

**KTL GLOBAL LIMITED**

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

RESPONSES TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERY ON THE COMPANY'S ANNOUNCEMENT OF 1 FEBRUARY 2018

The Board of Directors (the "**Board**") of KTL Global Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the following query raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in its e-mail dated 8 February 2018 and would like to provide further information in relation to the Company's announcement of 1 February 2018.

Query

With reference to the statement of financial position on page 2 of the unaudited second quarter financial statements and dividend announcement for the financial period ended 31 December 2017, please disclose the reason(s) for the variance in the "*Inventories*" financial statement line item:-

Line item	Group as at		Company as at	
	31-Dec-17 S\$'000	30-Jun-17 S\$'000	31-Dec-17 S\$'000	30-Jun-17 S\$'000
Current assets:	14,939	17,498	-	-
Inventories				

Response

The decrease in inventories for the Group from S\$17.5 million as at 30 June 2017 to S\$14.9 million as at 31 December 2017 is mainly due to the Company's practice of purchasing stocks mainly when sales orders are received. This helps the Group reduce the strain on its cash flow as well as reduce the space required to store the stocks.

BY ORDER OF THE BOARD

Tan Kheng Kuan
Chief Executive Officer
10 February 2018