



# **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 31 March 2020**

**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)

	<b>Group</b>		% Change Increase/ (Decrease)
	<b>Three Months Ended</b>	<b>Three Months Ended</b>	
	31.03.2020 S\$'000	31.03.2019 S\$'000	
<b>Revenue</b>	1,990	-	N.M.
Administration expenses	(768)	(144)	433%
Sales and marketing expenses	(14)	-	N.M.
<b>Profit/(loss) from operations</b>	1,208	(144)	N.M.
Finance costs	(2)	-	N.M.
<b>Profit/(loss) before taxation</b>	1,206	(144)	N.M.
Income tax expense	(308)	-	N.M.
<b>Profit/(Loss) from continuing operation</b>	898	(144)	N.M.
<b>Discontinued operations</b>			
Loss from discontinued operations	-	(1,746)	N.M.
<b>Total profit/ (loss)</b>	898	(1,890)	N.M.
<b>Other comprehensive income:</b>			
Exchange differences on translating foreign operations, net of tax	-	457	N.M.
Other comprehensive income for the period	-	457	N.M.
<b>Total comprehensive income/ (loss)</b>	898	(1,433)	N.M.
<b>Profit/ (Loss) attributable to:</b>			
-Owners of the parent	88	(1,866)	N.M.
-Non-controlling interests	810	(24)	N.M.
	898	(1,890)	N.M.
<b>Total comprehensive income/ (loss) attributable to:</b>			
-Owners of the parent	88	(1,409)	N.M.
-Non-controlling interests	810	(24)	N.M.
	898	(1,433)	N.M.

**1(a)(i) Profit/ (Loss) before taxation is arrived after crediting/ (charging) the following :**

	<b>Group</b>		% Change Increase/ (Decrease)
	<b>Three Months Ended</b>		
	31.03.2020 S\$'000	31.03.2019 S\$'000	
Depreciation of property, plant and equipment	(7)	-	N.M.
Interest expenses	(2)	-	N.M.

**Notes:**

(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	
	31/03/2020 S\$'000	31/12/2019 S\$'000	31/03/2020 S\$'000	31/12/2019 S\$'000
<b>ASSETS</b>				
<b>Non-current assets:</b>				
Property, plant and equipment	67	75	-	-
Subsidiaries	-	-	51	50
<b>Total non-current assets</b>	<b>67</b>	<b>75</b>	<b>51</b>	<b>50</b>
<b>Current assets:</b>				
Trade receivables	12,161	11,171	-	-
Other receivables, deposits and prepayments	90	26	10	17
Due from subsidiaries	-	-	706	647
Cash and bank balances	395	136	22	91
Assets held for sales	-	37,096	-	1
<b>Total current assets</b>	<b>12,646</b>	<b>48,429</b>	<b>738</b>	<b>756</b>
<b>Total assets</b>	<b>12,713</b>	<b>48,504</b>	<b>789</b>	<b>806</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	36,776	36,776	36,776	36,776
Reserves	(34,184)	(54,963)	(36,393)	(36,279)
<b>Equity, attributable to owners of the parent</b>	<b>2,592</b>	<b>(18,187)</b>	<b>383</b>	<b>497</b>
Non-controlling interests	3,098	2,288	-	-
<b>Total equity</b>	<b>5,690</b>	<b>(15,899)</b>	<b>383</b>	<b>497</b>
<b>Non-current liabilities:</b>				
Interest-bearing loans and borrowings	50	51	-	-
<b>Total non-current liabilities</b>	<b>50</b>	<b>51</b>	<b>-</b>	<b>-</b>
<b>Current liabilities:</b>				
Trade payables	1,209	1,209	29	29
Contract liability	2,910	2,910	-	-
Other payables and accruals	491	337	377	280
Interest-bearing loans and borrowings	22	29	-	-
Income tax payable	2,341	2,030	-	-
Liabilities held for sales	-	57,837	-	-
<b>Total current liabilities</b>	<b>6,973</b>	<b>64,352</b>	<b>406</b>	<b>309</b>
<b>Total liabilities</b>	<b>7,023</b>	<b>64,403</b>	<b>406</b>	<b>309</b>
<b>Total equity and liabilities</b>	<b>12,713</b>	<b>48,504</b>	<b>789</b>	<b>806</b>

**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 2020		As at 31 December 2019	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Interest-bearing loans and borrowings: from FRS 116 (Rights to use)	-	22	-	29
	-	22	-	29

**Amount repayable after one year**

	As at 31 March 2020		As at 31 December 2019	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Interest-bearing loans and borrowings: from FRS 116 (Rights to use)	-	50	-	51
	-	50	-	51

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	
	Three Months Ended	Three Months Ended
	31/03/2020 S\$'000	31/03/2019 S\$'000
<b><u>Cash Flows Generated From/ (Used In) Operating Activities:</u></b>		
Total profit/(loss)	898	(1,890)
Adjustments for:		
Income tax expenses	308	8
Depreciation of property, plant and equipment	8	344
Property, plant and equipment written off		(2)
Reversal of Impairment on plant and equipment	-	(68)
Bad debts written off	-	12
Reversal for doubtful debts	-	(46)
Debts waived by related company		(527)
Amortisation of prepaid land lease	-	32
Interest expenses	2	422
Share of results of joint venture companies	-	(25)
<b>Operating Cash Flows Before Working Capital Changes</b>	<b>1,216</b>	<b>(1,740)</b>
Inventories	-	1,230
Trade and other receivables	(1,054)	172
Trade and other payables	107	(1,480)
<b>Net Cash Flows (Used In)/ Generated from Operations Before Interest and Tax</b>	<b>269</b>	<b>(1,818)</b>
Income tax paid	-	(12)
Currency translation	-	352
<b>Net Cash Flows Generated From/ (Used In) Operating Activities</b>	<b>269</b>	<b>(1,478)</b>
<b><u>Cash Flows Generated From Investing Activities:</u></b>		
Purchase of property, plant and equipment	-	(292)
Proceed from disposal of property, plant and equipment	-	725
<b>Net Cash Flows Generated from Investing Activities</b>	<b>-</b>	<b>433</b>
<b><u>Cash Flows Used In Financing Activities:</u></b>		
Proceeds from interest-bearing loans and borrowings	-	73
Repayment of interest-bearing loans and borrowings	(10)	(852)
Loan from controlling shareholders	-	575
Interest paid	-	(422)
<b>Net Cash Flows Used In Financing Activities</b>	<b>(10)</b>	<b>(626)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>259</b>	<b>(1,671)</b>
Cash and Cash Equivalents at Beginning of Period	136	2,453
<b>Cash and Cash Equivalents at End of Period</b>	<b>395</b>	<b>782</b>

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 Reserve	Premium paid on on acquisition of non-controlling interest	Translation Reserve	Statutory Reserve Fund	Accumulated Profits (Losses)	Total Reserves		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
<b>Current Period:</b>									
Balance as at 1 January 2020	36,776	(706)	(60)	717	15	(54,929)	(54,963)	2,288	(15,899)
Net profit for the Period	-	-	-	-	-	898	898	810	1,708
Release of reserve due to disposal of subsidiaries	-	-	60	(717)	(15)	20,538	19,881	-	19,881
<b>Balance as at 31 March 2020</b>	<b>36,776</b>	<b>(706)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33,493)</b>	<b>(34,184)</b>	<b>3,098</b>	<b>5,690</b>
<b>Previous Period:</b>									
Balance as at 1 January 2019	36,776	(706)	(60)	(2,591)	15	(50,609)	(53,951)	73	(17,102)
Net loss for the period	-	-	-	-	-	(1,866)	(1,866)	(24)	(1,890)
Other comprehensive income for the period	-	-	-	458	-	-	458	-	458
Total comprehensive loss for the period	-	-	-	458	-	(1,866)	(1,408)	(24)	(1,432)
<b>Balance as at 31 March 2019</b>	<b>36,776</b>	<b>(706)</b>	<b>(60)</b>	<b>(2,133)</b>	<b>15</b>	<b>(52,475)</b>	<b>(55,359)</b>	<b>49</b>	<b>(18,534)</b>

**COMPANY**

<b>Current Period:</b>									
Balance as at 1 January 2020	36,776	(706)	-	-	-	(35,573)	(36,279)	-	497
Net loss for the Period	-	-	-	-	-	(114)	(114)	-	(114)
<b>Balance as at 31 March 2020</b>	<b>36,776</b>	<b>(706)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,687)</b>	<b>(36,393)</b>	<b>-</b>	<b>383</b>
<b>Previous Period:</b>									
Balance as at 1 January 2019	36,776	(706)	-	-	-	(35,697)	(36,403)	-	373
Net loss for the period	-	-	-	-	-	(280)	(280)	-	(280)
<b>Balance as at 31 March 2019</b>	<b>36,776</b>	<b>(706)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,977)</b>	<b>(36,683)</b>	<b>-</b>	<b>93</b>

**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 1 January 2020.

As at 31 March 2020, the Company held no treasury shares (31 March 2019: nil) against a total number of 315,669,019 issued shares (31 March 2019: 315,669,019 issued shares excluding treasury shares).

The percentage of the aggregate number of treasury shares held against the total number of issued shares as at 31 March 2020 is nil% (31 March 2019: nil%).

Save as stated above, the Company had no outstanding options, convertible securities, treasury shares or subsidiary holdings as at 31 March 2020 and 31 March 2019.

**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 2020	As at 31 December 2019
No. of issued shares excluding treasury shares	315,669,019	315,669,019

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

Not applicable. No treasury shares have been sold, transferred, cancelled or used in any manner as at the end of the current financial year reported on.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial year 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 modifications or emphasis of a matter)**

Not applicable.

**3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

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 period ending 31 December 2020, 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 period ended 31 December 2019.

**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 ended 31 March 2020.



**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/(losses) per ordinary share attributable to the owners for the period is computed based on profit, net of tax attributable to owners of the parent:-

	<b>Group</b>	
	<b>Three-month ended</b>	
	31/03/2020	31/03/2019
Earnings/ (losses) per ordinary share		
(a) Based on the weighted average number of ordinary shares in issue	0.03 cents	(0.59) cents
Weighted average number of ordinary shares in issue	315,669,019	315,669,019
(b) On a fully diluted basis		
Weighted average number of ordinary shares in issue	315,669,019	315,669,019

**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.**

	<b>Group As At</b>		<b>Company As At</b>	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	1.80 cents	(5.87) cents	0.12 cents	0.03 cents
Number of shares in issue excluding treasury shares	315,669,019	315,669,019	315,669,019	315,669,019

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 2020 vs 1Q 2019**

The Group's revenue for the three months ended 31 March 2020 ("1Q 2020") was S\$2.0 million which represented services income generated by its 80% owned subsidiary, Bluegas Private Limited ("Bluegas") from the provision of branding, operation and procurement ("BOP") services to the operators in the PRC (who are our clients) (the "Client(s)") secured and assigned by the cooperation partner Shenzhen Green Leopard Medical Technology Co., Ltd. who manufactured smart automatic vending kiosks ("AVK") for the sales and dispensation of medical consumables and supplements. Bluegas provided the BOP services including (i) branding management, (ii) operational support, (iii) central procurement, (iv) recruitment, customised training and development of human resource to the downstream operators that supplied to hospitals, clinics and pharmacies in different provinces of PRC with smart automatic vending kiosks dispensing medical consumables and supplements.

Since February 2020, Bluegas has suspended its BOP services due to COVID-19 outbreak in China. The 1Q 2020 revenue represented the service income earned in January 2020.

There is no revenue presented for the last corresponding period ended 31 March 2019 ("1Q 2019"), because the revenue as presented in the financial statement of the last financial period was reclassified to the item loss from discontinued operations, after the completion of the disposal of the Company's wholly-owned subsidiaries, KTL Offshore Pte. Ltd. ("KOPL") and KTL Investment Pte. Ltd. ("KIPL") ("Disposal Group") ("Disposal") in January 2020. Also, there was no revenue from Bluegas recorded in 1Q 2019 as its BOP business had not commenced.

#### **Gross Profit**

##### **1Q 2020 vs 1Q 2019**

The Group's gross profit for 1Q 2020 was S\$2.0 million, all attributable to the revenue generated from BOP services without cost of sales in 1Q 2020. There is no gross profit for 1Q 2019 as the revenue and cost of sales of the Disposal Group were classified to the item loss from discontinued operations and the BOP business of Bluegas had not commenced in 1Q 2019.

#### **Operating Expenses**

##### **1Q 2020 vs 1Q 2019**

The Group's operating expenses comprised administrative expenses and selling expenses.

The administrative expenses recorded an increase of S\$624k to S\$768k in 1Q 2020 and the selling expenses recorded an increase of S\$14k in 1Q 2020, mainly attributable to (i) classification of operating expenses of the Disposal Group to the item loss from discontinued operations and (ii) low operating costs from Bluegas as the BOP service business had not commenced in 1Q 2019.

## **Finance Costs**

### **1Q 2020 vs 1Q 2019**

Finance costs in 1Q 2020 represented the interest expenses derived from the Group's leased premises recognised in accordance with Singapore Financial Reporting Standards ("SFRS") No. 116. The decrease of finance costs compared with 1Q 2019 is due to lower interest-bearing borrowings in 1Q 2020.

## **Profit or loss, attributable to owners of the parent**

### **1Q 2020 vs 1Q 2019**

The profits attributable to owners of the parent in 1Q 2020 were mainly due to the recognition of revenue and its profit for the BOP business contributed from Bluegas. The loss attributable to owners of the parent in 1Q 2019 was due to the loss-making business from the Disposal Group.

## **Statement of Financial Position Review**

### **31 March 2020 vs 31 December 2019**

#### **Current assets**

The current assets mainly represented the trade receivables from the customers in PRC derived wholly from our BOP service fees amounting to S\$12.2 million as at 31 March 2020. The decrease of current assets from S\$48.4 million to S\$12.6 million is mainly due to the derecognition of the assets held for sale from the Disposal Group of S\$37.1 million since January 2020.

The COVID-19 outbreak has resulted in a significant impact on the Clients in PRC. Although the BOP services have been suspended since February 2020, the Clients had made partial settlement amounting to S\$4 million as at the date of this announcement. Payment of the remaining trade receivables was structured as a repayment plan to be paid from September 2020 to March 2021. The management is of the view that the repayment plan is necessary to facilitate collection in view of businesses being adversely affected by consequences of COVID-19. As at the date of this announcement, there is no indication of impairment losses for the trade receivables.

#### **Current liabilities**

The current liabilities as at 31 March 2020 decreased from S\$64.4 million to S\$7.0 million, due mainly to the derecognition of the liabilities held for sale from the Disposal Group of S\$57.8 million since January 2020.

The trade payables of S\$1.2 million pertained to the cost of purchase of materials payable to the vendors in connection to Bluegas BOP services. The contract liability of S\$2.9 million arose from Bluegas obligation to perform BOP services to customers for which the service fee was due from such customers but the performance of services had not yet been completed.

## **Cash Flow Review**

### **1Q 2019**

The net cash flows generated from operating activities for 1Q 2020 was S\$0.3 million and this was mainly due to the total profits for 1Q2020 of S\$0.9 million, adjusted by increase in trade and other receivables of S\$1.1 million. There were no cash flows generated from investing activities during the period of 1Q 2020. The net cash flows used in financing activities was S\$10,000 and this was due to the repayment of interest-bearing loan.

**9 Where a forecast, or a prospect statement, had been previously disclosed to shareholders, any variance between it and the actual results**

The Group's financial results for 1Q 2020 are in line with the profit guidance announcement released by the Company on 29 April 2020.

**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**

Outlook

Following the completion of the Disposal in January 2020, Bluegas, the Group's major operating subsidiary to provide BOP services in the AVK sector in PRC, will become the main contributor of the financial performance of the Group. The Group will continue providing the BOP services "under one roof", which offers clients a full suite of an integrated solution to their business needs, and confers them with branding and marketing abilities for rapid penetration, public relation services for expanding network, central procurement platform for cost-saving, liaison channels with relevant local authorities for business development, as well as know-how and skills for improving overall operating efficiency.

The Group intends to leverage on the network of business relationships it has established in PRC, and the expertise it has developed through the provision of BOP services, to companies outside the existing sector as and when such opportunity arises.

Although the COVID-19 outbreak has resulted in a significant impact on Bluegas' clients in PRC with the BOP services to all of its clients suspended since February 2020, one of Bluegas' clients has resumed normal operations since the middle of June 2020 and the provision of BOP services to that client had been resumed.

The situation pertaining to the outbreak and containment of the COVID-19 outbreak remains highly uncertain. As such, the Group will continue to closely monitor the impact, if any, which it may have on its financial performance in the next twelve months.

**11 If a decision regarding dividend has been made:-**

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

None.

**(b) (i) Amount per share**

None.

**(ii) Previous corresponding period**

None.

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

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

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

Not applicable.

**12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the current financial period up to the date of this announcement as the Group currently still has retained losses.

**13 Interested person transactions**

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

In the current financial period, the Company did not enter into any interested person transaction of more than S\$100,000 in value.

**14 Confirmation pursuant to Rule 720 (1) of the Listing Manual**

The Company confirms that it has procured undertaking from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) under 720 (1) of the Listing Manual.

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

We, Liu Changsheng 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 first quarter ended 31 March 2020 to be false or misleading in any material aspect.

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

Liu Changsheng  
Chief Executive Officer  
Date: 26 June 2020

Tan Kheng Kuan  
Non-executive Director  
Date: 26 June 2020