



KTL GLOBAL LIMITED

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

**ADJUSTMENTS MADE TO UNAUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR
ENDED 30 JUNE 2015**

The Board of Directors of KTL Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement on 29 August 2015 on the unaudited financial statements of the Group for the financial year ended 30 June 2015 (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 material adjustments made to the Unaudited Financial Statements, as attached, following the audit.

BY ORDER OF THE BOARD

Tan Kheng Yeow
Chief Executive Officer
29 September 2015

Consolidated income statement
For the financial year ended 30 June 2015

	2015	2015		Note
	Audited	Unaudited	Difference	
	\$'000	\$'000	\$'000	
Revenue	72,591	72,964	(373)	1
Cost of sales	(48,055)	(48,055)		
Gross profit	24,536	24,909	(373)	1
Other operating income	1,666	1,666	-	
Administration expenses	(19,118)	(19,118)	-	
Sales and marketing expenses	(4,417)	(4,417)	-	
Share of results of joint venture companies	(68)	(68)	-	
Profit from operations	2,599	2,972	(373)	1
Finance costs	(1,143)	(1,143)		
Profit before taxation	1,456	1,829	(373)	1
Income tax credit	55	55	-	
Profit for the year	1,511	1,884	(373)	1
Attributable to:				
Owners of the Company	1,472	1,845	(373)	1
Non-controlling interests	39	39	-	
	1,511	1,884	(373)	1

Consolidated statement of comprehensive income
For the financial year ended 30 June 2015

Profit for the year	1,511	1,884		
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation	(1,396)	(1,396)	-	
Total comprehensive income for the year	115	488	(373)	1
Total comprehensive income attributable to:				
Owners of the Company	76	449	(373)	1
Non-controlling interests	39	39	-	
	115	488	(373)	1

Consolidated statement of financial position
As at 30 June 2015

	Group			
	2015	2015		
	Audited	Unaudited	Difference	Note
	\$'000	\$'000	\$'000	
ASSETS				
Non-current assets				
Investment properties	2,200	1,972	228	2
Property, plant and equipment	23,018	23,018	-	
Prepaid land lease	3,755	-	3,755	3
Investment in subsidiaries	-	-	-	
Investment in joint ventures	1,647	1,647	-	
Investment in associate	-	-	-	
Amount due from a subsidiary	-	-	-	
Other receivables	359	359	-	
Prepayments	1,776	5,513	(3,737)	3
Deferred tax assets	36	36	-	
	<u>32,791</u>	<u>32,545</u>	246	
Current assets				
Inventories	33,626	33,626	-	
Trade receivables	25,716	26,089	(373)	1
Other receivables	958	1,467	(509)	3, 4
Amount due from associate and joint venture companies	2,642	2,642	-	
Prepayments	784	-	784	4
Cash and bank balances	2,692	2,692	-	
	<u>66,418</u>	<u>66,516</u>	(98)	
TOTAL ASSETS	<u>99,209</u>	<u>99,061</u>	148	
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	11,522	11,229	293	4
Bills payables	6,745	6,745	-	
Other payables	2,837	4,222	(1,385)	2,5
Interest-bearing loans and borrowings	20,995	20,995	-	
Income tax payable	176	176	-	
	<u>42,275</u>	<u>43,367</u>	(1,092)	
NET CURRENT ASSETS	<u>24,143</u>	<u>23,149</u>	994	

Non-current liabilities

Other payables	1,859	246	1,613	5
Interest-bearing loans and borrowings	8,433	8,433	-	
Deferred tax liabilities	1,069	1,069	-	
	<u>11,361</u>	<u>9,748</u>	<u>1,613</u>	

TOTAL LIABILITIES

<u>53,636</u>	<u>53,115</u>	<u>521</u>
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NET ASSETS

<u>45,573</u>	<u>45,946</u>	<u>(373)</u>
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Equity attributable to owners of the Company

Share capital	34,203	34,203	-	
Treasury shares	(113)	(113)	-	
Reserves	11,395	11,768	(373)	1
	<u>45,485</u>	<u>45,858</u>	<u>(373)</u>	

Non-controlling interests

<u>88</u>	<u>88</u>	<u>-</u>
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TOTAL EQUITY

<u>45,573</u>	<u>45,946</u>	<u>(373)</u>
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TOTAL EQUITY AND LIABILITIES

<u>99,209</u>	<u>99,061</u>	<u>148</u>
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Consolidated statement of cash flows
For the financial year ended 30 June 2015

	2015 Audited \$'000	2015 Unaudited \$'000	Difference \$'000	Note
Cash flows from operating activities				
Profit before taxation	1,456	1,829	(373)	1
Adjustments for:				
Depreciation of property, plant and equipment	3,040	3,040	-	
Amortisation of prepaid land lease	104	104	-	
Allowance for/(write-back of allowance for) inventory obsolescence	20	(20)	40	6
Gain on disposal of property, plant and equipment	(48)	(48)	-	
Interest expense	1,143	1,143	-	
Share of results of joint venture companies	68	68	-	
Share of results of an associate	—*	—*	-	
Employee equity benefit expense	50	-	50	6
Total adjustments	4,377	4,287	90	
Operating cash flow before changes in working capital	5,833	6,116	(283)	
Changes in working capital:				
Increase in inventories	(4,344)	(4,304)	(40)	6
Decrease in trade receivables	1,545	1,172	373	1
Increase/(decrease) in other receivables and prepayments	136	411	(275)	3,4
Decrease in trade payables	(1,044)	(1,338)	294	4
(Decrease)/increase in other payables	(1,664)	(1,614)	(50)	6
Total changes in working capital	(5,371)	(5,673)	302	
Cash generated from operating activities	462	443	19	
Income tax paid	(645)	(645)	-	
Currency translation	(779)	(910)	131	6
Net cash flows (used in)/generated from operating activities	(962)	(1,112)	150	
Cash flows from investing activities				
Purchase of property, plant and equipment	(7,707)	(8,108)	401	6
Increase in progress payments for purchase of property, plant and equipment	(419)	-	(419)	6
Proceeds from disposal of property, plant and equipment	813	813	-	
Purchase of investment property	(707)	(595)	(112)	6
Prepaid land lease	(1,806)	(1,806)	-	
Investments in joint ventures	(1,352)	(1,352)	-	
Loans to related companies	(2,463)	(2,463)	-	

Net cash flows used in investing activities	<u>(13,641)</u>	<u>(13,511)</u>	(130)	
Cash flows from financing activities				
Purchase of treasury shares	(87)	(87)	-	
Proceeds from interest-bearing loans and borrowings	23,544	14,401	9,143	6
Repayments of interest-bearing loans and borrowings	(9,143)	-	(9,143)	6
Proceeds from issuance of new shares pursuant to subscription agreement	934	934	-	
Dividends paid	(1,006)	(1,006)	-	
Interest paid	(1,143)	(1,143)	-	
Placement of short-term deposits pledged to secure a bank guarantee	(1,330)	-	(1,330)	6
Net cash flows generated from financing activities	<u>11,769</u>	<u>13,099</u>	(1,330)	
Net decrease in cash and cash equivalents	(2,834)	(1,524)	(1,310)	
Effect of exchange rate changes on cash and cash equivalent	(20)	-	(20)	6
Cash and cash equivalents at beginning of the year	<u>892</u>	<u>892</u>	-	
Cash and cash equivalents at end of the year	<u>(1,962)</u>	<u>(632)</u>	(1,330)	
Analysis of cash and cash equivalents				
Cash and bank balances	1,362	2,692	(1,330)	6
Bank overdrafts	(3,324)	(3,324)	-	
Cash and cash equivalents at end of the year	<u>(1,962)</u>	<u>(632)</u>	(1,330)	

* represents less than 1,000

Explanatory Notes:

A: Adjustment

Note 1: The adjustment of S\$373,000 was due to the deferral of income from rental of equipment over the lease term which the Group had recognised in full upon delivery in the month of May and June 2015.

As a result of the adjustment set out above, the Group's gross profit, profit from operations, profit before taxation and profit for the year has decreased by S\$373,000.

Note 2: The Group has accrued and capitalised construction related expenses incurred for its investment properties amounting to S\$228,000 in accordance with Singapore Financial Reporting Standard ("SFRS") 37 – Provisions, Contingent Liabilities and Contingent Assets.

B: Reclassification

Note 3: The decrease in prepayment of S\$3,737,000 was due to the reclassification of S\$3,755,000 to prepaid land lease and S\$18,000 to other receivables.

Note 4: The decrease in other receivables of S\$509,000 was mainly due to the reclassification of S\$784,000 to prepayment, offset by a reclassification of S\$293,000 to trade payables, and S\$18,000 from non-current other receivables as set out in Note 3 above.

Note 5: The decrease in current other payables of S\$1,385,000 was mainly due to reclassification of deferred income of S\$1,613,000 to non-current other payables, offset by the accrual of construction related expenses as set out in Note 2 above.

Note 6: Being reclassification of cash flow presentation in accordance with SFRS 7 – Statement of Cash Flows.