other payables and accruals	337	–	337
Interest-bearing loans and borrowings	80	–	80
	446	1,180	1,626
Net financial (liabilities)/assets	(294)	9,991	9,697
Less: Net financial assets =denominated in the respective entities' functional currencies	294	–	294
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies.	–	9,991	9,991

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28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Foreign exchange risk sensitivity

If the above currencies change against the SGD by 3% (2019: 3%) with all other variables including tax rate being held constant, the effects arising from the net financial assets/liabilities position will be as follows:

	2020 Increase/ (decrease) Net loss $'000	**2019 Decrease/ (increase) Net profit $'000**
GROUP		
RMB against SGD		
- Strengthened	–	249
- Weakened	–	(249)

(b) Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group is not exposed to cash flow interest rate risk as its interest-bearing financial liabilities are at fixed rates.

The following table sets out the carrying amount of the Group's interest-bearing financial instruments:

	Note	**Group As at 31 Dec 2020 $'000**	**As at 31 Dec 2019 $'000**
Fixed rate instruments			
Financial liabilities – lease liabilities	16	**(50)**	(80)
		(50)	(80)

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of financial assets and financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash to meet normal operating commitments. There have been no changes to this policy during the financial year.

The table below analyses the Group's financial liabilities exposure into relevant maturity groupings based on contractual undiscounted cash flows.

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28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	Carrying Amount $'000	Contractual cash flows $'000	Less than 1 year $'000	Later than 1 year and not later than 5 years $'000
31 December 2020				
Financial assets				
Cash and bank balances (Note 13)	**986**	**986**	**986**	**–**
Other receivables (Note 10)	**32**	**32**	**32**	**–**
Total undiscounted financial assets	**1,018**	**1,018**	**1,018**	**–**
Financial liabilities				
Trade payables	**12**	**12**	**12**	**–**
Other payables (Note 15)	**156**	**156**	**156**	**–**
Lease liabilities (Note 16)	**50**	**57**	**37**	**20**
Total undiscounted financial liabilities	**218**	**225**	**205**	**20**
Total net discounted financial assets/(liabilities)	**800**	**793**	**813**	**(20)**
31 December 2019				
Financial assets				
Trade receivables (Note 11)	11,171	11,171	11,171	–
Other receivables (Note 10)	16	16	16	–
Cash and bank balances (Note 13)	136	136	136	–
Total undiscounted financial assets	11,323	11,323	11,323	–
Financial liabilities				
Trade payables	1,209	1,209	1,209	–
Other payables (Note 15)	337	337	337	–
Lease liabilities (Note 16)	80	93	37	56
Total undiscounted financial liabilities	1,626	1,639	1,583	56
Total net discounted financial assets/(liabilities)	9,697	1,575	9,740	(56)

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28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligation resulting in a loss to the Group. The Group's exposure to credit risk mainly relates to the cash and bank balance and trade and other receivables.

The Group limits its credit risk exposures in respect of cash and bank balances are placed with major banks and financial institutions.

For trade and other receivables, the management has a credit policy in place and the exposure of credit risk is monitored on an ongoing basis to minimise credit risk. Monies due from customers are followed up, reviewed on a regular basis to understand the reasons, if any, of non-payment or delay in payment so that appropriate action can be implemented promptly. Credit risks of individual counterparties are restricted by credit limits that are approved based on ongoing credit evaluations.

In relation to the corporate guarantees issued by the Company on behalf of its subsidiaries, the credit risk, being the principal risk to which the Company is exposed, represents the loss that would be recognised upon a default by the subsidiaries.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

– Internal credit rating

– External credit rating

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

– Actual or expected significant changes in the operating results of the debtor

– Significant increases in credit risk on other financial instruments of the same debtor

– Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Credit risk (Continued)

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss ("ECL")
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >60 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group's and Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Group Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
31 December 2020						
Trade receivables	11	Note A	Lifetime ECL (simplified)	**3,959**	**(3,959)**	**–**
Other receivables	10	Note B	12-month ECL	**32**	**–**	**32**
Cash and bank balances	13	Note B	12-month ECL	**986**	**–**	**986**
					(3,959)	

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Credit risk (Continued)

	Note	Category	12-month or lifetime ECL	Group Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
31 December 2019						
Trade receivables	11	Note A	Lifetime ECL (simplified)	11,171	–	11,171
Other receivables	10	Note B	12-month ECL	16	–	16
Cash and bank balances	13	Note B	12-month ECL	136	–	136
					–	

	Note	Category	12-month or lifetime ECL	Company Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
31 December 2020						
Other receivables	10	Note B	12-month ECL	**23**	**–**	**23**
Cash and bank balances	13	Note B	12-month ECL	**6**	**–**	**6**
					–	
31 December 2019						
Other receivables	10	Note B	12-month ECL	7	–	7
Cash and bank balances	13	Note B	12-month ECL	91	–	91
					–	

Trade receivables of the Group (Note A)

For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL by using individual (debtor-by-debtor) basis since the trade receivables of the Group consisted only four third parties. ECL is estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The Group has recognized an impairment loss of $3,959,000 (2019: $ nil) on the Group's trade receivables as at 31 December 2020.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Credit risk (Continued)

Other receivables and cash and bank balances (Note B)

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Cash and bank balances that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Exposure to credit risk and credit risk concentration profile

As the Group and Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position, except as follows:

	Company	
	As at 31 Dec 2020 $'000	As at 31 Dec 2019 $'000
Corporate guarantees provided to banks on		
– Subsidiaries' loans	–	23,376

The Group's trade receivables comprise 4 debtors (31 December 2019: 4) who are located in People's Republic China that represented 100% (31 December 2019: 100%) of trade receivables.

The average credit period on sales of goods is 30 days (31 December 2019: 30 days). No interest is charged on the trade receivables on the outstanding balance.

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group	
	As at 31 Dec 2020 $'000	As at 31 Dec 2019 $'000
By geographical areas:		
– People's Republic of China	–	11,171
	–	11,171

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Financial instruments by category

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

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets measured at amortised cost				
Trade receivables (Note 11)	**–**	11,171	**–**	–
Other receivables (Note 10)	**32**	16	**23**	7
Cash and bank balances (Note 13)	**986**	136	**6**	91
Total financial assets measured at amortised cost	**1,018**	11,323	**29**	98
Financial liabilities measured at amortised cost				
Trade payables	**12**	1,209	**12**	29
Other payables (Note 15)	**156**	337	**94**	280
Lease liabilities (Note 16)	**50**	80	**–**	–
Total financial liabilities measured at amortised cost	**218**	1,626	**106**	309

(v) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 31 December 2019.

The capital structure of the Group consists of net debt and equity.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(v) Capital risk (Continued)

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as trade and other payables plus interest-bearing loans plus less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	Note	Group	
		As at 31 Dec 2020 $'000	**As at 31 Dec 2019 $'000**
Lease liabilities	16	**50**	80
Trade payables		**1,209**	
Other payables and accruals	15	**156**	337
Less: Cash and cash equivalents	13	**(986)**	(136)
Net (capital)/debts		**(768)**	1,490
Less: Statutory reserve fund		**–**	(15)
Total capital		**–**	(15)
Capital and net debt		**(768)**	1,475
Gearing ratio		**100%**	100%

The Group is not subject to any externally imposed capital requirements for the financial year ended 31 December 2020 and 31 December 2019.

(vi) 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 and borrowings are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29. EVENTS OCCURRING AFTER BALANCE SHEET DATE

A. Letter of Demand – Mr. Khua

On 23 March 2021, the Company announced that the Group has received a letter of demand dated 19 March 2021 from the solicitors acting for Mr. Khua Kian Keong ("Mr. Khua"), claiming a sum of $933,900 (the "Claim"), being the monies, which Mr. Khua alleged that he paid in connection with acquiring 5,500,000 shares in the Company on 20 April 2015.

On 17 May 2021, the Company announced that, in connection with the Claim, the Group had, on 14 May 2021, been served with a sealed Writ of Summons dated 14 April 2021 (the "Writ") and Endorsement of Claim, filed by Solitaire LLP, the solicitors acting for Mr. Khua, in the General Division of the High Court of the Republic of Singapore. Pursuant to the Writ, the Company is required to (i) satisfy the claim; or (ii) enter an appearance, within eight (8) days after the service of the Writ, failing which the Plaintiff may proceed with the action and enter judgment against the Company without further notice.

On 21 May 2021, the Company announced that, Mr. Khua has obtained a default judgment against the Company (the "Default Judgment") for the Claim, interest at 5.33% per annum from the date of the Writ to Default Judgment, $2,300 in costs, as a result of the Company's failure to enter appearance in the suit.

The Company has taken legal advice and, on 2 July 2021, the Company announced that it has successfully set aside the Default Judgment as informed by the Company's engaged legal counsel. As such, it is premature to make a provision in the financial statements for the Claims amongst others as the respective outcome is uncertain.

B. Receipt of originating summons

On 21 May 2021, the Company announced that together with its subsidiary, Bluegas Private Limited, and Liu Changsheng, the Company's Executive Director and Chief Executive Officer (who has subsequently resigned with effect from 31 July 2021), have on 19 May 2021 been served with an originating summons (the "Originating Summons") taken out by the solicitors of Lawrence Group Inc, a company incorporated in United States of America, in relation to supply of surgical gloves. The case is currently in the procedural stage and has not been tried thus far on its substantive legal merits. As the Originating Summons have neither been tried nor alleged damages quantified, it is premature to make a provision in the financial statements.

C. Incorporation of new subsidiary in Singapore

On 3 June 2021, the Company announced that it has incorporated a wholly owned subsidiary, Gold Heartland Pte. Ltd., in Singapore with an initial issued and paid-up capital of S$10,000 comprising 10,000 ordinary shares. The principal activities are investment holdings and value-added logistics providers including supply chain services.

D. Acquisition of a subsidiary

On 3 June 2021, the Company announced that it has entered into a sale and purchase agreement (the "SPA") with a vendor in respect of the acquisition of 100% interest of Tianci Agritech Pte. Ltd. ("Tianci Agritech") for a purchase consideration of $200,000 (the "Proposed Acquisition").

The principal business of Tianci Agritech is the sale and distribution of fresh vegetable and fruit produce (including import and export of fruits and vegetables, and growing of leafy and fruit vegetables).

The Proposed Acquisition is subsequently completed on 28 June 2021. Following completion of the acquisition, Tianci Agritech has become a wholly owned subsidiary of the Company.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29. EVENTS OCCURRING AFTER BALANCE SHEET DATE (CONTINUED)

E. Entry into convertible loan agreement

On 3 June 2021, the Company announced that it has entered into a convertible loan agreement with He Yi, Lin Miaoli and Ng Yu Shu Andy (the "Lenders") pursuant to which the Lenders have agreed to extend to the Company a loan facility of up to $2,000,000 in aggregate (the "Facility"). The Company intends to apply the proceeds from the convertible loan for investment in new businesses and/or used for general working capital.

The convertible loan bears interest rate of 2% per annum and has a maturity period of 2 years commencing on and from the disbursement date.

The convertible loan grants the Lenders right to convert all or any part of the loan into fully paid new shares in the capital of the Company, no later than the last day of the agreed conversion period, as defined under the convertible loan agreement, at SGD 0.062 for each conversion share (represents a 10% discount to the volume weighted average price of $0.0687 per share traded in Singapore Exchange Securities Trading Limited (the "SGX-ST") on 2 June 2021.

F. Entry into the brand management service agreement and branding, operation and procurement services agreement

On 23 June 2021, the Company announced that it has entered into a brand management service agreement (the "BMSA") with Guangdong X Diamond Technology Co., Ltd. (广东熹钻技术有限公司) ("Guangdong X Diamond"), pursuant to which the Company shall provide brand management services to Guangdong X Diamond.

Guangdong X Diamond is a company incorporated in the People's Republic of China (the "PRC") and is in the business of manufacturing and sales of synthetic diamonds (the "Products").

The BMSA begins from the date of signing of the BMSA (the "Commencement Date") and shall terminate upon the expiry of one (1) year from the Commencement Date (the "Initial Term"), unless extended for such longer period as may be mutually agreed by the parties in writing.

Guangdong X Diamond grants the Company a royalty-free exclusive license to use the relevant trademarks owned by Guangdong X Diamond in respect of or in connection with the Products and the business of Guangdong X Diamond, including the relevant trade names (collectively, the "GXD Trademarks") for purposes of providing the Services.

Pursuant to the terms of the BMSA, the brand management services provided by the Company include introducing Guangdong X Diamond to and/or connecting Guangdong X Diamond with local partners/businesses ("Local Partners"), which may be interested in (i) selling the GXD Products in their respective e-commerce and/or physical shops and/or (ii) distributing the GXD Products to retails shops. As the Company intends for the brand management services to the foregoing Local Partners to be provided by the Company's wholly owned subsidiary, Gold Heartland Pte. Ltd. ("GHPL"), the Company and Guangdong X Diamond have both agreed for the BMSA to expressly allow for such BOP services to also be provided by GHPL and, in connection thereto, for the same GXD TM Rights to also be granted to GHPL. Accordingly, as announced by the Company, both the Company and Guangdong X Diamond have on 30 June 2021 entered into a supplemental agreement to the BMSA to expressly provide for the forgoing.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29. EVENTS OCCURRING AFTER BALANCE SHEET DATE (CONTINUED)

F. Entry into the brand management service agreement and branding, operation and procurement services agreement (Continued)

Further to above and in connection with the brand management services being provided by the Company to Guangdong X Diamond pursuant to the BMSA, GHPL has on 30 June 2021 entered into a services agreement (the "X Diamond Services Agreement") with 1 Local Partner which the Company has introduced to/connected with Guangdong X Diamond. GHPL will provide brand management services to the Local Partner (and the physical and online stores as may be operated by the Local Partner) for a period of 1 year from the date of the agreement (the "Initial Term"). The X Diamond BOP Services Agreement will be automatically renewed for successive one-year terms (each being a "Renewal Term"), up to a maximum of 4 Renewal Terms, unless (i) a party gives the other party written notice of non-renewal at least 2 months before the end of the Initial Term or a Renewal Term (as the case may be), or (ii) the agreement is terminated earlier in accordance with its terms.

On 11 August 2021, The Board wishes to announce that GHPL has on 11 August 2021, entered into a strategic collaboration framework agreement (the "Agreement") with Guangdong X Diamond, WIN+ and X Diamond Capital Pte. Ltd. ("X Diamond Capital"), where the parties intend to by way of this in-depth partnership, enhance the overall operational efficiency of the GXD brand management, reduce marketing costs while reaching out rapidly through parties' network connections to increase global market share and create greater business value both online and offline. Adopting a global brand positioning approach, the first "X DIAMOND" flagship store will open in Singapore, followed by an online launch of the virtual "X DIAMOND" stores in Asia progressively.

G. Proposed acquisition of 51% equity stake in EBUY PTE. LTD.

On 12 July 2021, the Company announced that the Group's wholly owned subsidiary, Tianci Agritech has entered into a non-binding memorandum of understanding (the "MOU") with the sole shareholder (the "Vendor") of Ebuy Pte. Ltd. (the "Ebuy") to acquire a 51% equity stake in Ebuy for approximately $1.476 million, which will be satisfied by the issuance of new ordinary shares of the Company, subject to any changes and the finalised terms in the definitive agreements(s) to be entered into by parties in relation to the proposed acquisition.

An established e-commerce company in Singapore, Ebuy is a leading distributor of fresh produce in Singapore, including daily fresh vegetables and fruits, to food service providers, retailers, restaurants and hotels.

The proposed acquisition is subject to the approval of shareholders of the Company at an extraordinary general meeting to be convened.

H. Proposed placement of an aggregate of 30,000,000 new ordinary share in the capital of the Company

On 15 July 2021, the Company announced that it has entered into a placement agreement with several places (the "Placees") pursuant ti which the Company shall issue and allot an aggregate of 30,000,000 ordinary shares in the capital of the Company. Each placement share shall be issued at the issue price of $0.103 per share, representing a discount of 9.89% to the volume weighted average price of $0.1143 per share for traded on SGX-ST on 13 July 2021. The aggregate Placement Price to be paid by all Placees to the Company amounts to $3,090,000.

The Company intends to use the net Proceeds from the Placement for working capital for Tianci Agritech in its business of supplying and distributing vegetable and fruits produce to various consumer groups in Singapore and for general working capital of the Group. The remaining net proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities and/or debt instruments or used for any other purposes on a short-term basis as the Board may in their absolute discretion deem fit in the best interest of the Group.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29. EVENTS OCCURRING AFTER BALANCE SHEET DATE (CONTINUED)

I. Entry into memorandum of understanding to acquire industrial property

On 27 July 2021, the Company announced that the Group's wholly owned subsidiary, Tianci Agritech, has entered into a memorandum of understanding (the "MOU") with Warehouse Logistic Net Asia Pte. Ltd. in respect of the acquisition of the property, located at 32 Quality Road, Singapore 618804, for a purchase price of $6,000,000. The leasehold property carries a tenure of 30 years commencing from 1 February 1997.

The Group has paid a deposit of $600,000 (10% of the purchase price) upon the date of MOU while the remaining amount will be payable upon completion of the acquisition. The rationale for the acquisition is in relation to the proposed acquisition of 51% equity interest in Ebuy which is currently leasing and using the premises at the property for its business operation.

J. Exclusive distribution and procurement agreement

On 29 July 2021, the Company announced that the Group's wholly owned subsidiary, Tianci Agritech, has entered into an exclusive distribution and procurement agreement with Jining Fuyuan Fruit and Vegetable Co., Ltd. (济宁富源果菜有限公司) ("Fuyuan Fruit") to appoint Tianci Agritech as its exclusive agent in Singapore to sell the products of Fuyuan Fruit.

K. Exclusive agency agreement

On 4 August 2021, the Company announced that the Group's wholly owned subsidiary, Tianci Agritech, has entered into an exclusive agency agreement with 荣成皇朝马汉外贸综合服务有限公司, unofficially translated as Rongcheng Dynasty Mahan Foreign Trade Comprehensive Service Co., Ltd. ("Rongcheng") in respect of the exclusive right to distribute Tai Xiang brand (泰祥品牌) products that meet the import standards of Singapore.

Tianci Agritech guarantees that the order quantity from Rongcheng shall not be less than 200 tons in the first year from signing of the Agreement. If sales volume of Tianci Agritech does not reach 80 tons of sales for 6 consecutive months, Rongcheng shall have the right to unilaterally terminate the Agreement.

L. Entry into Strategic Partnership

On 6 August 2021, the Company announced that the Group's wholly owned subsidiary, Tianci Agritech, has entered into a strategic cooperation agreement (the "Agreement") with 水发浩海(山东)供应链有限公司, unofficially translated as "Shuifa Haohai (Shandong) Supply Chain Co., Ltd." ("Shuifa Haohai"). Pursuant to the Agreement, by utilising their respective advantages in products, brands, technologies, and channels, both parties will carry out in-depth cooperation to achieve efficiency in resource sharing, complementary advantages, and establish a long-term, comprehensive and sustainable strategic partnership.

M. Entry into Strategic Cooperation framework

On 11 August 2021, the Company announced that the Group's wholly owned subsidiary, Tianci Agritech, has entered into a strategic cooperation framework agreement (the "Agreement") with 泉盈(福建)科技有限公司, unofficially translated as "Quanying (Fujian) Technology Co., Ltd." ("Quanying Fujian"). Pursuant to the Agreement, both parties plan to jointly develop a complete aquatic product supply chain in Singapore.

NOTES TO THE FINANCIAL **STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29. EVENTS OCCURRING AFTER BALANCE SHEET DATE (CONTINUED)

N. Appointment of Chief Executive Officer ("CEO") and Chairman of Audit Committee

On 17 August 2021, the Company announced that Mr. Chin Teck Oon, an existing Executive Director of the Company has been appointed as CEO with effect from 16 August 2021 and Mr. Chua Thiam Chwee, an existing member of the Audit Committee has been appointed as the Chairman of the Audit Committee in place of Mr. Tso Sze Wai with effect from 16 August 2021.

30. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of KTL Global Ltd on 30 August 2021.

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Mr. Chng Hee Kok, Mr. Chin Teck Oon, Mr. Teh Chong Seng and Mr. Chua Thiam Chwee are the directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 24 September 2021 (the "**AGM**") (the "**Retiring Directors**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

		MR. CHNG HEE KOK	MR. CHIN TECK OON	MR. TEH CHONG SENG	MR. CHUA THIAM CHWEE
Date of Appointment	:	24 July 2020	28 April 2021	28 April 2021	28 April 2021
Age	:	73	49	70	68
Country of Principal Residence	:	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	:	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Mr. Chng Hee Kok, including his multiple board representation, for re-appointment as Independent Director of the Company. The Board has concluded that Mr. Chng Hee Kok possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board, and is satisfied that Mr. Chng has been able to dedicate sufficient time to fulfil his role as Independent Director of the Company. Mr. Chng Hee Kok is considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.	The Board has considered the Nominating Committee's recommendation and assessment of Mr. Chin Teck Oon's experience and expertise in view of his 25 years of leadership and business management and is satisfied that Mr. Chin Teck Oon will add relevant expertise knowledge, skills and experience to the Board in view of the Group's exploration into new business opportunities and diversification.	The Board, as part of its effort to explore in new business of the Group, has considered the professional qualifications, experiences and competencies and other qualities of Mr. Teh Chong Seng to be appropriate for a director, and following the recommendation of the Nominating Committee, has recommended the re-appointment of Mr. Teh as an Independent Director of the Company. Mr. Teh Chong Seng is considered independent for purposes of Rule 704(8) of the Listing Manual of the SGX-ST.	The Board, as part of its effort to explore in new business of the Group, has considered the professional qualifications, experiences and competencies and other qualities of Mr. Chua Thiam Chwee to be appropriate for a director, and following the recommendation of the Nominating Committee, has recommended the re-appointment of Mr. Chua as an Independent Director of the Company. Mr. Chua Thiam Chwee is considered independent for purposes of Rule 704(8) of the Listing Manual of the SGX-ST.
Whether the appointment is executive, and if so, the area of responsibility	:	Non-Executive	Executive. Responsible for evaluating and exploring into new businesses of the Group.	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc)	:	Lead ID and Non-Executive Chairman, Chairman of NC and member of the AC, RC and PSSC.	Executive Director and Chief Executive Officer	ID and members of the AC, RC, NC and PSSC.	ID and Chairman of AC and members of the RC, NC and PSSC.

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

		MR. CHNG HEE KOK	MR. CHIN TECK OON	MR. TEH CHONG SENG	MR. CHUA THIAM CHWEE
Professional qualification	:	Bachelor of Engineer (1st Class Honours) – National University of Singapore Master of Business Administration – National University of Singapore Program for Executive Development – International Institute for Management Development, Switzerland	Not Applicable	Bachelor of Arts in Business Studies (Honours) – Teesside University	Bachelor of Business Administration – University of Singapore Advanced Management Program for Overseas Banker – Wharton University
Any relationship (including immediate family relationships) with existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	:	None	Mr. Chin Teck Oon is a substantial shareholder of the Company.	None	None
Conflict of interests (including any competing business)	:	Nil	Nil	Nil	Nil
Working experience and occupation(s) during the past 10 years	:	2012 to 2016 LH Group Ltd – Executive Director and Managing Director 2010 to 2011 HG Metal Manufacturing Ltd – Executive Director 2008 to 2010 Hartawan Holdings Ltd – Executive Director and Chief Executive Officer	April 2021 to Present KTL Global Limited – Executive Director December 2004 to Present A-A Precision Wire Cut Pte Ltd – Founder and Director July 2016 to Present AA Home Star Sdn Bhd – Founder and Director December 2017 to Present Ice United Sdn Bhd – Founder and Director September 2018 to Present Mersing Star Sdn Bhd – Founder and Director February 2021 to Present Tianci International Pte Ltd – Director	2020 to Present Adventus Holdings Ltd – Executive Chairman March 2020 to March 2021 Higashi Partners Pte. Ltd. – Non-Executive Director 2018 to Present Higashi & Sons K.K – Non-Executive Director 1988 to 2017 Maybank Kim Eng Securities – Senior Vice President	Present SME Care Pte. Ltd. – Director SME Care Holdings Pte. Ltd. – Director Le-Kai Investment Holding Co Pte. Ltd. – Director Lum Chang Holdings Limited – Independent Director GKE Corporation Limited – Independent Director Dovechem Packaging Pte. Ltd. – Director

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

		MR. CHNG HEE KOK	MR. CHIN TECK OON	MR. TEH CHONG SENG	MR. CHUA THIAM CHWEE
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7))	:	Yes	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	:	Nil	38,000,000 ordinary shares, representing 12.04% of the issued and paid-up share capital of the Company.	Nil	Nil
Other Principal Commitments[1] Including Directorships[2]					
Past (for the last 5 years)	:	Chaswood Resources Holdings Ltd – Lead Independent Director China Flexible Packaging Holding Limited – Independent Director Pacific Century Regional Developments Limited – Independent Director Pacific Star Development Limited (formerly known as LH Group Limited) – Executive Director and Managing Director Rich Capital Holdings Limited (formerly known as Infinio Group Limited) – Independent Director Samudera Shipping Line Ltd – Independent Director Sino-America Tours Corporation Pte. Ltd. – Director	None	Higashi Partners Pte. Ltd. – Non-Executive Director Maybank Kim Eng Securities – Senior Vice President	None

1 The term "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, nonlisted company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

2 These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8).

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

		MR. CHNG HEE KOK	MR. CHIN TECK OON	MR. TEH CHONG SENG	MR. CHUA THIAM CHWEE
Present	:	KTL Global Limited – Lead Independent Director and Non-Executive Chairman Blackgold Natural Resources Limited – Independent Director Ellipsiz Ltd – Independent Director Full Apex (Holdings) Limited – Lead Independent Director Luxking Group Holdings Limited – Independent Director Rational Pricing Technologies Pte. Ltd. Metech International Limited – Independent Director Samudera Shipping Line Ltd – Advisor Sandpiper Digital Payment AG -Independent Director The Place Holdings Ltd – Independent Director United Food Holdings Limited – Independent Director	KTL Global Limited – Executive Director AA Home Star Sdn Bhd – Founder and Director A-A Precision Wire Cut Pte Ltd – Founder and Director Ice United Sdn Bhd – Founder and Director Mersing Star Sdn Bhd – Founder and Director Tianci International Pte Ltd – Director	KTL Global Limited – Independent Director Adventus Holdings Ltd – Executive Chairman Higashi & Sons K.K – Non-Executive Director	KTL Global Limited – Independent Director GKE Corporation Limited – Independent Director Le-Kai Investment Holding Co Pte. Ltd. – Director Lum Chang Holdings Limited – Independent Director SME Care Holdings Pte. Ltd. – Director SME Care Pte. Ltd. – Director Dovechem Packaging Pte. Ltd. – Director
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?		No	No	No	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

	MR. CHNG HEE KOK	MR. CHIN TECK OON	MR. TEH CHONG SENG	MR. CHUA THIAM CHWEE
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes Mr. Chng is an independent director of Full Apex (Holdings) Limited ("FAHL"), a company listed on the Mainboard of SGX-ST. A winding up petition was filed against FAHL on 8 February 2018 (the "Petition") by certain creditors. The Petition was subsequently withdrawn on 3 November 2020 and an order dated 5 January 2021 was issued by the Supreme Court of Bermuda Companies (Winding Up) Commercial Court. FAHL had on 14 September 2020 received a notification of delisting from the SGX-ST. For more details, please refer to FAHL's announcements dated 29 September 2020 and 15 January 2021.	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

	MR. CHNG HEE KOK	MR. CHIN TECK OON	MR. TEH CHONG SENG	MR. CHUA THIAM CHWEE
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

	MR. CHNG HEE KOK	MR. CHIN TECK OON	MR. TEH CHONG SENG	MR. CHUA THIAM CHWEE
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—				No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

		MR. CHNG HEE KOK	MR. CHIN TECK OON	MR. TEH CHONG SENG	MR. CHUA THIAM CHWEE
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?		Yes. Mr. Chng was fined S$5,000 in August 2007 under section 156 of the Companies Act, Chapter 50 and was given a warning under section 28(B)(b) of the Prevention of Corruption Act, Chapter 241.	No	No	No

STATISTICS OF **SHAREHOLDINGS**

AS AT 2 SEPTEMBER 2021

Number of equity securities	:	315,669,019
Number of treasury shares held by the Company	:	NIL
Number of subsidiary holdings	:	NIL
Class of shares	:	Ordinary Share
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDINGS	NO. OF SHARES	% OF SHAREHOLDINGS
1 – 99	15	1.58	141	0.00
100 – 1,000	30	3.15	20,537	0.01
1,001 – 10,000	289	30.39	1,785,100	0.56
10,001 – 1,000,000	582	61.20	66,317,956	21.01
1,000,001 and above	35	3.68	247,545,285	78.42
Total	**951**	**100.00**	**315,669,019**	**100.00**

SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholders as at 2 September 2021

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Directors						
Chin Teck Oon	38,000,000	12.04	–	–	38,000,000	12.04
Substantial Shareholders						
Changsheng Investment Development Limited	50,000,000	15.84	–	–	50,000,000	15.84
Yu Ting[1]	–	–	50,000,000	15.84	50,000,000	15.84
Zhang Xuemei[2]	40,250,000	12.75	–	–	40,250,000	12.75
Tan Kim Tjio@Tan Kim Chow[3]	17,301,900	5.48	8,000,000	2.53	25,301,900	8.01

Notes

1 Yu Ting is deemed to be interested in the 50,000,000 ordinary shares held under Changsheng Investment Development Limited through his 100% shareholdings in Changsheng Investment Development Limited.

2 The 40,250,000 ordinary shares held by Ms Zhang Xuemei include the 16,800,000 ordinary shares to be acquired by Ms Zhang Xuemei from Mr. Tan Tock Han pursuant to a sale and purchase agreement dated 26 February 2021. The said transaction was pending completion as at 2 September 2021.

3 Mr Tan Kim Tjio@Tan Kim Chow is deemed interested in the 8,000,000 ordinary shares held by his spouse, Choo Lai Ling.

STATISTICS OF **SHAREHOLDINGS**

AS AT 2 SEPTEMBER 2021

TWENTY LARGEST SHAREHOLDERS AS AT 2 SEPTEMBER 2021

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
1	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	48,219,515	15.28
2	CHIN TECK OON	38,000,000	12.04
3	ZHANG XUEMEI	23,450,000	7.43
4	TAN TOCK HAN	20,691,691	6.55
5	TAN KIM TJIO @ TAN KIM CHOW	17,655,300	5.59
6	UOB KAY HIAN PTE LTD	11,870,900	3.76
7	SUNG SIL KWON	8,080,000	2.56
8	CHOO LAI LING	8,000,000	2.53
9	PHILLIP SECURITIES PTE LTD	7,147,500	2.26
10	CASABERETTA INVESTMENTS LIMITED	6,742,203	2.14
11	WU JIANSHENG	5,876,000	1.86
12	DBS NOMINEES PTE LTD	5,570,216	1.76
13	NG CHENG HUAT	5,000,000	1.58
14	TENG BENG HUA	4,500,000	1.43
15	IFAST FINANCIAL PTE LTD	3,129,400	0.99
16	TAN HWEE KHENG	3,000,000	0.95
17	EILEEN POOI YOCK FAH	2,549,300	0.81
18	TAN CHEE LIN	2,180,300	0.69
19	ANG CHOON CHENG	2,150,000	0.68
20	CHANGSHENG INVESTMENT DEVELOPMENT LIMITED	2,121,000	0.67
	Total	**225,933,325**	**71.56**

FREE FLOAT

Based on the information provided to the Company as at 2 September 2021, approximately 51.24% of the issued ordinary shares (excluding treasury shares and subsidiary holdings) of the Company was held by the public. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

NOTICE OF ANNUAL **GENERAL MEETING**

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

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of KTL Global Limited (the "**Company**") will be convened and held by electronic means on Friday, 24 September 2021 at 11.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. **Ordinary Resolution 1** To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2020 and the Auditor's Report thereon.

2. **Ordinary Resolution 2** To re-elect Mr. Chng Hee Kok, who ceases to hold office in accordance with Article 114 of the Constitution of the Company and who, being eligible, offers himself for re-election as a director of the Company.

3. **Ordinary Resolution 3** To re-elect Mr. Chin Teck Oon, who ceases to hold office in accordance with Article 114 of the Constitution of the Company and who, being eligible, offers himself for re-election as a director of the Company.

4. **Ordinary Resolution 4** To re-elect Mr. Teh Chong Seng, who ceases to hold office in accordance with Article 114 of the Constitution of the Company and who, being eligible, offers himself for re-election as a director of the Company.

5. **Ordinary Resolution 5** To re-elect Mr. Chua Thiam Chwee, who ceases to hold office in accordance with Article 114 of the Constitution of the Company and who, being eligible, offers himself for re-election as a director of the Company.

6. **Ordinary Resolution 6** To approve the payment of the sum of up to S$255,000 to be paid to all directors (other than the Chief Executive Officer and Executive Director) as directors fees for the financial year ending 31 December 2021, such fees to be paid quarterly in arrears. (FY2020: S$163,000)

7. **Ordinary Resolution 7** To re-appoint RT LLP as Auditors of the Company and to authorise the directors to fix their remuneration.

NOTICE OF ANNUAL **GENERAL MEETING**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification, the following resolutions, which will be proposed as Ordinary Resolutions:

8. **Ordinary Resolution 8** **General Mandate to authorise the directors to issue shares or convertible securities**

THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**") and Rule 806 of the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**") and notwithstanding the provisions of the Constitution of the Company, authority be given to the directors of the Company to:

(a) (i) allot and issue shares in the capital of the Company (the "**Shares**") (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements or options (collectively, the "Instruments") that might or would require Shares to be allotted and issued, including but not limited to the creation, allotment and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) allot and issue Shares in pursuance of any Instrument made or granted by the directors while this Resolution is in force,

PROVIDED THAT:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(A) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and

NOTICE OF ANNUAL **GENERAL MEETING**

(B) any subsequent bonus issue, consolidation or sub-division of Shares;

and, in sub-paragraphs (i) and (ii) above, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company for the time being of the Company; and

(iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

9. **Ordinary Resolution 9** **Authority to Offer and Grant Awards and Allot and Issue Shares under the KTL Performance Share Scheme**

THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised:

(a) to offer and grant awards (the "**Awards**") from time to time in accordance with the provisions of the KTL Performance Share Plan (the "**Plan**");

(b) to allot and issue from time to time such number of fully paid new ordinary shares as may be required to be delivered pursuant to the vesting of the Awards under the Plan; and

(c) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) to allot and issue from time to time such number of fully-paid new ordinary shares as may be required to be delivered pursuant to any Awards granted by the Directors in accordance with the Plan while the authority conferred by this Resolution was in force,

PROVIDED THAT the aggregate number of new ordinary shares to be issued pursuant to the vesting of the Awards under the Plan and any other share based scheme of the Company shall not exceed fifteen per cent (15%) of the total number of issued ordinary shares of the Company, excluding treasury and subsidiary holdings (as defined in the Listing Manual of the SGX-ST) from time to time, and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST.

By Order of the Board

Ng Siew Hoong
Company Secretary

9 September 2021

NOTICE OF ANNUAL **GENERAL MEETING**

Explanatory Notes:

(a) **Ordinary Resolution 2** is to re-elect Mr. Chng Hee Kok who will cease to hold office under Article 114 of the Constitution of the Company.

Mr. Chng Hee Kok will, upon re-election, remain as the Non-Executive Chairman and Lead Independent Director of the Company, Chairman of the Nominating Committee and a member of the Audit, Remuneration and Performance Share Scheme Committees. Mr. Chng Hee Kok is considered an independent director for purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Detailed information of Mr. Chng Hee Kok (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST can be found under "Board of Directors" and "Additional Information on Directors Seeking Re-election" in the Company's Annual Report 2020.

(b) **Ordinary Resolution 3** is to re-elect Mr. Chin Teck Oon who will cease to hold office under Article 114 of the Constitution of the Company.

Mr. Chin Teck Oon is an Executive Director and Chief Executive Officer of the Company. Detailed information of Mr. Chin Teck Oon (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST can be found under "Board of Directors" and "Additional Information on Directors Seeking Re-election" in the Company's Annual Report 2020.

(c) **Ordinary Resolution 4** is to re-elect Mr. Teh Chong Seng who will cease to hold office under Article 114 of the Constitution of the Company.

Mr. Teh Chong Seng will, upon re-election, remain as an Independent Director of the Company and a member of the Audit, Remuneration, Nominating and Performance Share Scheme Committees. Mr. Teh Chong Seng is considered an independent director for purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Detailed information of Mr. Teh Chong Seng (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST can be found under "Board of Directors" and "Additional Information on Directors Seeking Re-election" in the Company's Annual Report 2020.

(d) **Ordinary Resolution 5** is to re-elect Mr. Chua Thiam Chwee who will cease to hold office under Article 114 of the Constitution of the Company.

Mr. Chua Thiam Chwee will, upon re-election, remain as an Independent Director of the Company and Chairman of the Audit Committee, and a member of the Remuneration, Nominating and Performance Share Scheme Committees. Mr. Chua Thiam Chwee is considered an independent director for purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Detailed information of Mr. Chua Thiam Chwee (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST can be found under "Board of Directors" and "Additional Information on Directors Seeking Re-election" in the Company's Annual Report 2020.

(e) **Ordinary Resolution 6** is to seek shareholders' approval for the payment of up to S$255,000, to all directors (other than the Executive Director) as directors fees for the financial year ending 31 December 2021 ("FY2021"). The directors' fees are calculated based on, among other things, the number of directors expected to hold office during the course of that year.

Mr. Tso Sze Wai, Mr. Teh Chong Seng and Mr. Chua Thiam Chwee will receive their directors' fees for FY2021 calculated on a pro-rata basis.

(f) **Ordinary Resolution 8** is to empower the directors to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (the "50% Limit"), with a sub-limit of 20 per cent. for issues other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time that Ordinary Resolution 6 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Ordinary Resolution 6 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares. As at the 9 September 2021, Company has a total issued share capital of 315,669,019 ordinary shares and no treasury shares and no subsidiary holdings.

(g) **Ordinary Resolution 9** if passed, is to authorise the Directors of the Company to (a) offer and grant Awards in accordance with the provisions of the Plan and (b) allot and issue from time to time such number of fully paid ordinary shares as may be required to be delivered pursuant to the vesting of the Awards under the Plan provided always that the aggregate number of new shares to be issued or transferred pursuant to the Awards under the Plan shall not exceed fifteen per cent (15%) of the total number of issued ordinary shares of the Company, excluding treasury and subsidiary holdings (as defined in the Listing Manual of the SGX-ST) from time to time. As at the 9 September 2021, Company has a total issued share capital of 315,669,019 ordinary shares and no treasury shares and no subsidiary holdings.

NOTICE OF ANNUAL **GENERAL MEETING**

Notes:

1. **Participation in the AGM**

(a) The 21st Annual General Meeting of Company (the "**AGM**") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will accordingly be sent to members by electronic means via publication on the Company's website at the URL **https://www.ktl.group**, and will also be made available on SGXNet at the URL **https://www.sgx.com/securities/company-announcements**. Printed copies of this Notice will NOT be sent to members.

(b) Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream (collectively, the "**Live Webcast**"), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions in advance of the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in this Notice of AGM. This Notice of AGM is also made available at the Company's website at URL **https://www.ktl.group**, and on SGXNet at the URL **https://www.sgx.com/securities/company-announcements**.

(c) Members who wish to observe and/or listen to the AGM proceedings through Live Webcast must pre-register at the Company's pre-registration website at URL **https://globalmeeting.bigbangdesign.co/ktlglobal/** by **11.00 a.m. on 21 September 2021** (the "**Registration Deadline"**) to enable the verification of members' status.

(d) Verified members will receive an email by **12.00 p.m. on 23 September 2021** containing instructions to access the Live Webcast of the AGM proceedings. Members must not forward the link or their log-in details to third persons who are not members and who are not entitled to attend the AGM proceedings.

Members who do not receive an email by **12.00 p.m. on 23 September 2021** but have registered by the Registration Deadline, should contact our Company's Share Registrar, Tricor Barbinder at 6236 3550/3555 or via email at **sg.is.proxy@sg.tricorglobal.com** for assistance with the following details to be included:

(i) Member's full name;

(ii) his/her/its identification/company registration number; and

(iii) the manner in which the shares are held (e.g. via CDP/scrip/CPFIS/SRS).

(e) Investors who hold shares through depository agents (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) and wish to watch the Live Webcast of the AGM must approach their respective depository agents to pre-register by **5.00 p.m. on 15 September 2021** in order to allow sufficient time for their respective depository agents to in turn register their interest with the Company.

2. **Submission of Questions prior to the AGM**

(a) **A member will not be able to ask questions through the Live Webcast.** If a member wishes to submit questions related to the resolutions to be tabled for approval at the AGM, all questions must be submitted no later than the Registration Deadline:

(i) via the pre-registration website at URL **https://globalmeeting.bigbangdesign.co/ktlglobal/**;

(ii) by email to **shareholders@ktl.group**; or

(iii) in hardcopy by depositing the same at the registered office of the Company at 18 Boon Lay Way, #10-139 Tradehub 21, Singapore 609966,

and provide particulars as follows:

(i) Member's full name;

(ii) his/her/its identification/company registration number;

(iii) Contact number and email address; and

(iv) the manner in which the shares are held (e.g. via CDP/scrip/CPFIS/SRS).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholders status.

(b) **In view of the current COVID-19 situation and the related safe distancing measures, members are strongly encouraged to submit their questions via the pre-registration website.**

(c) The Company will endeavour to address all substantial and relevant questions received from members prior to the AGM via SGXNet and on the corporate website or during the AGM through the Live Webcast. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the AGM in respect of substantial and relevant matters. The responses from the Board and the Management of the Company shall thereafter be published on SGXNet, together with the minutes of AGM, within one (1) month after the conclusion of the AGM.

NOTICE OF ANNUAL **GENERAL MEETING**

3. Voting by Proxy

(a) **A member will not be able to vote through the Live Webcast.** If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed at the Company's website at the URL **https://www.ktl.group**, and will also be made available on SGXNet at the **URL https://www.sgx.com/securities/company-announcements**. Printed copies of the proxy forms will NOT be despatched to members.

(b) Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

(c) The Chairman of the AGM, as proxy, need not be a member of the Company.

(d) The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:

(i) if submitted by post, be lodged at the registered office of the Company at 18 Boon Lay Way, #10-139 Tradehub 21, Singapore 609966; or

(ii) if submitted electronically via email, be submitted to the Company's email at **shareholders@ktl.group**,

in each case, by **11.00 a.m. on 22 September 2021** (the "**Proxy Deadline**"), being 48 hours before the time appointed for holding the AGM, and in default the AGM Proxy Form for the AGM shall not be treated as valid.

(e) Investors who hold their shares through relevant intermediaries[1] (including CPFIS and SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (including their respective CPF Agent Banks/SRS Operators or depository agents) to submit their voting instructions by **5.00 p.m. on 15 September 2021** (being seven (7) working days before the AGM) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.

(f) **In view of the current COVID-19 situation and the related safe distancing measures, members are strongly encouraged to submit their completed proxy form electronically via email.**

(g) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. Where the instrument appointing the Chairman of the AGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.

(h) The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman as proxy).

(i) In the case of members of the Company whose shares are entered against his/her names in the Depository Register, the Company may reject any proxy form submitted if such members are not shown to have shares entered against his/her names in the Depository Register (as defined in Part IIIAA of the Securities and Futures Act, Chapter 289 of Singapore), as at 72 hours before the time appointed for holding this AGM as certified by The Central Depository (Pte) Limited to the Company.

4. FY2020 Annual Report

The Company's Annual Report 2020, together with this Notice and the Proxy Form has been published and may be accessed at the Company's website at the Company's website at the URL **https://www.ktl.group**, and on SGXNet at the URL **https://www.sgx.com/securities/company-announcements**. Printed copies of the Annual Report will NOT be despatched to members.

1 A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap.19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF ANNUAL **GENERAL MEETING**

Personal Data Privacy

"Personal data" in this notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes your name and your proxy's and/or representative's name, address and NRIC/Passport number. By submitting (a) details for the registration to observe the proceeding of the AGM via Live Webcast, or (b) the Proxy Form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (c) any questions prior to the AGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(ii) Processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;

(iii) Addressing relevant and substantial questions from members received before the AGM and if necessary, following-up with the relevant members in relation to such questions; and

(iv) enabling the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the AGM. Accordingly, the member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes and retained for such period as may be necessary for the Company's verification and record purposes.

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

PROXY FORM
Twenty-First Annual General Meeting

IMPORTANT:
1. The AGM (as defined below) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. **Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the AGM in person.**
3. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Notice of AGM dated 9 September 2021.
4. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at AGM if such member wishes to exercise his/her/its voting rights at the AGM.
5. By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 September 2021.
6. **Please read the AGM notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

I/We ________________________ NRIC/Passport/Co. Registration No. ________________

of ____ (Address)

being ***a member/members** of KTL Global Limited (the "**Company**") hereby appoint the Chairman of the Annual General Meeting as *my/our proxy to attend, speak and vote for *me/us on my/our behalf, at the Twenty-First Annual General Meeting ("**AGM**") of the Company to be convened and held by way of electronic means on Friday, 24 September 2021 at 11.00 a.m. and at any adjournment thereof.

*I/We direct the Chairman of the AGM to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder.

No.	Resolutions relating to:	For	Against	Abstain
Ordinary Business				
Ordinary Resolution 1	To adopt the Directors' Statement, the Audited Financial Statements and the Auditor's Report for the financial year ended 31 December 2020.			
Ordinary Resolution 2	To re-elect Mr. Chng Hee Kok as director.			
Ordinary Resolution 3	To re-elect Mr. Chin Teck Oon as director.			
Ordinary Resolution 4	To re-elect Mr. Teh Chong Seng as director.			
Ordinary Resolution 5	To re-elect Mr. Chua Thiam Chwee as director.			
Ordinary Resolution 6	To approve the sum of S$255,000 to be paid to all directors (other than the Chief Executive Officer and Executive Director) as directors' fees for the financial year ending 31 December 2021, such fees to be paid quarterly in arrears			
Ordinary Resolution 7	To re-appoint RT LLP as the Auditor and to authorise the directors to fix their remuneration.			
Special Business				
Ordinary Resolution 8	To authorise the directors to issue share or convertible securities			
Ordinary Resolution 9	To authorise the directors to offer and grant awards and allot and issue shares under the KTL Performance Share Scheme			

* Delete as appropriate.

Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" or a "√" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the AGM as your proxy to abstain from voting on a resolution, please indicate with an "X" or a "√" in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes w ill not be counted in computing the required majority on a poll.

Dated this ____________ day of ____________ 2021

Total Number of Shares held in	
Depository Register	
Register of Members	

____
Signature(s) of member(s)
and Common Seal of corporate member

IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

This Proxy Form will be published on the Company's website at URL https://www.ktl.group, and will also be made available on SGXNet at the URL https://www.sgx.com/securities/company-announcements. There will be no despatch of printed copies of the Annual Report, Notice of Annual General Meeting and Proxy Form to shareholders.

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, (Cap 289)), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the AGM in person and will not be able to vote through the Live Webcast and voting is only through submission of proxy form. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

3. The Chairman of the AGM, as proxy, need not be a member of the Company. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:

   (i) if submitted by post, be lodged at the registered office of the Company at 18 Boon Lay Way, #10-139 Tradehub 21, Singapore 609966; or

   (ii) if submitted electronically via email, be submitted to the Company's email to shareholders@ktl.group.,

   in each case, by **11.00 a.m. on 22 September 2021** (the "**Proxy Deadline**"), being 48 hours before the time appointed for holding the AGM, and failing which, this Proxy Form will not be treated as valid.

4. CPFIS/SRS investors who hold shares through CPF Agent Banks/SRS Operators and who wish to request their CPF Agent Banks/SRS Operators to appoint the Chairman of the AGM as their proxy in respect of the shares held by such CPF Agent Banks/SRS Operators on their behalf should approach their CPF Agent Banks/SRS Operators to submit their votes by **5.00 p.m. on 15 September 2021** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.

5. A member who wishes to submit the proxy form must complete and sign the proxy form which can be downloaded from the Company's website or the SGXNet, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above. **In view of the current COVID-19 situation and the related safe distancing measures, members are strongly encouraged to submit completed proxy form electronically via email.**

6. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the AGM as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

7. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor is not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing the Chairman of the AGM as proxy. In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 9 September 2021.

KTL GLOBAL LIMITED
18 Boon Lay Way #10-139 TradeHub 21
Singapore 609966
Tel: (65) 69837969