

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

ENTRY INTO CONVERTIBLE LOAN AGREEMENT

1. INTRODUCTION

The Board of Directors (the “**Board**”) of KTL Global Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 3 June 2021 entered into a convertible loan agreement (the “**Convertible Loan Agreement**”) with He Yi, Lin Miaoli and Ng Yu Shu Andy (each, a “**Lender**” and collectively, the “**Lenders**”) pursuant to which the Lenders have agreed to extend to the Company a loan facility of up to S\$2,000,000 in aggregate (the “**Facility**”).

2. THE FACILITY

2.1 The Convertible Loan Agreement

Pursuant to the Convertible Loan Agreement, the Lenders have agreed to extend to the Company the Facility. Any amount of loan drawn down by the Company and disbursed by a Lender under the Facility in accordance with the Convertible Loan Agreement (each a “**Loan**”), may be converted into Conversion Shares (as defined below) on the terms and subject to the conditions of the Convertible Loan Agreement.

2.2 Salient Terms of the Convertible Loan Agreement

The salient terms of the Convertible Loan Agreement are as follows:-

- Lenders** : (a) He Yi (“**Lender 1**”);
(b) Lin Miaoli (“**Lender 2**”); and
(c) Ng Yu Shu Andy (“**Lender 3**”).
- Total Facility Amount** : The aggregate amount to be disbursed to the Company under the Facility shall be S\$2,000,000 (the “**Maximum Facility Amount**”), in the following manner:
- (a) Lender 1 agrees to make available to the Borrower a loan facility of up to the aggregate sum of S\$500,000;
- (b) Lender 2 agrees to make available to the Borrower a loan facility of up to the aggregate sum of S\$700,000; and
- (c) Lender 3 agrees to make available to the Borrower a loan facility of up to the aggregate sum of S\$800,000.

The Lenders shall not be obliged to provide Loans which in aggregate are more than the Maximum Facility Amount, and each Lender shall not be required to provide Loans in excess of the respective facility amount he shall make available as

set out in sub-paragraph (a), (b) and (c) above, as the case may be.

Purpose of the Loans : The Company intends to apply the amount of Loans as investment in new businesses and / or working capital in connection with the existing business and operations of the Group.

Drawdown of a Loan at Option of Company : The Company may request for the drawdown of a Loan under a Facility at any time subject to:

- (a) the satisfaction of the Conditions Precedent (as defined below) (or waived by the Lenders, to the extent that such Condition Precedent is capable of being waived);
- (b) the Company furnishing to the relevant Lender a written notice (the "**Utilisation Request**") specifying, among others, the amount of the Loan to be drawn down; and
- (c) the Maximum Facility Amount not having been utilised by the Company as at the date of such Utilisation Request.

In the event the Conditions Precedent (as defined below) are satisfied (or waived by the Lenders, to the extent that such Condition Precedent is capable of being waived), the Lenders shall make the requested Loan available, within 10 business days from the date of receipt of the Utilisation Request by a Lender ("**Disbursement Date**"), to the Company or such entity as may be nominated by the Company in its sole discretion and in the manner specified in the Utilisation Request. For avoidance of doubt, the Company shall be entitled to nominate any entity to receive a Loan, provided that such Loan is used in accordance with the purpose as set out above.

Maturity Date : The maturity date in respect of a Loan (the "**Maturity Date**") shall be such date falling two (2) years from the Disbursement Date for that Loan.

Interest : Each Loan shall bear interest at the rate of 2.0% per annum (the "**Interest Rate**") commencing on and from the Disbursement Date for that Loan. Such interest on a Loan shall be paid by the Company in arrears to the relevant Lender within 30 days of the end of each Interest Period (as defined below).

Notwithstanding the foregoing, the Company shall be entitled to pay all the accrued interest on such Loan on the Maturity Date subject to the written approval of the relevant Lender. For the avoidance of doubt, in the event that the Company elects to pay and the relevant Lender agrees to the payment

of, all interest accrued on a Loan on the Maturity Date, the interest payable on the Maturity Date shall be:

- (i) (in the event the relevant Lender has not exercised the right of conversion of such Loan within the Conversion Period and the Loan is to be repaid on the relevant Maturity Date) such amount of interest accrued on the Loan at the Interest Rate commencing from and on the Disbursement Date up to and including the Maturity Date; and
- (ii) (in the event the relevant Lender has exercised the right of conversion of such Loan within the Conversion Period), such amount of interest accrued on the Loan at the Interest Rate commencing from and on the Disbursement Date up to and including the date of issuance by such relevant Lender of the Conversion Notice (as defined below) in respect of such Loan.

Interest Period : An interest period in respect of a Loan shall be for a period of 6 months, with the first interest period commencing on and from the Disbursement Date in respect of that Loan (each an “**Interest Period**”). Each Loan shall have successive Interest Periods.

Conversion Right : In respect of each Loan disbursed by the relevant Lender pursuant to a Utilisation Request, such Lender shall have the right, during the Conversion Period, to convert all or any part of such Loan, into fully paid new shares in the capital of the Company (the “**Conversion Right**”). A Lender may exercise the Conversion Right by notifying the Company by way of a notice in the form set out in the Agreement (“**Conversion Notice**”), no later than the last day of the Conversion Period (as defined below).

The number of new shares in the capital of the Company (each a “**Share**”) to be issued by the Company to the relevant Lender upon the relevant Lender’s exercise of the Conversion Right (the “**Conversion Shares**”) shall be based on the Conversion Formula (as defined below).

Save as otherwise provided in the Convertible Loan Agreement, there shall be no material alteration to terms of the Conversion Right and / or adjustments to the advantage of any Lender, without the prior approval of the Shareholders to be sought at a general meeting of the Company, to the extent required under the Listing Rules.

In the event a Lender chooses to exercise his right of conversion, interest shall stop to accrue on such Loan disbursed by the relevant Lender upon the issuance by such Lender of the Conversion Notice in respect of such Loan.

Conversion Period : In respect of a Loan, the 3-month period commencing from the Conversion Period Commencement Date (such date inclusive).

For the purposes herein, "**Conversion Period Commencement Date**" means the date falling immediately after the expiry of three (3) months from the Disbursement Date of that Loan.

For illustrative purposes only, in the event the Disbursement Date in respect of a Loan falls on 1 June 2021, the Conversion Period Commencement Date will be 1 September 2021 and the Conversion Period will end on 30 November 2021.

Conversion Price : S\$0.062 for each Conversion Share (the "**Conversion Price**") subject to such price adjustment mechanisms in the event of, among others, future right, bonus or other capitalisation issues, as set out in the Convertible Loan Agreement. In the event of any such adjustment, the Company will make the necessary announcements as may be required under the Listing Rules.

The Conversion Price of S\$0.062 represents a 10% discount to the volume weighted average price of S\$0.0687 per Share for trades done on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 2 June 2021, being the last full market day prior to which the Convertible Loan Agreement was signed.

Conversion Formula : The number of Conversion Shares to be issued by the Company to the relevant Lender upon such Lender's exercise of his Conversion Right shall be based on the following formula (the "**Conversion Formula**"):

$$\frac{\text{Number of Conversion Shares}}{\text{Conversion Price}} = \frac{\text{Amount of Loan(s) which has / have been disbursed pursuant to Utilisation Request(s) and pursuant to which the relevant Lender exercises his Conversion Right}}{\text{Conversion Price}}$$

Status of the Conversion Shares : The Conversion Shares, when allotted and issued on conversion, shall, with effect from the date on which the Conversion Shares are credited to the securities account of the relevant Lender, the details of which are registered as such in the Company's register of members (the "**Registration Date**"), in all respects rank *pari passu* with the other existing Shares in the existing and paid-up capital of the Company in issue on the Registration Date, except for any dividends, rights, allotments or other distributions, the record date for which is prior to the Registration Date.

Prepayment of a Loan : The Company shall not prepay a Loan without the prior written approval of the relevant Lender.

Conditions Precedent : The issue of a Utilisation Request and the Conversion Shares shall be conditional upon the satisfaction of, among others, the following conditions (the “**Conditions Precedent**”):

(a) all relevant approval(s) from the shareholders of the Company (the “**Shareholders**”) for the issuance of the Conversion Shares being obtained and not being revoked or amended prior to the date of issuance of such Conversion Shares, and (if applicable) where any such Shareholders’ approval is subject to any conditions, such conditions being acceptable to the Company and the Lenders and, to the extent that any such conditions are required to be fulfilled on or before the date of issuance of such Conversion Shares, they are so fulfilled, and in the event any amendment is made to the terms of any such Shareholders’ approval, such amendments being acceptable to the Company and the Lenders; and

(b) the approval in-principle for the listing of and quotation for the Conversion Shares on the Mainboard of the SGX-ST (the “**Listing Approval**”) having been obtained (on terms and conditions acceptable to the Company and the Lenders, each acting reasonably) and not being revoked or amended, and any condition attached to the Listing Approval which is required to be fulfilled on or before the date of issuance of such Conversion Shares, having been fulfilled on or before that date to the satisfaction of the SGX-ST unless waived by the SGX-ST.

2.3 The offer of the Conversion Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. Accordingly, no prospectus or offer information statement will be issued by the Company in connection with the Facility under the Convertible Loan Agreement.

3. DETAILS ON THE LENDERS

3.1 The details of the Lenders are as follows:

(a) Lender 1

Lender 1 is an Irish citizen. He is a private investor and businessman, which owns a hotel in East Timor and other assets and businesses in United Kingdom and Ireland.

(b) Lender 2

Lender 2 is a Singapore citizen. He is a private investor and businessman. He is presently a director of a company, which is in the business of mechanical engineering.

(c) Lender 3

Lender 3 is a Singapore citizen. He is a private investor and businessman, and also a business development manager of a company, which is in the business of precision engineering. Lender 3 holds 43,000 Shares representing 0.01% of issued and paid-up capital of the Company, as at the date of this announcement.

The Lenders were introduced to the Group through the business connections of a Director.

- 3.2** The Company confirms, to the best of their knowledge, that the Company, its Directors and/or substantial shareholders do not have any connection (including business relationships) with any of the Lenders. Each Lender has also confirmed with the Company that he does not fall within the categories of persons set out under Rule 812(1)(a) to (d) of the Listing Rules. Each Lender has also represented, warranted and undertaken to and for the benefit of the Company that he is not acting in concert or collaboration with any other Lender or any other person to obtain or consolidate control over the Company (including as contemplated in the Singapore Code on Take-overs and Mergers). The Lenders will not be holding the Conversion Shares in trust or as nominees for other persons in the event that any of them exercises the Conversion Right pursuant to the terms of the Convertible Loan Agreement.

The information set out in this paragraph 3 was provided by the Lenders, which have been extracted and reproduced herein. In respect of such information, the Directors have not independently verified the accuracy and correctness of the same and the Directors' responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

4. RATIONALE AND USE OF PROCEEDS

- 4.1** The Company is of the view that the entry by the Company into the Convertible Loan Agreement is beneficial to the Company and the Group, as proceeds from the Loan(s) disbursed to the Company pursuant to the Convertible Loan Agreement will be applied as investment in new businesses and / or working capital in connection with the existing business and operations of the Group, in the following manner:

- (a) approximately 75% of such proceeds will be used for investment in new businesses; and
- (b) approximately 25% of such proceeds will be used for general working capital.

- 4.2** The estimated net proceeds from the Loan(s) (assuming that the Company draws down on the Maximum Facility Amount of S\$2,000,000), after deducting expenses of approximately S\$24,000 is approximately S\$1,976,000 (the "**Net Proceeds**").

- 4.3** Pending the deployment of the Net Proceeds for the above-mentioned purposes, the 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, in accordance with the purpose of the Loans, as set out in paragraph 2.2 above.

- 4.4 The Company will make periodic announcements as and when the Net Proceeds from the Loans are materially disbursed and whether such use is in accordance with the stated use and the percentage allocated to the stated use in paragraph 4.1 of this announcement above. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial statements and its annual report. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the respective announcements and status reports. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reason(s) for such deviation.

5. DIRECTORS' OPINION

The directors of the Company (the "Directors") are of the opinion that after taking into consideration the present bank facilities and the Net Proceeds as set out in this announcement, the working capital available to the Group is sufficient to meet its present requirements.

6. AUTHORITY FOR THE ISSUE OF THE CONVERSION SHARES

6.1 The Conversion Shares

Assuming that:

- (a) the Company draws down S\$2,000,000, being the Maximum Facility Amount;
- (b) the Lenders elect to exercise the Conversion Right to convert the amount of S\$2,000,000, being the Maximum Facility Amount; and
- (c) there is no adjustment to the Conversion Price of S\$0.062 per Conversion Share,

the maximum number of Conversion Shares that may be issued to the Lenders in aggregate (with the number of Conversion Shares issued to each Lender being rounded down to the nearest number), based on a Conversion Price of S\$0.062 per Conversion Share, will be 32,258,063 (the "**Maximum Number of Conversion Shares**"). Based on the foregoing assumptions, the Maximum Number of Conversion Shares will be issued to each Lender as follows:

- (i) 8,064,516 Conversion Shares to Lender 1;
- (ii) 11,290,322 Conversion Shares to Lender 2; and
- (iii) 12,903,225 Conversion Shares to Lender 3.

The aggregate of 32,258,063 Conversion Shares, when fully issued upon the Lenders' exercise of their respective Conversion Right pursuant to the Convertible Loan Agreement, represent approximately 10.22% of the existing issued and paid up share capital of the Company comprising 315,669,019 Shares. Assuming that all 32,258,063 Conversion Shares are issued and no other Shares are issued between the date of this announcement until the issuance of the Conversion Shares, on completion of the issuance and allotment of such Shares, the total number of issued Shares in the share capital of the Company will increase to 347,927,082 and the Conversion Shares will represent approximately 9.27% of the enlarged share capital of the Company.

6.2 General Mandate

Pursuant to the existing general mandate to issue Shares passed at the annual general meeting of the Company held on 29 June 2020 (the “**2020 AGM Mandate**”), the Company is allowed to:

- (i) (a) allot and issue shares in the capital of the Company, whether by way of rights, bonus or otherwise; and/or (b) make or grant offers, agreements or options (collectively, the “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation 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 may in their absolute discretion deem fit; and
- (ii) issue Shares in pursuance of any Instrument made or granted by the Directors while the 2020 AGM Mandate was in force,

provided that, among others, the aggregate number of shares to be issued pursuant to 2020 AGM Mandate (including Shares to be issued in pursuance of the Instruments made or granted pursuant to the 2020 AGM Mandate) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the 2020 AGM Mandate, of which the aggregate number of shares to be issued other than on a *pro-rata* basis to the existing Shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to the 2020 AGM Mandate) does not exceed 20% of the total number of issued Shares then.

As at the date on which the 2020 AGM Mandate was passed (being 29 June 2020), the issued and paid-up share capital of the Company was 315,669,019 Shares (excluding treasury shares and subsidiary holdings). As no Shares were previously issued under the 2020 AGM Mandate, the maximum number of Shares to be issued other than on a *pro rata* basis is 63,133,803.

The Maximum Number of Conversion Shares, when fully issued upon the Lenders’ exercise of their Conversion Right pursuant to the Convertible Loan Agreement and subject to the assumptions above, falls within the limits of the 2020 AGM Mandate. Accordingly, the Company will be relying on the 2020 AGM Mandate for the issuance and allotment of the Conversion Shares and will not be seeking specific Shareholders’ approval for the issuance and allotment of the Conversion Shares.

7. FINANCIAL EFFECTS OF THE ISSUANCE AND ALLOTMENT OF THE CONVERSION SHARES

7.1 Bases and Assumptions

The financial effects of the issuance and allotment of the Conversion Shares on the share capital, loss per Share (“**LPS**”) and net tangible assets (“**NTA**”) per Share of the Group have been prepared based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2020 (“**FY2020**”). The *pro forma* financial effects of the issuance and allotment of the Conversion Shares are for illustration purposes only and do not necessarily reflect the actual future results and financial position of the Group following completion of the issuance and allotment of the Conversion Shares.

For illustration purposes only, the financial effects of the issuance and allotment of the Conversion Shares have been computed based on the following assumptions:

- (a) the financial effects on the Group's NTA attributable to the Shareholders and the NTA per Share have been computed assuming that the issuance and allotment of the Conversion Shares was completed on 31 December 2020, being the end of the most recently completed financial year;
- (b) the financial effects on the Group's earnings or loss attributable to the Shareholders and LPS have been computed assuming that the issuance and allotment of the Conversion Shares was completed on 1 January 2020, being the beginning of the most recently completed financial year;
- (c) the Company draws down an aggregate sum of S\$2,000,000 under the Facility, being the Maximum Facility Amount;
- (d) the Lenders elect to exercise the Conversion Right to convert the amount of S\$2,000,000 being the Maximum Facility Amount;
- (e) no adjustments have been made to the Conversion Price; and
- (f) save for the interest expense for the Loan(s), the expenses in connection with the Convertible Loan Agreement have been disregarded.

7.2 Share Capital

	No. of Shares	(\$'000)
Issued share capital	315,669,019	36,776
Add:-		
Maximum Number of Conversion Shares to be issued and allotted	32,258,063	2,000
Enlarged share capital after the completion of the issuance of the Conversion Shares	347,927,082	38,776

7.3 NTA per Share

	As at 31 December 2020	After Issuance of Conversion Shares
NTA attributable to Shareholders (S\$'000)	(39)	1,961
Number of Shares	315,669,019	347,927,082
NTA per Share attributable to Shareholders (Singapore cents)	(0.01)	0.56

7.4 LPS

	As at 31 December 2020	After Issuance of Conversion Shares
Net loss attributable to Shareholders (S\$'000)	(2,686)	(2,686)
Weighted average number of Shares ('000)	315,669	347,927
LPS (Singapore cents)	(0.85)	(0.77)

8. CHANGES IN SHAREHOLDING INTERESTS OF SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND THE LENDERS

The shareholding interests of the substantial Shareholders, the Directors, and the Lenders, before and after the issuance of the Maximum Number of Conversion Shares as a percentage of the current share capital of the Company as at the date of this announcement and the enlarged share capital after the issuance of the Maximum Number of Conversion Shares, respectively, are as set out below:

	Existing shareholding interests ⁽⁷⁾		Shareholding interests after issuance of the Conversion Shares	
	No. of Shares	% of total issued Shares ⁽¹⁾	No. of Shares	% of total issued Shares ⁽²⁾
Substantial Shareholders				
Zhang Xue Mei	34,050,000	10.79	34,050,000	9.79
Changsheng Investment Development Limited	47,879,000	15.17	47,879,000	13.76
Raffles Financial Pte. Ltd. ⁽³⁾	63,079,000	19.99	63,079,000	18.13
Raffles Financial Group Limited ⁽⁴⁾	63,079,000	19.99	63,079,000	18.13
In Nany Sing Charlie ⁽⁵⁾	63,079,000	19.99	63,079,000	18.13
Directors				
Chng Hee Kok	-	-	-	-
Liu Changsheng ⁽⁶⁾	63,079,000	19.99	63,079,000	18.13
Chin Teck Oon	38,000,000	12.04	38,000,000	10.92
Chong Eng Wee	-	-	-	-
Teo Sze Wai	-	-	-	-
Teh Chong Seng	-	-	-	-
Chua Thiam Chwee	-	-	-	-
Lenders				

Lender 1	-	-	8,064,516	2.32
Lender 2	-	-	11,290,322	3.25
Lender 3	43,000	0.01	12,946,225	3.72

Notes:

- (1) Based on the existing issued and paid-up share capital of the Company of 315,669,019 Shares.
- (2) Based on the enlarged share capital of the Company of 347,927,082 Shares, after the issuance and allotment of 32,258,063 Conversion Shares (being the Maximum Number of Conversion Shares based on the assumptions set out in paragraph 6.1 of this announcement).
- (3) Raffles Financial Pte. Ltd. is directly interested in 15,200,000 Shares representing 4.82% of the existing issued and paid-up share capital of the Company. Raffles Financial Pte. Ltd. is the sole shareholder of Changsheng Investment Development Limited. By virtue of Section 4 of the Securities and Futures Act (Cap. 289), Raffles Financial Pte. Ltd. is also deemed to be interested in 47,879,000 ordinary Shares held under Changsheng Investment Development Limited representing 15.17% of the existing issued and paid-up share capital of the Company
- (4) Raffles Financial Group Limited is the sole shareholder of Raffles Financial Pte. Ltd. Raffles Financial Pte. Ltd. is the sole shareholder of Changsheng Investment Development Limited. By virtue of Section 4 of the Securities and Futures Act (Cap. 289), Raffles Financial Group Limited is deemed to be interested in (i) the 47,879,000 Shares held under ChangSheng Investment Development Limited representing 15.17% of the existing issued and paid-up share capital of the Company and (ii) the 15,200,000 Shares held under Raffles Financial Private Limited representing 4.82% of the existing issued and paid-up share capital of the Company.
- (5) In Nany Sing Charlie is a shareholder of Raffles Financial Group Limited, holding 31.9% shareholdings in Raffles Financial Group Limited. Raffles Financial Group Limited is the sole shareholder of Raffles Financial Pte. Ltd. Raffles Financial Pte. Ltd. is the sole shareholder of Changsheng Investment Development Limited. By virtue of Section 4 of the Securities and Futures Act (Cap. 289), In Nany Sing Charlie is deemed to be interested in (i) the 47,879,000 Shares held under ChangSheng Investment Development Limited representing 15.17% of the existing issued and paid-up share capital of the Company and (ii) the 15,200,000 Shares held under Raffles Financial Private Limited representing 4.82% of the existing issued and paid-up share capital of the Company.
- (6) Liu Changsheng is a shareholder of Raffles Financial Group Limited, holding 31.9% shareholding in Raffles Financial Group Limited. Raffles Financial Group Limited is the sole shareholder of Raffles Financial Pte. Ltd. Raffles Financial Pte. Ltd. is the sole shareholder of Changsheng Investment Development Limited. By virtue of Section 4 of the Securities and Futures Act (Cap. 289), Liu Changsheng is deemed to be interested in (i) the 47,879,000 Shares held under ChangSheng Investment Development Limited representing 15.17% of the existing issued and paid-up share capital of the Company and (ii) the 15,200,000 Shares held under Raffles Financial Private Limited representing 4.82% of the existing issued and paid-up share capital of the Company.
- (7) Shareholding interests includes direct and deemed interests of the Shareholders.

As mentioned above, assuming that all the 32,258,063 Conversion Shares (being the Maximum Number of Conversion Shares) are issued, the Conversion Shares held by the Lenders in aggregate will represent approximately 9.27% of the issued and paid up share capital of the Company on an enlarged basis and will fall within the limits of the 2020 AGM General Mandate.

9. ADDITIONAL LISTING APPLICATION

The Company will be submitting an application to the SGX-ST for the listing and quotation of the Conversion Shares on the Mainboard of the SGX-ST. The Company will make the relevant announcement to notify the Shareholders when the approval-in-principle from the SGX-ST is obtained.

10. DIRECTOR'S SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Convertible Loan Agreement.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective shareholding interests in the Company and as disclosed in this announcement, none of the Directors or their associates or, as far as the Company is aware, substantial Shareholders or their associates, has any interest, direct or indirect, in the Convertible Loan Agreement.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Convertible Loan Agreement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

13. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The issuance and allotment of the Conversion Shares are subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the issuance and allotment of the Conversion Shares will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

14. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the Convertible Loan Agreement are available for inspection at the Company's registered office at 3 Church Street, Samsung Hub, Level 8, Singapore 049483 during normal business hours for a period of three (3) months commencing from the date of this announcement.

In light of the prevailing regulations due to the COVID-19 situation, any Shareholder who wishes to inspect the document should contact the Company at the email address **shareholders@ktl.group** at least 3 working days in advance to make a prior appointment to attend at the registered office of the Company to inspect the document. Shareholders will need

to identify themselves by stating his/ her/ its full name as it appears on his/her/its CDP /CPF /SRS share records, contact number and NRIC/ Passport/ UEN number and state the manner in which he/ she /it holds his/ her/ its Shares in the Company (e.g. via CDP, CPF or SRS).

By Order of the Board

Liu Changsheng
Chief Executive Officer

3 June 2021