



KTL Global Limited

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

**Unaudited First Quarter Financial Statements and Dividend
Announcement For the Financial Period Ended
30 September 2016**

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		% Change Increase/ (Decrease)
	First Quarter Ended		
	30-Sep-16 S\$'000	30-Sep-15 S\$'000	
Revenue	9,288	10,247	-9%
Cost of sales	(8,475)	(8,451)	0%
Gross profit	813	1,796	-55%
Other operating income	469	366	28%
Administration expenses	(2,922)	(3,099)	-6%
Sales and marketing expenses	(600)	(1,024)	-41%
Other operating expenses	(34)	(338)	-90%
Share of results of joint venture companies	-	(11)	N.M.
Share of results of an associate	7	-	N.M.
Loss from operations	(2,267)	(2,310)	-2%
Finance costs	(321)	(371)	-13%
Loss from operations before taxation	(2,588)	(2,681)	-3%
Income tax expense	(2)	-	N.M.
Loss net of tax	(2,590)	(2,681)	-3%
Other comprehensive loss:			
Exchange differences on translating foreign operations, net of tax	(251)	(1,555)	-84%
Other comprehensive loss for the period	(251)	(1,555)	-84%
Total comprehensive loss	(2,841)	(4,236)	-33%
Loss net of tax attributable to:			
-Owners of the parent	(2,580)	(2,684)	-4%
-Non-controlling interests	(10)	3	N.M.
Loss net of tax	(2,590)	(2,681)	-3%
Total comprehensive loss attributable to:			
-Owners of the parent	(2,831)	(4,239)	-33%
-Non-controlling interests	(10)	3	N.M.
Total comprehensive loss	(2,841)	(4,236)	-33%

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

	Group		% Change Increase/ (Decrease)
	First Quarter Ended		
	30-Sep-16 S\$'000	30-Sep-15 S\$'000	
Depreciation of property, plant and equipment	(1,040)	(878)	18%
Interest expenses	(321)	(371)	-13%
Gain on disposal of property, plant and equipment	5	-	N.M.
Foreign exchange loss	(34)	(338)	-90%

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	
	30-Sep-16 S\$'000	30-Jun-16 S\$'000	30-Sep-16 S\$'000	30-Jun-16 S\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	26,050	27,062	-	-
Prepaid land lease	3,287	3,359	-	-
Investment properties	2,097	2,122	-	-
Subsidiaries	-	-	13,161	13,161
Associates	5,486	5,479	5,848	5,848
Joint ventures	730	730	-	-
Due from a subsidiary	-	-	741	741
Other receivables, deposits and prepayments	210	170	-	-
Deferred tax assets	811	811	-	-
Total non-current assets	38,671	39,733	19,750	19,750
Current assets:				
Inventories	24,292	25,536	-	-
Trade receivables	7,877	8,532	-	-
Other receivables, deposits and prepayments	601	1,149	-	-
Due from subsidiaries	-	-	12,973	12,997
Due from associate and joint venture companies	2,358	2,299	1,841	1,774
Cash and bank balances	1,210	1,713	23	44
Total current assets	36,338	39,229	14,837	14,815
Total assets	75,009	78,962	34,587	34,565
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	34,836	34,836	34,836	34,836
Treasury shares	(274)	(274)	(274)	(274)
Reserves	(7,205)	(4,374)	(276)	(298)
Equity, attributable to owners of the parent	27,357	30,188	34,286	34,264
Non-controlling interests	(3)	7	-	-
Total equity	27,354	30,195	34,286	34,264
Non-current liabilities:				
Other payables	1,460	1,805	-	-
Due to an associate	77	77	-	-
Interest-bearing loans and borrowings	7,530	7,851	-	-
Deferred tax liabilities	97	97	-	-
Total non-current liabilities	9,164	9,830	-	-
Current liabilities:				
Trade payables	7,217	8,435	30	-
Bills payables	492	-	-	-
Other payables and accruals	3,738	3,559	261	287
Due to a related party	-	4	-	4
Due to an associate	300	300	-	-
Interest-bearing loans and borrowings	26,697	26,591	-	-
Income tax payable	47	48	10	10
Total current liabilities	38,491	38,937	301	301
Total liabilities	47,655	48,767	301	301
Total equity and liabilities	75,009	78,962	34,587	34,565

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

Amount repayable in one year or less, or on demand

	As At 30 September 2016		As At 30 June 2016	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bills payables	492	-	-	-
Interest-bearing loans and borrowings:				
Hire purchase creditors	439	-	455	-
Term loan	25,258	-	26,136	-
	26,189	-	26,591	-

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Amount repayable after one year

	As At 30 September 2016		As At 30 June 2016	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Interest-bearing loans and borrowings:				
Hire purchase creditors	1,564	-	1,583	-
Term loan	5,966	-	6,268	-
	7,530	-	7,851	-

Details of the collaterals:

All bank borrowings and debt securities which are secured by charges over the leased assets and term loans which are secured by charges over certain property, plant and equipment, investment properties and personal guarantee by certain directors of the Company and subsidiary company. The above excludes a loan from shareholder amounting to S\$1.0 million (2016: Nil) that bears an interest of 5% per annum, which is unsecured and repayable on demand.

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	
	First Quarter Ended	
	30-Sep-16 S\$'000	30-Sep-15 S\$'000
<u>Cash Flows Used In Operating Activities:</u>		
Loss before tax from operations	(2,588)	(2,681)
Adjustments for:		
Depreciation of property, plant and equipment	1,040	878
Gain on disposal of property, plant and equipment	(5)	-
Amortisation of prepaid land lease	31	32
Interest expenses	321	371
Share of results of an associate	(7)	-
Share of results of joint venture	-	11
Operating Cash Flows Before Working Capital Changes	(1,208)	(1,389)
Inventories	1,244	(290)
Trade receivables	655	2,718
Other receivables, deposits and prepayments	508	(391)
Trade payables	(1,218)	(789)
Other payables and accruals	(166)	(235)
Due to a related party	(4)	-
Net Cash Flows Used in Operations Before Interest and Tax	(189)	(376)
Income tax	(2)	4
Currency translation	(74)	(218)
Net Cash Flows Used in Operating Activities	(265)	(590)
<u>Cash Flows Used In Investing Activities:</u>		
Purchase of property, plant and equipment	(156)	(1,754)
Proceeds from disposal of property, plant and equipment	43	-
Net Cash Flows Used in Investing Activities	(113)	(1,754)
<u>Cash Flows (Used In) From Financing Activities:</u>		
Purchase of treasury shares	-	(219)
Proceeds from interest-bearing loans and borrowings	1,548	4,022
Repayment of interest-bearing loans and borrowings	(1,335)	(2,114)
Loan to an associate	(59)	-
Interest paid	(279)	(371)
Net Cash Flows (Used In) From Financing Activities	(125)	1,318
Net Decrease in Cash and Cash Equivalents	(503)	(1,026)
Cash and Cash Equivalents at Beginning of Period	1,419	(1,962)
Cash and Cash Equivalents at End of Period	916	(2,988)
<u>Analysis of Cash and Cash Equivalents</u>		
Cash and bank balances	916	989
Bank overdrafts	-	(3,977)
Cash and Cash Equivalents at End of Period	916	(2,988)

Restricted cash balances:

The Group's cash and bank balances in the statement of financial position exclude short-term deposits of S\$294,000 (30 September 2015: S\$1,330,000) 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	Employee Equity Benefit Reserve	Translation Reserve	Statutory Reserve Fund	Accumulated Profits (Losses)	Total Reserves		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current Period:										
Balance as at 1 July 2016	34,836	(274)	(488)	-	(2,538)	15	(1,363)	(4,374)	7	30,195
Net profit for the period	-	-	-	-	-	-	(2,580)	(2,580)	(10)	(2,590)
Other comprehensive loss for the period	-	-	-	-	(251)	-	-	(251)	-	(251)
Total comprehensive loss for the period	-	-	-	-	(251)	-	(2,580)	(2,831)	(10)	(2,841)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2016	34,836	(274)	(488)	-	(2,789)	15	(3,943)	(7,205)	(3)	27,354
Previous Period:										
Balance as at 1 July 2015	34,203	(113)	(480)	50	(1,613)	15	12,809	10,781	88	44,959
Net profit for the period	-	-	-	-	-	-	(2,684)	(2,684)	3	(2,681)
Other comprehensive income for the period	-	-	-	-	(1,555)	-	-	(1,555)	-	(1,555)
Total comprehensive income for the period	-	-	-	-	(1,555)	-	(2,684)	(4,239)	3	(4,236)
Purchase of treasury shares	-	(219)	-	-	-	-	-	-	-	(219)
Issuance of new shares on acquisition of an associate	-	-	-	-	-	-	-	-	-	-
Loss on reissuance of treasury shares	-	-	-	-	-	-	-	-	-	-
Treasury shares issued pursuant to employees' share scheme	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2015	34,203	(332)	(480)	50	(3,168)	15	10,125	6,542	91	40,504

COMPANY

Current Period:										
Balance as at 1 July 2016	34,836	(274)	(488)	-	-	-	190	(298)	-	34,264
Profit for the period	-	-	-	-	-	-	22	22	-	22
Total comprehensive income for the period	-	-	-	-	-	-	22	22	-	22
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2016	34,836	(274)	(488)	-	-	-	212	(276)	-	34,286
Previous Period:										
Balance as at 1 July 2015	34,203	(113)	(480)	50	-	-	(189)	(619)	-	33,471
Profit for the period	-	-	-	-	-	-	29	29	-	29
Total comprehensive income for the period	-	-	-	-	-	-	29	29	-	29
Purchase of treasury shares	-	(219)	-	-	-	-	-	-	-	(219)
Issuance of new shares on acquisition of an associate	-	-	-	-	-	-	-	-	-	-
Loss on reissuance of treasury shares	-	-	-	-	-	-	-	-	-	-
Treasury shares issued pursuant to employees' share scheme	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2015	34,203	(332)	(480)	50	-	-	(160)	(590)	-	33,281

- 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 to the issued share capital of the Company since the end of the previous period reported on.

As at 30 September 2016, the Company held 1,914,955 treasury shares (30 September 2015: 2,318,684) against a total number of 240,610,273 issued shares excluding treasury shares (30 September 2015: 230,756,544). The Company held no outstanding convertibles shares as at 30 September 2016 and 30 September 2015.

- 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 30 September 2016	As At 30 June 2016
No. of issued shares excluding treasury shares	240,610,273	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.

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

Other than the adoption of the new and revised Financial Reporting Standards ("FRS") which come into effect for the financial year ending 30 June 2017, 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 2016.

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 year ending 30 June 2017.

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 and total comprehensive income attributable to owners of the parent:-

	Group	
	First Quarter Ended	
	30-Sep-16	30-Sep-15
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares in issue	(1.07) cents	(1.16) cents
Weighted average number of ordinary shares in issue	240,610,273	231,234,653
(b) On a fully diluted basis	(1.07) cents	(1.16) cents
Weighted average number of ordinary shares in issue	240,610,273	231,638,382

- 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	
	30-Sep-16	30-Jun-16	30-Sep-16	30-Jun-16
Net asset value per ordinary share based on total number of issued shares	11.37 cents	12.55 cents	14.25 cents	14.24 cents
Number of shares in issue	240,610,273	240,610,273	240,610,273	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

1Q 2017 vs 1Q 2016

The Group's revenue for the three months ended 30 September 2016 ("1Q 2017") was S\$9.3 million, 9% lower than the S\$10.2 million generated for the corresponding period in the last financial year ("1Q 2016"). The decrease was mainly due to the decrease in revenue generated across all business segments.

Gross Profit

1Q 2017 vs 1Q 2016

The Group's gross profit for 1Q 2017 was lower than that for 1Q 2016 due to the decrease in revenue and sales margin.

Other Operating Income

1Q 2017 vs 1Q 2016

The Group's other operating income was higher for 1Q 2017 as compared to 1Q 2016 mainly due to increase in rental and storage income of S\$0.1 million.

Operating Expenses

1Q 2017 vs 1Q 2016

The Group's operating expenses comprising administration and sales and marketing expenses for 1Q 2017 were lower than 1Q 2016 mainly due to decrease in salary and bonus expenses of S\$0.4 million and sales related commission, entertainment and travelling expenses of S\$0.2 million, partly offset by an increase in property tax and contract services expenses of S\$0.1 million.

Other Operating Expenses

1Q 2017 vs 1Q 2016

Other operating expenses for 1Q 2017 was lower than 1Q 2016 mainly due to decrease in foreign exchange adjustment losses of S\$0.3 million.

Finance Costs

1Q 2017 vs 1Q 2016

Finance costs for 1Q 2017 was lower than 1Q 2016 mainly due to decrease in cost of borrowings as a result of the loan restructured by the Group as announced on 29 April 2016.

Profit or loss, attributable to owners of the parent

1Q 2017 vs 1Q 2016

The net loss attributable to owners of the parent for 1Q 2017 was due to lower revenue partially offset by a decrease in administration expenses, sales and marketing expenses, other operating expenses and finance costs and an increase in other operating income

Statement of Financial Position Review

30 September 2016 vs 30 June 2016

Current assets

The current assets of S\$36.3 million as at 30 September 2016 was lower compared to that as at 30 June 2016 mainly due to decrease in inventories of S\$1.2 million, trade receivables of S\$0.7 million, other receivables, deposits and prepayments of S\$0.5 million and cash and bank balances of S\$0.5 million.

Non-current assets

The non-current assets of S\$38.7 million as at 30 September 2016 was lower compared to that as at 30 June 2016 mainly due to decrease in property, plant and equipment and prepaid land lease of S\$1.1 million due to depreciation and amortisation charges.

Current liabilities

The current liabilities of S\$38.5 million as at 30 September 2016 was lower compared to that as at 30 June 2016, mainly due to decrease in trade payables of S\$1.2 million, partly offset by increase in bills payables of S\$0.5 million and other payables and accruals of S\$0.2 million.

Non-current liabilities

The non-current liabilities of S\$9.2 million as at 30 September 2016 was lower compared to that as at 30 June 2016 mainly due to decrease in interest bearing loans and borrowings of S\$0.3 million and other payables of S\$0.4 million.

Cash Flow Review

1Q 2017

The net cash flows used in operating activities for 1Q2017 was S\$0.3 million and this was mainly due to loss before tax of S\$2.6 million, decrease in trade payables of S\$1.2 million and other payables of S\$0.2 million, partially offset by a decrease in inventories of S\$1.2 million, trade receivables of S\$0.7 million and other receivables, deposits and prepayment of S\$0.5 million. Cash flows used in investing activities was mainly due to purchase of equipment amounting to S\$0.2 million. The cash flows used in financing activities was mainly due to the repayment of interest-bearing loans and borrowings of S\$1.3 million and payment of interest expenses of S\$0.3 million, partly offset by net proceeds from interest bearing loans and borrowings of S\$1.5 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**

The Group expects the oil and gas market to be challenging for the next twelve months with a high level of market volatility remaining a feature.

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

Not applicable.

13 Interested person transactions

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

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.

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, Tan Kheng Yeow and Mark Gareth Joseph Beretta, being Directors of the Company, do hereby confirm, 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 which may render the unaudited financial statements for the first quarter ended 30 September 2016 to be false or misleading in any material aspect.

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

Tan Kheng Yeow
Chief Executive Officer
Date: 3 November 2016

Mark Gareth Joseph Beretta
Chief Operating Officer
Date: 3 November 2016