

**1. INTRODUCTION**

The Board of Directors (the "**Board**") of KTL Global Limited ("**KTL**", or the "**Company**", and together with its subsidiary, the "**Group**") wishes to announce that on 19 April 2024, the Company had entered into a binding term sheet ("**Term Sheet**") with First Ark Pte. Ltd. (the "**Lender**") for a loan by the Lender into the Company by way of a convertible loan of up to S\$900,000 (the "**Proposed Loan**").

**2. PRINCIPAL TERMS OF TERM SHEET**

2.1. Proposed Loan

The Proposed Loan entails the Lender having the option but not an obligation, and, at its sole discretion, to convert any disbursed loan amount to the Company's ordinary shares, and the Company issuing ordinary shares in the share capital of the Company ("**Subscription Shares**") at a conversion rate of \$0.0001 per share, which shall serve as repayment of the said Convertible Loan disbursed, whatever that amount may be, with an aggregate cash consideration of up to S\$900,000.00 ("**Subscription Proceeds**"). The basis of the proposed subscription is as follows:

- a) The Company has 347,927,000 ordinary shares prior to completion of the Proposed Subscription;
- b) Prior to issuance of the Subscription Shares, the CEO of the Company shall convert his loan to the Company of S\$750,000.00 into 750,000,000 ordinary shares of the Company at S\$0.001 per share;
- c) After issuance of the Subscription Shares, and on the assumption that S\$900,000,000 is disbursed, the Subscription Shares will amount to approximately 89.13% of the enlarged share capital of the Company; and following these conversions and on this assumption, the total issued share capital of the Company will be increased to approximately 10,097,927,000 ordinary shares; and
- d) The issue price is S\$0.0001 per Subscription Share.

2.2 Purpose of the Loan

The Lender agrees on condition of the Company dealing with the Lender exclusively on the issue of funding for a period of 6 months, to extend to the Company the Proposed Loan to fund the Company's:-

- a) legal fees for an application to the Court under Section 210 Companies Act 1967 ("**CA**") and Section 67 Insolvency, Restructuring and Dissolution Act 2018 ("**IDRA**");

- b) legal fees for setting aside an interlocutory judgement and statutory demand issued against the Company in respect of HC/S 347/2021 by Khua Kian Kheong against the Company (“HC 347/2021”); and
- c) Subject to the Court granting an order
  - i. for the meeting of the Company’s creditors for purposes of the Creditors’ Scheme; and
  - ii. (that the Proposed Loan, together with interest as described in clause 2 (a) and (b) above, is deemed to be rescue financing having priority over all the preferential debts specified in Section 203(1)(a) to (i) IRDA and all other unsecured debts of the Company and such other orders under Section 67 IRDA as may be required by the Lender,
- d) To the extent permissible by law, the Proposed Loan shall, prior the Court’s grant of the order under sub-paragraph (c)(ii) above, be deemed to be senior to all other debt of the Company.

### 2.3 Completion

- a) On the Completion Date, the Proposed Loan extended (with zero interest) shall be netted off from the Subscription Proceeds payable by the Lender to Company.
- b) The Proposed Loan, together with interest at 5% per annum, calculated daily from date of disbursement, shall be immediately repayable by the Company in the event the Court does not grant the orders under sub-paragraph 2.2 (c)(ii) above.
- c) The Proposed Loan together with interest at 5% per annum, calculated daily from date of disbursement shall be immediately repaid to the Lender in full if the Company is in breach of the terms herein, and/or the Proposed Subscription is not completed on or before the Long Stop Date for any reason whatsoever not arising from the default of the Lender.

### 2.4 Option

- a) Subject to completion of the Proposed Loan, the Company shall grant the Lender an option to subscribe for up to 9,000,000,000 ordinary shares in the share capital of Company (“**Option Shares**”) at an issue price of S\$0.0001 per Option Share (“**Option**”).
- b) The Lender may assign its Option (whether in full or in part) to any one or more person(s) provided that the Lender must notify the Company of the assignment within five (5) business days.
- c) The Option may be exercisable (whether in full or in part) by the Lender or Option holder at any time and from time to time between the Completion Date (as herein defined) and the date falling 36 months after Completion Date.

### 2.5 Conditions Precedent

Completion is conditional upon several conditions having been fulfilled by **30 June 2024**, or such later date as may be mutually agreed in writing by the Lender and Company (“**Long Stop Date**”). To the extent permissible by law, the conditions set out below must be fulfilled but may be waived by the Lender at its sole discretion;

- a) Lender being satisfied with results of its due diligence in the affairs of the Company, including but not limited to the aggregate contingent and actual liability of the Company not exceeding S\$3,500,000.000;
- b) Approval of a proposed scheme of arrangement between the Company and its creditors (for settlement of all outstanding debts at the lower of (i) 66 2/3% discount; or (ii) S\$0.75

- million) (“**Creditors’ Scheme**”) and at least a majority (in numbers in attendance) of creditors who represent at least 75% in value of the outstanding debts of the Company, present and voting to accept the Creditor’s Scheme;
- c) The High Court of Singapore approving the Creditors’ Scheme and the lodgement of the Order of the Court sanctioning the Creditors’ Scheme being lodged with the Registrar of Companies pursuant to the Companies Act 1967 (“**CA**”);
  - d) Approval of Company’s shareholders in respect of the followings:
    - i. the Proposed Subscription by the Lender and ancillary transactions contemplated in this Binding Offer;
    - ii. The proposed acquisition of new business / assets acceptable to the Lender (“**Proposed Acquisition**”);
  - e) Such other proposals as may be necessary to regularize the financial condition and ensuring the going concern of the Company as may be acceptable to the Lender, at an EGM to be convened;
  - f) Approval-in-principle of the Mainboard of the Singapore Exchange (“**SGX**”) being obtained for
    - i. the resumption of trading of the shares of the Company; and
    - ii. the listing and quotation of the Subscription Shares and Option Shares;
  - g) The waiver by Securities Industries Council being obtained by the Lender in relation its obligation and parties acting in concert with it to make a general offer for all the shares of the Company not already owned by them following completion of Proposed Subscription and subscription of the Option Shares under Rule 14 of the Singapore Code on Takeovers and Mergers and, if the waiver is granted subject to conditions, such conditions being reasonably acceptable to the Lender;
  - h) All conditions of the Creditors’ Scheme being fulfilled or waived on or prior to the completion date of the Proposed Subscription (“**Completion Date**”);
  - i) There having been no material adverse change to the affairs of the Company prior to the Completion Date;
  - j) The existing Board of Directors handing in their Letters of Resignation prior to Completion and the appointment of Lender’s nominees to the Board of Directors;
  - k) The existing Board of Directors procuring or assist in procuring the effective and actual control of the Company’s bank accounts to the Lender’s nominees;
  - l) The existing Board of Directors procuring or assist in procuring the transfer of SGX Net to the Lender’s nominees;
  - m) The Company delivering a written undertaking (in form and substance satisfactory to Lender) confirming that shareholders representing a minimum of 50% of the Company’s total shares would vote in favour of the transactions contemplated herein, including their undertaking to vote for directors nominated by the Lender to the Board of Directors;
  - n) The CEO of the Company having converted his loan of to the Company of S\$750,000.00 into 750,000,000 ordinary shares of the Company at S\$0.001 per share; and
  - o) All such other applicable regulatory approvals having been obtained.

- a) In consideration of the Lender disbursing the Proposed Loan, the Company agrees that it shall pay the Lender S\$200,000.00 in cash as a break fee ("**Break Fee**") in the event:
  - i. The Company breaches its exclusivity obligations; and/or
  - ii. The Company, for any reason whatsoever (other than Lender's default), does not enter into definitive documentation with Lender after entering into this Term Sheet.
- b) The Company shall pay the Break Fee within three (3) business days from date of Lender's demand.
- c) The Break Fee is intended to be compensatory in nature and represents a reasonable estimate of the compensation to Lender among other things, out of pocket expenses, costs of management and directors' time, opportunity costs in not pursuing other SGX shell companies.

### **3. RATIONALE FOR THE PROPOSED LOAN**

The Group has been actively seeking investors as the Company has almost depleted its funds and its existing businesses lacked the profitability and scale to support the overheads of the Group. As at 31 December 2022, the Group has only \$152,000 in cash and cash equivalents and a net liability position of \$1.17 million. On 8 April 2024, the Group also announced that the Company's term sheet with a potential investor has also been terminated. Coupled with the circumstance that the Company has been suspended from trading, it has severely limited the Company's ability to raise alternative sources of fund.

Accordingly, it is in the Company's position to recapitalise the Company quickly and to provide cash injection as it seeks to explore business opportunities to increase revenue stream and to pay off its liabilities. With the additional cashflow from the Proposed Loan, the Company would be able to support such business operations so as to increase revenue stream and turnaround the Company.

The Board is of the view that the Term Sheet provides the Group with the opportunity to obtain funding which would serve to aid its current tight cashflow position, thus improving shareholders' value.

### **4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

As at the date hereof, save for their shareholdings in the Company and as disclosed herein, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Loan.

### **5. FURTHER ANNOUNCEMENTS**

Further announcements on the Proposed Loan will be made in due course as and when appropriate. In the event that shareholders' approval is required for transactions arising out of the Term Sheet, the Company will inform shareholders and seek their approval on the same.

### **6. CAUTION IN TRADING**

Notwithstanding that trading in the shares of the Company is currently suspended, shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. In particular, shareholders and potential investors should note that as there is no assurance that any business activities or transactions mentioned in this announcement will materialise. People who are in doubt as to the action they should take should consult their stockbrokers, solicitors or other professional advisors.

By Order of the Board  
**KTL GLOBAL LIMITED**

Chin Teck Oon  
Executive Director and Chief Executive Officer

22 April 2024