



KTL Global Limited

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

Unaudited First Quarter Financial Statements and Dividend
Announcement For the Financial Period Ended
31 March 2019

1(a) Statement of Comprehensive Income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

(The figures have not been audited or reviewed by the auditors)

	Group		% Change Increase/ (Decrease)
	First Quarter Ended		
	31-Mar-19 S\$'000	31-Mar-18 S\$'000	
Revenue	5,663	6,800	-17%
Cost of sales	(4,647)	(5,830)	-20%
Gross profit	1,016	970	5%
Other operating income	716	317	N.M.
Administration expenses	(2,357)	(2,714)	-13%
Sales and marketing expenses	(521)	(640)	-19%
Other operating expenses	(339)	(3,011)	N.M.
Share of results of a joint venture	25	-	N.M.
Loss from operations	(1,460)	(5,078)	-71%
Finance costs	(422)	(375)	13%
Loss from operations before taxation	(1,882)	(5,453)	-65%
Income tax expense	(8)	-	N.M.
Loss net of tax	(1,890)	(5,453)	-65%
Other comprehensive income:			
Exchange differences on translating foreign operations, net of tax	457	752	-39%
Other comprehensive income for the period	457	752	-39%
Total comprehensive loss	(1,433)	(4,701)	-70%
Loss net of tax attributable to:			
-Owners of the parent	(1,866)	(5,452)	-66%
-Non-controlling interests	(24)	(1)	N.M.
Loss net of tax	(1,890)	(5,453)	-65%
Total comprehensive loss attributable to:			
-Owners of the parent	(1,409)	(4,700)	-70%
-Non-controlling interests	(24)	(1)	N.M.
Total comprehensive loss	(1,433)	(4,701)	-70%

1(a)(i) Loss Before Income Tax is arrived after crediting/ (charging) the following :

	Group		% Change Increase/ (Decrease)
	First Quarter Ended		
	31-Mar-19 S\$'000	31-Mar-18 S\$'000	
Depreciation of property, plant and equipment	(344)	(318)	8%
Interest expenses	(422)	(375)	13%
Write back of investment	527	-	N.M.
Gain on disposal of property, plant and equipment, net	-	183	N.M.
Foreign exchange loss, net	(336)	(231)	45%
Lease termination compensation, net	-	(2,707)	N.M.

Note:

(1) N.M. = Not Meaningful

1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group As At		Company As At	
	31-Mar-19 S\$'000	31-Dec-18 S\$'000	31-Mar-19 S\$'000	31-Dec-18 S\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	11,532	11,143	-	-
Prepaid land lease	3,067	3,074	-	-
Investment properties	1,659	1,655	-	-
Subsidiaries	-	-	51	51
Joint ventures	-	502	-	-
Other receivables, deposits and prepayments	480	401	-	-
Total non-current assets	16,738	16,775	51	51
Current assets:				
Inventories	11,833	12,953	-	-
Trade receivables	6,785	6,916	-	-
Other receivables, deposits and prepayments	1,077	1,126	13	8
Due from subsidiaries	-	-	115	-
Due from associate and joint venture companies	-	198	-	-
Cash and bank balances	782	2,453	343	748
Total current assets	20,477	23,646	471	756
Total assets	37,215	40,421	522	807
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	36,776	36,776	36,776	36,776
Reserves	(55,359)	(53,951)	(36,683)	(36,403)
Equity, attributable to owners of the parent	(18,583)	(17,175)	93	373
Non-controlling interests	49	73	-	-
Total equity	(18,534)	(17,102)	93	373
Non-current liabilities:				
Other payables	2,428	2,799	-	-
Interest-bearing loans and borrowings	657	783	-	-
Total non-current liabilities	3,085	3,582	-	-
Current liabilities:				
Trade payables	3,338	5,143	-	-
Bills payables	4,650	4,721	-	-
Other payables and accruals	7,627	7,033	418	423
Due to controlling shareholders	12,200	11,625	-	-
Interest-bearing loans and borrowings	24,842	25,408	-	-
Income tax payable	7	11	11	11
Total current liabilities	52,664	53,941	429	434
Total liabilities	55,749	57,523	429	434
Total equity and liabilities	37,215	40,421	522	807

1(b)(ii) Aggregate amount of group's bank borrowings and debt securities

Amount repayable in one year or less, or on demand

	As At 31 March 2019		As At 31 December 2018	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bills payables	4,650	-	4,721	-
Interest-bearing loans and borrowings:				
Hire purchase creditors	512	-	498	-
Term loan	24,330	-	24,910	-
	29,492	-	30,129	-

Amount repayable after one year

	As At 31 March 2019		As At 31 December 2018	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Interest-bearing loans and borrowings:				
Hire purchase creditors	657	-	723	-
Term loan	-	-	60	-
	657	-	783	-

Details of the collaterals:

All bank borrowings and debt securities are secured by charges over the leased assets, certain property, plant and equipment, investment properties and personal guarantee by certain directors and a shareholder of the Company and subsidiary company.

Classification of bank borrowings

As a result of a technical breach of financial covenants stipulated in the loan facility agreements pertaining to loans amounting to S\$23.9 million (31 December 2018: S\$24.5 million), the long term portion of the loan amounting to S\$6.8 million (31 December 2018: S\$7.3 million) was classified as current liabilities.

As at 15 May 2019, management has obtained the waiver for the breach of financial covenants from the banks for a loan facility amounting to S\$15.2 million until 31 December 2019. Management is still in the process of obtaining the waiver for the breach of financial covenants for the other loan facilities from the banks until 31 December 2019.

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	First quarter ended	
	31-Mar-19 S\$'000	31-Mar-18 S\$'000
Cash Flows Used In Operating Activities:		
Loss before tax from operations	(1,882)	(5,453)
Adjustments for:		
Depreciation of property, plant and equipment	344	318
Property, plant and equipment written off	(2)	-
Reversal of impairment on property, plant and equipment	(68)	-
Waiver of amount owing to a joint venture company	(527)	-
Reversal of allowance for doubtful debts	(46)	-
Bad debts written off	12	-
Reversal for inventories	-	(356)
Inventories written off	-	47
Gain on disposal of property, plant and equipment and investments	-	(183)
Amortisation of prepaid land lease	32	32
Allowance on an amount due from an associate	-	68
Interest expenses	422	375
Share of results of a joint venture	(25)	-
Share distribution expenses	-	38
Operating Cash Flows Before Working Capital Changes	(1,740)	(5,114)
Inventories	1,230	153
Trade receivables	292	1,764
Other receivables, deposits and prepayments	(120)	(409)
Trade payables	(1,842)	(1,298)
Other payables and accruals	362	2,735
Net Cash Flows Used In Operations Before Interest and Tax	(1,818)	(2,169)
Income tax	(12)	-
Currency translation	352	276
Net Cash Flows Used In Operating Activities	(1,478)	(1,893)
Cash Flows From Investing Activities:		
Purchase of property, plant and equipment	(292)	(500)
Proceeds from disposal of investments, classified as held for sale	725	722
Proceed from disposal of property, plant and equipment	-	170
Net Cash Flows From Investing Activities	433	392
Cash Flows From Financing Activities:		
Proceeds from interest-bearing loans and borrowings	73	261
Repayment of interest-bearing loans and borrowings	(852)	(2,262)
Loan from controlling shareholders	575	2,045
Loan to an associate	-	(12)
Interest paid	(422)	(375)
Issuance of ordinary shares	-	1,000
Net Cash Flows (Used In) From Financing Activities	(626)	657
Net Decrease in Cash and Cash Equivalents	(1,671)	(844)
Cash and Cash Equivalents at Beginning of Period	2,453	1,422
Cash and Cash Equivalents at End of Period	782	578
Analysis of Cash and Cash Equivalents		
Cash and bank balances	782	578
Bank overdrafts	-	-
Cash and Cash Equivalents at End of Period	782	578

Restricted cash balances:

The Group's cash and bank balances in the statement of cash flow exclude short-term deposits of S\$Nil (31 March 2018: S\$150,000) which were pledged to secure a bank guarantee.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

GROUP	ATTRIBUTABLE TO OWNERS OF THE PARENT								Non-Controlling Interests	Total Equity	
	Share Capital	Treasury Shares	Treasury Shares Reserve	Premium paid on acquisition of non-controlling interest	Reserve attributable to non-current asset held for sale	Translation Reserve	Statutory Reserve Fund	Accumulated Profits (Losses)			Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			Reserves S\$'000
Current Period:											
Balance as at 31 December 2018	36,776	-	(706)	(60)	-	(2,591)	15	(50,609)	(53,951)	73	(17,102)
Net loss for the period	-	-	-	-	-	-	-	(1,866)	(1,866)	(24)	(1,890)
Other comprehensive income for the period	-	-	-	-	-	458	-	-	458	-	458
Total comprehensive loss for the period	-	-	-	-	-	458	-	(1,866)	(1,408)	(24)	(1,432)
Balance as at 31 March 2019	36,776	-	(706)	(60)	-	(2,133)	15	(52,475)	(55,359)	49	(18,534)
Previous Period:											
Balance as at 31 December 2017	34,836	(286)	(476)	(60)	(12)	(2,742)	15	(35,465)	(38,740)	56	(4,134)
Net loss for the period	-	-	-	-	-	-	-	(5,452)	(5,452)	(1)	(5,453)
Other comprehensive loss for the period	-	-	-	-	12	740	-	-	752	-	752
Total comprehensive loss for the period	-	-	-	-	12	740	-	(5,452)	(4,700)	(1)	(4,701)
Transfer of treasury shares	-	196	(158)	-	-	-	-	-	(158)	-	38
Issuance of share capital	1,000	-	-	-	-	-	-	-	-	-	1,000
Balance as at 31 March 2018	35,836	(90)	(634)	(60)	-	(2,002)	15	(40,917)	(43,598)	55	(7,797)

COMPANY

Current Period:											
Balance as at 31 December 2018	36,776	-	(706)	-	-	-	-	(35,697)	(36,403)	-	373
Net loss for the period	-	-	-	-	-	-	-	(280)	(280)	-	(280)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(280)	(280)	-	(280)
Balance as at 31 March 2019	36,776	-	(706)	-	-	-	-	(35,977)	(36,683)	-	93
Previous Period:											
Balance as at 31 December 2017	34,836	(286)	(476)	-	-	-	-	(6,244)	(6,720)	-	27,830
Net profit for the period	-	-	-	-	-	-	-	(31)	(31)	-	(31)
Total comprehensive income for the period	-	-	-	-	-	-	-	(31)	(31)	-	(31)
Transfer of treasury shares	-	196	(158)	-	-	-	-	-	(158)	-	38
Issuance of share capital	1,000	-	-	-	-	-	-	-	-	-	1,000
Balance as at 31 March 2018	35,836	(90)	(634)	-	-	-	-	(6,275)	(6,909)	-	28,837

* Denotes less than S\$1,000.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There has been no changes in the issued share capital of the Company since 31 December 2018.

As at 31 March 2019, the Company held no treasury shares (31 March 2018: 640,000) against a total number of 315,669,019 issued shares excluding treasury shares (31 March 2018: 268,029,019). The Company had no outstanding convertibles as at 31 March 2019 and 31 March 2018.

The percentage of the aggregate number of treasury shares held against the total number of issued shares as at 31 March 2019 is nil% (31 March 2018: 0.24%).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 31 March 2019	As At 31 December 2018
No. of issued shares excluding treasury shares	315,669,019	315,669,019

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable. No treasury shares had been sold, transferred, cancelled or used in any other manner as at the end of the current financial period reported on except as disclosed in 1(d)(ii).

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial periods reported on.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by auditors.

3 Where the figures have been audited or reviewed, the auditor' report (including any qualifications or emphasis of a matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Other than the adoption of the new and revised Financial Reporting Standards ("FRS") which come into effect for the financial year ending 31 December 2019, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements for the financial period ended 31 December 2018.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change

The adoption of new or revised standards effective in the current financial period is not expected to result in material adjustments to the financial position, financial performance, or cash flows of the Group for the financial year ending 31 December 2019, except for the following standards:

- SFRS (I) 9 Financial Instruments effective for financial period beginning 1 January 2018;
- SFRS (I) 15 Revenue from Contracts with Customers for financial period beginning 1 January 2018; and
- SFRS (I) 16 Leases for financial period beginning 1 January 2019.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per ordinary share for the period is computed based on profit, net of tax attributable to owners of the parent:-

	Group	
	First Quarter Ended	
	31-Mar-19	31-Mar-18
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares in issue	(0.59) cents	(2.17) cents
Weighted average number of ordinary shares in issue	315,669,019	251,546,847
(b) On a fully diluted basis	(0.59) cents	(2.17) cents
Weighted average number of ordinary shares in issue	315,669,019	251,546,847

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares at the end of the:-

- (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group As At		Company As At	
	31-Mar-19	31-Dec-18	31-Mar-19	31-Dec-18
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	(5.87) cents	(5.42) cents	0.03 cents	0.12 cents
Number of shares in issue excluding treasury shares	315,669,019	315,669,019	315,669,019	315,669,019

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Profit or Loss Review

Revenue

1Q 2019 vs 1Q 2018

The Group's revenue for the three months ended 31 March 2019 ("3Q 2019") was S\$5.7 million, 17% lower than the S\$6.8 million generated for the corresponding period in the last financial year ("1Q 2018"). The decrease is mainly due to the decrease in revenue generated from all segment for 1Q 2019.

Gross Profit

1Q 2019 vs 1Q 2018

The Group's gross profit for 1Q 2019 was higher than that for 1Q 2018 due to higher proportion of service sales generated. Gross profit from service revenue segment derives a higher gross profit margin and as a result, the Group's gross profit margin increase from 14% in 1Q 2018 to 18% in 1Q 2019.

Other Operating Income

1Q 2019 vs 1Q 2018

The Group's other operating income was higher for 1Q 2019 compared to 1Q 2018 mainly due to the write back of an investment in an joint venture of S\$0.6 million, offset by a decrease in rental income of S\$0.2 million.

Operating Expenses

1Q 2019 vs 1Q 2018

The Group's operating expenses comprised administration and sales and marketing expenses. Administration expenses for 1Q 2019 were lower than 1Q 2018 mainly due to decrease in rental expenses of S\$0.6 million and property tax of S\$0.1 million, partly offset by an increase in salary related expenses of S\$0.3 million. The increase in salary expenses was mainly due to reclassification between administration expenses and cost of sales, where salary expenses relating to production and technical services employees were reclassified to cost of sales. In 1Q 2019 and 1Q 2018, the amount of salary expenses reclassified from administration expenses to cost of sales amounted to S\$0.4 million and S\$0.7 million respectively. The net increase in total salary expenses is approximately S\$0.1 million, due to the the incorporation of new subsidiary Bluegas Private Limited.

Sales and marketing expenses for 1Q 2019 was lower than 1Q 2018, mainly due to decrease in salary expenses of S\$0.1 million.

Other Operating Expenses

1Q 2019 vs 1Q 2018

Other operating expenses for Q1 2019 was lower than 1Q 2018 due to compensation incurred for the early termination of 61 and 71 Tuas Bay Drive as announced on 5 April 2018 amounted to S\$2.7 million (net), partly offset by increase in foreign exchange losses of S\$0.1 million.

Finance Costs

1Q 2019 vs 1Q 2018

Finance costs for 1Q 2019 was higher than 1Q 2018 due to the increase in the cost of borrowings from fixed rate loans and bills payables interests rates pegged to SIBOR and LIBOR. Comparing the 2 periods, the average monthly SIBOR rates had increased by 55%.

Profit or loss, attributable to owners of the parent

1Q 2019 vs 1Q 2018

The decrease in net loss attributable to owners of the parent for 1Q 2019 was due to decrease administration expenses, sales and marketing expenses and other operating expenses, and increase in other operating income, share of results from a joint venture and gross profit.

Statement of Financial Position Review

31 March 2019 vs 31 December 2018

Current assets

The current assets of S\$20.5 million as at 31 March 2019 was lower compared to that as at 31 December 2018, mainly due to decreases in cash and bank balances of S\$1.7 million, inventories of S\$1.1 million, due from associate and joint venture companies of S\$0.2 million and trade receivables of S\$0.1 million.

Non-current assets

The non-current assets of S\$16.7 million as at 31 March 2019 was lower compared to that as at 31 December 2018 mainly due to decreases in joint venture of S\$0.5 million, partly offset by an increase in property, plant and equipment of S\$0.4 million and other receivables, deposits and prepayments of S\$0.1 million. The joint venture, KTL Offshore Technology (Nantong) Co., Ltd ("KTL Nantong") has been de-registered for tax and the Group has received net return of share capital amounting to S\$0.7 million. In addition, KTL Nantong had granted a waiver of debt owed by the Group's subsidiary amounting to S\$0.5 million. As announced on 25 April 2019, the Group's application for the strike off of KTL Nantong was completed on 23 April 2019.

Current liabilities

The current liabilities of S\$52.7 million as at 31 March 2019 was lower compared to that as at 31 December 2018, mainly due to decreases in interest-bearing loans and borrowings of S\$0.6 million, trade payables of S\$1.8 million, partly offset by increase in other payables and accruals of S\$0.6 million and loan from controlling shareholders of S\$0.6 million.

Non-current liabilities

The non-current liabilities of S\$3.1 million as at 31 March 2019 was lower compared to that as at 31 December 2018 mainly due to increase in other payables of S\$0.3 million and interest bearing loans and borrowings of S\$0.1 million.

Cash Flow Review

1Q 2019

The net cash flows used in operating activities for 1Q 2019 was S\$1.5 million and this was mainly due to loss before tax of S\$1.9 million, increase in other receivables, deposits and prepayments of S\$0.1 million and decrease in trade payables of S\$1.8 million, partly offset by decrease in inventories of S\$1.2 million and trade receivables of S\$0.3 million and increase other payables and accruals of S\$0.4 million. Cash flows from investing activities was mainly due to the proceeds from the return of share capital in a joint venture company of S\$0.7 million, partly offset by purchase of plant and equipment of S\$0.3 million. The cash flows used in financing activities was S\$0.6 million and this was mainly due to the net repayment of interest-bearing loans and borrowings of S\$0.8 million and interest paid of S\$0.4 million, partly offset by increase in loan from controlling shareholders of S\$0.6 million.

9 Where a forecast, or a prospect statement, had been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Oil prices have risen in recent months with a corresponding and global expenditure in the offshore O&G market is expected to further improve. The Group had expanded its business operations in Indonesia and anticipate activities to continue to grow in Indonesia over the next twelve months. We will continue to take steps to manage our costs, cash flows and gearing, and capitalise on new business opportunities.

Going concern of the Group

The Board is of the opinion that the Group and the Company are able to meet their short-term debt obligations as and when they fall due and are able to continue to operate as going concerns for the following reasons:

(i) The Group had implemented several cost-cutting initiatives and significant reductions in inventories were effected in the financial years ended 30 June 2016 and 30 June 2017 and the 18-month period ended 31 December 2018;

(ii) The Group had concluded its lease arrangement with its previous landlord (please refer to the announcement on 5 April 2018) and achieved a significant overall reduction in rental expenses in Singapore by more than 40% monthly;

(iii) Barring any further deterioration of the oil and gas market, the Group is cautiously confident of generating sufficient operating cash flows to meet its working capital requirement needs, taking into consideration its current order book;

(iv) The Group has the option of divesting its investment properties as and when required;

(v) As announced by the Company on 7 May 2019, the Company had on 6 May 2019 obtained formal written bank confirmation for an extension of 24 months for a loan amounting to S\$13.9 million (S\$15.2 million as at 31 March 2019). The banks have also agreed to reduce the Group's monthly repayment by more than 50%. Although the final bullet payment to be made by the Group will increase, the reduction in the monthly repayment amount will support the recovery of the Group's position. In addition, the Group's main bankers had, on 15 May 2019, granted formal waivers for certain breaches of financial covenants; and

(vi) The Company's shareholders, Tan Tock Han and Tan Kheng Kuan, have provided a letter confirming that they are willing and able and undertake to provide continuing financial support to the Group to enable it to operate as a going concern and also to enable it to meet its obligations for at least 18 months from 30 June 2018 (the "Financial Support"). Such financial support shall include not drawing or drawing partial salaries should the Group not have sufficient funds to pay its creditors in full.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

None.

(b) (i) Amount per share

None.

(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for 1Q2019 as the Group currently has no profits available for distribution.

13 Interested person transactions

The Company does not have a general mandate for interested person transactions.

In 1Q 2019, the Company did not enter into any interested person transaction of more than S\$100,000 in value.

14 Confirmation pursuant to Rule 720 (1) of the Listing Manual

The Company confirms that it has procured undertaking from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) under 720 (1) of the Listing Manual.

15 Re-allocation and update on the use of Placement proceeds

The Board refers to the placement exercise which completed on 23 November 2018 (the "Placement"), pursuant to which gross proceeds of S\$940,000 were raised. After deducting the actual expenses incurred in relation to the Placement of S\$32,100, the Company raised net proceeds of S\$907,900 from the Placement. The Company now wishes to announce the change in and an update on the use of the net proceeds of the Placement.

The Board has carefully deliberated on the feasibility of funds allocated for the expansion of business, taking into consideration the Group's cash flow, current needs and strategic plans. The Company wishes to announce that it has re-allocated S\$40,789 of the net proceeds of the Placement originally allocated for expansion of business to general working capital requirements of the Group.

The Board is of the view that the re-allocation of the net proceeds of the Placement is in the best interests of the Company and its shareholders as this will help to strengthen the Group's working capital position amidst the current challenging economic environment.

Purpose	Amount Allocated	Amount after re-Allocation	Net Proceeds Utilised	Amount Un-utilised
Expansion of the business of	S\$90,790 (being 10% of the net proceeds)	S\$50,001	S\$50,001	Nil
General working capital purposes	S\$817,110 (being 90% of the net proceeds)	S\$857,899	S\$845,885 ⁽¹⁾	S\$12,014
Total	S\$907,900	S\$907,900	S\$895,886	S\$12,014

Note:

⁽¹⁾ Utilisation for general working capital includes S\$715,707 for operating expenses such as salary and rental expenses, and S\$130,178 for listing and compliance costs.

Saved as disclosed, the above utilisation of the net proceeds from the placement is in accordance with the stated use.

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, Tan Kheng Kuan and Liu Changsheng, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the first quarter ended 31 March 2019 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors
KTL Global Limited

Tan Kheng Kuan
Chief Executive Officer
Date: 28 June 2019

Liu Changsheng
Executive Director
Date: 28 June 2019