

KTL GLOBAL LIMITED



REWIRED FOR FUTURE GROWTH

CORPORATE AND BUSINESS UPDATE
7 APRIL 2015



YOUR GLOBAL ROPE, RIGGING
& MOORING PARTNER

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Corporate Overview



YOUR GLOBAL ROPE, RIGGING
& MOORING PARTNER

Corporate Overview



- Listed on the SGX-Mainboard in 2007, KTL Global is one of the world's largest rigging equipment companies
- Headquartered in Singapore, the Group manufactures premium steel wire rope, synthetic rope, subsea rigging equipment
- Provides related technical services – including testing, certification and maintenance – to oil and gas market
- Significant presence in major oil & gas hubs – through facilities in Middle East, Malaysia and China – and driving growth in new geographies and markets

Importance of Rope and Rigging Sub-Sector



- Increase in ultra deep water drilling operations has led to higher demand for specialised and stronger wires/ropes that are able to meet stringent requirements
- When functioning in sub sea conditions, the ropes must be able to withstand heavy loads without elongation
- Synthetic ropes – which are one-seventh the weight of traditional steel ropes making it buoyant in water – are a good alternative; demand at inflection point

Our Products

- Steel wire rope for general offshore applications and drilling
- High performance wire rope – for cranes and winches
- Heavy lift wire rope slings and grommets
- Sling and shackle rental (service)
- Lifting sling sets for offshore containers
- General engineering wire rope slings and grommets
- Pennant lines for towing bridles
- Rigging accessories, hooks and fittings
- Deck and anchor handling equipment
- Standard synthetic rope
- Mooring systems



Our Services

- Testing
- Inspection and certification
- Spooling
- Rental
- Training
- Wire rope lubrication
- Solutions



KTL Core Activities

Conversion of steel wire rope to multi-part, cable laid slings



KTL Core Activities

Manufacturing (Singapore, Malaysia and Middle East)

KTL is one of the few companies worldwide with the capability to manufacture 24" slings



KTL Core Activities

Precision made, engineered slings



KTL Core Activities

After sales servicing and technical services



Successful Track Record

KTL has developed a reputation in the heavy lift industry



Saipem

Technip



EMAS

PETROBRAS



Seaway Heavy Lifting



Backdrop to Strategic Review



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Backdrop to Strategic Review

- Fall in crude oil prices has affected offshore oil and gas industry as a whole; operators are cutting down on capital expenditure
 - Increase in drilling activities in recent years have led to higher demand for specialised and stronger ropes
 - Sea bed has become increasingly crowded leading to more intricacies during operations
 - Greater emphasis on quality and certification of equipment
 - High costs in Singapore (including Government measures to tighten labour, utility charges, land lease, etc)
- The change in market dynamics allows for KTL to capitalize on opportunities arising from these trends

Corporate & Business Update



YOUR GLOBAL ROPE, RIGGING
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Three Strategic Thrusts

1

- Scale up the value chain by focusing on higher-value products and higher-margin services business

2

- Deepen penetration in existing markets and extend geographical footprint to include North Asia

3

- Streamlining internal and operating efficiencies including a significant relocation of operations from Singapore to Johor, Malaysia

#1 | Scaling Up The Value Chain

Renewed focus on higher-value products and higher-margin services business:

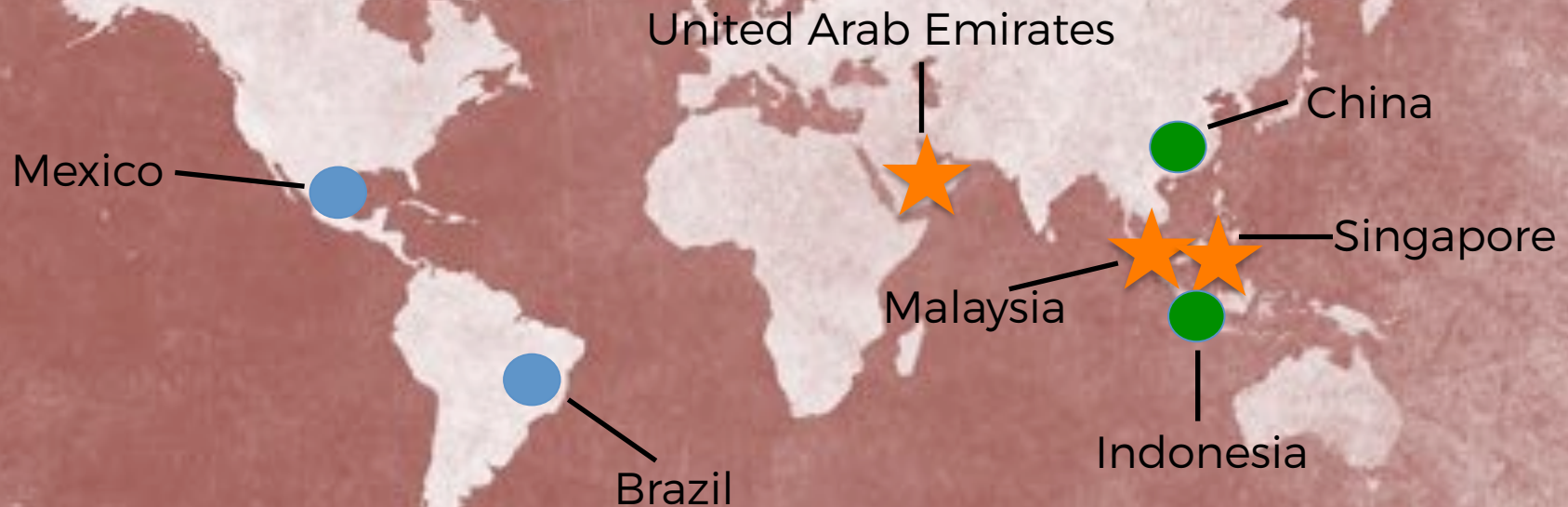
a) Heavier Tonnage Synthetic Ropes

- First roundsling machine, *KimLift*, commissioned, allowing KTL to manufacture synthetic slings of up to 3,000 MT (compared to 1,700 MT previously)
- Synthetic slings are one-seventh the weight of steel ropes and able to lift heavy tonnages without elongation
- Production man-hours halved
- Demand for synthetic slings at an inflection point

b) Certification and Managed Services

- Complex requirements and operators shifting from “Capex” to “Opex” models have led to an increase in outsourced services and certification to specialists like KTL
- Intends to increase provision of managed services (which typically offer higher gross margins)

#2 | Deepen Penetration In Existing Markets; Extend Geographical Footprint



- ★ Manufacturing facilities (full rigging shop): Singapore, Malaysia and the UAE
- Service facilities: Indonesia (Batam) and China (Shanghai)
- Strategic partners: Mexico and Brazil

#2A | UAE, Middle East

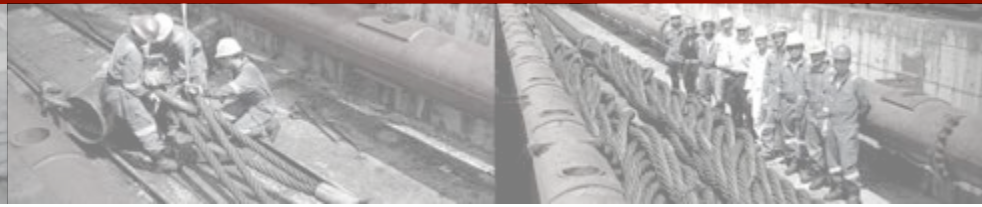


- 107,634 sq. ft. facility in Hamriyah Free Zone, UAE, is largest dedicated wire rope and rigging facility in Middle East
- Accredited with IO 9001:2008 & ISO 17020 certification
- Manufactures heavy slings, synthetic ropes, general slings and offers wirerope reel storage
- Contributed S\$9.0M revenue in FY2014 and expected to increase by approximately 40% in FY2015
- Plans to increase staff strength and build up capabilities to position it as a hub for European market

#2B | China

- Established 40%-owned joint venture in China – KTL Offshore Technology (Nantong) Co Ltd (“KTLN”) – which trades in high-end slings, rigging and provides other related technical services
- The Group believes that it will be able to increase its market share in China via KTLN as O&G companies prefer to work with integrated providers who offer rope and rigging products as well as services
- KTLN intends to:
 - Set up four sales representative offices within next 12 months
 - Complete new rigging shop to produce steel ropes by October 2015
 - Build up its assets
 - Complete construction of 300,000 sq. ft. facility in Nantong by December 2015
- KTLN has secured S\$1.1 million in orders (mostly product sales) in the first three months of operations with revenue to be recognized in FY2016
 - Revenue from servicing segment expected to be the dominant revenue contributor from FY2016

#2C | Malaysia



- Leased 217,800 sq. ft. of land in Tanjung Langsat, Johor, and is largest dedicated rigging facility in Malaysia
- Manufactures steel wire rope slings
- Provides storage of rigging gears
- Has commenced manufacturing activities and is expected to be fully operational by end of 2015

#3 | Improving Internal and Operating Efficiencies

- Completion of Malaysian facility will serve as catalyst for Group-wide improvements in cost and operational efficiency
- Commenced relocation from Singapore to Malaysia; steel rope slings and rigging production to complete relocation by June 2015
- Mitigate high labour costs, government levies and utility charges as well as shortage of workers, faced in Singapore
- Manpower in Malaysia to increase from 18 to 50 by end 2015



#3 | Improving Internal and Operating Efficiencies



- Singapore will remain as Group headquarters; facility to manufacture synthetic slings, lifting slings and mooring rope
- Since beginning of 2015, the Group has leased out over 70,000 sq. ft. of unused space and intends to lease out more space as it is freed up
- Group intends to reduce its headcount in Singapore over the next two years

Outlook

ROPING IN THE SUCCESS



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Outlook

Roping In The Success

1

Continue to position itself as a leader in producing synthetic ropes and rigging and related specialized services, which offer higher margins than the manufacture and sale of steel products.

2

UAE hub to increase revenue contribution by approximately 40% in FY2015, with increased emphasis for more sophisticated products and services

3

40%-owned China JV expected to contribute positively to the Group's financial results in FY2016, and this contribution will increase significantly in FY2017

4

Relocation of activities to Malaysia expected to translate into significant operational cost efficiencies in FY2016, which will rise further in FY2017

5

The Group is optimistic of its performance in FY2015

6

Strengthen core competencies while looking out for possible mergers and acquisitions

Stock Information



Stock Data

Basic Share Data (as at 6 April 2015)	
Share Price	S\$0.185
Average Daily Volume (past 3 months)	~1,214,140 shares
No. of Issued Shares	226,075,228 (including treasury shares)
Market Capitalisation	~S\$41.7 million

Substantial Shareholders * (as at 31 March 2015)	Direct Interest	%	Deemed Interest	%
Tan Tock Han	8,926,400-	3.96	132,713,000	58.94
Tan Kheng Yeow	228,200	0.10	123,200,000	54.71
Kim Teck Leong Pte. Ltd.	123,200,000	54.71	-	-

* Calculated based on 225,159,544 issued shares (excluding treasury shares), as at 31 March 2015

Share Price Chart



1 Year Share Price Chart
April 2014 – April 2015

Thank You

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