



KTL Global Limited

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

**Unaudited Third Quarter Financial Statements and Dividend
Announcement For the Financial Period Ended
31 March 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 Third Quarter Ended		% Change Increase/ (Decrease)	Group Nine Months Ended		% Change Increase/ (Decrease)
	31-Mar-18 S\$'000	31-Mar-17 S\$'000		31-Mar-18 S\$'000	31-Mar-17 S\$'000	
Revenue	6,800	8,054	-16%	27,216	25,453	7%
Cost of sales	(5,830)	(6,960)	-16%	(23,469)	(22,996)	2%
Gross profit	970	1,094	-11%	3,747	2,457	53%
Other operating income	317	494	-36%	1,098	1,435	-23%
Administration expenses	(2,714)	(2,944)	-8%	(8,557)	(8,948)	-4%
Sales and marketing expenses	(640)	(588)	9%	(1,890)	(1,885)	0%
Other operating expenses	(3,011)	(148)	N.M.	(3,180)	(99)	N.M.
Share of results of an associate	-	(187)	N.M.	-	25	N.M.
Loss from operations	(5,078)	(2,279)	N.M.	(8,782)	(7,015)	25%
Finance costs	(375)	(331)	13%	(1,150)	(970)	19%
Loss from operations before taxation	(5,453)	(2,610)	N.M.	(9,932)	(7,985)	24%
Income tax expense	-	-	N.M.	-	(3)	N.M.
Loss net of tax	(5,453)	(2,610)	N.M.	(9,932)	(7,988)	24%
Other comprehensive (loss) income:						
Exchange differences on translating foreign operations, net of tax	752	(424)	N.M.	984	(1,022)	N.M.
Other comprehensive income (loss) for the period	752	(424)	N.M.	984	(1,022)	N.M.
Total comprehensive loss	(4,701)	(3,034)	55%	(8,948)	(9,010)	-1%
Loss net of tax attributable to:						
-Owners of the parent	(5,452)	(2,623)	N.M.	(9,944)	(7,981)	25%
-Non-controlling interests	(1)	13	N.M.	12	(7)	N.M.
Loss net of tax	(5,453)	(2,610)	N.M.	(9,932)	(7,988)	24%
Total comprehensive loss attributable to:						
-Owners of the parent	(4,700)	(3,047)	54%	(8,960)	(9,003)	0%
-Non-controlling interests	(1)	13	N.M.	12	(7)	N.M.
Total comprehensive loss	(4,701)	(3,034)	55%	(8,948)	(9,010)	-1%

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

	Group Third Quarter Ended		% Change Increase/ (Decrease)	Group Nine Months Ended		% Change Increase/ (Decrease)
	31-Mar-18 S\$'000	31-Mar-17 S\$'000		31-Mar-18 S\$'000	31-Mar-17 S\$'000	
Depreciation of property, plant and equipment	(318)	(1,009)	-68%	(1,198)	(3,101)	-61%
Interest expenses	(375)	(331)	13%	(1,150)	(970)	19%
Gain (Loss) on disposal of property, plant and equipment, net	183	(97)	N.M.	270	(91)	N.M.
Foreign exchange loss, net	(231)	(52)	N.M.	(261)	(6)	N.M.
Lease termination compensation, net	(2,707)	-	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	
	31-Mar-18 S\$'000	30-Jun-17 S\$'000	31-Mar-18 S\$'000	30-Jun-17 S\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	13,949	14,545	-	-
Prepaid land lease	3,273	3,174	-	-
Investment properties	2,154	2,062	-	-
Subsidiaries	-	-	13,161	13,161
Joint ventures	479	479	-	-
Due from subsidiaries	-	-	9,836	6,961
Other receivables, deposits and prepayments	96	150	-	-
Deferred tax assets	1,261	1,261	-	-
Total non-current assets	21,212	21,671	22,997	20,122
Current assets:				
Inventories	15,438	17,498	-	-
Trade receivables	7,795	7,199	-	-
Other receivables, deposits and prepayments	1,912	2,242	12	7
Income tax receivable	62	10	-	-
Due from subsidiaries	-	-	5,919	5,970
Due from associate and joint venture companies	-	56	-	-
Cash and bank balances	728	1,363	157	13
	25,935	28,368	6,088	5,990
Non-current asset classified as held for sale	-	2,068	-	2,068
Total current assets	25,935	30,436	6,088	8,058
Total assets	47,147	52,107	29,085	28,180
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	35,836	34,836	35,836	34,836
Treasury shares	(90)	(286)	(90)	(286)
Reserves	(43,598)	(34,468)	(6,909)	(6,636)
Reserve attributable to non-current asset held for sale	-	(12)	-	-
Equity, attributable to owners of the parent	(7,852)	70	28,837	27,914
Non-controlling interests	55	43	-	-
Total equity	(7,797)	113	28,837	27,914
Non-current liabilities:				
Other payables	4,201	1,374	-	-
Interest-bearing loans and borrowings	6,486	6,916	-	-
Deferred tax liabilities	175	175	-	-
Total non-current liabilities	10,862	8,465	-	-
Current liabilities:				
Trade payables	5,550	6,592	-	-
Bills payables	3,256	3,565	-	-
Other payables and accruals	4,451	4,993	236	254
Loan from directors	6,676	1,000	-	-
Interest-bearing loans and borrowings	24,149	27,379	-	-
Income tax payable	-	-	12	12
Total current liabilities	44,082	43,529	248	266
Total liabilities	54,944	51,994	248	266
Total equity and liabilities	47,147	52,107	29,085	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 31 March 2018		As At 30 June 2017	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bills payables	3,256	-	3,565	-
Interest-bearing loans and borrowings:				
Hire purchase creditors	502	-	464	-
Term loan	23,647	-	26,915	-
	27,405	-	30,944	-

Amount repayable after one year

	As At 31 March 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	1,097	-	1,210	-
Term loan	5,389	-	5,706	-
	6,486	-	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 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\$23.2 million (30 June 2017: S\$26.5 million), the long term portion of the loan amounting to S\$17.6 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 26 February 2018, management has obtained conditional waiver for the breach of financial covenants from one of the banks until 30 June 2019. Upon the fulfilment of the conditions set out in the letter of offer from one of the banks, a long term portion of S\$0.9 million will be classified from current liabilities to non-current liabilities.

Management is in the process of obtaining waiver for the breach of financial covenants for the financial year ending 30 June 2018 and 30 June 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 Third quarter ended		Group Nine months ended	
	31-Mar-18 S\$'000	31-Mar-17 S\$'000	31-Mar-18 S\$'000	31-Mar-17 S\$'000
Cash Flows Used In Operating Activities:				
Loss before tax from operations	(5,453)	(2,610)	(9,932)	(7,985)
Adjustments for:				
Depreciation of property, plant and equipment	318	1,009	1,198	3,101
Reversal for inventories	(356)	-	(446)	-
Inventories written off	47	-	159	-
(Gain) Loss on disposal of property, plant and equipment and investments	(183)	97	(270)	91
Amortisation of prepaid land lease	32	24	92	91
Allowance on an amount due from an associate	68	-	194	-
Interest expenses	375	331	1,150	970
Share of results of an associate	-	187	-	(25)
Share distribution expenses	38	-	38	-
Operating Cash Flows Before Working Capital Changes	(5,114)	(962)	(7,817)	(3,757)
Inventories	153	1,729	2,917	4,919
Trade receivables	1,764	(1,340)	(195)	848
Other receivables, deposits and prepayments	(409)	79	463	27
Trade payables	(1,298)	(954)	(1,681)	(1,785)
Other payables and accruals	2,735	(986)	2,242	(829)
Due to a related party	-	4	-	-
Net Cash Flows Used In Operations Before Interest and Tax	(2,169)	(2,430)	(4,071)	(577)
Income tax	-	(60)	(53)	(62)
Currency translation	276	(176)	402	(469)
Net Cash Flows Used In Operating Activities	(1,893)	(2,666)	(3,722)	(1,108)
Cash Flows From (Used In) Investing Activities:				
Purchase of property, plant and equipment	(500)	(127)	(548)	(593)
Proceeds from disposal of investments, classified as held for sale	722	-	2,068	-
Proceed from disposal of property, plant and equipment	170	300	259	353
Net Cash Flows From (Used In) Investing Activities	392	173	1,779	(240)
Cash Flows From Financing Activities:				
Proceeds from interest-bearing loans and borrowings	261	5,458	262	6,806
Repayment of interest-bearing loans and borrowings	(2,262)	(1,339)	(5,342)	(4,003)
Loan from directors	2,045	1,000	6,676	1,000
Loan to an associate	(12)	(56)	(138)	(216)
Interest paid	(375)	(290)	(1,150)	(842)
Pledge of fixed deposit	-	-	(150)	294
Issuance of ordinary shares	1,000	-	1,000	-
Net Cash Flows From Financing Activities	657	4,773	1,158	3,039
Net (Decrease) Increase in Cash and Cash Equivalents	(844)	2,280	(785)	1,691
Cash and Cash Equivalents at Beginning of Period	1,422	830	1,363	1,419
Cash and Cash Equivalents at End of Period	578	3,110	578	3,110
Analysis of Cash and Cash Equivalents				
Cash and bank balances	578	3,110	578	3,110
Bank overdrafts	-	-	-	-
Cash and Cash Equivalents at End of Period	578	3,110	578	3,110

Restricted cash balances:

The Group's cash and bank balances in the statement of cash flow exclude short-term deposits of S\$150,000 (31 March 2017: Nil) 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	S\$'000	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	-	-	-	-	-	-	-	(9,944)	(9,944)	12	(9,932)
Other comprehensive income for the period	-	-	-	-	12	972	-	-	984	-	984
Total comprehensive loss for the period	-	-	-	-	12	972	-	(9,944)	(8,960)	12	(8,948)
Transfer of treasury shares	-	196	(158)	-	-	-	-	-	(158)	-	38
Issuance of share capital	1,000	-	-	-	-	-	-	-	-	-	1,000
Balance as at 31 March 2018	35,836	(90)	(634)	(60)	-	(2,002)	15	(40,917)	(43,598)	55	(7,797)
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	-	-	-	-	-	-	-	(7,981)	(7,981)	(7)	(7,988)
Other comprehensive loss for the period	-	-	-	-	-	(1,022)	-	-	(1,022)	-	(1,022)
Total comprehensive loss for the period	-	-	-	-	-	(1,022)	-	(7,981)	(9,003)	(7)	(9,010)
Adjustment to treasury share reserve	-	(12)	12	-	-	-	-	-	12	-	-
Balance as at 31 March 2017	34,836	(286)	(476)	-	-	(3,560)	15	(9,344)	(13,365)	-*	21,185

COMPANY

Current Period:											
Balance as at 1 July 2017	34,836	(286)	(476)	-	-	-	-	(6,160)	(6,636)	-	27,914
Net loss for the period	-	-	-	-	-	-	-	(115)	(115)	-	(115)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(115)	(115)	-	(115)
Transfer of treasury shares	-	196	(158)	-	-	-	-	-	(158)	-	38
Issuance of share capital	1,000	-	-	-	-	-	-	-	-	-	1,000
Balance as at 31 March 2018	35,836	(90)	(634)	-	-	-	-	(6,275)	(6,909)	-	28,837
Previous Period:											
Balance as at 1 July 2016	34,836	(274)	(488)	-	-	-	-	190	(298)	-	34,264
Net profit for the period	-	-	-	-	-	-	-	74	74	-	74
Total comprehensive income for the period	-	-	-	-	-	-	-	74	74	-	74
Adjustment to treasury share reserve	-	(12)	12	-	-	-	-	-	12	-	-
Balance as at 31 March 2017	34,836	(286)	(476)	-	-	-	-	264	(212)	-	34,338

* Denotes less than S\$1,000.

- 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 December 2017 save for the allotment and issuance of 26,143,791 new shares at an issue price of S\$0.03825 per share on 5 February 2018. All new shares issued on 5 February 2018 were fully paid.

As at 31 March 2018, the Company held 640,000 treasury shares (31 March 2017: 1,914,955) against a total number of 268,029,019 issued shares excluding treasury shares (31 March 2016: 240,610,273).

The percentage of the aggregate number of treasury shares held against the total number of issued shares as at 31 March 2018 is 0.24% (31 March 2017: 0.80%).

Save as stated above, the Company had no outstanding options, convertible securities, treasury shares or subsidiary holdings as at 31 March 2018 and 31 March 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 31 March 2018	As At 30 June 2017
No. of issued shares excluding treasury shares	268,029,019	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**

During the third quarter ended 31 March 2018, the Company transferred 1,274,955 treasury shares to employees of the Group pursuant to the KTL Performance Share Scheme.

- 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 30 June 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 statements for the financial year ended 30 June 2017.

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 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 Third Quarter Ended		Group Nine months ended	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Earnings per ordinary share				
(a) Based on the weighted average number of ordinary shares in issue	(2.17) cents	(1.09) cents	(4.05) cents	(3.32) cents
Weighted average number of ordinary shares in issue	251,546,847	240,610,273	245,430,344	240,610,273
(b) On a fully diluted basis	(2.17) cents	(1.09) cents	(4.05) cents	(3.32) cents
Weighted average number of ordinary shares in issue	251,546,847	240,610,273	245,430,344	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	
	31-Mar-18	30-Jun-17	31-Mar-18	30-Jun-17
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	(2.93) cents	0.03 cents	10.76 cents	11.60 cents
Number of shares in issue excluding treasury shares	268,029,019	240,610,273	268,029,019	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

3Q 2018 vs 3Q 2017 & 9M 2018 vs 9M 2017

The Group's revenue for the three months ended 31 March 2018 ("3Q 2018") was S\$6.8 million, 16% lower than the S\$8.1 million generated for the corresponding period in the last financial year ("3Q 2017"). The decrease is mainly due to the decrease in revenue generated from product sales segment for 3Q 2018.

The Group's revenue for the nine months ended 31 March 2018 ("9M 2018") was S\$27.2 million, 7% higher than the S\$25.5 million generated for the corresponding period in the last financial year ("9M 2017"). The increase was mainly due to the increase in revenue generated across all segments for 9M 2018.

Gross Profit

3Q 2018 vs 3Q 2017 & 9M 2018 vs 9M 2017

The Group's gross profit for 3Q 2018 was lower than that for 3Q 2017 due to the decrease in revenue. The Group's gross profit for 9M 2018 was higher than that for 9M 2017 due to increase in revenue.

Overall, the gross profit margin for 3Q 2018 and 9M 2018 as compared to 3Q 2017 and 9M 2017 has increased as a result of lower fixed costs such as rental expenses, depreciation and salary.

Other Operating Income

3Q 2018 vs 3Q 2017

The Group's other operating income was lower for 3Q 2018 compared to 3Q 2017 mainly due to decrease in rental income of S\$0.2 million as the Group had relocated its registered office and ceased the subletting of its warehouse and open yard spaces in February 2018. The decrease was partly offset by an increase in gain on disposal of leasehold equipment of S\$0.1 million.

9M 2018 vs 9M 2017

The Group's other operating income was lower for 9M 2018 compared to 9M 2017 mainly due to decrease in rental income of S\$0.5 million as the Group had relocated its registered office and ceased the subletting of its warehouse and open yard spaces in February 2018.

Operating Expenses

3Q 2018 vs 3Q 2017 & 9M 2018 vs 9M 2017

The Group's operating expenses comprised administration and sales and marketing expenses. Administration expenses for 3Q 2018 and 9M 2018, were lower than 3Q 2017 and 9M 2017 respectively. This was mainly due to decrease in depreciation of S\$0.3 million, directors' remuneration of S\$0.1 million, and partly offset by an increase in bonus expenses of S\$0.1 million.

Sales and marketing expenses for 3Q 2018 and 9M 2018, were also higher than 3Q 2017 and 9M 2017 respectively. The increase in sales and marketing expenses for 3Q 2018 compared to 3Q 2017 was mainly due to increase in sales commission of S\$0.2 million. The increase in sales commission is a result from the increase in revenue in the overseas subsidiaries in Middle East and Indonesia. Sales and marketing expenses for 9M 2018 was higher than 9M 2017 due to increase in sales commission of S\$0.2 million, partly offset by decrease in entertainment expenses of S\$0.1 million and travel expenses of S\$0.1 million.

Other Operating Expenses

3Q 2018 vs 3Q 2017 & 9M 2018 vs 9M 2017

Other operating expenses for Q3 2018 and 9M 2018 was higher than 3Q 2017 and 9M 2017 respectively due to 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 S\$2.7 million (net), increase foreign exchanges losses of S\$0.3 million and impairment on investment of S\$0.2 million, partly offset by decrease in loss on disposal of fixed assets of S\$0.1 million.

Finance Costs

3Q 2018 vs 3Q 2017 & 9M 2018 vs 9M 2017

Finance costs for 3Q 2018 and 9M 2018 was higher than 3Q 2017 and 9M 2017 respectively due to the increase in the cost of borrowings from fixed rate loans and bills payables interests rates pegged to SIBOR and LIBOR.

Profit or loss, attributable to owners of the parent

3Q 2018 vs 3Q 2017

The increase in net loss attributable to owners of the parent for 3Q 2018 was due to decrease in revenue and other operating income, and increase in other operating expenses, finance costs and sales and marketing expenses, partly offset by decrease in administration expenses and share of losses from an associate.

9M 2018 vs 9M 2017

The increase in net loss attributable to owners of the parent for 9M 2018 was due to decrease in other operating income and share of results of an associate, and increase in other operating expenses, finance costs and sales and marketing expenses, partly offset by an increase in revenue and decrease in administration expenses.

Statement of Financial Position Review

31 March 2018 vs 30 June 2017

Current assets

The current assets of S\$25.9 million as at 31 March 2018 was lower compared to that as at 30 June 2017, mainly due to decreases in inventories of S\$2.1 million, other receivables, deposits and prepayments of S\$0.3 million and cash and cash balances of S\$0.6 million, partly offset by an increase in trade receivables of S\$0.6 million.

Non-current assets

The non-current assets of S\$21.2 million as at 31 March 2018 was lower compared to that as at 30 June 2017 mainly due to decreases in property, plant and equipment of S\$0.6 million partially offset by an increase in investment properties of S\$0.1 million and prepaid land lease of S\$0.1 million. The increase in investment properties and prepaid land lease was mainly due to strengthening of Malaysia Ringgit against Singapore Dollar.

Current liabilities

The current liabilities of S\$44.1 million as at 31 March 2018 was higher compared to that as at 30 June 2017, mainly due to increase in loan from directors of S\$5.7 million, partly offset by decreases in interest-bearing loans and borrowings of S\$3.2 million, trade payables of S\$1.0 million and other payables and accruals of S\$0.5 million.

Non-current liabilities

The non-current liabilities of S\$10.9 million as at 31 March 2018 was higher compared to that as at 30 June 2017 mainly due to increase in other payables of S\$2.8 million, partly offset by decrease in interest bearing loans and borrowings of S\$0.4 million.

Cash Flow Review

3Q 2018

The net cash flows used in operating activities for 3Q 2018 was S\$1.9 million and this was mainly due to loss before tax of S\$5.5 million, increase in other receivables, deposits and prepayments of S\$0.4 million and decrease in trade payables of S\$1.3 million, partly offset by decrease in trade receivables of S\$1.8 million and inventories of S\$0.2 million and increase other payables and accruals of S\$2.7 million. Cash flows from investing activities was mainly due to the proceeds from the disposal of investments of S\$0.7 million and disposal of property, plant and equipment of S\$0.2 million, partly offset by the purchase of property, plant and equipment of S\$0.5 million. The cash flows from financing activities was S\$0.7 million and this was mainly due to the increase in loan from directors of S\$2.0 million and issuance of ordinary shares of S\$1.0 million, partly offset by net repayment of interest-bearing loans and borrowings of S\$2.0 million and interest paid of S\$0.4 million.

9M 2018

The net cash flows used in operating activities for 9M 2018 was S\$3.7 million and this was mainly due to loss before tax of S\$9.9 million, income tax paid of S\$0.1 million, and decreases in trade payables of S\$1.7 million and increase in trade receivables of S\$0.2 million, partly offset by increase in other payables and accruals of S\$2.2 million and decrease in inventories of S\$2.9 million and other receivables, deposits and prepayments of S\$0.5 million. Cash flows from investing activities of S\$1.8 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\$0.3 million, partly offset by purchase of property, plant and equipment of S\$0.5 million. The cash flows from financing activities was mainly due to the loans from directors of S\$6.7 million and issuance of ordinary shares of S\$1.0 million, partly offset by the net repayment of interest-bearing loans and borrowings of S\$5.1 million, interest paid of S\$1.2 million and pledge of fixed deposits 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 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 O&G market is expected to remain challenging over the next twelve months. The recent recovery in oil prices resulted in a corresponding, noticeable increase in activity in the global offshore O&G market. The Group expects to benefit from this increased activity as well as from our continued development in synthetic products.

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 9M 2018.

13 Interested person transactions

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

In 9M 2018, 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 third quarter ended 31 March 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: 2 May 2018

Tan Kheng Kuan
Chief Executive Officer
Date: 2 May 2018