



KTL GLOBAL LIMITED

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

RESPONSE TO SGX-ST QUERIES – CLARIFICATION IN RESPECT OF THE ANNOUNCEMENT DATED 8 AUGUST 2019 ENTITLED “UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019” (THE “2Q2019 RESULTS”)

The Board of Directors (the “**Board**”) of KTL Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following in response to the queries raised by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) to the Company in relation to the 2Q2019 Results:

SGX-ST’s Query 1

- a) Please explain the reason(s) for the increase in the following financial statement line items:

	Group As At		Company As At	
	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
	S\$’000	S\$’000	S\$’000	S\$’000
Non-current assets – Other receivables, deposits and prepayments	99	401	-	-
Current assets – Other receivables, deposits and prepayments	2,249	1,126	-	8
Current Liabilities – Other payables and accruals	9,393	7,033	474	423
Current liabilities – Loans from controlling shareholders	14,475	11,625	-	-

- b) Please also provide the nature and breakdown of the “Other receivables, deposits and prepayments” financial statement line item.
- c) In relation to the “Loans from controlling shareholders” financial statement line item, please also clarify the:
- i) Terms of such loans from controlling shareholders; and
 - ii) The proposed uses/usage of proceeds from the loans from controlling shareholders.

Company’s Response

- a) Please refer to the table below for the reason(s) for the increase in each of the following financial statement line items:

Financial statement line items	Reason
Non-current assets – Other receivables, deposits and prepayments	This is mainly due to a decrease in long term rental deposits (from non-current to current)

Current assets – Other receivables, deposits and prepayments	This is mainly due to an increase in rental of equipment to customers
Current Liabilities – Other payables and accruals	This is mainly due to advances from customers
Current liabilities – Loans from controlling shareholders	This is due to an increase in loans from controlling shareholders for working capital purpose

- b) Please refer to the table below for the breakdown of the “Other receivables, deposits and prepayments” financial statement line item:

Other receivables	Dec 2018	June 2019	Nature
	S\$'000	S\$'000	
Deposit	391	698	Rental deposit etc
Staff advances	16	-	Advance to staff
Prepayment	546	429	Expenses prepayment
GST receivables	121	107	GST to be claim from government
Other receivables	39	1,002	Mainly pertaining to the rental income due for the renting of equipment to customers
Withholding tax recoverable	13	13	Worker withholding tax
Total	1,126	2,249	

- c) i) The loans from the controlling shareholders are interest-free and repayable in full on a date to be agreed between the lender and the Company, subject to review and approval by the Audit Committee, taking into account the financial position of the Group.
- ii) The proceeds from the loans from controlling shareholders were mainly used for repayment of bank borrowings, payments to suppliers and general operating working capital.

SGX-ST's Query 2

It is stated on page 10 of the announced financial results:

“The Group’s revenue for the three months ended 30 June 2019 (“2Q 2019”) was S\$9.8 million, 36% higher than the S\$7.2 million generated for the corresponding period in the last financial year (“2Q 2018”). The Group’s revenue for the six months ended 30 June 2019 (“HY 2019”) was S\$15.5 million, 11% higher than the S\$14.0 million generated for the corresponding period in the last financial year (“HY 2018”).

The increase was mainly due to revenue recognized by its 80% owned subsidiary Bluegas Private Limited (“Bluegas”) of S\$2.3 million, however no major movement for the oil & gas (“O&G”) revenue.”

Please provide an explanation for the increase in revenue by Bluegas.

Company’s Response

As announced by the Company on 16 July 2019, Bluegas had entered into branding, technical, operation and procurement service agreements (the “**BOP Agreements**”) with three operators pursuant to which quarterly service fees are payable. As at 30 June 2019, S\$2.3 million in such service fees had accrued.

SGX-ST's Query 3

It is stated on page 11 of the announced financial results:

“The current assets of S\$25.0 million as at 30 June 2019 was higher compared to that as at 31 December 2018 mainly due to increase in trade receivables of S\$2.4 million mainly from Bluegas...”

- a) Please provide an aging analysis of the "Trade receivables" financial statement line item.
- b) Please provide the Board of Directors' assessment of the recoverability of the trade receivables.

Company's response

- a) The Company notes that the trade receivables of S\$2.4 million refer to the service fees payable under the three BOP Agreements. As announced by the Company on 15 August 2019, the full amount of S\$5 million in service fees payable under the three BOP Agreements had been received.
- b) Please refer to our response in (a) above.

BY ORDER OF THE BOARD

Tan Kheng Kuan
Chief Executive Officer
6 September 2019