



(Company Registration No. 200415164G)
(Incorporated in Singapore)
(the "Company")

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

The Board of Directors (the "**Board**") of KOP Limited (the "**Company**") together with its subsidiaries (the "**Group**") refers to its full year financial results announcement for the financial year ended 31 March 2017 ("**FY2017**") made on 30 May 2017 via the SGXNET ("**Preliminary Unaudited Results**").

Pursuant to Rule 704(5) of the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Company wishes to announce that subsequent to the release of the Preliminary Unaudited Results, the external auditors have proposed certain adjustments between the Preliminary Unaudited Results and FY2017 audited financial results (the "**Audited Financial Statements**") which the Management of the Company has adopted accordingly.

The details and explanation of the material variances between the Audited Financial Statements and the Preliminary Unaudited Results are shown below:

1. A statement of financial position (for the issuer), together with a comparative unaudited result.

	Company		Variance	Note
	Audited Financial Statements 2017 <u>S\$'000</u>	Preliminary Unaudited Results 2017 <u>S\$'000</u>		
Assets				
Current assets				
Cash and bank balances	5	5	-	
Trade and other receivables	27,833	27,833	-	
Other current assets	22	22	-	
Total current assets	<u>27,860</u>	<u>27,860</u>	-	
Non-current assets				
Investments in subsidiaries	147,400	152,500	(5,100)	1
Total non-current assets	<u>147,400</u>	<u>152,500</u>	(5,100)	1
Total assets	<u>175,260</u>	<u>180,360</u>	(5,100)	1
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	5,015	5,015	-	
Income tax payables	4	4	-	
Total current liabilities	<u>5,019</u>	<u>5,019</u>	-	
Capital and reserves				
Share capital	283,427	283,427	-	
Accumulated losses	(113,186)	(108,086)	(5,100)	1
Total equity	<u>170,241</u>	<u>175,341</u>	(5,100)	1
Total liabilities and equity	<u>175,260</u>	<u>180,360</u>	(5,100)	1

2. Net asset value (for the issuer) per ordinary shares based on the total number of issued shares excluding treasury shares of the issuer, together with a comparative unaudited result.

	Company		Variance	Note
	Audited Financial Statements 2017	Preliminary Unaudited Results 2017		
Net asset value ("NAV") (S\$'000)	170,241	175,341	(5,100)	1
Number of shares	886,369,771	886,369,771	-	
NAV per ordinary share based on issued share capital as at end of the period reported on (in SGD cents per share)	19.21	19.78	(0.57)	1

Explanatory Notes for the material variances:

1. The total difference of \$5,100,000 from investments in subsidiaries is mainly due to the impairment in respect of the investment in a wholly-owned subsidiary, KOP Properties Pte. Ltd. (“**KOPP**”).

Management has carried out a review of the recoverable amount of the investments in subsidiaries, having regard to the existing performance of these entities and the carrying value of the net assets in these entities.

Based on the valuation reports dated 3 July 2017 issued by the independent valuer, the Company is of the initial view that there is no indication of impairment in relation to the carrying values of the net assets. However, after taking into consideration external auditors' opinion, the Company assessed that there is an additional impairment loss amounting to S\$5.1 million.

BY ORDER OF THE BOARD

Ong Chih Ching
Executive Chairman and Executive Director
28 August 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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