



KTL GLOBAL LIMITED

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

ADJUSTMENTS MADE TO UNAUDITED FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2018

The Board of Directors (the "**Board**") of KTL Global Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement on 27 February 2019 on the unaudited financial statements of the Group for the financial period ended 31 December 2018 (the "**Unaudited Financial Statements**").

The audit of the financial statements of the Group has been completed after the release of the Unaudited Financial Statements. Pursuant to Rule 704(6) of the SGX-ST Listing Manual, the Company wishes to inform that there have been adjustments made to the Unaudited Financial Statements, as attached, following the audit.

BY ORDER OF THE BOARD

Tan Kheng Kuan
Chief Executive Officer
12 June 2019

KTL Global Limited (the "Company") and its subsidiaries (the "Group")

Explanatory Notes

- Note 1** The reclassifications made among various financial captions in consolidated statement of profit or less and other comprehensive income were mainly to conform with the requirements of FRS 1: Presentation of Financial Statements to better reflect the nature of transactions.
- Note 2** Additional allowance for slowing moving and obsolete inventories and impairment on plant and equipment has been made.
- Note 3** The difference is mainly due to recomputation of translation differences.
- Note 4** The reclassification between investment in joint ventures and amount due from associate and joint venture companies.
- Note 5** The reclassification of long term bank loan from non-current liabilities to current liabilities due to technical breach of financial covenants.
- Note 6** The reclassifications were made to items in the consolidated statement of cash flows to conform with the requirements under FRS 7 Statement of Cash Flows.

**Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Period
From 1 July 2017 to 31 December 2018**

| | Group | | Change |
|--|----------------------------|------------------------------|----------------|
| | Eighteen Month Ended | | |
| | 2018 Audited S\$'000 | 2018 Unaudited S\$'000 | |
| Revenue | 53,803 | 53,786 | 17 |
| Cost of sales | (46,349) | (45,979) | (370) |
| Gross profit | 7,454 | 7,807 | (353) |
| Other operating income | 2,414 | 2,646 | (232) |
| Administrative expenses | (15,691) | (16,010) | 319 |
| Sales and marketing expenses | (3,694) | (3,694) | - |
| Other operating expenses | (6,475) | (5,276) | (1,199) |
| Finance costs | (2,493) | (2,493) | - |
| Loss before tax | (18,485) | (17,020) | (1,465) |
| Income tax expense | (1,121) | (1,097) | (24) |
| Loss for the period | (19,606) | (18,117) | (1,489) |
| Other comprehensive income: | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| - Currency translation differences arising from consolidation | 383 | 380 | 3 |
| - Transfer of reserve on disposal of non-current asset held for sale | 12 | - | 12 |
| Other comprehensive income, net of tax | 395 | 380 | 15 |
| Total comprehensive loss for the period | (19,211) | (17,737) | (1,474) |
| Loss attributable to: | | | |
| -Equity holders of the Company | (19,636) | (18,147) | (1,489) |
| -Non-controlling interests | 30 | 30 | - |
| Loss net of tax | (19,606) | (18,117) | (1,489) |
| Total comprehensive loss attributable to: | | | |
| -Equity holders of the Company | (19,241) | (17,766) | (1,475) |
| -Non-controlling interests | 30 | 29 | 1 |
| Total comprehensive loss, net of tax | (19,211) | (17,737) | (1,474) |

Statements of Financial Position
As At 31 December 2018

| | Group As At | | | | Company As At | | | |
|---|---------------------------------|-----------------------------------|-------------------|------|---------------------------------|-----------------------------------|-------------------|------|
| | 31-Dec-18 Audited S\$'000 | 31-Dec-18 Unaudited S\$'000 | Change S\$'000 | Note | 31-Dec-18 Audited S\$'000 | 31-Dec-18 Unaudited S\$'000 | Change S\$'000 | Note |
| ASSETS | | | | | | | | |
| Non-current assets: | | | | | | | | |
| Property, plant and equipment | 11,143 | 12,643 | (1,500) | 2 | - | - | - | |
| Prepaid land lease | 3,074 | 3,074 | - | | - | - | - | |
| Investment properties | 1,655 | 1,655 | - | | - | - | - | |
| Subsidiaries | - | - | - | | 51 | 51 | - | |
| Joint ventures | 502 | 700 | (198) | 4 | - | - | - | |
| Other receivables, deposits and prepayments | 401 | 102 | 299 | 1 | - | - | - | |
| Total non-current assets | 16,775 | 18,174 | (1,399) | | 51 | 51 | - | |
| Current assets: | | | | | | | | |
| Inventories | 12,953 | 13,031 | (78) | 2 | - | - | - | |
| Trade receivables | 6,916 | 8,403 | (1,487) | 1 | - | - | - | |
| Other receivables, deposits and prepayments | 1,126 | 1,538 | (412) | 1 | 8 | 9 | (1) | 3 |
| Due from associate and joint venture companies | 198 | - | 198 | 4 | - | - | - | |
| Cash and bank balances | 2,453 | 2,874 | (421) | 1 | 748 | 748 | - | |
| Total current assets | 23,646 | 25,846 | (2,200) | | 756 | 757 | (1) | |
| Total assets | 40,421 | 44,020 | (3,599) | | 807 | 808 | (1) | |
| EQUITY AND LIABILITIES | | | | | | | | |
| Current liabilities: | | | | | | | | |
| Trade payables | 5,143 | 6,319 | (1,176) | 1 | - | - | - | |
| Bills payables | 4,721 | 4,721 | - | | - | - | - | |
| Other payables and accruals | 7,033 | 7,982 | (949) | 1 | 423 | 423 | - | |
| Due to directors and shareholders | 11,625 | 11,625 | - | | - | - | - | |
| Interest-bearing loans and borrowings | 25,408 | 20,782 | 4,626 | 5 | - | - | - | |
| Income tax payable | 11 | 11 | - | | 11 | 12 | (1) | 3 |
| Total current liabilities | 53,941 | 51,440 | 2,501 | | 434 | 435 | (1) | |
| Non-current liabilities: | | | | | | | | |
| Other payables | 2,799 | 2,799 | - | | - | - | - | |
| Interest-bearing loans and borrowings | 783 | 5,409 | (4,626) | 5 | - | - | - | |
| Total non-current liabilities | 3,582 | 8,208 | (4,626) | | - | - | - | |
| Total liabilities | 57,523 | 59,648 | (2,125) | | 434 | 435 | (1) | |
| Net liabilities | (17,102) | (15,628) | (1,474) | | 373 | 373 | - | |
| Equity | | | | | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | | | | | |
| Share capital | 36,776 | 36,776 | - | | 36,776 | 36,776 | - | |
| Reserves | (53,951) | (52,476) | (1,475) | | (36,403) | (36,403) | - | |
| Equity, attributable to owners of the parent | (17,175) | (15,700) | (1,475) | | 373 | 373 | - | |
| Non-controlling interests | 73 | 72 | 1 | | - | - | - | |
| Total equity | (17,102) | (15,628) | (1,474) | | 373 | 373 | - | |

Consolidated Statement of Cash Flows for the Financial Period From 1 July 2017 to 31 December 2018

| | Group | | | |
|---|---------------------------------|-----------------------------------|----------------|------|
| | Eighteen months ended | | | |
| | 31-Dec-18 Audited S\$'000 | 31-Dec-18 Unaudited S\$'000 | Change | Note |
| Cash Flows From Operating Activities: | | | | |
| Loss before tax from operations | (18,485) | (17,020) | (1,465) | 2 |
| Adjustments: | | | | |
| Depreciation of property, plant and equipment | 2,424 | 2,487 | (63) | 6 |
| Depreciation of investment properties | 64 | - | 64 | 6 |
| Impairment loss on plant and equipment | 2,974 | 2,962 | 12 | 6 |
| Plant and equipment written off | 187 | - | 187 | 6 |
| Reversal of impairment loss on investment in joint venture | (23) | (221) | 198 | 6 |
| Reversal of impairment loss on investment properties | (15) | (15) | - | |
| Reversal of allowance for slowing moving and obsolete inventories | (453) | (562) | 109 | 6 |
| Inventory written off | 984 | 985 | (1) | 6 |
| Reversal of allowance for impairment on amounts due from a joint venture company and an associate | (460) | (261) | (199) | 6 |
| Bad debts written off | - | 14 | (14) | 6 |
| Reversal for allowance for doubtful debts | (273) | (424) | 151 | 6 |
| Gain on disposal of property, plant and equipment and investments | (11) | (86) | 75 | 6 |
| Amortisation of prepaid land lease | 186 | 173 | 13 | 6 |
| Interest expenses | 2,493 | 2,493 | - | |
| Equity-settled employee benefits | 56 | 57 | (1) | 3 |
| Foreign exchange gain | 592 | (341) | 933 | 3 |
| Operating loss Before Working Capital Changes | (9,760) | (9,759) | (1) | |
| Inventories | 2,969 | 1,855 | 1,114 | 2,6 |
| Trade receivables | 394 | (920) | 1,314 | 6 |
| Other receivables, deposits and prepayments | 460 | 341 | 119 | 6 |
| Trade payables | (232) | 822 | (1,054) | 6 |
| Other payables and accruals | 3,510 | 4,404 | (894) | 6 |
| Net Cash Flows Used in Operations Before Interest and Tax | (2,659) | (3,257) | 598 | |
| Withholding tax paid | (24) | (7) | (17) | 1,6 |
| Income tax paid | 21 | 15 | 6 | 1,6 |
| Net Cash Flows Used in Operating Activities | (2,662) | (3,249) | 587 | |
| Cash Flows From Investing Activities: | | | | |
| Purchase of property, plant and equipment | (734) | (1,390) | 656 | 6 |
| Proceed from disposal of property, plant and equipment | 431 | 800 | (369) | 6 |
| Advances to associates | (261) | (206) | (55) | 6 |
| Proceed from disposal of investment, classified as held for sale | 2,068 | 2,068 | - | |
| Net Cash Flows From Investing Activities | 1,504 | 1,272 | 232 | |
| Cash Flows From Financing Activities: | | | | |
| Proceeds from interest-bearing loans and borrowings | - | 1,458 | (1,458) | 6 |
| Repayment of interest-bearing loans and borrowings | (8,365) | (8,552) | 187 | 6 |
| Loss from directors and shareholders | 12,148 | 12,148 | - | |
| Interest paid | (2,493) | (2,493) | - | |
| Issuance of ordinary shares | 940 | 940 | - | |
| Net Cash Flows From Financing Activities | 2,230 | 3,501 | (1,271) | |
| Net Increase in Cash and Cash Equivalents | 1,072 | 1,524 | (452) | |
| Effect of exchange rate changes on cash and cash equivalent | 18 | (13) | 31 | 3 |
| Cash and cash equivalents at beginning of period | 1,363 | 1,363 | - | |
| Cash and Cash Equivalents at End of Period | 2,453 | 2,874 | (421) | |