



Second-quarter and half-year financial statements and dividend announcement for the period ended 31 December 2013

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL-YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Group 2 nd Qtr ended | | | Group 6 months ended | | |
|--|------------------------------------|-------------|---------|-------------------------|-------------|---------|
| | 31 Dec 2013 | 31 Dec 2012 | Change | 31 Dec 2013 | 31 Dec 2012 | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Revenue | 17,192 | 12,115 | 41.9 | 36,803 | 29,309 | 25.6 |
| Cost of sales | (10,824) | (8,061) | 34.3 | (24,407) | (19,699) | 23.9 |
| Gross profit | 6,368 | 4,054 | 57.1 | 12,396 | 9,610 | 29.0 |
| Other operating income | 1,099 | 373 | 194.6 | 1,737 | 723 | 140.2 |
| Administration expenses | (4,469) | (4,470) | -0.1 | (8,910) | (8,932) | -0.2 |
| Sales and marketing expenses | (1,279) | (1,306) | -2.1 | (2,463) | (2,513) | -2.0 |
| Other operating expenses | (155) | (72) | 115.3 | (155) | (104) | 49.0 |
| Share of results of a joint venture company | (11) | (12) | -8.3 | (24) | (24) | - |
| Profit / (Loss) from operations | 1,553 | (1,433) | n.m. | 2,581 | (1,240) | n.m. |
| Finance costs | (124) | (166) | -25.3 | (294) | (389) | -24.4 |
| Profit / (Loss) from operations before taxation | 1,429 | (1,599) | n.m. | 2,287 | (1,629) | n.m. |
| Income tax expenses | (124) | (4) | 3,000.0 | (232) | (5) | 4,540.0 |
| Profit / (Loss) from operations, net of tax | 1,305 | (1,603) | n.m. | 2,055 | (1,634) | n.m. |
| Attributable to: | | | | | | |
| Owners of the Company | 1,309 | (1,590) | n.m. | 2,061 | (1,610) | n.m. |
| Non-controlling interests | (4) | (13) | -69.2 | (6) | (24) | -75.0 |
| | 1,305 | (1,603) | n.m. | 2,055 | (1,634) | n.m. |
| n.m. – not meaningful | | | | | | |



KTL Global Limited (Registration No 200704519M)

A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediate preceding financial year.

| | Group 2 nd Qtr ended | | | Group 6 months ended | | |
|--|------------------------------------|----------------|--------|-------------------------|----------------|--------|
| | 31 Dec 2013 | 31 Dec 2012 | Change | 31 Dec 2013 | 31 Dec 2012 | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Profit / (Loss) for the period | 1,305 | (1,603) | n.m. | 2,055 | (1,634) | n.m. |
| Other comprehensive income: | | | | | | |
| Foreign currency translation | (263) | 11 | n.m. | (260) | 11 | n.m. |
| Total comprehensive income for the period | 1,042 | (1,592) | n.m. | 1,795 | (1,623) | n.m. |
| Total comprehensive income attributable to: | | | | | | |
| Owners of the Company | 1,048 | (1,579) | n.m. | 1,801 | (1,599) | n.m. |
| Non-controlling interests | (6) | (13) | -76.9 | (6) | (24) | -75.0 |
| Total comprehensive income for the period | 1,042 | (1,592) | n.m. | 1,795 | (1,623) | n.m. |

The net loss attributable to shareholders is stated after (charging)/crediting:-

| | Group 2 nd Qtr ended | | | Group 6 months ended | | |
|---|------------------------------------|----------------|--------|-------------------------|----------------|--------|
| | 31 Dec 2013 | 31 Dec 2012 | Change | 31 Dec 2013 | 31 Dec 2012 | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Allowance for stock obsolescence | - | (2) | -100.0 | - | (2) | -100.0 |
| Allowance for doubtful debts | (35) | - | 100.0 | (35) | - | 100.0 |
| Depreciation | (961) | (934) | 2.9 | (1,877) | (1,836) | 2.2 |
| Interest expense | (124) | (166) | -25.3 | (294) | (389) | -24.4 |
| Gain on disposal of property, plant and equipment | 440 | 110 | 300.0 | 730 | 179 | 307.8 |
| Foreign exchange loss | (128) | (72) | 77.7 | (120) | (104) | 15.4 |

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 | | Company | |
|--|----------------|-----------------|----------------|-----------------|
| | 31 Dec 2013 | 30 June 2013 | 31 Dec 2013 | 30 June 2013 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 17,533 | 18,396 | - | - |
| Investment in subsidiaries | - | - | 13,161 | 13,161 |
| Investment in a joint venture company | 387 | 411 | 7 | 7 |
| Other receivables | 1,179 | 1,163 | - | - |
| Prepayment | 4,158 | 3,311 | 251 | - |
| | <u>23,257</u> | <u>23,281</u> | <u>13,419</u> | <u>13,168</u> |
| Current assets | | | | |
| Inventories | 21,941 | 21,958 | - | - |
| Trade receivables | 28,803 | 27,933 | - | - |
| Other receivables and prepayments | 1,112 | 807 | 101 | 101 |
| Amount due from subsidiaries | - | - | 17,048 | 15,371 |
| Amount due from a joint venture company | 20 | 20 | 20 | 20 |
| Cash and bank balances | 3,506 | 6,406 | 1,762 | 3,656 |
| | <u>55,382</u> | <u>57,124</u> | <u>18,931</u> | <u>19,148</u> |
| Current liabilities | | | | |
| Trade payables | 11,648 | 16,376 | - | - |
| Bills payables | 10,904 | 9,412 | - | - |
| Other payables | 1,396 | 1,654 | 203 | 216 |
| Derivative liabilities | - | 4 | - | - |
| Interest-bearing loans and borrowings | 4,983 | 4,773 | - | - |
| Income tax payable | 495 | 248 | 8 | 7 |
| | <u>29,426</u> | <u>32,467</u> | <u>211</u> | <u>223</u> |
| Net current assets | 25,956 | 24,657 | 18,720 | 18,925 |
| Non-current liabilities | | | | |
| Interest-bearing loans and borrowings | 3,289 | 3,692 | - | - |
| Deferred tax liabilities | 1,289 | 1,406 | - | - |
| Other payables | 198 | 198 | - | - |
| Net assets | <u>44,437</u> | <u>42,642</u> | <u>32,139</u> | <u>32,093</u> |
| Equity attributable to owners of the Company: | | | | |
| Share capital | 33,269 | 33,269 | 33,269 | 33,269 |
| Treasury shares | (602) | (602) | (602) | (602) |
| Reserves | 11,762 | 9,961 | (528) | (574) |
| | <u>44,429</u> | <u>42,628</u> | <u>32,139</u> | <u>32,093</u> |
| Non-Controlling interests | 8 | 14 | - | - |
| Total equity | <u>44,437</u> | <u>42,642</u> | <u>32,139</u> | <u>32,093</u> |

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

Amount repayable in one year or less, or on demand

| | Group | | Group | |
|--|-------------------------|------------------|---------------------|------------------|
| | 31 December 2013 | | 30 June 2013 | |
| | Secured | Unsecured | Secured | Unsecured |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Bills payables | - | 10,904 | - | 9,412 |
| Interest-bearing loans and borrowings: | | | | |
| Bank overdrafts | - | 2,423 | - | 1,108 |
| Fixed advance facility | - | 800 | - | 1,800 |
| Hire purchase creditors | 562 | - | 554 | - |
| Internationalisation finance scheme | - | 262 | - | 262 |
| Invoice financing | - | 936 | - | 871 |
| Term loan | - | - | - | 178 |
| | <u>562</u> | <u>15,325</u> | <u>554</u> | <u>13,631</u> |

Amount repayable after one year

| | Group | | Group | |
|--|-------------------------|------------------|---------------------|------------------|
| | 31 December 2013 | | 30 June 2013 | |
| | Secured | Unsecured | Secured | Unsecured |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Interest-bearing loans and borrowings: | | | | |
| Internationalisation finance scheme | - | 918 | - | 1,050 |
| Hire purchase creditors | 521 | - | 792 | - |
| Term loan | - | 1,850 | - | 1,850 |
| | <u>521</u> | <u>2,768</u> | <u>792</u> | <u>2,900</u> |

Details of the collaterals:

All the bank borrowings are unsecured with the exception of the hire purchases which are secured by charges over the leased assets.

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

| | Group 2nd Qtr ended 31.12.2013 S\$'000 | Group 2nd Qtr ended 31.12.2012 S\$'000 | Group 6 months ended 31.12.2013 S\$'000 | Group 6 months ended 31.12.2012 S\$'000 |
|---|--|--|--|--|
| Cash flows from operating activities | | | | |
| Profit/ (Loss) before tax from operations | 1,429 | (1,599) | 2,287 | (1,629) |
| Adjustments for:- | | | | |
| Depreciation of property, plant and equipment | 961 | 934 | 1,877 | 1,836 |
| Allowance for doubtful debts | 35 | - | 35 | - |
| Gain on disposal of property, plant and equipment and investments | (440) | (110) | (730) | (179) |
| Fair value loss on derivatives | - | - | (4) | 12 |
| Interest expenses | 124 | 166 | 294 | 389 |
| Share of results of a joint venture company | 11 | 12 | 24 | 24 |
| | <u>691</u> | <u>1,002</u> | <u>1,496</u> | <u>2,082</u> |
| Operating profit / (loss) before working capital changes | 2,120 | (597) | 3,783 | 453 |
| (Increase)/Decrease in inventories | (1,390) | (1,532) | 17 | 770 |
| Decrease/(Increase) in trade receivables | 356 | 155 | (905) | 331 |
| Decrease/(Increase) in other receivables and prepayment | 1,151 | 617 | (321) | (146) |
| (Decrease)/Increase in trade payables | (1,013) | 1,103 | (4,728) | (181) |
| Decrease in other payables | (6) | (509) | (258) | (872) |
| Cash generated from / (used in) operating activities | <u>1,218</u> | <u>(763)</u> | <u>(2,412)</u> | <u>355</u> |
| Income tax paid | (102) | (20) | (102) | (20) |
| Currency translation | (276) | 17 | (250) | 129 |
| Net cash flows generated from / (used in) operating activities | <u>840</u> | <u>(766)</u> | <u>(2,764)</u> | <u>464</u> |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | (1,982) | (1,289) | (2,292) | (1,488) |
| Proceeds from disposal of plant and equipment | 761 | 137 | 1,181 | 640 |
| Net cash flows used in investing activities | <u>(1,221)</u> | <u>(1,152)</u> | <u>(1,111)</u> | <u>(848)</u> |
| Cash flows from financing activities | | | | |
| Proceeds from / (Repayments of) interest-bearing loans and borrowings | 85 | (201) | (46) | (1,032) |
| Proceeds from issuance of new shares pursuant to rights issue | - | 5,100 | - | 5,100 |
| Interest paid | (124) | (166) | (294) | (389) |
| Net cash flows (used in) / generated from financing activities | <u>(39)</u> | <u>4,733</u> | <u>(340)</u> | <u>3,679</u> |
| Net (decrease) / increase in cash and cash equivalents | <u>(420)</u> | <u>2,815</u> | <u>(4,215)</u> | <u>3,295</u> |
| Cash and cash equivalents at beginning of the period | <u>1,503</u> | <u>328</u> | <u>5,298</u> | <u>(152)</u> |
| Cash and cash equivalents at end of the period | <u>1,083</u> | <u>3,143</u> | <u>1,083</u> | <u>3,143</u> |
| Analysis of cash and cash equivalents | | | | |
| Cash and bank balances | 3,506 | 5,717 | 3,506 | 5,717 |
| Bank overdrafts | (2,423) | (2,574) | (2,423) | (2,574) |
| Cash and cash equivalents at end of the period | <u>1,083</u> | <u>3,143</u> | <u>1,083</u> | <u>3,143</u> |

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

2nd Quarter ended 31 December 2013

< -----Equity attributable to owners of the Company ----- >

| | Share Capital | Treasury shares | Treasury shares reserve | Merger reserve | Translation reserve | Statutory reserve fund | Accumulated Profits/(Losses) | Total Reserves | Non-controlling interest | Total |
|---|---------------|-----------------|-------------------------|----------------|---------------------|------------------------|------------------------------|----------------|--------------------------|---------------|
| Group | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| At 30 Sept 2013 | 33,269 | (602) | (120) | (7,660) | (99) | 15 | 18,580 | 10,716 | 12 | 43,395 |
| Net profit for the period | - | - | - | - | - | - | 1,309 | 1,309 | (4) | 1,305 |
| Other comprehensive income for the period | - | - | - | - | (263) | - | - | (263) | - | (263) |
| Total comprehensive income for the period | - | - | - | - | (263) | - | 1,309 | (1,046) | (4) | 1,042 |
| At 31 Dec 2013 | 33,269 | (602) | (120) | (7,660) | (362) | 15 | 19,889 | 11,762 | 8 | 44,437 |
| At 30 Sept 2012 | 28,168 | (602) | (120) | (7,660) | (39) | 15 | 17,414 | 9,610 | (181) | 36,995 |
| Net profit for the period | - | - | - | - | - | - | (1,590) | (1,590) | (13) | (1,603) |
| Other comprehensive income for the period | - | - | - | - | 11 | - | - | 11 | - | 11 |
| Total comprehensive income for the period | - | - | - | - | 11 | - | (1,590) | (1,579) | (13) | (1,592) |
| Issuance of new shares pursuant to rights issue | 5,100 | - | - | - | - | - | - | - | - | 5,100 |
| At 31 Dec 2012 | 33,268 | (602) | (120) | (7,660) | (28) | 15 | 15,824 | 8,031 | (194) | 40,503 |
| Company | | | | | | | | | | |
| At 30 Sept 2013 | 33,269 | (602) | (120) | - | - | - | (432) | (552) | - | 32,115 |
| Net profit for the period | - | - | - | - | - | - | 24 | 24 | - | 24 |
| Total comprehensive income for the period | - | - | - | - | - | - | 24 | 24 | - | 24 |
| At 31 Dec 2013 | 33,269 | (602) | (120) | - | - | - | (408) | (528) | - | 32,139 |
| At 30 Sept 2012 | 28,168 | (602) | (120) | - | - | - | 46 | (74) | - | 27,492 |
| Net profit for the period | - | - | - | - | - | - | 15 | 15 | - | 15 |
| Total comprehensive income for the period | - | - | - | - | - | - | 15 | 15 | - | 15 |
| Issuance of new shares pursuant to rights issue | 5,100 | - | - | - | - | - | - | - | - | 5,100 |
| At 31 Dec 2012 | 33,268 | (602) | (120) | - | - | - | 61 | (59) | - | 32,607 |

6 months ended 31 December 2013

< -----Equity attributable to owners of the Company ----- >

| Group | Share Capital S\$'000 | Treasury shares S\$'000 | Treasury shares reserve S\$'000 | Merger reserve S\$'000 | Translation reserve S\$'000 | Statutory reserve fund S\$'000 | Accumulated Profits/(Losses) S\$'000 | Total Reserves S\$'000 | Non-controlling interest S\$'000 | Total S\$'000 |
|---|--------------------------|----------------------------|------------------------------------|---------------------------|--------------------------------|-----------------------------------|---|---------------------------|-------------------------------------|------------------|
| At 30 June 2013 | 33,269 | (602) | (120) | (7,660) | (102) | 15 | 17,828 | 9,961 | 14 | 42,642 |
| Net profit for the period | - | - | - | - | - | - | 2,061 | 2,061 | (6) | 2,055 |
| Other comprehensive income for the period | - | - | - | - | (260) | - | - | (260) | - | (260) |
| Total comprehensive income for the period | - | - | - | - | (260) | - | 2,061 | 1,801 | (6) | 1,795 |
| At 31 Dec 2013 | 33,269 | (602) | (120) | (7,660) | (362) | 15 | 19,889 | 11,762 | 8 | 44,437 |
| At 30 June 2012 | 28,168 | (602) | (120) | (7,660) | (39) | 15 | 17,434 | 9,630 | (170) | 37,026 |
| Net profit for the period | - | - | - | - | - | - | (1,610) | (1,610) | (24) | (1,634) |
| Other comprehensive income for the period | - | - | - | - | 11 | - | - | 11 | - | 11 |
| Total comprehensive income for the period | - | - | - | - | 11 | - | (1,610) | (1,599) | (24) | (1,623) |
| Issuance of new shares pursuant to rights issue | 5,100 | - | - | - | - | - | - | - | - | 5,100 |
| At 31 Dec 2012 | 33,268 | (602) | (120) | (7,660) | (28) | 15 | 15,824 | 8,031 | (194) | 40,503 |
| Company | | | | | | | | | | |
| At 30 June 2013 | 33,269 | (602) | (120) | - | - | - | (454) | (574) | - | 32,093 |
| Net profit for the period | - | - | - | - | - | - | 46 | 46 | - | 46 |
| Total comprehensive income for the period | - | - | - | - | - | - | 46 | 46 | - | 46 |
| At 31 Dec 2013 | 33,269 | (602) | (120) | - | - | - | (408) | (528) | - | 32,139 |
| At 30 June 2012 | 28,168 | (602) | (120) | - | - | - | 31 | (89) | - | 27,477 |
| Net profit for the period | - | - | - | - | - | - | 30 | 30 | - | 30 |
| Total comprehensive income for the period | - | - | - | - | - | - | 30 | 30 | - | 30 |
| Issuance of new shares pursuant to rights issue | 5,100 | - | - | - | - | - | - | - | - | 5,100 |
| At 31 Dec 2012 | 33,268 | (602) | (120) | - | - | - | 61 | (59) | - | 32,607 |

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

There have been no changes in the Company's share capital since 30 September 2013.

As at 31 December 2013, the Company held 1,811,930 treasury shares (31 December 2012: 1,811,930) against a total number of 224,263,298 issued shares excluding treasury shares (31 December 2012: 224,263,298). The Company had no outstanding convertibles as at 31 December 2013 and 31 December 2012.

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 31.12.2013 | As at 31.12.2012 |
|--|-----------------------------|-----------------------------|
| Total number of issued shares (excluding treasury shares) | 224,263,298 | 224,263,298 |

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.

None.

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

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' 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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied to the audited financial statements for the financial year ended 30 June 2013.

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.

Not applicable.

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.

| | Group | |
|--|--|--|
| | 2nd Qtr ended 31.12.2013 | 2nd Qtr ended 31.12.2012 |
| Earnings per ordinary share for the period based on net profit after tax attributed to the owners of the Company | | |
| (i) Based on weighted average number of ordinary shares in issue (cents) | 0.58 | (1.0) |
| (ii) On a fully diluted basis (cents) | 0.58 | (1.0) |

Note:

Weighted average number of ordinary shares excluding treasury shares for calculation of:

| | | |
|------------------------------|-------------|-------------|
| - Basic earnings per share | 224,263,298 | 160,536,305 |
| - Diluted earnings per share | 224,263,298 | 160,536,305 |

7. Net Asset Value (for the issuer and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

| | Group | | Company | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 31.12.2013 | 30.06.2013 | 31.12.2013 | 30.06.2013 |
| Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at end of the period (cents) | 19.8 | 19.0 | 14.3 | 14.3 |
| No. of issued shares excluding treasury shares | 224,263,298 | 224,263,298 | 224,263,298 | 224,263,298 |

- i. 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.

Financial Performance

Revenue

The Group's revenue for the first half of the financial year ending 30 June 2014 ("1H FY14") was S\$36.8 million, 25.6 % higher than the S\$29.3 million generated for the corresponding period in the last financial year ("1H FY13"). The increase was due to the increase in revenue generated from all segments especially the oil and gas ("O&G") segment as we managed to secure certain major products and rental orders during the financial period.

The Group's revenue for the second quarter ended 31 December 2013 ("2Q FY14") was S\$17.2 million, 41.9% higher than the corresponding period last year ("2Q FY13") with the same reasons as stated above.

Gross Profit

The Group's gross profits for 1H FY14 and 2Q FY14 were higher than those for 1H FY13 and 2QFY13, respectively, mainly due to higher revenue and higher gross profit margin.

Gross Profit Margin

The Group's gross profit margins for 1H FY14 and 2Q FY14 were higher mainly due to the increase in the rental of our equipment to the offshore O&G customers and such rental command a higher gross profit margin.

Other Operating Income

Other operating income was higher for 1H FY14 and 2Q FY14 as compared to the corresponding periods of the last financial year, mainly due to:

- i. increase in rental income generated from the leasing of our premises at 61 Tuas Bay Drive, Singapore 637428 and 71 Tuas Bay Drive, Singapore 637430;
- ii. gain on disposal of property, plant and equipment; and
- iii. commission received from a customer for procuring and supplying offshore O&G equipment to its project.

Operating Expenses

The Group's operating expenses – comprising administration and sales and marketing expenses – were S\$11.4 million and S\$5.7 million for 1H FY14 and 2Q FY14 respectively, and were comparable to those of 1H FY13 and 2Q FY13, respectively.

Other Operating Expenses

Other operating expenses for 1H FY14 and 2Q FY14 were S\$51K and S\$83K higher, respectively, as compared to the corresponding periods in the last financial year, mainly due to a provision for doubtful debts and foreign exchange loss suffered during the financial periods.

Share of Results of a Joint Venture Company

This arose from the share of our profit and loss of Advanced Mooring Systems Pte. Ltd., a joint venture between KTL Global Limited and LMC Asia Pacific Pte Ltd, as per our announcement dated 27 October 2009.

Finance Costs

Finance costs decreased for 1H FY14 and 2Q FY14 mainly due to the decrease in bank borrowings.

Gain Attributable to the Shareholders of the Group

The net gain attributable to the shareholders of the Group for 1H FY2014 was due to higher revenue, higher gross profit, higher other operating income and lower finance costs, which were partially offset by higher other operating expenses and higher tax expenses.

Balance Sheet Review

Current Assets

The current assets of S\$55.3 million as at 31 December 2013 was lower as compared to that as at 30 June 2013 mainly due to lower cash balances as we settled certain trade payables with substantial amounts when they fell due as well as the repayment of certain short term loans to contain interest expenses, which were partially offset by higher trade receivables as we increased our sales towards the end of the financial period.

Non-Current Assets

The non-current assets as at 31 December 2013 was S\$23.2 million and was comparable to that as at 30 June 2013.

Current Liabilities

The decrease in current liabilities from S\$32.5 million as at 30 June 2013 to S\$29.4 million as at 31 December 2013 was mainly due to the decrease in trade payables as explained above.

Non-Current Liabilities

The non-current liabilities as at 31 December 2013 was lower than that as at 30 June 2013 mainly due to the repayment of bank borrowings.

Share Capital and Reserves

The increase in share capital and reserves from S\$42.6 million as at 30 June 2013 to S\$44.4 million as at 31 December 2013 was mainly due to the profit earned during the financial period.

Cash flow Review

2nd Quarter ended 31 December 2013

Net cash flows generated from operating activities of S\$840K arose mainly from:

- i) operating profit earned during the period

which was offset by:

- ii) the increase in inventory as we increased our purchase of inventory to support sales for the next quarter; and
- iii) the decrease in trade payables as we settled promptly the suppliers invoices as they fell due.

Net cash used in investing activities of S\$1.2 million in 2Q FY14 was attributable mainly to the purchase of rental equipment.

Net cash used in financing activities amounting to S\$39k was attributable mainly to the payment of interest on bank borrowings, offset by the proceeds from bank borrowings.

6 months ended 31 December 2013

Net cash flows used in operating activities of S\$2.8 million arose mainly from:

- i) the decrease in trade payables as we settled certain outstanding amounts with substantial amounts due to suppliers when they fell due; and
- ii) the increase in trade receivables as we increased our sales towards the end of the period.

Net cash used in investing activities of S\$1.1 million in 1H FY14 was attributable mainly to the purchase of rental equipment and a motor vehicle.

Net cash used in financing activities amounting to S\$0.3 million was attributable mainly to the payment on interests of bank borrowings.

9. Where a forecast, or a prospect statement, has 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 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.

The Group expects that the market for the supply of rigging and lifting systems to the offshore O&G and marine sectors will remain challenging and competitive for the next twelve months.

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date Payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended.

13. Interested person transactions

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

14. Use of proceeds

The net proceeds of S\$5.1 million from the rights issue completed in December 2012 have been utilised as follows in accordance with the uses stated in the offer information statement dated 4 December 2012:-

| Intended uses | Amount allocated (S\$ million) | Amount utilised as at the date hereof (S\$ million) | Balance of net proceeds as at the date hereof (S\$ million) |
|--------------------------------------|---|--|--|
| Set up a new facility in Malaysia | 4.5 | 1.8 | 2.7 |
| General working capital | 0.6 | 0.6 | - |
| Total net proceeds | 5.1 | 2.4 | 2.7 |

CONFIRMATION
PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF
THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

For the announcement of unaudited financial statements
for the second quarter ended 31 December 2013

We, Tan Tock Han and Tan Kheng Yeow, being Directors of KTL Global Limited (“the Company”), do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board that may render the unaudited financial statements for the second quarter ended 31 December 2013 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors
KTL Global Limited

(Signed)

Tan Tock Han
Executive Chairman

(Signed)

Tan Kheng Yeow
Chief Executive Officer

13 February 2014