

KOP LIMITED

2017
ANNUAL REPORT

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This Annual Report 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 SGX-ST Sponsor has not independently verified the contents of this Annual Report.

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

The contact person for the Sponsor is Mr Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd., Six Battery Road, #10-01, Singapore 049909, Telephone (65) 6387 6757.



COMPANY PROFILE

KOP Limited (“KOPL” or the “Group”) is a Singapore-based real estate development and entertainment company with a diversified portfolio of developments and investments in Singapore as well as the region.

With origins leading back to KOP Properties Pte. Ltd., the Group has quickly built a reputation as a developer of niche, iconic and award-winning projects, such as The Ritz-Carlton Residences in Singapore and Montigo Resorts, Nongsa and Seminyak in Indonesia. KOPL’s integrated business model spans from property development, investments and management services, to hospitality and entertainment. Through a broad range of distinctive and award-winning real estate and hospitality projects crafted with quality design and workmanship, KOPL provides unique living and leisure experiences to its clients.

The Group’s entertainment arm endeavours to drive investments and partnerships with specialist companies that focus on providing venues as well as creating educational entertainment content including concerts, musicals, exhibitions and events.

Leveraging the strategic synergies between its subsidiaries, KOPL is empowered to expand its core business of property development, incorporating entertainment elements to add flavour and character to its real estate projects. Through spearheading high-quality and innovative projects, with the objective to strengthen its market leadership ambitions, KOPL aims to generate growing returns for its shareholders.

MESSAGE FROM THE EXECUTIVE CHAIRMAN

Dear Valued Shareholders,

On behalf of the Board of Directors, I am honoured to present KOP Limited's ("KOPL" or the "Group") Annual Report for the financial year ended 31 March 2017 ("FY2017").

The last financial year has been fraught with geo-political volatilities. From the UK referendum to leave the European Union in June 2016, to the US election in November 2016, FY2017 has been eventful for the world and financial markets, to say the least. However, beneath the political turmoil, economic momentum has been picking up both globally and domestically. According to data released by the Ministry of Trade and Industry, Singapore's GDP growth was 2% in 2016, which surpassed the Government's forecast of between 1% and 1.5%¹. What was more encouraging was that the pace accelerated to 2.7% in the first quarter of 2017, which would be at the higher end of the Government's full-year forecast of 1% to 3% for this year².

Against the backdrop of improving macro-economic trends, KOPL continues to push through with our vision of building properties with strong points of differentiation to create value for users and our stakeholders. In the process, we have divested the Cranley Hotel in the United Kingdom so as to unlock value for shareholders and create an opportunity for us to recycle capital into other yield-accretive investments to enhance long-term shareholder value.

With the gains from the divestment of Cranley Hotel, our profit after tax grew 16 times to S\$2.2 million. This was despite revenue declining 34% year-on-year to S\$16.2 million with the completion and handover of lesser properties in our Montigo Resorts, Nongsa, as well as the refocus of our Entertainment segment from the legacy DVD business, which we exited in FY2016, to content creation such as live shows that are complementary to our integrated real estate developments with one-of-a-kind concepts.

Similarly, we have, through our associated company, divested the bulk of our investment in Prudential Tower. The proceeds would allow us to fund our current projects.

1. *Singapore economy grows 2% in 2016, helped by strong Q4 – Channel News Asia – February 17, 2017*

2. *Singapore flags concerns with China, but maintains 2017 GDP growth forecast for now – CNBC – May 24, 2017*

Distinctive Real Estate

We continue to focus on our ability to add value to our properties by creating highly differentiated products that are at the leading edge in terms of setting the trend.

One example would be our Wintastar project in Shanghai, China. Following the successful tender of land for this project, together with our partners, we will begin construction work on this mixed-use development with commercial, lifestyle and residential components, and integrate Olympic-grade indoor winter sport facilities. We believe this would be a landmark project, not only in China, but also globally, showcasing a fully-integrated education and entertainment-based real estate that provides year-round access to an indoor ski-park, après-ski areas, a winter sports facility for hosting competitions, theatres, hotels and resorts, as well as retail and dining.

Since we began conceptualising the project, technology has improved by leaps and bounds. This opens up opportunities for us to integrate leading edge technologies into our project to allow greater immersive experience for users.

Hospitality with a Difference

After divesting Cranley Hotel, we are currently focused on developing the Montigo Resorts brand. Indeed, we have built-up this brand to be synonymous with a multi-generational travel experience. So far we have delivered that with Montigo Resorts, Nongsa in Batam and Montigo Resorts, Seminyak in Bali.

Going forward, we would be enhancing our existing properties, with the extension of Montigo Resorts, Seminyak expected to be completed by FY2018. We would also be looking for new locations where we could widen our reach. This may include managing the hotel and resort portion of our Wintastar project in Shanghai, as well as expansion to other popular tourist destinations.

Entertainment Alive

This year, we would place greater emphasis on building up our Entertainment division. As I have mentioned last year, our focus going forward is in original content creation.

Besides collaborating with Singapore Repertory Theatre (SRT), Singapore's leading English theatre company, best known for staging the critically-acclaimed local musical "Forbidden City: Portrait of an Empress" featuring Singapore's pop star Kit Chan, we will also be looking to bring cultural art performances, European theatre or live shows to Singapore and the region. This takes priority as it ties in well with our strategy to fulfill the entertainment element required in our Wintastar project.

Looking Ahead

Outlook for the global environment continues to be fraught with uncertainties. While economic growth around the world looks more promising, geo-politics have become more volatile especially in the Korean Peninsula and the South China Sea, with possible repercussions on the rest of the Asian region. In addition, foreign policy ambiguities with the new US President with regards to Asia, may raise further concerns on the political and economic stability of the region.

Under such constraints, management remains vigilant in running a tight ship and ensuring that our existing operations are efficiently managed. In the meantime, we would be seeking out strategic opportunities that would fit into our long-term vision and objectives. However, we would like to assure stakeholders that all these would be undertaken with the most thorough consideration and the greatest prudence.

Appreciation

There are many that I would like to thank for all they have done last year. My most sincere appreciation goes to the Board of Directors who has provided their valuable insight and wise counsel to me and the Group. I would also like to take the opportunity to recognise our management team and staff for their dedication and hard work in driving the Group constantly forward regardless of the challenging conditions. To our clients, partners and business associates, I would like to express our deepest gratitude for your unwavering support over the years.

Last but not least, to our valued shareholders who have continued to place their faith and trust in us in the last year, may I extend my heartfelt thanks for your vote of confidence. With your support, we continue to strive to build KOP into a leading property and hospitality lifestyle group, differentiating ourselves with cutting edge ideas that put us in good stead for the future.

Ms Ong Chih Ching
Executive Chairman and Executive Director





BOARD OF DIRECTORS



ONG CHIH CHING
*Executive Chairman
and Executive Director*



LENY SUPARMAN
*Group Chief Executive Officer
and Executive Director*



KO CHUAN AUN
President and Executive Director



LEE KIAM HWEE
Lead Independent Director



HO KAH LEONG
Independent Director



YU FOO-YEE SHOON
Independent Director

Ms Ong Chih Ching*Executive Chairman and Executive Director*

Ong Chih Ching is the Executive Chairman and Executive Director of KOP Limited. She is responsible for the Company's vision, development and strategic planning as well as growth of the Group's business.

Named as one of the 50 Power Business Women in Asia by Forbes Asia magazine in 2014 and 2015, Ong Chih Ching was also named Outstanding Entrepreneur at the Asia Pacific Entrepreneurship Awards 2014 by Enterprise Asia and the winner for the RISING 50 "Women Empowerment Awards" supported by the Embassy of the Republic of Indonesia in 2017. Recognised as a forerunner and thought leader on the topics of real estate, women leadership and innovation, Ong Chih Ching has been invited to speak at several prestigious forums and seminars including The Economist – Innovation Summit in October 2015, CNBC's Managing Asia: Asia Builders seminar in October 2014 and the Real Estate Investment World 2015 conference. Ong Chih Ching also sits on the jury panel of the highly-coveted Channel News Asia Luminary Awards where she also spoke about gender diversity and leadership at its forum in March 2015 titled Leadership for Innovation and Growth: Women on Board.

Prior to the Reverse Takeover, Ong Chih Ching was the chairman and co-founder of KOP Properties Pte. Ltd. and KOP Group Pte. Ltd., and was responsible for a number of ground-breaking real estate projects including The Ritz-Carlton Residences, Singapore, Cairnhill, the first Ritz-Carlton branded private residences outside of North America; Hamilton Scotts, Singapore, an iconic residential tower with sky-garages (an exclusive car porch in the living room); and the multi-award winning Montigo Resorts hospitality brand conceptualised by Ong Chih Ching with two resorts in Indonesia under its portfolio – one in Nongsa, Batam, and the other in Seminyak, Bali. With her foresight in revolutionary ventures, Ong Chih Ching is placing KOP Limited on the fast-track with the development of Wintastar, Shanghai, an integrated winter-themed resort featuring an Olympic-grade indoor ski-slope and winter sports facility.

Ong Chih Ching was a founding partner of Singapore law firm Koh, Ong & Partners where she started Koh, Ong and Partners Management Services Pte. Ltd. in 1999 that provides secretarial, consultancy and corporate management services for high-net-worth clients and private and public equity institutions. She was also the honorary secretary and founder member of Securities Investors Association (Singapore) ("SIAS"). She was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1994, and graduated with a Bachelor of Law from the University of Buckingham in 1991.

Ms Leny Suparman*Group Chief Executive Officer and Executive Director*

Leny Suparman is the Group Chief Executive Officer and Executive Director of KOP Limited and oversees the implementation of the Company's development and growth plans. Leny Suparman was also co-founder of KOP Group Pte. Ltd. ("KOPG") where she was instrumental in shaping the company into a purveyor of luxury lifestyle, real estate and hospitality.

Under her leadership, KOPG developed iconic projects such as The Ritz-Carlton Residences, Singapore, Cairnhill, the first Ritz-Carlton branded private residences outside of North America; Hamilton Scotts, Singapore, an iconic residential tower with sky-garages (an exclusive car porch in the living room) as well as the multi-award winning Montigo Resorts in Nongsa and Seminyak, exemplifying KOP's enterprising creativity in conceptualising and building projects that are different and bold.

Before the founding of KOPG, Leny Suparman was a Director of Real Estate in Koh, Ong and Partners Management Services Pte. Ltd. where she was responsible for sourcing, executing and closing real estate transactions on behalf of clients. She was previously with real estate consultancy firm, CB Richards Ellis, for a period of nine years where she headed the retail department and worked with well-known retail brands in redevelopment projects in Singapore and Shanghai, the People's Republic of China.

She obtained a Bachelor of Science in Business from the Indiana University Bloomington, Indiana, United States of America in 1995.

Mr Ko Chuan Aun*President and Executive Director*

Ko Chuan Aun is the President and Executive Director of KOP Limited and oversees the Entertainment Business. Prior to the Reverse Takeover, Ko Chuan Aun was the Chief Executive Officer and Executive Director of Scorpio East Holdings Ltd. (now known as KOP Limited).

Ko Chuan Aun also holds chairmanships and directorships in various private and public listed companies. He was appointed as an Independent Director of Super Group Ltd, San Teh Ltd, KSH Holdings Limited, Koon Holdings Limited, Lian Beng Group Ltd and Pavillon Holdings Ltd.

Ko Chuan Aun has more than 15 years of work experience with the then Trade Development Board of Singapore ("TDB"), now known as the International Enterprise ("IE") Singapore. His last appointment with TDB was Head of China Operations.

In the past 27 years, Ko Chuan Aun has been actively involved in business investments in the People's Republic of China. In 2001, he was appointed as a member of the Steering Committee for Network China.

Between 2003 to 2005, Ko Chuan Aun served as the Chairman of the Tourism Sub-Committee under the Singapore-Sichuan Trade & Investment Committee. Ko Chuan Aun holds a Diploma in Export Marketing, equivalent to the Danish Niels Brock International Business Degree Program.

Mr Lee Kiam Hwee*Lead Independent Director*

Lee Kiam Hwee is the Lead Independent Director of the Company. He currently serves as an independent director of Marco Polo Marine Ltd (listed on the Main Board of the SGX-ST). From 2007 to 2016, he held appointments as independent director for several years in three other companies listed on the Main Board of the SGX-ST.

Lee Kiam Hwee has about 28 years of experience in finance, accounting and auditing. He began his professional career in Coopers & Lybrand and was promoted to Senior Audit Manager in 1988.

He was Group Financial Controller of IMC Holdings Ltd. from 1994 to 2003 and served as Chief Financial Officer of Pan United Corporation Ltd from 2003 to March 2007.

Lee Kiam Hwee is a fellow member of the Association of Chartered Certified Accountants, UK, and a fellow member of the Institute of Singapore Chartered Accountants. He is also a member of the Singapore Institute of Directors.

Dr Ho Kah Leong @ Ho Kah Leung

Independent Director

Dr Ho Kah Leong is the Independent Director of the Company. He was a Special Adviser to the Board and his role included providing guidance in respect of the business and corporate governance matters.

Dr Ho Kah Leong is currently a director of Vicom Ltd, Fuxing China Group Limited and Pioneers and Leaders (Malaysia) Sdn Bhd. He was the former Senior Parliamentary Secretary to the Minister for the Environment. Upon his retirement from politics in 1997, he was also appointed as the Principal of the Nanyang Academy of Fine Arts for over six years. He holds a Bachelor of Science degree from Nanyang University and was conferred a PhD in Arts by Wisconsin International University, United States of America, in 2001.

Mrs Yu-Foo Yee Shoon

Independent Director

Yu-Foo Yee Shoon is the Independent Director of the Company.

Mrs Yu-Foo started her career with National Trades Union Congress (“NTUC”). She was Deputy Secretary-General of NTUC, Senior Parliamentary Secretary for Ministry of Community Development, Youth and Sports, the first woman Mayor in Singapore before she became Minister of State for Ministry of Community Development, Youth and Sports.

She retired after 27 years in politics.

Her present directorships include ARA Trust Management (Suntec) Limited, KOP Limited and Singapura Finance Ltd. She is Senior Advisor (International Advisory Panel) to Hyflux Ltd, Special Advisor to Global Yellow Pages Limited and Advisor to Nuri Holdings (S) Pte Ltd and Dimensions International College Pte Ltd.

Yu-Foo Yee Shoon chairs the Publicity and Outreach Committee for the Lee Kuan Yew Fund for Bilingualism. She is a Justice of the Peace and Chairman of Traditional Chinese Medicine Practitioners Board, Founding Patron of Breast Cancer Foundation and Advisor to Hardware Network and Executive Council Member of Hainan University.

She graduated from Nanyang University with a Bachelor of Commerce and from Nanyang Technological University with a Masters Degree in Business and was awarded the Honorary Doctorate of Education by Wheelock College of Boston, the United States in 2008.



Prudential Tower

A joint venture with subsidiaries of Lian Beng Group Ltd., KSH Holdings Limited and Centurion Global Ltd., Prudential Tower is a 30-storey Grade A strata-titled office development. It is strategically located at the junction of Cecil Street and Church Street in the heart of Singapore's business and financial district, easily accessible from Raffles Place MRT Interchange and Telok Ayer MRT Stations.



30 Cecil Street
Singapore 049712

www.prudentialtower.com.sg

Montigo Resorts, Nongsa

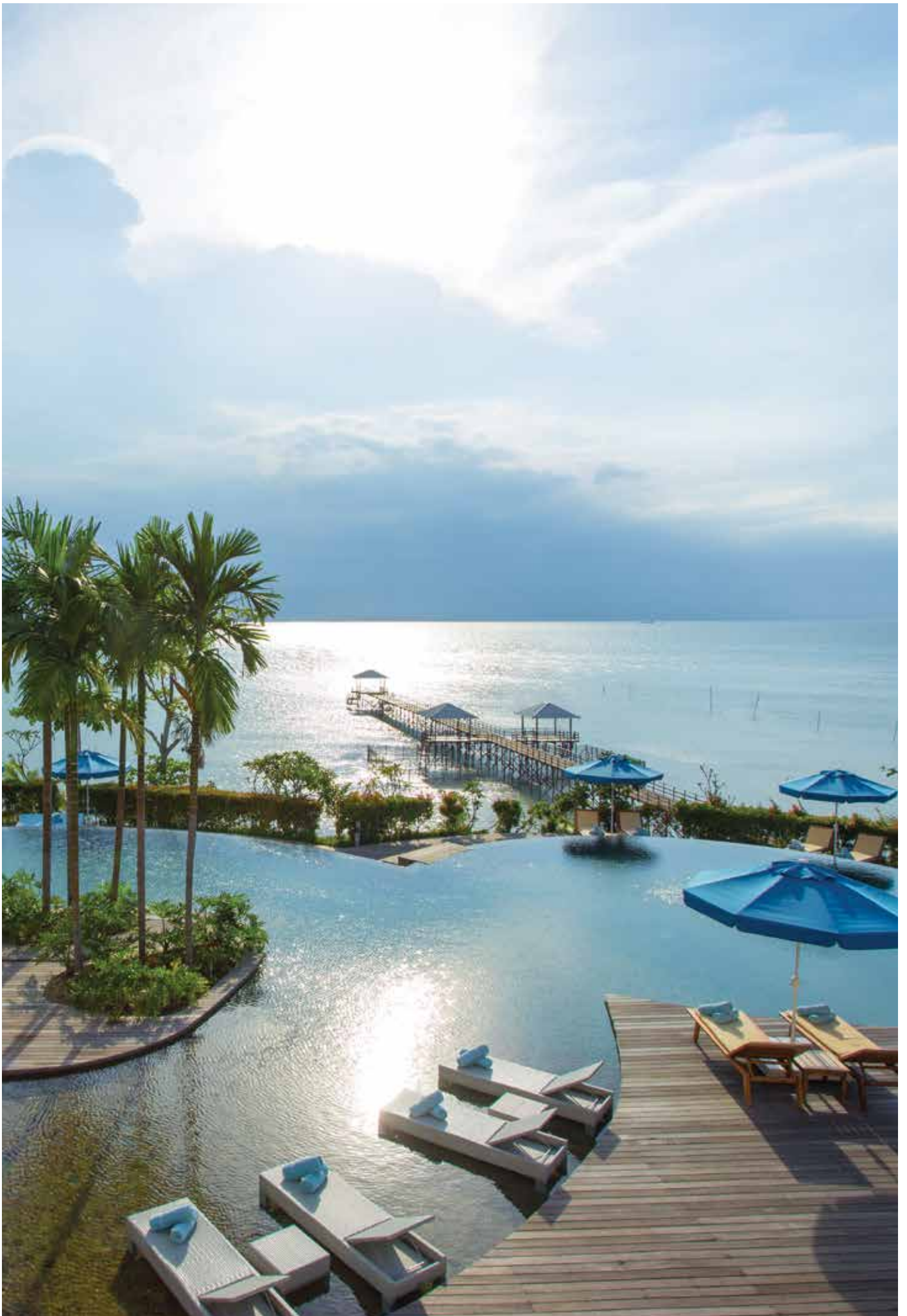
Just 30 minutes away by ferry from Singapore, Montigo Resorts, Nongsa is the brand's multiple award-winning flagship property located in Batam, Indonesia. Situated along a one-kilometre stretch of seafront, the five-star resort has one to five-bedroom villas available for resort stay and purchase. Resort facilities include a beach club, retail store, kid's club, watersport centre, spa and exceptional dining options.



Jl. Hang Lekir Nongsa
Batam, Indonesia

www.montigoresorts.com









Montigo Resorts, Seminyak

Montigo Resorts' second property, Montigo Resorts, Seminyak, introduces a new lifestyle resort concept in Bali, Indonesia. Located in the heart of the Seminyak district and a short stroll away to the beach, Montigo Resorts, Seminyak, offers beautifully decorated, expansive rooms and suites, featuring a comfortable, contemporary design, and adorned with fun, quintessentially Montigo elements. Facilities include a brand new interactive-dining restaurant and bar, swimming pools, a spa, retail store and a kid's club.



Jalan Petitenger, Seminyak
Bali 80361, Indonesia

www.montigoresorts.com

THE MANAGEMENT



Ms Joey Ong

Chief Operating Officer - KOP Properties Pte. Ltd.

Joey Ong is the Chief Operating Officer (“COO”) of KOP Properties Pte. Ltd., holding responsibility for the overall corporate and business operations of the Group. Joey Ong joined KOP Group Pte. Ltd. (“KOPG”) in 2007 as Senior Manager, Business Development. She was later appointed Deputy Director, Internal Audit & Compliance in 2008 and tasked with the internal audit of the companies within KOPG as well as overseeing compliance matters such as bank compliance and reporting to third party investors.

Joey Ong was promoted to her current position as COO of KOP Properties Pte. Ltd. in August 2010. Joey Ong started her career in Additive Circuits Pte Ltd in 1987 where she worked as a materials engineer and was responsible for research and development on the electroplating of circuits on plastic boards and was involved in the trouble-shooting and process control of daily production.

In 1991, she joined Philips Singapore as a procurement officer in its purchasing department, with responsibility for local and overseas supplier selection, qualification, appraisal and budgeting for the department, amongst other duties. From 1994 to 1998, Joey Ong was a director of Clinch International Pte Ltd, a company providing software solutions for legal practices in Singapore and Malaysia. In 1998, she was appointed a director of Fresh Lush Handmade Cosmetics Pte Ltd, the manufacturer and retailer of handmade body products and cosmetics. In 1996, she joined Koh, Ong & Partners, a Singapore law firm in which the principal partners were Ong Chih Ching and Koh Geok Jen, as an office manager, in charge of the finance, office administration and human resources functions of the firm. Joey Ong then joined Koh, Ong & Partners Management Services Pte. Ltd. in 1999 as office manager. Joey Ong continued in her role until 2007 when she joined KOPG. Joey Ong obtained a graduateship from The Plastics & Rubber Institution in the UK in 1987.



Mr Joe Tan

Financial Controller - KOP Limited

Joe Tan is the Group's Financial Controller and is responsible for the entire spectrum of its financial activities. He joined the Group in November 2014 as Group Finance Manager and was promoted to Financial Controller in June 2016. Prior to joining KOP Limited, Joe Tan was the Group Finance Manager of GKE Corporation Limited, a company listed on the Catalist of the Singapore Exchange Securities Trading Limited.

He also held various audited related positions in Ernst & Young LLP, Baker Tilly TFW LLP and Mazars, Praxity. Joe Tan graduated with a Bachelor of Commerce Double Major in Professional Accounting and Finance from Murdoch University, Australia. He is a non-practicing member of the Institute of Singapore Chartered Accountants and member of CPA Australia.



Ms Liane Ong

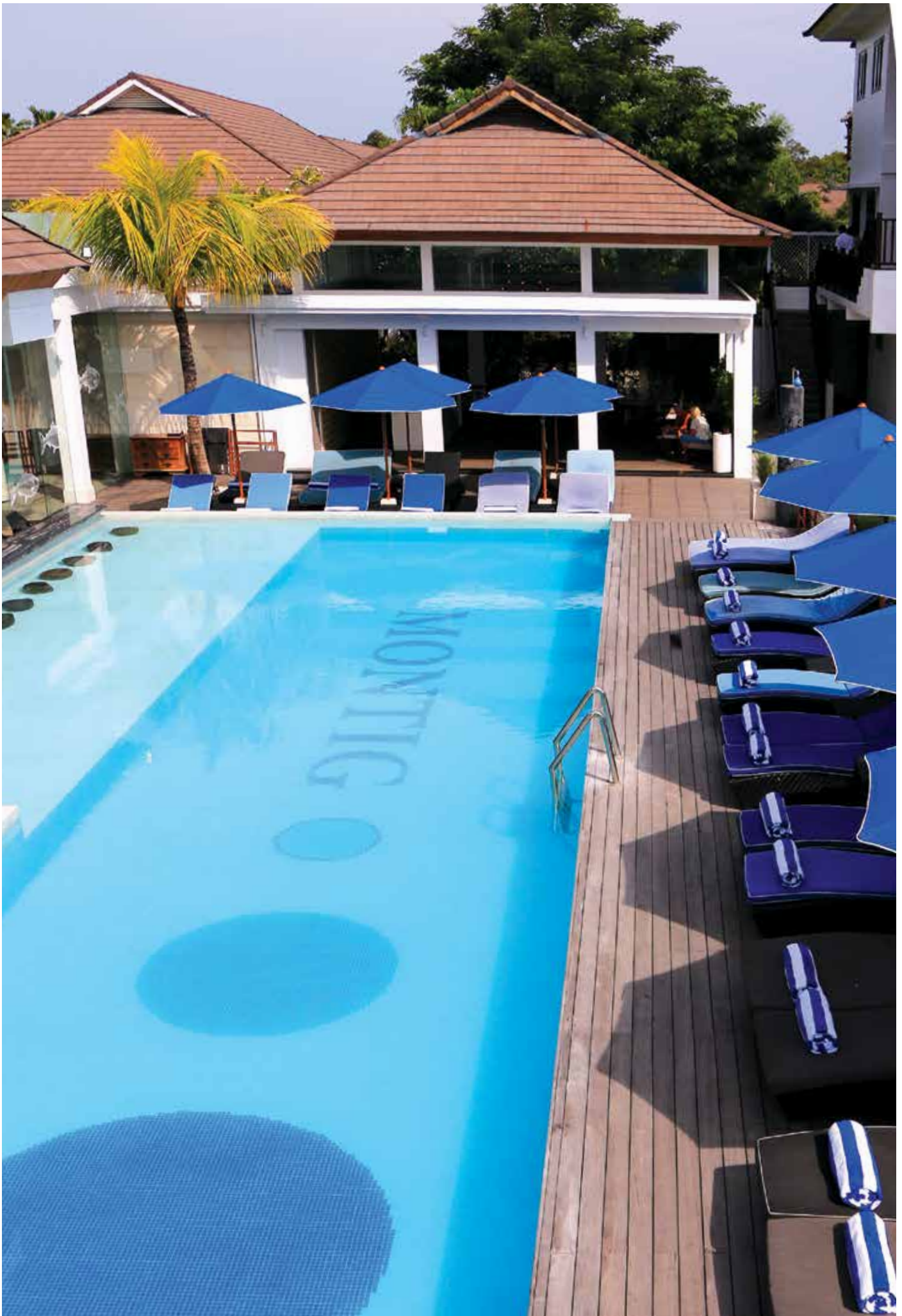
Managing Director - Wintastar Holdings Pte. Ltd.

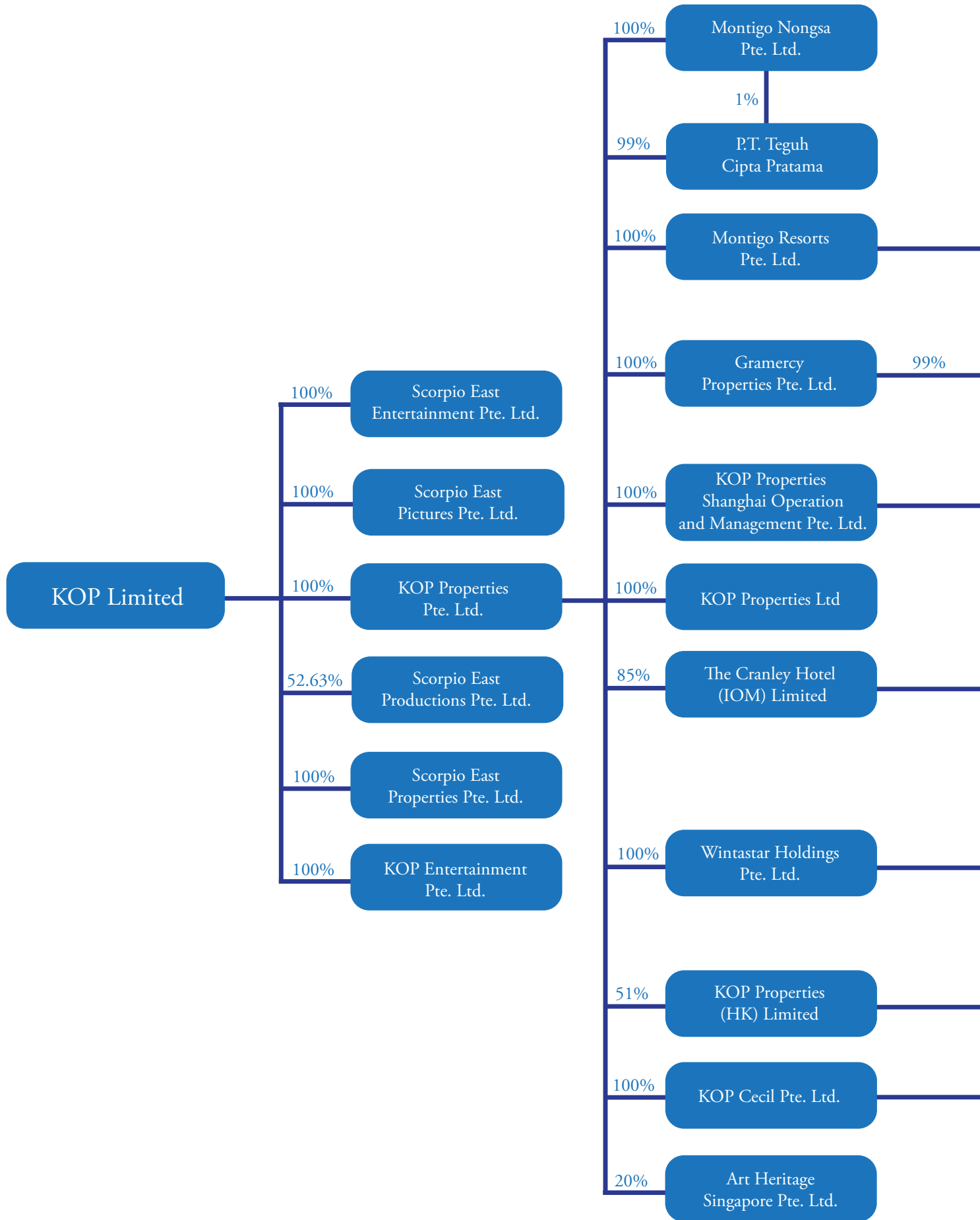
Liane Ong was appointed as Managing Director of Wintastar Holdings Pte. Ltd. ("Wintastar Holdings") in June 2017. As a new subsidiary under KOP Properties Pte. Ltd., Wintastar Holdings will drive the growth of its world-class, integrated ski resorts in Asia. Wintastar Shanghai, its first project is targeted to open by 2020. Liane Ong brings with her over 20 years of wide-ranging experience in strategic planning, industry development, business development, government liaison, media and marketing communications.

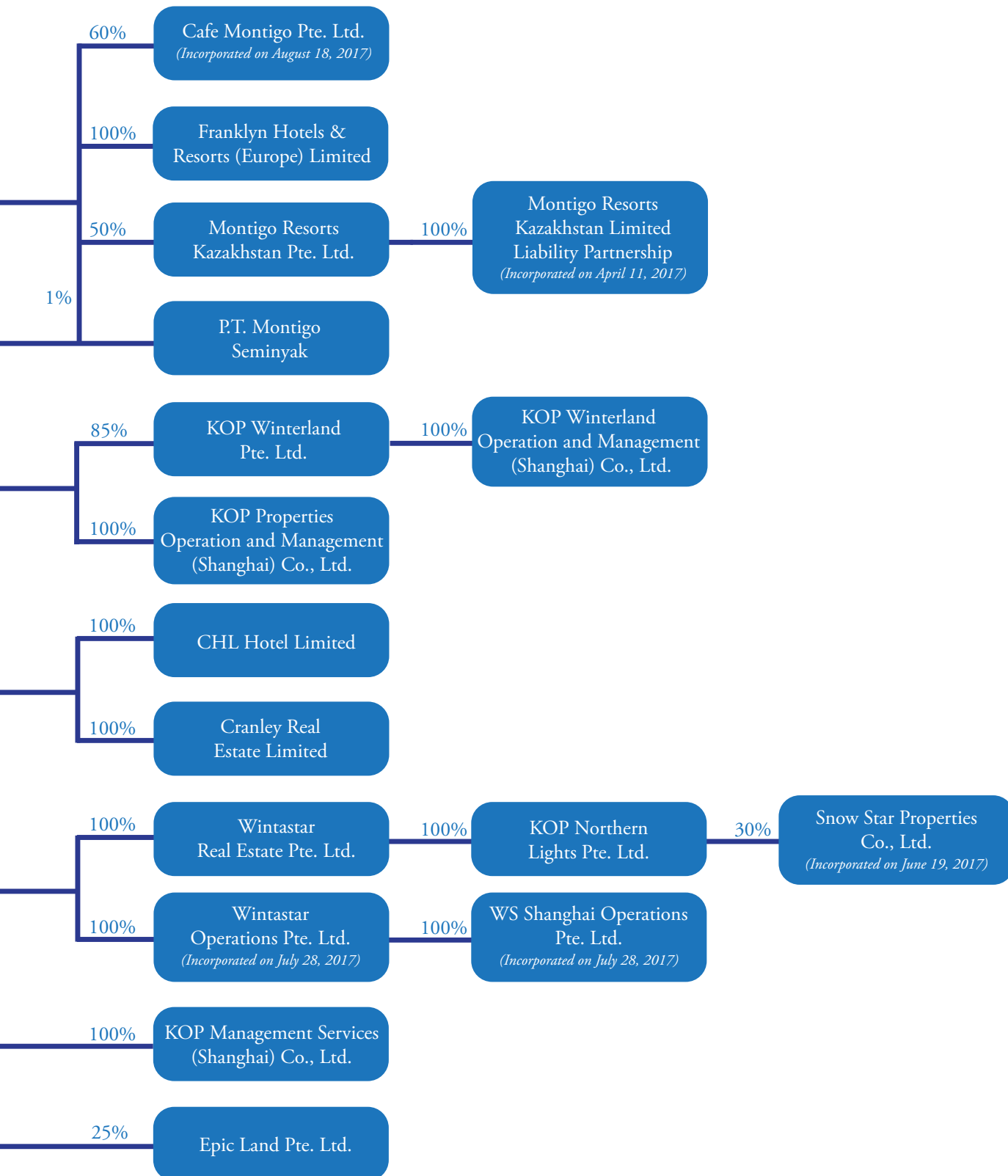
Liane Ong last position was with the International Enterprise ("IE") Singapore as its Singapore-based Group Director for China Group. She was based in Shanghai from 2009-2015 as Regional Director overseeing the east region covering Shanghai, Jiangsu, Zhejiang and Anhui. She was concurrently Consul (Commercial) for the Consulate-General of the Republic of Singapore in Shanghai and Advisor to the Singapore-Shanghai Business Association.

Prior to joining IE Singapore (formerly Trade Development Board of Singapore), Liane Ong held various positions with the National Registration Department, Singapore Immigration & Registration and the Ministry of Home Affairs.









CORPORATE STRUCTURE

BUSINESS REVIEW

For financial year ended March 31, 2017 (“FY2017”), Group revenue decreased 34% to S\$16.2 million from S\$24.5 million as compared to financial year ended March 31, 2016 (“FY2016”). The comparatively lower revenue in FY2017 compared to FY2016 is due to significant revenue recognition from the handover of completed properties of Montigo Resorts, Nongsa, which had boosted the performance of the real estate development and investment segment last year.

The lower topline was also due to an absence of revenue recognised from Cranley Hotel in the United Kingdom (“UK”), which was divested in the first quarter of FY2017, which led to lower segment revenue for the Hospitality business.

Other operating income rose 182% to S\$15.0 million from S\$5.3 million in FY2016 due mainly to a S\$8.8 million gain from the divestment of the Cranley Hotel in 1QFY2017 to unlock value for shareholders while creating an opportunity for us to recycle capital into other yield-accretive opportunities. Other operating income was also lifted by sales and marketing fees earned, bad debts recovered, increase in net foreign exchange gain during the year, offset by a decrease in interest income.

In view of the above, the Group reported a S\$2.2 million profit after tax in FY2017, compared to a net profit of \$0.1 million in FY2016.

Consequentially, the Group’s earnings per share rose 225% to 0.13 SGD cent per share as at March 31, 2017 from 0.04 SGD cent per share as at March 31, 2016. Net asset value per share increased to 10.75 SGD cents per share from 10.51 SGD cents per share across the same comparative periods.

Real Estate Development and Investment

The Real Estate Development and Investment business segment continues to be an important revenue driver for us, contributing S\$3.4 million revenue in FY2017, or 20.8% of Group revenue, compared to S\$7.6 million segment revenue last year. The relatively lower segment revenue in FY2017 was due to significant revenue recognised in FY2016 from the handover of completed properties of Montigo Resorts, Nongsa.

Singapore

Latest numbers from the Urban Redevelopment Authority (“URA”) showed sustained decline in prices and rentals of commercial spaces in 1Q2017 due mainly to oncoming pipeline supply concerns by 4.0% and 3.4%, respectively, compared to the 0.6% and 1.8% decline in 4Q2016¹.

Notwithstanding the weak market sentiments for the office sector, we are pleased to report that our 25%-owned investment in Prudential Tower has continued to contribute good yields from the sale of its strata units. The Grade-A office tower has sold approximately 72.9% of its units, while the remaining units continue to contribute healthy recurring rental income.

Overseas

While Singapore remains our core market, our geographical risks are mitigated through our diversified real estate portfolio, with Montigo Resorts, Nongsa as well as a large-scale mixed-development project, Wintastar, in Shanghai, China.

Leveraging on the success of Montigo Resorts, Nongsa, we will be working closely with our joint venture partner, Sinarmas Land – one of the largest property developers in Indonesia, in planning to develop a high-end integrated mixed-use development, Nuvasa Bay, in Batam island.

In Shanghai, we’ve made considerable progress on our upcoming landmark development, Wintastar. During the financial year, we entered into a Joint Venture Framework Agreement with local partners – Shanghai LuJiaZui Zhi Mao Investment Co., Ltd, a wholly-owned subsidiary of Shanghai LuJiaZui (Group) Co., Ltd (“SLJZ”), and Shanghai Harbour City Development (Group) Co., Ltd (together with KOPL, the “Consortium”) – to co-develop Wintastar in Shanghai’s Lingang City.

1. Urban Redevelopment Authority, April 28, 2017 – Release of 1st Quarter 2017 real estate statistics

SLJZ co-owns the new Shanghai Disney Resort, and is one of the conglomerates authorised and supported by the People’s Municipal Government of Shanghai to develop large tracts of land, run comprehensive businesses and coordinate work with the Lujiazui Finance and Trade Zone, amongst others.

Subsequent to the year-end, the Consortium paid a tender deposit in April 2017 of RMB176.6 million for bidding of the land located at Lingang, Pudong New District, Shanghai (the “Land”). Being the sole bidder of the Land, the Consortium will proceed to complete the necessary procedures for the acquisition of the Land.

Wintastar will feature year-round access to winter sports activities and an indoor ski trail – amongst other complementary amenities such as our first Montigo Resorts in Shanghai, commercial and retail spaces.

Hospitality

The Hospitality business segment continues to be our core revenue driver, contributing S\$11.4 million in FY2017, or 70.3% of Group revenue, compared to S\$12.5 million in FY2016. The slight dip was due to the absence of revenue recognised from Cranley Hotel in the UK which was divested in the first quarter of FY2017.

Our flagship Montigo Resorts in Nongsa, Batam, and Seminyak, Bali, continue to enjoy healthy occupancy and room rates due mainly to the strong brand association with multi-generational travel and the unique Montigo Resorts experience built through effective marketing campaigns to ensure top-of-mind recall for our target consumer groups.

Following the success of Montigo Resorts, Nongsa, the proven business model is replicated in our second property under our self-managed hospitality brand in Bali with Montigo Resorts, Seminyak, located in the vibrant Jalan Petitenget district.

The resort in Bali features executive and junior suite accommodation, an international restaurant with poolside dining, a full-service spa, a kid’s club and a retail shop to meet the various needs of multigenerational guests. The resort is expected to fully operate by FY2018, and referencing from the warm reception we’ve received so far despite the resort being under refurbishment, we are confident that the resort is well-poised for stronger performance when it is fully operational.

In the meantime, we continue to fine-tune and raise the bar of excellence for our self-managed, multi-award winning Montigo Resorts brand, and explore both opportunities to expand the brand in new markets, such as that in Wintastar, as well as opportunities for us to provide hospitality management services.

Entertainment

The Entertainment segment recorded lower revenue of S\$0.7 million in FY2017, or 4.4% of Group revenue, compared to S\$3.8 million in FY2016 due mainly to a decrease of assignment of distribution rights in FY2017 in line with a change in business focus from the legacy entertainment business.

We've successfully repositioned the segment to invest in movie rights after exiting from our DVD business – we are moving towards content creation such as live shows, which will add value to our integrated real estate developments. Working with strategic partners, these collaborations will come in handy for our Wintastar project in Shanghai, which we intend to inject elements of entertainment to elevate the value propositions of the integrated lifestyle development.

Real Estate Origination and Management Services

The Real Estate Origination and Management Services business segment contributed S\$0.7 million, or 4.5% of Group revenue, higher than the S\$0.5 million in FY2016, due to management fees charged to a related company.

In closing, we have a clear focus to ensure sustainable growth and to enhance shareholder values. We'll leverage on our strengths in identifying a unique niche for projects, acumen in project selection, as well as our strong fundamentals to grow rapidly.

CORPORATE SOCIAL RESPONSIBILITY

Cognisant of our duties as a socially responsible company, KOP Limited (“KOPL”) believes in the continuous engagement of and contribution to various stakeholders of the community. The diverse mix of community causes that KOPL champions is a strong testament to our steadfast commitment in effecting positive change.

Gender Equality

KOPL believes that regardless of gender, both men and women should have equal rights, opportunities and access to education, marriage and employment, and we advocate this through our own company policies.

We’ve supported the Association of Women for Action and Research (“AWARE”) since 2010. AWARE endeavors to remove all gender-based barriers in Singapore, and our financial contributions support their research and advocacy, education and training and support services. In this vein, KOPL also contributed to the 2016 Big Ball, and annual fundraising event organised by AWARE. Funds raised from the 2016 Big Ball supports lower-income women, providing assistance for them to secure sustainable livelihoods.

KOPL also participated in the SNOW (Say No to the Oppression of Women) annual fundraiser in 2016. Organised by the Singapore Committee for UN Women, SNOW contributes towards the critical work of its organiser in stopping oppression and violence towards women at home and abroad.

The Spirit of Giving

KOPL strives to contribute back to the community in a sustainable manner and share the fruits of our success with the less fortunate. We make regular donations to other charities, seeking to challenge the status quo, inspire, and advance to the betterment of the community.

This year, KOPL’s employees across all departments came together, united for a single cause, participating in the “Keeping Hope Alive” project that provides assistance to low income families. Our team went door-to-door, stepping into the homes of 1 and 2-room HDB households, providing financial aid for overdue electricity and/or medical bills, buying groceries, providing school children with bus fares and refurbished bug-infested homes.





AWARDS AND ACCOLADES

KOP Limited

- Singapore 1000 Company - Public Listed Companies 2016

Montigo Resorts, Nongsa

- World Luxury Spa Awards 2016, Best Urban Escape Spa
- World Luxury Hotel Awards 2016, Luxury Private Pool Villa
- TripAdvisor, 2016 Certificate of Excellence
- Haute Grandeur 2016, Global level in the *All Inclusive Resort* Category and Country level in the *Family Resort* Category

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ong Chih Ching

Executive Chairman and Executive Director

Leny Suparman

Group Chief Executive Officer
and Executive Director

Ko Chuan Aun

President and Executive Director

Lee Kiam Hwee

Lead Independent Director

Dr Ho Kah Leong @ Ho Kah Leung

Independent Director

Yu-Foo Yee Shoon

Independent Director

AUDIT AND RISK COMMITTEE

Lee Kiam Hwee

Chairman, Independent Director

Dr Ho Kah Leong @ Ho Kah Leung

Member, Independent Director

Yu-Foo Yee Shoon

Member, Independent Director

REMUNERATION COMMITTEE

Dr Ho Kah Leong @ Ho Kah Leung

Chairman, Independent Director

Lee Kiam Hwee

Member, Independent Director

Yu-Foo Yee Shoon

Member, Independent Director

NOMINATING COMMITTEE

Yu-Foo Yee Shoon

Chairman, Independent Director

Lee Kiam Hwee

Member, Independent Director

Dr Ho Kah Leong @ Ho Kah Leung

Member, Independent Director

COMPANY SECRETARY

Shirley Tan Sey Liy (ACIS)

SPONSOR

RHT Capital Pte. Ltd.

Six Battery Road

#10-01

Singapore 049909

REGISTERED OFFICE

25 Tai Seng Avenue
#06-01 KOP Building
Singapore 534104

SHARE REGISTRAR AND

SHARE TRANSFER OFFICE

RHT Corporate Advisory Pte. Ltd.
9 Raffles Place #29-01
Republic Plaza Tower 1
Singapore 048619

AUDITORS

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
6 Shenton Way
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Singapore 068809

PARTNER-IN-CHARGE

Cheung Pui Yuen
(a member of the Institute of Singapore
Chartered Accountants)
(First appointed in respect of the
financial year ended 31 March 2017)

PRINCIPAL BANKERS

Malayan Banking Berhad
2 Battery Road
Maybank Tower
Singapore 049907

PT Bank CIMB Niaga Tbk
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Jakarta 12190
Indonesia

INVESTOR RELATIONS

Citigate Dewe Rogerson i.MAGE
55 Market Street
#02-01
Singapore 048941

REPORT OF CORPORATE GOVERNANCE

The Board of Directors (the “**Board**”) and management (the “**Management**”) of KOP Limited (the “**Company**”) and together with its subsidiaries, collectively the “**Group**”) is committed to maintain a high standard of corporate governance within the Group.

This report sets out the Group’s corporate governance practices with specific reference to the Code of Corporate Governance 2012 (the “**Code**”) and the Disclosure Guide on Compliance with the Code developed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in January 2015. The Group subscribes fully to the principles and guidelines and recommendations in the Code where they are applicable. The Group has complied with the Code’s principles and guidelines throughout the reporting period for the financial year ended March 31, 2017 (“**FY2017**”), except where otherwise stated.

For ease of reference, the relevant provision of the Code under discussion is identified in bold and the disclosures provided in this Report is meant to be read as a whole.

1. BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group.

The Board’s role is to:

- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the Company’s assets;
- review management performance;
- identify the key stakeholder groups and recognise that their perceptions affect the Company’s reputation;
- set the Company’s values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and
- consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Every Director is expected, in the course of carrying out his duties, to exercise due diligence and independent judgment and is obliged to act in good faith, and consider at all times, the interests of the Company.

All other matters are delegated to various committees (the “**Board Committees**”) whose actions will be monitored by the Board. These committees include the Audit and Risk Committee (“**ARC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”), and each of the ARC, NC and RC operates within clearly defined terms of reference and functional procedures. The terms of reference of the Board Committees are reviewed on a regular basis to ensure their continued relevance.

REPORT OF CORPORATE GOVERNANCE

The Board conducts regular scheduled meetings to review the Group's key activities, business strategies, funding decisions, financial performance and to approve the release of the results of the Group. Where circumstances require, ad-hoc meetings are arranged. Attendance of the Directors via telephone conference is allowed under Regulation 120(2) of the Company's Constitution. Important matters concerning the Group are also put to the Board for its decision by way of written resolutions. Matters which are reserved for the Board's decision or approval include the following:

- investments/divestments and funding decisions of the Group;
- issuance of shares or declaration of dividends;
- material acquisitions and disposals of assets;
- convening of general meetings;
- announcements or press releases concerning the Group for release via the SGXNet; and
- all matters of strategic importance.

The number of Board and Board Committees meetings held during FY2017 and the attendance of each Director where relevant are as follows:–

Name of Directors	Board		ARC		RC		NC	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ms. Ong Chih Ching	5	5	4	4 [^]	2	2 [^]	1	1 [^]
Ms. Leny Suparman	5	5	4	4 [^]	2	2 [^]	1	1 [^]
Mr. Ko Chuan Aun	5	5	4	4 [^]	2	2 [^]	1	1 [^]
Mr. Lee Kiam Hwee	5	5	4	4	2	2	1	1
Dr. Ho Kah Leong								
@ Ho Kah Leung	5	5	4	4	2	2	1	1
Mrs. Yu-Foo Yee Shoon	5	5	4	4	2	2	1	1

Note:

[^] Attendance by invitation.

The Company believes that the attendance record of each Director at the Board and/or Board Committees meetings may not be a true reflection of his contribution. Each of the Director's knowledge and experience as well as their potential and actual contribution to the proper guidance of the Group and its business are also important considerations. The criteria for assessment of the Board's performance is set out in Principle 5 of this annual report.

All Directors are regularly updated on changes to the Company's policies, changes to the Listing Manual – Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"), risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as the Board and Board Committees members.

The Company will also provide its Directors with regular updates on the latest business and governance practices that are relevant to the Group. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Company during Board meetings. Directors will also be given opportunities to visit the Group's operational facilities and meet the Management so as to gain a better understanding of the Group's business.

REPORT OF CORPORATE GOVERNANCE

The Directors are welcome to request further explanations, briefings or informal discussions on any aspects of the Company's operations or business issues from the Management. The Group Chief Executive Officer ("Group CEO") will make the necessary arrangements for such briefings, informal discussions or explanations required by the Directors upon request.

The Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of Directors' duties and responsibilities. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education and training on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the Catalist Rules that affect the Company and/or the Directors in discharging their duties.

Newly appointed Directors will undergo an orientation programme and will be provided with information about the Group's history, mission and values to familiarise them with the business and governance practices of the Company. All Directors are appointed to the Board by way of a formal letter of appointment or service agreement setting out the scope of their duties.

BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently comprises three Executive Directors and three Independent Directors as follows:–

Name of Directors	Board	ARC	NC	RC
Ms. Ong Chih Ching	Executive Chairman and Executive Director	–	–	–
Ms. Leny Suparman	Group CEO and Executive Director	–	–	–
Mr. Ko Chuan Aun	President and Executive Director	–	–	–
Mr. Lee Kiam Hwee	Lead Independent Director	Chairman	Member	Member
Mrs. Yu-Foo Yee Shoon	Independent Director	Member	Chairman	Member
Dr. Ho Kah Leong @ Ho Kah Leung	Independent Director	Member	Member	Chairman

As the Executive Chairman and Executive Director, Ms. Ong Chih Ching, is part of the Management team and is not considered an Independent Director, half of the Board comprises Independent Directors to ensure that there is a strong independent element on the Board, thereby allowing it to exercise objective judgment on corporate affairs of the Group independently from the Management.

The independence of each Director is reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an independent director in its review. The Independent Directors have confirmed that they do not have any relationship with the Company and/or its related corporations and/or its 10% shareholders and/or its officers that would interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement, with a view to the best interest of the Company. As such, the NC is of the view that the Independent Directors, namely Mr. Lee Kiam Hwee, Dr. Ho Kah Leong @ Ho Kah Leung and Mrs. Yu-Foo Yee Shoon are independent.

None of the Independent Directors have served on the Board beyond nine years from their respective date of first appointment.

REPORT OF CORPORATE GOVERNANCE

The Board comprises businessmen and includes professionals with financial, accounting and legal backgrounds. Profiles of the Directors are set out in the “**Board of Directors**” section of this annual report. The NC is of the view that the Board consists of persons who, as a group, provide core competencies such as business and management experience, industry knowledge, legal expertise, financial and strategic planning experience and knowledge that are necessary to meet the Company’s objectives. In addition, it is of the view that the current Board size of six Directors is appropriate for effective decision making, taking into account the scope and nature of the operations of the Company. Furthermore, the NC is of the view that no individual or small group of individuals dominates the Board’s decision-making processes. From time to time, the NC will review the appropriateness of the current Board size, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment.

While the Independent Directors do not exercise management functions in the Group, they play an important role in ensuring that the strategies proposed by Management are fully discussed and rigorously examined. They also review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

The Company co-ordinates informal meeting sessions for Independent Directors to meet on a need-basis without the presence of the Management to discuss matters such as the Group’s financial performance, corporate governance initiatives, Board processes, succession planning as well as leadership development and the remuneration of the Executive Directors.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company’s business. No one individual should represent a considerable concentration of power.

It is the Company’s practice to keep the roles of the Chairman and Group CEO separate. By doing so, there is a clear division of responsibilities between the Chairman and the Group CEO, which will ensure a balance of power and authority, such that no individual or small group of individuals represents a considerable concentration of power. Keeping the two roles separate will also ensure increased accountability and greater capacity of the Board for decision-making.

The Group CEO and Executive Director, Ms. Leny Suparman, is responsible for the overall implementation and management of the Group’s operations, business strategies and direction and corporate plans and policies.

Ms. Ong Chih Ching, the Executive Chairman and Executive Director, is primarily responsible for the effective workings of the Board. Other responsibilities of the Executive Chairman include:

1. scheduling of meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Group’s operations;
2. setting meeting agendas in consultation with the Board;
3. promote a culture of openness and debate at the Board;
4. ensuring that Board members receive complete, adequate and timely information;
5. ensuring effective communication with shareholders;
6. encourage constructive relations within the Board and between the Board and Management;
7. facilitate the effective contribution of non-executive directors;
8. promote high standards of corporate governance for the Group; and
9. formulation of the Group’s vision and mission, strategic, direction and expansion plans.

REPORT OF CORPORATE GOVERNANCE

The Company Secretary may be called to assist the Executive Chairman in any of the above.

All major decisions made by the Board are subject to majority approval of the Board. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

The Board had appointed Mr. Lee Kiam Hwee as the Lead Independent Director to co-ordinate and to lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is the main liaison on Board issues between the Independent Directors and Executive Chairman. He is available to shareholders when they have concerns and for which contact through the normal channels of the Executive Chairman or Financial Controller (“FC”) has failed to resolve or is inappropriate.

The Independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the other Directors, where necessary, and the Lead Independent Director will provide feedback to the Executive Chairman after such meetings.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC has been established with written terms of reference and currently comprises three directors, all of whom, including the Chairman, are independent. They are:–

Mrs. Yu-Foo Yee Shoon	(Chairman)
Dr. Ho Kah Leong @ Ho Kah Leung	(Member)
Mr. Lee Kiam Hwee	(Member)

The NC Chairman is not related to any of the substantial shareholders of the Company.

The principal terms of reference of the NC are as follows:–

- review nominations for the appointment and re-appointment of members to the Board and the various Board Committees;
- decide on the evaluation criteria of the Board, propose an objective performance criteria to assess effectiveness of the Board as a whole and the contribution of each Director;
- decide whether a Director is able to and has been adequately carrying out his duties as Director of the Company (in a case where the Director has multiple board representations);
- ensure that Directors submit themselves for re-nomination and re-election at regular intervals and at least once in every three years; and
- determine on an annual basis, whether a Director is independent bearing in mind the salient factors set out in the Code.

REPORT OF CORPORATE GOVERNANCE

The NC is responsible for the re-nomination of the Directors. Regulation 107 of the Company's Constitution requires one-third of the Directors to retire from office at least once in every three years at the Company's Annual General Meeting (the "AGM") and Regulation 112 of the Company's Constitution provides that each term of appointment of the Managing Director (or a person holding an equivalent position) shall not exceed five years. Retiring Directors are eligible to offer themselves for re-election pursuant to Regulation 109. The NC may recommend the appointment of any other qualified person as a Director to fill a vacancy or as an addition to the Board. Regulation 117 of the Company's Constitution provides that such Director so appointed shall hold office until the next AGM and shall be eligible for re-election.

In making recommendation for the purpose of re-nomination of these Directors, the NC has taken into consideration their overall contribution and performance. Each of the NC members had abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their individual performance or re-election/re-appointment as Directors of the Company.

The NC has recommended to the Board, the re-election of Ms. Leny Suparman and Mrs. Yu-Foo Yee Shoon at the forthcoming AGM. The Board had accepted the NC's recommendation.

Mrs. Yu-Foo Yee Shoon, being a member of the NC, who is retiring at the AGM abstained from voting on the resolution in respect of her re-nomination and re-appointment as a Director.

Particulars of the Directors such as their present and past three years' directorships in other listed companies are set out below:

Name	Age	Appointment	Date of initial appointment	Date of last re-election/re-appointment	Present Directorships in other listed companies	Past Directorships in other listed companies in the last three preceding years
Ms. Ong Chih Ching	48	Executive Chairman and Executive Director	6 May 2014	28 July 2016	None	None
Ms. Leny Suparman	43	Group CEO and Executive Director	6 May 2014	28 August 2014	None	None
Mr. Ko Chuan Aun	60	President and Executive Director	15 August 2007	29 July 2015	<ul style="list-style-type: none"> • Super Group Ltd • San Teh Ltd • Koon Holdings Limited • KSH Holdings Limited • Lian Beng Group Ltd • Pavillon Holdings Ltd. 	None

REPORT OF CORPORATE GOVERNANCE

Name	Age	Appointment	Date of initial appointment	Date of last re-election/ re-appointment	Present Directorships in other listed companies	Past Directorships in other listed companies in the last three preceding years
Mr. Lee Kiam Hwee	61	Lead Independent Director	6 May 2014	28 July 2016	<ul style="list-style-type: none"> • Marco Polo Marine Ltd 	<ul style="list-style-type: none"> • HTL International Holdings Limited
Dr. Ho Kah Leong @ Ho Kah Leung	80	Independent Director	28 August 2012	28 July 2016	<ul style="list-style-type: none"> • Vicom Ltd • Fuxing China Group Limited 	None
Mrs. Yu-Foo Yee Shoon	67	Independent Director	6 May 2014	29 July 2015	<ul style="list-style-type: none"> • Singapura Finance Ltd • ARA Trust Management (Suntec) Limited 	None

The Board is satisfied that Directors who have multiple board representations have devoted sufficient time and attention to the affairs of the Group. Their multiple board representations do not hinder their abilities to carry out their duties as Directors of the Company. Accordingly, the Board has decided not to fix a maximum number of listed company board representations which any Director may hold. The Board would continue to review from time to time the board representations and other principal commitments of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

There is no alternate director being appointed to the Board.

In its search, nomination and selection process for new directors, the NC:

1. identifies the competencies required to enable the Board to fulfil its responsibilities;
2. seeks external assistance, if the need arises, by approaching relevant institutions such as the Singapore Institute of Directors, search companies or via public advertisements to search for suitable candidates. The search for suitable candidates could also be drawn from the contacts and network of the existing Directors and the Management;
3. conducts formal interview of short-listed candidates to assess suitability and to ensure that the candidates are aware of the expectations and the level of commitment required of them; and
4. makes recommendations to the Board for approval.

REPORT OF CORPORATE GOVERNANCE

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The Board's performance is reflected in the overall performance of the Group. Based on the recommendation of the NC, the Board has established processes and objective performance criteria for assessing the effectiveness of the Board as a whole, its Board Committees and for assessing the contribution of each individual Director.

The objective performance criteria will address how the Board has enhanced long-term shareholders' value. The selected performance criteria shall not be changed from year to year unless they are deemed necessary and the Board is able to justify the changes.

The NC is of the view that the primary objective of the assessment exercise is to create a platform for the Board members to encourage exchange of feedback on the Board's strengths and shortcomings with a view to strengthen the effectiveness of the Board as a whole. The criteria for assessment includes attendance record, intensity of participation at meetings, the quality of intervention and the value of contribution to the development of strategy, industry and business knowledge and the experience each Director possesses which are crucial to the Group's business.

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities, conduct of its affairs as a whole, effectiveness of the Board Committees and contribution by each individual Director for FY2017, is of the view that the performance of the Board as a whole, Board Committees and individual Director has been satisfactory. The NC is satisfied that sufficient time and attention has been given to the Group by the Directors. No external facilitator was used in the evaluation process.

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his/her performance or re-nomination as Director.

ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Company believes that the Board should be provided with timely, complete and adequate information prior to Board meetings and as and when the need arises.

The Company recognises the importance of the flow of information for the Board to discharge its duties effectively. All Directors are furnished with management accounts of the Group and regular updates on the financial position of the Company. The Board has unrestricted access to the Company's records and information.

The Directors have also been provided with the contact details of the Company's Senior Management and Company Secretary to facilitate separate and independent access.

The Company Secretary or her representative administers and prepares minutes of the Board and Board Committees meetings. Such minutes of meetings are circulated. The Company Secretary attends all Board meetings and assists the Chairman of the Board and Board Committees in ensuring that proper procedures at such meetings are followed and reviewed so that the Board and Board Committees function effectively and the relevant requirements of the Companies Act, Chapter 50 of Singapore and the Catalist Rules are complied with.

REPORT OF CORPORATE GOVERNANCE

Each member of the Board may seek professional advice in furtherance of their duties and the costs of obtaining such professional advice will be borne by the Company. The appointment and removal of the Company Secretary is a matter for consideration by the Board as a whole.

2. REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC has been established with written terms of reference and currently comprises three directors, all of whom, including the Chairman, are independent. They are:–

Dr. Ho Kah Leong @ Ho Kah Leung	(Chairman)
Mrs. Yu-Foo Yee Shoon	(Member)
Mr. Lee Kiam Hwee	(Member)

The RC members are familiar with executive compensation matters as they are performing executive functions in the companies where they are employed and/or are holding directorships in other public listed companies.

It is a practice that the RC recommends to the Board a framework of remuneration for the Board and the key management personnel as well as specific remuneration packages for the Group CEO and Executive Directors. The recommendations will be submitted for endorsement by the Board. All aspects of remuneration, including but not limited to Directors' and Senior Managements' fees, salaries, allowances, bonuses and benefits in kind will be covered by the RC.

Each member of the RC abstains from voting on any resolution, participating in any deliberation of the RC and making any recommendation in respect of his/her remuneration. No Director will be involved in determining his/her own remuneration.

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expenses of such services shall be borne by the Company. There were no remuneration consultants engaged by the Company in FY2017.

In reviewing the service agreements of the Executive Directors and employment contracts of the key management personnel of the Company, the RC will review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

REPORT OF CORPORATE GOVERNANCE

LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

As a matter of the Company's practice, the remuneration packages for Executive Directors take into account the performance of the Group and the individual Executive Director. The Independent Directors receive remuneration in the form of Directors' fees in accordance with their level of contribution, taking into account factors such as effort and time spent, as well as the responsibilities of the Independent Directors. The Directors' fees are subject to shareholders' approval at the forthcoming AGM. The Company recognises the need to pay competitive fees to attract, motivate and retain directors without being excessive and thereby maximise shareholders' value.

The Company has entered into a service agreement with Ms. Ong Chih Ching, Ms. Leny Suparman and Mr. Ko Chuan Aun. The service agreement is for a period of three (3) years commencing 6 May 2017.

The Company does not have any employee share option scheme or share scheme.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

DISCLOSURE ON REMUNERATION

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Executive Directors do not receive Directors' fees and are remunerated as members of the Management. Their remuneration package comprises a basic salary component and a variable component which is tied to the performance of the Group as a whole and their individual performance.

The Company is of the view that disclosure of the remuneration details of each director and key management personnel in the manner recommended by the Code will be detrimental to the Company's interests, given the confidential and commercial sensitivities associated with remuneration matter and the highly competitive human resource environment in which the Group operates. Instead, the level and mix of the annual remuneration of the Directors in remuneration bands of S\$250,000 and the level of remuneration of the Group's top 5 key management personnel (who are not directors) are disclosed below.

REPORT OF CORPORATE GOVERNANCE

A breakdown showing the level and mix of each individual Director's remuneration in remuneration bands of S\$250,000 for FY2017 are set out as follows:–

Name of Director	Fees* %	Salary# %	Bonus %	Other Benefits %	Total %
S\$500,000 and above					
Ms. Ong Chih Ching	–	100	–	–	100
S\$250,000 to below S\$500,000					
Ms. Leny Suparman	–	100	–	–	100
Mr. Ko Chuan Aun	–	100	–	–	100
Below S\$250,000					
Mr. Lee Kiam Hwee	100	–	–	–	100
Dr. Ho Kah Leong @ Ho Kah Leung	100	–	–	–	100
Mrs. Yu-Foo Yee Shoon	100	–	–	–	100

Notes:

* These fees were approved by the shareholders at the AGM held on 28 July 2016.

Salary is inclusive of fixed allowance and CPF contributions.

For FY2017, the Group has identified 5 key management personnel. The details and the level of remuneration of the Group's top 5 key management personnel (who are not directors) for FY2017 is set out as follows:–

Top 5 key management personnel	Position
Below S\$250,000	
Ms. Joey Ong ⁽¹⁾	Chief Operating Officer of KOP Properties Pte. Ltd.
Mr. Joe Tan ⁽²⁾	Financial Controller of KOP Limited
Ms. Lily Foo ⁽³⁾	Chief Financial Officer of KOP Limited
Mr. Dalip Singh ⁽⁴⁾	Managing Director of KOP Properties Pte. Ltd.
Mr. Anton Kilayko ⁽⁵⁾	Director of Marketing of KOP Properties Pte. Ltd.

The aggregate remuneration total amount paid to the directors and the relevant key management personnel (who are not director or the CEO) for FY2017 is S\$1,626,000 and S\$630,000, respectively.

Note:

(1) Ms. Joey Ong is the sister of Ms. Ong Chih Ching, Executive Director and Executive Chairman of the Company, whose remuneration exceeds S\$50,000 during FY2017.

(2) Mr. Joe Tan was appointed as the Financial Controller on 1 June 2016.

(3) Ms. Lily Foo has resigned as the Chief Financial Officer on 6 July 2016.

(4) Mr. Dalip Singh has resigned as the Managing Director on 30 November 2016.

(5) Mr. Anton Kilayko has resigned as the Director of Marketing on 31 May 2016.

REPORT OF CORPORATE GOVERNANCE

For FY2017, there were no terminations, retirement or post-employment benefits granted to Directors and relevant key management personnel other than the standard contractual notice period termination payment in lieu of service.

Details of remuneration paid to the immediate family member of Directors or substantial shareholders for FY2017 are set out below:

Name of Immediate Family Member	Salary# %	Bonus %	Other Benefits %	Total %
Below S\$250,000				
Ms. Joey Ong	100	–	–	100

Note:

Salary is inclusive of fixed allowance and CPF contributions.

Save for the above disclosure, the Company does not have any employee who is an immediate family member of a Director or Group CEO whose remuneration in FY2017 exceeded \$50,000.

3. ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Company has taken efforts to comply with the Catalist Rules on the disclosure requirements of material information. The Board is mindful of the obligation to provide shareholders updates on all major developments that affect the Group and strives to maintain a high standard of transparency.

The Board provides the shareholders with a detailed and balanced explanation and analysis of the Company's performance, position and prospects on a quarterly basis. In accordance with the Catalist Rules, the Board issued negative assurance statements in its quarterly financial results announcements, confirming that to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

The Management currently provides the Board with appropriately detailed management accounts of the Group's performance, position and prospects on quarterly basis.

REPORT OF CORPORATE GOVERNANCE

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board believes in the importance of maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets.

The Board is responsible for the governance of risk and the overall internal control framework. The Board and the ARC noted that all internal controls contain inherent limitations and no systems of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities. Accordingly, the Board will continue its risk assessment process with a view to improve the Group's internal control systems.

Management quarterly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Company's policies and strategies. The Management reviews all significant control policies and procedures and highlights all significant matters to the ARC and the Board.

During the year under review, the Board has received assurance from the Group CEO and FC that the Group's risk management systems and internal control systems in place is adequate and effective in addressing the material risks in the Group including that the Group's financial records have been properly maintained and the financial statements for FY2017 give a true and fair view of the Group's business operations and finances.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the Management, the Board and the various Board Committees, the Board, with concurrence of the ARC, is of the opinion that the system of internal controls and risk management maintained by the Group is adequate and effective in addressing the financial, operational, compliance and information technology risks of the Group for FY2017.

AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The ARC has been established with written terms of reference and currently comprises three directors, all of whom, including the Chairman, are independent. They are:–

Mr. Lee Kiam Hwee	(Chairman)
Dr. Ho Kah Leong @ Ho Kah Leung	(Member)
Mrs. Yu-Foo Yee Shoon	(Member)

REPORT OF CORPORATE GOVERNANCE

Mr. Lee Kiam Hwee, the Lead Independent Director of the Company, currently chairs the ARC. The ARC met 4 times in FY2017. It performs the following functions:–

- reviews announcements of the Group’s quarterly and full year results;
- reviews the audit plans and reports of the external auditors and to consider the effectiveness of the actions taken by the Management on the external auditors’ recommendations;
- appraises and reports to the Board on the audits undertaken by the external auditors, the adequacy of disclosure of information;
- reviews the adequacy of the Group’s internal financial, operational and compliance controls, and risk management policies and systems established by the Management;
- reviews the assistance and co-operation given by the Management to the external auditors;
- discusses problems and concerns, if any, arising from the interim and final audits;
- nominates external auditors for re-appointment;
- reviews interested person transactions, as defined in the Catalist Rules; and
- reviews the effectiveness of the Company’s internal audit function and considers the appointment and re-appointment of the internal auditors.

The ARC considered the report from the external auditors, including their findings on the key audit matters. In assessing the key audit matters, the ARC took into consideration the approach, methodology and the key assumptions applied in the valuation of the properties and the assessment on the recoverability of receivables. The ARC concluded that Management’s accounting treatment and estimates in the key audit matters were appropriate. The ARC also reviewed the assumptions made in the Group’s budget and evaluated the Management financing’s plan and satisfied that the Company and the Group have adequate resources to fulfil their obligation and will continue operations as going concern.

The Board is of the view that the all members of the ARC have the requisite financial management expertise and experience to discharge its responsibilities.

The ARC has explicit authority to investigate any matter within its terms of reference and has full access to and co-operation by the Management. It also has full discretion to invite any Director or Executive Officer to attend its meetings and reasonable resources to enable it to discharge its functions properly.

In July 2010, SGX-ST and ACRA had launched the “**Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors**” which aims to facilitate the ARC in evaluating the external auditors.

In October 2015, the Accounting and Corporate Regulatory Authority (“**ACRA**”) with the support from SGX-ST and Singapore Institute of Directors had launched the “Audit Quality Indicators (AQIs) Disclosure Framework” which aims to help the Audit Committee in evaluating the Company’s external auditors. The ACRA has provided the Guidance to Audit Committees on ACRA’s Audit Quality Indicators Disclosure Framework (“**Guidance**”). Accordingly, the ARC had evaluated the performance of the external auditors based on the AQIs and Guidance.

REPORT OF CORPORATE GOVERNANCE

The ARC reviews the independence of the external auditors annually. The ARC has conducted an annual review of all non-audit services, if any, provided by the external auditors to the Group, and are satisfied that the nature and extent of such services would not affect the independence of the external auditors. During FY2017, the amount of non-audit fees paid to the external auditors and its members was \$18,000. The audit fees paid to the external auditors amounted to S\$202,500.

The ARC recommends to the Board on the proposals to shareholders on the appointment, reappointment and removal of the external auditors and approving the remuneration of the external auditors. As part of the rotation of the external auditors, the ARC has recommended to the Board, and the Board has accepted, the appointment of Ernst & Young LLP as the Group's new external auditors in place of Deloitte & Touche LLP for the financial year ending March 31, 2018. The proposed change of auditors from Deloitte & Touche LLP to Ernst & Young LLP will be tabled in the forthcoming Extraordinary General Meeting of the Company for shareholders' approval, and further information thereto is set out in the circular to shareholders dated September 5, 2017.

The ARC also meets with the external auditors and internal auditors at least once a year, without the presence of the Management, to review the Management's level of cooperation and other matters that warrants the ARC's attention. The ARC has met with the external auditors and the internal auditors without the presence of the Management during FY2017.

The Company confirms that it has complied with Rule 712 and Rule 715 of the Catalist Rules in relation to the external auditors.

The Company has adopted a whistle-blowing policy which serves to provide employees with well-defined and assessable channels within the Group for reporting possible improprieties in financial reporting or other matters in confidence. There were no reports received by the ARC through the Company's whistle-blowing mechanism during FY2017.

The ARC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors. No former partner or director of the Company's existing external auditors has acted as a member of the ARC.

INTERNAL AUDIT

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has outsourced the internal audit function to a qualified public accounting firm ("IA"). Currently, the Company has engaged KPMG Services Pte. Ltd. ("KPMG") as its IA to provide internal audit services in accordance with its internal audit plan. The internal audit is performed in accordance with KPMG's Internal Audit Methodology which is aligned with the International Professional Practices Framework of The Institute of Internal Auditors.

The ARC reviews and approves the hiring, removal and evaluates its outsourced IA. The IA has unrestricted direct access to the ARC and reports to the ARC. The IA also has unfettered access to all the Company's documents, records, properties and personnel. The IA plans its scope of internal audit work during FY2017 in consultation with the ARC, and submitted its annual audit plan to the ARC for approval.

The ARC has reviewed the effectiveness of the IA and is satisfied that the IA is adequately resourced and has the appropriate standing within the Company to fulfil its mandate.

The ARC is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with the relevant experience.

The ARC reviews the adequacy and effectiveness of the internal audit function of the Company annually.

REPORT OF CORPORATE GOVERNANCE

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

In line with the continuous obligations of the Company under the Catalist Rules and the Companies Act, Chapter 50, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNet.

Shareholders are informed of general meetings through the announcement released to the SGXNet and notices contained in the annual report or circulars sent to all shareholders. These notices are also advertised in a national newspaper. All shareholders are entitled to attend the general meetings and are provided the opportunity to participate in the general meetings. If any shareholder is unable to attend, he/she (who is not a relevant intermediary) is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance.

On 3 January 2016, the legislation was amended, among other things, to allow certain members, defined as "Relevant Intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company believes in regular and timely communication with shareholders as part of its organisational development to build systems and procedures.

Information is disseminated to shareholders on a timely and non-selective basis through:

- annual reports that are prepared and issued to all shareholders within the mandatory period;
- public announcements via the SGXNet;
- press releases; and
- the Company's website at <http://www.koplimited.com> which the shareholders can access information on the Group.

By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company has engaged an investor relations firm which focuses on facilitating communications with all stakeholders, shareholders, analysts and media on a regular basis, to attend to their queries or concerns as well as to keep the investing public apprised of the Group's corporate developments and financial performance. The Company's website at which the shareholders can access financial information, corporate announcements, press releases, annual reports and profile of the Group.

REPORT OF CORPORATE GOVERNANCE

The Company does not practise selective disclosure. Price sensitive information is first publicly released through SGXNet, even before the Company meets with any investors or analysts. All shareholders of the Company will receive the annual report with notice of AGM by post and published in the newspapers within the mandatory period, which is held within four months after the close of the financial year. The Company will make an application to the Singapore Exchange Securities Trading Limited and the ACRA for an extension of time to hold the AGM if the Company is unable to hold its AGM within the mandatory period. The relevant information for such application will be publicly released through SGXNet.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. No dividends will be paid in respect of FY2017 as the Company has deemed it more appropriate to retain the cash in the Group for its future growth.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company's AGMs are the principal forums for dialogue with shareholders. Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay apprised of the Group's strategies and growth plans. Notices of the meetings will be advertised in newspapers in Singapore and announced via the SGXNet. Resolutions tabled at general meetings are passed through a process of voting by poll which procedures are clearly explained by the scrutineers at such general meetings.

Shareholders are given the opportunity to pose questions to the Directors or the Management at the general meetings. The chairman of the ARC, RC and NC will be present at these meetings to answer questions relating to matters that are overseen by these Board Committees.

Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for each separate and distinct issue at general meetings.

The Company prepares minutes or notes of general meetings, which include substantial comments or queries from shareholders relating to the agendas of the meetings and responses from the Board and the Management. These minutes or notes are available for the inspection of shareholders upon their request.

The Company conducted poll voting for all its general meetings since 2013. To accord the full voting rights of shareholders, the Company will continue to put all resolutions to vote by poll at the forthcoming AGM. For cost effectiveness, the voting for resolutions at the general meeting is conducted by manual polling. The detailed results of each resolution are announced via SGXNet after the general meetings.

REPORT OF CORPORATE GOVERNANCE

5. DEALINGS IN SECURITIES

In compliance with Rule 1204(19) of the Catalyst Rules, the Company has adopted policies to provide guidance to its Directors and officers on dealings in the Company's securities.

The Company prohibits its Directors and officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Directors and officers are also not allowed to deal in the Company's shares during the period commencing two (2) weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year and one month before the announcement of the Company's full-year financial results, and ending on the date of the announcement of the relevant results.

6. INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested persons which sets out the procedures for review and approval of such transactions.

All interested person transactions will be documented and submitted on a quarterly basis to the ARC for their review to ensure that such transactions are carried out at arm's length basis and on normal commercial terms and are not prejudicial to the Company and its minority shareholders.

The interested person transactions during FY2017 are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year 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 transactions less than S\$100,000) S\$'000
Royce Properties Pte. Ltd.		
Commission income	948	–
Interest income	960	–
Management fee income	525	–
Scotts Spazio Pte. Ltd.		
Management fee income	200	–

REPORT OF CORPORATE GOVERNANCE

7. NON-SPONSOR FEE

There was no non-sponsor fee paid to the Company's sponsor, Hong Leong Finance Limited ("**Hong Leong**"), in FY2017.

8. MATERIAL CONTRACTS AND LOANS

Except as disclosed in the financial statements, the Company confirmed that there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the Executive Director or any Director or controlling shareholder, either still subsisting at the end of FY2017 or if not then subsisting, which were entered into since the end of the previous financial year.

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of KOP Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended March 31, 2017.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 66 to 150 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at March 31, 2017, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Ong Chih Ching
 Leny Suparman
 Ko Chuan Aun
 Lee Kiam Hwee
 Dr. Ho Kah Leong @ Ho Kah Leung
 Yu-Foo Yee Shoon

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

Name of the directors and company in which interests are held	Shareholdings registered in name of director		Shareholdings in which directors are deemed to have an interest	
	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
The Company (Ordinary shares)				
Ong Chih Ching ^{(1) (2)}	1,100,000	1,100,000	493,247,143	493,247,143
Leny Suparman ^{(1) (3)}	1,000,000	1,000,000	459,257,142	459,257,142
Ko Chuan Aun	1,900,500	1,900,500	-	-

DIRECTORS' STATEMENT

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

The directors' interest in the shares of the Company at April 21, 2017 were the same as at March 31, 2017.

- (1) By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Ms. Ong Chih Ching and Ms. Leny Suparman are deemed to have an interest in all the subsidiaries and associates of the Company.
- (2) By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Ms. Ong Chih Ching is deemed to have an interest in 493,247,143 (2016: 493,247,143) shares which comprises (i) 428,571,428 (2016: 428,571,428) shares held through KOP Group Pte. Ltd., (ii) 64,175,715 (2016: 64,175,715) shares held through United Overseas Bank Nominees (Private) Limited and (iii) 500,000 (2016: 500,000) shares held through Citibank Nominees Singapore Pte. Ltd..
- (3) By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Ms. Leny Suparman is deemed to have an interest in 459,257,142 (2016: 459,257,142) shares which comprises (i) 428,571,428 (2016: 428,571,428) shares held through KOP Group Pte. Ltd. and (ii) 30,685,714 (2016: 30,685,714) shares held through United Overseas Bank Nominees (Private) Limited.

4 SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5 AUDIT AND RISK COMMITTEE

The Audit and Risk Committee comprises the following members:

Mr. Lee Kiam Hwee	Chairman and Lead Independent director
Mrs. Yu-Foo Yee Shoon	Independent director
Dr. Ho Kah Leong @ Ho Kah Leung	Independent director

DIRECTORS' STATEMENT

5 AUDIT AND RISK COMMITTEE (cont'd)

The Audit and Risk Committee has met four times since the last Annual General Meeting and has reviewed the following, where relevant, with the executive directors, external and internal auditors of the Company:

- (a) the audit plans and results of the external auditor's examination of the financial statements and evaluation of the Group's system of internal accounting controls;
- (b) the Group's financial and operating results and accounting policies;
- (c) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditor's report on those financial statements;
- (d) the quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;
- (e) the co-operation and assistance given by the management to the Group's external auditor; and
- (f) the re-appointment of the external auditors of the Group and their independence.

The Audit and Risk Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee also undertakes the additional roles and responsibilities of assisting the Board in reviewing the adequacy and effectiveness of the Group's risk management and internal control system.

ON BEHALF OF THE DIRECTORS

.....
Ong Chih Ching

.....
Leny Suparman

August 28, 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOP LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of KOP Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at March 31, 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 66 to 150.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at March 31, 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Qualified Opinion

As disclosed in Note 21 to the financial statements, included in advances from non-controlling interests was an amount of US\$3,000,000, equivalent to \$4,192,000 (2016 : US\$1,500,000, equivalent to \$2,022,000) owing to an individual which entitles the individual to 17% of economic interest in the Montigo Resorts, Seminyak project. The Group's Executive Chairman and Chief Operating Officer are relatives of the said individual. Management explained that the intent is for the advances to be interest-free, repayable on demand and free from all liens, charges and other encumbrances since prior years. During the audit, we were provided loan agreement and related documents between the individual and the Group for which the terms of the advances were not consistent with management's intent or explanation. We are unable to obtain sufficient and appropriate audit evidence on the arrangement to our satisfaction. As a result, we are unable to determine whether any adjustments were necessary to the financial statements.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOP LIMITED

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis of Qualified Opinion* section above, we are unable to conclude whether or not the other information is materially misstated.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of development properties (Refer to Note 10 to the financial statements.)

The Group has significant properties under development in Batam, Indonesia amounting to \$24,448,000 comprising completed and uncompleted properties as at March 31, 2017. These properties are stated at the lower of cost and net realisable values.

The determination of the estimated net realisable values of these development properties is critically dependent upon the Group's expectations of future selling prices net of selling cost. Management based its estimates of selling prices from valuation of independent external valuers performed based on the development properties' existing condition at the end of the reporting period. Adjustments were made to the discount rate applied by the external valuers to take into consideration certain risk factors.

No impairment charges for the development properties has been recorded as the estimated net realisable values were in excess of the carrying amount of the development properties at the end of the reporting period.

Our audit performed and responses thereon

We evaluated the qualifications, experience, independence and objectivity of the valuers and the scope of their work.

We considered the appropriateness of the valuation methodologies used. We evaluated the reasonableness of the discount rate used and the projected cash flows.

Based on the adjusted discount rate, we found that the estimated net realisable values were in excess of the carrying amount of the development properties at the end of the reporting period.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOP LIMITED

Recoverability of receivables

(Refer to Notes 8 and 17 to the financial statements.)

The Group extended a loan to its associate, Epic Land Pte. Ltd. ("EPIC") amounting to \$33,002,000 as at March 31, 2017. This loan is further provided to EPIC's wholly-owned subsidiaries.

In addition to the above, the Group has also provided a long-term advance to a related company amounting to \$16,894,000 as at March 31, 2017.

Underpinning the recoverability of the above balances is the ability of EPIC's subsidiaries and the related company to realise the estimated values of their properties held for sale which are sufficient to repay the amounts owing to the Group.

Management considers that the Group will be able to recover these receivables. As part of their assessment, management obtained the valuations of the properties held for sale from independent professional valuers; considered recent transaction price of units in the same development; and selling price of units for which option to purchase has been issued after the year end, net of selling costs.

No allowance for doubtful receivables has been made in respect of the amounts owing from the associate and related company.

Our audit performed and responses thereon

We evaluated the qualifications, experience, independence and objectivity of the valuers and the scope of their work.

We evaluated the reasonableness of the estimated selling prices provided by the valuers and management by comparing these with recently transacted prices for the same project. The estimated sales commission deducted from estimated selling prices were evaluated for reasonableness based on prevailing rates in the market.

The processes which management undertook to evaluate recoverability of amount owing by its associate and related company; and the basis and sources of information used by management to make the judgement and accounting estimate do not appear to be unreasonable.

We also considered the adequacy of the disclosures in the financial statements to be appropriate.

Impairment assessment of property, plant and equipment

(Refer to Note 18 to the financial statements.)

The Group's property, plant and equipment of \$59,427,000 as at March 31, 2017 are subject to annual review to assess for impairment. In performing the review, management considered amongst others, (i) operating results or net cash outflows for the assets; (ii) significant adverse changes in the economic environment which the entity operates in; and (iii) evidence of obsolescence or physical damage of an asset.

When an indication of impairment exists, management evaluates the recoverable amount of the affected assets based on the higher of fair value less selling costs and value-in-use. When an impairment indicator exists for a property held by the Group, management engages an external valuer to determine the fair value of the property.

The valuation involves significant judgement in determining the appropriate valuation methods; and the appropriate discount rate used for determining the net present value of cash flows. Adjustments were made to the discount rate applied by the external valuer to take into consideration certain risk factors.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOP LIMITED

Our audit performed and responses thereon

We evaluated the qualifications, experience, independence and objectivity of the valuer and the scope of their work.

We considered the appropriateness of the valuation methodologies used. We evaluated the reasonableness of the discount rate used and the projected cash flows.

Impairment assessment of investments in subsidiaries (Refer to Note 15 to the financial statements.)

Included in the carrying amounts of investments in subsidiaries as at March 31, 2017 is \$150,000,000 which relates to investment in a wholly-owned subsidiary, KOP Properties Pte. Ltd. ("KOPP") prior to any impairment loss recognised for the current year. The cost of investment in KOPP exceeded the net assets of KOPP and its subsidiaries which are estimated at \$65,372,000 by \$84,628,000. The shortfall in the net assets of these subsidiaries is an indicator of potential impairment loss and, in such a circumstance, FRS 36 *Impairment of Assets* requires the recoverable amounts of investments in subsidiaries to be estimated. If the estimated recoverable amounts are less than the carrying amounts, the carrying amounts are to be reduced to the estimated recoverable amounts of the investments.

Management has estimated the recoverable amounts of investments in the subsidiaries using a sum-of-parts valuation methodology comprising income and adjusted net asset value approaches to value the 100% equity interest in KOPP. Management has adopted income approach for KOPP's major operating subsidiaries which have a degree of certainty in the future expected benefits. For the other entities, adjusted net asset value approach is adopted where the net assets of the respective entities are considered with fair value adjustments made for assets and liabilities as at March 31, 2017.

Significant judgements are involved in determining the appropriate valuation methods and the appropriate discount rate used in the income approach. Adjustments were made to the discount rates applied by the external valuers to take into consideration certain risk factors.

Based on management's assessment, an additional impairment loss in respect of investment in KOPP amounting to \$5,100,000 (2016 : \$ Nil) has been determined.

Our audit performed and responses thereon

We considered the appropriateness of the valuation methodologies used. When income approach is applied, we evaluated the reasonableness of the discount rates used and the projected cash flows. We also evaluated the qualifications, experience, independence and objectivity of the valuers and the scope of their work.

For recoverable amounts determined based on adjusted net asset value approach, we assessed the appropriateness of the fair value adjustments.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOP LIMITED

Going concerns and contingent liability (Refer to Note 32 to the financial statements.)

As at March 31, 2017, the Company has given a corporate guarantee amounting to \$10.8 million to a bank for a banker guarantee granted to a wholly-owned subsidiary for a land tender deposit. As disclosed in Note 36 to the financial statements, subsequent to the year end, the Group, together with two joint venture partners, was awarded the tender of land in Shanghai, People's Republic of China. The Group's total obligation for the land purchase consideration amounted to \$53.7 million.

The Company's exposure to payment obligations to the bank under the corporate guarantee is dependent on the ability of the Group to obtain financing to fund its share of the land purchase consideration. At the date of this report, management had not obtained any approved long-term financing.

Management is of the view that the Group has adequate resources to fulfil its obligation for the land purchase consideration as:

- (i) Management is in the midst of discussing with potential investors to raise funds; and
- (ii) Subsequent to the end of the reporting period, the bank loan for which the development properties (Note 10) and certain property, plant and equipment (Note 18) are pledged as securities for has been fully repaid. Additional fundings could be obtained by pledging these assets.

In the event that funding cannot be obtained, the Company's and the Group's exposure is limited to the corporate guarantee of \$10.8 million.

Our audit performed and responses thereon

We considered management's financing plans and evaluation of the implications if financing cannot be obtained.

We also assessed the adequacy of disclosures in the financial statements.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOP LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOP LIMITED

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the matter described in the *Basis of Qualified Opinion* section, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Cheung Pui Yuen.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

August 28, 2017

STATEMENTS OF FINANCIAL POSITION

March 31, 2017

ASSETS	Note	GROUP		COMPANY	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current assets					
Cash and bank balances	7	815	3,244	5	13
Trade and other receivables	8	36,485	34,957	27,833	26,017
Other current assets	9	755	704	22	47
Development properties	10	24,448	24,485	-	-
Inventories	11	518	575	-	-
Prepaid film rights	12	-	96	-	-
		63,021	64,061	27,860	26,077
Non-current asset held for sale	13	-	24,922	-	-
Total current assets		63,021	88,983	27,860	26,077
Non-current assets					
Intangibles assets	14	7	126	-	-
Investments in subsidiaries	15	-	-	147,400	152,715
Investments in associated companies	16	8,735	6,839	-	-
Long-term notes receivable	17	16,894	36,934	-	-
Property, plant and equipment	18	59,427	60,286	-	2
Investment property	19	11,306	9,699	-	-
Deferred tax assets	20(a)	242	568	-	-
Total non-current assets		96,611	114,452	147,400	152,717
Total assets		159,632	203,435	175,260	178,794

STATEMENTS OF FINANCIAL POSITION

March 31, 2017

	Note	GROUP		COMPANY	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	21	24,231	49,402	5,015	5,223
Bank overdrafts and borrowings (secured)	22	14,075	17,971	-	-
Finance leases	23	20	53	-	-
Sales proceeds received in advance	24	2,445	-	-	-
Income tax payables		1,131	1,219	4	4
		<u>41,902</u>	<u>68,645</u>	<u>5,019</u>	<u>5,227</u>
Liabilities directly associated with assets classified as held for sale	13	-	15,825	-	-
Total current liabilities		<u>41,902</u>	<u>84,470</u>	<u>5,019</u>	<u>5,227</u>
Non-current liabilities					
Bank borrowings (secured)	22	19,822	19,230	-	-
Finance leases	23	37	173	-	-
Sales proceeds received in advance	24	-	5,185	-	-
Deferred tax liabilities	20(b)	2,626	1,230	-	-
Total non-current liabilities		<u>22,485</u>	<u>25,818</u>	<u>-</u>	<u>-</u>
Capital, reserves and non-controlling interests					
Share capital	25	67,861	67,861	283,427	283,427
Foreign currency translation reserves		414	436	-	-
Other reserve		1,520	1,258	-	-
Retained earnings/(Accumulated losses)		25,944	25,012	(113,186)	(109,860)
Equity attributable to owners of the Company		<u>95,739</u>	<u>94,567</u>	<u>170,241</u>	<u>173,567</u>
Non-controlling interests		(494)	(1,420)	-	-
Total equity		<u>95,245</u>	<u>93,147</u>	<u>170,241</u>	<u>173,567</u>
Total liabilities and equity		<u>159,632</u>	<u>203,435</u>	<u>175,260</u>	<u>178,794</u>

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial year ended March 31, 2017

	Note	GROUP	
		2017 \$'000	2016 \$'000
Revenue	26	16,150	24,464
Cost of sales		(8,827)	(14,746)
Gross profit		7,323	9,718
Other operating income	27	14,974	5,303
Distribution costs		(920)	(1,457)
Administrative expenses		(18,200)	(17,525)
Share of results from investments in associated companies	16	1,896	5,639
Finance costs	28	(965)	(1,276)
Profit before tax		4,108	402
Income tax expense	29	(1,894)	(265)
Profit after tax	30	2,214	137
Other comprehensive loss for the year, after tax:			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange difference on translation of foreign operations		(62)	(355)
Total comprehensive income/(loss) for the year		2,152	(218)
Profit attributable to:			
Owners of the Company		1,194	346
Non-controlling interests		1,020	(209)
		2,214	137
Total comprehensive income/(loss) attributable to:			
Owners of the Company		1,172	68
Non-controlling interests		980	(286)
		2,152	(218)
Earnings per share (cents)			
Basic and diluted	31	0.13	0.04

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Financial year ended March 31, 2017

GROUP	Share	Foreign	Other	Retained	Equity	Non-	Total
	capital	currency	reserve	earnings	attributable	controlling	equity
	\$'000	translation	\$'000	\$'000	to owners	interests	\$'000
		reserves	\$'000	\$'000	of the	\$'000	\$'000
		\$'000			Company		
Balance at April 1, 2015	67,861	714	1,258	24,666	94,499	(1,134)	93,365
<u>Total comprehensive income/(loss)</u>							
<u>for the year</u>							
Profit/(Loss) for the year	-	-	-	346	346	(209)	137
Other comprehensive loss for the year	-	(278)	-	-	(278)	(77)	(355)
Total	-	(278)	-	346	68	(286)	(218)
Balance at March 31, 2016	67,861	436	1,258	25,012	94,567	(1,420)	93,147
<u>Total comprehensive income/(loss)</u>							
<u>for the year</u>							
Profit for the year	-	-	-	1,194	1,194	1,020	2,214
Other comprehensive loss for the year	-	(22)	-	-	(22)	(40)	(62)
Total	-	(22)	-	1,194	1,172	980	2,152
<u>Transaction with owners, recognised</u>							
<u>directly in equity</u>							
Strike-off of subsidiary	-	-	262	(262)	-	(54)	(54)
Balance at March 31, 2017	67,861	414	1,520	25,944	95,739	(494)	95,245

STATEMENTS OF CHANGES IN EQUITY

Financial year ended March 31, 2017

COMPANY	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at April 1, 2015	283,427	(110,958)	172,469
Profit for the year, representing total comprehensive income for the year	-	1,098	1,098
Balance at March 31, 2016	283,427	(109,860)	173,567
Loss for the year, representing total comprehensive loss for the year	-	(3,326)	(3,326)
Balance at March 31, 2017	283,427	(113,186)	170,241

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended March 31, 2017

	Note	GROUP	
		2017 \$'000	2016 \$'000 (Restated)
Operating activities			
Profit before tax		4,108	402
Adjustments for:			
Depreciation of property, plant and equipment	18	3,352	2,873
Gain on disposal of non-current asset held for sale	30	(8,801)	-
Loss on disposal of property, plant and equipment	30	28	-
Property, plant and equipment written off		117	-
Amortisation of intangible assets	30	59	52
Impairment of prepaid film rights	30	87	91
Impairment of intangible assets	30	60	166
(Gain)/Loss from fair value adjustment of investment property	30	(340)	225
Finance costs	28	965	1,276
Interest income	27	(1,889)	(3,946)
Allowance for doubtful receivables	30	343	1,097
Allowance for doubtful receivables written back	30	-	(524)
Unrealised foreign exchange differences		(363)	774
Share of results of investments in associated companies		(1,896)	(5,639)
Operating cash flows before movements in working capital		(4,170)	(3,153)
Trade and other receivables		(924)	705
Other current assets		(51)	265
Development properties		183	70
Inventories		64	(115)
Prepaid film rights		9	(53)
Trade and other payables		(8,215)	14,540
Sales proceeds received in advance		(2,740)	(6,046)
Cash (used in)/generated from operations		(15,844)	6,213
Interest paid		(1,780)	(2,525)
Interest received		8	15
Income tax paid		(304)	(375)
Net cash (used in)/from operating activities		(17,920)	3,328

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended March 31, 2017

	Note	GROUP	
		2017 \$'000	2016 \$'000 (Restated)
Investing activities			
Purchase of property, plant and equipment	18	(2,956)	(1,614)
Proceeds from disposal of property, plant and equipment		1,108	2
Proceeds from non-current asset held for sale		33,792	-
Loan to an associated company	8	-	(958)
Net cash from/(used in) investing activities		<u>31,944</u>	<u>(2,570)</u>
Financing activities			
Repayment of borrowings		(21,307)	(8,210)
Decrease in restricted funds placed in escrow accounts		465	460
Repayment of finance lease		(169)	(796)
Refund to non-controlling interests		(54)	-
Advances from non-controlling interest		4,163	-
Net cash used in financing activities		<u>(16,902)</u>	<u>(8,546)</u>
Net decrease in cash and cash equivalents		(2,878)	(7,788)
(Overdrawn)/Cash and cash equivalents at beginning of the financial year		(3,933)	3,912
Effect of foreign currency translation on cash and cash equivalents		11	(57)
Overdrawn at end of the financial year	7	<u>(6,800)</u>	<u>(3,933)</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

1 GENERAL

The Company (Registration No. 200415164G) is incorporated in Singapore with its principal place of business and registered office at 25 Tai Seng Avenue, #06-01 KOP Building, Singapore 534104. The Company is listed on the Catalist of Singapore Exchange Securities Trading Limited (“SGX-ST”). The financial statements are expressed in Singapore dollars (SGD or \$).

The principal activity of the Company is to carry on the business of an investment holding company. The principal activities of the subsidiaries and associated companies are disclosed in Notes 15 and 16 to the financial statements respectively.

As at March 31, 2017, the Company has given a corporate guarantee amounting to \$10.8 million to a bank for a banker guarantee granted to a wholly-owned subsidiary for a land tender deposit. As disclosed in Note 36 to the financial statements, subsequent to the year end, the Group, together with two joint venture partners, was awarded the tender of land in Shanghai, People’s Republic of China. The Group’s total obligation for the land purchase consideration amounted to \$53.7 million.

At the date of the report, management is satisfied that financing will be obtained to fulfil the Group’s obligation for the land purchase consideration and the Company and Group will continue operations as going concerns.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the year ended March 31, 2017 were authorised for issue by the Board of Directors on August 28, 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore (“FRSs”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On April 1, 2016, the Group and the Company adopted all the new and revised FRSs and Interpretations to FRS ("INT FRS") that are effective from that date and are relevant to its operations.

The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

NEW/REVISED STANDARDS AND IMPROVEMENTS TO THE STANDARDS ISSUED BUT NOT YET EFFECTIVE - At the date of authorisation of these financial statements, the following FRSs and amendments/improvements to FRS that are relevant to the Group and the Company were issued but not effective:

- FRS 109 *Financial Instruments*¹
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)*¹
- FRS 116 *Leases*³
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*²
- Amendment to FRS 40 *Transfer of investment property*¹

¹ Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

² Applies to annual periods beginning on or after January 1, 2017, with early application permitted.

³ Applies to annual periods beginning on or after January 1, 2019, with early application permitted if FRS 115 is adopted.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Management anticipates that the adoption of the above FRSs and amendments to FRS issued but only effective in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting and (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at fair value through profit or loss (FVTPL) at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.
- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under FRS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL is presented in profit or loss.
- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The application of FRS 109 in the future may potentially have an impact on amounts reported in respect of the Group's and Company's financial assets in the year of implementation depending on the profile of assets exposed to credit risks. Management has not opted for early application of FRS 109.

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Based on the existing sources of revenue as at March 31, 2017, management has made a preliminary assessment that the application of FRS 115 may have an impact on the Group's financial statements. Further evaluation will be undertaken should there be further updates on the application of FRS 115 or should the sources of revenue change in the year when FRS 115 becomes effective. Management has not opted for early application of FRS 115.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FRS 116 *Leases*

FRS 116 was issued in June 2016 and will supersede FRS 17 *Leases* and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

Management currently does not expect FRS 116 to have a significant effect on the Group's lease arrangements. It is currently impracticable to disclose any further information on the known or reasonably estimate impact to the Group's financial statements in the period of initial application as management has yet to complete its detailed assessment. Management has not opted for early application of FRS 116.

Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*

The amendments required an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The amendments have no material impact on the amounts reported in the financial statements, but will result in additional disclosures in the consolidated statement of cash flows. Management has not opted for early application of these amendments.

IFRS CONVERGENCE IN 2018

Singapore-incorporated companies listed on the Singapore Exchange (SGX) will be required to apply a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards (IFRS) for annual periods beginning on or after January 1, 2018. The Group will be adopting the new framework for the first time for financial year ending March 31, 2019, with retrospective application to the comparative financial year ending March 31, 2018 and the opening statement of financial position as at April 1, 2017 (date of transition).

Based on a preliminary assessment of the potential impact arising from IFRS 1 *First-time adoption of IFRS*, management does not expect any significant change to the Group's current accounting policies or material adjustments on transition to the new framework, other than those that may arise from implementing new/revised IFRSs as described above.

Management is currently performing a detailed analysis of the transition options and other requirements of IFRS 1. The preliminary assessment above may be subject to change arising from the detailed analysis.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment transaction of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment amends transactions of the acquirer in accordance with FRS 102 *Share-based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

BUSINESS COMBINATION UNDER COMMON CONTROL – Business combinations involving entities under common control are accounted for using merger accounting.

The net assets of the combining entities or businesses are consolidated using the existing book values from the date of the acquisition.

Any excess or shortfall of the consideration paid over the net book values of the acquiree is recognised as a component under equity as "other reserve".

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments “at fair value through profit or loss”.

Financial assets

All financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as “loans and receivables”. Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at fair value through profit or loss, subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group have a legally enforceable right to set off the recognised amounts; and intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES - Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NON-CURRENT ASSETS HELD FOR SALE – Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell unless the assets fall outside the scope of FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations* such as investment property which will be measured in accordance with the fair value model under FRS 40 *Investment Property*.

DEVELOPMENT PROPERTIES - Development properties held for sale are those which are intended for sale in the ordinary course of business. Development properties held for sale which are unsold are carried at the lower of cost and estimated net realisable value. Cost of development properties held for sale includes land, construction and related development costs and interest on borrowings obtained to finance the purchase and construction of the properties. Net realisable value represents the estimated selling price in the ordinary course of business less costs to complete the development and selling expenses.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

PREPAID FILM RIGHTS - These represent advance payments made to acquire film rights. These are carried at cost less any impairment loss when the recoverable amount of the asset is estimated to be lower than its carrying amount.

PROPERTY, PLANT AND EQUIPMENT - Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets, other than properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land and buildings	26 to 50 years
Computer	1 to 4 years
Furniture and fittings	5 years
Motor vehicles	5 years
Boats	5 years
Office equipment	1 to 5 years
Hotel equipment	3 to 5 years
Renovation	5 years
Machinery and factory equipment	2 to 7 years

Freehold land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

INVESTMENT PROPERTY - Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

INTANGIBLE ASSETS

Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful life as follows:

Website cost	3 years
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The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Intangible assets relating to film rights

These represent license cost of film rights incurred and cost incurred on content production. The amounts are recognised as intangible assets only if all the following conditions are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- It is probable that the asset created will generate future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The development cost of the asset can be measured reliably.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Intangible assets are amortised to profit or loss from the title release date on the basis consistent with industry practice over the period of its expected benefits unless the film right is sold to other licensees during the period.

Intangible assets have useful lives as follows:

License cost	1 to 4 years
Content production	1 to 4 years

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and accumulated impairment. The recoverable amount of intangible assets which have indefinite useful lives is reviewed on annual basis.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

ASSOCIATES - An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS - Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

Revenue from sale of development properties

For overseas properties, revenue and cost on development properties that have been sold are recognised using the completed-contract method. Under the completed-contract method, revenue and cost on development properties that have been sold are recognised when the construction of the development properties is completed and the risks and rewards of ownership have been transferred to the buyer through either the transfer of legal title or the transfer of an equitable interest in a property.

Management and coordination fee income

Management fee from real estate origination and coordination services are recognised when the services are rendered.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue from hotel and resort operations

Hotel room revenue is recognised based on room occupancy while other hospitality related revenue is recognised when the goods are delivered or the services are rendered to the customers.

Commission income

Commission income is recognised when the services are rendered.

Sale of tickets

Revenue from the sale of concert tickets is recognised once the concert performance is completed.

Content production

Revenue and minimum guarantee payments from the production, sale and exploitation of film productions are recognised only after conditions contained in the relevant contracts are fully satisfied, films are delivered and the amount of revenue can be measured reliably.

Sale of goods and assignment of distribution rights

Revenue from the sale of goods and assignment of distribution rights is recognised when all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods or distribution rights;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods or distribution rights sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the relevant lease.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund and the state-managed retirement benefit scheme in Indonesia, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserves.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are de-recognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserves.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash on hand and at bank, bank deposits, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

SEGMENT REPORTING - An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

The Group determines and presents operating segments based on information that is internally provided to the Group's chief operating decision maker. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Management did not make any material judgements that have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates (see below).

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Development properties

The Group assesses allowance for foreseeable losses taking into account the Group's recent experience in estimating the net realisable value of sold and unsold development properties by reference to expected selling price determined based on valuation of independent external valuers performed based on the development properties' existing condition at the end of the reporting period. Market conditions may however change which may affect the future selling prices on the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods.

The carrying amounts of unsold completed properties held for sale and unsold development properties under development are disclosed in Note 10 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Allowances for doubtful receivables

The policy for allowances for doubtful receivables of the Company and the Group is based on the evaluation of collectability and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, the past collection history of each customer and ongoing dealings with these parties. If the financial conditions of the counterparties were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

During the year, management performed a credit evaluation process to review the recoverability of trade and other receivables and long-term notes receivable balances. The assessment has led to recognition of allowance for doubtful receivables of \$343,000 (2016: \$1,097,000) for the Group during the year.

The carrying amounts of the trade and other receivables and long-term notes receivable are disclosed in Notes 8 and 17 to the financial statements respectively.

Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy disclosed in Note 2 to the financial statements. If there is indication of impairment, the recoverable amounts of the property, plant and equipment are determined based on the higher of value-in-use and fair value less cost to sell calculations. The calculation involves significant judgement in determining the appropriate valuation methods; and the appropriate discount rate used for determining the net present value of cash flows.

In respect of certain property, plant and equipment with carrying amount of \$34,583,000 (2016 : \$32,870,000) as at March 31, 2017, if the discount rate used in the calculation increases by 50 basis point, the recoverable amount of the property, plant and equipment would decrease approximately by \$2,010,000 (2016 : \$2,812,000). If the discount rate used in the calculation decreases by 50 basis point, the recoverable amount of the property, plant and equipment would increase approximately by \$2,130,000 (2016 : \$3,007,000).

Management has carried out a review of the recoverable amount of the property, plant and equipment and assessed that no impairment was required.

The carrying amount of the property, plant and equipment is disclosed in Note 18 to the financial statements.

Valuation of the investment property

As described in Note 2 to the financial statements, investment property is stated at fair value which is based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have used various methods of valuation which involves the making of certain assumptions and the use of estimates. In relying on the valuation reports of the professional valuers, management has exercised judgement in arriving at a value which is reflective of the current market conditions.

The carrying amount of the investment property is disclosed in Note 19 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Impairment of investments in subsidiaries and associated companies

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

Management has estimated the recoverable amount based on higher of value-in-use and fair value less cost to sell. Included in the carrying amounts of investments in subsidiaries as at March 31, 2017 is \$150,000,000 which relates to investment in a wholly-owned subsidiary, KOP Properties Pte. Ltd. ("KOPP") prior to any impairment loss recognised for the current year. The cost of investment in KOPP exceeded the net assets of KOPP and its subsidiaries which are estimated at \$65,372,000 by \$84,628,000. The shortfall in the net assets of these subsidiaries is an indicator of potential impairment loss and, in such a circumstance, FRS 36 *Impairment of Assets* requires the recoverable amounts of investments in subsidiaries to be estimated. If the estimated recoverable amounts are less than the carrying amounts, the carrying amounts are to be reduced to the estimated recoverable amounts of the investments.

Management has estimated the recoverable amounts of investments in the subsidiaries using a sum-of-parts valuation methodology comprising income and adjusted net asset value approaches to value the 100% equity interest in KOPP. Management has adopted income approach for KOPP's major operating subsidiaries which have a degree of certainty in the future expected benefits. For the other entities, adjusted net asset value approach is adopted where the net assets of the respective entities are considered with fair value adjustments made for assets and liabilities as at March 31, 2017.

Significant judgements are involved in determining the appropriate valuation methods; and the appropriate discount rate used in the income approach.

Based on management's assessment, an additional impairment loss in respect of investment in KOPP amounting to \$5,100,000 (2016 : \$ Nil) has been determined. The total impairment charge for the current year is \$5,163,000 (2016 : \$ Nil). Consequently, impairment loss amounting to \$106,544,000 (2016 : \$101,457,000) has been recorded for investments in subsidiaries as at March 31, 2017.

Based on the review performed for investments in associated companies, no impairment for investment is required.

The carrying amounts of the investments in subsidiaries and associated companies are disclosed in Notes 15 and 16 to the financial statements respectively.

Taxes

In determining the provision for income taxes, management is required to estimate the amount of tax payable at each jurisdiction. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made. Further details in relation to taxation are disclosed in Notes 20 and 29.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	GROUP		COMPANY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assets				
Loans and receivables (including cash and bank balances)	54,357	75,375	27,839	26,030
Financial liabilities				
Amortised cost	57,774	102,234	5,015	5,223

(b) *Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements*

As at March 31, 2017 and 2016, the Group and the Company do not have any financial instruments which are subject to enforceable master netting arrangements or similar agreements.

(c) *Financial risk management policies and objectives*

The Group's overall financial risk management seeks to minimise potential adverse effects on the financial performance of the Group. The Group's overall business strategies, tolerance of risk and general risk management philosophy are determined by the Board of Directors in accordance with prevailing economic and operating conditions.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group operates primarily in Singapore, Indonesia and United Kingdom and as a result, is exposed to foreign exchange risk from transactions denominated in foreign currencies, arising from its normal business activities.

The currencies giving rise to this risk are primarily Singapore Dollars, Indonesian Rupiah and United States Dollars. Exposures to foreign currency risks are managed as far as possible by natural hedges of matching assets and liabilities.

The Group does not enter into derivative foreign exchange contracts and foreign currency borrowings to hedge against foreign currency risk.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives (cont'd)*

(i) Foreign exchange risk management (cont'd)

At the end of reporting period, the material carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	GROUP			
	Assets		Liabilities	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Singapore Dollars	1	338	-	15,825
Indonesian Rupiah	833	736	9,089	9,043
United States Dollars	452	590	6,481	4,311

The Company has investments in foreign subsidiaries, whose net assets are exposed to currency translation risk.

Foreign currency sensitivity

The following table details the sensitivity to a 3% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 3% change in foreign currency rates.

If the relevant foreign currency were to strengthen by 3% against the functional currency of each Group's entity, the Group's profit before tax for the year will increase/(decrease) by:

	GROUP	
	2017	2016
	\$'000	\$'000
<i>Impact on profit:</i>		
Singapore Dollars	-	(465)
Indonesian Rupiah	(248)	(249)
United States Dollars	(181)	(112)

The opposite applies if the relevant foreign currencies were to weaken by 3% against the functional currency of each Group's entity.

The Company's monetary assets and monetary liabilities are denominated in its functional currency, Singapore Dollars. Accordingly, no foreign currency sensitivity analysis is presented.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives (cont'd)*

(ii) Interest rate risk management

Summary quantitative data of the Group's and the Company's interest-bearing financial instruments can be found in Note 4(c)(iv). The Group's primary source of interest rate risk is from its borrowings from financial institutions. The Group ensures that it obtains borrowings at competitive interest rates under most favourable terms and conditions based on the Group's financial strength.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit before tax for the year ended March 31, 2017 would decrease/increase by \$101,000 (2016: \$182,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Company has no exposure to interest rate risk as the Company had no interest-bearing financial assets and financial liabilities. Accordingly, interest rate sensitivity analysis has not been prepared.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts a policy of only dealing with creditworthy counterparties based on their trading and payment history as well as such commercial information which the Group obtains from time to time. Credit exposure is controlled by the counterparty limits that are reviewed and approved by management annually. The recoverable amount of each individual trade receivable is reviewed at the end of each reporting period and allowance is made for estimated irrecoverable amount.

The maximum amount the Company could be forced to settle under the financial guarantee contracts in Note 32 to the financial statements, if the full guaranteed amount is claimed by the counterparty to the guarantees, is \$31,030,000 (2016: \$88,847,000). Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives (cont'd)*

(iii) Credit risk management (cont'd)

The Group and Company have no concentration of credit risk other than the loan due from an associated company and amounts due from subsidiaries as disclosed in Note 8 and the long-term notes receivable as disclosed in Note 17 to the financial statements. The credit risk on bank balances is limited because the counterparties are reputable financial institutions.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, and the exposure to defaults from financial guarantees above, represents the Group's and Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risk on trade and other receivables are disclosed in Note 8 to the financial statements.

(iv) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Group finances their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustments column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statements of financial position.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives (cont'd)*

(iv) Liquidity risk management (cont'd)

Liquidity and interest risk analyses (cont'd)

Non-derivative financial liabilities (cont'd)

GROUP	Weighted	On		Within	After	Adjustments	Total
	average	demand or	Within				
	effective	within	2 to 5	5 years			
	interest	1 year	years				
	rate	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	%						
2017							
Non-interest bearing	-	19,827	-	-	-	-	19,827
Fixed interest rate	4.70	6,731	14,692	-	(3,756)		17,667
Variable interest rate	4.05	13,002	7,822	-	(544)		20,280
		<u>39,560</u>	<u>22,514</u>		<u>-</u>	<u>(4,300)</u>	<u>57,774</u>
2016							
Non-interest bearing	-	48,982	-	-	-	-	48,982
Fixed interest rate	6.87	7,711	11,521	-	(2,313)		16,919
Variable interest rate	3.44	29,824	8,952	-	(2,443)		36,333
		<u>86,517</u>	<u>20,473</u>		<u>-</u>	<u>(4,756)</u>	<u>102,234</u>

The Company's financial liabilities as at March 31, 2017 and 2016 are repayable on demand or due within 1 year from the end of the reporting period.

The maximum amount that the Company could be forced to settle under the financial guarantee contract in Note 32, if the full guaranteed amount is claimed by the counterparty to the guarantee, is \$31,030,000 (2016: \$88,847,000). The earliest period that the guarantee could be called is within 1 year (2016: 1 year) from the end of the reporting period. As mentioned in Note 4(c)(iii), the Company considers that it is more likely than not that no amount will be payable under the arrangement.

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk managed on a net asset and liability basis. The table below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial assets on the statements of financial position.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives (cont'd)*

(iv) Liquidity risk management (cont'd)

Liquidity and interest risk analyses (cont'd)

Non-derivative financial assets (cont'd)

GROUP	Weighted	On		Within	After	Adjustments	Total
	average	demand or	Within				
	effective	within	2 to 5	5 years			
	interest	1 year	years	5 years			
	rate	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	%						
2017							
Non-interest bearing	-	9,355	-	-	-	-	9,355
Fixed interest rate	4.34	34,952	13,683	-	(3,633)		45,002
		<u>44,307</u>	<u>13,683</u>		<u>-</u>	<u>(3,633)</u>	<u>54,357</u>
2016							
Non-interest bearing	-	10,294	-	-	-	-	10,294
Fixed interest rate	5.54	35,683	40,045	-	(10,647)		65,081
		<u>45,977</u>	<u>40,045</u>		<u>-</u>	<u>(10,647)</u>	<u>75,375</u>

The Company's financial assets as at March 31, 2017 and 2016 are repayable on demand or due within 1 year from the end of the reporting period.

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other current receivables and payables, and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

Management is of the opinion that the interest rates on long-term notes receivable, bank borrowings and non-current finance leases approximate market interest rates and therefore their carrying amounts approximate fair values.

(d) *Capital management policies and objectives*

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debts, which include the bank overdrafts and borrowings and equity attributable to owners of the Company, comprising issued share capital, reserves and retained earnings.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(d) *Capital management policies and objectives (cont'd)*

In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. The management reviews the capital structure on an on-going basis.

The Group actively and regularly reviews and manages its capital structure, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group monitors capital using a gearing ratio, which is total borrowings (excluding borrowings classified under liabilities held for sale) divided by total equity. At the end of the reporting period, the Group's gearing ratio is 0.36 (2016: 0.40).

The Group's overall strategy on capital risk management remains unchanged from 2016.

5 HOLDING COMPANY AND RELATED COMPANIES TRANSACTIONS

The Company is a subsidiary of KOP Group Pte. Ltd., incorporated in Singapore, which is also the Company's ultimate holding company. KOP Group Pte. Ltd. is substantially owned by Ms. Ong Chih Ching and Ms. Leny Suparman. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the Group's transactions and arrangements are between members of the ultimate holding company's group of companies and the effect of these on the basis determined between the parties is reflected in these financial statements.

The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the years ended March 31, 2017 and 2016, the Group entered into the following significant transactions with related companies, other than those disclosed elsewhere in the financial statements:

	GROUP	
	2017	2016
	\$'000	\$'000
With related companies:		
Management fee income	(525)	-
Interest income	(960)	(3,009)
Commission income	(948)	(330)

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

6 OTHER RELATED PARTIES TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

- (a) During the year, the Group entered into the following transactions with related parties, other than those disclosed elsewhere in the financial statements:

	GROUP	
	2017	2016
	\$'000	\$'000
Associated company:		
Commission income	(281)	-
Interest income	(921)	(909)
	<u>(921)</u>	<u>(909)</u>
Entity which the directors of the Company have interest in:		
Management fee expenses	-	573
Management fee income	(200)	(313)
	<u>(200)</u>	<u>(313)</u>
Transactions with directors:		
Management fee income from development properties sold	(7)	(14)
	<u>(7)</u>	<u>(14)</u>

- (b) Compensation of directors and key management personnel

The remuneration of directors and members of key management personnel during the year were as follows:

	GROUP	
	2017	2016
	\$'000	\$'000
Short-term benefits	2,182	2,696
Post-employment benefits	74	95
Total	<u>2,256</u>	<u>2,791</u>

The remuneration of directors and members of key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

7 CASH AND BANK BALANCES

	GROUP		COMPANY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash on hand and at bank	528	2,492	5	13
Funds placed in escrow accounts	287	752	-	-
	815	3,244	5	13
Less: Bank overdrafts (Note 22)	(7,328)	(6,425)	-	-
Less: Restricted funds placed in escrow accounts	(287)	(752)	-	-
Overdrawn in the consolidated statement of cash flows	(6,800)	(3,933)	5	13

Funds placed in escrow accounts relate to the minimum balance maintained with banks to secure bank borrowings (Note 22). The minimum balance is equivalent to the aggregate of three months interest and principal on the term loan during the instalment period.

8 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Trade receivables:				
Subsidiaries (Notes 5 and 15)	-	-	7,540	3,852
Third parties	2,412	2,712	-	-
	2,412	2,712	7,540	3,852
Less: Allowance for doubtful receivables	(979)	(1,308)	(1,220)	(1,124)
Net trade receivables	1,433	1,404	6,320	2,728
Receivables from Scorpio Contracts ^(a)	-	150	-	-
Non-trade receivables:				
Subsidiaries (Notes 5 and 15)	-	-	25,493	28,718
Less: Allowance for doubtful receivables	-	-	(4,010)	(5,429)
Net subsidiaries balance	-	-	21,483	23,289
Ultimate holding company (Note 5)	-	5	-	-
Associated company (Notes 6 and 16)	898	890	-	-
Less: Allowance for doubtful receivables	(890)	(890)	-	-
Net associated company balance	8	-	-	-
Related companies (Note 5)	773	598	30	-
Less: Allowance for doubtful receivables	(253)	-	-	-
Net related companies balance	520	598	30	-
Third parties	1,522	719	-	-
Loan to an associated company (Notes 6 and 16)	33,002	32,081	-	-
	36,485	34,957	27,833	26,017

^(a) This represented amounts due from the producers of movies and concerts arising from their termination ("Scorpio Contracts").

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

8 TRADE AND OTHER RECEIVABLES (cont'd)

Movements in receivables from Scorpio Contracts were as follows:

	GROUP	
	2017 \$'000	2016 \$'000
Balance at beginning of the year	150	262
Cash refunded from a producer during the year	(100)	(125)
Write-off to profit or loss	(50)	-
Interest income on financial assets carried at amortised cost (Note 27)	-	13
Balance at end of the year	<u>-</u>	<u>150</u>

The average credit period on sale of goods and rendering of services ranges between 30 to 90 days (2016: 30 to 180 days). No interest is charged on the overdue balances.

The non-trade receivables due from associated company and related companies are unsecured, interest-free and repayable on demand.

The loan to an associated company is unsecured, bears fixed interest of 3% (2016: 3%) per annum and repayable on demand.

The table below is an analysis of trade receivables as at the end of the reporting period:

	GROUP		COMPANY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Not past due and not impaired	404	804	319	259
Past due but not impaired	1,029	600	6,001	2,469
	<u>1,433</u>	<u>1,404</u>	<u>6,320</u>	<u>2,728</u>
Impaired receivables - individually assessed ^(b)				
Past due and no response to repayment demands	979	1,308	1,220	5,429
Less: Allowance for doubtful receivables	(979)	(1,308)	(1,220)	(5,429)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total trade receivables, net	<u>1,433</u>	<u>1,404</u>	<u>6,320</u>	<u>2,728</u>

^(b) These amounts are stated before any deduction for allowance for doubtful receivables.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

8 TRADE AND OTHER RECEIVABLES (cont'd)

The table below is an analysis of trade receivables which are past due for which no allowance has been provided:

	GROUP		COMPANY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Past due <3 months	114	215	563	518
Past due 3 to 6 months	233	155	1,129	1,070
Past due over 6 months	682	230	4,309	881
	<u>1,029</u>	<u>600</u>	<u>6,001</u>	<u>2,469</u>

The trade receivables that are neither past due nor impaired relates to customers that the Group has assessed to be creditworthy, based on the credit evaluation process performed by management.

Included in the Group's trade receivables balance are debtors with a carrying amount of \$1,029,000 (2016: \$600,000) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Movements in the allowance for doubtful receivables are as follows:

	GROUP		COMPANY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Balance at beginning of the year	2,198	1,661	6,553	7,295
Charged to profit or loss (Note 30)	343	1,097	(2,025)	-
Amount written back (Note 30)	-	(524)	-	(742)
Transfer from subsidiary ⁽¹⁾	-	-	702	-
Written off	(385)	(20)	-	-
Exchange differences	(34)	(16)	-	-
Balance at end of the year	<u>2,122</u>	<u>2,198</u>	<u>5,230</u>	<u>6,553</u>

⁽¹⁾ As at March 31, 2017, the Company is in the process of striking off Scorpio East Multimedia Pte. Ltd. ("SEMPLE"). Accordingly, receivables due from Scorpio East Pictures Pte. Ltd. to SEMPLE of \$702,000, for which allowance for doubtful receivable was made in prior year, were transferred to the Company.

Receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

9 OTHER CURRENT ASSETS

	GROUP		COMPANY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Deposits	163	240	1	-
Prepayments	592	464	21	47
	<u>755</u>	<u>704</u>	<u>22</u>	<u>47</u>

10 DEVELOPMENT PROPERTIES

Development properties under construction consist of sold and unsold properties under development.

	GROUP	
	2017 \$'000	2016 \$'000
Development properties		
Completed properties held for sale	15,360	11,862
Properties under development	9,088	43,799
Less: Reclassification of development properties to property, plant and equipment ⁽¹⁾ (Note 18)	-	(31,176)
Accounted for using the completed-contract method	<u>24,448</u>	<u>24,485</u>

⁽¹⁾ Following a change in the intent of use for the resort located at Seminyak, Indonesia, a balance of \$31,176,000 was reclassified from development properties to property, plant and equipment during the year ended March 31, 2016.

Development properties held for sale under construction accounted for using the completed-contract method were analysed as follows:

	GROUP	
	2017 \$'000	2016 \$'000
Land and other related costs	2,355	2,355
Development cost, related overhead expenditure and financing charge incurred to-date	<u>56,195</u>	<u>54,409</u>
Cost of development properties	58,550	56,764
Transferred to cost of sales	<u>(34,102)</u>	<u>(32,279)</u>
	<u>24,448</u>	<u>24,485</u>

The interest expense capitalised during the financial year amounted to \$123,000 (Note 28) (2016: \$487,000).

All development properties are pledged as securities for bank borrowings (Note 22). Borrowing costs capitalised during the financial year were from loans borrowed specifically for the development properties.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

10 DEVELOPMENT PROPERTIES (cont'd)

Particulars of the development properties are set out below:

Description	Location	Tenure	Site area (square foot)	Gross floor area (square foot)	Approximate percentage of completion	Expected date of completion
Resort	Jalan Hang Lekir, Sambau Sub – District, Nongsa District, Batam City, Riau Islands Province, Indonesia.	Hak Guna Bangunan title for 30 years	1,296,459	780,229	63%	December 2018

11 INVENTORIES

	GROUP	
	2017 \$'000	2016 \$'000
Supplies and consumables	518	563
Finished goods	-	12
	<u>518</u>	<u>575</u>

Management has carried out a review of the net realisable value of the inventories as at the end of the reporting period and assessed that no allowance is required.

12 PREPAID FILM RIGHTS

	GROUP	
	2017 \$'000	2016 \$'000
Balance at beginning of the year	96	134
Additions during the year	219	838
Refund during the year	(8)	-
Charged to profit or loss (included in cost of sales in the consolidated statement of profit or loss and other comprehensive income)	(220)	(785)
Impairment during the year (Note 30)	(87)	(91)
Balance at end of the year	<u>-</u>	<u>96</u>

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

13 NON-CURRENT ASSET HELD FOR SALE

On February 25, 2016, the Company's indirect 85% owned subsidiary, CHL Hotel Limited ("CHL") (formerly known as Cranley Hotel Limited) entered into an asset purchase agreement ("APA") with a third party for the sale of the business together with the assets of CHL, which comprises inventories and Cranley Hotel located at 8, 10 and 12 Bina Gardens, London SW5 OLA (collectively, the "Assets"). The assets and liabilities attributable to the Assets which were expected to be sold within twelve months, had been reclassified as "non-current asset held for sale" and "liabilities directly associated with assets classified as held for sale" and were presented separately in the consolidated statement of financial position.

The proceeds of disposal were expected to exceed the net carrying amount of the relevant assets and, accordingly, no impairment loss was recognised on the classification of the Assets as held for sale. The sale was subsequently completed on April 4, 2016 with a gain of \$8,801,000.

The major classes of assets and liabilities comprising the "non-current asset held for sale" and "liabilities directly associated with assets classified as held for sale" were as follows:

	GROUP
	2016
	\$'000
Property, plant and equipment	24,915
Inventories	7
Total assets held for sale	<u>24,922</u>
Bank borrowings ⁽¹⁾ , representing total liabilities directly associated with assets classified as held for sale	<u>15,825</u>
Net assets of non-current asset held for sale	<u><u>9,097</u></u>

⁽¹⁾ 5-year SGD term loan bore interest at 1.75% per annum plus 3-months Cost of Funds. The loan was to be repaid over 60 monthly instalments after its first drawdown. The loan was secured by legal mortgage of the freehold land and building of the subsidiary and corporate guarantees from the Company and from a subsidiary.

The loan was fully repaid subsequent to the completion of the sale on April 4, 2016.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

14 INTANGIBLE ASSETS

GROUP	Website cost \$'000	License cost \$'000	Content production \$'000	Total \$'000
Cost:				
At April 1, 2015 and March 31, 2016	3	528	149	680
Write-offs	(3)	-	-	(3)
At March 31, 2017	-	528	149	677
Accumulated amortisation:				
At April 1, 2015	3	291	42	336
Amortisation for the year (Note 30)	-	24	28	52
At March 31, 2016	3	315	70	388
Write-offs	(3)	-	-	(3)
Amortisation for the year (Note 30)	-	55	4	59
At March 31, 2017	-	370	74	444
Accumulated impairment:				
At April 1, 2015	-	-	-	-
Impairment for the year (Note 30)	-	91	75	166
At March 31, 2016	-	91	75	166
Impairment for the year (Note 30)	-	60	-	60
At March 31, 2017	-	151	75	226
Carrying amount:				
At March 31, 2017	-	7	-	7
At March 31, 2016	-	122	4	126

The amortisation expense amounting to \$59,000 (2016: \$52,000) has been included in the line item “cost of sales” in the consolidated statement of profit or loss and other comprehensive income. The expected useful life of the intangible assets ranges between one to four years.

Impairment loss amounting to \$60,000 and \$Nil (2016: \$91,000 and \$75,000) for license cost and content production respectively have been made for film rights and investment cost in movie production for which management has assessed to be non-recoverable after taking into consideration the market conditions including demand for such film/movie and/or box office results of the movie in other countries.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

15 INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2017	2016
	\$'000	\$'000
Unquoted equity shares, at cost	253,944	254,172
Less: Allowance for impairment	(106,544)	(101,457)
Carrying amount of investments in subsidiaries	<u>147,400</u>	<u>152,715</u>

The basis for management's assessment on impairment is disclosed in Note 3 to the financial statements.

Movements in the allowance for impairment for investments in subsidiaries are as follows:

	COMPANY	
	2017	2016
	\$'000	\$'000
Balance at beginning of the year	101,457	101,457
Charged to profit or loss	5,163	-
Amount written off	(76)	-
Balance at end of the year	<u>106,544</u>	<u>101,457</u>

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity/ Place of incorporation	Effective equity interest	
		2017	2016
		%	%
<i>Subsidiaries held by the Company</i>			
Scorpio East Entertainment Pte. Ltd. ⁽¹⁾	Distribution of video programmes for home entertainment/ Singapore	100.00	100.00
Scorpio East Multimedia Pte. Ltd. ⁽³⁾	Packaging of disk media and distribution of film rights/ Singapore	100.00	100.00
Scorpio East Pictures Pte. Ltd. ⁽¹⁾	Film production investment, provision of producer services, event organiser, acquisition and distribution of film rights/ Singapore	100.00	100.00
Scorpio East Pictures Sdn. Bhd. ⁽⁹⁾	Acquisition and distribution of film rights within the territory of Malaysia/ Malaysia	-	51.00

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

15 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiary	Principal activity/ Place of incorporation	Effective equity interest	
		2017 %	2016 %
Scorpio East Pictures (H.K.) Limited ⁽⁴⁾	Dormant/ Hong Kong	100.00	100.00
Scorpio East Leisure Pte. Ltd. ⁽⁹⁾	Dormant/ Singapore	-	100.00
Scorpio East Productions Pte. Ltd. ⁽¹⁾	Event organiser/ Singapore	52.63	52.63
Scorpio East Properties Pte. Ltd. ⁽¹⁾	Real estate activities/ Singapore	100.00	100.00
KOP Entertainment Pte. Ltd. ⁽¹⁾	Investment holding/ Singapore	100.00	100.00
KOP Properties Pte. Ltd. ⁽¹⁾	Investment holding/ Singapore	100.00	100.00
<i>Subsidiaries held by KOP Properties Pte. Ltd.</i>			
Montigo Nongsa Pte. Ltd. ⁽¹⁾	Real estate activities with own or leased property and business and management consultancy services/ Singapore	100.00	100.00
P.T. Teguh Cipta Pratama ⁽²⁾	Development and trade/ Indonesia	100.00	100.00
KOP Properties Ltd ⁽³⁾	Letting and operation of owned or leased real estate/ United Kingdom	100.00	100.00
Montigo Resorts Pte. Ltd. (formerly known as KOP Hospitality Pte. Ltd.) ⁽¹⁾	Management of hotels with restaurants/ Singapore	100.00	100.00
The Cranley Hotel (IOM) Limited ⁽³⁾⁽⁵⁾⁽⁸⁾	Property holding/ Isle of Man	85.00	85.00

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

15 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiary	Principal activity/ Place of incorporation	Effective equity interest	
		2017 %	2016 %
Gramercy Properties Pte. Ltd. ⁽¹⁾	Real estate development/ Singapore	100.00	100.00
KOP Properties (HK) Limited ⁽³⁾⁽⁷⁾	Property management and consultancy/ Hong Kong	51.00	51.00
KOP Cecil Pte. Ltd. ⁽¹⁾	Investment holding/ Singapore	100.00	100.00
KOP Properties Shanghai Operation and Management Pte. Ltd. ⁽¹⁾	Real estate operation and management services/ Singapore	100.00	100.00
Wintastar Holdings Pte. Ltd. ⁽³⁾⁽⁶⁾	Investment holding and business management consultancy services/ Singapore	100.00	-
<i>Subsidiaries held by Gramercy Properties Pte. Ltd.</i>			
P.T. Montigo Seminyak ⁽²⁾	Development and trade/ Indonesia	100.00	100.00
<i>Subsidiary held by KOP Properties (HK) Limited</i>			
KOP Management Services (Shanghai) Co., Ltd. ⁽³⁾⁽⁷⁾	Property management and consultancy/ People's Republic of China	51.00	51.00
<i>Subsidiaries held by Montigo Resorts Pte. Ltd.</i>			
KOP Luxury Lifestyles Pte. Ltd. ⁽⁹⁾	Dormant/ Singapore	-	100.00
Franklyn Hotels & Resorts (Europe) Limited ⁽³⁾	Hospitality management services/ United Kingdom	100.00	100.00
Montigo Resorts Kazakhstan Pte. Ltd. ⁽³⁾⁽⁶⁾	Investment holding/ Singapore	50.00	-

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

15 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiary	Principal activity/ Place of incorporation	Effective equity interest	
		2017 %	2016 %
<i>Subsidiaries held by The Cranley Hotel (IOM) Limited</i>			
CHL Hotel Limited (formerly known as Cranley Hotel Limited) ⁽³⁾⁽⁵⁾⁽⁸⁾	Provision of hotel services/ United Kingdom	85.00	85.00
Cranley Real Estate Limited ⁽³⁾⁽⁵⁾⁽⁸⁾	Property holding company/ United Kingdom	85.00	85.00
<i>Subsidiaries held by KOP Properties Shanghai Operation and Management Pte. Ltd.</i>			
KOP Winterland Pte. Ltd. ⁽¹⁾⁽¹⁰⁾	Investment holding and operation and management services for real estate development/ Singapore	85.00	85.00
KOP Properties Operation and Management (Shanghai) Co., Ltd. ⁽³⁾	Business management and consultancy/ People's Republic of China	100.00	100.00
KOP Northern Lights Pte. Ltd. ⁽¹⁾	Investment holding and real estate development/ Singapore	⁽¹¹⁾	100.00
<i>Subsidiary held by Wintastar Holdings Pte. Ltd.</i>			
Wintastar Real Estate Pte. Ltd. ⁽³⁾⁽⁶⁾	Investment holding and real estate activities/ Singapore	100.00	-
<i>Subsidiary held by Wintastar Real Estate Pte. Ltd.</i>			
KOP Northern Lights Pte. Ltd. ⁽¹⁾⁽¹¹⁾	Investment holding and real estate development/ Singapore	100.00	-

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

15 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of subsidiary	Principal activity/ Place of incorporation	Effective equity interest	
		2017	2016
		%	%
<i>Subsidiary held by KOP Winterland Pte. Ltd.</i>			
KOP Winterland Operation and Management (Shanghai) Co., Ltd. ⁽³⁾⁽¹⁰⁾	Investment management and consultancy/ People's Republic of China	85.00	85.00

⁽¹⁾ Audited by Deloitte & Touche LLP, Singapore.

⁽²⁾ Audited for consolidation purpose by Satrio Bing Eny & Reka, overseas practice of Deloitte Touche Tohmatsu (2016: Deloitte & Touche LLP, Singapore).

⁽³⁾ Reviewed for consolidation purpose by Deloitte & Touche LLP, Singapore.

⁽⁴⁾ Not audited as the subsidiary has been dormant since incorporation.

⁽⁵⁾ Audited by Alexander & Co., United Kingdom.

⁽⁶⁾ Incorporated during the financial year ended March 31, 2017.

⁽⁷⁾ Collectively known as "KOP HK Group".

⁽⁸⁾ Collectively known as "Cranley Group".

⁽⁹⁾ Struck off during the financial year ended March 31, 2017.

⁽¹⁰⁾ Collectively known as "KOP Winterland Group".

⁽¹¹⁾ Transferred during the financial year ended March 31, 2017.

Information about the composition of the Group at the end of the reporting period is as follows:

a) Wholly-owned subsidiaries

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2017	2016
Investment holding	Singapore	3	3
Real estate activities with own or leased property and business and management consultancy services	Singapore	1	1
Development and trade	Indonesia	2	2
Letting and operation of owned or leased real estate	United Kingdom	1	1
Management of hotels with restaurants	Singapore	1	1
Real estate development	Singapore	1	1
Real estate activities	Singapore	1	1

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

15 INVESTMENTS IN SUBSIDIARIES (cont'd)

a) Wholly-owned subsidiaries (cont'd)

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2017	2016
Hospitality management services	United Kingdom	1	1
Distribution of video programmes for home entertainment	Singapore	1	1
Investment holding and business and management consultancy services	Singapore	1	-
Packing of disk media and distribution of film rights	Singapore	1	1
Film production investment, provision of producer services, event organiser, acquisition and distribution of film rights	Singapore	1	1
Real estate operation and management services	Singapore	1	1
Investment holding and real estate development	Singapore	2	1
Business management and consultancy	People's Republic of China	1	1
Dormant	Singapore	-	2
Dormant	Hong Kong	1	1
		20	20

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15 INVESTMENTS IN SUBSIDIARIES (cont'd)

b) Non-wholly owned subsidiaries

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries	
		2017	2016
Property holding	United Kingdom	1	1
Property holding	Isle of Man	1	1
Property management and consultancy	Hong Kong	1	1
Property management and consultancy	People's Republic of China	1	1
Provision of hotel services	United Kingdom	1	1
Acquisition and distribution of film rights within the territory of Malaysia	Malaysia	-	1
Event organiser	Singapore	1	1
Investment holding and operation and management services for real estate development	Singapore	1	1
Investment management and consultancy	People's Republic of China	1	1
Investment holding	Singapore	1	-
		9	9
Total		29	29

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

15 INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of non-wholly owned subsidiaries that have material non-controlling interests to the Group are disclosed below.

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2017	2016	2017	2016	2017	2016
		%	%	\$'000	\$'000	\$'000	\$'000
Cranley Group	United Kingdom	15.00	15.00	900	(145)	2,107	1,234
KOP HK Group	Hong Kong & People's Republic of China	49.00	49.00	(78)	(123)	(2,435)	(2,302)
Scorpio East Productions Pte. Ltd.	Singapore	47.37	47.37	341	66	(4)	(345)
KOP Winterland Group	Singapore & People's Republic of China	15.00	15.00	(134)	(8)	(149)	(8)
Individual subsidiaries with immaterial non-controlling interests				(9)	1	(13)	1
Total				1,020	(209)	(494)	(1,420)

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

15 INVESTMENTS IN SUBSIDIARIES (cont'd)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Cranley Group	
	2017	2016
	\$'000	\$'000
<i>Statement of profit or loss and other comprehensive income</i>		
Revenue	20	3,814
Other income	9,130	733
Expenses	(3,148)	(4,783)
Profit/(Loss) for the year attributable to:		
Owners of the Company	5,102	(824)
Non-controlling interests	900	(145)
	6,002	(969)
Other comprehensive loss attributable to:		
Owners of the Company	(157)	(315)
Non-controlling interests	(27)	(56)
	(184)	(371)
Total comprehensive income/(loss) attributable to:		
Owners of the Company	4,945	(1,139)
Non-controlling interests	873	(201)
	5,818	(1,340)

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March 31, 2017

15 INVESTMENTS IN SUBSIDIARIES (cont'd)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Cranley Group	
	2017	2016
	\$'000	\$'000
<i>Statement of financial position</i>		
Current assets	15,741	25,647
Non-current assets	-	36
Current liabilities	(308)	(17,457)
Non-current liabilities	(1,389)	-
Equity attributable to owners of the Company	11,937	6,992
Non-controlling interests	2,107	1,234
<i>Cash flows information</i>		
Net cash (outflow)/inflow from operating activities	(1,408)	167
Net cash inflow/(outflow) from investing activities	16,734	(31)
Net cash outflow from financing activities	(15,575)	(435)
Net cash outflow	(249)	(299)

No dividends were paid by Cranley Group's entities for the financial years ended March 31, 2017 and 2016.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

15 INVESTMENTS IN SUBSIDIARIES (cont'd)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	KOP HK Group	
	2017	2016
	\$'000	\$'000
<i>Statement of profit or loss and other comprehensive income</i>		
Expenses	(159)	(251)
Loss for the year attributable to:		
Owners of the Company	(81)	(128)
Non-controlling interests	(78)	(123)
	<u>(159)</u>	<u>(251)</u>
Other comprehensive (loss)/income attributable to:		
Owners of the Company	(58)	26
Non-controlling interests	(55)	25
	<u>(113)</u>	<u>51</u>
Total comprehensive loss attributable to:		
Owners of the Company	(139)	(102)
Non-controlling interests	(133)	(98)
	<u>(272)</u>	<u>(200)</u>
<i>Statement of financial position</i>		
Current assets	231	241
Non-current assets	50	262
Current liabilities	(5,250)	(5,198)
Capital deficiency attributable to owners of the Company	(2,534)	(2,393)
Non-controlling interests	(2,435)	(2,302)
<i>Cash flows information</i>		
Net cash outflow from operating activities	(89)	(87)
Net cash inflow from investing activities	87	-
Net cash outflow	(2)	(87)

No dividends were paid by KOP HK Group's entities for the financial years ended March 31, 2017 and 2016.

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March 31, 2017

15 INVESTMENTS IN SUBSIDIARIES (cont'd)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Scorpio East Productions Pte. Ltd.	
	2017	2016
	\$'000	\$'000
<i>Statement of profit or loss and other comprehensive income</i>		
Other income	730	150
Expenses	(8)	(12)
Profit for the year, representing total comprehensive income attributable to:		
Owners of the Company	381	72
Non-controlling interests	341	66
	722	138
<i>Statement of financial position</i>		
Current assets	45	129
Current liabilities	(53)	(859)
Capital deficiency attributable to the owners of the Company	(4)	(385)
Non-controlling interests	(4)	(345)
<i>Cash flows information</i>		
Net cash inflow from operating activities	731	140
Net cash outflow from financing activities	(732)	(208)
Net cash outflow	(1)	(68)

No dividends were paid by Scorpio East Productions Pte. Ltd. for the financial years ended March 31, 2017 and 2016.

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March 31, 2017

15 INVESTMENTS IN SUBSIDIARIES (cont'd)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	KOP Winterland Group	
	2017	2016
	\$'000	\$'000
<i>Statement of profit or loss and other comprehensive income</i>		
Expenses	(890)	(58)
Loss for the year attributable to:		
Owners of the Company	(756)	(50)
Non-controlling interests	(134)	(8)
	(890)	(58)
Other comprehensive loss attributable to:		
Owners of the Company	(37)	-
Non-controlling interests	(7)	-
	(44)	-
Total comprehensive loss attributable to:		
Owners of the Company	(793)	(50)
Non-controlling interests	(141)	(8)
	(934)	(58)
<i>Statement of financial position</i>		
Current assets	323	414
Non-current assets	1	-
Current liabilities	(1,316)	(472)
Capital deficiency attributable to the owners of the Company	(843)	(50)
Non-controlling interests	(149)	(8)
<i>Cash flows information</i>		
Net cash outflow from operating activities	(793)	(264)
Net cash outflow from investing activities	(2)	-
Net cash inflow from financing activities	797	291
Net cash inflow	2	27

No dividends were paid by KOP Winterland Group for the financial years ended March 31, 2017 and 2016.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

16 INVESTMENTS IN ASSOCIATED COMPANIES

	GROUP	
	2017 \$'000	2016 \$'000
Cost of investment in associated companies ⁽¹⁾	600	600
Share of post-acquisition profit, net of dividend received	8,135	6,239
	8,735	6,839

Details of the Group's associated companies at the end of the reporting period are as follows:

Name of associate	Principal activity	Place of incorporation	Proportion of ownership interest and voting power	
			2017 %	2016 %
Art Heritage Singapore Pte. Ltd. ⁽³⁾	Art and cultural exhibitions	Singapore	20	20
Epic Land Pte. Ltd. ⁽²⁾ ("Epic Land")	Investment holding company	Singapore	25	25

⁽¹⁾ Includes an investment in associated company of Epic Land of \$25.

⁽²⁾ Audited for consolidation purpose by Deloitte & Touche LLP, Singapore.

⁽³⁾ Reviewed for consolidation purpose by Deloitte & Touche LLP, Singapore.

All the above associated companies are accounted for using the equity method in these consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

16 INVESTMENTS IN ASSOCIATED COMPANIES (cont'd)

Summarised financial information in respect of the Group's material associated company is set out below. The summarised financial information below represents amounts shown in the associated company's financial statements prepared in accordance with FRSs.

	Epic Land	
	2017	2016
	\$'000	\$'000
Current assets	182,304	375,100
Current liabilities	(147,363)	(167,744)
Non-current liabilities	-	(180,000)
Revenue	36,014	120,131
Profit for the year, representing total comprehensive income for the year	7,585	22,556

Reconciliation of the above summarised financial information to the carrying amount of the interest in Epic Land recognised in the consolidated financial statements are as follows:

	2017	2016
	\$'000	\$'000
Net assets of the associated company	34,941	27,356
Proportion of the Group's ownership interest in Epic Land	25%	25%
Carrying amount of the Group's interest in Epic Land	8,735	6,839

The summarised financial information in respect of the Group's immaterial associated company is set out below:

	GROUP	
	2017	2016
	\$'000	\$'000
The Group's share of loss, representing the Group's share of total comprehensive loss	-	(72)
Aggregate carrying amount of the Group's interest in this associated company	-	-

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

17 LONG-TERM NOTES RECEIVABLE

	GROUP	
	2017	2016
	\$'000	\$'000
Principal amount	12,000	33,000
Interest receivables	4,894	3,934
	<u>16,894</u>	<u>36,934</u>

Long-term notes receivable is due from Royce Properties Pte. Ltd. ("Royce"), a company owned by KOP Group Pte. Ltd., which is the ultimate holding company of the Company. The long-term notes receivable is interest-bearing at 8.0% per annum, secured against the underlying development properties of Royce subject to the full satisfaction of the bank borrowings of Royce and repayable on December 16, 2019. During the year ended March 31, 2017, long-term notes receivable amounting to \$21,000,000 (2016: \$6,800,000) was redeemed via offsetting against payable to the ultimate holding company (Note 5).

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

18 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land		Leasehold land and buildings		Furniture and fittings		Motor vehicles		Boats		Office equipment		Hotel equipment		Renovation equipment		Machinery and factory Assets under construction		Total \$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Accumulated depreciation																			
At April 1, 2015	-	1,891	487	883	567	50	165	407	299	-	-	-	-	-	-	-	-	-	4,749
Depreciation charge during the year (Note 30)	-	1,266	194	499	251	10	36	436	180	1	-	-	-	-	-	-	-	-	2,873
Disposals during the year	-	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)
Reclassification to investment property (Note 19)	-	(89)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(89)
Reclassification from non-current assets held for sale ⁽¹⁾	-	395	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	395
Reclassification to non-current asset held for sale (Note 13)	-	(950)	(23)	(42)	-	-	-	(18)	-	-	-	-	-	-	-	-	-	-	(1,033)
Exchange differences	-	941	(5)	(30)	(2)	-	1	(12)	(3)	-	-	-	-	-	-	-	-	-	890
At March 31, 2016	-	3,454	653	1,309	816	60	202	813	476	1	-	-	-	-	-	-	-	-	7,784
Depreciation charge during the year (Note 30)	-	1,441	233	497	217	-	-	762	199	3	-	-	-	-	-	-	-	-	3,352
Disposals during the year	-	-	(5)	(8)	(20)	-	-	(408)	-	-	-	-	-	-	-	-	-	-	(441)
Write-offs	-	-	-	-	-	-	-	-	(59)	-	-	-	-	-	-	-	-	-	(59)
Exchange differences	-	14	7	46	-	-	-	20	(2)	-	-	-	-	-	-	-	-	-	85
At March 31, 2017	-	4,909	888	1,844	1,013	60	202	1,187	614	4	-	-	-	-	-	-	-	-	10,721
Carrying amount																			
At March 31, 2017	-	49,004	476	724	176	-	-	2,597	46	6	-	-	-	-	-	-	-	-	59,427
At March 31, 2016	-	50,797	584	1,159	458	-	-	383	424	6	-	-	-	-	-	-	-	-	60,286

⁽¹⁾ Related to KOP Building located at 25 Tai Seng Avenue, Singapore 534104 (the "Building"), which was reclassified from non-current asset held for sale after a year had lapsed from classification as non-current asset held for sale. The Building was not sold despite active marketing and negotiations with several interested parties as expected selling price was not met.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

18 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group's leasehold properties comprise the following:

- (i) Property located in Batam, Indonesia for the use of providing hospitality services. The unexpired lease term of the leasehold land is 21 years (2016: 22 years).
- (ii) Property located in Seminyak, Indonesia for the use of providing hospitality services. The unexpired lease term of the leasehold land is 17 years (2016: 18 years).
- (iii) Property located at 25 Tai Seng Avenue, Singapore 534104. The granted lease term is for a period of 30 years with effect from December 25, 2007 with an entitlement to a further term of 29 years.

The interest expense capitalised during the financial year amounted to \$855,000 (Note 28) (2016: \$975,000).

The Group has pledged its leasehold land and buildings and assets under construction with a total carrying amount of \$57,889,000 (2016 : \$57,272,000) to secure the bank overdrafts, borrowings and banking facilities as disclosed in Note 22 to the financial statements.

Borrowing costs capitalised during the financial year were from loans borrowed specifically for the construction of buildings.

As at the end of the reporting period, the carrying amount of motor vehicles held under finance leases is \$33,000 (2016: \$119,000).

Company	Computer \$'000
Cost:	
At April 1, 2015, March 31, 2016 and 2017	2
Accumulated depreciation:	
At April 1, 2015 and March 31, 2016	*
Depreciation charge during the year	2
At March 31, 2017	2
Carrying amount:	
At March 31, 2017	-
At March 31, 2016	2

*: Amount is less than one thousand.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

19 INVESTMENT PROPERTY

	GROUP	
	2017 \$'000	2016 \$'000
<u>At fair value</u>		
Balance at beginning of the year	9,699	-
Reclassification from property, plant and equipment (Note 18)	1,267	1,887
Reclassification from non-current asset held for sale (Note 13)	-	8,037
Gain/(loss) from fair value adjustments credited/(charged) to profit or loss (Note 30)	340	(225)
Balance at end of the year	11,306	9,699

Fair value measurement of the Group's investment property

As at the end of the reporting period, the fair value of the Group's investment property has been determined on the basis of valuation carried out by an independent valuer on March 31, 2017 and 2016, having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was arrived using Comparable Sales Method and Income Capitalisation Method (2016: Comparable Sales Method), based on assumption that investment property has a tenure of 30 years with effect from December 25, 2007 with an entitlement to a further term of 29 years. In estimating the fair value of the investment property, the highest and best use of the property is their current use.

Details of the Group's investment property and information about the fair value hierarchy as at March 31, 2017 and 2016 are as follow:

Location	Description	Gross Area (Sq. Feet)
<u>2017</u>		
Investment property located at 25 Tai Seng Avenue, KOP Building #02-01, #03-02, #03-03, #04-01, #04-02 and #05-01, Singapore 534104	Commercial	27,000
<u>2016</u>		
Investment property located at 25 Tai Seng Avenue, KOP Building #02-01, #03-01, #03-02, #03-03, #04-01 and #04-02, Singapore 534104	Commercial	23,900

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

19 INVESTMENT PROPERTY (cont'd)

As at March 31, 2017 and 2016, the fair value measurement of the investment property is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the years ended March 31, 2017 and 2016.

The following table shows the significant unobservable inputs used in the valuation models for the investment property classified as Level 3 in the fair value hierarchy:

Valuation technique	Significant unobservable input(s)	Commercial
Comparable sales method	Comparable price (Price per square meter) ⁽¹⁾	\$4,561 (2016: \$ 4,373)
Income capitalisation method	Capitalisation rate ⁽²⁾	6.0% (2016: Not applicable)

⁽¹⁾ Any significant isolated increase/(decrease) in these inputs would result in a significantly higher/(lower) fair value measurement.

⁽²⁾ Any significant isolated increase/(decrease) in these inputs would result in a significantly lower/(higher) fair value measurement.

The property rental income from the Group's investment property all of which are leased out under operating leases, amounted to \$298,000 (2016: \$363,000). Direct operating expenses (including repairs and maintenance) arising from the rental-generating investment property amounted to \$235,000 (2016 : \$238,000).

The investment property is pledged to secure bank overdrafts, borrowings and banking facilities (Note 22).

As at March 31, 2016, the non-current assets held for sale classified to investment property related to the units in KOP Building located at 25 Tai Seng Avenue, Singapore 534104 which were rented to third parties.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

20 DEFERRED TAX

The following are the major deferred tax (assets)/liabilities recognised by the Group, and the movements thereon, during the current and prior reporting periods:

- (a) Deferred tax assets

	Cash receipts for COC development properties⁽¹⁾ \$'000	Accelerated accounting depreciation over tax depreciation \$'000	Others \$'000	Total \$'000
GROUP				
At April 1, 2015	(1,135)	(41)	(358)	(1,534)
Tax payable on cash received	603	-	-	603
Charged to profit or loss	-	42	326	368
Exchange differences	-	(1)	(4)	(5)
At March 31, 2016	(532)	-	(36)	(568)
Tax payable on cash received	290	-	-	290
Adjustment	-	-	33	33
Exchange differences	-	-	3	3
At March 31, 2017	(242)	-	-	(242)

- ⁽¹⁾ Deferred tax assets relate to the tax payable on advanced cash receipts for the sale of development properties in Indonesia which is recognised using the completed-contract ("COC") method.

No deferred tax assets have been recognised in respect of the unutilised tax losses and capital allowances due to the unpredictability of future profit streams. The unutilised tax losses of \$35,730,000 (2016: \$34,854,000) and capital allowances of \$3,000 (2016: \$143,000) may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

20 DEFERRED TAX (cont'd)

(b) Deferred tax liabilities

	Accelerated tax depreciation over accounting depreciation \$'000	Deferred tax on gain from sale of non- current asset held for sale (Note 13) ⁽²⁾ \$'000	Revaluation arising from reverse takeover exercise ⁽¹⁾ \$'000	Total \$'000
GROUP				
At April 1, 2015	58	-	-	58
Transferred from liabilities directly associated with assets classified as held for sale ⁽¹⁾	-	-	1,172	1,172
At March 31, 2016	58	-	1,172	1,230
Charged to profit or loss (Note 29)	7	1,469	-	1,476
Exchange difference	-	(80)	-	(80)
At March 31, 2017	65	1,389	1,172	2,626

⁽¹⁾ The deferred tax arose from the revaluation of KOP Building during the reverse takeover exercise which was completed during the year ended March 31, 2015 and presented as part of 'liabilities directly associated with assets classified as held for sale' as at March 31, 2015. KOP Building was not sold eventually as expected selling price was not met.

⁽²⁾ The deferred tax will be payable if the sale proceeds is not reinvested into a qualifying asset by April 2019.

For the unremitted income from overseas subsidiaries, no deferred tax liability had been recognised for undistributed profits of \$5,876,000 (2016: \$Nil) for the Group's subsidiaries in the United Kingdom as there is no withholding tax payable on the undistributed profits for United Kingdom subsidiaries.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

21 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Trade payables:				
Third parties	7,789	7,558	251	165
Non-trade payables:				
Ultimate holding company (Note 5)	433	27,545	-	-
Related companies (Note 5)	42	4,031	-	-
Subsidiaries (Notes 5 and 15)	-	-	3,847	4,674
Third parties	2,035	2,429	32	148
Accrued operating expenses	3,825	2,183	885	236
Advances from non-controlling interests (Note A)	9,178	5,015	-	-
Amounts due to directors (Note 6)	339	79	-	-
Deposits received ⁽¹⁾	590	562	-	-
	<u>24,231</u>	<u>49,402</u>	<u>5,015</u>	<u>5,223</u>

⁽¹⁾ The deposits received include non-refundable deposits of \$411,000 (2016: \$420,000).

The average credit period on purchases of goods and services ranges between 30 to 120 days (2016: 30 to 120 days). No interest is charged on the overdue balances.

\$570,000 (2016: \$570,000) of the non-trade payables to third parties bear fixed interest of 6.5% (2016: 5%) per annum as at March 31, 2017.

The non-trade payables to ultimate holding company, related companies and subsidiaries are unsecured, interest-free and repayable on demand.

The advances from non-controlling interests are unsecured and repayable on demand. Included in the balance is \$3,423,000 (2016: \$Nil) which bears interest at 5% per annum. The remaining advances from non-controlling interests is non-interest bearing.

The amounts due to directors are unsecured, interest-free and repayable on demand.

Note A

Included in advances from non-controlling interests was an amount of US\$3,000,000, equivalent to \$4,192,000 (2016 : US\$1,500,000, equivalent to \$2,022,000) owing to an individual. The Group's Executive Chairman and Chief Operating Officer are relatives of the individual.

In May 2013, the individual extended US\$1,500,000 to the Group for the purpose of acquisition of a Group's project, which represents 17% of the economic interest in the Montigo Resorts, Seminyak project.

In June 2016, the individual extended another US\$1,500,000 to the Group for the purpose of funding for the construction cost for the same project with the term that the total advances of US\$3,000,000 were equivalent to 17% of the economic interest in the Montigo Resorts, Seminyak project.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

21 TRADE AND OTHER PAYABLES (cont'd)

The Group's intent is for the advances to be interest-free, repayable on demand and free from all liens, charges and other encumbrances. The same terms were confirmed and acknowledged by the individual since financial year ended March 31, 2014. Subsequent to the current year end, the Group explained the inconsistency of the documents and confirmed that the advances are interest-free, repayable on demand and free from all liens, charges and other encumbrances.

As a result, the advances due by the Group to the individual of US\$3,000,000 (2016 : US\$1,500,000) have been accounted for as interest-free, repayable on demand and free from all liens, charges and other encumbrances since the initial recognition.

22 BANK OVERDRAFTS AND BORROWINGS (SECURED)

	GROUP	
	2017	2016
	\$'000	\$'000
Bank overdrafts (Note 7)	7,328	6,425
Revolving credit facility	4,000	4,000
Bank loans	22,569	26,776
	<u>33,897</u>	<u>37,201</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	(14,075)	(17,971)
Amount due for settlement after 12 months	<u>19,822</u>	<u>19,230</u>

The Group's bank borrowings comprise the followings:

(a) Bank overdrafts

The bank overdrafts are denominated in SGD, bear an effective interest rate of 5.75% (2016: 5.75%) per annum and are repayable within 12 months. The bank overdrafts are arranged at floating rates and secured by legal mortgage of the investment property, leasehold land and building of the subsidiary and corporate guarantee from the Company.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

22 BANK OVERDRAFTS AND BORROWINGS (SECURED) (cont'd)

(b) Revolving credit facility

The revolving credit facility ("RC") of \$4,000,000 is denominated in SGD, bears interest at 4.45% (2016: 4.45%) per annum and matures on April 10, 2017. The RC is arranged at floating rate and secured by legal mortgage of the investment property, leasehold land and building of the subsidiary and corporate guarantee from the Company.

Subsequent to year end, the term of the RC was extended to August 10, 2017.

(c) 5-year USD term loan

The 5-year USD term loan of \$726,000 (2016: \$2,800,000) bears interest at 7.00% (2016: 7.00%) per annum. The loan is to be repaid over 60 monthly instalments after its first drawdown. The loan is secured by legal mortgage of the leasehold land and building of the subsidiary and corporate guarantee from a subsidiary. As of March 31, 2017, the accumulated amortisation of loan facility fee amounted to \$417,000 (2016: \$327,000).

Subsequent to year end, the loan was fully repaid.

(d) 7-year USD term loan

The 7-year USD term loan of \$12,891,000 (2016: \$12,974,000) bears interest at 7.00% (2016: 7.00%) per annum. The loan is to be repaid over 119 monthly instalments (2016: 84 monthly instalments) after its first drawdown. The loan is secured by legal mortgage of the leasehold land and building of the subsidiary, personal guarantee from directors of the Company and corporate guarantee from a subsidiary.

(e) SGD land and building loan

The SGD land and building loan of \$8,952,000 (2016: \$10,083,000) bears interest at 3.00% (2016: 3.20%) per annum which is based on 2.00% above Cost of Funds. The term loans amounting to \$5,472,000 (2016: \$6,245,000) and \$3,480,000 (2016: \$3,838,000) are repayable in 180 and 168 equal monthly payment respectively, commencing from May 1, 2009. The term loans are secured by legal mortgage of the investment property, leasehold land and building of the subsidiary and corporate guarantee from the Company.

Subsequent to year end, the loan was refinanced with a new term loan that is denominated in SGD, bears interest at 2.60% per annum below the bank's base rate and matures on August 10, 2019.

(f) 5-year SGD term loan

As at March 31, 2016, the 5-year SGD term loan of \$1,082,000 bore interest at 6.00% per annum. The loan was to be repaid over 60 monthly instalments after its first drawdown. The loan was secured by legal mortgage of the leasehold land and building of the subsidiary and corporate guarantee from a subsidiary. As of March 31, 2017, the accumulated amortisation of loan facility fee amounted to \$440,000 (2016: \$367,000).

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

23 FINANCE LEASES

	GROUP			
	Minimum lease payments		Present value of minimum lease payments	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Amounts payable under finance leases:				
Within one year	22	61	20	53
Between two to five years	39	183	37	173
After five years	-	-	-	-
	<u>61</u>	<u>244</u>	<u>57</u>	<u>226</u>
Less: Future finance charges	(4)	(18)	-	-
Present value of lease obligations	<u>57</u>	<u>226</u>	57	226
Less: Amount due for settlement within 12 months (shown under current liabilities)			<u>(20)</u>	<u>(53)</u>
Amount due for settlement after 12 months			<u>37</u>	<u>173</u>

It is the Group's policy to lease certain of its motor vehicles and equipment under finance leases. The term of the finance lease is 7 years (2016: 7 to 8 years) and bear interest rate of 2.80% per annum (2016: 1.80% to 2.80% per annum). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the leased assets (Note 18).

24 SALES PROCEEDS RECEIVED IN ADVANCE

The sales proceeds received in advance relate to the consideration received from the sale of development properties which the title has yet to be passed to the purchaser.

25 SHARE CAPITAL

	GROUP	
	2017 \$'000	2016 \$'000
Issued and paid-up capital:		
Balance at beginning and end of the year	<u>67,861</u>	<u>67,861</u>

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March 31, 2017

25 SHARE CAPITAL (cont'd)

	COMPANY			
	2017	2016	2017	2016
	Number of ordinary shares		\$'000	\$'000
Issued and paid-up capital:				
Balance at beginning and end of the year	886,369,771	886,369,771	283,427	283,427

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

26 REVENUE

	GROUP	
	2017	2016
	\$'000	\$'000
Management and coordination fee	725	479
Hotel and resort operations	11,354	12,539
Sale of development properties	3,362	7,625
Sale of goods	2	97
Assignment of distribution rights	387	3,338
Content production	22	19
Rental income	298	363
Others	-	4
	16,150	24,464

27 OTHER OPERATING INCOME

	GROUP	
	2017	2016
	\$'000	\$'000
Commission income from associated company (Note 6)	281	-
Commission income from related company (Note 5)	948	330
Allowance for doubtful receivables written back	-	524
Net foreign exchange gains	365	-
Fair value gain on investment property (Note 19)	340	-
Government grants received	323	52
Interest income from third parties	8	15
Interest income from associated company (Note 6)	921	909
Interest income receivables from long-term notes receivable (Note 17)	960	3,009
Interest income on financial assets carried at amortised cost (Note 8)	-	13
Other income	447	451
Bad debts recovered	1,580	-
Gain on disposal of non-current asset held for sale	8,801	-
	14,974	5,303

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

28 FINANCE COSTS

	GROUP	
	2017	2016
	\$'000	\$'000
Interest expense to third party:		
- Bank overdrafts	365	233
- Revolving credit facility	178	154
- Bank loans	1,389	2,316
- Others	11	35
	<u>1,943</u>	<u>2,738</u>
Less: Amount capitalised in development properties (Note 10)	(123)	(487)
Less: Amount capitalised in property, plant and equipment (Note 18)	(855)	(975)
	<u>965</u>	<u>1,276</u>

29 INCOME TAX EXPENSE

	GROUP	
	2017	2016
	\$'000	\$'000
Tax expense attributable to profit or loss is made up of:		
Income tax:		
- Current year	432	924
- Overprovision in prior years	(14)	(1,027)
Deferred tax	1,476	368
	<u>1,894</u>	<u>265</u>

Domestic income tax is calculated at 17% (2016: 17%) of its estimated assessable profit for the years.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

29 INCOME TAX EXPENSE (cont'd)

The total income tax for the years can be reconciled to the accounting profit as follows:

	GROUP	
	2017	2016
	\$'000	\$'000
Profit before tax	4,108	402
Share of results from investments in associated companies	(1,896)	(5,639)
Profit/(Loss) before tax and before share of results of associates	<u>2,212</u>	<u>(5,237)</u>
Income tax expense/(benefit) calculated at domestic tax rate of 17%	376	(890)
Expenses not deductible for tax purposes	1,548	2,624
Deferred tax assets not recognised	999	950
Tax losses not available to be carried forward	318	132
Tax exemption	-	(1)
Overprovision of tax in prior years	(14)	(1,027)
Income not subjected to tax	(1,546)	(1,249)
Different tax rates of subsidiaries operating in other jurisdictions	213	(12)
Utilisation of previously unrecognised tax losses	-	(304)
Others	-	42
	<u>1,894</u>	<u>265</u>

The Group has unutilised tax losses available for offsetting against future taxable income as follows:

GROUP	Unutilised tax		Unutilised capital		Total	
	losses		allowances			
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the year	34,854	34,786	143	1,378	34,997	36,164
Amounts utilised	(1)	(1,790)	-	-	(1)	(1,790)
Arising during the year	5,878	5,587	-	-	5,878	5,587
Adjustment	(5,001)	(3,729)	(140)	(1,235)	(5,141)	(4,964)
Balance at end of the year	<u>35,730</u>	<u>34,854</u>	<u>3</u>	<u>143</u>	<u>35,733</u>	<u>34,997</u>
Deferred tax assets not recognised					<u>6,075</u>	<u>5,949</u>

The realisation of the future income tax benefits from tax losses and capital allowances carry forward is available for an indefinite period subject to the conditions imposed by law including the retention of majority shareholders as defined.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

30 PROFIT AFTER TAX

Profit after tax has been arrived at after (crediting)/charging:

	GROUP	
	2017	2016
	\$'000	\$'000
Directors' remuneration:		
- of the Company	1,582	1,760
- of the subsidiaries	487	802
	<hr/>	<hr/>
	2,069	2,562
Directors' fees	120	120
Employee benefits expense (including directors' remuneration)	5,710	5,399
Defined contribution plans (included in employee benefits expense)	384	439
Audit fees:		
- paid to auditors of the Company	203	181
- paid to other auditors	65	38
Non-audit fees paid to auditors of the Company	18	-
Allowance for doubtful receivables (Note 8)	343	1,097
Allowance for doubtful receivables written back (Note 8)	-	(524)
Depreciation of property, plant and equipment (Note 18)	3,352	2,873
Amortisation of intangible assets (Note 14)	59	52
Rental expenses	395	696
Impairment of prepaid film rights (Note 12)	87	91
Impairment of intangible assets (Note 14)	60	166
Cost of inventories recognised as expenses	3,525	4,087
Cost of development properties recognised as expenses	1,823	6,093
Net foreign exchange (gains)/losses	(264)	1,488
Gain on disposal of non-current asset held for sale	(8,801)	-
Loss on disposal of property, plant and equipment	28	-
(Gain)/Loss from fair value adjustment of investment property (Note 19)	(340)	225
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

31 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares.

	GROUP	
	2017	2016
Net profit attributable to equity holders of the Company (\$'000)	1,194	346
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	886,369,771	886,369,771
Basic and diluted earnings per share (cents per share)	0.13	0.04

32 CONTINGENT LIABILITIES (SECURED)

	COMPANY	
	2017	2016
	\$'000	\$'000
Corporate guarantee to financial institutions for subsidiaries' banking facilities (Notes 13 and 22)	20,280	36,333
Corporate guarantee to financial institutions for a subsidiary's banking facilities in respect of the Group's share of tender deposit (Note 36)	10,750	-
Corporate guarantee to financial institutions for associated company's banking facilities	-	52,514
	31,030	88,847

Management has performed an assessment of the fair value of the financial guarantee provided to its subsidiaries and associated company and is of the opinion that the fair value of the above corporate guarantees is not material.

On May 13, 2016, certain subsidiaries and the Company's directors received a Writ of Summons for alleged breach of duties in relation to a collaboration between a subsidiary (Note 5) and a non-controlling shareholder of a subsidiary. Management is of the opinion that there are no merits to the claims.

At the reporting date, the directors of the Company are of the view that it is presently not practicable to provide an estimate of the financial effects, if any, for the above.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

33 COMMITMENTS

Capital expenditures contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	GROUP	
	2017	2016
	\$'000	\$'000
Distribution rights and production films	-	297
Development properties	3,670	3,676
Property, plant and equipment	6,851	8,823
Advisory fee for real estate management project	328	470
	10,849	13,266
	10,849	13,266

34 OPERATING LEASE ARRANGEMENTS

The Group as Lessor

The Group rents out its investment property in Singapore under operating leases. The leases are negotiated for term of two years and rentals are fixed for an average of two years.

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

	GROUP	
	2017	2016
	\$'000	\$'000
Within one year	470	144
Between two to five years	392	144
	862	288
	862	288

The Group as Lessee

	GROUP	
	2017	2016
	\$'000	\$'000
Minimal lease payments under operating leases recognised as an expense in the year	215	563
	215	563

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

34 OPERATING LEASE ARRANGEMENTS (cont'd)

The Group as Lessee (cont'd)

At the end of the reporting period, the Group has commitments in respect of the non-cancellable operating leases for the rental of premises as follows:

	GROUP	
	2017	2016
	\$'000	\$'000
Within one year	-	562
Between two to five years	-	35
	-	597

In 2016, operating lease payments represented rentals payable by the Group for its rented premises. Leases were negotiated for an average term of 3 years and rentals were fixed for an average of 3 years.

35 SEGMENT INFORMATION

Products and services from which reportable segments derive their revenues

For the purpose of the resource allocation and assessment of segment performance, the Group's chief operating decision maker has focused on the business operating units which in turn, are segregated based on their products and services. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Operating segments are aggregated into a single reportable operating segment if they have similar economic characteristic, such as long-term average gross margins, and are similar in respect of nature of services and process, type of customers, method of distribution, and if applicable, the nature of the regulatory environment.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

35 SEGMENT INFORMATION (cont'd)

The Group's reportable operating segments under FRS 108 are as follows:

Segment	Principal activities
Real estate development and investment	The development, construction and sale of development properties.
Real estate origination and management services	The provision of business and management services for projects, including acquisition of properties and undertaking the development conceptualisation, construction management, marketing and branding strategising and retail sales of such projects.
Hospitality	Management and operation of hotels, including restaurants and spas.
Entertainment	Sales of goods, grant of sub-distribution rights and assignment of distribution rights; content production and producer fees; sales of tickets and sponsorship income and investment property rental income.
Corporate office	Management fee income from subsidiaries.

The accounting policies of the reportable segments are described in Note 2 to the financial statements. Segment revenue represents revenue generated from external and internal customers. Segment result represents the (loss)/profit earned from each segment after allocating costs directly attributable to a segment as well as those that can be allocated on a reasonable basis. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources, the chief operating decision maker monitors the assets and liabilities attributable to each segment. All assets and liabilities are allocated to reportable segments. Assets or liabilities, if any, used jointly by reportable segments are allocated to the segments on a reasonable basis.

Corporate office consists of shared corporate assets and liabilities that could not be specifically allocated to each reportable segment.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

35 SEGMENT INFORMATION (cont'd)

Geographical information

The operations of the Group, except for the property development in Indonesia and hotel management in United Kingdom, are principally located in Singapore.

The Group's revenue from external customers and information about its segment assets (non-current assets excluding long-term notes receivable and deferred tax assets) by geographical locations are detailed below:

	REVENUE		NON-CURRENT ASSETS	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
GROUP				
Singapore	1,434	4,301	34,847	33,145
United Kingdom	20	3,814	-	-
Indonesia	14,696	16,349	44,578	43,543
People's Republic of China	-	-	50	262
	<u>16,150</u>	<u>24,464</u>	<u>79,475</u>	<u>76,950</u>

Information about major customers

Included in the Group's revenue for the financial year ended March 31, 2017 is a sale of development property of \$1,800,000 which arise from a single buyer.

36 EVENTS AFTER REPORTING PERIOD

(i) Award of land tender

On April 7, 2017, KOP Northern Lights Pte. Ltd., an indirect wholly-owned subsidiary of the Company, together with Shanghai LuJiaZui Zhi Mao Investment Co., Ltd. and Shanghai Hong Bin Properties Co., Ltd. (collectively known as the "Parties") paid the tender deposit of RMB176.6 million (equivalent to approximately \$35.8 million) for bidding of the land located at Lingang, Pudong New District, Shanghai, People's Republic of China, of which the Group has 30% interest in. Subsequently, on April 19, 2017, the Parties were awarded the land with a tender price of RMB883.0 million (equivalent to approximately \$179.1 million).

(ii) Incorporation of subsidiaries

On April 11, 2017, the Company's indirect 50%-owned subsidiary, Montigo Resorts Kazakhstan Pte. Ltd. has incorporated a wholly-owned subsidiary, Montigo Resorts Kazakhstan Limited Liability Partnership.

On June 19, 2017, the Company's indirect wholly-owned subsidiary, KOP Northern Lights Pte. Ltd. has incorporated a joint venture company, Snow Star Properties Co., Ltd., in Shanghai, People's Republic of China.

On July 28, 2017, the Company's indirect wholly-owned subsidiary, Wintastar Holdings Pte. Ltd. has incorporated a wholly-owned subsidiary, Wintastar Operations Pte. Ltd..

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

36 EVENTS AFTER REPORTING PERIOD (cont'd)

(ii) Incorporation of subsidiaries (cont'd)

On July 28, 2017, the Company's indirect wholly-owned subsidiary, Wintastar Operations Pte. Ltd. has incorporated a wholly-owned subsidiary, WS Shanghai Operations Pte. Ltd..

On August 18, 2017, the Company's indirect wholly-owned subsidiary, Montigo Resorts Pte. Ltd. has incorporated a 60%-owned subsidiary, Cafe Montigo Pte. Ltd..

37 COMPARATIVE FIGURES

Certain adjustments have been made to the prior year's consolidated statement of cash flows to enhance comparability with the current year's consolidated statement of cash flows to adjust:

- (i) Interest capitalised as part of property, plant and equipment amounting to \$975,000 from development properties; and
- (ii) Interest receivable from an associated company amounting to \$909,000 from loan to an associated company.

	Previously reported 2016 \$'000	After restatement 2016 \$'000
Consolidated Statement Of Cash Flows		
<u>Operating activities</u>		
Trade and other receivables	1,614	705
Development properties	1,045	70
Cash generated from operations	8,097	6,213
Net cash from operating activities	5,212	3,328
<u>Investing activities</u>		
Purchase of property, plant and equipment	(2,589)	(1,614)
Loan to an associated company	(1,867)	(958)
Net cash used in investing activities	<u>(4,454)</u>	<u>(2,570)</u>

STATISTICS OF SHAREHOLDING

As at August 25, 2017

Class of Shares	:	Ordinary share
No. of Shares (excluding treasury shares and subsidiary holdings)	:	886,369,771
Voting rights	:	One vote per share
No. of treasury shares and percentage	:	Nil
No. of subsidiary holdings held and percentage	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	4	0.34	74	0.00
100 - 1,000	314	26.32	190,475	0.02
1,001 – 10,000	272	22.80	1,696,200	0.19
10,001 – 1,000,000	563	47.19	69,591,360	7.85
1,000,001 and above	40	3.35	814,891,662	91.94
TOTAL	1,193	100.00	886,369,771	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	534,149,026	60.26
2	UOB KAY HIAN PRIVATE LIMITED	74,304,100	8.38
3	DBS NOMINEES (PRIVATE) LIMITED	34,221,838	3.86
4	MAYBANK KIM ENG SECURITIES PTE LTD	20,653,961	2.33
5	HAN SENG JUAN	18,750,000	2.12
6	OCBC SECURITIES PRIVATE LIMITED	16,732,400	1.89
7	LOW KHENG HONG @ LAU KHENG HONG	14,150,262	1.60
8	DB NOMINEES (SINGAPORE) PTE LTD	11,620,000	1.31
9	RAFFLES NOMINEES (PTE) LIMITED	10,757,800	1.21
10	CITIBANK NOMINEES SINGAPORE PTE LTD	9,733,000	1.10
11	ONG PHANG HOO (WANG BANGFU)	8,029,800	0.91
12	ONG SIEW TING GERALDINE	7,000,000	0.79
13	ANG YEW LAI	6,250,000	0.71
14	NG CHOON THIAM	4,325,000	0.49
15	ONG HOI LIAN	3,000,000	0.34
16	TAN LYE YING	2,677,200	0.30
17	SINMAH POULTRY PROCESSING (S) PTE LTD	2,500,000	0.28
18	LOW XIU LI ELVELYN (LIU XIULI ELVELYN)	2,384,900	0.27
19	TAN YONG HAN EDMUND (CHEN YONGHAN)	2,100,000	0.24
20	BRIAN KWAN WING HUNG	2,030,000	0.23
	TOTAL	785,369,287	88.62

STATISTICS OF SHAREHOLDING

As at August 25, 2017

SUBSTANTIAL SHAREHOLDERS AS AT AUGUST 25, 2017

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
KOP Group Pte Ltd ¹	-	-	428,571,428	48.35
Ong Chih Ching ²	1,100,000	0.12	493,247,143	55.65
Leny Suparman ³	1,000,000	0.11	459,257,142	51.81
Wang Xuan ⁴	-	-	53,000,000	5.98

Notes:

- ¹ KOP Group Pte. Ltd. is deemed to be interested in 428,571,428 ordinary shares held through United Overseas Bank Nominees (Private) Limited.
- ² Ms. Ong Chih Ching is deemed to be interested in (i) 428,571,428 ordinary shares held through KOP Group Pte. Ltd. by virtue of Section 7 of the Companies Act, Chapter 50; (ii) 64,175,715 ordinary shares held through United Overseas Bank Nominees (Private) Limited and (iii) 500,000 ordinary shares held through Citibank Nominees Singapore Pte. Ltd..
- ³ Ms. Leny Suparman is deemed to be interested in (i) 428,571,428 ordinary shares held through KOP Group Pte. Ltd. by virtue of Section 7 of the Companies Act, Chapter 50 and (ii) 30,685,714 ordinary shares held through United Overseas Bank Nominees (Private) Limited.
- ⁴ Ms. Wang Xuan is deemed to be interested in 53,000,000 ordinary shares held through UOB Kay Hian Private Limited.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at August 25, 2017, 30.03% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual – Section B: Rules of Catalist of the SGX-ST which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteen Annual General Meeting (“AGM”) of KOP Limited (the “Company”) will be held at 25 Tai Seng Avenue #01-01 KOP Building Singapore 534104 on Thursday, September 21, 2017 at 11.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial year ended March 31, 2017 together with the Auditor’s Report thereon. **Resolution 1**

2. To approve the payment of Directors’ fees of S\$120,000 for the financial year ending March 31, 2018 to be paid quarterly in arrears (2017: S\$120,000). **Resolution 2**

3. To re-elect the following Directors retiring pursuant to Regulation 107 of the Constitution of the Company:

Ms. Leny Suparman	Resolution 3
Mrs. Yu-Foo Yee Shoon	Resolution 4

[See Explanatory Note (i)]

4. To transact any other ordinary business which may be properly transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as ordinary resolutions, with or without modifications:

5. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual – Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”)**

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Catalist Rules of the SGX-ST, the Directors of the Company be authorised and empowered to:

- (a)
 - (i) issue shares in the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors while this Resolution was in force,

(the “**Share Issue Mandate**”)

provided that:

- (1) the aggregate number of shares (including shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (ii)]

Resolution 5

By Order of the Board

Shirley Tan Sey Liy
 Company Secretary
 Singapore, September 5, 2017

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Mrs. Yu-Foo Yee Shoon will, upon re-election as a Director of the Company, remain as the Independent Director of the Company, the Chairman of the Nominating Committee and a member of Audit and Risk Committee and Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.
- (ii) Resolution 5 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro rata* basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issues, consolidation or subdivision of shares.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. (a) A member who is not a Relevant Intermediary entitled to attend and vote at the Annual General Meeting (the “**Meeting**”) is entitled to appoint not more than two proxies to attend and vote in his/her stead.
- (b) A member who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
- (c) “Relevant Intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.
2. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
3. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or the hand of its duly authorised officer or attorney in writing.
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 25 Tai Seng Avenue #06-01 KOP Building Singapore 534104 not less than seventy-two (72) hours before the time appointed for the Meeting.
5. A proxy need not be a member of the Company.

Personal Data Privacy

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

KOP LIMITED(Company Registration No. 200415164G)
(Incorporated In Singapore)**PROXY FORM***(Please see notes overleaf before completing this Form)***Important**

1. An investor who holds shares under the Central Provident Fund Investment Scheme (“CPF Investor”) and/or the Supplementary Retirement Scheme (“SRS Investors”) (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) NRIC /Passport No./Co. Registration No. _____

of _____ (Address)

being *a member/members of **KOP LIMITED** (the “**Company**”), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our proxy/proxies* to attend and vote for me/us* on my/our* behalf at the Annual General Meeting (the “**Meeting**”) of the Company to be held at 25 Tai Seng Avenue #01-01 KOP Building Singapore 534104 on Thursday, September 21, 2017 at 11.00 a.m. and at any adjournment thereof. I/We* direct my/our proxy/proxies* to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion.

No.	Resolutions relating to:	No. of Votes ‘For’**	No. of Votes ‘Against’**
Ordinary Business			
1.	Directors’ Statement, Audited Financial Statements and Auditor’s Report for the financial year ended March 31, 2017		
2.	Approval of Directors’ fees amounting to S\$120,000 for the financial year ending March 31, 2018, to be paid quarterly in arrears		
3.	Re-election of Ms. Leny Suparman as a Director		
4.	Re-election of Mrs. Yu-Foo Yee Shoon as a Director		
Special Business			
5.	Authority to allot and issue new shares		

* Delete where inapplicable

**If you wish to exercise all your votes ‘For’ or ‘Against’, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2017

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

*Signature of Member**and/or, Common Seal of Corporate Shareholder***IMPORTANT:** Please read notes overleaf

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company who is not a Relevant Intermediary entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member who is not a Relevant Intermediary appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 25 Tai Seng Avenue #06-01 KOP Building Singapore 534104 not less than seventy-two (72) hours before the time appointed for the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
9. An investor who holds shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investors**”) (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated September 5, 2017.

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