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

STOCK PURCHASE AGREEMENT

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1. INTRODUCTION

The Board of Directors of KTL Global Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Company has on 4 June 2015 entered into a stock purchase agreement (the "**Agreement**") with Kwon Sung Sil (the "**Vendor**") in relation to the proposed acquisition by the Group of 12,000 shares (the "**Sale Shares**") in the equity capital of Dae Kwang Co. Ltd ("**Dae Kwang**") for a total consideration (the "**Consideration**") of USD5.0 million or approximately S$6.75 million (the "**Proposed Acquisition**"). The Sale Shares constitute 20% interest in the equity capital of Dae Kwang.

2. PRINCIPAL TERMS OF THE AGREEMENT

2.1 Consideration

The Consideration will be settled by the Company through:

(a) cash of USD300,000 (the "**First Cash Consideration**"), payable within five days from the date of the Agreement;

(b) issue of 9,450,000 new shares in the capital of the Company (the "**Consideration Shares**"), with an aggregate value of USD1,300,000, within two months from the date of the Agreement, extendable by a further two months (if necessary) or on a day to be mutually agreed by the Company and the Vendor ("**Initial Completion**"); and

(c) cash of USD3,400,000 (the "**Second Cash Consideration**"), payable within six months from the date of the Agreement ("**Final Completion**") and in instalments according to the Vendor's request.

The Consideration was arrived at pursuant to negotiations between the Company and the Vendor on a willing-seller and willing-buyer basis, taking into consideration Dae Kwang's tangible net worth and earnings potential.

There was no independent valuation conducted for the Proposed Acquisition.

The First Cash Consideration will be financed through internally generated funds whereas the Second Cash Consideration will be financed using the proceeds of the sale of machinery by the Company's subsidiary, KTL Offshore Middle East FZC, to Dae Kwang.

The Vendor shall not sell, assign, transfer, convey by gift, create or permit to subsist any encumbrance upon or otherwise dispose of 7,994,282 Consideration Shares for a period of two years from the date of the issue of the Consideration Shares.

2.2 Conditions Precedent

The obligation of the Vendor to complete the Proposed Acquisition is conditional upon, *inter alia*, the following conditions having been fulfilled or waived:-

(a) the Proposed Acquisition not having been restrained, enjoined or otherwise prohibited or made illegal by any applicable law;

(b) the Company having obtained the foreign investment approval in connection with the Proposed Acquisition, subject to no conditions or subject to such conditions, obligations or orders imposed upon or issued to the Company and/or Dae Kwang in connection therewith as are acceptable to the Company; and

(c) a shareholders' agreement, the terms of which are satisfactory to the Company, having been executed by and among the Vendor, the Company and all the other shareholders of Dae Kwang.

2.3 Completion

The completion of the Proposed Acquisition shall take place as follows:

(a) at the Initial Completion wherein 3,840 Sale Shares will be transferred to the Company; and

(b) at the Final Completion wherein 8,160 Sale Shares will be transferred to the Company.

2.4 Call Option

In accordance with the terms of the Agreement, a shareholders' agreement (the "**Shareholders' Agreement**") has been entered into between the Vendor, the Company and another shareholder of Dae Kwang on 4 June 2015. In accordance with the Shareholders' Agreement:

(a) the Vendor has granted to the Company a right to purchase an additional 12,000 shares in Dae Kwang at any time during the period of three years from the date of the Agreement, at a purchase price to be mutually agreed between the Vendor and the Company. Should the parties be unable to agree on the purchase price, the said purchase price shall be at the fair price appraised and valuated by one of the top four privileged international auditing firms in the Republic of Korea ("**Korea**"); and

(b) after a period of three years after the Final Completion Date, the Company shall, within three months after the receipt of the audited financial statements of Dae Kwang for the preceding financial year, have the right to sell all or part of the Sale Shares to Dae Kwang, at a purchase price to be mutually agreed. Should the parties be unable to agree on the purchase price, the said purchase price shall be the fair price appraised and valuated by one of top four privileged international auditing firms in Korea.

3. INFORMATION ON DAE KWANG

Dae Kwang is a company registered in Korea and is engaged in the manufacturing and supply of lifting and rigging hardware, steel wire rope, heavy lift slings, deep water mooring systems and emergency towing systems, deck machinery and winch systems. Dae Kwang also provides mooring and spooling services which includes load testing, inspection and class certification as well as rental of equipment.

Dae Kwang has a customer base of international and local customers – which includes shipyards in Korea, ship owners, industrial plants and crane manufacturers – and is accredited with the ISO 9001:2000, ISO 14001, OHSAS 18001 certification.

Dae Kwang's head office is located in Nam Ku, Ulsan, Korea, and it has two factories, both of which are located in Kyungju, Korea.

4. RATIONALE

The Directors believe that the Proposed Acquisition will enable the Group to gain a major foothold in Korea and serve as a springboard to expand its business into the North Asian region. Dae Kwang is an established player in the ropes and rigging sector and its services are complementary to the Group's business activities. The Proposed Acquisition would provide an opportunity for the Group to leverage the synergies between both companies and to extend its capabilities.

Dae Kwang was one of the companies awarded the "Order of Industrial Service Merit", in March 2015, by the Ministry of Patriots and Veterans Affairs, Korea, which is a testament to Dae Kwang's quality and service.

5. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

Based on the unaudited financial statements of the Group for the third quarter ended 31 March 2015 ("**9M2015**"), the relative figures computed on the bases set out in Rule 1006 of the Listing Manual in relation to the Proposed Acquisition are as follows:

Rule 1006(a)	
Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
Size of relative figure	Not applicable
Rule 1006(b)	
Net profits attributable to the assets acquired, compared with the Group's net profits	
Net profit attributable to Dae Kwang for 9M2015 (S$'000)	187
Net profits attributable to the Group for 9M2015 (S$'000)	47
Size of relative figure	2.14%
Rule 1006(c)	
Aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	
Value of the Consideration given (S$'000)	6,747
The Company's market capitalisation as at 3 June 2015, based on the total number of issued shares excluding treasury shares (S$'000)	42,307[(1)]
Size of relative figure	15.95%
Rule 1006(d)	
Number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue including treasury shares	9,450,000
Size of relative figure	4.05%

Notes:-

(1) The existing number of Shares is 233,075,228. Based on the volume weighted average price of the Shares of S$0.1815 traded on the SGX-ST on 3 June 2015, being the last market day preceding the date of the Agreement.

As the relative figure under Rule 1006(c) exceeds 5% but does not exceed 20%, the Proposed Acquisition is deemed a "discloseable transaction" under Rule 1010 of the Listing Manual.

6. FINANCIAL EFFECTS

Based on the audited financial statements of the Group for FY2014:

(i) assuming that the Proposed Acquisition had been effected at the end of FY2014, the effect of the Proposed Acquisition on the NTA of the Group is as follows:

	Before the Proposed Acquisition[(1)]	After the Proposed Acquisition[(1)]
NTA as at 30 June 2014 (S$'000)	46,457	48,256
Number of shares in issue ('000)	230,873	240,323
NTA per Share as at 30 June 2014 (cents)	20.1	20.1

(ii) assuming that the Proposed Acquisition had been effected at the beginning of FY2014, the effect of the Proposed Acquisition on the earnings per share ("**EPS**") of the Group for FY2014 is as follows:

	Before the Proposed Acquisition[(1)]	After the Proposed Acquisition[(1)]
Net profit attributable to owners of the parent for FY2014 (S$'000)	2,814	2,996
Weighted average number of Shares - Basic/diluted ('000)	231,182	240,632
EPS for FY2014 – basic/diluted (cents)	1.24	1.24

Note:-

(1) The pro forma financial effects presented include the allotment and issue of an aggregate of 7,000,000 shares at an issue price of S$0.1334 for each share on 16 April 2015.

The above pro forma financial effects presented are theoretical in nature and only for illustration purposes. They do not represent the actual financial position and/or results of the Group.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors (other than in his capacity as Director or shareholder of the Company) has any interest, direct or indirect, in the Proposed Acquisition. The Directors are not aware of any controlling shareholders of the Company having any direct or indirect interest in the Proposed Acquisition.

8. DOCUMENT FOR INSPECTION

A copy of the Agreement is available for inspection during normal business hours at the registered office of the Company at 71 Tuas Bay Drive Singapore 637430 for a period of three months from the date of this announcement.

BY ORDER OF THE BOARD

Tan Kheng Yeow
Chief Executive Officer
4 June 2015