



# **KTL Global Limited**

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

## **Unaudited Second Quarter Financial Statements and Dividend Announcement For the Financial Period Ended 30 June 2019**

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 Second Quarter Ended		% Change Increase/ (Decrease)	Group Half Year Ended		% Change Increase/ (Decrease)
	30-Jun-19 S\$'000	30-Jun-18 S\$'000		30-Jun-19 S\$'000	30-Jun-18 S\$'000	
<b>Revenue</b>	9,843	7,223	36%	15,505	14,023	11%
Cost of sales	(6,133)	(5,988)	2%	(10,780)	(11,818)	-9%
<b>Gross profit</b>	3,710	1,235	N.M.	4,725	2,205	N.M.
Other operating income	-	-	N.M.	541	317	71%
Administration expenses	(2,145)	(2,681)	-20%	(4,502)	(5,395)	-17%
Sales and marketing expenses	(540)	(548)	-1%	(1,061)	(1,188)	-11%
Other operating expenses	(125)	(51)	N.M.	(319)	(3,062)	N.M.
Share of results of an associate	-	-	N.M.	25	-	N.M.
<b>Profit (Loss) from operations</b>	900	(2,045)	N.M.	(591)	(7,123)	-92%
Finance costs	(421)	(508)	-17%	(843)	(883)	-5%
<b>Profit (Loss) from operations before taxation</b>	479	(2,553)	N.M.	(1,434)	(8,006)	-82%
Income tax expense	(69)	-	N.M.	(77)	-	N.M.
<b>Profit (Loss) net of tax</b>	410	(2,553)	N.M.	(1,511)	(8,006)	-81%
<b>Other comprehensive income (loss):</b>						
Exchange differences on translating foreign operations, net of tax	519	(433)	N.M.	977	319	N.M.
Other comprehensive income (loss) for the period	519	(433)	N.M.	977	319	N.M.
<b>Total comprehensive income (loss)</b>	929	(2,986)	N.M.	(534)	(7,687)	-93%
Profit (Loss) net of tax attributable to:						
-Owners of the parent	97	(2,556)	N.M.	(1,800)	(8,008)	-78%
-Non-controlling interests	313	3	N.M.	289	2	N.M.
<b>Profit (Loss) net of tax</b>	410	(2,553)	N.M.	(1,511)	(8,006)	-81%
Total comprehensive profit (loss) attributable to:						
-Owners of the parent	616	(2,989)	N.M.	(823)	(7,689)	-89%
-Non-controlling interests	313	3	N.M.	289	2	N.M.
<b>Total comprehensive profit (loss) attributable to:</b>	929	(2,986)	N.M.	(534)	(7,687)	-93%

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

	Group Second Quarter Ended		% Change Increase/ (Decrease)	Group Half Year Ended		% Change Increase/ (Decrease)
	30-Jun-19 S\$'000	30-Jun-18 S\$'000		30-Jun-19 S\$'000	30-Jun-18 S\$'000	
Depreciation of property, plant and equipment	(364)	(446)	-18%	(880)	(790)	11%
Interest expenses	(421)	(508)	-17%	(843)	(883)	-5%
(Loss) Gain on disposal of property, plant and	(84)	(178)	-53%	(81)	225	N.M.
Foreign exchange gain (loss), net	161	(136)	N.M.	(175)	(367)	-52%
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	
	30-Jun-19 S\$'000	31-Dec-18 S\$'000	30-Jun-19 S\$'000	31-Dec-18 S\$'000
<b>ASSETS</b>				
<b>Non-current assets:</b>				
Property, plant and equipment	11,386	11,143	-	-
Prepaid land lease	2,983	3,074	-	-
Investment properties	1,622	1,655	-	-
Subsidiaries	-	-	51	51
Joint ventures	-	502	-	-
Other receivables, deposits and prepayments	99	401	-	-
<b>Total non-current assets</b>	<b>16,090</b>	<b>16,775</b>	<b>51</b>	<b>51</b>
<b>Current assets:</b>				
Inventories	11,892	12,953	-	-
Trade receivables	9,280	6,916	-	-
Other receivables, deposits and prepayments	2,249	1,126	-	8
Due from subsidiaries	-	-	211	-
Due from associate and joint venture companies	-	198	-	-
Cash and bank balances	1,574	2,453	1	748
<b>Total current assets</b>	<b>24,995</b>	<b>23,646</b>	<b>212</b>	<b>756</b>
<b>Total assets</b>	<b>41,085</b>	<b>40,421</b>	<b>263</b>	<b>807</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	36,776	36,776	36,776	36,776
Reserves	(54,774)	(53,951)	(36,998)	(36,403)
<b>Equity, attributable to owners of the parent</b>	<b>(17,998)</b>	<b>(17,175)</b>	<b>(222)</b>	<b>373</b>
Non-controlling interests	362	73	-	-
<b>Total equity</b>	<b>(17,636)</b>	<b>(17,102)</b>	<b>(222)</b>	<b>373</b>
<b>Non-current liabilities:</b>				
Other payables	2,188	2,799	-	-
Interest-bearing loans and borrowings	535	783	-	-
<b>Total non-current liabilities</b>	<b>2,723</b>	<b>3,582</b>	<b>-</b>	<b>-</b>
<b>Current liabilities:</b>				
Trade payables	4,348	5,143	-	-
Bills payables	4,758	4,721	-	-
Other payables and accruals	9,393	7,033	474	423
Loan from controlling shareholders	14,475	11,625	-	-
Interest-bearing loans and borrowings	23,017	25,408	-	-
Income tax payable	7	11	11	11
<b>Total current liabilities</b>	<b>55,998</b>	<b>53,941</b>	<b>485</b>	<b>434</b>
<b>Total liabilities</b>	<b>58,721</b>	<b>57,523</b>	<b>485</b>	<b>434</b>
<b>Total equity and liabilities</b>	<b>41,085</b>	<b>40,421</b>	<b>263</b>	<b>807</b>

**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 June 2019		As At 31 December 2018	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bills payables	4,758	-	4,721	-
Interest-bearing loans and borrowings:				
Hire purchase creditors	505	-	498	-
Term loan	22,512	-	24,910	-
	27,775	-	30,129	-

**Amount repayable after one year**

	As At 30 June 2019		As At 31 December 2018	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Interest-bearing loans and borrowings:				
Hire purchase creditors	535	-	723	-
Term loan	-	-	60	-
	535	-	783	-

**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 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\$22.5 million (31 December 2018: S\$24.5 million), the long term portion of the loan amounting to S\$5.4 million (31 December 2018: S\$7.3 million) was classified as current liabilities.

As at 15 May 2019, management has obtained the waiver for the breach of financial covenants from the banks for a loan facility amounting to S\$15.2 million until 31 December 2019. Management is still in the process of obtaining the waiver for the breach of financial covenants for the other loan facilities from the banks until 31 December 2019.

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 Second quarter ended		Group 6 months ended	
	30-Jun-19 S\$'000	30-Jun-18 S\$'000	30-Jun-19 S\$'000	30-Jun-18 S\$'000
<b>Cash Flows From Operating Activities:</b>				
Profit (Loss) before tax from operations	479	(2,553)	(1,434)	(8,006)
Adjustments for:				
Depreciation of property, plant and equipment	364	446	623	764
Bad debts written off	-	-	12	-
Impairment on investment in joint venture	(70)	(170)	(70)	(170)
Plant and equipment written off	2	-	-	-
Allowance for doubtful debts	-	(99)	(46)	(99)
Written off (Reversal) for allowances on inventories obsolescence	-	5	-	(351)
Inventories written off	-	316	-	363
Loss (Gain) on disposal of plant and equipment	-	178	-	(5)
Amortisation of prepaid land lease	30	32	62	64
Waiver of amount owing to a joint venture company	-	-	(527)	-
Allowance for an amount due from an associate	-	-	-	68
Allowance for impairment on amount due from joint venture companies and associates	-	48	-	48
Share distribution expenses	-	19	-	57
Interest expenses	421	508	843	883
Share of results of an associate	(25)	-	(25)	-
<b>Operating Cash Flows Before Working Capital Changes</b>	<b>1,201</b>	<b>(1,270)</b>	<b>(562)</b>	<b>(6,384)</b>
Inventories	(169)	1,033	1,061	1,186
Trade receivables	(2,622)	1,032	(2,330)	2,796
Other receivables, deposits and prepayments	(702)	(1,835)	(822)	(2,244)
Trade payables	1,046	(177)	(796)	(1,475)
Other payables and accruals	1,913	2,429	2,275	5,164
<b>Net Cash Flows From (Used In) Operations Before Interest and Tax</b>	<b>667</b>	<b>1,212</b>	<b>(1,174)</b>	<b>(957)</b>
Income tax	(69)	51	(81)	51
Currency translation	599	(338)	951	(62)
<b>Net Cash Flows From (Used In) Operating Activities</b>	<b>1,197</b>	<b>925</b>	<b>(304)</b>	<b>(968)</b>
<b>Cash Flows From Investing Activities:</b>				
Purchase of property, plant and equipment	(423)	(401)	(715)	(901)
Proceeds from disposal of investments, classified as held for sale	-	-	725	722
Proceed from disposal of property, plant and equipment	89	-	89	170
Advances to associate and joint venture companies	-	(48)	-	(48)
<b>Net Cash Flows (Used In) From Investing Activities</b>	<b>(334)</b>	<b>(449)</b>	<b>99</b>	<b>(57)</b>
<b>Cash Flows From Financing Activities:</b>				
Repayment of interest-bearing loans and borrowings, net	(1,997)	(1,127)	(2,753)	(3,128)
Loan from controlling shareholders	2,347	983	2,922	3,028
Loan to an associate	-	-	-	(12)
Interest paid	(421)	(508)	(843)	(883)
Release of restricted deposit	-	150	-	150
Issuance of ordinary shares	-	-	-	1,000
<b>Net Cash Flows (Used In) From Financing Activities</b>	<b>(71)</b>	<b>(502)</b>	<b>(674)</b>	<b>155</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>792</b>	<b>(26)</b>	<b>(879)</b>	<b>(870)</b>
Cash and Cash Equivalents at Beginning of Period	782	578	2,453	1,422
<b>Cash and Cash Equivalents at End of Period</b>	<b>1,574</b>	<b>552</b>	<b>1,574</b>	<b>552</b>

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
<b>Current Period:</b>											
Balance as at 1 Jan 2019	36,776	-	(706)	(60)	-	(2,591)	15	(50,609)	(53,951)	73	(17,102)
Net loss for the period	-	-	-	-	-	-	-	(1,800)	(1,800)	289	(1,511)
Other comprehensive income for the period	-	-	-	-	-	977	-	-	977	-	977
Total comprehensive loss for the period	-	-	-	-	-	977	-	(1,800)	(823)	289	(534)
<b>Balance as at 30 June 2019</b>	<b>36,776</b>	<b>-</b>	<b>(706)</b>	<b>(60)</b>	<b>-</b>	<b>(1,614)</b>	<b>15</b>	<b>(52,409)</b>	<b>(54,774)</b>	<b>362</b>	<b>(17,636)</b>
<b>Previous Period:</b>											
Balance as at 1 Jan 2018	34,836	(286)	(476)	(60)	(12)	(2,742)	15	(35,465)	(38,740)	56	(4,134)
Net loss for the period	-	-	-	-	-	-	-	(8,003)	(8,003)	1	(8,002)
Transfer of reserve for the completion of disposal of non-current assets held for sale	-	-	-	-	12	(12)	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	317	-	-	317	-	317
Total comprehensive loss for the period	-	-	-	-	12	305	-	(8,003)	(7,686)	1	(7,685)
Issuance of share capital	1,000	-	-	-	-	-	-	-	-	-	1,000
Transfer of treasury shares	-	286	(230)	-	-	-	-	-	(230)	-	56
<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>

**COMPANY**

<b>Current Period:</b>											
Balance as at 1 Jan 2019	36,776	-	(706)	-	-	-	-	(35,697)	(36,403)	-	373
Net loss for the period	-	-	-	-	-	-	-	(595)	(595)	-	(595)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(595)	(595)	-	(595)
<b>Balance as at 30 June 2019</b>	<b>36,776</b>	<b>-</b>	<b>(706)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,292)</b>	<b>(36,998)</b>	<b>-</b>	<b>(222)</b>
<b>Previous Period:</b>											
Balance as at 1 Jan 2018	34,836	(286)	(476)	-	-	-	-	(6,244)	(6,720)	-	27,830
Net loss for the period	-	-	-	-	-	-	-	(68)	(68)	-	(68)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(68)	(68)	-	(68)
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>

- 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 31 March 2019.

As at 30 June 2019, the Company held no treasury shares (30 June 2018: nil) against a total number of 315,669,019 issued shares excluding treasury shares (30 June 2018: 268,669,019). The Company had no outstanding convertibles as at 30 June 2019 and 30 June 2018.

The percentage of the aggregate number of treasury shares held against the total number of issued shares as at 30 June 2019 is nil% (30 June 2018: nil%).

- 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 June 2019	As At 31 December 2018
No. of issued shares excluding treasury shares	315,669,019	315,669,019

- 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 had been sold, transferred, cancelled or used in any other manner as at the end of the current financial period reported on, except as disclosed in 1(d)(ii).

- 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 31 December 2019, 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 31 December 2018.

**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 31 December 2019, except for the following standards:

- SFRS (I) 9 Financial Instruments effective for financial period beginning 1 January 2018;
- SFRS (I) 15 Revenue from Contracts with Customers for financial period beginning 1 January 2018; and
- SFRS (I) 16 Leases for financial period beginning 1 January 2019.



**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:-

	<b>Group Second Quarter Ended</b>		<b>Group Half year ended</b>	
	<b>30-Jun-19</b>	<b>30-Jun-18</b>	<b>30-Jun-19</b>	<b>30-Jun-18</b>
Earnings per ordinary share				
(a) Based on the weighted average number of ordinary shares in issue	0.03 cents	(0.95) cents	(0.57) cents	(3.18) cents
Weighted average number of ordinary shares in issue	315,669,019	268,359,568	315,669,019	251,711,555
(b) On a fully diluted basis	0.03 cents	(0.95) cents	(0.57) cents	(3.18) cents
Weighted average number of ordinary shares in issue	315,669,019	268,359,568	315,669,019	251,711,555

- 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-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	(5.59) cents	(5.42) cents	(0.07) cents	0.12 cents
Number of shares in issue excluding treasury shares	315,669,019	315,669,019	315,669,019	315,669,019

- 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**

###### **2Q 2019 vs 2Q 2018 & HY 2019 vs HY 2018**

The Group's revenue for the three months ended 30 June 2019 ("2Q 2019") was S\$9.8 million, 36% higher than the S\$7.2 million generated for the corresponding period in the last financial year ("2Q 2018"). The Group's revenue for the six months ended 30 June 2019 ("HY 2019") was S\$15.5 million, 11% higher than the S\$14.0 million generated for the corresponding period in the last financial year ("HY 2018").

The increase was mainly due to revenue recognised by its 80% owned subsidiary Bluegas Private Limited ("Bluegas") of S\$2.3 million, however no major movement for the oil & gas ("O&G") revenue.

##### **Gross Profit**

###### **2Q 2019 vs 2Q 2018 & HY 2019 vs HY 2018**

The Group's gross profit for 2Q 2019 and HY 2019 was higher than that for 2Q 2018 and HY 2018 was mainly due to the recognition of Bluegas' revenue and gross profit of S\$1.7 million and increase in gross profit margin on our products and services for O&G sector. The Group's cost of sales for O&G sector included lower fixed costs such as rental expenses, depreciation and salary and which resulted in a higher gross profit margin.

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

###### **2Q 2019 vs 2Q 2018 & HY 2019 vs HY 2018**

No movement for 2Q2019 and 2Q2018 other operating income. The Group's other operating income was higher for HY2019 compared to HY 2018, mainly due to the write back of an investment in joint venture of S\$0.6 million.

##### **Operating Expenses**

###### **2Q 2019 vs 2Q 2018 & HY 2019 vs HY 2018**

The Group's operating expenses comprised administration and sales and marketing expenses. Administration expenses for 2Q 2019 and HY 2019, were lower than 2Q 2018 and HY 2018 respectively. This was mainly due to decrease in depreciation and rental expenses. Sales and marketing expenses for 2Q 2019 and HY 2019, were also lower than 2Q 2018 and HY 2018 respectively. This was mainly due to decrease in salaries expenses.

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

###### **2Q 2019 vs 2Q 2018 & HY 2019 vs HY 2018**

Other operating expenses for 2Q 2019 were higher compared to 2Q 2018, mainly due to increase in foreign exchange losses. HY 2019 was lower than HY 2018 mainly due to compensation incurred in HY 2018 for the early termination of 61 and 71 Tuas Bay Drive as announced on 5 April 2018 which amounted to S\$2.7 million (net).

##### **Finance Costs**

###### **2Q 2019 vs 2Q 2018 & HY 2019 vs HY 2018**

Finance costs for 2Q 2019 and HY 2019 were lower than 2Q 2018 and HY 2018 respectively mainly due to decrease in the borrowings.

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

2Q 2019 vs 2Q 2018 & HY 2019 vs HY 2018

The improved in the profit or loss attributable to owners of the parent for 2Q 2019 and HY 2019 as compared to that for 2Q 2018 and HY 2018 respectively, were mainly due to the recognition of revenue and gross profit margin for Bluegas, decrease in administration expenses, sales and marketing expenses, other operating expenses and finance costs.

**Statement of Financial Position Review**

**30 June 2019 vs 31 December 2018**

**Current assets**

The current assets of S\$25.0 million as at 30 June 2019 was higher compared to that as at 31 December 2018 mainly due to increase in trade receivables of S\$2.4 million mainly from Bluegas and other receivables, deposits and prepayments of S\$1.1 million and partly offset by decreases in inventories of S\$1.1 million and cash and bank balances of S\$0.9 million.

**Non-current assets**

The non-current assets of S\$16.1 million as at 30 June 2019 was lower compared to that as at 31 December 2018 mainly due to decrease in joint ventures assets of S\$0.5 million and other receivables, deposits and repayments of S\$0.3 million.

**Current liabilities**

The current liabilities of S\$56.0 million as at 30 June 2019 was higher compared to that as at 31 December 2018, mainly due to increase in loan from controlling shareholders of S\$2.9 million and other payables and accruals of S\$2.4 million, partly offset by decreases in interest-bearing loans and borrowings of S\$2.4 million and trade payables of S\$0.8 million.

**Non-current liabilities**

The non-current liabilities of S\$2.7 million as at 30 June 2019 was lower compared to that as at 31 December 2018 mainly due to decrease in interest-bearing loans and borrowings of S\$0.2 million and other payables of S\$0.6 million.

**Cash Flow Review**

2Q 2019

The net cash flows from operating activities for 2Q 2019 was S\$1.2 million and this was mainly due to profit before tax of S\$0.5 million, increase in trade payables of S\$1.0 million, other payables and accruals of S\$1.9 million, partly offset by increase in trade receivables of S\$2.6 million and other receivables, deposits and prepayments of S\$0.7 million. Cash flows used in investing activities of S\$0.3 million was mainly due to purchase of property, plant and equipment (net) of S\$0.3 million. The cash flows used in financing activities was S\$0.1 million and this was mainly due to loan from controlling shareholders of S\$2.3 million, partly offset by repayment of interest-bearing loans and borrowings of S\$2.0 million and interest paid of S\$0.4 million.

HY 2019

The net cash flows used in operating activities for HY 2019 was S\$0.3 million and this was mainly due to loss before tax of S\$1.4 million, increase in trade receivables of S\$2.3 million, other receivables, deposits and prepayments of S\$0.8 million and decrease in trade payables of S\$0.8 million, partly offset by decrease in inventories of S\$1.1 million and increase in other payables and accruals of S\$2.3 million. Cash flows from investing activities was mainly due to proceeds from disposal of investments of S\$0.7 million, partly offset by purchase of property, plant and equipment (net) of S\$0.6 million. The cash flows used in financing activities of S\$0.7 million, was mainly due to the loan from controlling shareholders of S\$2.9 million, partly offset by repayment of interest-bearing loans and borrowings of S\$2.8 million and interest paid of S\$0.8 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 global expenditure in the offshore O&G market is expected to further improve. The Group had expanded its business operations in Indonesia and anticipate activities to continue to grow in Indonesia over the next twelve months. The Group's 80% owned subsidiary Bluegas Private Limited has commenced business and have positive contribution for 2Q 2019. We will continue to take steps to manage our costs, cash flows and gearing, and capitalise on new business opportunities.

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) As announced by the Company on 7 May 2019, the Company had on 6 May 2019 obtained formal written bank confirmation for an extension of 24 months for a loan amounting to S\$13.9 million (S\$15.2 million as at 31 March 2019). The banks have also agreed to reduce the Group's monthly repayment by more than 50%. Although the final bullet payment to be made by the Group will increase, the reduction in the monthly repayment amount will support the recovery of the Group's position. In addition, the Group's main bankers had, on 15 May 2019, granted formal waivers for certain breaches of financial covenants;
- (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; and
- (vii) The Group's 80% owned subsidiary Bluegas Private Limited has commenced business with positive contribution in 2Q 2019 and is expected to continue to contribute to the Group.

**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 2Q2019 as the Group currently has no sufficient reserves available for distribution.

**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.

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

The Board refers to the placement exercise which was completed on 23 November 2018 (the “Placement”), pursuant to which gross proceeds of S\$940,000 were raised. After deducting the actual expenses incurred in relation to the Placement of S\$32,100, the Company raised net proceeds of S\$907,900 from the Placement. The Company now wishes to update on the use of the net proceeds of the Placement.

The following table update on the use of the net proceeds of the Placement as at the date of this announcement:

Purpose	Amount Allocated	Net Proceeds Utilised	Amount Un-utilised
Expansion of the business of	S\$50,001	S\$50,001	Nil
General working capital purposes	S\$857,899	S\$857,899 <sup>(1)</sup>	NIL
<b>Total</b>	<b>S\$907,900</b>	<b>S\$907,900</b>	<b>NIL</b>

Note:

<sup>(1)</sup> Utilisation for general working capital includes S\$777,722 for operating expenses such as salary and rental expenses, and S\$130,178 for listing and compliance costs.

Saved as disclosed, the above utilisation of the net proceeds from the placement is in accordance with the stated

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

We, Tan Kheng Kuan and Liu Changsheng, 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 second quarter ended 30 June 2019 to be false or misleading in any material aspect.

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

Tan Kheng Kuan  
Chief Executive Officer  
Date: 8 August 2019

Liu Changsheng  
Executive Director  
Date: 8 August 2019