

KTL GLOBAL LIMITED

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

PROPOSED DISPOSAL OF THE ENTIRE SHAREHOLDING INTEREST IN AN INDIRECT WHOLLY-OWNED SUBSIDIARY, TIANCI AISC FZCO (THE “PROPOSED DISPOSAL”)

1. INTRODUCTION

The Board of Directors (the “**Board**”) of KTL Global Limited (the “**Company**”) and together with its subsidiaries (the “**Group**”) wish to announce that further to the Company’s announcement on 28 June 2022, Tianci Agritech Pte. Ltd. (the “**Vendor**”), a subsidiary of the Company, has entered into a sale and purchase agreement (“**SPA**”) with Wu Yongqiang (the “**Purchaser**”) in relation to the proposed disposal of 100% equity interest in Tianci AISC FZCO (the “**Target**”), a wholly-owned subsidiary of the Vendor. Pursuant to the terms of the SPA, the Proposed Disposal has also been completed today. The Company no longer holds any interest in the Target and accordingly, the Target has ceased to be a subsidiary of the Company.

2. INFORMATION ON THE TARGET AND THE PURCHASER

2.1 The Target

The Target was incorporated on 31 May 2022 in Dubai, through the Vendor, for the purposes of engaging in foodstuff and beverages trading. The Target has a paid-up share capital of AED 200,000 comprising of 20,000 ordinary shares at AED 10.00 per share (the “**Sale Equity**”). The Target has however not commenced operations since incorporation.

2.2 The Purchaser

The Purchaser was formerly a Non-Executive, Non-Independent and Non-Executive Chairman of the Company. He is also a controlling shareholder through his deemed interest in the 40,250,000 shares representing 11.57% held by his spouse, Ms Zhang Xuemei. He has since resigned from his positions in the Company with effect from 27 June 2022.

The Purchaser is the sole director of the Target and the main person in charge of the Target since incorporation. The Purchaser had also, at point of incorporation of the Target, made payment for and on behalf of the Vendor for the incorporation and/or any other related costs of the Target (the “**Advance**”).

3. SALIENT TERMS OF THE PROPOSED DISPOSAL

3.1 Consideration

Pursuant to the terms and subject to the conditions of the SPA, the Vendor shall sell to the Purchaser and the Purchaser shall purchase from the Vendor, the Sale Equity free from all encumbrances and together with all rights, benefits and entitlements attaching or accruing thereto, in exchange for a nominal purchase consideration of S\$1.00 (the “**Consideration**”) payable in any manner as may be determined by the Purchaser on Completion. The Consideration shall be satisfied wholly in cash on the date of completion.

The Consideration was arrived at after arm’s length negotiations between the Purchaser and the Vendor and on a willing-buyer and willing-seller basis, taking into account, amongst others, the matters set out in 2.2 above. Pursuant to the terms of the SPA, the Purchaser has agreed to release the Vendor from repayment of the Advance and that the Purchaser shall have no further claim

against the Vendor.

3.2 Conditions Precedent

The sale and purchase of the Sale Equity and completion of the Proposed Disposal shall be subject to and conditional upon, amongst others, the fulfilment and satisfaction of all the conditions set out below, which the Purchaser and Vendor agreed had been fulfilled and satisfied as at the date of the SPA:

- (a) all necessary consents, approvals, and waivers of any government bodies, stock exchange, and other regulatory authority having jurisdiction over the Acquisition (whether in Singapore, Dubai, the United Arab Emirates, and/or any other applicable jurisdiction) and all other transactions in connection therewith and incidental thereto, having been obtained or procured by the Purchaser or the Vendor, as the case may be, such consents, approvals and waivers not having been amended or revoked before the Completion Date, and to the extent that such consents, approvals and waivers are subject to any conditions required to be fulfilled before the Completion Date, all such conditions having been duly so fulfilled;
- (b) no relevant authority taking, instituting, implementing, or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might:
 - (i) make the transactions contemplated in this Agreement and all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same;
 - (ii) render the Purchaser unable to purchase or acquire the Sale Equity in the manner set out in this Agreement; and/or
 - (iii) render the Vendor unable to sell or dispose the Sale Equity in the manner set out in this Agreement; and
- (c) each of the representations, undertakings, and warranties of the Vendor under this Agreement being complied with, true, complete, accurate, and correct in all material respects and not misleading in any material respect as at the Completion Date, as if repeated as at the Completion Date and at all times between the date of this Agreement and as at the Completion Date.

3.3 Completion

Completion has taken place as at the date of this announcement.

4. RATIONALE FOR THE PROPOSED DISPOSAL

Whilst the Company had earlier intended to utilize the Target for trading in foodstuffs and beverages, due to strategic plans to streamline the Group's structure, the Board is of the view that the Proposed Disposal is in the interests of the Company. Since incorporation, the Group had not commenced operations through the Target and had not made any capital outflows related to the transaction. The Proposed Disposal will allow the Company to achieve savings on administrative and compliance expenses moving forward.

5. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL

In calculation of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Disposal based on the latest announced unaudited consolidated financial statements of the Group for the period ended 31 March 2022, the Company considered that it would not be meaningful to consider (a) the net asset value of the assets to be disposed of, compared with the Group's net asset value, and (b) the net profits attributable to the assets acquired or disposed of, compared with the Group's net profits. This is as the Target is currently dormant and the only net asset value attributable to it would be its share capital, which as set out in paragraphs 2.2 and 3.1, had earlier been paid for by the Purchaser for and on behalf of the Vendor, and pursuant to the terms of the SPA, will not be repaid by the Vendor to the Purchaser. Furthermore, as the Target has not commenced operations, it would not be meaningful to consider the net profits attributable to the Target. The Company has also considered that it would not be meaningful to consider the aggregate value of the consideration received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares and the last traded price. This is as the consideration is a nominal amount of S\$1.00, and the figure would be negligible.

6. FINANCIAL EFFECTS OF THE DISPOSAL

The Proposed Disposal is not expected to have a material impact on the Company's consolidated net tangible assets or earnings per share for the financial year ending 30 June 2023.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective interests in the issued Shares in the capital of the Company (as the case may be) and disclosed above, none of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct, or indirect in the Proposed Disposal.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be available for inspection during normal business hours at the Company's registered office at 18 Boon Lay Way, #10-139 Tradehub 21 Singapore 609966 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD
KTL GLOBAL LIMITED

Chin Teck Oon
Executive Director and Chief Executive Officer
28 December 2022