



KTL GLOBAL LIMITED

(Incorporated in the Republic of Singapore under Registration Number 200704519M)

PROPOSED RATIFICATION OF INTERESTED PERSON TRANSACTIONS IN RELATION TO THE PROVISION OF LEGAL SERVICES BY CHEVALIER LAW LLC

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of KTL Global Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) wishes to announce that the Group had entered into several interested person transactions with Chevalier Law LLC (“**Chevalier Law**”), for the provision of legal services on various litigation, transactions and/or corporate actions involving and/or undertaken by the Company including transactions set out in paragraph 2.3 of this announcement (the “**Legal IPTs**”).
- 1.2 Pursuant to the requirements of Chapter 9 of Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Company is required to, *inter alia*:
- (a) make an immediate announcement of any interested person transaction (“**IPT**”) of a value equal to or more than three per cent. (3%) of the Group’s latest net tangible assets (“**NTA**”) or if the aggregate value of all transaction entered into with the same interested person during the same financial year amounts to three per cent. (3%) or more of the Group’s NTA; and
 - (b) obtain the approval of shareholders for any IPT of a value equal to or more than five per cent. (5%) of the Group’s latest audited NTA or any IPT when aggregated with other transactions entered into with the same interested person during the same financial year amounts to five per cent. (5%) or more of the Group’s NTA.
- 1.3 The Group’s latest audited NTA was S\$394,000 for the 12-month period ended 31 December 2020 (“**Latest Audited NTA**”). As at the date of this announcement, the aggregate value of the Legal IPTs for the period under review (being the period from 1 January 2021 to 30 June 2022) (“**FY2021**”) had exceeded five per cent. (5%) of the Group’s Latest Audited NTA.
- 1.4 The Company is proposing to convene an extraordinary general meeting to seek shareholders’ ratification of the Legal IPTs (the “**Proposed IPTs Ratification**”).

2. THE PROPOSED IPT RATIFICATION

2.1 Background

2.1.1 The Company had on 14 February 2022 disclosed in its fourth quarter results announcement for the quarter ended 31 December 2021 (the “**4Q Results Announcement**”) that the Group has entered into IPTs with Chevalier Law for an aggregate amount of S\$149,500 for the 12-month period ended 31 December 2021. These IPTs relate to the provision of the legal services (details of which are set out in paragraph 2.3) rendered and provided for in the aforesaid 12-month period. The aggregate value of all Legal IPTs contracted but not completed with Chevalier Law since 1 January 2021 up to the date of this announcement] was S\$255,000 (including the S\$149,500 contracted during the 12-month period ended 31 December 2021). The Group has not obtained any general mandate for the Legal IPTs from its shareholders for FY2021. The Company has announced the change in its financial year end from 31 December to 30 June on 10 January 2022. The first financial year following the change of year end is for the 18-month period ending 30 June 2022.

2.1.2 The Group was involved in several transactions, litigation and corporate actions during FY2021, including, but not limited to, the transactions, litigation and corporate actions set out in paragraph 2.3 of this announcement. The inadvertent oversight in not seeking prior shareholders’ approval for the Legal IPTs was discovered subsequent to the preparation of the 4Q Results Announcement. Upon discovery of the inadvertent oversight, the Group has not entered into further transactions with Chevalier Law, and is now taking the requisite steps to convene an extraordinary general meeting (the “**EGM**”) to seek shareholders’ ratification for the Legal IPTs.

2.2 Details of the Interested Person

Mr. Chong, an independent and non-executive director of the Company, is the managing director and a shareholder who holds more than 30% shareholding interest in Chevalier Law. Accordingly, Mr. Chong is deemed an interested person of the Group in respect of transactions between the Group and Chevalier Law pursuant to Chapter 9 of Listing Manual of the SGX-ST.

2.3 Details of the Legal Services Rendered

2.3.1 The amount payable to Chevalier Law for legal services and work done and accrued for FY2021 includes legal professional fees relating to the various litigation, transactions and/or corporate actions involving and/or undertaken by the Group during such period including but not limited to legal services rendered in assisting with and advising on fund raising exercises such as the entry into the convertible loan agreement and the placement of shares by the Company, litigation work such as defending claims initiated by Khua Kian Keong against the Company, and advising the Company on responding to the originating summons taken out against the Company, Bluegas Private Limited and the former chief executive officer of the Company by Lawrence Group Inc., mergers and acquisitions such as the proposed acquisitions (via the Company’s subsidiary) of shares in Ebuy Pte. Ltd. and the property at 32 Quality Road, general corporate advisory work and various proposed corporate actions which have yet to be announced by the Company.

2.3.2 As the Listing Manual requires IPTs to be aggregated with other transactions entered into with the same interested person (excluding any transaction below S\$100,000) during the same financial year, for purposes of calculating the materiality thresholds of the Legal IPTs in relation to Rules 905 and 906, the value of each transaction have been aggregated notwithstanding that the value of each of the Legal IPTs was less than S\$100,000. Accordingly, as at the date of this announcement, the aggregate value of all Legal IPTs entered during the period from 1 January 2021 up to the date hereof amounted to S\$255,000, representing approximately 64.72% of the Group's Latest Audited NTA.

2.4 Rationale for and Benefit of the IPT

2.4.1 The Legal IPTs are all transactions entered into by the Group as a result of the various litigation, transactions and/or corporate actions involving and/or undertaken by the Group during FY2021.

2.4.2 The Company had, in accordance with its internal policy, invited other law firms to provide quotes for the provision of the legal services for those transactions mentioned in paragraph 2.3. Chevalier Law had, in all instances, provided a fair and reasonable scope of work and fee quotes for the aforesaid transactions. Mr. Chong has also abstained from or participated in any deliberations and/or making any decisions relating to the selection and appointment of legal counsels for the Company during FY2021.

2.4.3 In addition, Mr. Chong has been an independent director of the Company since 1 August 2019. The Company's new management has been in charge of the Company since May 2021 and Mr. Chong provides a sense of continuity to the Company and offers guidance and legal advice when necessary.

2.4.4 The Audit Committee is satisfied that the Legal IPTs were entered into on normal commercial terms and hence were not prejudicial to the interests of the Company and its minority shareholders.

3. STATEMENT BY BOARD AND AUDIT COMMITTEE

3.1 The Board confirms that the failure to seek the requisite shareholders' approval for the aforesaid Legal IPTs is an isolated event and save for these Legal IPTs, the Board is not aware of any other matters which warrant disclosure under the Listing Manual of the SGX-ST and are not being disclosed to the public.

3.2 The Board is of the view that there had been no prejudice to the shareholders as the Legal IPTs had been undertaken to support the business and operations of the Group and/or defend the interests of the Group and/or its shareholders, and carried out in the best interests of the Company.

3.3 Each Legal IPT had been reviewed by the Audit Committee (with Mr Chong abstaining) and the Audit Committee and the Board (in each case, with Mr Chong abstaining) are satisfied that the Legal IPTs were entered into on normal commercial terms and hence were not prejudicial to the interests of the Company and its minority shareholders.

4. EXTRAORDINARY GENERAL MEETING

The Company will be convening an EGM to seek shareholders' ratification for the Proposed IPTs Ratification.

The Company will make the necessary announcements in connection with the date and timing of the EGM in due course.

5. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the directors or substantial shareholders of the Company has any interest (other than their respective shareholding in the Company, direct or indirect), in the Proposed IPTs Ratification.

6. 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 Legal IPTs and the Proposed IPTs Ratification, 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 announcements in its proper form and context.

BY ORDER OF THE BOARD

Chin Teck Oon
Executive Director and CEO
22 March 2022