

# KOP LIMITED

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

## THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

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

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

	Group					
	3QFY2018 3 months ended 31-Dec-17 (Unaudited) S\$'000	3QFY2017 3 months ended 31-Dec-16 (Unaudited) S\$'000	% change + / (-)	9MFY2018 9 months ended 31-Dec-17 (Unaudited) S\$'000	9MFY2017 9 months ended 31-Dec-16 (Unaudited) S\$'000	% change + / (-)
<b>Revenue</b>	14,817	5,319	179	23,441	11,534	103
Cost of sales	(1,894)	(3,072)	(38)	(6,829)	(6,273)	9
Gross profit	12,923	2,247	475	16,612	5,261	216
Other operating income	717	1,465	(51)	2,373	14,062	(83)
	13,640	3,712	267	18,985	19,323	(2)
Distribution costs	(194)	(110)	76	(473)	(692)	(32)
Administrative expenses	(5,009)	(3,799)	32	(13,992)	(11,222)	25
Share of results from investments in associated companies	452	(165)	<i>n.m.</i>	24	967	(98)
Share of results from investments in joint venture	(60)	-	<i>n.m.</i>	(69)	-	<i>n.m.</i>
Finance costs	(992)	(239)	315	(1,420)	(704)	102
<b>Profit/ (Loss) before tax</b>	7,837	(601)	<i>n.m.</i>	3,055	7,672	(60)
Income tax expense	(898)	(122)	636	(1,156)	(1,929)	(40)
<b>Profit/ (Loss) after tax</b>	6,939	(723)	<i>n.m.</i>	1,899	5,743	(67)
<b>Other comprehensive (loss)/ income for the period, after tax:</b>						
<i>Item that may be subsequently reclassified to profit or loss:</i>						
Exchange difference on translation of foreign operations	(231)	214	<i>n.m.</i>	86	102	(16)
<b>Total comprehensive income/ (loss) for the period</b>	6,708	(509)	<i>n.m.</i>	1,985	5,845	(66)
<b>Profit/ (Loss) attributable to:</b>						
Owners of the Company	6,995	(667)	<i>n.m.</i>	2,088	4,646	(55)
Non-controlling interests	(56)	(56)	-	(189)	1,097	<i>n.m.</i>
	6,939	(723)	<i>n.m.</i>	1,899	5,743	(67)
<b>Total comprehensive income/ (loss) attributable to:</b>						
Owners of the Company	6,752	(365)	<i>n.m.</i>	2,061	4,841	(57)
Non-controlling interests	(44)	(144)	(69)	(76)	1,004	<i>n.m.</i>
	6,708	(509)	<i>n.m.</i>	1,985	5,845	(66)

#### 1(a)(ii) Profit/ (Loss) before tax is determined after charging/ (crediting):

Depreciation of property, plant and equipment	806	788	2	2,310	2,274	2
Amortisation of intangible assets	-	-	-	7	25	(72)
Interest income (Note a)	(272)	(475)	(43)	(837)	(1,425)	(41)
Net foreign exchange losses/ (gains) (Note b)	298	(469)	<i>n.m.</i>	1,121	(625)	<i>n.m.</i>
Interest expense (Note c)	992	239	315	1,420	704	102
Gain on strike-off of subsidiaries	(146)	-	<i>n.m.</i>	(146)	-	<i>n.m.</i>
Gain on disposal of subsidiary	(30)	-	<i>n.m.</i>	(30)	-	<i>n.m.</i>
Gains on disposal of property, plant and equipment (Note d)	(1)	-	<i>n.m.</i>	(392)	(8,933)	(96)
Bad debts recovered (Note e)	(15)	(365)	(96)	(650)	(1,570)	(59)
Allowance for doubtful receivables	8	-	<i>n.m.</i>	8	-	<i>n.m.</i>

*n.m.* - not meaningful

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## THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

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

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

**Notes:**

- a. 3QFY2018 vs 3QFY2017 & 9MFY2018 vs 9MFY2017  
Decrease in interest income was mainly due to the repayment of interest bearing shareholders' loan from associated company, Epic Land Pte. Ltd. during the period.
- b. 3QFY2018 vs 3QFY2017 & 9MFY2018 vs 9MFY2017  
Net foreign exchange loss mainly due to the translation of payables from United States Dollars to Singapore Dollars during the period.
- c. 3QFY2018 vs 3QFY2017 & 9MFY2018 vs 9MFY2017  
Increase in interest expense mainly due to increase in borrowings to fund the investment in joint venture.
- d. 9MFY2018 vs 9MFY2017  
Significant gain in 9MFY2017 was mainly due to the gain from the sale of Cranley Hotel during the period.
- e. 3QFY2018 vs 3QFY2017 & 9MFY2018 vs 9MFY2017  
This mainly represents bad debts recovered from the entertainment segment.

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

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

	Group		Company	
	31-Dec-17 (Unaudited) S\$'000	31-Mar-17 (Audited) S\$'000	31-Dec-17 (Unaudited) S\$'000	31-Mar-17 (Audited) S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	6,689	815	4,022	5
Trade and other receivables	20,892	36,485	84,019	27,833
Other current assets	2,097	755	36	22
Development properties	25,293	24,448	-	-
Inventories	549	518	-	-
<b>Total current assets</b>	<b>55,520</b>	<b>63,021</b>	<b>88,077</b>	<b>27,860</b>
<b>Non-current assets</b>				
Intangible assets	-	7	-	-
Investments in subsidiaries	-	-	144,900	147,400
Investments in associated companies	8,759	8,735	-	-
Investment in joint venture	61,320	-	-	-
Long-term notes receivable	17,617	16,894	-	-
Property, plant and equipment	44,301	59,427	-	-
Investment property	-	11,306	-	-
Deferred tax assets	66	242	-	-
<b>Total non-current assets</b>	<b>132,063</b>	<b>96,611</b>	<b>144,900</b>	<b>147,400</b>
<b>Total assets</b>	<b>187,583</b>	<b>159,632</b>	<b>232,977</b>	<b>175,260</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	61,993	24,231	45,421	5,015
Bank overdrafts and borrowings (secured)	1,153	14,075	-	-
Finance leases	20	20	-	-
Sales proceeds received in advance	650	2,445	-	-
Income tax payables	1,914	1,131	4	4
<b>Total current liabilities</b>	<b>65,730</b>	<b>41,902</b>	<b>45,425</b>	<b>5,019</b>
<b>Non-current liabilities</b>				
Bank borrowings (secured)	10,575	19,822	-	-
Finance leases	237	37	-	-
Deferred tax liabilities	2,692	2,626	-	-
<b>Total non-current liabilities</b>	<b>13,504</b>	<b>22,485</b>	<b>-</b>	<b>-</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	78,940	67,861	294,506	283,427
Foreign currency translation reserves	387	414	-	-
Other reserve	1,520	1,520	-	-
Retained earnings/ (Accumulated losses)	28,032	25,944	(106,954)	(113,186)
<b>Equity attributable to owners of the Company</b>	<b>108,879</b>	<b>95,739</b>	<b>187,552</b>	<b>170,241</b>
Non-controlling interests	(530)	(494)	-	-
<b>Total equity</b>	<b>108,349</b>	<b>95,245</b>	<b>187,552</b>	<b>170,241</b>
<b>Total liabilities and equity</b>	<b>187,583</b>	<b>159,632</b>	<b>232,977</b>	<b>175,260</b>

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

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

	Group			
	31-Dec-17		31-Mar-17	
	(Unaudited) S\$'000	(Unaudited) S\$'000	(Audited) S\$'000	(Audited) S\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	1,173	-	14,095	-
Amount repayable after one year	10,812	-	19,859	-
	11,985	-	33,954	-

#### Details of any collaterals:

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

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

	Group	
	9MFY2018 9 months ended 31-Dec-17 (Unaudited) S\$'000	9MFY2017 9 months ended 31-Dec-16 (Unaudited) S\$'000
<b>Operating activities</b>		
Profit before tax	3,055	7,672
Adjustments for:		
Depreciation of property, plant and equipment	2,310	2,274
Gain on disposal of property, plant and equipment	(392)	(8,933)
Gain on strike-off of subsidiaries	(146)	-
Gain on disposal of subsidiary	(30)	-
Property, plant and equipment written off	-	117
Amortisation of intangible assets	7	25
Unrealised foreign exchange differences	1,387	(1,432)
Interest income	(837)	(1,425)
Finance costs	1,420	704
Allowance for doubtful receivables	8	-
Share of results from investments in joint venture	69	-
Share of results from investments in associated companies	(24)	(967)
<b>Operating cash flows before movements in working capital</b>	6,827	(1,965)
Trade and other receivables	14,884	(681)
Other current assets	(1,363)	(61)
Development properties	(989)	221
Inventories	(31)	50
Prepaid film rights	-	70
Trade and other payables	(3,449)	(6,642)
Sales proceeds received in advance	(1,795)	(1,281)
<b>Cash flows from/ (used in) operations</b>	14,084	(10,289)
Interest paid	(1,389)	(1,231)
Interest received	-	7
Income tax paid	(85)	(260)
<b>Net cash flows from/ (used in) operating activities</b>	12,610	(11,773)

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## THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

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

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

	Group	
	9MFY2018 9 months ended 31-Dec-17 (Unaudited) S\$'000	9MFY2017 9 months ended 31-Dec-16 (Unaudited) S\$'000
<b>Investing activities</b>		
Purchase of property, plant and equipment	(2,615)	(2,322)
Proceeds from disposal of property, plant and equipment	430	33,888
Net cash outflow on investment in joint venture	(61,389)	-
Net cash inflow on disposal of subsidiary	2,875	-
Capital contribution from non-controlling interests	40	-
Refund to non-controlling interests	-	(54)
Loan to an associated company	-	(694)
<b>Net cash flows (used in)/ from investing activities</b>	<b>(60,659)</b>	<b>30,818</b>
<b>Financing activities</b>		
Proceeds from issuance of ordinary shares	11,079	-
Proceeds from borrowings	23,000	-
Repayments of borrowings	(14,290)	(19,608)
Loan from controlling shareholder	45,000	-
Increase in restricted funds placed in escrow accounts	(639)	(711)
Proceeds from finance leases	233	-
Repayments of finance leases	(33)	(40)
Repayments to non-controlling interests	(3,682)	-
<b>Net cash flows from/ (used in) financing activities</b>	<b>60,668</b>	<b>(20,359)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>12,619</b>	<b>(1,314)</b>
Cash and cash equivalents at the beginning of financial period	(6,800)	(3,933)
Effect of foreign currency translation in cash and cash equivalents	(55)	93
<b>Cash and cash equivalents at the end of financial period</b>	<b>5,764</b>	<b>(5,154)</b>

#### Explanatory Notes:

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

	31-Dec-17 (Unaudited)	31-Dec-16 (Unaudited)
Cash and bank balances	6,689	2,663
Less: Bank overdrafts	-	(6,355)
Less: Restricted funds placed in escrow accounts	(925)	(1,462)
<b>Cash and cash equivalents/ (Overdrawn)</b>	<b>5,764</b>	<b>(5,154)</b>

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## THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

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

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

#### Unaudited Statement of Changes in Equity for the period ended 31 December 2017

The Group	Share capital S\$'000	Foreign currency translation reserves S\$'000	Other reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 April 2017	67,861	414	1,520	25,944	95,739	(494)	95,245
<u>Total comprehensive income/ (loss) for the period</u>							
Profit/ (Loss) for the period	-	-	-	2,088	2,088	(189)	1,899
Other comprehensive (loss)/ income for the period	-	(27)	-	-	(27)	113	86
Total	-	(27)	-	2,088	2,061	(76)	1,985
Issuance of ordinary shares	11,079	-	-	-	11,079	-	11,079
Contribution for non-controlling interests	-	-	-	-	-	40	40
Balance at 31 December 2017	78,940	387	1,520	28,032	108,879	(530)	108,349
Balance at 1 April 2016	67,861	436	1,258	25,012	94,567	(1,420)	93,147
<u>Total comprehensive income/ (loss) for the period</u>							
Profit for the period	-	-	-	4,646	4,646	1,097	5,743
Other comprehensive loss for the period	-	195	-	-	195	(93)	102
Total	-	195	-	4,646	4,841	1,004	5,845
Strike-off of subsidiaries	-	-	262	(262)	-	(54)	(54)
Balance at 31 December 2016	67,861	631	1,520	29,396	99,408	(470)	98,938

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## THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

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

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

#### Unaudited Statement of Changes in Equity for the period ended 31 December 2017

<b>The Company</b>	<b>Share capital S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Total equity S\$'000</b>
Balance at 1 April 2017	283,427	(113,186)	170,241
Profit for the period, representing total comprehensive income for the period	-	6,232	6,232
Issuance of ordinary shares	11,079	-	11,079
Balance at 31 December 2017	<u>294,506</u>	<u>(106,954)</u>	<u>187,552</u>
Balance at 1 April 2016	283,427	(109,860)	173,567
Profit for the period, representing total comprehensive income for the period	-	1,861	1,861
Balance at 31 December 2016	<u>283,427</u>	<u>(107,999)</u>	<u>175,428</u>

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## THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

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

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

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

Issued and Paid-Up Capital	No. of Shares	Share Capital S\$'000
As at 31 March 2017 (audited)	886,369,771	283,427
Issuance of ordinary shares	221,592,443	11,079
As at 31 December 2017 (unaudited)	1,107,962,214	294,506

The Company does not have treasury shares or any outstanding convertibles as at 31 December 2017 and 31 March 2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31-Dec-17 (Unaudited)	31-Mar-17 (Audited)
Total number of issued shares (excluding treasury shares)	1,107,962,214	886,369,771

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

There are no sale, transfer, cancellation and/or use of treasury shares as at 31 December 2017.

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

There are no sale, transfer, cancellation and/or use of subsidiary holdings as at 31 December 2017.

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

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

### 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

### 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5, the Group has applied consistent accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ended 31 March 2017.

### 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company have adopted the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2017.

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

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

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	9 months ended 31-Dec-17 (Unaudited)	9 months ended 31-Dec-16 (Unaudited)
Net profit attributable to Owners of the Company (S\$'000)	2,088	4,646
Weighted average number of ordinary shares	944,598,442	886,369,771
Earnings per share ("EPS") (in SGD cents per share)		
(a) based on weighted average number of ordinary shares	0.22	0.52
(b) on a fully diluted basis	0.22	0.52

Notes:

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

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

	Group		Company	
	31-Dec-17 (Unaudited)	31-Mar-17 (Audited)	31-Dec-17 (Unaudited)	31-Mar-17 (Audited)
Net asset value ("NAV") (S\$'000)	108,349	95,245	187,552	170,241
Number of shares	1,107,962,214	886,369,771	1,107,962,214	886,369,771
NAV per ordinary share based on issued share capital as at end of the period reported on (in SGD cents per share)	9.78	10.75	16.93	19.21

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### (a) INCOME STATEMENTS

Revenue	3QFY2018	3QFY2017	Change	
	S\$'000	S\$'000	S\$'000	%
Real estate development and investment	-	1,552	(1,552)	(100)
Real estate origination and management services	10,904	50	10,854	21,708
Hospitality	3,766	3,232	534	17
Entertainment	147	485	(338)	(70)
	14,817	5,319	9,498	179
	9MFY2018	9MFY2017	Change	
	S\$'000	S\$'000	S\$'000	%
Real estate development and investment	1,643	1,552	91	6
Real estate origination and management services	11,004	675	10,329	1,530
Hospitality	10,382	8,723	1,659	19
Entertainment	412	584	(172)	(29)
	23,441	11,534	11,907	103

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## THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

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

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

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

##### Revenue (cont'd)

###### 3QFY2018 vs 3QFY2017

Revenue for the financial period from 1 October 2017 to 31 December 2017 ("3QFY2018") increased by S\$9.5 million or 179% as compared to the period from 1 October 2016 to 31 December 2016 ("3QFY2017"). The increase was mainly due to an increase in revenue from the real estate origination and management services segment and hospitality segment. The increase was partially offset by the decrease in revenue from the real estate development and investment segment and entertainment segment.

The increase in revenue from the real estate origination and management services segment was mainly due to the establishment fee from a joint venture, Shanghai Snow Star Properties Co., Ltd. The increase in revenue from the hospitality segment was mainly due to higher occupancy rate in relation to Montigo Resorts, Nongsa .

The decrease in revenue from the real estate development and investment segment was mainly due to no handover of properties at Montigo Resorts, Nongsa during the period. The decrease in revenue from the entertainment segment was mainly due to no assignment of distribution rights during the period.

###### 9MFY2018 vs 9MFY2017

Revenue for the financial period from 1 April 2017 to 31 December 2017 ("9MFY2018") increased by S\$11.9 million or 103% as compared to the period from 1 April 2016 to 31 December 2016 ("9MFY2017"). The increase was mainly due to an increase in revenue from the real estate origination and management services segment and hospitality segment. The decrease was partially offset by the decrease in revenue from the entertainment segment.

The increase in revenue from the real estate origination and management services segment was mainly due to the establishment fee from a joint venture, Shanghai Snow Star Properties Co., Ltd. The increase in revenue from the hospitality segment was mainly due to higher occupancy rate in relation to Montigo Resorts, Nongsa.

The decrease in revenue from the entertainment segment was mainly due to a decrease of assignment of distribution rights during the period.

##### Other operating income

###### 3QFY2018 vs 3QFY2017

Other operating income decreased by S\$0.7 million or 51% from S\$1.4 million in 3QFY2017 to S\$0.7 million in 3QFY2018 mainly due to the decrease in bad debts recovered and interest income.

###### 9MFY2018 vs 9MFY2017

Other operating income decreased by S\$11.7 million or 83% from S\$14.1 million in 9MFY2017 to S\$2.4 million in 9MFY2018 mainly due to the decrease in bad debts recovered, sales and marketing fee charged to a related company and gain from the sale of Cranley Hotel in 9MFY2017, which was absent in 9MFY2018.

##### Distribution costs

###### 3QFY2018 vs 3QFY2017

Distribution costs increased by S\$0.1 million or 76% from S\$0.1 million in 3QFY2017 to S\$0.2 million in 3QFY2018 mainly due to an increase in marketing expenses and agency commission during the period.

###### 9MFY2018 vs 9MFY2017

Distribution costs decreased by S\$0.2 million or 32% from S\$0.7 million in 9MFY2017 to S\$0.5 million in 9MFY2018 mainly due to a decrease in marketing expenses and agency commission during the period.

##### Administrative expenses

###### 3QFY2018 vs 3QFY2017 & 9MFY2018 vs 9MFY2017

Administrative expenses increased by S\$1.2 million or 32% from S\$3.8 million in 3QFY2017 to S\$5.0 million in 3QFY2018 and increased by S\$2.8 million or 25% from S\$11.2 million in 9MFY2017 to S\$14.0 million in 9MFY2018 mainly due to net foreign exchange losses from the translation of payables from United States Dollars to Singapore Dollars during the period.

# KOP LIMITED

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## THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

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

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

##### 3QFY2018 vs 3QFY2017 & 9MFY2018 vs 9MFY2017

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

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

##### 3QFY2018 vs 3QFY2017 & 9MFY2018 vs 9MFY2017

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

#### Finance costs

##### 3QFY2018 vs 3QFY2017 & 9MFY2018 vs 9MFY2017

Finance costs increased by S\$0.8 million or 315% from S\$0.2 million in 3QFY2017 to S\$1.0 million in 3QFY2018 and increased by S\$0.7 million or 102% from S\$0.7 million in 9MFY2017 to S\$1.4 million in 9MFY2018 mainly due to increase in borrowings to fund the investment in joint venture.

#### Profit/ (Loss) after tax

##### 3QFY2018 vs 3QFY2017 & 9FY2018 vs 9MFY2017

As a result of the above, the Group recorded a profit after tax of S\$6.9 million in 3QFY2018 and a profit after tax of S\$1.9 million in 9MFY2018 as compared to a loss after tax of S\$0.7 million in 3QFY2017 and a profit after tax of S\$5.7 million in 9MFY2017.

### (b) STATEMENT OF FINANCIAL POSITION

Trade and other receivables decreased by S\$15.6 million from S\$36.5 million to S\$20.9 million mainly due to the partial repayment of shareholder's loan by associated company, Epic Land Pte. Ltd. as a result of the partial divestment in Prudential Tower during the period offset by the increase in receivables from joint venture, Snow Star Properties Co., Ltd.

Other current assets increased by S\$1.3 million from S\$0.8 million to S\$2.1 million mainly due to increase in deposits paid during the period.

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

Property, plant and equipment decreased by S\$15.1 million from S\$59.4 million to S\$44.3 million mainly due to the disposal of subsidiary, Scorpio East Properties Pte. Ltd. during the period.

Investment property decreased by S\$11.3 million from S\$11.3 million to S\$nil mainly due to the disposal of subsidiary, Scorpio East Properties Pte. Ltd. during the period.

Trade and other payables increased by S\$37.8 million from S\$24.2 million to S\$62.0 million mainly due to the loan from a controlling shareholder offset by the partial repayment of advances from non-controlling interests.

The aggregate amount of group's borrowing and debt securities decreased by S\$22.2 million was mainly due to the disposal of a subsidiary, Scorpio East Properties Pte. Ltd. during the period.

Income tax payables increased by S\$0.8 million from S\$1.1 million to S\$1.9 million mainly due to the withholding tax payable relating to the establishment fee received from a joint venture.

### (c) STATEMENT OF CASH FLOWS

The net cash inflow from operating activities for 9MFY2018 was mainly due to a repayment of shareholder's loan by an associated company during the period.

The net cash outflow from investing activities for 9MFY2018 was mainly due to the purchase of property, plant and equipment, and investment in joint venture during the period offset by the proceeds from disposal of property, plant and equipment and net cash inflow from the disposal of a subsidiary during the period.

The net cash inflow from financing activities for 9MFY2018 was mainly due to proceeds from the issuance of ordinary shares, borrowings, loan from controlling shareholder, drawdown of borrowings and finance leases during the period offset by the partial repayment of borrowings and advances to non-controlling interest as well as increase in restricted funds placed in escrow accounts during the period.

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## THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

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

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

No forecast or prospect statement has been previously disclosed.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Group has business operations in Singapore, China and Indonesia. In view of macro uncertainties and downturn of the global economy, the Group will focus on the growth of existing businesses and will only expand cautiously under opportunistic and strategic circumstances. In the meantime, the Group's hospitality segment and property investment in Grade-A Prudential Tower continues to contribute healthy recurring income.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial year**

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

None.

**(c) Date Payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended.

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## THIRD QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

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

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

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

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) S\$'000
<b><u>Royce Properties Pte. Ltd.</u></b> Interest income	723	-
<b><u>Scotts Spazio Pte. Ltd.</u></b> Management fee income	150	-
<b><u>Mr. Sam Goi Seng Hui</u></b> Interest expense	449	-

### 14. Use of proceeds from placement

Further to the Company's announcement made on 20 October 2017 in relation to the completion of the placement, the Company wishes to provide an update on the utilisation of the net proceeds from the placement of approximately S\$11 million.

The Company has utilised approximately S\$8.4 million to support its business development and business expansion in Singapore, Indonesia and China which is in line with its intended use of the net proceeds stated in the announcement on 20 October 2017.

### 15. Confirmation by the Board pursuant to Rule 705(5)

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the third quarter financial results of the Company and of the Group for the period ended 31 December 2017 to be false or misleading in any material aspect.

### 16. Confirmation pursuant to Rule 720(1)

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

### BY ORDER OF THE BOARD

Ong Chih Ching  
Executive Chairman and Executive Director  
14 February 2018

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

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

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