

KTL GLOBAL LIMITED

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

ENTRY INTO NON-BINDING TERM SHEET

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 2 August 2023, the Company had entered into a non-binding term sheet ("**Term Sheet**") with Everose Holdings Pte. Ltd. (the "**Investor**") for investment by the Investor into the Company by way of a convertible loan of S\$5,000,000 (the "**Proposed Investment**").

Please refer to paragraph 2 for an overview of the principal terms of the Term Sheet.

2. PRINCIPAL TERMS OF TERM SHEET

2.1. The Proposed Investment is conditional upon and subject to the entry into a definitive convertible loan agreement ("**Convertible Loan Agreement**") by 31 August 2023 (the "**Long-Stop Date**"):

2.2. Loan

Under terms of the Proposed Investment, the Investor is to provide a 1-year redeemable interest-bearing loan of up to S\$5 million at an interest rate of 12% per annum (the "**Loan**"). The principal sum and interest accrued shall be payable at the end of such term by way of issue of new ordinary shares in the Company to the Investor at the issue price of S\$0.007 per share (the "**Consideration Shares**"). The Loan may be drawn down as follows:

- (a) the first drawdown of S\$200,000 will be upon the appointment of a financial controller as approved by the Investor (the "**First Drawdown**");
- (b) the second drawdown of S\$250,000 will be upon the signing of a Convertible Loan Agreement by no later than 31 August 2023, and the entirety of its usage to be subject to the approval of the Investor;
- (c) the remaining drawdowns will be subjected to the approval of the Investor depending on the progress of the Proposed Investment provided always that all the remaining funds will be released upon the approval by the SGX-ST Exchange of the resumption of trading of the Company's shares.

In using the Loan, the Company is to submit a proposed schedule of specific payments for use, for the Investor's approval.

2.3. Conditions Precedent

Completion is conditional upon several conditions having been fulfilled by the Long-Stop Date (as defined below):

- (a) the Company to appoint a qualified financial controller subject to the approval by the Investor reviewing the Company's financial status, negotiating with its creditors and managing payments on or before the first drawdown;
- (b) the Investor having the right to appoint up to three directors in the Company;
- (c) the signing of a convertible loan agreement and other such agreements/documents in respect of the Proposed Investment by no later than 31 August 2023 ("**Definitive Agreements**");
- (d) the Investor placing in escrow an amount of S\$1 million with solicitors acceptable by both the Company and the Investor, upon signing of the Definitive Agreements;
- (e) Approvals and/or waivers from SGX-ST for the Proposed Loan and such other related matters.

The Company is also required to seek a pre-clearance from the SGX-ST for the Proposed Investment and other matters related therewith.

2.4. Other Conditions

Pursuant to the Term Sheet, amongst others, the following conditions have also been set out:

- (a) the liabilities of the Company as at 30 June 2023 should not exceed S\$3.5 million;
- (b) any shareholder loans shall be converted to new shares of the Company at the price of S\$0.007 per share; and
- (c) the resumption of trading of the Company's shares on the SGX-ST prior to 1 June 2024;
- (d) in the event that the Company decides not to proceed through no fault of the Investor, the Company will have to repay the first tranche drawdown and an additional amount of S\$200,000 as break fee.
- (e) In the event that the Investor decides not to proceed and/or unable to enter into the Definitive Agreements by the Long-Stop Date through no fault of the Company, the First Drawdown will be forfeited and the Company will not have to repay the amount.

2.5. Termination

The Loan is deemed to be immediately terminated upon the occurrence of the following:

- (a) the Definitive Agreements are not signed by the Long-Stop Date;
- (b) the Company is put into judicial management, liquidation and/or bankruptcy during the loan period (as applicable);
- (c) the Proposed Investment is rejected by governmental or regulatory authorities or competent authorities or stock exchange having jurisdiction over the Proposed Investment; or
- (d) the SGX-ST issues a delisting notification to the Company.

3. RATIONALE FOR THE PROPOSED INVESTMENT

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 20 June 2023, the Group also announced that its significant shareholder has decided not to extend the Loan Agreement as he was no longer ready, willing or able to provide the Loan to the Company (Note: the Group had not drawn down any monies to date). 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 Investment, 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 Investment.

5. FURTHER ANNOUNCEMENTS

Further announcements on the Proposed Investment 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
21 August 2023