



KTL GLOBAL LIMITED

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

PROPOSED PLACEMENT OF UP TO 47,000,000 ORDINARY SHARES IN THE CAPITAL OF KTL GLOBAL LIMITED (THE "PLACEMENT")

1. Introduction

- 1.1 The Directors of KTL Global Limited (the "**Company**") wish to announce that the Company has on 5 November 2018 entered into a subscription agreement (the "**Subscription Agreement**") with Changsheng Investment Development Limited (the "**Subscriber**") pursuant to which the Subscriber will agree to subscribe for up to 47,000,000 new ordinary shares in the capital of the Company (the "**New Shares**" and each a "**New Share**") at an issue price (the "**Issue Price**") of S\$0.02 per New Share.
- 1.2 The Issue Price represents a premium of approximately 66.7% to the volume weighted average price of S\$0.012 for trades done on the Company's shares ("**Shares**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 2 November 2018 (being the market day preceding the signing of the Subscription Agreement).
- 1.3 No placement agent was appointed in connection with the Placement.

2. The Placement

- 2.1 The New Shares, if and when fully allotted, issued and fully paid, will be free from all claims, charges, liens and other encumbrances and shall rank *pari passu* in all respects with the Shares existing as at their date of issue except for any dividends, distributions or entitlements, the record date in respect of which falls prior to the date of issue of the New Shares.
- 2.2 Upon completion of the Placement, the issued and paid-up share capital of the Company will increase to 315,669,019 ordinary shares (the "**Enlarged Share Capital**") and the New Shares will represent approximately 14.89% of the Company's Enlarged Share Capital.
- 2.3 Conditions Precedent

The Placement is conditional upon, *inter alia*:

- (a) approval in-principle for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST (on conditions, if any, acceptable to the Company and the Subscriber) having been obtained from the SGX-ST and remaining in full force and effect and where such approval is given subject to conditions which must be fulfilled on or before the Completion Date (as defined below), such conditions being reasonably acceptable to the Subscriber or fulfilled by the Company, as the case may be;
- (b) the Company obtaining such approval(s) from its board of directors in connection with the Subscription Agreement and the transactions contemplated therein as may be necessary;
- (c) the allotment, issue and subscription of the New Shares by the Subscriber not being prohibited by any statute, order, rule or regulation promulgated or issued hereafter by any legislative, executive or regulatory body or authority of Singapore; and

- (d) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct in all material respects as if made on the Completion Date, with reference to the then existing circumstances and the Company having performed in all material respects all of its obligations therein to be performed on or before the Completion Date.

The Company will be submitting an application to the SGX-ST for the listing and quotation of the New Shares shortly. In the event that any of the aforementioned conditions precedent as set out in the Subscription Agreement is not satisfied on or before 31 January 2019 (or such later date as the parties to the Subscription Agreement may agree in writing), the Subscription Agreement shall forthwith terminate.

2.4 Completion

Completion of the Placement shall take place on a date no later than the seventh (7th) business day after the satisfaction of the last of the conditions set out in the Subscription Agreement and paragraph 2.3 above, or such other date as may be agreed between the parties (the "**Completion Date**").

- 2.5 The New Shares are intended to be issued pursuant to the general mandate given by the shareholders of the Company at the annual general meeting of the Company held on 23 October 2017.

3. **Financial Effects of the Placement**

- 3.1 The effects of the Placement on the net asset value and earnings per share of the Company and its subsidiaries (the "**Group**") for the financial year ended 30 June 2017 are set out in the table below:

	Before the Placement⁽¹⁾	After the Placement⁽²⁾
Net Asset Value per Share	0.029 cents	0.332 cents
Earnings per Share	(12.306) cents	(10.295) cents

Notes:

- (1) Based on 240,610,273 Shares (excluding 1,914,955 treasury shares) as at 30 June 2017.
- (2) Based on 287,610,273 Shares after the issuance of the 47,000,000 New Shares but not including the (i) 26,143,791 Shares (the "**February Placement Shares**") issued and allotted by the Company to Mr Tan Tock Han pursuant to a placement exercise undertaken and completed on 5 February 2018 and (ii) 1,274,955 treasury shares and 640,000 treasury shares (collectively, the "**Treasury Shares**") transferred pursuant to the KTL Performance Share Scheme on 29 January 2018 and 15 May 2018, respectively.

- 3.2 Assuming the February Placement Shares were deemed to have been issued and allotted on 30 June 2017 and the Treasury Shares were deemed to have been transferred on 30 June 2017, the effects of the Placement on the net asset value and earnings per share of the Group for the financial year ended 30 June 2017 are set out in the table below:

	Before the Placement⁽¹⁾	After the Placement⁽²⁾
Net Asset Value per Share	0.026 cents	0.303 cents
Earnings per Share	(11.021) cents	(9.380) cents

Notes:

- (1) Based on 268,669,019 Shares assuming the February Placement Shares were deemed to have been issued and allotted on 30 June 2017 and the Treasury Shares were deemed to have been transferred on 30 June 2017.
- (2) Based on 315,669,019 Shares after the issuance of the 47,000,000 New Shares.

- 3.3 The aforesaid financial effects of the Placement are strictly for illustrative purposes and may not necessarily reflect the actual future financial position and results of the Group following the Placement.

4. Use of Proceeds from the Placement

- 4.1 The estimated net proceeds from the Placement (after deducting the estimated expenses in relation to the Placement) of approximately S\$885,000 will be utilised by the Company and its subsidiaries (the “Group”) for (i) the expansion of the business of the Group through investments, acquisition, joint ventures or strategic alliances, and (ii) for general working capital purposes:

Use of Proceeds	Allocation (%)
Expansion of the business of the Group through investments, acquisition, joint ventures or strategic alliances	10
General working capital purposes	90

- 4.2 Pending the deployment of the net proceeds, such proceeds may be placed as deposits with banks and/or financial institutions, invested in short term money markets or debt instruments or for any other purpose on a short term basis as the Directors may, in their absolute discretion, deem fit from time to time.
- 4.3 The Company will make periodic announcements on the utilisation of proceeds from the Placement as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in the Company’s annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

5. Information on the Subscriber

5.1 Changsheng Investment Development Limited

The Subscriber is a Hong-Kong incorporated company and is primarily involved in the trading and investment in oil and gas, marine and energy businesses.

- 5.2 The Subscriber was identified through various contacts, referrals and mutual business associates of the Subscriber whom the Company had initially liaised with respect to the Placement. The Company’s rationale for placing to the Subscriber is that the Placement is strategic and could provide further opportunities for strategic alliances and/or business relationships between the Subscriber and the Company. In addition, the Company has also decided to undertake the Placement to strengthen the Group’s financial position and flexibility to capitalise on growth opportunities.
- 5.3 The Subscriber has no existing connection (including business relationships) with the Company, its Directors and substantial shareholders, and is not a person to whom the Company is prohibited from issuing shares to, as provided under Rule 812 of the Listing Manual of the SGX-ST. As at the date of this announcement, the Subscriber does not hold any Shares in the Company.

6. General

- 6.1 The Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289 of Singapore). As such, no prospectus or offer information statement will be issued by the Company in connection therewith.
- 6.2 None of the Directors, or to the best of the Company’s knowledge, substantial shareholders of the Company or their respective associates have any interest, direct or indirect in the Placement, save for their shareholdings in the Company (if any).

- 6.3 The Company will make the necessary announcement once the approval for the listing and quotation of the New Shares has been obtained.

BY ORDER OF THE BOARD

**Tan Kheng Kuan
Chief Executive Officer**

5 November 2018