



KTL GLOBAL LIMITED

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

RESPONSES TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES ON THE INDEPENDENT AUDITOR'S COMMENTS ON FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

The Board of Directors (the "**Board**") of KTL Global Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the following queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in its e-mail dated 29 September 2017 and would like to provide further information in relation to the Independent Auditor's comments on financial statements for the financial year ended 30 June 2017.

Query 1

Please provide the Board's opinion as to whether the Group can continue as a going concern and the bases for such opinion.

Response

The Board is of the opinion that the Group can continue as a going concern for the following reasons:

- (i) The Group has implemented several cost cutting initiatives and significant reduction in inventories were effected in the financial years ended 30 June 2016 and 30 June 2017;
- (ii) The Board believes that the Group's upstream synthetic sling manufacturing capability will have a positive impact on the Group strategically and financially. The synthetic sling industry is a growing market which is expected to increase revenue and opportunities for the Group;
- (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 Company had, on 16 August 2017, entered into a sale and purchase agreement with Kwon Sung Sil for the disposal of 12,000 shares of common stock of Dae Kwang Co. Ltd. for a consideration of USD1.5 million, which will add to the Group's working capital;
- (v) The Group has the option of divesting its investment properties as and when required;
- (vi) The Group is in the process of obtaining a waiver from the banks for the technical breach of financial covenants for some of its loan facilities, in order for the banks to continue extending their loan facilities to the Group; and
- (vii) The Company's shareholders, Tan Tock Han, Tan Kheng Yeow and Tan Kheng Kuan, have provided a letter confirming that they are willing and able 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 12 months from 30 June 2017. Such financial support shall include not drawing or drawing partial salaries should the Group not have sufficient funds to pay its creditors in full.

Query 2

Please provide the Board's confirmation as to whether sufficient information has been disclosed by the Company to enable trading in the Company's securities to continue in an orderly manner.

Response

The Board confirms that sufficient information has been disclosed by the Company to enable trading in the Company's securities to continue in an orderly manner.

BY ORDER OF THE BOARD

Tan Kheng Yeow
Chief Executive Officer
2 October 2017