



## **KTL Global Limited**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200704519M)  
(The "Company")

### **Unaudited Sixth Quarter and Eighteen Months Financial Statements and Dividend Announcement For the Financial Period Ended 31 December 2018**

#### **Change of Financial Year End**

On 29 June 2018 and 2 August 2018, the Company announced a change of financial year end from 30 June to 31 December. Therefore, the unaudited financial statements presented in this announcement covers a 3-month period from 1 October 2018 to 31 December 2018 and a 18-month period from 1 July 2017 to 31 December 2018. The current set of audited financial statements for the financial period ended 31 December 2018 will cover a period of 18 months from 1 July 2017 to 31 December 2018.

#### **Note on comparative of statement of comprehensive income and statement of cash flow**

The 18 months results ended 31 December 2017 in the Group's statement of comprehensive income and statement of cash flow are computed by adding the results of the 6 months period ended 31 December 2017 (from 1 July 2017 to 31 December 2017) to that of 12 month period ended 30 June 2017, are presented for comparative purpose only.

**1(a) Statement of Comprehensive Income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

(The figures have not been audited or reviewed by the auditors)

	Group Sixth Quarter Ended		% Change Increase/ (Decrease)	Group Eighteen Months Ended		% Change Increase/ (Decrease)
	31-Dec-18 S\$'000	31-Dec-17 S\$'000		31-Dec-18 S\$'000	31-Dec-17 S\$'000	
<b>Revenue</b>	10,081	9,322	8%	53,786	51,298	5%
Cost of sales	(8,909)	(7,749)	15%	(45,979)	(49,444)	-7%
<b>Gross profit</b>	1,172	1,573	-25%	7,807	1,854	N.M.
Other operating income	1,187	359	N.M.	2,646	2,748	-4%
Administration expenses	(2,427)	(3,019)	-20%	(16,010)	(17,746)	-10%
Sales and marketing expenses	(577)	(594)	-3%	(3,694)	(3,816)	-3%
Other operating expenses	(2,026)	(141)	N.M.	(5,276)	(15,190)	-65%
Share of results of joint venture company	-	-	N.M.	-	(228)	N.M.
Share of results of an associate	-	-	N.M.	-	44	N.M.
<b>Loss from operations</b>	(2,671)	(1,822)	47%	(14,527)	(32,334)	-55%
Finance costs	(440)	(345)	28%	(2,493)	(2,135)	17%
<b>Loss from operations before taxation</b>	(3,111)	(2,167)	44%	(17,020)	(34,469)	-51%
Income tax (expense) credit	(1,139)	-	N.M.	(1,097)	356	N.M.
<b>Loss net of tax</b>	(4,250)	(2,167)	96%	(18,117)	(34,113)	-47%
<b>Other comprehensive income (loss):</b>						
Exchange differences on translating foreign operations, net of tax	724	297	N.M.	380	(217)	N.M.
Other comprehensive income (loss) for the period	724	297	N.M.	380	(217)	N.M.
<b>Total comprehensive loss</b>	(3,526)	(1,870)	89%	(17,737)	(34,330)	-48%
Loss net of tax attributable to:						
-Owners of the parent	(4,253)	(2,170)	96%	(18,147)	(34,102)	-47%
-Non-controlling interests	3	3	0%	30	(11)	N.M.
<b>Loss net of tax</b>	(4,250)	(2,167)	96%	(18,117)	(34,113)	-47%
Total comprehensive loss attributable to:						
-Owners of the parent	(3,529)	(1,873)	88%	(17,766)	(34,319)	-48%
-Non-controlling interests	3	3	0%	29	(11)	N.M.
<b>Total comprehensive loss</b>	(3,526)	(1,870)	89%	(17,737)	(34,330)	-48%

**1(a)(i) Loss Before Income Tax is arrived after crediting/ (charging) the following :**

	Group Sixth Quarter Ended		% Change Increase/ (Decrease)	Group Eighteen Months Ended		% Change Increase/ (Decrease)
	31-Dec-18 S\$'000	31-Dec-17 S\$'000		31-Dec-18 S\$'000	31-Dec-17 S\$'000	
Depreciation of property, plant and equipment	(353)	(364)	-3%	(2,487)	(4,992)	-50%
Bad debts written off	(4)	-	N.M.	(14)	-	N.M.
Impairment losses on property, plant and equipment	(1,647)	-	N.M.	(2,962)	(7,772)	-62%
Reversal of impairment loss on investment properties	15	50	-70%	15	50	-70%
Inventory written off	(510)	-	N.M.	(985)	(621)	59%
Reversal of (Allowance) for inventory obsolescence	113	-	N.M.	562	(2,308)	N.M.
Reversal of (Impairment losses) on investment	51	-	N.M.	221	(23)	N.M.
Reversal of (Allowance) for doubtful debts	100	-	N.M.	424	(280)	N.M.
Interest expenses	(441)	(345)	28%	(2,493)	(2,135)	17%
(Loss) Gain on disposal of property, plant and equipment, net	(10)	84	N.M.	86	29	N.M.
Foreign exchange loss, net	(220)	(140)	57%	(662)	(216)	N.M.
Lease termination compensation, net	-	-	N.M.	(2,707)	-	N.M.

**Note:**

(1) N.M. = Not Meaningful

1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group As At		Company As At	
	31-Dec-18 S\$'000	30-Jun-17 S\$'000	31-Dec-18 S\$'000	30-Jun-17 S\$'000
<b>ASSETS</b>				
<b>Non-current assets:</b>				
Property, plant and equipment	12,643	14,545	-	-
Prepaid land lease	3,074	3,174	-	-
Investment properties	1,655	2,062	-	-
Subsidiaries	-	-	51	13,161
Joint ventures	700	479	-	-
Due from subsidiaries	-	-	-	6,961
Other receivables, deposits and prepayments	102	150	-	-
Deferred tax assets	-	1,261	-	-
<b>Total non-current assets</b>	<b>18,174</b>	<b>21,671</b>	<b>51</b>	<b>20,122</b>
<b>Current assets:</b>				
Inventories	13,031	17,498	-	-
Trade receivables	8,403	7,199	-	-
Other receivables, deposits and prepayments	1,538	2,242	9	7
Income tax receivable	-	10	-	-
Due from subsidiaries	-	-	-	5,970
Due from associate and joint venture companies	-	56	-	-
Cash and bank balances	2,874	1,363	748	13
	<b>25,846</b>	<b>28,368</b>	<b>757</b>	<b>5,990</b>
<b>Non-current asset classified as held for sale</b>	<b>-</b>	<b>2,068</b>	<b>-</b>	<b>2,068</b>
<b>Total current assets</b>	<b>25,846</b>	<b>30,436</b>	<b>757</b>	<b>8,058</b>
<b>Total assets</b>	<b>44,020</b>	<b>52,107</b>	<b>808</b>	<b>28,180</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	36,776	34,836	36,776	34,836
Treasury shares	-	(286)	-	(286)
Reserves	(52,476)	(34,468)	(36,403)	(6,636)
Reserve attributable to non-current asset held for sale	-	(12)	-	-
<b>Equity, attributable to owners of the parent</b>	<b>(15,700)</b>	<b>70</b>	<b>373</b>	<b>27,914</b>
Non-controlling interests	72	43	-	-
<b>Total equity</b>	<b>(15,628)</b>	<b>113</b>	<b>373</b>	<b>27,914</b>
<b>Non-current liabilities:</b>				
Other payables	2,799	1,374	-	-
Interest-bearing loans and borrowings	5,409	6,916	-	-
Deferred tax liabilities	-	175	-	-
<b>Total non-current liabilities</b>	<b>8,208</b>	<b>8,465</b>	<b>-</b>	<b>-</b>
<b>Current liabilities:</b>				
Trade payables	6,319	6,592	-	-
Bills payables	4,721	3,565	-	-
Other payables and accruals	7,982	4,993	423	254
Loan from directors and shareholders	11,625	1,000	-	-
Interest-bearing loans and borrowings	20,782	27,379	-	-
Income tax payable	11	-	12	12
<b>Total current liabilities</b>	<b>51,440</b>	<b>43,529</b>	<b>435</b>	<b>266</b>
<b>Total liabilities</b>	<b>59,648</b>	<b>51,994</b>	<b>435</b>	<b>266</b>
<b>Total equity and liabilities</b>	<b>44,020</b>	<b>52,107</b>	<b>808</b>	<b>28,180</b>

**1(b)(ii) Aggregate amount of group's bank borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

	<b>As At 31 December 2018</b>		<b>As At 30 June 2017</b>	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bills payables	4,721	-	3,565	-
Interest-bearing loans and borrowings:				
Hire purchase creditors	498	-	464	-
Term loan	20,284	-	26,915	-
	25,503	-	30,944	-

**Amount repayable after one year**

	<b>As At 31 December 2018</b>		<b>As At 30 June 2017</b>	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Interest-bearing loans and borrowings:				
Hire purchase creditors	723	-	1,210	-
Term loan	4,686	-	5,706	-
	5,409	-	6,916	-

**Details of the collaterals:**

All bank borrowings and debt securities are secured by charges over the leased assets, certain property, plant and equipment, investment properties and personal guarantee by certain directors and a shareholder of the Company and subsidiary.

**Classification of bank borrowings**

As a result of a technical breach of financial covenants stipulated in the loan facility agreements pertaining to loans amounting to S\$24.5 million (30 June 2017: S\$26.5 million), the long term portion of the loan amounting to S\$7.3 million (30 June 2017: S\$21.9 million) was classified as current liabilities.

As at 5 February 2018, management had obtained a waiver from the Group's main bankers for the breach of financial covenants for the financial period ended 30 June 2017 and 31 December 2017. As at 29 June 2018, management had obtained a waiver from the Group's main bankers for the breach of financial covenants for the financial period ended 30 June 2018.

Management is in the process of obtaining a waiver for the breach of financial covenants for the financial period ended 31 December 2018. Management is also in the process of finalising an extension of loan amounting to S\$15.6 million, which will be due in Apr 2019.

On 11 December 2018, management had obtained a conditional waiver from the Group's banker for the breach of financial covenant for a loan of S\$3.0 million for the financial period ended 31 December 2018.

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group Sixth quarter ended		Group Eighteen months ended	
	31-Dec-18 S\$'000	31-Dec-17 S\$'000	31-Dec-18 S\$'000	31-Dec-17 S\$'000
<b>Cash Flows Used In Operating Activities:</b>				
Loss before tax from operations	(3,103)	(2,167)	(17,020)	(34,469)
Adjustments for:				
Depreciation of property, plant and equipment	353	364	2,487	4,992
Reversal for inventories	-	(90)	-	-
Impairment loss on investment in associates	-	-	-	4,941
Impairment (Reversal of Impairment) on plant and equipment	1,647	-	2,962	7,772
Impairment on investment in joint venture	(51)	-	(221)	23
Reversal of impairment loss on prepaid land lease	-	-	-	(43)
Reversal of impairment loss on investment properties	(15)	-	(15)	(50)
(Reversal of) Allowance for inventory obsolescence	(113)	-	(562)	2,308
Inventory written off	510	-	985	621
(Reversal of ) Allowance for impairment on amount due from joint venture companies and associates	(522)	63	(261)	1,110
Bad debts written off	4	-	14	-
(Reversal) Allowance for doubtful debts	(100)	-	(424)	280
Loss (Gain) on disposal of property, plant and equipment and investments	10	(84)	(86)	(29)
Plant and equipment written off	-	-	-	770
Amortisation of prepaid land lease	18	30	173	181
Interest expenses	441	345	2,493	2,135
Share of results of an associate	-	-	-	(44)
Share of results of joint venture companies	-	-	-	228
Share distribution expenses	-	-	57	-
Foreign exchange gain (net)	382	-	(341)	-
<b>Operating Cash Flows Before Working Capital Changes</b>	<b>(539)</b>	<b>(1,539)</b>	<b>(9,759)</b>	<b>(9,274)</b>
Inventories	(75)	2,911	1,855	7,909
Trade receivables	(1,742)	(1,293)	(920)	(932)
Other receivables, deposits and prepayments	1,638	(454)	341	(486)
Trade payables	1,509	(93)	822	1,278
Other payables and accruals	(607)	(1,293)	4,404	500
Due to a related party	-	-	-	(4)
<b>Net Cash Flows Used In Operations Before Interest and Tax</b>	<b>184</b>	<b>(1,761)</b>	<b>(3,257)</b>	<b>(1,009)</b>
Withholding tax paid	-	-	(7)	(14)
Income tax refund (paid)	(30)	(53)	15	(113)
<b>Net Cash Flows Used In Operating Activities</b>	<b>154</b>	<b>(1,814)</b>	<b>(3,249)</b>	<b>(1,136)</b>
<b>Cash Flows (Used In) From Investing Activities:</b>				
Purchase of property, plant and equipment	(24)	(11)	(1,390)	(623)
Proceed from disposal of property, plant and equipment	-	-	800	305
Advances to associate and joint venture companies	(1)	-	(206)	(372)
Proceeds from disposal of investments, classified as held for sale	-	85	2,068	1,346
<b>Net Cash Flows (Used In) From Investing Activities</b>	<b>(25)</b>	<b>74</b>	<b>1,272</b>	<b>656</b>
<b>Cash Flows From Financing Activities:</b>				
Proceeds from interest-bearing loans and borrowings	1,197	-	1,458	4,957
Repayment of interest-bearing loans and borrowings	(1,015)	(2,071)	(8,552)	(8,256)
Loan from directors and shareholders	1,594	4,632	12,148	5,632
Loan from associate	-	(63)	-	-
Interest paid	(441)	(388)	(2,493)	(2,135)
Release (Placement) of fixed deposit associated with bank guarantee	-	-	-	144
Issuance of ordinary shares (Note A)	940	-	940	-
<b>Net Cash Flows From Financing Activities</b>	<b>2,275</b>	<b>2,110</b>	<b>3,501</b>	<b>342</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,404</b>	<b>370</b>	<b>1,524</b>	<b>(138)</b>
Effect of exchange rate changes on cash and cash equivalent	-	-	(13)	14
Cash and Cash Equivalents at Beginning of Period	470	884	1,363	1,419
<b>Cash and Cash Equivalents at End of Period</b>	<b>2,874</b>	<b>1,254</b>	<b>2,874</b>	<b>1,295</b>

**Note A**

On 5 February 2018, the Company issued 26,143,791 new ordinary shares at issue price of S\$0.03825 per share, totalling S\$1,000,000. All new shares were fully paid through a conversion of existing shareholders' loan.

On 23 November 2018, the Company issued 47,000,000 new ordinary shares at the issue price of S\$0.02 per share, totalling S\$940,000 and all new shares were fully paid in cash.

**Restricted Cash Balance**

The Group's cash and bank balances in the statement of financial position exclude short-term deposit of S\$Nil (31 Dec 2017: S\$150,000) which were pledged to secure a bank guarantee.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

GROUP	ATTRIBUTABLE TO OWNERS OF THE PARENT									Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Treasury Shares Reserve	Premium paid on acquisition of non-controlling interest	Reserve attributable to non-current asset held for sale	Translation Reserve	Statutory Reserve Fund	Accumulated Profits (Losses)	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	Reserves S\$'000	S\$'000	S\$'000
<b>Current Period:</b>											
Balance as at 1 July 2017	34,836	(286)	(476)	(60)	(12)	(2,974)	15	(30,973)	(34,480)	43	113
Net loss for the period	-	-	-	-	-	-	-	(12,495)	(12,495)	15	(12,480)
Transfer of reserve, for the completion of disposal on non-current asset held for sale	-	-	-	-	12	(12)	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	549	-	-	549	(1)	548
Total comprehensive loss for the period	-	-	-	-	12	537	-	(12,495)	(11,946)	14	(11,932)
Transfer of treasury shares	-	286	(230)	-	-	-	-	-	(230)	-	56
Issuance of share capital	1,000	-	-	-	-	-	-	-	-	-	1,000
<b>Balance as at 30 June 2018</b>	<b>35,836</b>	<b>-</b>	<b>(706)</b>	<b>(60)</b>	<b>-</b>	<b>(2,437)</b>	<b>15</b>	<b>(43,468)</b>	<b>(46,656)</b>	<b>57</b>	<b>(10,763)</b>
Net loss for the period	-	-	-	-	-	-	-	(1,399)	(1,399)	12	(1,387)
Other comprehensive loss for the period	-	-	-	-	-	(892)	-	-	(892)	-	(892)
<b>Balance as at 30 September 2018</b>	<b>35,836</b>	<b>-</b>	<b>(706)</b>	<b>(60)</b>	<b>-</b>	<b>(3,329)</b>	<b>15</b>	<b>(44,867)</b>	<b>(48,947)</b>	<b>69</b>	<b>(13,042)</b>
Issuance of share capital	940	-	-	-	-	-	-	-	-	-	940
Net loss for the period	-	-	-	-	-	-	-	(4,253)	(4,253)	3	(4,250)
Other comprehensive income for the period	-	-	-	-	-	724	-	-	724	-	724
<b>Balance as at 31 December 2018</b>	<b>36,776</b>	<b>-</b>	<b>(706)</b>	<b>(60)</b>	<b>-</b>	<b>(2,605)</b>	<b>15</b>	<b>(49,120)</b>	<b>(52,476)</b>	<b>72</b>	<b>(15,628)</b>
<b>Previous Period:</b>											
Balance as at 1 July 2016	34,836	(274)	(488)	-	-	(2,538)	15	(1,363)	(4,374)	7	30,195
Net loss for the period	-	-	-	-	-	-	-	(29,610)	(29,610)	(24)	(29,634)
Transfer of reserve, attributable to non-current asset held for sale	-	-	-	-	(12)	12	-	-	-	-	-
Other comprehensive loss for the period	-	-	-	-	-	(448)	-	-	(448)	-	(448)
Total comprehensive loss for the period	-	-	-	-	(12)	(436)	-	(29,610)	(30,058)	(24)	(30,082)
Acquisition of non-controlling interest without a change in control	-	-	-	-	-	-	-	-	(60)	60	-
Adjustment to treasury share reserve	-	(12)	12	(60)	-	-	-	-	12	-	-
<b>Balance as at 30 June 2017</b>	<b>34,836</b>	<b>(286)</b>	<b>(476)</b>	<b>(60)</b>	<b>(12)</b>	<b>(2,974)</b>	<b>15</b>	<b>(30,973)</b>	<b>(34,480)</b>	<b>43</b>	<b>113</b>
Net loss for the period	-	-	-	-	-	-	-	(2,324)	(2,324)	10	(2,314)
Other comprehensive loss for the period	-	-	-	-	-	(66)	-	-	(66)	-	(66)
<b>Balance as at 30 September 2017</b>	<b>34,836</b>	<b>(286)</b>	<b>(476)</b>	<b>(60)</b>	<b>(12)</b>	<b>(3,040)</b>	<b>15</b>	<b>(33,297)</b>	<b>(36,870)</b>	<b>53</b>	<b>(2,267)</b>
Net loss for the period	-	-	-	-	-	-	-	(2,170)	(2,170)	3	(2,167)
Other comprehensive income for the period	-	-	-	-	-	297	-	-	297	-	297
<b>Balance as at 31 December 2017</b>	<b>34,836</b>	<b>(286)</b>	<b>(476)</b>	<b>(60)</b>	<b>(12)</b>	<b>(2,743)</b>	<b>15</b>	<b>(35,467)</b>	<b>(38,743)</b>	<b>56</b>	<b>(4,137)</b>

COMPANY

<b>Current Period:</b>											
Balance as at 1 July 2017	34,836	(286)	(476)	-	-	-	-	(6,160)	(6,636)	-	27,914
Net loss for the period	-	-	-	-	-	-	-	(152)	(152)	-	(152)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(152)	(152)	-	(152)
Transfer of treasury shares	-	286	(230)	-	-	-	-	-	(230)	-	56
Issuance of share capital	1,000	-	-	-	-	-	-	-	-	-	1,000
<b>Balance as at 30 June 2018</b>	<b>35,836</b>	<b>-</b>	<b>(706)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,312)</b>	<b>(7,018)</b>	<b>-</b>	<b>28,818</b>
Net profit for the period	-	-	-	-	-	-	-	5	5	-	5
<b>Balance as at 30 September 2018</b>	<b>35,836</b>	<b>-</b>	<b>(706)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,307)</b>	<b>(7,013)</b>	<b>-</b>	<b>28,823</b>
Issuance of share capital	940	-	-	-	-	-	-	-	-	-	940
Net loss for the period	-	-	-	-	-	-	-	(29,390)	(29,390)	-	(29,390)
<b>Balance as at 31 December 2018</b>	<b>36,776</b>	<b>-</b>	<b>(706)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,697)</b>	<b>(36,403)</b>	<b>-</b>	<b>373</b>
<b>Previous Period:</b>											
Balance as at 1 July 2016	34,836	(274)	(488)	-	-	-	-	190	(298)	-	34,264
Net loss for the period	-	-	-	-	-	-	-	(6,350)	(6,350)	-	(6,350)
Total comprehensive income for the period	-	-	-	-	-	-	-	(6,350)	(6,350)	-	(6,350)
Adjustment to treasury share reserve	-	(12)	12	-	-	-	-	-	12	-	-
<b>Balance as at 30 June 2017</b>	<b>34,836</b>	<b>(286)</b>	<b>(476)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,160)</b>	<b>(6,636)</b>	<b>-</b>	<b>27,914</b>
Net loss for the period	-	-	-	-	-	-	-	(44)	(44)	-	(44)
<b>Balance as at 30 September 2017</b>	<b>34,836</b>	<b>(286)</b>	<b>(476)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,204)</b>	<b>(6,680)</b>	<b>-</b>	<b>27,870</b>
Net loss for the period	-	-	-	-	-	-	-	(40)	(40)	-	(40)
<b>Balance as at 31 December 2017</b>	<b>34,836</b>	<b>(286)</b>	<b>(476)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,244)</b>	<b>(6,720)</b>	<b>-</b>	<b>27,830</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There has been no changes in the issued share capital of the Company since 30 September 2018 saved for the allotment and issuance of 47,000,000 new shares at the issue price of S\$0.02 per share, completed on 23 November 2018.

As at 31 December 2018, the Company held no treasury shares (31 December 2017: 1,914,955) against a total number of 315,669,019 issued shares (31 December 2017: 240,610,273 issued shares excluding treasury shares).

The percentage of the aggregate number of treasury shares held against the total number of issued shares as at 31 December 2018 is nil% (31 December 2017: 0.79%).

Save as stated above, the Company had no outstanding options, convertible securities, treasury shares or subsidiary holdings as at 31 December 2018 and 31 December 2017.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	As at 31 December 2018	As At 30 June 2017
No. of issued shares excluding treasury shares	315,669,019	240,610,273

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable. No treasury shares have been sold, transferred, cancelled or used in any manner as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial periods reported on.

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by auditors.

**3 Where the figures have been audited or reviewed, the auditor' report (including any qualifications or emphasis of a matter)**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

With reference to the Company's announcement on 29 June 2018 and 2 August 2018, the Company has changed its financial year from 30 June to 31 December. The current audited financial period will be from 1 July 2017 to 31 December 2018.

Other than the adoption of the new and revised Financial Reporting Standards ("FRS") which come into effect for the financial period ended 31 December 2018, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements for the financial year ended 30 June 2017.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change**

The adoption of new or revised standards effective in the current financial period is not expected to result in material adjustments to the financial position, financial performance, or cash flows of the Group for the financial period ended 31 December 2018.



**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earnings per ordinary share for the period is computed based on profit, net of tax attributable to owners of the parent:-

	Group Sixth Quarter Ended		Group Eighteen months ended	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Earnings per ordinary share				
(a) Based on the weighted average number of ordinary shares in issue	(1.48) cents	(0.90) cents	(6.96) cents	(14.18) cents
Weighted average number of ordinary shares in issue	287,060,323	240,610,273	260,492,893	240,610,273
(b) On a fully diluted basis	(1.48) cents	(0.90) cents	(6.96) cents	(14.18) cents
Weighted average number of ordinary shares in issue	287,060,323	240,610,273	260,492,893	240,610,273

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares at the end of the:-

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group As At		Company As At	
	31-Dec-18	30-Jun-17	31-Dec-18	30-Jun-17
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	(4.97) cents	0.03 cents	0.12 cents	11.60 cents
Number of shares in issue excluding treasury shares	315,669,019	240,610,273	315,669,019	240,610,273

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### **Profit or Loss Review**

##### **Revenue**

###### **6Q 2018 vs 6Q 2017 & 18M 2018 vs 18M 2017**

The Group's revenue for the three months ended 31 December 2018 ("6Q 2018") was S\$10.1 million, 8% higher than the S\$9.3 million generated for the corresponding period in the last financial quarter ("6Q 2017"). The increase is mainly due to the increase in revenue generated from product sales of S\$1.2 million for 6Q 2018, partly offset by the decrease in revenue generated from services revenue of S\$0.4 million.

The Group's revenue for the 18 months ended 31 December 2018 ("18M 2018") was S\$53.8 million, 5% higher than the S\$51.3 million generated for the corresponding period in the last financial period ("18M 2017"). The increase was mainly due to the increase in revenue generated across all segments for 18M 2018.

##### **Gross Profit**

###### **6Q 2018 vs 6Q 2017 & 18M 2018 vs 18M 2017**

The Group's gross profit for 6Q 2018 was lower than that for 6Q 2017 mainly due to higher product sales which generated a lower gross profit margin.

The Group's gross profit for 18M 2018 was higher than 18M 2017 mainly due to higher services revenue which generated a higher gross profit margin. Total fixed costs for 18M 2018 classified as cost of sales was S\$5.3 million, a decrease as compared 18M 2017 of S\$8.7 million respectively. Decrease in fixed costs was mainly attributed by a decrease in rental expenses, depreciation expenses and salary expenses.

##### **Other Operating Income**

###### **6Q 2018 vs 6Q 2017 & 18M 2018 vs 18M 2017**

The Group's other operating income for 6Q 2018 was higher than 6Q 2017 mainly due to increase in bad debts recovered of S\$0.1 million, reversal of allowance on amount due from an associate of S\$0.5 million and commission income of S\$0.4 million. Other operating income for 18M 2018 was lower compared to 18M 2017, mainly due to decrease in rental income of S\$1.4 million as the Group had relocated its registered office and ceased the subletting of its warehouse and open yard spaces in February 2018 and sundry income of S\$0.1 million. The decrease was partly offset by an increase in bad debts recovered of S\$0.4 million from trade debtors, recovery of net S\$0.2 million from amount owing from an associate, reversal of impairment in investment in joint venture of S\$0.2 million and commission income of S\$0.4 million.

##### **Operating Expenses**

###### **6Q 2018 vs 6Q 2017 & 18M 2018 vs 18M 2017**

The Group's operating expenses comprised administration and sales and marketing expenses.

The decrease in administration expenses for 6Q 2018 compared to 6Q 2017 was mainly due to decrease in rental expenses of S\$0.6 million.

The decrease in administration expenses for 18M 2018 compared to 18M 2017 was mainly due to decrease in rental expenses of S\$2.0 million, property tax of S\$0.4 million and depreciation expenses of S\$0.4 million partly offset by increase in salary and directors' remuneration of S\$0.6 million, bonus expenses of S\$0.2 million, consultancy expenses of S\$0.1 million and insurance expenses of S\$0.1 million. The increase in salary expenses were mainly due to classification from audit adjustments. Overall, administration and operation salary expenses, including directors' remuneration decreased by S\$0.2 million.

Sales and marketing expenses for 6Q 2018 decreased slightly compared to 6Q 2017, mainly due decrease in entertainment and travelling related expenses. Sales and marketing expenses for 18M 2018 compared to 18M 2017 had decreased by S\$0.1 million mainly due to the decrease in entertainment and travelling related expenses of S\$0.2 million and sales salary expenses of S\$0.1 million, partly offset by an increase in commission expenses of S\$0.3 million. The increase in commission expenses of S\$0.3 million was mainly due to increase in revenue in Middle East and Indonesia.

##### **Other Operating Expenses**

###### **6Q 2018 vs 6Q 2017 & 18M 2018 vs 18M 2017**

Other operating expenses for 6Q 2018 was higher than 6Q 2017 due to increase in foreign exchange losses of S\$0.1 million and fixed assets impairment of S\$1.7 million.

Other operating expenses for 18M 2018 was lower than 18M 2017 due to decrease in impairment of plant and equipment (including leasehold equipment) of S\$4.9 million, impairment in investment in an associate and joint venture company of S\$4.9 million and allowance for doubtful debts of S\$1.3 million. This has been partially offset by a one-off compensation incurred for the early termination of the leases at 61 and 71 Tuas Bay Drive as announced on 5 April 2018, which amounted to a net sum of S\$2.7 million, increase in foreign exchanges losses of S\$0.4 million.

##### **Finance Costs**

###### **6Q 2018 vs 6Q 2017 & 18M 2018 vs 18M 2017**

Finance costs for 6Q 2018 and 18M 2018 were higher compared to 6Q 2017 and 18M 2017 respectively mainly due to increase in the cost of borrowings from fixed rate loans and bills payables interests rates pegged to SIBOR and LIBOR. Compared to 18M 2017, the Group has also utilised more bills payables in the 18M 2018 and as a result, incurred higher finance costs.

**Profit or loss, attributable to owners of the parent**

6Q 2018 vs 6Q 2017

The increase in net loss attributable to owners of the parent for 6Q 2018 as compared to 6Q 2017 was due to increased in other operating expenses and decrease in gross profit, partly offset by decrease in administration expenses, sales and marketing expenses and increase in other operating income.

18M 2018 vs 18M 2017

The decrease in net loss attributable to owners of the parent for 18M 2018 as compared to 18M 2017 was due to increase in revenue and gross profit, and decrease in administration expenses, sales and marketing expenses, other operating expenses and share of results of joint venture companies, partly offset by a decrease in other operating income and share of results of an associate.

**Statement of Financial Position Review**

31 December 2018 vs 30 June 2017

**Current assets**

The current assets of S\$25.8 million as at 31 December 2018 was lower compared to that as at 30 June 2017, mainly due to decreases in inventories of S\$4.5 million, trade receivables of S\$1.2 million and other receivables, deposits and prepayments of S\$0.7 million, partly offset by increase in cash and cash balances of S\$1.5 million.

**Non-current assets**

The non-current assets of S\$18.2 million as at 31 December 2018 was lower compared to that as at 30 June 2017 mainly due to decreases in property, plant and equipment of S\$1.9 million and investment properties of S\$0.4 million.

**Current liabilities**

The current liabilities of S\$51.4 million as at 31 December 2018 was higher compared to that as at 30 June 2017, mainly due to increase in loan from directors and shareholders of S\$10.6 million, other payables and accruals of S\$3.0 million and bills payables of S\$1.2 million, partly offset by decrease in interest-bearing loans and borrowings of S\$6.6 million and trade payables of S\$0.2 million.

The increase in directors and shareholders' loans was mainly to finance the working capital needs of the Group. The loans were granted pursuant to the financial support. The loans from directors were interest free and repayable on demand. The proceeds from the loans from directors were mainly used for repayment of bank borrowings, payments to suppliers and general working capital.

**Non-current liabilities**

The non-current liabilities of S\$8.2 million as at 31 December 2018 was lower compared to that as at 30 June 2017 mainly due to decrease in interest-bearing loans and borrowings of S\$1.5 million and deferred tax liabilities of S\$0.2 million, partly offset by increase in non-current other payables of S\$1.4 million. The increase in non-current other payables was mainly due to the compensation incurred for the early termination of the leases at 61 and 71 Tuas Bay Drive as announced on 5 April 2018, which is payable in monthly instalments until August 2021.

**Cash Flow Review**

6Q 2018

The net cash flows used in operating activities for 6Q 2018 was S\$0.2 million and this was mainly due to increase in trade receivables of S\$1.7 million and inventories of S\$0.1 million, and decrease in other payables and accruals of S\$0.6 million, partly offset by loss before tax of S\$3.1 million and a decrease in other receivables, deposits and prepayments of S\$1.6 million and an increase in trade payables of S\$1.5 million. Cash flows used in investing activities was mainly due to the purchase of property, plant and equipment. The cash flows from financing activities was S\$2.3 million and this was mainly due to the loan from directors and shareholders of S\$1.6 million, proceeds from issuance of ordinary shares of S\$0.9 million and the net proceeds from interest-bearing loans and borrowings of S\$0.2 million, partly offset by interest paid of S\$0.4 million.

18M 2018

The net cash flows used in operating activities for 18M 2018 was S\$3.3 million and this was mainly due to loss before tax of S\$17.0 million and increase in trade receivables of S\$0.9 million, partly offset by increase in other payables and accruals of S\$4.4 million and decrease in inventories of S\$1.9 million and other receivables, deposits and prepayments of S\$0.3 million and trade payables of S\$0.8 million. Cash flows from investing activities of S\$1.3 million was mainly due to proceeds from disposal of investment of S\$2.1 million and proceeds from disposal of property, plant and equipment of S\$0.8 million, partly offset by purchase of property, plant and equipment of S\$1.4 million and advances to an associate of S\$0.2 million. The cash flows from financing activities of S\$3.5 million was mainly due to the loans from directors and shareholders of S\$12.1 million and proceeds from the issuance of ordinary shares of S\$0.9 million, partly offset by the net repayment of interest-bearing loans and borrowings of S\$7.1 million and interest paid of S\$2.5 million.

- 9 **Where a forecast, or a prospect statement, had been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Outlook

The Group had been seeing an increase in orders from its Middle East and Indonesian customers. Barring unforeseen circumstances, the Group expects to continue to enjoy the benefit from the increased business activity as a result of the higher oil price and its subsidiary Bluegas Private Limited has commenced business and expects to have positive contribution.

However, the O&G market is still characterised by an oversupply of goods and service providers and the Group expects that challenging conditions will continue for the next twelve months.

Going concern of the Group

The Board is of the opinion that the Group and the Company are able to meet their short-term debt obligations as and when they fall due and are able to continue to operate as going concerns for the following reasons:

- (i) The Group had implemented several cost-cutting initiatives and significant reductions in inventories were effected in the financial years ended 30 June 2016 and 30 June 2017 and the 18-month period ended 31 December 2018;
- (ii) The Group had concluded its lease arrangement with its previous landlord (please refer to the announcement on 5 April 2018) and achieved a significant overall reduction in rental expenses in Singapore by more than 40% monthly;
- (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 Group has the option of divesting its investment properties as and when required;
- (v) 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 for the financial period ended 31 December 2018, in order for the banks to continue extending their loan facilities to the Group and management is also in the process of finalising an extension of loan amounting to S\$15.6 million, which will be due in Apr 2019; and
- (vi) The Company's shareholders, Tan Tock Han and Tan Kheng Kuan, have provided a letter confirming that they are willing and able and undertake 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 18 months from 30 June 2018 (the "Financial Support"). Such financial support shall include not drawing or drawing partial salaries should the Group not have sufficient funds to pay its creditors in full.

**11 If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended)**

None.

**(b) (i) Amount per share**

None.

**(ii) Previous corresponding period**

None.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12 If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared or recommended for the current financial period, as the Group currently has no profit available for distribution.

**13 Interested person transactions**

The Company does not have a general mandate for interested person transactions.

In the current financial period, the Company did not enter into any interested person transaction of more than S\$100,000 in value.

**14 Confirmation pursuant to Rule 720 (1) of the Listing Manual**

The Company confirms that it has procured undertaking from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) under 720 (1) of the Listing Manual.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 15 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**Business Segments - Group**

	Sale of Goods S\$000	Services S\$000	Others S\$000	Total S\$000
<b>18 months ended 31 December 2018</b>				
<b>Revenue</b>				
External sales	46,386	7,400	-	53,786
Segment revenue				<u>53,786</u>
<b>Result</b>				
Segment results	(14,711)	5,546	(5,362)	(14,527)
Share of results of associates				-
Finance costs (interest expense)				(2,493)
Loss before income tax				<u>(17,020)</u>
Income tax credit				(1,097)
Loss after income tax				<u>(18,117)</u>
<b>Other information</b>				
Amortisation of prepaid land lease	(173)	-	-	(173)
Depreciation	(2,146)	(283)	(58)	(2,487)
Additions to non-current assets	1,405	-	-	1,405

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 15 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	Sale of Goods S\$000	Services S\$000	Others S\$000	Total S\$000
<b>FY 2017</b>				
<b>Revenue</b>				
External sales	44,777	6,521	-	51,298
Segment revenue				<u>51,298</u>
<b>Result</b>				
Segment results	(24,290)	(396)	(7,464)	(32,150)
Share of results of joint venture companies				(228)
Share of results of associated company				44
Finance costs (interest expense)				(2,135)
Loss before income tax				<u>(34,469)</u>
Income tax credit				356
Loss after income tax				<u>(34,113)</u>
<b>Other segment information</b>				
Amortisation of prepaid land lease	(181)	-	-	(181)
Depreciation	(4,616)	(312)	(64)	(4,992)
Additions to non-current assets	663	10	1,500	2,173



**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (cont'd)**

**Geographical Segments- Group**

	Revenue		Additions to non-current assets		Non-current assets	
	18 Months 2018 \$'000	18 Months 2017 \$'000	18 Months 2018 \$'000	18 Months 2017 \$'000	FY 2018 \$'000	FY 2017 \$'000
Singapore	12,248	14,679	920	2,023	2,704	6,609
United Arab Emirates	16,203	14,291	20	19	4,996	4,307
Indonesia	7,187	4,084	4	-	22	14
Malaysia	5,658	6,741	461	131	10,452	10,741
Asia	5,878	3,953	-	-	-	-
Rest of the world	6,612	7,550	-	-	-	-
	53,786	51,298	1,405	2,173	18,174	21,671

"Asia" includes Brunei, Hong Kong, India, Indonesia, Japan, the Philippines, the People's Republic of China, South Korea, Taiwan, Thailand and Vietnam, each contributing less than 10% of total revenue.

"Rest of the world" includes Africa, Australia, North and South America, Europe, New Zealand and other Middle Eastern countries, each contributing less than 10% of total revenue.

- 16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to point 8 for analysis.

17 **A breakdown of sales**

	Group Period ended 31-Dec-18 \$'000	Group Period ended 31-Dec-17 \$'000	% increase/ (decrease)
		Note	
Sales reported for first 6 months (Jul 17 to Dec 17)	20,416	17,399	17.3%
Operating loss after tax before deducting non-controlling interest reported for first 6 months (Jul 17 to Dec 17)	(4,479)	(5,378)	(16.7%)
Sales reported for the next 6 months (Jan 18 to Jun 18)	14,024	13,483	4.0%
Operating loss after tax before deducting non-controlling interest reported for the next 6 months (Jan 18 to Jun 18)	(8,001)	(24,256)	(67.0%)
Sales reported for the next 6 months (Jul 18 to Dec 18)	19,346	20,416	(5.2%)
Operating loss after tax before deducting non-controlling interest reported for the next 6 months (Jul 18 to Dec 18)	(5,637)	(4,479)	25.9%

Note: The 18 months period results ended 31 December 2017, which is computed by adding the results of the 6 months period ended 31 December 2017 (1 July 2017 to 31 December 2017) to that of 12 months period ended 30 June 2017, is presented for comparative purpose only.

18 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year:-**

	Latest full year	Previous full year
	\$'000	\$'000
Ordinary	Not applicable	Not applicable
Preference	Not applicable	Not applicable
Total	Not applicable	Not applicable

19 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tan Tock Han	73	Father of Tan Kheng Kuan (Deemed Substantial Shareholder and CEO).	Director and Chairman of subsidiary KTL Offshore Pte. Ltd., main operating entity of the Group, since 1973.	Executive Chairman and Director of KTL Global Limited, resigned on 28 December 2018.
Karen Tan Suan Suan	46	Daughter of Tan Tock Han (Deemed Substantial Shareholder) and sister of Tan Kheng Kuan (Chief Executive Officer and deemed Substantial Shareholder).	Executive Assistant to Chairman of a subsidiary. Position held since 2009.	NA
Lim Kor Him	43	Daughter-in-law of Tan Tock Han (Deemed Substantial Shareholder) and wife of Mr Tan Kheng Kuan (Chief Executive Officer and deemed Substantial Shareholder).	Assistant Director of Administration, in charge of the Physical Distribution Department - Purchasing, Warehouse and Logistics. Position held since 2010	NA

20 **Update on the use of Placement proceeds**

Pursuant to the placement exercise which completed on 23 November 2018 (the "Placement"), the Company had raised net proceeds of S\$885,000. The details of the net proceeds from the Placement utilised as at this date of this announcement are as follows:

Use of Net Proceeds	Allocation of Net Proceeds	Net Proceeds Utilised	Unutilised Net Proceeds
Expansion of the business of the Group through investments, acquisition, joint ventures or strategic alliances	S\$88,500	S\$74,901	S\$13,599
General working capital purposes	S\$796,500	S\$196,136 (1)	S\$600,364
<b>Total</b>	<b>S\$885,000</b>	<b>S\$271,037</b>	<b>S\$613,963</b>

Note:

(1) Utilisation for general working capital includes S\$182,772 for salary and remuneration expenses and S\$13,364 for listing and compliance costs.

The above utilisation of the net proceeds from the Placement is in accordance with the stated use.

BY ORDER OF THE BOARD  
TAN KHENG KUAN  
CHIEF EXECUTIVE OFFICER  
DATE: 27 February 2019