



KTL Global Limited

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

Unaudited Fifth Quarter and Fifteen Months Financial Statements and Dividend Announcement For the Financial Period Ended 30 September 2018

Change of Financial Year End

On 29 June 2018 and 2 August 2018, the Company announced a change of financial year end from 30 June to 31 December. Therefore, the unaudited financial statements presented in this announcement covers a 3-month period from 1 July 2018 to 30 September 2018 and a 15-month period from 1 July 2017 to 30 September 2018. The next set of audited financial statements for the financial period ending 31 December 2018 will cover a period of 18 months from 1 July 2017 to 31 December 2018.

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 Fifth Quarter Ended		% Change Increase/ (Decrease)	Group Fifteen Months Ended		% Change Increase/ (Decrease)
	30-Sep-18 S\$'000	30-Sep-17 S\$'000		30-Sep-18 S\$'000	30-Sep-17 S\$'000	
Revenue	9,265	11,094	-16%	43,705	41,976	4%
Cost of sales	(7,617)	(9,890)	-23%	(37,070)	(41,695)	-11%
Gross profit	1,648	1,204	37%	6,635	281	N.M.
Other operating income	340	500	-32%	1,459	2,466	-41%
Administration expenses	(2,338)	(2,823)	-17%	(13,584)	(14,726)	-8%
Sales and marketing expenses	(678)	(657)	3%	(3,117)	(3,222)	-3%
Other operating expenses	(7)	(105)	-93%	(3,251)	(15,127)	-79%
Share of results of joint venture company	-	-	N.M.	-	(228)	N.M.
Share of results of an associate	-	-	N.M.	-	44	N.M.
Loss from operations	(1,035)	(1,881)	-45%	(11,858)	(30,512)	-61%
Finance costs	(395)	(431)	-8%	(2,052)	(1,790)	15%
Loss from operations before taxation	(1,430)	(2,312)	-38%	(13,910)	(32,302)	-57%
Income tax credit	42	-	N.M.	42	356	-88%
Loss net of tax	(1,388)	(2,312)	-40%	(13,868)	(31,946)	-57%
Other comprehensive loss:						
Exchange differences on translating foreign operations, net of tax	(892)	(66)	N.M.	(344)	(514)	-33%
Other comprehensive loss for the period	(892)	(66)	N.M.	(344)	(514)	-33%
Total comprehensive loss	(2,280)	(2,378)	-4%	(14,212)	(32,460)	-56%
Loss net of tax attributable to:						
-Owners of the parent	(1,399)	(2,322)	-40%	(13,893)	(31,932)	-56%
-Non-controlling interests	11	10	10%	25	(14)	N.M.
Loss net of tax	(1,388)	(2,312)	-40%	(13,868)	(31,946)	-57%
Total comprehensive loss attributable to:						
-Owners of the parent	(2,291)	(2,388)	-4%	(14,237)	(32,446)	-56%
-Non-controlling interests	11	10	10%	25	(14)	N.M.
Total comprehensive loss	(2,280)	(2,378)	-4%	(14,212)	(32,460)	-56%

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

	Group Fifth Quarter Ended		% Change Increase/ (Decrease)	Group Fifteen Months Ended		% Change Increase/ (Decrease)
	30-Sep-18 S\$'000	30-Sep-17 S\$'000		30-Sep-18 S\$'000	30-Sep-17 S\$'000	
Depreciation of property, plant and equipment	(503)	(516)	-3%	(2,147)	(4,628)	-54%
Property, plant and equipment written off	-	-	N.M.	-	(770)	N.M.
Impairment losses on property, plant and equipment	-	-	N.M.	-	(7,772)	N.M.
Inventory written off	-	-	N.M.	(475)	(621)	-24%
Reversal of (Allowance) for inventory obsolescence	8	-	N.M.	449	(2,398)	N.M.
Reversal of (Impairment losses) on investment	-	-	N.M.	170	(4,964)	N.M.
Reversal of (Allowance) for doubtful debts	229	-	N.M.	57	(1,327)	N.M.
Interest expenses	(395)	(431)	-8%	(2,052)	(1,790)	15%
Gain (Loss) on disposal of property, plant and equipment, net	-	3	N.M.	5	(55)	N.M.
Foreign exchange gain (loss), net	4	110	-96%	(442)	(77)	N.M.
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-Sep-18 S\$'000	30-Jun-17 S\$'000	30-Sep-18 S\$'000	30-Jun-17 S\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	13,518	14,545	-	-
Prepaid land lease	3,107	3,174	-	-
Investment properties	1,650	2,062	-	-
Subsidiaries	-	-	13,161	13,161
Joint ventures	649	479	-	-
Due from subsidiaries	-	-	9,993	6,961
Other receivables, deposits and prepayments	105	150	-	-
Deferred tax assets	1,261	1,261	-	-
Total non-current assets	20,290	21,671	23,154	20,122
Current assets:				
Inventories	13,881	17,498	-	-
Trade receivables	6,048	7,199	-	-
Other receivables, deposits and prepayments	3,107	2,242	21	7
Income tax receivable	13	10	-	-
Due from subsidiaries	-	-	5,948	5,970
Due from associate and joint venture companies	-	56	-	-
Cash and bank balances	470	1,363	16	13
	23,519	28,368	5,985	5,990
Non-current asset classified as held for sale	-	2,068	-	2,068
Total current assets	23,519	30,436	5,985	8,058
Total assets	43,809	52,107	29,139	28,180
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	35,836	34,836	35,836	34,836
Treasury shares	-	(286)	-	(286)
Reserves	(48,947)	(34,468)	(7,013)	(6,636)
Reserve attributable to non-current asset held for sale	-	(12)	-	-
Equity, attributable to owners of the parent	(13,111)	70	28,823	27,914
Non-controlling interests	68	43	-	-
Total equity	(13,043)	113	28,823	27,914
Non-current liabilities:				
Other payables	3,171	1,374	-	-
Interest-bearing loans and borrowings	5,289	6,916	-	-
Deferred tax liabilities	175	175	-	-
Total non-current liabilities	8,635	8,465	-	-
Current liabilities:				
Trade payables	4,825	6,592	-	-
Bills payables	3,267	3,565	-	-
Other payables and accruals	7,374	4,993	304	254
Loan from directors	10,554	1,000	-	-
Interest-bearing loans and borrowings	22,197	27,379	-	-
Income tax payable	-	-	12	12
Total current liabilities	48,217	43,529	316	266
Total liabilities	56,852	51,994	316	266
Total equity and liabilities	43,809	52,107	29,139	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 2018		As At 30 June 2017	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bills payables	3,267	-	3,565	-
Interest-bearing loans and borrowings:				
Hire purchase creditors	498	-	464	-
Term loan	21,699	-	26,915	-
	25,464	-	30,944	-

Amount repayable after one year

	As At 30 September 2018		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	847	-	1,210	-
Term loan	4,442	-	5,706	-
	5,289	-	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 and a shareholder of the Company and subsidiary.

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\$20.5 million (30 June 2017: S\$26.5 million), the long term portion of the loan amounting to S\$3.5 million (30 June 2017: S\$21.9 million) was classified as current liabilities.

As at 5 February 2018, management had obtained a waiver from the Group's main bankers for the breach of financial covenants for the financial period ended 30 June 2017 and 31 December 2017. As at 29 June 2018, management had obtained a waiver from the Group's main bankers for the breach of financial covenants for the financial period ended 30 June 2018.

Management is in the process of obtaining a waiver for the breach of financial covenants for the financial period ending 31 December 2018.

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 Fifth quarter ended		Group Fifteen months ended	
	30-Sep-18 S\$'000	30-Sep-17 S\$'000	30-Sep-18 S\$'000	30-Sep-17 S\$'000
Cash Flows (Used In) From Operating Activities:				
Loss before tax from operations	(1,430)	(2,312)	(13,910)	(32,302)
Adjustments for:				
Depreciation of property, plant and equipment	503	516	2,147	4,628
Impairment loss on investment in associates	-	-	-	4,941
Impairment (Reversal of Impairment) on plant and equipment	-	(1)	-	7,772
Impairment on investment in joint venture	-	-	(170)	23
Reversal of impairment loss on prepaid land lease	-	-	-	(43)
Reversal of impairment loss on investment properties	-	-	-	(50)
(Reversal of) Allowance for inventory obsolescence	(8)	-	(449)	2,398
Inventory written off	-	112	475	621
Allowance for impairment on amount due from joint venture companies and associates	19	63	261	1,047
Bad debts written off	10	-	10	-
(Reversal) Allowance for doubtful debts	(229)	-	(318)	280
Loss (Gain) on disposal of property, plant and equipment and investments	-	(3)	(5)	55
Plant and equipment written off	-	-	-	770
Amortisation of prepaid land lease	31	30	155	151
Interest expenses	395	431	2,052	1,790
Share of results of an associate	-	-	-	(44)
Share of results of joint venture companies	-	-	-	228
Share distribution expenses	-	-	57	-
Operating Cash Flows Before Working Capital Changes	(709)	(1,164)	(9,695)	(7,735)
Inventories	(622)	(147)	3,328	4,998
Trade receivables	681	(666)	1,518	361
Other receivables, deposits and prepayments	481	1,326	(891)	(32)
Trade payables	41	(290)	(1,817)	1,371
Other payables and accruals	(562)	800	4,109	1,793
Due to a related party	-	-	-	(4)
Net Cash Flows (Used In) From Operations Before Interest and Tax	(690)	(141)	(3,448)	752
Withholding tax paid	-	-	-	(14)
Income tax refund (paid)	42	-	40	(60)
Currency translation	9	(41)	(28)	(41)
Net Cash Flows (Used In) From Operating Activities	(639)	(182)	(3,436)	637
Cash Flows From Investing Activities:				
Purchase of property, plant and equipment	(83)	(37)	(956)	(612)
Proceed from disposal of property, plant and equipment	227	1,346	410	220
Advances to associate and joint venture companies	(19)	(63)	(205)	(309)
Proceeds from disposal of investments, classified as held for sale	-	4	2,068	1,346
Net Cash Flows From Investing Activities	125	1,250	1,317	645
Cash Flows From (Used In) Financing Activities:				
Proceeds from interest-bearing loans and borrowings	-	333	261	5,290
Repayment of interest-bearing loans and borrowings	(2,068)	(1,343)	(7,537)	(6,518)
Loan from directors	2,895	-	10,554	1,000
Interest paid	(395)	(387)	(2,052)	(1,747)
Release (Placement) of fixed deposit associated with bank guarantee	-	(150)	-	144
Issuance of ordinary shares (Note A)	-	-	-	-
Net Cash Flows From (Used In) From Financing Activities	432	(1,547)	1,226	(1,831)
Net Decrease in Cash and Cash Equivalents	(82)	(479)	(893)	(549)
Effect of exchange rate changes on cash and cash equivalent	-	-	-	14
Cash and Cash Equivalents at Beginning of Period	552	1,363	1,363	1,419
Cash and Cash Equivalents at End of Period	470	884	470	884

Note A

On 5 February 2018, the Company issued 26,143,791 new ordinary shares at issue price of S\$0.03825 per share, totalling S\$1,000,000. All new shares were fully paid through a conversion of existing shareholders' loan.

Restricted Cash Balance

The Group's cash and bank balances in the statement of financial position exclude short-term deposit of S\$Nil (30 Sep 2017: S\$150,000) 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		
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	-	-	-	-	-	-	-	(12,495)	(12,495)	15	(12,480)
Transfer of reserve, for the completion of disposal on non-current asset held for sale	-	-	-	-	12	(12)	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	549	-	-	549	(1)	548
Total comprehensive loss for the period	-	-	-	-	12	537	-	(12,495)	(11,946)	14	(11,932)
Transfer of treasury shares	-	286	(230)	-	-	-	-	-	(230)	-	56
Issuance of share capital	1,000	-	-	-	-	-	-	-	-	-	1,000
Balance as at 30 June 2018	35,836	-	(706)	(60)	-	(2,437)	15	(43,468)	(46,656)	57	(10,763)
Net loss for the period	-	-	-	-	-	-	-	(1,399)	(1,399)	11	(1,388)
Other comprehensive income for the period	-	-	-	-	-	(892)	-	-	(892)	-	(892)
Balance as at 30 September 2018	35,836	-	(706)	(60)	-	(3,329)	15	(44,867)	(48,947)	68	(13,043)
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	-	-	-	-	-	-	-	(29,610)	(29,610)	(24)	(29,634)
Transfer of reserve, attributable to non-current asset held for sale	-	-	-	-	(12)	12	-	-	-	-	-
Other comprehensive loss for the period	-	-	-	-	-	(448)	-	-	(448)	-	(448)
Total comprehensive loss for the period	-	-	-	-	(12)	(436)	-	(29,610)	(30,058)	(24)	(30,082)
Acquisition of non-controlling interest without a change in control	-	-	-	(60)	-	-	-	-	(60)	60	-
Adjustment to treasury share reserve	-	(12)	12	-	-	-	-	-	12	-	-
Balance as at 30 June 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)
Balance as at 30 September 2017	34,836	(286)	(476)	(60)	(12)	(3,040)	15	(33,295)	(36,868)	53	(2,265)

COMPANY

Current Period:											
Balance as at 1 July 2017	34,836	(286)	(476)	-	-	-	-	(6,160)	(6,636)	-	27,914
Net loss for the period	-	-	-	-	-	-	-	(152)	(152)	-	(152)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(152)	(152)	-	(152)
Transfer of treasury shares	-	286	(230)	-	-	-	-	-	(230)	-	56
Issuance of share capital	1,000	-	-	-	-	-	-	-	-	-	1,000
Balance as at 30 June 2018	35,836	-	(706)	-	-	-	-	(6,312)	(7,018)	-	28,818
Net profit for the period	-	-	-	-	-	-	-	5	5	-	5
Balance as at 30 September 2018	35,836	-	(706)	-	-	-	-	(6,307)	(7,013)	-	28,823
Previous Period:											
Balance as at 1 July 2016	34,836	(274)	(488)	-	-	-	-	190	(298)	-	34,264
Net loss for the period	-	-	-	-	-	-	-	(6,350)	(6,350)	-	(6,350)
Total comprehensive income for the period	-	-	-	-	-	-	-	(6,350)	(6,350)	-	(6,350)
Adjustment to treasury share reserve	-	(12)	12	-	-	-	-	-	12	-	-
Balance as at 30 June 2017	34,836	(286)	(476)	-	-	-	-	(6,160)	(6,636)	-	27,914
Net loss for the period	-	-	-	-	-	-	-	(44)	(44)	-	(44)
Balance as at 30 September 2017	34,836	(286)	(476)	-	-	-	-	(6,204)	(6,680)	-	27,870

- 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 30 June 2018.

As at 30 September 2018, the Company held no treasury shares (30 September 2017: 1,914,955) against a total number of 268,669,019 issued shares (30 September 2017: 240,610,273).

The percentage of the aggregate number of treasury shares held against the total number of issued shares as at 30 September 2018 is nil% (30 September 2017: 0.79%).

Save as stated above, the Company had no outstanding options, convertible securities, treasury shares or subsidiary holdings as at 30 September 2018 and 30 September 2017.

- 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 2018	As At 30 June 2017
No. of issued shares excluding treasury shares	268,669,019	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. No treasury shares have been sold, transferred, cancelled or used in any 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

With reference to the Company's announcement on 29 June 2018 and 2 August 2018, the Company has changed its financial year from 30 June to 31 December. The next audited financial period will be from 1 July 2017 to 31 December 2018.

Other than the adoption of the new and revised Financial Reporting Standards ("FRS") which come into effect for the financial period ending 31 December 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

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 period ending 31 December 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 attributable to owners of the parent:-

	Group Fifth Quarter Ended		Group Fifteen months ended	
	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
Earnings per ordinary share				
(a) Based on the weighted average number of ordinary shares in issue	(0.52) cents	(0.96) cents	(5.44) cents	(13.28) cents
Weighted average number of ordinary shares in issue	268,669,019	240,610,273	255,132,798	240,610,273
(b) On a fully diluted basis	(0.52) cents	(0.96) cents	(5.44) cents	(13.28) cents
Weighted average number of ordinary shares in issue	268,669,019	240,610,273	255,132,798	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-18	30-Jun-17	30-Sep-18	30-Jun-17
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	(4.88) cents	0.03 cents	10.73 cents	11.60 cents
Number of shares in issue excluding treasury shares	268,669,019	240,610,273	268,669,019	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

5Q 2018 vs 5Q 2017 & 15M 2018 vs 15M 2017

The Group's revenue for the three months ended 30 September 2018 ("5Q 2018") was S\$9.3 million, 16% lower than the S\$11.1 million generated for the corresponding period in the last financial quarter ("5Q 2017"). The decrease is mainly due to the decrease in revenue generated from all segment for 5Q 2018.

The Group's revenue for the 15 months ended 30 September 2018 ("15M 2018") was S\$43.7 million, 4% higher than the S\$42.0 million generated for the corresponding period in the last financial period ("15M 2017"). The increase was mainly due to the increase in revenue generated across all segments for 15M 2018.

Gross Profit

5Q 2018 vs 5Q 2017 & 15M 2018 vs 15M 2017

The Group's gross profit for 5Q 2018 and 15M 2018 was higher than that for 5Q 2017 and 15M 2017 respectively, due to the increase in revenue and decrease in fixed costs classified in cost of sales.

Total fixed costs for 5Q 2018 and 15M 2018 classified as cost of sales was S\$0.8 million and S\$4.5 million respectively, a decrease as compared to 5Q 2017 and 15M 2017 of S\$1.1 million and S\$7.7 million respectively.

Other Operating Income

5Q 2018 vs 5Q 2017 & 15M 2018 vs 15M 2017

The Group's other operating income for 5Q 2018 and 15M 2018 was lower than 5Q 2017 and 15M 2017 respectively. Other operating income for 5Q 2018 was lower than 5Q 2017 mainly due to decrease in rental income of S\$0.3 million as the Group had relocated its registered office and ceased the subletting of its warehouse and open yard spaces in February 2018, partly offset by increase in reversal of allowance for doubtful trade debts of the Group of S\$0.2 million.

The Group's other operating income for 15M 2018 was lower than 15M 2017 mainly due to decrease in rental income of S\$1.1 million as the Group had relocated its registered office and ceased the subletting of its warehouse and open yard spaces in February 2018, and decrease in foreign exchange gain of S\$0.1 million, partly offset by increase in reversal of allowance for doubtful trade debts of S\$0.3 million.

Operating Expenses

5Q 2018 vs 5Q 2017 & 15M 2018 vs 15M 2017

The Group's operating expenses comprised administration and sales and marketing expenses.

The decrease in administration expenses for 5Q 2018 compared to 5Q 2017 was mainly due to decrease in rental expenses of S\$0.6 million, partly offset by increase in salary and directors' remuneration of S\$0.3 million.

The decrease in administration expenses for 15M 2018 compared to 15M 2017 was mainly due to decrease in rental expenses of S\$1.3 million, depreciation expenses of S\$0.3 million and property tax of S\$0.3 million, partly offset by increase in salary and directors' remuneration of S\$0.4 million, bonus expenses of S\$0.1 million, consultancy expenses of S\$0.1 million and insurance expenses of S\$0.1 million. The increase in salary expenses were mainly due to classification in audit adjustments. Overall, administration and operation salary expenses, including directors' remuneration decreased by S\$0.2 million.

Sales and marketing expenses for 5Q 2018 increased slightly compared to 5Q 2017, mainly due to increase in commission expenses, partly offset by decrease in entertainment and travelling related expenses. Sales and marketing expenses for 15M 2018 compared to 15M 2017 had decreased by S\$0.1 million mainly due to the decrease in entertainment and travelling related expenses of S\$0.2 million and sales salary expenses of S\$0.1 million, partly offset by an increase in commission expenses of S\$0.2 million. The increase in commission expenses of S\$0.2 million was mainly due to increase in revenue in Middle East and Indonesia.

Other Operating Expenses

5Q 2018 vs 5Q 2017 & 15M 2018 vs 15M 2017

Other operating expenses for 5Q 2018 and 15M 2018 was lower than 5Q 2017 and 15M 2017 respectively due to decrease in impairment of plant and equipment (including leasehold equipment) of S\$8.5 million, impairment in investment in an associate and joint venture company of S\$4.9 million and allowance for doubtful debts of S\$1.3 million. This has been partially offset by a one-off compensation incurred for the early termination of the leases at 61 and 71 Tuas Bay Drive as announced on 5 April 2018, which amounted to a net sum of S\$2.7 million and increase in foreign exchanges losses of S\$0.3 million.

Finance Costs

5Q 2018 vs 5Q 2017 & 15M 2018 vs 15M 2017

Finance costs for 5Q 2018 was lower than 5Q 2017 mainly due to less utilisation of trade facilities during the quarter. Finance costs for 15M 2018 was higher than 15M 2017 due to the increase in the cost of borrowings from fixed rate loans and bills payables interests rates pegged to SIBOR and LIBOR. Compared to 15M 2017, the Group has also utilised more bills payables in the 15M 2018 and as a result, incurred higher finance costs.

Profit or loss, attributable to owners of the parent

5Q 2018 vs 5Q 2017

The decrease in net loss attributable to owners of the parent for 5Q 2018 as compared to 5Q 2017 was due to increase in gross profit and decrease in administration expenses and other operating expenses, partly offset by a decrease in other operating income and increase in sales and marketing expenses.

15M 2018 vs 15M 2017

The decrease in net loss attributable to owners of the parent for 15M 2018 as compared to 15M 2017 was due to increase in revenue and gross profit, and decrease in administration expenses, sales and marketing expenses, other operating expenses and share of results of joint venture companies, partly offset by a decrease in other operating income and share of results of an associate.

Statement of Financial Position Review

30 September 2018 vs 30 June 2017

Current assets

The current assets of S\$23.5 million as at 30 September 2018 was lower compared to that as at 30 June 2017, mainly due to decreases in inventories of S\$3.6 million, trade receivables of S\$1.2 million, cash and cash balances of S\$0.9 million and amount due from associate and joint venture companies of S\$0.1 million, partly offset by increase in other receivables, deposits and prepayments of S\$0.9 million.

Non-current assets

The non-current assets of S\$20.3 million as at 30 September 2018 was lower compared to that as at 30 June 2017 mainly due to decreases in property, plant and equipment of S\$1.0 million and investment properties of S\$0.4 million.

Current liabilities

The current liabilities of S\$48.2 million as at 30 September 2018 was higher compared to that as at 30 June 2017, mainly due to increase in loan from directors of S\$9.6 million and other payables and accruals of S\$2.4 million, partly offset by decrease in interest-bearing loans and borrowings of S\$5.2 million, trade payables of S\$1.8 million and bills payables of S\$0.3 million.

Non-current liabilities

The non-current liabilities of S\$8.6 million as at 30 September 2018 was higher compared to that as at 30 June 2017 mainly due to increase in non-current other payables of S\$1.8 million, partly offset by decrease in interest bearing loans and borrowings of S\$1.6 million. The increase in non-current other payables was mainly due to the compensation incurred for the early termination of the leases at 61 and 71 Tuas Bay Drive as announced on 5 April 2018, which is payable in monthly instalments until August 2021.

Cash Flow Review

5Q 2018

The net cash flows used in operating activities for 5Q 2018 was S\$0.6 million and this was mainly due to increase in inventories of S\$0.6 million and decrease in other payables and accruals of S\$0.6 million, partly offset by a decrease in trade receivables of S\$0.7 million and other receivables, deposits and prepayments of S\$0.5 million and loss before tax of S\$1.4 million. Cash flows from investing activities was mainly due to the proceeds from disposal of property, plant and equipment of S\$0.2 million, partly offset by purchase of property, plant and equipment of S\$0.1 million. The cash flows from financing activities was S\$0.4 million and this was mainly due to the loan from directors of S\$2.9 million, partly offset by the net repayment of interest-bearing loans and borrowings of S\$2.1 million and interest paid of S\$0.4 million.

15M 2018

The net cash flows used in operating activities for 15M 2018 was S\$3.5 million and this was mainly due to loss before tax of S\$13.9 million, decrease in trade payables of S\$1.8 million and increase in other receivables, deposits and prepayments of S\$0.9 million, partly offset by increase in other payables and accruals of S\$4.1 million, decrease in inventories of S\$3.3 million and trade receivables of S\$1.5 million. Cash flows from investing activities of S\$1.3 million was mainly due to proceeds from disposal of investment of S\$2.1 million and proceeds from disposal of property, plant and equipment of S\$0.4 million, partly offset by purchase of property, plant and equipment of S\$1.0 million and advances to associate and joint venture companies of S\$0.2 million. The cash flows from financing activities of S\$1.2 million was mainly due to the loans from directors of S\$10.6 million, partly offset by the net repayment of interest-bearing loans and borrowings of S\$7.3 million and interest paid of S\$2.1 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 had stabilised and the Group had been seeing an increase in orders from its Middle East and Indonesian customers. Barring unforeseen circumstances, the Group expects to continue to enjoy the benefit from the increased business activity as a result of the higher oil price.

However, the O&G market is still characterised by an oversupply of goods and service providers and the Group expects that challenging conditions will continue for the next twelve months.

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 the current financial period.

13 Interested person transactions

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

In the current financial period, 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 Tan Kheng Kuan, 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 fifth quarter and fifteen months ended 30 September 2018 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: 1 November 2018

Tan Kheng Kuan
Chief Executive Officer
Date: 1 November 2018