



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 2015**

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-15 S\$'000	30-Sep-14 S\$'000	
Revenue	10,247	19,654	-48%
Cost of sales	(6,682)	(13,426)	-50%
Gross profit	3,565	6,228	-43%
Other operating income	384	441	-13%
Administration expenses	(4,886)	(4,521)	8%
Sales and marketing expenses	(1,024)	(981)	4%
Other operating expenses	(338)	(9)	3656%
Share of results of joint venture companies	(11)	(12)	-8%
(Loss) Profit from operations	(2,310)	1,146	N.M.
Finance costs	(371)	(159)	133%
(Loss) Profit from operations before taxation	(2,681)	987	N.M.
Income tax expense	-	(54)	N.M.
(Loss) Profit net of tax	(2,681)	933	N.M.
Other comprehensive loss:			
Exchange differences on translating foreign operations, net of tax	(1,555)	(44)	3434%
Other comprehensive income for the period	(1,555)	(44)	3434%
Total comprehensive (loss) income	(4,236)	889	N.M.
(Loss) Profit net of tax attributable to:			
-Owners of the parent	(2,684)	929	N.M.
-Non-controlling interests	3	4	-25%
(Loss) Profit net of tax	(2,681)	933	N.M.
Total comprehensive (loss) income attributable to:			
-Owners of the parent	(4,239)	885	N.M.
-Non-controlling interests	3	4	-25%
Total comprehensive (loss) income	(4,236)	889	N.M.

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

	Group		% Change Increase/ (Decrease)
	First Quarter Ended		
	30-Sep-15 S\$'000	30-Sep-14 S\$'000	
Depreciation of plant and equipment	(878)	(688)	28%
Interest expenses	(371)	(159)	133%
Loss on disposal of property, plant and equipment	-	(9)	N.M.
Foreign exchange (loss) gain	(338)	168	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-15 S\$'000	30-Jun-15 S\$'000	30-Sep-15 S\$'000	30-Jun-15 S\$'000
ASSETS				
Non-current assets:				
Investment properties	1,984	2,200	-	-
Property, plant and equipment	24,476	23,018	-	-
Prepaid land lease	3,342	3,755	-	-
Investments in subsidiaries	-	-	13,161	13,161
Investment in joint ventures	1,636	1,647	7	7
Investment in associate	-	-	-	-
Amount due from a subsidiary	-	-	741	741
Other receivables	365	359	-	-
Prepayments	454	1,776	-	-
Deferred tax assets	32	36	-	-
Total non-current assets	32,289	32,791	13,909	13,909
Current assets:				
Inventories	33,916	33,626	-	-
Trade receivables	22,998	25,716	-	-
Other receivables	1,033	958	10	36
Amount due from subsidiaries	-	-	18,268	18,642
Amount due from associate and joint venture companies	2,643	2,642	1,639	1,639
Prepayments	1,094	784	394	-
Cash and bank balances	2,319	2,692	10	133
Total current assets	64,003	66,418	20,321	20,450
Total assets	96,292	99,209	34,230	34,359
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	34,203	34,203	34,203	34,203
Treasury shares	(332)	(113)	(332)	(113)
Reserves	7,156	11,395	(253)	(282)
Equity, attributable to owners of the parent	41,027	45,485	33,618	33,808
Non-controlling interests	91	88	-	-
Total equity	41,118	45,573	33,618	33,808
Non-current liabilities:				
Other payables	1,889	1,859	-	-
Interest-bearing loans and borrowings	9,132	8,433	-	-
Deferred tax liabilities	1,039	1,069	-	-
Total non-current liabilities	12,060	11,361	-	-
Current liabilities:				
Trade payables	10,734	11,522	-	-
Bills payables	7,151	6,745	-	-
Other payables	2,572	2,837	597	536
Interest-bearing loans and borrowings	22,451	20,995	-	-
Income tax payable	206	176	15	15
Total current liabilities	43,114	42,275	612	551
Total liabilities	55,174	53,636	612	551
Total equity and liabilities	96,292	99,209	34,230	34,359

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 2015		As At 30 June 2015	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bills payables	-	7,151	-	6,745
Interest-bearing loans and borrowings:				
Bank overdrafts	-	3,977	-	3,324
Fixed advance facility	-	2,000	-	2,000
Hire purchase creditors	99	-	164	-
Internationalisation finance scheme	-	262	-	275
Invoice financing	-	3,133	-	3,325
Term loan	1,132	11,848	558	11,349
	1,231	28,371	722	27,018

Amount repayable after one year

	As At 30 September 2015		As At 30 June 2015	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Interest-bearing loans and borrowings:				
Internationalisation finance scheme	-	459	-	512
Hire purchase creditors	193	-	206	-
Term loan	5,768	2,712	5,243	2,472
	5,961	3,171	5,449	2,984

Details of the collaterals:

All bank borrowings are unsecured with the exception of the hire purchases which are secured by charges over the leased assets and term loans which are secured by charge over certain property, plant and equipment and investment properties under construction.

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-15 S\$'000	30-Sep-14 S\$'000
<u>Cash Flows From Operating Activities:</u>		
(Loss) Profit before tax from operations	(2,681)	987
Adjustments for:		
Depreciation of property, plant and equipment	878	688
Loss on disposal of property, plant and equipment and investments	-	9
Amortisation of prepaid land lease	32	-
Interest expenses	371	159
Share of results of joint venture	11	12
Operating Cash Flows Before Working Capital Changes	(1,389)	1,855
Increase in inventories	(290)	(4,407)
Increase in net amount from a customer for contract work-in-progress	-	(8)
Decrease (Increase) in trade receivables	2,718	(2,840)
Increase in other receivables and prepayments	(391)	(352)
(Decrease) Increase in trade payables	(789)	4,301
Decrease in other payables	(235)	(1,534)
Net Cash Flows Used in Operations Before Interest and Tax	(376)	(2,985)
Income tax	4	-
Currency translation	(218)	(149)
Net Cash Flows Used in Operating Activities	(590)	(3,134)
<u>Cash Flows From Investing Activities:</u>		
Purchase of property, plant and equipment	(1,754)	(2,233)
Purchase of investment properties	-	(268)
Proceed from disposal of property, plant and equipment	-	60
Net Cash Flows Used in Investing Activities	(1,754)	(2,441)
<u>Cash Flows From Financing Activities:</u>		
Purchase of treasury shares	(219)	(87)
Proceeds from interest-bearing loans and borrowings	4,022	4,802
Repayment of interest-bearing loans and borrowings	(2,114)	(176)
Interest paid	(371)	(199)
Net Cash Flows From Financing Activities	1,318	4,340
Net Decrease in Cash and Cash Equivalents	(1,026)	(1,235)
Cash and Cash Equivalents at Beginning of Period	(1,962)	892
Cash and Cash Equivalents at End of Period	(2,988)	(343)
<u>Analysis of Cash and Cash Equivalents</u>		
Cash and bank balances	989	2,138
Bank overdrafts	(3,977)	(2,481)
Cash and Cash Equivalents at End of Period	(2,988)	(343)

Restricted cash balances:

The Group's cash and bank balances in the statement of financial position include short-term deposits of S\$1,330,000 (30 June 2015: S\$1,330,000) which were pledged to secure a bank guarantee.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

GROUP	ATTRIBUTABLE TO OWNERS OF THE PARENT									Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Treasury Shares Reserve	Merger Reserve	Employee Equity Benefit Reserve	Translation Reserve	Statutory Reserve Fund	Accumulated Profits (Losses)	Total Reserves		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current Period:											
Balance as at 1 July 2015	34,203	(113)	(480)	(7,660)	-	(1,613)	15	21,133	11,395	88	45,573
Net profit for the period	-	-	-	-	-	-	-	(2,684)	(2,684)	3	(2,681)
Other comprehensive loss for the period	-	-	-	-	-	(1,555)	-	-	(1,555)	-	(1,555)
Total comprehensive loss for the period	-	-	-	-	-	(1,555)	-	(2,684)	(4,239)	3	(4,236)
Purchase of treasury shares	-	(219)	-	-	-	-	-	-	-	-	(219)
Balance as at 30 September 2015	34,203	(332)	(480)	(7,660)	-	(3,168)	15	18,449	7,156	91	41,118
Previous Period:											
Balance as at 1 July 2014	33,269	(646)	(120)	(7,660)	260	(217)	15	20,667	12,945	49	45,617
Net profit for the period	-	-	-	-	-	-	-	929	929	4	933
Other comprehensive income for the period	-	-	-	-	-	(44)	-	-	(44)	-	(44)
Total comprehensive income for the period	-	-	-	-	-	(44)	-	929	885	4	889
Purchase of treasury shares	-	(87)	-	-	-	-	-	-	-	-	(87)
Treasury shares issued pursuant to employees' share scheme	-	620	(360)	-	(260)	-	-	-	(620)	-	-
Balance as at 30 September 2014	33,269	(113)	(480)	(7,660)	-	(261)	15	21,596	13,210	53	46,419

COMPANY

Current Period:											
Balance as at 1 July 2015	34,203	(113)	(480)	-	-	-	-	198	(282)	-	33,808
Profit for the period	-	-	-	-	-	-	-	29	29	-	29
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	29	29	-	29
Purchase of treasury shares	-	(219)	-	-	-	-	-	-	-	-	(219)
Balance as at 30 September 2015	34,203	(332)	(480)	-	-	-	-	227	(253)	-	33,618
Previous Period:											
Balance as at 1 July 2014	33,269	(646)	(120)	-	260	-	-	(307)	(167)	-	32,456
Profit for the period	-	-	-	-	-	-	-	21	21	-	21
Total comprehensive income for the period	-	-	-	-	-	-	-	21	21	-	21
Purchase of treasury shares	-	(87)	-	-	-	-	-	-	-	-	(87)
Treasury shares issued pursuant to employees' share scheme	-	620	(360)	-	(260)	-	-	-	(620)	-	-
Balance as at 30 September 2014	33,269	(113)	(480)	-	-	-	-	(286)	(766)	-	32,390

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

As at 30 September 2015, the Company held 2,318,684 treasury shares (30 September 2014: 915,684) against a total number of 230,756,544 issued shares excluding treasury shares (30 September 2014: 232,159,544). The Company held no outstanding convertibles shares as at 30 September 2015 and 30 September 2014.

On 29 October 2015, the Company allotted and issued an aggregate of 9,450,000 ordinary shares at an issue price of S\$0.1854 for each share (the "Placement"). Following the completion of the Placement, the total number of issued shares of the Company increased to 242,525,228 shares (including treasury shares).

- 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 2015	As At 30 June 2015
No. of issued shares excluding treasury shares	230,756,544	232,159,544

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

Not applicable.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**
- The figures have not been audited or reviewed by auditors.
- 3 Where the figures have been audited or reviewed, the auditor' report (including any qualifications or emphasis of a matter)**
- Not applicable.
- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**
- Other than the adoption of the new and revised Financial Reporting Standards ("FRS") which come into effect for the financial year ending 30 June 2016, 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 2015.
- 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 2016.

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-15	30-Sep-14
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares in issue	(1.16) cents	0.41 cents
Weighted average number of ordinary shares in issue	231,234,653	225,159,544
(b) On a fully diluted basis	(1.16) cents	0.41 cents
Weighted average number of ordinary shares in issue	231,638,382	225,159,544

- 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-15	30-Jun-15	30-Sep-15	30-Jun-15
Net asset value per ordinary share based on total number of issued shares	17.78 cents	19.59 cents	14.57 cents	14.56 cents
Number of shares in issue	230,756,544	232,159,544	230,756,544	232,159,544

- 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 2016 vs 1Q 2015

The Group's revenue for the three months ended 30 September 2015 ("1Q 2016") was S\$10.3 million, 48% lower than the S\$19.7 million generated for the corresponding period in the last financial year ("1Q 2015"). The decrease was mainly due to the decrease in revenue generated across all segments.

Gross Profit

1Q 2016 vs 1Q 2015

The Group's gross profit for 1Q 2016 was lower than that for 1Q 2015 due to the decrease in revenue.

Other Operating Income

1Q 2016 vs 1Q 2015

The Group's other operating income was lower for 1Q 2016 as compared to 1Q 2015 mainly due to decrease in foreign exchange adjustment gain, from S\$0.17 million foreign exchange gain in 1Q 2015 to S\$0.34 million foreign exchange loss in 1Q 2016.

Operating Expenses

1Q 2016 vs 1Q 2015

The Group's operating expenses comprising administration and sales and marketing expenses for 1Q 2016 were higher than 1Q 2015 mainly due to an increase in depreciation expenses and rental expenses.

Other Operating Expenses

1Q 2016 vs 1Q 2015

Other operating expenses for 1Q 2016 was higher than 1Q 2015 mainly due to increase in foreign exchange adjustment losses of S\$0.34 million.

Finance Costs

1Q 2016 vs 1Q 2015

Finance costs for 1Q 2016 was higher than 1Q 2015 mainly due to increase in interest bearing loans and borrowings of the Group.

Profit or loss, attributable to owners of the parent**1Q 2016 vs 1Q 2015**

The net loss attributable to owners of the parent for 1Q 2016 was due to lower revenue, higher other operating expenses and higher finance costs, partially offset by a decrease in income tax expenses.

Statement of Financial Position Review**30 September 2015 vs 30 June 2015****Current assets**

The current assets of S\$64.0 million as at 30 September 2015 was lower compared to that as at 30 June 2015 mainly due to decrease in trade receivables of S\$2.7 million, partially offset by increase in inventory of S\$0.3 million.

Non-current assets

The non-current assets of S\$32.3 million as at 30 September 2015 was lower compared to that as at 30 June 2015 mainly due to increase in property, plant and equipment of S\$1.5 million, partially offset by a decrease in investment properties of S\$0.2 million and in prepayment for equipment of S\$1.3 million.

Current liabilities

The current liabilities of S\$43.1 million as at 30 September 2015 was higher compared to that as at 30 June 2015, mainly due to increase in interest bearing loans and borrowings of S\$1.5 million and bills payables of S\$0.4 million, offset by decrease in trade payables of S\$0.8 million and other payables of S\$0.3 million.

Non-current liabilities

The non-current liabilities of S\$12.1 million as at 30 September 2015 was higher compared to that as at 30 June 2015 mainly due to increase in interest bearing loans and borrowings of S\$0.7 million.

Cash Flow Review**1Q 2016**

The net cash flows used in operating activities for 1Q2016 was S\$0.6 million and this was mainly due to loss before tax of S\$2.7 million, decrease in trade payables of S\$0.8 million and other payables of S\$0.2 million and increase in inventories of S\$0.3 million, partially offset by a decrease in trade receivables of S\$2.7 million. Cash flows used in investing activities was mainly due to purchase of equipment amounting to S\$1.7 million. The cash flows from financing activities was mainly due to the net proceeds from interest bearing loans and borrowings of S\$1.9 million, offset by payment of interest expenses of S\$0.4 million and purchase of treasury shares of S\$0.2 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**

The Group expects FY16 to remain challenging due to the fall in crude oil prices, which are likely to remain under pressure all through 2016. This, together with the current volatility in global financial markets, will keep business conditions difficult and could have a negative impact on the Group's revenue for the next 12 months.

The Group commenced the relocation of most of its production facilities from Singapore to Johor, Malaysia, since the start of 2015. Singapore will continue to remain as the Group's headquarters while the manufacturing of most of the heavy rigging products will be carried out in the new Malaysian facility.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

None.

(b) (i) Amount per share

None.

(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13 Interested person transactions

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

14 Use of proceeds

As at 27 April 2015, the net proceeds of S\$888,800 raised by the Company from the placement of 7,000,000 new ordinary shares undertaken by the Company (which was completed on 16 April 2015), have been fully utilised. The said proceeds were used as the Group's contribution towards the registered capital of its associate company, KTL Offshore Technology (Nantong) Co., Ltd.

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

We, Tan Hock Han and Tan Kheng Yeow, 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 2015 to be false or misleading in any material aspect.

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

Tan Hock Han
Executive Chairman
Date: 11 November 2015

Tan Kheng Yeow
Chief Executive Officer
Date: 11 November 2015