



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 2017**

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-17 S\$'000	30-Sep-16 S\$'000	
Revenue	11,094	9,288	19%
Cost of sales	(9,890)	(8,475)	17%
Gross profit	1,204	813	48%
Other operating income	500	469	7%
Administration expenses	(2,823)	(2,922)	-3%
Sales and marketing expenses	(657)	(600)	10%
Other operating expenses	(105)	(34)	209%
Share of results of an associate	-	7	N.M.
Loss from operations	(1,881)	(2,267)	-17%
Finance costs	(431)	(321)	34%
Loss from operations before taxation	(2,312)	(2,588)	-11%
Income tax expense	-	(2)	N.M.
Loss net of tax	(2,312)	(2,590)	-11%
Other comprehensive loss:			
Exchange differences on translating foreign operations, net of tax	(66)	(251)	-74%
Other comprehensive loss for the period	(66)	(251)	-74%
Total comprehensive loss	(2,378)	(2,841)	-16%
Loss net of tax attributable to:			
-Owners of the parent	(2,322)	(2,580)	-10%
-Non-controlling interests	10	(10)	N.M.
Loss net of tax	(2,312)	(2,590)	-11%
Total comprehensive loss attributable to:			
-Owners of the parent	(2,388)	(2,831)	-16%
-Non-controlling interests	10	(10)	N.M.
Total comprehensive loss	(2,378)	(2,841)	-16%

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

	Group		% Change Increase/ (Decrease)
	First Quarter Ended		
	30-Sep-17 S\$'000	30-Sep-16 S\$'000	
Depreciation of property, plant and equipment	(516)	(1,040)	-50%
Interest expenses	(431)	(321)	34%
Gain on disposal of property, plant and equipment	3	5	-40%
Foreign exchange gain (loss)	110	(34)	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	
	30-Sep-17 S\$'000	30-Jun-17 S\$'000	30-Sep-17 S\$'000	30-Jun-17 S\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	14,079	14,545	-	-
Prepaid land lease	3,148	3,174	-	-
Investment properties	2,054	2,062	-	-
Subsidiaries	-	-	13,161	13,161
Joint ventures	479	479	-	-
Due from subsidiaries	-	-	8,151	6,961
Other receivables, deposits and prepayments	130	150	-	-
Deferred tax assets	1,261	1,261	-	-
Total non-current assets	21,151	21,671	21,312	20,122
Current assets:				
Inventories	17,496	17,498	-	-
Trade receivables	7,779	7,199	-	-
Other receivables, deposits and prepayments	915	2,242	24	7
Income tax receivable	10	10	-	-
Due from subsidiaries	-	-	5,943	5,970
Due from associate and joint venture companies	56	56	-	-
Cash and bank balances	1,034	1,363	163	13
	27,290	28,368	6,130	5,990
Non-current asset classified as held for sale	722	2,068	722	2,068
Total current assets	28,012	30,436	6,852	8,058
Total assets	49,163	52,107	28,164	28,180
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	34,836	34,836	34,836	34,836
Treasury shares	(286)	(286)	(286)	(286)
Reserves	(36,856)	(34,468)	(6,680)	(6,636)
Reserve attributable to non-current asset held for sale	(12)	(12)	-	-
Equity, attributable to owners of the parent	(2,318)	70	27,870	27,914
Non-controlling interests	53	43	-	-
Total equity	(2,265)	113	27,870	27,914
Non-current liabilities:				
Other payables	1,302	1,374	-	-
Interest-bearing loans and borrowings	6,714	6,916	-	-
Deferred tax liabilities	175	175	-	-
Total non-current liabilities	8,191	8,465	-	-
Current liabilities:				
Trade payables	6,137	6,592	-	-
Bills payables	3,898	3,565	-	-
Other payables and accruals	5,922	4,993	282	254
Due to a director	1,000	1,000	-	-
Interest-bearing loans and borrowings	26,280	27,379	-	-
Income tax payable	-	-	12	12
Total current liabilities	43,237	43,529	294	266
Total liabilities	51,428	51,994	294	266
Total equity and liabilities	49,163	52,107	28,164	28,180

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 2017		As At 30 June 2017	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bills payables	3,898	-	3,565	-
Interest-bearing loans and borrowings:				
Hire purchase creditors	452	-	464	-
Term loan	25,828	-	26,915	-
	30,178	-	30,944	-

Amount repayable after one year

	As At 30 September 2017		As At 30 June 2017	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Interest-bearing loans and borrowings:				
Hire purchase creditors	1,112	-	1,210	-
Term loan	5,602	-	5,706	-
	6,714	-	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 of the Company and subsidiary company.

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\$25.4 million (30 June 2017: S\$26.5 million), the entire long term portion of the loan amounting to S\$20.3 million (30 June 2017: S\$21.9 million) was classified as current liabilities. Management is in the process of obtaining a waiver from the banks for the breach of financial covenants.

- 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-17 S\$'000	30-Sep-16 S\$'000
<u>Cash Flows Used In Operating Activities:</u>		
Loss before tax from operations	(2,312)	(2,588)
Adjustments for:		
Depreciation of property, plant and equipment	516	1,040
Allowance for amount due from an associate	63	-
Reversal of impairment on plant and equipment	(1)	-
Gain on disposal of property, plant and equipment	(3)	(5)
Amortisation of prepaid land lease	30	31
Inventories written off	112	-
Interest expenses	431	321
Share of results of an associate	-	(7)
Operating Cash Flows Before Working Capital Changes	(1,164)	(1,208)
Inventories	(147)	1,244
Trade receivables	(666)	655
Other receivables, deposits and prepayments	1,326	508
Trade payables	(290)	(1,218)
Other payables and accruals	800	(166)
Due to a related party	-	(4)
Net Cash Flows Used in Operations Before Interest and Tax	(141)	(189)
Income tax	-	(2)
Currency translation	(41)	(74)
Net Cash Flows Used in Operating Activities	(182)	(265)
<u>Cash Flows From (Used In) Investing Activities:</u>		
Purchase of property, plant and equipment	(37)	(156)
Proceeds from disposal of investments, classified as held for sale	1,346	-
Proceeds from disposal of property, plant and equipment	4	43
Net Cash Flows From (Used in) Investing Activities	1,313	(113)
<u>Cash Flows Used In Financing Activities:</u>		
Purchase of treasury shares	-	-
Proceeds from interest-bearing loans and borrowings	333	1,548
Repayment of interest-bearing loans and borrowings	(1,343)	(1,335)
Loan to an associate	(63)	(59)
Interest paid	(387)	(279)
Placement of deposit to secure banker's guarantee	(150)	-
Net Cash Flows Used in Financing Activities	(1,610)	(125)
Net Decrease in Cash and Cash Equivalents	(479)	(503)
Cash and Cash Equivalents at Beginning of Period	1,363	1,419
Cash and Cash Equivalents at End of Period	884	916
Restricted cash balances:		
The Group's cash and bank balances in the statement of financial position exclude short-term deposits of S\$150,000 (30 September 2016: S\$294,000) 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 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
Current Period:											
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	-	-	-	-	-	-	-	(2,322)	(2,322)	10	(2,312)
Other comprehensive loss for the period	-	-	-	-	-	(66)	-	-	(66)	-	(66)
Total comprehensive loss for the period	-	-	-	-	-	(66)	-	(2,322)	(2,388)	10	(2,378)
Balance as at 30 September 2017	34,836	(286)	(476)	(60)	(12)	(3,040)	15	(33,295)	(36,868)	53	(2,265)
Previous Period:											
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	-	-	-	-	-	-	-	(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)
Balance as at 30 September 2016	34,836	(274)	(488)	-	-	(2,789)	15	(3,943)	(7,205)	(3)	27,354

COMPANY

Current Period:											
Balance as at 1 July 2017	34,836	(286)	(476)	-	-	-	-	(6,160)	(6,636)	-	27,914
Loss for the period	-	-	-	-	-	-	-	(44)	(44)	-	(44)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(44)	(44)	-	(44)
Balance as at 30 September 2017	34,836	(286)	(476)	-	-	-	-	(6,204)	(6,680)	-	27,870
Previous 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
Balance as at 30 September 2016	34,836	(274)	(488)	-	-	-	-	212	(276)	-	34,286

- 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 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 2017, the Company held 1,914,955 treasury shares (30 September 2016: 1,914,955) against a total number of 240,610,273 issued shares excluding treasury shares (30 September 2016: 240,610,273). The Company held no outstanding convertibles shares and no subsidiary holdings as at 30 September 2017 and 30 September 2016.

The percentage of the aggregate number of treasury shares held against the total number of issued shares as at 30 September 2017 is 0.80% (30 September 2016: 0.80%).

- 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 2017	As At 30 June 2017
No. of issued shares excluding treasury shares	240,610,273	240,610,273

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

Not applicable. No treasury shares had been sold, transferred, cancelled or used in any other 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

Other than the adoption of the new and revised Financial Reporting Standards ("FRS") which come into effect for the financial year ending 30 June 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 year ending 30 June 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 and total comprehensive income attributable to owners of the parent:-

	Group	
	First Quarter Ended	
	30-Sep-17	30-Sep-16
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares in issue	(0.97) cents	(1.07) cents
Weighted average number of ordinary shares in issue	240,610,273	240,610,273
(b) On a fully diluted basis	(0.97) cents	(1.07) cents
Weighted average number of ordinary shares in issue	240,610,273	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	
	30-Sep-17	30-Jun-17	30-Sep-17	30-Jun-17
Net asset value per ordinary share based on total number of issued shares	(0.96) cents	0.03 cents	11.58 cents	11.60 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 2018 vs 1Q 2017

The Group's revenue for the three months ended 30 September 2017 ("1Q 2018") was S\$11.1 million, 20% higher than the S\$9.3 million generated for the corresponding period in the previous financial year ("1Q 2017"). The increase was mainly due to the increase in revenue generated from product sales.

Gross Profit

1Q 2018 vs 1Q 2017

The Group's gross profit for 1Q 2018 was higher than that for 1Q 2017 due to the increase in revenue and sales margin.

Other Operating Income

1Q 2018 vs 1Q 2017

The Group's other operating income was higher for 1Q 2018 as compared to 1Q 2017 mainly due to increase in foreign exchange gain, offset by decrease in rental and storage income.

Operating Expenses

1Q 2018 vs 1Q 2017

The Group's operating expenses comprise administration and sales and marketing expenses. In 1Q 2018, sales and marketing expenses increased to S\$0.7 million from S\$0.6 million in 1Q 2017 due to increase in commission paid. Administration expenses decreased to S\$2.8 million from S\$2.9 million in Q1 2017, mainly due to decrease in contract services expenses and professional fees paid.

Other Operating Expenses

1Q 2018 vs 1Q 2017

Other operating expenses for 1Q 2018 was higher than 1Q 2017 mainly due to increase in allowance for amount due from an associate, partly offset by a decrease in foreign exchange losses.

Finance Costs

1Q 2018 vs 1Q 2017

Finance costs for 1Q 2018 was higher than 1Q 2017 mainly due higher interest rates on loans and increase in finance costs from bills payables.

Profit or loss, attributable to owners of the parent

1Q 2018 vs 1Q 2017

The decrease in net loss attributable to owners of the parent for 1Q 2018 was due to higher revenue and other income, and decrease in administration expenses, partially offset by increase in sales and marketing expenses and other operating expenses and finance costs.

Statement of Financial Position Review

30 September 2017 vs 30 June 2017

Current assets

The current assets of S\$28.0 million as at 30 September 2017 was lower compared to that as at 30 June 2017 mainly due to decrease in other receivables, deposits and prepayments of S\$1.3 million, non-current assets classified as held for sale of S\$1.3 million and cash and bank balances of S\$0.3 million.

Non-current assets

The non-current assets of S\$21.2 million as at 30 September 2017 was lower compared to that as at 30 June 2017 mainly due to decrease in property, plant and equipment and prepaid land lease of S\$0.5 million due to depreciation and amortisation charges.

Current liabilities

The current liabilities of S\$43.2 million as at 30 September 2017 was lower compared to that as at 30 June 2017, mainly due to decrease interest-bearing loans and borrowings of S\$1.1 million and trade payables of S\$0.5 million, partly offset by increase in other payables and accruals of S\$1.0 million and bills payables of S\$0.3 million.

Non-current liabilities

The non-current liabilities of S\$8.2 million as at 30 September 2017 was lower compared to that as at 30 June 2017 mainly due to decrease in interest bearing loans and borrowings of S\$0.2 million and other payables of S\$0.1 million.

Cash Flow Review

1Q 2018

The net cash flows used in operating activities for 1Q2018 was S\$0.2 million and this was mainly due to loss before tax of S\$2.3 million, increase in trade receivables of S\$0.7 million and decrease in trade payables of S\$0.3 million, partially offset by a decrease in other receivables, deposits and prepayments of S\$1.3 million and an increase in other payables and accruals of S\$0.8 million. Cash flows from investing activities was mainly due to proceeds from the disposal of investment which was classified as held for sale of S\$1.3 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, payment of interest expenses of S\$0.4 million and placement of deposit for banker's guarantee of S\$0.2 million, partly offset by net proceeds from interest bearing loans and borrowings of S\$0.3 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**

Oil prices have risen in recent months with a corresponding, noticeable increase in activity in the global offshore O&G market. Overall, while the O&G market is expected to remain challenging over the next twelve months, the Group also expects to benefit from this increased activity as well as from our continued development in synthetic heavy lift slings.

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 1Q 2018.

13 Interested person transactions

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

In 1Q 2018, 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.

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

We, Tan Tock Han 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 2017 to be false or misleading in any material aspect.

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

Tan Tock Han
Executive Chairman
Date: 3 November 2017

Mark Gareth Joseph Beretta
Chief Operating Officer
Date: 3 November 2017