



KTL Global Limited

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

Unaudited Fourth Quarter and Twelve Months Financial Statements and Dividend Announcement For the Financial Period Ended 30 June 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 April 2018 to 30 June 2018 and a 12-month period from 1 July 2017 to 30 June 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 Fourth Quarter Ended		% Change Increase/ (Decrease)	Group Twelve Months Ended		% Change Increase/ (Decrease)
	30-Jun-18 S\$'000	30-Jun-17 S\$'000		30-Jun-18 S\$'000	30-Jun-17 S\$'000	
Revenue	7,223	5,429	33%	34,440	30,882	12%
Cost of sales	(5,988)	(8,809)	-32%	(29,452)	(31,805)	-7%
Gross profit (loss)	1,235	(3,380)	N.M.	4,988	(923)	N.M.
Other operating income	-	531	N.M.	1,081	1,966	-45%
Administration expenses	(2,681)	(2,955)	-9%	(11,243)	(11,903)	-6%
Sales and marketing expenses	(548)	(680)	-19%	(2,439)	(2,565)	-5%
Other operating expenses	(51)	(14,922)	N.M.	(3,210)	(15,021)	N.M.
Share of results of joint venture company	-	(228)	N.M.	-	(228)	N.M.
Share of results of an associate	-	19	N.M.	-	44	N.M.
Loss from operations	(2,045)	(21,615)	-91%	(10,823)	(28,630)	-62%
Finance costs	(508)	(390)	30%	(1,657)	(1,360)	22%
Loss from operations before taxation	(2,553)	(22,005)	-88%	(12,480)	(29,990)	-58%
Income tax expense	-	359	N.M.	-	356	N.M.
Loss net of tax	(2,553)	(21,646)	-88%	(12,480)	(29,634)	-58%
Other comprehensive (loss) income:						
Exchange differences on translating foreign operations, net of tax	(433)	575	N.M.	548	(448)	N.M.
Other comprehensive income (loss) for the period	(433)	575	N.M.	548	(448)	N.M.
Total comprehensive loss	(2,986)	(21,071)	-86%	(11,932)	(30,082)	-60%
Loss net of tax attributable to:						
-Owners of the parent	(2,556)	(21,629)	-88%	(12,495)	(29,610)	-58%
-Non-controlling interests	3	(17)	N.M.	15	(24)	N.M.
Loss net of tax	(2,553)	(21,646)	-88%	(12,480)	(29,634)	-58%
Total comprehensive loss attributable to:						
-Owners of the parent	(2,989)	(21,054)	-86%	(11,946)	(30,058)	-60%
-Non-controlling interests	3	(17)	N.M.	14	(24)	N.M.
Total comprehensive loss	(2,986)	(21,071)	-86%	(11,932)	(30,082)	-60%

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

	Group Fourth Quarter Ended		% Change Increase/ (Decrease)	Group Twelve Months Ended		% Change Increase/ (Decrease)
	30-Jun-18 S\$'000	30-Jun-17 S\$'000		30-Jun-18 S\$'000	30-Jun-17 S\$'000	
Depreciation of property, plant and equipment	(446)	(1,011)	-56%	(1,644)	(4,112)	-60%
Property, plant and equipment written off	-	(770)	N.M.	-	(770)	N.M.
Impairment losses on property, plant and equipment	-	(7,772)	N.M.	-	(7,772)	N.M.
Inventory written off	(316)	(509)	-38%	(475)	(509)	-7%
Reversal (Allowance) for inventory obsolescence	(5)	(2,398)	-100%	441	(2,398)	N.M.
Reversal of (Impairment losses) on investment	170	(4,964)	N.M.	170	(4,964)	N.M.
Reversal of (Allowance) for doubtful debts	51	(1,264)	N.M.	(143)	(1,264)	-89%
Interest expenses	(508)	(390)	30%	(1,657)	(1,360)	22%
(Loss) Gain on disposal of property, plant and equipment, net	(178)	33	N.M.	92	(58)	N.M.
Foreign exchange (loss) gain, net	(136)	(293)	-54%	(397)	(186)	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-Jun-18 S\$'000	30-Jun-17 S\$'000	30-Jun-18 S\$'000	30-Jun-17 S\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	14,318	14,545	-	-
Prepaid land lease	3,213	3,174	-	-
Investment properties	1,701	2,062	-	-
Subsidiaries	-	-	13,161	13,161
Joint ventures	649	479	-	-
Due from subsidiaries	-	-	9,978	6,961
Other receivables, deposits and prepayments	102	150	-	-
Deferred tax assets	1,261	1,261	-	-
Total non-current assets	21,244	21,671	23,139	20,122
Current assets:				
Inventories	13,953	17,498	-	-
Trade receivables	6,859	7,199	-	-
Other receivables, deposits and prepayments	3,742	2,242	-	7
Income tax receivable	13	10	-	-
Due from subsidiaries	-	-	5,932	5,970
Due from associate and joint venture companies	-	56	-	-
Cash and bank balances	552	1,363	35	13
	25,119	28,368	5,967	5,990
Non-current asset classified as held for sale	-	2,068	-	2,068
Total current assets	25,119	30,436	5,967	8,058
Total assets	46,363	52,107	29,106	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	(46,656)	(34,468)	(7,018)	(6,636)
Reserve attributable to non-current asset held for sale	-	(12)	-	-
Equity, attributable to owners of the parent	(10,820)	70	28,818	27,914
Non-controlling interests	57	43	-	-
Total equity	(10,763)	113	28,818	27,914
Non-current liabilities:				
Other payables	3,524	1,374	-	-
Interest-bearing loans and borrowings	5,835	6,916	-	-
Deferred tax liabilities	175	175	-	-
Total non-current liabilities	9,534	8,465	-	-
Current liabilities:				
Trade payables	5,352	6,592	-	-
Bills payables	3,752	3,565	-	-
Other payables and accruals	7,606	4,993	276	254
Loan from directors	7,659	1,000	-	-
Interest-bearing loans and borrowings	23,223	27,379	-	-
Income tax payable	-	-	12	12
Total current liabilities	47,592	43,529	288	266
Total liabilities	57,126	51,994	288	266
Total equity and liabilities	46,363	52,107	29,106	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 June 2018		As At 30 June 2017	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bills payables	3,752	-	3,565	-
Interest-bearing loans and borrowings:				
Hire purchase creditors	501	-	464	-
Term loan	22,722	-	26,915	-
	26,975	-	30,944	-

Amount repayable after one year

	As At 30 June 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	971	-	1,210	-
Term loan	4,864	-	5,706	-
	5,835	-	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\$22.0 million (30 June 2017: S\$26.5 million), the long term portion of the loan amounting to S\$3.6 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 a 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 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 Fourth quarter ended		Group Twelve months ended	
	30-Jun-18 S\$'000	30-Jun-17 S\$'000	30-Jun-18 S\$'000	30-Jun-17 S\$'000
Cash Flows Used In Operating Activities:				
Loss before tax from operations	(2,553)	(22,005)	(12,480)	(29,990)
Adjustments for:				
Depreciation of property, plant and equipment	446	1,011	1,644	4,112
Impairment loss on investment in associates	-	4,941	-	4,941
Impairment on plant and equipment	-	7,772	-	7,772
Impairment on investment in joint venture	(170)	23	(170)	23
(Reversal of) Impairment loss on prepaid land lease	-	(43)	-	(43)
Impairment loss on investment properties	-	(50)	-	(50)
(Reversal of) Allowance for inventory obsolescence	5	2,398	(441)	2,398
Inventory written off	316	509	475	509
Allowance for impairment on amount due from joint venture companies and associates	48	984	242	984
(Reversal) Allowance for doubtful debts	(99)	280	(99)	280
(Gain) Loss on disposal of property, plant and equipment and investments	178	(33)	(92)	58
Plant and equipment written off	-	770	-	770
Amortisation of prepaid land lease	32	30	124	121
Interest expenses	508	390	1,657	1,360
Share of results of an associate	-	(19)	-	(44)
Share of results of joint venture companies	-	228	-	228
Share distribution expenses	19	-	57	-
Operating Cash Flows Before Working Capital Changes	(1,270)	(2,814)	(9,083)	(6,571)
Inventories	1,033	226	3,950	5,145
Trade receivables	1,032	179	837	1,027
Other receivables, deposits and prepayments	(1,835)	(1,385)	(1,372)	(1,358)
Trade payables	(177)	3,446	(1,858)	1,661
Other payables and accruals	2,429	1,822	4,671	993
Due to a related party	-	(4)	-	(4)
Net Cash Flows From (Used In) Operations Before Interest and Tax	1,212	1,470	(2,855)	893
Withholding tax paid	-	(14)	-	(14)
Income tax refund (paid)	51	2	(2)	(60)
Currency translation	(338)	469	60	-
Net Cash Flows From (Used In) Operating Activities	925	1,927	(2,797)	819
Cash Flows From (Used In) Investing Activities:				
Purchase of property, plant and equipment	(401)	(119)	(873)	(575)
Proceed from disposal of property, plant and equipment	-	-	183	216
Advances to associate and joint venture companies	(48)	(30)	(186)	(246)
Proceeds from disposal of investments, classified as held for sale	-	-	2,068	-
Net Cash Flows (Used In) From Investing Activities	(449)	(149)	1,192	(605)
Cash Flows From Financing Activities:				
Proceeds from interest-bearing loans and borrowings	440	-	412	4,957
Repayment of interest-bearing loans and borrowings	(1,567)	(3,021)	(5,620)	(5,175)
Loan from directors	983	-	7,659	1,000
Interest paid	(508)	(518)	(1,657)	(1,360)
Release of fixed deposit associated with bank guarantee	150	-	-	294
Issuance of ordinary shares (Note A)	-	-	-	-
Net Cash Flows (Used In) From Financing Activities	(502)	(3,539)	794	(284)
Net Decrease in Cash and Cash Equivalents	(26)	(1,761)	(811)	(70)
Effect of exchange rate changes on cash and cash equivalent	-	14	-	14
Cash and Cash Equivalents at Beginning of Period	578	3,110	1,363	1,419
Cash and Cash Equivalents at End of Period	552	1,363	552	1,363

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.

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	-	-	-	-	-	-	-	(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)
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

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
Previous Period:											
Balance as at 1 July 2016	34,836	(274)	(488)	-	-	-	-	190	(298)	-	34,264
Net profit 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

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

There has been no changes in the issued share capital of the Company since 31 March 2018.

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

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

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

During the fourth quarter ended 30 June 2018, the Company transferred 640,000 treasury shares to employees of the Group pursuant to the KTL Performance Share Scheme.

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

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 Fourth Quarter Ended		Group Twelve months ended	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
Earnings per ordinary share				
(a) Based on the weighted average number of ordinary shares in issue	(0.95) cents	(8.99) cents	(4.96) cents	(12.30) cents
Weighted average number of ordinary shares in issue	268,359,568	240,610,273	251,711,555	240,610,273
(b) On a fully diluted basis	(0.95) cents	(8.99) cents	(4.96) cents	(12.30) cents
Weighted average number of ordinary shares in issue	268,359,568	240,610,273	251,711,555	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-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	(4.03) 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

4Q 2018 vs 4Q 2017 & 12M 2018 vs 12M 2017

The Group's revenue for the three months ended 30 June 2018 ("4Q 2018") was S\$7.2 million, 33% higher than the S\$5.4 million generated for the corresponding period in the last financial year ("4Q 2017"). The increase is mainly due to the increase in revenue generated from all segment for 4Q 2018.

The Group's revenue for the 12 months ended 30 June 2018 ("12M 2018") was S\$34.4 million, 12% higher than the S\$30.9 million generated for the corresponding period in the last financial year ("12M 2017"). The increase was mainly due to the increase in revenue generated across all segments for 12M 2018.

Gross Profit

4Q 2018 vs 4Q 2017 & 12M 2018 vs 12M 2017

The Group's gross profit for 4Q 2018 and 12M 2018 was higher than that for 4Q 2017 and 12M 2017 respectively, due to the increase in revenue and decrease in fixed costs classified in cost of sales.

Total fixed costs for 4Q 2018 and 12M 2018 classified as cost of sales was S\$0.3 million and S\$3.7 million respectively, a decrease as compared to 4Q 2017 and 12M 2017 of S\$1.6 million and S\$6.6 million respectively.

Other Operating Income

4Q 2018 vs 4Q 2017

The Group's other operating income was lower for 4Q 2018 compared to 4Q 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.

12M 2018 vs 12M 2017

The Group's other operating income was lower for 12M 2018 compared to 12M 2017 mainly due to decrease in rental income of S\$0.8 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 reversal of impairment losses in fixed assets of S\$0.1 million.

Operating Expenses

4Q 2018 vs 4Q 2017 & 12M 2018 vs 12M 2017

The Group's operating expenses comprised administration and sales and marketing expenses. Administration expenses for 4Q 2018 and 12M 2018 were lower than 4Q 2017 and 12M 2017, respectively.

The decrease in administration expenses for 4Q 2018 compared to 4Q 2017 was mainly due to decrease in rental expenses of S\$0.7 million, partly offset by increase in depreciation expenses S\$0.2 million and salary expenses of S\$0.2 million. The increase in depreciation expenses and salary expense of S\$0.2 million was mainly due to classification.

The decrease in administration expenses for 12M 2018 compared to 12M 2017 was mainly due to decrease in rental expenses of S\$0.7 million, property tax of S\$0.2 million, director remuneration of S\$0.2 million, partly offset by increase in consultancy and listing related expenses of S\$0.1 million, bonus expenses of S\$0.1 million and insurance expenses of S\$0.1 million.

Sales and marketing expenses for 4Q 2018 and 12M 2018, were also lower than 4Q 2017 and 12M 2017 respectively. The decrease in sales and marketing expenses for 4Q 2018 compared to 4Q 2017 was mainly due to decrease in travelling related expenses of S\$0.1 million.

The decrease in sales commission for 12M 2018 compared to 12M 2017 was mainly due to decrease in entertainment expenses of S\$0.1 million, travelling related expenses of S\$0.1 million and salary expenses of S\$0.1 million, partly offset by the increase in commission expenses of S\$0.2 million from increase in revenue in Middle East and Indonesia.

Other Operating Expenses

4Q 2018 vs 4Q 2017 & 12M 2018 vs 12M 2017

Other operating expenses for Q4 2018 and 12M 2018 was lower than 4Q 2017 and 12M 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\$5.0 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 S\$2.7 million (net) and increase in foreign exchanges losses of S\$0.3 million.

Finance Costs

4Q 2018 vs 4Q 2017 & 12M 2018 vs 12M 2017

Finance costs for 4Q 2018 and 12M 2018 was higher than 4Q 2017 and 12M 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. Compared to 12M 2017, the Group has also utilised more bills payables in the 12M 2018 and as a result, incurred higher finance costs.

Profit or loss, attributable to owners of the parent

4Q 2018 vs 4Q 2017

The decrease in net loss attributable to owners of the parent for 4Q 2018 was due to increase in revenue, 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 and joint venture company.

12M 2018 vs 12M 2017

The decrease in net loss attributable to owners of the parent for 12M 2018 was due to increase in revenue 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 and joint venture company.

Statement of Financial Position Review

30 June 2018 vs 30 June 2017

Current assets

The current assets of S\$25.1 million as at 30 June 2018 was lower compared to that as at 30 June 2017, mainly due to decreases in inventories of S\$3.5 million, cash and cash balances of S\$0.8 million and trade receivables of S\$0.3 million, partly offset by increase in other receivables, deposits and prepayments of S\$1.5 million.

Non-current assets

The non-current assets of S\$21.2 million as at 30 June 2018 was lower compared to that as at 30 June 2017 mainly due to decreases in property, plant and equipment of S\$0.2 million and investment properties of S\$0.3 million.

Current liabilities

The current liabilities of S\$47.6 million as at 30 June 2018 was higher compared to that as at 30 June 2017, mainly due to increase in loan from directors of S\$6.7 million, other payables and accruals of S\$2.6 million and bills payables of S\$0.2 million, partly offset by decrease in interest-bearing loans and borrowings of S\$4.2 million and trade payables of S\$1.2 million.

Non-current liabilities

The non-current liabilities of S\$9.5 million as at 30 June 2018 was higher compared to that as at 30 June 2017 mainly due to increase in other payables of S\$2.2 million, partly offset by decrease in interest bearing loans and borrowings of S\$1.1 million. The increase in non-current other payables and accruals 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

4Q 2018

The net cash flows from operating activities for 4Q 2018 was S\$0.9 million and this was mainly due to decrease in inventories of S\$1.0 million and trade receivables of S\$1.0 million, and increase in other payables and accruals of S\$2.4 million, partly offset by loss before tax of S\$2.6 million, increase in other receivables, deposits and prepayments of S\$1.8 million and decrease in trade payables of S\$0.2 million. Cash flows used in investing activities was mainly due to the purchase of property, plant and equipment of S\$0.4 million for renovation of new office. The cash flows used in financing activities was S\$0.5 million and this was mainly due to the net repayment of interest-bearing loans and borrowings of S\$1.1 million and interest paid of S\$0.5 million, partly offset by loan from directors of S\$1.0 million and release of fixed deposit associated with bank guarantee of S\$0.2 million.

12M 2018

The net cash flows used in operating activities for 12M 2018 was S\$2.8 million and this was mainly due to loss before tax of S\$12.5 million, increase in other receivables, deposits and prepayments of S\$1.4 million and decrease in trade payables of S\$1.9 million, partly offset by decrease in inventories of S\$4.0 million and trade receivables of S\$0.8 million and increase in other payables and accruals of S\$4.7 million. Cash flows from investing activities of S\$1.2 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\$0.2 million, partly offset by purchase of property, plant and equipment of S\$0.9 million and advances to associate and joint venture companies of S\$0.2 million. The cash flows from financing activities of S\$0.8 million was mainly due to the loans from directors of S\$7.7 million, partly offset by the net repayment of interest-bearing loans and borrowings of S\$5.2 million and interest paid of S\$1.7 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**

While oil prices appear to have stabilised after having recovered in the earlier part of the year, the O&G market is still characterised by an oversupply of goods and service providers which will ensure that challenging conditions will continue to prevail for the next twelve months. However, the Group expects to continue to enjoy the benefit from the increased business activity as a result of the higher oil price.

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 12M 2018.

13 Interested person transactions

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

In 12M 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 fourth quarter and twelve months ended 30 June 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: 13 August 2018

Tan Kheng Kuan
Chief Executive Officer
Date: 13 August 2018