

# KOP LIMITED

(Company Registration Number: 200415164G)  
(Incorporated in the Republic of Singapore)  
(the "Company", and together with its subsidiaries, the "Group")

## SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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

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

	Group					
	2QFY2018 3 months ended 30-Sep-17 (Unaudited) S\$'000	2QFY2017 3 months ended 30-Sep-16 (Unaudited) S\$'000	% change + / (-)	6MFY2018 6 months ended 30-Sep-17 (Unaudited) S\$'000	6MFY2017 6 months ended 30-Sep-16 (Unaudited) S\$'000	% change + / (-)
<b>Revenue</b>	5,293	3,583	48	8,624	6,215	39
Cost of sales	(3,147)	(1,509)	109	(4,935)	(3,201)	54
Gross profit	2,146	2,074	3	3,689	3,014	22
Other operating income	367	2,652	(86)	1,656	12,597	(87)
	2,513	4,726		5,345	15,611	
Distribution costs	(172)	(353)	(51)	(279)	(582)	(52)
Administrative expenses	(4,692)	(3,218)	46	(8,983)	(7,423)	21
Share of results from investments in associated companies	(117)	(278)	(58)	(428)	1,132	n.m.
Share of results from investment in joint venture	(9)	-	n.m.	(9)	-	n.m.
Finance costs	(212)	(224)	(5)	(428)	(465)	(8)
<b>(Loss)/ Profit before tax</b>	<b>(2,689)</b>	<b>653</b>	<b>n.m.</b>	<b>(4,782)</b>	<b>8,273</b>	<b>n.m.</b>
Income tax expense	(258)	(32)	706	(258)	(1,807)	(86)
<b>(Loss)/ Profit after tax</b>	<b>(2,947)</b>	<b>621</b>	<b>n.m.</b>	<b>(5,040)</b>	<b>6,466</b>	<b>n.m.</b>
<b>Other comprehensive (loss)/ income for the period, after tax:</b>						
<i>Item that may be subsequently reclassified to profit or loss:</i>						
Exchange difference on translation of foreign operations	137	257	(47)	317	(112)	n.m.
<b>Total comprehensive (loss)/ income for the period</b>	<b>(2,810)</b>	<b>878</b>	<b>n.m.</b>	<b>(4,723)</b>	<b>6,354</b>	<b>n.m.</b>
<b>Profit attributable to:</b>						
Owners of the Company	(2,907)	369	n.m.	(4,907)	5,313	n.m.
Non-controlling interests	(40)	252	n.m.	(133)	1,153	n.m.
	(2,947)	621	n.m.	(5,040)	6,466	n.m.
<b>Total comprehensive (loss)/ income attributable to:</b>						
Owners of the Company	(2,814)	571	n.m.	(4,691)	5,206	n.m.
Non-controlling interests	4	307	(99)	(32)	1,148	n.m.
	(2,810)	878	n.m.	(4,723)	6,354	n.m.
Depreciation of property, plant and equipment (Note a)	738	610	21	1,504	1,486	1
Amortisation of intangible assets	-	-	n.m.	7	25	(72)
Interest income (Note b)	(272)	(478)	(43)	(565)	(950)	(41)
Net foreign exchange losses/ (gains) (Note c)	350	150	133	823	(156)	n.m.
Interest expense (Note d)	212	224	(5)	428	465	(8)
Property, plant and equipment written off	-	-	n.m.	-	117	n.m.
Gain on disposal of property, plant and equipment (Note e)	(295)	-	n.m.	(391)	(8,933)	(96)
Bad debts recovered (Note f)	-	(1,105)	n.m.	(635)	(1,205)	(47)

n.m. - not meaningful

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## SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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

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

**Notes:**

- a. 2QFY2018 vs 2QFY2017  
Increase in depreciation was mainly due to depreciation charged for additional assets acquired during the period.
- b. 2QFY2018 vs 2QFY2017 & 6MFY2018 vs 6MFY2017  
Decrease in interest income was mainly due to the repayment of shareholders' loan from associated company, Epic Land Pte. Ltd. during the period.
- c. 2QFY2018 vs 2QFY2017 & 6MFY2018 vs 6MFY2017  
Net foreign exchange loss mainly due to the translation of payables from United States Dollars to Singapore Dollars during the period.
- d. 2QFY2018 vs 2QFY2017 & 6MFY2018 vs 6MFY2017  
Decrease in interest expense was mainly due to the partial settlement of advances from non-controlling interests in April 2017.
- e. 2QFY2018 vs 2QFY2017  
Gain on disposal of property, plant and equipment mainly due to the sale of furniture and fittings during the period.
- 6MFY2018 vs 6MFY2017  
Significant gain in 6MFY2017 was mainly due to the gain from the sale of Cranley Hotel during the period.
- f. 2QFY2018 vs 2QFY2017  
This mainly represents bad debts recovered from the receivables from the Entertainment segment.

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

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		Company	
	30-Sep-17 (Unaudited) S\$'000	31-Mar-17 (Audited) S\$'000	30-Sep-17 (Unaudited) S\$'000	31-Mar-17 (Audited) S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	3,450	815	407	5
Trade and other receivables	10,313	36,485	28,503	27,833
Other current assets	558	755	18	22
Development properties	24,237	24,448	-	-
Inventories	533	518	-	-
<b>Total current assets</b>	<b>39,091</b>	<b>63,021</b>	<b>28,928</b>	<b>27,860</b>
<b>Non-current assets</b>				
Intangible assets	-	7	-	-
Investments in subsidiaries	-	-	147,400	147,400
Investments in associated companies	8,307	8,735	-	-
Investment in joint venture	10,736	-	-	-
Long-term notes receivable	17,375	16,894	-	-
Property, plant and equipment	58,328	59,427	-	-
Investment property	11,645	11,306	-	-
Deferred tax assets	34	242	-	-
<b>Total non-current assets</b>	<b>106,425</b>	<b>96,611</b>	<b>147,400</b>	<b>147,400</b>
<b>Total assets</b>	<b>145,516</b>	<b>159,632</b>	<b>176,328</b>	<b>175,260</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	15,658	24,231	5,664	5,015
Bank overdrafts and borrowings (secured)	967	14,075	-	-
Finance leases	20	20	-	-
Sales proceeds received in advance	186	2,445	-	-
Income tax payables	1,021	1,131	4	4
<b>Total current liabilities</b>	<b>17,852</b>	<b>41,902</b>	<b>5,668</b>	<b>5,019</b>
<b>Non-current liabilities</b>				
Bank borrowings (secured)	34,148	19,822	-	-
Finance leases	249	37	-	-
Deferred tax liabilities	2,705	2,626	-	-
<b>Total non-current liabilities</b>	<b>37,102</b>	<b>22,485</b>	<b>-</b>	<b>-</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	67,861	67,861	283,427	283,427
Foreign currency translation reserves	630	414	-	-
Other reserve	1,520	1,520	-	-
Retained earnings/ (Accumulated losses)	21,037	25,944	(112,767)	(113,186)
<b>Equity attributable to owners of the Company</b>	<b>91,048</b>	<b>95,739</b>	<b>170,660</b>	<b>170,241</b>
Non-controlling interests	(486)	(494)	-	-
<b>Total equity</b>	<b>90,562</b>	<b>95,245</b>	<b>170,660</b>	<b>170,241</b>
<b>Total liabilities and equity</b>	<b>145,516</b>	<b>159,632</b>	<b>176,328</b>	<b>175,260</b>

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

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

	Group			
	30-Sep-17		31-Mar-17	
	(Unaudited) S\$'000	(Unaudited) S\$'000	(Audited) S\$'000	(Audited) S\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	987	-	14,095	-
Amount repayable after one year	34,397	-	19,859	-
	<b>35,384</b>	<b>-</b>	<b>33,954</b>	<b>-</b>

#### Details of any collaterals:

The Group's borrowings are secured by the Group's properties, corporate guarantees issued by KOP Limited and its subsidiary, KOP Properties Pte. Ltd., personal guarantees from certain directors and assets under fixed term lease financing.

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

	Group	
	6MFY2018 6 months ended 30-Sep-17 (Unaudited) S\$'000	6MFY2017 6 months ended 30-Sep-16 (Unaudited) S\$'000
<b>Operating activities</b>		
(Loss)/ Profit before tax	(4,782)	8,273
Adjustments for:		
Depreciation of property, plant and equipment	1,504	1,486
Gain on disposal of property, plant and equipment	(391)	(8,933)
Property, plant and equipment written off	-	117
Amortisation of intangible assets	7	25
Unrealised foreign exchange differences	1,394	(356)
Interest income	(565)	(950)
Finance costs	428	465
Allowance for doubtful receivables	3	-
Share of results from investments in joint venture	9	-
Share of results from investments in associated companies	428	(1,132)
<b>Operating cash flows before movements in working capital</b>	<b>(1,965)</b>	<b>(1,005)</b>
Trade and other receivables	26,224	(1,273)
Other current assets	197	(71)
Development properties	124	(833)
Inventories	(15)	39
Prepaid film rights	-	(219)
Trade and other payables	(4,964)	(8,630)
Sales proceeds received in advance	(2,259)	102
<b>Cash flows from/ (used in) operations</b>	<b>17,342</b>	<b>(11,890)</b>
Interest paid	(962)	(665)
Interest received	14	7
Income tax paid	(23)	(396)
<b>Net cash flows from/ (used in) operating activities</b>	<b>16,371</b>	<b>(12,944)</b>

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

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

	Group	
	6MFY2018 6 months ended 30-Sep-17 (Unaudited) S\$'000	6MFY2017 6 months ended 30-Sep-16 (Unaudited) S\$'000
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,328)	(1,854)
Proceeds from disposal of property, plant and equipment	38	33,888
Net cash outflow on investment in joint venture	(10,745)	-
Capital contribution from non-controlling interests	40	-
Refund to non-controlling interests	-	(54)
Loan to an associated company	-	(462)
<b>Net cash flows (used in)/ from investing activities</b>	<b>(11,995)</b>	<b>31,518</b>
<b>Financing activities</b>		
Drawdown of borrowings	23,000	-
Repayments of borrowings	(14,088)	(18,966)
Decrease/ (Increase) in restricted funds placed in escrow accounts	(633)	(680)
Decrease/ (Increase) in restricted funds placed in fixed deposit account	(500)	-
Drawdown of finance leases	233	-
Repayments of finance leases	(21)	(27)
Repayment to non-controlling interests	(3,513)	-
<b>Net cash flows from/ (used in) financing activities</b>	<b>4,478</b>	<b>(19,673)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>8,854</b>	<b>(1,099)</b>
Cash and cash equivalents at the beginning of financial period	(6,800)	(3,933)
Effect of foreign currency translation in cash and cash equivalents	(23)	4
<b>Cash and cash equivalents at the end of financial period</b>	<b>2,031</b>	<b>(5,028)</b>

#### Explanatory Notes:

Cash and cash equivalents in the cash flow statement comprise of the following:-

	30-Sep-17 (Unaudited)	30-Sep-16 (Unaudited)
Cash and bank balances	3,450	2,653
Less: Bank overdrafts	-	(6,250)
Less: Restricted funds placed in escrow accounts	(919)	(1,431)
Less: Restricted funds placed in fixed deposit accounts	(500)	-
<b>Cash and cash equivalents/ (Overdrawn)</b>	<b>2,031</b>	<b>(5,028)</b>

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

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.

#### Unaudited Statement of Changes in Equity for the period ended 30 September 2016

The Group	Share capital S\$'000	Foreign currency translation reserves S\$'000	Other reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 April 2017	67,861	414	1,520	25,944	95,739	(494)	95,245
<u>Total comprehensive income/ (loss) for the period</u>							
Profit for the period	-	-	-	(4,907)	(4,907)	(133)	(5,040)
Other comprehensive loss for the period	-	216	-	-	216	101	317
Total	-	216	-	(4,907)	(4,691)	(32)	(4,723)
Contribution for non-controlling interest	-	-	-	-	-	40	40
Balance at 30 September 2017	67,861	630	1,520	21,037	91,048	(486)	90,562
Balance at 1 April 2016	67,861	436	1,258	25,012	94,567	(1,420)	93,147
<u>Total comprehensive income/ (loss) for the period</u>							
Profit for the period	-	-	-	5,313	5,313	1,153	6,466
Other comprehensive loss for the period	-	(107)	-	-	(107)	(5)	(112)
Total	-	(107)	-	5,313	5,206	1,148	6,354
Strike-off of subsidiaries	-	-	262	(262)	-	(54)	(54)
Balance at 30 September 2016	67,861	329	1,520	30,063	99,773	(326)	99,447

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## SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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

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.

#### Unaudited Statement of Changes in Equity for the period ended 30 September 2016

	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Balance at 1 April 2017	283,427	(113,186)	170,241
Profit for the period, representing total comprehensive income for the period	-	419	419
Balance at 30 September 2017	<u>283,427</u>	<u>(112,767)</u>	<u>170,660</u>
Balance at 1 April 2016	283,427	(109,860)	173,567
Profit for the period, representing total comprehensive income for the period	-	1,704	1,704
Balance at 30 September 2016	<u>283,427</u>	<u>(108,156)</u>	<u>175,271</u>

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

**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.**

#### Details of any changes in the Company's issued share capital

Issued and Paid-Up Capital	No. of Shares	Share Capital S\$'000
As at 31 March 2017 (audited) and 30 September 2017 (unaudited)	886,369,771	283,427

The Company does not have treasury shares or any outstanding convertibles as at 30 September 2017 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.**

	30-Sep-17 (Unaudited)	31-Mar-17 (Audited)
Total number of issued shares (excluding treasury shares)	886,369,771	886,369,771

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

There are no sale, transfer, cancellation and/or use of treasury shares as at 30 September 2017.

**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.**

There are no sale, transfer, cancellation and/or use of subsidiary holdings as at 30 September 2017.

#### **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 the Company's 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.**

Except as disclosed in paragraph 5, the Group has applied consistent accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ended 31 March 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 Group and the Company have adopted the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2017.

The adoption of these new and revised FRS and INT FRS has no material financial impact on the financial statements of the Group.



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

#### 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.

	6 months ended 30-Sep-17 (Unaudited)	6 months ended 30-Sep-16 (Unaudited)
Net profit attributable to Owners of the Company (S\$'000)	(4,907)	5,313
Weighted average number of ordinary shares	886,369,771	886,369,771
Earnings per share ("EPS")(in SGD cents per share)		
(a) based on weighted average number of ordinary shares	(0.55)	0.60
(b) on a fully diluted basis	(0.55)	0.60

#### Notes:

(1) Fully diluted EPS is the same as basic as there is no issuance of dilutive instruments.

#### 7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:- (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	30-Sep-17 (Unaudited)	31-Mar-17 (Audited)	30-Sep-17 (Unaudited)	31-Mar-17 (Audited)
Net asset value ("NAV") (S\$'000)	90,562	95,245	170,660	170,241
Number of shares	886,369,771	886,369,771	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)	10.22	10.75	19.25	19.21

#### 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 cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### (a) INCOME STATEMENTS

Revenue	2QFY2018	2QFY2017	Change	
	S\$'000	S\$'000	S\$'000	%
Real estate development and investment	1,643	-	1,643	n.m.
Real estate origination and management services	50	575	(525)	(91)
Hospitality	3,464	2,968	496	17
Entertainment	136	40	96	240
	5,293	3,583	1,710	48
	6MFY2018	6MFY2017	Change	
	S\$'000	S\$'000	S\$'000	%
Real estate development and investment	1,643	-	1,643	n.m.
Real estate origination and management services	100	625	(525)	(84)
Hospitality	6,616	5,491	1,125	20
Entertainment	265	99	166	168
	8,624	6,215	2,409	39

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

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 cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### (a) INCOME STATEMENTS (CONT'D)

##### 2QFY2018 vs 2QFY2017 & 6MFY2018 vs 6MFY2017

Revenue for the financial period from 1 July 2017 to 30 September 2017 ("2QFY2018") increased by S\$1.7 million or 48% as compared to the period from 1 July 2016 to 30 September 2016 ("2QFY2017"). Revenue for the financial period from 1 April 2017 to 30 September 2017 ("6MFY2018") increased by S\$2.4 million or 39% as compared to the period from 1 April 2016 to 30 September 2016 ("6MFY2017"). The increase was mainly due to increase in revenue from the real estate development and investment segment, hospitality segment and entertainment segment. The increase was partially offset by the decrease in revenue from the real estate origination and management services segment.

The increase in revenue from the real estate development and investment segment was mainly due to the sales arising from the handover of completed properties of Montigo Resorts, Nongsa during the period. The increase in revenue from the hospitality segment was mainly due to higher occupancy rate in relation to Montigo Resorts, Nongsa and Montigo Resorts, Seminyak. The increase in revenue from the entertainment segment was mainly due to an increase in rental income from higher occupancy for KOP Building.

The decrease in revenue from the real estate origination and management services segment was mainly due to no management fee charged to a related company.

#### **Gross profit/ Gross profit margin**

##### 6MFY2018 vs 6MFY2017

Gross profit increased by S\$0.7 million or 22% from S\$3.0 million in 6MFY2017 to S\$3.7 million in 6MFY2018 mainly due to the sales arising from the handover of completed properties of Montigo Resorts, Nongsa during the period, higher occupancy rate in relation to Montigo Resorts, Nongsa and Montigo Resorts, Seminyak and an increase in rental income from higher occupancy for KOP Building.

#### **Other operating income**

##### 2QFY2018 vs 2QFY2017

Other operating income decreased by S\$2.3 million or 86% from \$2.7 million in 2QFY2017 to S\$0.4 million in 2QFY2018 mainly due to sales and marketing fee charged to a related company and bad debts recovered in 2QFY2017, which were absent in 2QFY2018.

##### 6MFY2018 vs 6MFY2017

Other operating income decreased by S\$11.0 million or 87% from S\$12.6 million in 6MFY2017 to S\$1.6 million in 6MFY2018 mainly due to sales and marketing fee charged to a related company, bad debts recovered and gain from the sale of Cranley Hotel in 6MFY2017, which were absent in 6MFY2018.

#### **Distribution costs**

##### 2QFY2018 vs 2QFY2017 & 6MFY2018 vs 6MFY2017

Distribution costs decreased by S\$181,000 or 51% from S\$353,000 in 2QFY2017 to S\$172,000 in 2QFY2018 and decreased by S\$303,000 or 52% from S\$582,000 in 6MFY2017 to S\$279,000 in 6MFY2018 mainly due to decrease in marketing expenses and agency commission during the period.

# KOP LIMITED

(Company Registration Number: 200415164G)  
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## SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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

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 cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### (a) INCOME STATEMENTS (CONT'D)

##### Administrative expenses

###### 2QFY2018 vs 2QFY2017 & 6MFY2018 vs 6MFY2017

Administrative expenses increased by S\$1.5 million or 46% from S\$3.2 million in 2QFY2017 to S\$4.7 million in 2QFY2018 and increased by S\$1.6 million or 21% from S\$7.4 million in 6MFY2017 to S\$9.0 million in 6MFY2018 mainly due to net foreign exchange losses from the translation of payables from United States Dollars to Singapore Dollars during the period.

##### Share of results from investments in associated companies

###### 2QFY2018 vs 2QFY2017 & 6MFY2018 vs 6MFY2017

This represents share of results from investments in an associated company, Epic Land Pte. Ltd. during the period.

##### Share of results from investment in joint venture

###### 2QFY2018 vs 2QFY2017 & 6MFY2018 vs 6MFY2017

This represents share of results from investment in a joint venture, Snow Star Properties Co., Ltd. during the period.

##### (Loss)/ Profit after tax

###### 2QFY2018 vs 2QFY2017 & 6MFY2018 vs 6MFY2017

As a result of the above, the Group recorded a loss after tax of S\$2.9 million in 2QFY2018 and a loss after tax of S\$5.0 million in 6MFY2018 compared to a profit after tax of S\$0.6 million in 2QFY2017 and a profit after tax of S\$6.5 million in 6MFY2017.

#### (b) STATEMENT OF FINANCIAL POSITION

Trade and other receivables decreased by S\$26.2 million from S\$36.5 million to S\$10.3 million mainly due to the partial repayment of shareholder's loan by associated company, Epic Land Pte. Ltd. resulted from the partial divestment in Prudential Tower during the period.

Other current assets decreased by S\$197,000 from S\$755,000 to S\$558,000 mainly due to a decrease in prepaid expenditure during the period.

Investment in joint venture represents investment of 30% interest in Snow Star Properties Co., Ltd. during the period.

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## SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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

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 cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### (b) STATEMENT OF FINANCIAL POSITION (CONT'D)

Trade and other payables decreased by S\$8.6 million from S\$24.2 million to S\$15.6 million mainly due to the partial repayment of advances from non-controlling interests.

The aggregate amount of group's borrowing and debt securities increased by S\$1.2 million was mainly due to the refinancing of loan with a new term loan during the period. As a result from the refinancing, the current bank overdraft and borrowings reduced by S\$13.1 million and the non-current bank borrowings increased by S\$14.3 million.

#### (c) STATEMENT OF CASH FLOWS

The net cash inflow from operating activities for 6MFY2018 was mainly due to repayment of shareholders' loan by an associated company during the period.

The net cash outflow from investing activities for 6MFY2018 was mainly due to the purchase of property, plant and equipment, and investment in joint venture during the period.

The net cash inflow for 6MFY2018 was mainly due to the drawdown of borrowing and finance lease during the period offset by the partial repayment of advances to non-controlling interest as well as increase in restricted funds placed in escrow accounts and fixed deposit account during the period.

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## SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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

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

No forecast or prospect statement has been previously disclosed.

**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 Group has business operations in Singapore, China and Indonesia. In view of macro uncertainties and downturn of the global economy, the Group will focus on the growth of existing businesses and will only expand cautiously under opportunistic and strategic circumstances.

On 20 October 2017, the Company had completed a share placement of an aggregate 221,592,443 shares to raise funds for the Company to support its business development and business expansion.

**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?

None.

**(c) Date Payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended.

# KOP LIMITED

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**SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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

13. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) S\$'000
<b><u>Royce Properties Pte. Ltd.</u></b> Interest income	481	-
<b><u>Scotts Spazio Pte. Ltd.</u></b> Management fee income	100	-

**14. Confirmation by the Board pursuant to Rule 705(5)**

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the half year financial results of the Company and of the Group for the period ended 30 September 2017 to be false or misleading in any material aspect.

**15. Confirmation pursuant to Rule 720(1)**

The Company confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in form Appendix 7H.

**BY ORDER OF THE BOARD**

Ong Chih Ching  
Executive Chairman and Executive Director  
9 November 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.*

*The contact person for the Sponsor is Mr. Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd., 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, Telephone (65) 6381 6757.*