



KTL GLOBAL LIMITED

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

RESPONSE TO QUERIES REGARDING ANNUAL REPORT

The Board of Directors of KTL Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to respond to the queries from the Singapore Exchange Securities Trading Limited on 2 October 2014, as follows:

Query: *We refer to Listing Rule 710 which states that “An issuer must describe its corporate governance practices with specific reference to the principles of the Code in its annual report. It must disclose any deviation from any guideline of the Code together with an appropriate explanation for such deviation in the annual report.”*

Guideline 11.3 of the Code requires the Board to comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems. (emphasis added)

The Company has disclosed on page 25 of its Annual Report that the Board, with the concurrence of the AC, is of the opinion that the internal controls of the Group, addressing financial, operational and compliance risks, were adequate. In this regard, the Company’s disclosure is not in accordance with the Code and no explanation for such deviation was noted.

Response: In addition to the disclosure on page 25 of the Annual Report, the Company wishes to provide the following disclosure:

Based on the assurance from the CEO and the Chief Financial Officer referred to on page 25 of the Annual Report, the various internal controls put in place by the Group, the work performed and reports submitted by the external and internal auditors of the Group and the reviews carried out by the Board and the AC, the Board, with the concurrence of the AC, is of the opinion that the internal controls of the Group, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at 30 June 2014.

Query: *Listing Rule 1207(20) requires the Company to disclose in its annual report, if applicable, a status report on the use of IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use and is in accordance with the percentage allocated in the prospectus or the announcement of the issuer. Where there is any material deviation from the stated use of proceeds, the issuer must announce the reasons for such deviation.*

Response: Reference is made to the rights issue of up to 64,075,228 new ordinary shares undertaken by the Company which was completed in December 2012 (the “**Rights Issue**”) and the Company’s offer information statement dated 4 December 2012 (the “**OIS**”) in relation thereto. As announced on 21 August 2014, the net proceeds from the Rights Issue of S\$5.1 million, after deducting expenses of approximately S\$0.2 million, had been fully utilised and the following is a status report on the use since the beginning of FY2014:-

Use of Proceeds	Amount allocated (as stated in the OIS) S\$ million	Amount utilised as at 16 October 2013 S\$ million	Amount utilised as at 31 March 2014 S\$ million	Amount utilised as at 21 July 2014 S\$ million	Amount utilised as at 21 August 2014 S\$ million
Set up a new facility in Malaysia	4.5	1.6	2.9	4.0	4.5
General working capital	0.6	0.6	0.6	0.6	0.6
Net proceeds from the Rights Issue	5.1	2.2	3.5	4.6	5.1

The net proceeds had been fully utilised in accordance with the uses and allocation stated in the OIS.

BY ORDER OF THE BOARD

Tan Kheng Yeow
Chief Executive Officer
8 October 2014