



Half year financial statements and dividend announcement for the period ended 31/12/07

The Company's initial public offering was sponsored by Phillip Securities Pte Ltd.

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	6 months ended		Change%
	31.12.2007 S\$'000	31.12.2006 S\$'000 (Note 1)	
Revenue	27,162	18,472	47.0%
Cost of sales	17,862	12,221	46.2%
Gross profit	9,300	6,251	48.8%
Other operating income	752	457	63.9%
Administration expenses	(4,584)	(2,711)	69.1%
Sales and marketing expenses	(2,149)	(1,305)	64.7%
Other operating expenses	(94)	(4)	2,216.3%
Profit from operations	3,225	2,688	20.0%
Finance costs	(543)	(548)	0.9%
Profit before taxation	2,682	2,140	25.3%
Income tax expenses	(498)	(388)	28.3%
Profit attributable to the shareholders	2,184	1,752	24.6%
Basic Earnings per share (cents)	1.80	1.44	
Diluted Earnings per share (cents)	1.80	1.44	

Note:

Note 1- The combined financial statements of the Group as at 30 June 2007 have been prepared in accordance with the principles of merger accounting as the restructuring exercise completed is a legal reorganization of entities under common control.

The net profit attributable to shareholders is stated after (charging)/crediting:-

	6 months ended		Change %
	31.12.2007 S\$'000	31.12.2006 S\$'000	
Allowance for stock obsolescence	(158)	(152)	3.9
Bad debt written off	(10)	(4)	150
Depreciation	(269)	(392)	(31.4)
Interest expense	(543)	(548)	(0.9)
Loss on disposal of property, plant and equipment	(82)	-	N.M.
Foreign exchange gain	422	276	52.9

N.M. – Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.12.2007	30.06.2007	31.12.2007	30.06.2007
	S\$'000	S\$000	S\$000	S\$000
		(Note 1)		
Non-current assets				
Property, plant and equipment	3,026	2,358	-	-
Investment in subsidiary	-	-	13,160	-
	<u>3,026</u>	<u>2,358</u>	<u>13,160</u>	<u>-</u>
Current assets				
Inventories	25,205	21,278	-	-
Trade receivables	13,345	15,189	-	-
Other receivables and prepayments	2,254	2,386	-	282
Amount due from a subsidiary	-	-	4,443	200
Cash and bank balances	11,108	950	9,818	2
	<u>51,912</u>	<u>39,803</u>	<u>14,261</u>	<u>484</u>
Current liabilities				
Trade payables	7,948	9,292	-	-
Bills payables	10,940	10,594	-	-
Other payables	1,213	1,403	8	484
Amount due to a director	-	897	-	-
Interest-bearing loans and borrowings	2,875	4,478	-	-
Tax payable	1,539	1,606	-	-
	<u>24,515</u>	<u>28,270</u>	<u>8</u>	<u>484</u>
Net current assets	27,397	11,533	14,253	-
Non-current liabilities				
Interest-bearing loans and borrowings	(613)	(530)	-	-
Deferred tax liabilities	(211)	(201)	-	-
	<u>(824)</u>	<u>(731)</u>	<u>-</u>	<u>-</u>
Net assets	<u>29,599</u>	<u>13,160</u>	<u>27,413</u>	<u>-</u>
Capital and Reserve				
Share capital	27,415	10,542	27,415	-*
Reserve	2,184	2,618	(2)	-
	<u>29,599</u>	<u>13,160</u>	<u>27,413</u>	<u>-</u>

* Denotes amount less than S\$1,000

Note:

Note 1- The combined financial statements of the Group as at 30 June 2007 have been prepared in accordance with the principles of merger accounting as the restructuring exercise completed is a legal reorganization of entities under common control.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	Note	Group 31.12.2007		Group 30.06.2007	
		Secured S\$000	Unsecured S\$000	Secured S\$000	Unsecured S\$000
Bills payables	(a)	10,940	-	10,594	-
Interest-bearing loans and borrowings:					
UOB term loan	(b)	52	-	-	-
OCBC draft loan	(c)	-	-	972	-
Bank overdrafts	(d)	831	-	463	-
Hire purchase creditors	(e)	181	-	215	-
DBS invoice financing	(f)	1,811	-	2,828	-
		<u>13,815</u>	<u>-</u>	<u>15,072</u>	<u>-</u>

Amount repayable after one year

		Group 31.12.2007		Group 30.06.2007	
		Secured S\$000	Unsecured S\$000	Secured S\$000	Unsecured S\$000
Interest-bearing loans and borrowings:					
UOB term loan	(b)	82	-	-	-
Hire purchase creditors	(e)	531	-	530	-
		<u>613</u>	<u>-</u>	<u>530</u>	<u>-</u>

Details of the collaterals:

- (a) Bills payables are jointly guaranteed by the directors of the subsidiary.
- (b) UOB term loan is secured by a Legal Mortgage on the leasehold property of the Group.
- (c) The OCBC draft loan is secured by:
 - i) Assignment of proceeds (First Party) in respect of the contracts with PT McDermott Indonesia and Swire Pacific Offshore Limited without notification; and
 - ii) Deed of Guarantee and Indemnity of S\$3.8 million from the directors.
- (d) The bank overdraft is jointly guaranteed by the directors of the subsidiary.
- (e) The hire purchases are secured by a charge over the leased assets.
- (f) The DBS invoice financing is jointly guaranteed by the directors of the subsidiary.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 31.12.2007 S\$000	Group 31.12.2006 S\$000
Cash flows from operating activities		
Profit before tax	2,682	2,140
Adjustments for:-		
Depreciation of property, plant and equipment	269	392
Loss on disposal of property, plant and equipment and investments	82	-
Interest expenses, net	543	548
Operating profit before working capital changes	3,576	3,080
Increase in inventories	(3,927)	(1,990)
Decrease/(increase) in trade receivables	1,844	(670)
Decrease/(increase) in other receivables and prepayment	132	(269)
(Decrease)/increase in trade payables	(1,344)	551
Increase in bills payables	346	2,323
Decrease in other payables	(190)	(428)
Cash generated from operating activities	437	2,596
Income taxes paid	(555)	(252)
Net cash flows (used in)/generated from operating activities	(118)	2,344
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,188)	(1,293)
Proceeds from disposal of property, plant and equipment	169	-
Net cash flows used in investing activities	(1,018)	(1,293)
Cash flows from financing activities		
Amount due to a director	(898)	(504)
Interest-bearing loans and borrowings	(1,888)	(836)
Dividends paid	-	(400)
Proceeds from issue of new shares	15,894	400
Share issue expense	(1,639)	-
Interest expense, net	(543)	(548)
Net cash flows generated from/(used in) financing activities	10,926	(1,888)
Net increase/(decrease) in cash and cash equivalents	9,790	(837)
Cash and cash equivalents at beginning of the period	487	(1,862)
Cash and cash equivalents at end of the period	10,277	(2,699)
Analysis of cash and cash equivalents		
Cash and bank balances	11,108	708
Bank overdrafts	(831)	(3,407)
Cash and cash equivalents at end of the period	10,277	(2,699)

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

Group	Attributable to Equity Holders of the Group			Total
	Share Capital	Merger reserve	Accumulated Profits/(Losses)	
	S\$000	S\$000	S\$000	S\$000
At 1 July 2006	10,542	(5,442)	4,586	9,686
Movement during the period	-	400		400
Net profit for the period	-	-	1,752	1,752
Dividend paid	-	-	(400)	(400)
At 31 December 2006	10,542	(5,042)	5,938	11,438
At 1 July 2007	-	-	-	-
Issue of shares	15,894	-	-	15,894
Shares issued for acquisition of subsidiaries	13,160	-	-	13,160
Share issue expense	(1,639)	-	-	(1,639)
Net profit for the period	-	-	2,184	2,184
At 31 December 2007	27,415	-	2,184	29,599
Company				
At 1 July 2006	-	-	-	-
Movement during the period	-	-	-	-
Net profit for the period	-	-	-	-
Dividend paid	-	-	-	-
At 31 December 2006	-	-	-	-
At 1 July 2007	-*	-	-	-*
Issue of shares	15,894	-	-	15,894
Shares issued for acquisition of subsidiaries	13,160	-	-	13,160
Share issue expense	(1,639)	-	-	(1,639)
Net loss for the period	-	-	(2)	(2)
At 31 December 2007	27,415	-	(2)	27,413

* Denotes amount less than S\$1,000

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as 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.

Nil, save for the shares issues pursuant to the restructuring exercise and the IPO share issues as disclosed in the prospectus dated 3 December 2007.

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' 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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the financial year ended 30 June 2007.

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.

Not applicable

6. Earning 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.

	Group	
	31.12.2007	31.12.2006
Earnings per ordinary share for the year based on net profit after tax attributed to the shareholders of the Company		
(i) Based on weighted average number of ordinary shares in issue (cents) (Please see note below)	1.80	1.44
(ii) On a fully diluted basis (cents)	1.80	1.44

Note: Basic earnings per share

For comparative purposes, the basic and fully diluted earnings per share for 31.12.2006 have been calculated based on profit after tax attributable to the shareholders of the Company of S\$1,752,265 over the pre-invitation share capital of 120,000,000 shares and the weighted average number of ordinary shares issued pursuant to the initial public offering of 40,000,000 shares which give rise to 121,643,836 shares.

The basic and fully diluted earnings per share for 31.12.2007 have been calculated based on profit after tax attributable to the shareholders of the Company of S\$2,184,485 over the pre-invitation share capital of 120,000,000 shares and the weighted average number of ordinary shares issued pursuant to the initial public offering of 40,000,000 shares which give rise to 121,643,836 shares.

7. Net Asset Value (for the issuer of the Group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group		Company	
	31.12.2007	30.06.2007	31.12.2007	30.06.2007
Net asset value per ordinary share based on the number of shares in issue at end of the period (cents)	18.5	11.0	17.1	n.m.
No. of issued shares ('000)	160,000	120,000	160,000	120,000

The calculation of net asset value (“NTA”) per ordinary shares as at 31 December 2007 has been computed based on the number of shares outstanding as at 31 December 2007. For comparative purpose, NTA per ordinary share as at 30 June 2007 has been computed based on NTA over the pre-invitation share capital of 120,000,000 shares.

- 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.**

Financial Performance

Revenue

Revenue increased by 47.0% or S\$8.7 million from S\$18.5 million for the first half of FY2007 to S\$27.2 million for the first half of FY2008.

The increase was contributed mainly from the offshore O&G sector as a result of the vibrant global offshore O&G industries. Revenue from the offshore O&G sector increased by 73.6 % or S\$8.1 million from S\$11.0 million for the first half of FY2007 to S\$19.1 million for the first half of FY2008.

Gross Profit

Gross profit increased by S\$3.0 million or 48.8% from S\$6.3 million for the first half of FY2007 to S\$9.3 million for the first half of FY2008 mainly due to higher revenue.

Gross Profit Margin

The overall gross profit margin improved from 33.8% to 34.2% mainly due to lower purchasing costs as a result of the depreciation of US\$ against the S\$, as our purchases were mainly in US dollars.

Operating Expenses

The group's operating expenses comprise marketing and administrative expenses. The operating expenses increased by 67.7% or S\$2.7 million from S\$4.0 million for the first half of FY2007 to S\$6.7 million for the first half of FY2008 mainly due to the following reasons:

- 1) The increase in administrative expenses by S\$1.9 million from S\$2.7 million to S\$4.6 million for the reasons given below:
 - a) The increase in the number of administrative employees to support our operations.
 - b) The increase in rental expense following the sale-and-leaseback arrangement with our lessor, MacarthurCook Industrial REIT, of the Changi Property (where our current operations are based) in April 2007.
- 2) The increase in sales and marketing expenses by S\$0.8 million from S\$1.3 million to S\$2.1 million as a result of the increase in marketing employees as well as an increase in marketing activities to achieve higher volume of sales and to penetrate into local and overseas markets.

Profit attributable to the shareholders

Profit attributable to the shareholders increased from S\$1.8 million for the first half of FY2007 to S\$2.2 million for the first half of FY2008 due to higher revenue and higher profit margin, offset by higher administration expenses and marketing expenses.

Balance Sheet Review

Current assets

The increase in current assets from S\$39.8 million as at 30 June 2007 to S\$51.9 million as at 31 December 2007 was mainly due to the increase in inventory to support sales and the increase in cash and bank balances from the proceeds of the IPO in December 2007.

Non-current assets

The increase in non-current assets from S\$2.3 million as at 30 June 2007 to S\$3.0 million as at 31 December 2007 was mainly due to the increase in the purchase of equipment.

Current liabilities

The decrease in current liabilities from S\$28.3 million as at 30 June 2007 to S\$24.5 million as at 31 December 2007 was mainly due to total repayment of OCBC draft loan and decrease in invoice financing.

Non-current liabilities

The increase in non-current liabilities from S\$0.7 million as at 30 June 2007 to S\$0.8 million as at 31 December 2007 was mainly due to the increase in the purchase of assets under term loan and hire purchase arrangement.

Share capital and reserves

The increase in share capital and reserves from S\$13.2 million as at 30 June 2007 to S\$29.6 million as at 31 December 2007 was due mainly to the issuance of new shares pursuant to our IPO in December 2007.

Cash flow Review

Net cash flow used in operating activities amounted to S\$0.1 million was mainly due to the following reasons:

- i) The increase in inventories of S\$3.9 million as a result of increased purchases towards the end of six months ended 31 December 2007 in anticipation of higher sales.
- ii) The decrease in trade payables of S\$1.3 million was due to the prompt settlement of trade payables in accordance with the credit terms extended to the Group.
- iii) The decrease in trade receivables of S\$1.8 million was due to faster collection of debts.

Net cash generated from financing activities amounted to S\$10.9 million mainly due to the proceeds received from IPO and Pre-IPO investors.

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

The actual results for the first half of FY2008 were in line with the prospect statement in the Company's prospectus dated 3 December 2007.

10. A commentary at the date of the announcement of the 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.

KTL recently secured a major contract to supply up to US\$7 million worth of wire ropes for crane equipment to a long-standing customer, the McDermott Group, a world-renowned engineering and construction company servicing the offshore O&G industry.

Barring unforeseen circumstances, the Group expects the second half of FY2008 to be profitable.

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount Per Share	0.33 cents per ordinary share
Tax rate	N.A. (one-tier tax exempt)

(c) Date Payable

Not applicable

(d) Books closure date

Not applicable

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

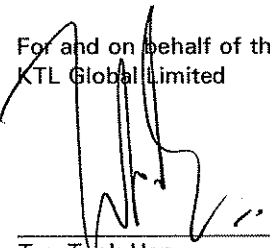
Not applicable

CONFIRMATION
PURSUANT TO RULE 705(4) OF THE LISTING MANUAL OF
THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

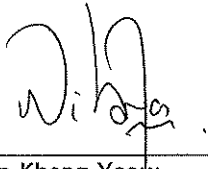
For the announcement of unaudited financial statements
for the half-year ended 31 December 2007

We, Tan Tock Han and Tan Kheng Yeow, being Directors of KTL Global Limited ("the Company"), do hereby confirm, for and 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 results for the half-year ended 31 December 2007 to be false or misleading.

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



Tan Tock Han
Executive Chairman



Tan Kheng Yeow
Chief Executive Officer

12 February 2008