

KOP LIMITED

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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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

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

	Group					
	2QFY2017 3 months ended 30-Sep-16 (Unaudited) S\$'000	2QFY2016 3 months ended 30-Sep-15 (Unaudited) S\$'000	% change + / (-)	6MFY2017 6 months ended 30-Sep-16 (Unaudited) S\$'000	6MFY2016 6 months ended 30-Sep-15 (Unaudited) S\$'000	% change + / (-)
Revenue	3,583	3,651	(2)	6,215	9,327	(33)
Cost of sales	(1,509)	(1,701)	(11)	(3,201)	(4,745)	(33)
Gross profit	2,074	1,950	6	3,014	4,582	(34)
Other operating income	2,652	1,809	47	12,597	3,897	223
	4,726	3,759		15,611	8,479	
Distribution costs	(353)	(415)	(15)	(582)	(749)	(22)
Administrative expenses	(3,218)	(2,738)	18	(7,423)	(6,618)	12
Share of results from investments in associated companies	(278)	164	<i>n.m.</i>	1,132	2,291	(51)
Finance costs	(224)	(281)	(20)	(465)	(570)	(18)
Profit before tax	653	489	34	8,273	2,833	192
Income tax expense	(32)	(267)	(88)	(1,807)	(862)	110
Profit after tax	621	222	180	6,466	1,971	228
Other comprehensive income/ (loss) for the period, after tax:						
<i>Item that may be subsequently reclassified to profit or loss:</i>						
Exchange difference on translation of foreign operations	257	170	51	(112)	(191)	(41)
Total comprehensive income for the period	878	392	124	6,354	1,780	257
Profit attributable to:						
Owners of the Company	369	85	334	5,313	1,913	178
Non-controlling interests	252	137	84	1,153	58	1,888
	621	222	180	6,466	1,971	228
Total comprehensive income/ (loss) attributable to:						
Owners of the Company	571	426	34	5,206	1,879	177
Non-controlling interests	307	(34)	<i>n.m.</i>	1,148	(99)	<i>n.m.</i>
	878	392	124	6,354	1,780	257

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

Depreciation of property, plant and equipment (Note a)	610	495	23	1,486	998	49
Amortisation of intangible assets	-	-	<i>n.m.</i>	25	19	32
Interest income (Note b)	(478)	(1,034)	(54)	(950)	(2,053)	(54)
Net foreign exchange losses/ (gains) (Note c)	150	(648)	<i>n.m.</i>	(156)	(1,618)	(90)
Interest expense (Note d)	224	281	(20)	465	570	(18)
Property, plant and equipment written off (Note e)	-	-	<i>n.m.</i>	117	-	<i>n.m.</i>
Gain on disposal of property, plant and equipment (Note f)	-	-	<i>n.m.</i>	(8,933)	-	<i>n.m.</i>
Bad debts recovered (Note g)	(1,105)	-	<i>n.m.</i>	(1,205)	-	<i>n.m.</i>
Write-back of doubtful receivables	-	(427)	<i>n.m.</i>	-	(427)	<i>n.m.</i>
Impairment of intangible assets	-	75	<i>n.m.</i>	-	75	<i>n.m.</i>

n.m. - not meaningful

KOP LIMITED

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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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

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

Notes:

- a. 2QFY2017 vs 2QFY2016 & 6MFY2017 vs 6MFY2016
Increase in depreciation was mainly due to depreciation charged for the leasehold land and building of Montigo Resorts, Seminyak, which commenced operations in October 2015 and additional depreciation charged for the new renovation cost incurred for KOP Building at 25 Tai Seng Avenue, Singapore 534104 during the financial period.
- b. 2QFY2017 vs 2QFY2016 & 6MFY2017 vs 6MFY2016
Decrease in interest income was mainly due to the partial redemption of the long-term notes receivable of S\$21 million on 1 April 2016.
- c. 2QFY2017 vs 2QFY2016 & 6MFY2017 vs 6MFY2016
Decrease in net foreign exchange gains was mainly due to the translation of Singapore Dollars' borrowings to Great British Pound by the subsidiary, Cranley Hotel Limited in 6MFY2016 which was settled in 1QFY2017.
- d. 2QFY2017 vs 2QFY2016 & 6MFY2017 vs 6MFY2016
Decrease in interest expense was mainly due to the full settlement of bank borrowings relating to the subsidiary, Cranley Hotel Limited in 1QFY2017.
- e. 6MFY2017 vs 6MFY2016
This mainly represents property, plant and equipment written off from the real estate origination and management services segment.
- f. 6MFY2017 vs 6MFY2016
This mainly represents gain from the sale of Cranley Hotel during the period.
- g. 2QFY2017 vs 2QFY2016 & 6MFY2017 vs 6MFY2016
This mainly represents bad debts recovered from the entertainment segment.

KOP LIMITED

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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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

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

	Group		Company	
	30-Sep-16 (Unaudited) S\$'000	31-Mar-16 (Audited) S\$'000	30-Sep-16 (Unaudited) S\$'000	31-Mar-16 (Audited) S\$'000
ASSETS				
Current assets				
Cash and bank balances	2,653	3,244	113	13
Trade and other receivables	37,211	34,957	26,718	26,017
Other current assets	775	704	35	47
Development properties	25,518	24,485	-	-
Inventories	543	575	-	-
Prepaid film rights	315	96	-	-
	<u>67,015</u>	<u>64,061</u>	<u>26,866</u>	<u>26,077</u>
Non-current asset held for sale	-	24,922	-	-
Total current assets	67,015	88,983	26,866	26,077
Non-current assets				
Intangible assets	101	126	-	-
Investments in subsidiaries	-	-	152,585	152,715
Investments in associated companies	7,971	6,839	-	-
Long-term notes receivable	16,415	36,934	-	-
Property, plant and equipment	60,756	60,286	1	2
Investment property	9,699	9,699	-	-
Deferred tax assets	530	568	-	-
Total non-current assets	95,472	114,452	152,586	152,717
Total assets	162,487	203,435	179,452	178,794
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	19,689	49,402	4,177	5,223
Bank overdrafts and borrowings (secured)	15,781	17,971	-	-
Finance leases	53	53	-	-
Income tax payables	995	1,219	4	4
	<u>36,518</u>	<u>68,645</u>	<u>4,181</u>	<u>5,227</u>
Liabilities directly associated with asset classified as held for sale	-	15,825	-	-
Total current liabilities	36,518	84,470	4,181	5,227
Non-current liabilities				
Bank borrowings (secured)	18,262	19,230	-	-
Finance leases	146	173	-	-
Sales proceeds received in advance	5,287	5,185	-	-
Deferred tax liabilities	2,827	1,230	-	-
Total non-current liabilities	26,522	25,818	-	-
Capital, reserves and non-controlling interests				
Share capital	67,861	67,861	283,427	283,427
Foreign currency translation reserves	329	436	-	-
Other reserve	1,520	1,258	-	-
Retained earnings/ (Accumulated losses)	30,063	25,012	(108,156)	(109,860)
Equity attributable to owners of the Company	99,773	94,567	175,271	173,567
Non-controlling interests	(326)	(1,420)	-	-
Total equity	99,447	93,147	175,271	173,567
Total liabilities and equity	162,487	203,435	179,452	178,794

KOP LIMITED

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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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

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

	Group			
	30-Sep-16		31-Mar-16	
	(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	15,834	-	18,024	-
Amount repayable after one year	18,408	-	19,403	-
	<u>34,242</u>	<u>-</u>	<u>37,427</u>	<u>-</u>

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			
	2QFY2017 3 months ended 30-Sep-16 (Unaudited) S\$'000	2QFY2016 3 months ended 30-Sep-15 (Unaudited) S\$'000	6MFY2017 6 months ended 30-Sep-16 (Unaudited) S\$'000	6MFY2016 6 months ended 30-Sep-15 (Unaudited) S\$'000
Operating activities				
Profit before tax	653	489	8,273	2,833
Adjustments for:				
Depreciation of property, plant and equipment	610	495	1,486	998
Gain on disposal of property, plant and equipment	-	-	(8,933)	-
Property, plant and equipment written off	-	-	117	-
Amortisation of intangible assets	-	-	25	19
Unrealised foreign exchange differences	59	200	(356)	(1,209)
Impairment of intangible assets	-	75	-	75
Interest income	(478)	(1,034)	(950)	(2,053)
Finance costs	224	281	465	570
Write-back of doubtful receivables	-	(427)	-	(427)
Share of results from investments in associated companies	278	(164)	(1,132)	(2,291)
Operating cash flows before movements in working capital	<u>1,346</u>	<u>(85)</u>	<u>(1,005)</u>	<u>(1,485)</u>
Trade and other receivables	(618)	402	(1,273)	912
Other current assets	(140)	(161)	(71)	(203)
Development properties	(345)	(2,610)	(833)	(3,023)
Inventories	(36)	52	39	60
Prepaid film rights	-	-	(219)	(145)
Trade and other payables	1,114	2,494	(8,630)	8,578
Sales proceeds received in advance	62	257	102	(1,960)
Cash generated from/ (used in) operations	<u>1,383</u>	<u>349</u>	<u>(11,890)</u>	<u>2,734</u>
Interest paid	(323)	(846)	(665)	(1,482)
Interest received	4	-	7	-
Income tax paid	(119)	(207)	(396)	(119)
Net cash flows from/ (used in) operating activities	<u>945</u>	<u>(704)</u>	<u>(12,944)</u>	<u>1,133</u>

KOP LIMITED

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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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			
	2QFY2017 3 months ended 30-Sep-16 (Unaudited) S\$'000	2QFY2016 3 months ended 30-Sep-15 (Unaudited) S\$'000	6MFY2017 6 months ended 30-Sep-16 (Unaudited) S\$'000	6MFY2016 6 months ended 30-Sep-15 (Unaudited) S\$'000
Investing activities				
Purchase of property, plant and equipment	(658)	(616)	(1,854)	(808)
Proceeds from disposal of property, plant and equipment	37	-	33,888	-
Refund to non-controlling interests	(54)	-	(54)	-
Loan to an associated company	(232)	(225)	(462)	(448)
Net cash flows (used in)/ from investing activities	(907)	(841)	31,518	(1,256)
Financing activities				
Repayments of borrowings	(744)	(1,902)	(18,966)	(4,188)
Increase in restricted funds placed in escrow accounts	(233)	(126)	(680)	(413)
Repayments of finance leases	(13)	(12)	(27)	(770)
Cash flows used in financing activities	(990)	(2,040)	(19,673)	(5,371)
Net decrease in cash and cash equivalents	(952)	(3,585)	(1,099)	(5,494)
Cash and cash equivalents at the beginning of financial period	(4,091)	1,960	(3,933)	3,912
Effect of foreign currency translation in cash and cash equivalents	15	25	4	(18)
Cash and cash equivalents at the end of financial period	(5,028)	(1,600)	(5,028)	(1,600)

Explanatory Notes:

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

	30-Sep-16 (Unaudited)	30-Sep-15 (Unaudited)	31-Mar-16 (Audited)	31-Mar-15 (Audited)
Cash and bank balances	2,653	5,762	3,244	5,309
Less: Bank overdrafts	(6,250)	(5,737)	(6,426)	(185)
Less: Restricted funds placed in escrow accounts	(1,431)	(1,625)	(751)	(1,212)
(Overdrawn)/ Cash and cash equivalents	(5,028)	(1,600)	(3,933)	3,912

KOP LIMITED

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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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

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

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

The Group	Share capital S\$'000	Foreign currency translation reserves S\$'000	Other reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 April 2016	67,861	436	1,258	25,012	94,567	(1,420)	93,147
<u>Total comprehensive income/ (loss) for the period</u>							
Profit for the period	-	-	-	5,313	5,313	1,153	6,466
Other comprehensive loss for the period	-	(107)	-	-	(107)	(5)	(112)
Total	-	(107)	-	5,313	5,206	1,148	6,354
Strike-off of subsidiaries	-	-	262	(262)	-	(54)	(54)
Balance at 30 September 2016	67,861	329	1,520	30,063	99,773	(326)	99,447
Balance at 1 April 2015	67,861	714	1,258	24,666	94,499	(1,134)	93,365
<u>Total comprehensive income/ (loss) for the period</u>							
Profit for the period	-	-	-	1,913	1,913	58	1,971
Other comprehensive loss for the period	-	(34)	-	-	(34)	(157)	(191)
Total	-	(34)	-	1,913	1,879	(99)	1,780
Balance at 30 September 2015	67,861	680	1,258	26,579	96,378	(1,233)	95,145

KOP LIMITED

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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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

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

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

The Company	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Balance at 1 April 2016	283,427	(109,860)	173,567
Profit for the period, representing total comprehensive income for the period	-	1,704	1,704
Balance at 30 September 2016	<u>283,427</u>	<u>(108,156)</u>	<u>175,271</u>
Balance at 1 April 2015	283,427	(110,958)	172,469
Profit for the period, representing total comprehensive income for the period	-	670	670
Balance at 30 September 2015	<u>283,427</u>	<u>(110,288)</u>	<u>173,139</u>

KOP LIMITED

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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

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 2016 (audited) and 30 September 2016 (unaudited)	886,369,771	283,427

The Company does not have any treasury shares or outstanding convertibles as at 30 September 2016 and 31 March 2016.

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

	30-Sep-16 (Unaudited)	31-Mar-16 (Audited)
Total number of issued shares (excluding treasury shares)	886,369,771	886,369,771

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

There are no sale, transfer, disposal, cancellation and/or use of treasury shares as at 30 September 2016.

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 2016.

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 2016.

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

KOP LIMITED

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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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

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

	6 months ended 30-Sep-16 (Unaudited)	6 months ended 30-Sep-15 (Unaudited)
Net profit attributable to Owners of the Company (S\$'000)	5,313	1,913
Weighted average number of ordinary shares	886,369,771	886,369,771
Earnings per share ("EPS")(in SGD cents per share)		
(a) based on weighted average number of ordinary shares	0.60	0.22
(b) on a fully diluted basis	0.60	0.22

Notes:

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

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

	Group		Company	
	30-Sep-16 (Unaudited)	31-Mar-16 (Audited)	30-Sep-16 (Unaudited)	31-Mar-16 (Audited)
Net asset value ("NAV") (S\$'000)	99,447	93,147	175,271	173,567
Number of shares	886,369,771	886,369,771	886,369,771	886,369,771
NAV per ordinary share based on issued share capital as at end of the period reported on (in SGD cents per share)	11.22	10.51	19.77	19.58

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	2QFY2017 S\$'000	2QFY2016 S\$'000	Change	
			S\$'000	%
Real estate development and investment	-	-	-	-
Real estate origination and management services	575	177	398	225
Hospitality	2,968	3,347	(379)	(11)
Entertainment	40	127	(87)	(69)
	<u>3,583</u>	<u>3,651</u>	<u>(68)</u>	<u>(2)</u>
	6MFY2017 S\$'000	6MFY2016 S\$'000	Change	
			S\$'000	%
Real estate development and investment	-	2,254	(2,254)	(100)
Real estate origination and management services	625	348	277	80
Hospitality	5,491	6,402	(911)	(14)
Entertainment	99	323	(224)	(69)
	<u>6,215</u>	<u>9,327</u>	<u>(3,112)</u>	<u>(33)</u>

KOP LIMITED

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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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)2QFY2017 vs 2QFY2016

Revenue for the financial period from 1 July 2016 to 30 September 2016 ("2QFY2017") decreased by S\$68,000 or 2% as compared to the period from 1 July 2015 to 30 September 2015 ("2QFY2016"). The decrease in revenue was mainly due to decrease in revenue from the hospitality segment and entertainment segment. The decrease was partially offset by the increase in revenue from the real estate origination and management services segment.

The decrease in revenue from the hospitality segment was mainly due to the sale of Cranley Hotel in 1QFY2017. The decrease in entertainment segment was mainly due to a decrease in business transactions.

The increase in revenue from the real estate origination and management services segment was mainly due to management fee charged to a related company.

6MFY2017 vs 6MFY2016

Revenue for the financial period from 1 April 2016 to 30 September 2016 ("6MFY2017") decreased by S\$3.1 million or 33% as compared to the period from 1 April 2015 to 30 September 2015 ("6MFY2016"). The decrease was mainly due to decrease in revenue from the real estate development and investment segment, hospitality segment and entertainment segment. The decrease was partially offset by the increase in revenue from the real estate origination and management services segment.

The decrease in revenue from real estate development and investment segment was mainly due to no handover of properties of Montigo Resorts, Nongsa during 6MFY2017. The decrease in revenue from hospitality segment was mainly due to the sale of Cranley Hotel in 1QFY2017. The decrease in the entertainment segment was mainly due to a decrease in business transactions.

The increase in revenue from the real estate origination and management services segment was mainly due to management fee charged to a related company.

Gross profit/ Gross profit margin2QFY2017 vs 2QFY2016

Gross profit increased by S\$0.1 million or 6% from S\$2.0 million in 2QFY2016 to S\$2.1 million in 2QFY2017 mainly due to management fee charged to a related company.

6MFY2017 vs 6MFY2016

Gross profit decreased by S\$1.6 million or 34% from S\$4.6 million in 6MFY2016 to S\$3.0 million in 6MFY2017 mainly due to no handover of properties of Montigo Resorts, Nongsa during 6MFY2017 and the sale of Cranley Hotel in 1QFY2017.

Other operating income2QFY2017 vs 2QFY2016

Other operating income increased by S\$0.9 million or 47% from \$1.8 million in 2QFY2016 to S\$2.7 million in 2QFY2017 mainly due to sales and marketing fee charged to a related company.

6MFY2017 vs 6MFY2016

Other operating income increased by S\$8.7 million or 223% from S\$3.9 million in 6MFY2016 to S\$12.6 million in 6MFY2017 mainly due to sales and marketing fee charged to a related company, recovery of bad debts and gain from the sale of Cranley Hotel during the period, offset by the decrease in net foreign exchange gain and decrease in interest income.

Distribution costs2QFY2017 vs 2QFY2016 & 6MFY2017 vs 6MFY2016

Distribution costs decreased by S\$62,000 or 15% from S\$415,000 in 2QFY2016 to S\$353,000 in 2QFY2017 and decreased by S\$167,000 or 22% from S\$749,000 in 6MFY2016 to S\$582,000 in 6MFY2017 mainly due to decrease in marketing expenses and agency commission during the period.

KOP LIMITED

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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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

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

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

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

(a) INCOME STATEMENTS (CONT'D)**Administrative expenses**2QFY2017 vs 2QFY2016

Administrative expenses increased by S\$0.5 million or 18% from S\$2.7 million in 2QFY2016 to S\$3.2 million in 2QFY2017 mainly due to increase in payroll cost resulted from the reversal of overprovision in bonus in 2QFY2016 and utilities during the period.

6MFY2017 vs 6MFY2016

Administrative expenses increased by S\$0.8 million or 12% from S\$6.6 million in 6MFY2016 to S\$7.4 million in 6MFY2017 mainly due to increase in payroll cost resulted from the reversal of overprovision in bonus in 2QFY2016, depreciation of property, plant and equipment and fixed asset written off during the period.

Share of results from investments in associated companies2QFY2017 vs 2QFY2016 & 6MFY2017 vs 6MFY2016

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

Finance costs2QFY2017 vs 2QFY2016 & 6MFY2017 vs 6MFY2016

Finance costs decreased by S\$57,000 or 20% from S\$281,000 in 2QFY2016 to S\$224,000 in 2QFY2017 and decreased by S\$105,000 or 18% from S\$570,000 in 6MFY2016 to S\$465,000 in 6MFY2017 mainly due to the full settlement of bank borrowings from the sale of Cranley Hotel in 1QFY2017.

Profit after tax2QFY2017 vs 2QFY2016 & 6MFY2017 vs 6MFY2016

As a result of the above, the Group recorded a profit after tax of S\$0.6 million in 2QFY2017 and a profit after tax of S\$6.5 million in 6MFY2017 vis-a-vis a profit after tax of S\$0.2 million in 2QFY2016 and a profit after tax of S\$2.0 million in 6MFY2016.

(b) STATEMENT OF FINANCIAL POSITION

Trade and other receivables increased by S\$2.2 million from S\$35.0 million to S\$37.2 million mainly due to retention sum receivable from buyer for the sale of Cranley Hotel and increase in receivables from related company and associated companies.

Other current assets increased by S\$71,000 from S\$704,000 to S\$775,000 mainly due to increase in prepaid expenditure during the period.

Inventories decreased by S\$32,000 from S\$575,000 to S\$543,000 mainly due to decrease in inventories for Montigo Resorts, Nongsa and Montigo Resorts, Seminyak.

Prepaid film rights increased by S\$219,000 from S\$96,000 to S\$315,000 mainly due to instalment payments made for the film rights during 1QFY2017.

Intangible assets decreased by S\$25,000 from S\$126,000 to S\$101,000 mainly due to amortisation during 1QFY2017.

Investments in associated companies represent investment of 20% interest in Art Heritage Singapore Pte. Ltd. and 25% interest in Epic Land Pte. Ltd.. Increase in investments in associated companies was mainly due to share of results from investments in associated companies during the period.

KOP LIMITED

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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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

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

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

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

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

Long-term notes receivable represents subscription of Royce Properties Pte. Ltd.'s 2014 Junior Notes and interest accrued on the 2014 Junior Notes. Decrease in long-term notes receivable was due to partial redemption of S\$21 million via offsetting against payable to the ultimate holding company, KOP Group Pte. Ltd. ("KOPG") during 1QFY2017.

Increase in property, plant and equipment by S\$0.5 million was mainly due to the construction of the Montigo Resort, Seminyak of S\$1.4 million, renovation of KOP Building of S\$0.3 million and foreign exchange gain from translation of foreign operations' assets of S\$0.3 million, offset with the depreciation charge of S\$1.5 million during 6MFY2017.

Non-current asset held for sale and liabilities directly associated with asset classified as held for sale in FY2016 relate to the asset and liabilities associated with the Cranley Hotel located at Bina Gardens in London. The sale of Cranley Hotel was completed during 1QFY2017.

Trade and other payables decreased by S\$29.7 million mainly due to partial redemption of S\$21 million Royce Properties Pte. Ltd.'s 2014 Junior Notes via offsetting against payable to the ultimate holding company, KOPG and repayment made to ultimate holding company, KOPG during 1QFY2017.

Decrease in bank overdrafts and borrowings of S\$3.2 million was mainly due to repayment made during the period.

Decrease in finance leases of S\$27,000 was mainly due to repayments made during the period.

Decrease in income tax payables of S\$224,000 was mainly due to payment made during the period.

Increase in deferred tax liabilities was mainly due to the tax provision for the sale of Cranley Hotel during 1QFY2017.

(c) STATEMENT OF CASH FLOWS

The net cash inflow from operating activities for 2QFY2017 was mainly due to increase in loan from shareholder during the period. While the net cash outflow from operating activities for 6MFY2017 was mainly due to repayment made to ultimate holding company, KOPG during the period.

The net cash outflow from investing activities for 2QFY2017 was mainly due to the purchase of property, plant and equipment, an additional loan extended to an associated company and refund to its non-controlling interests during the period. While the net cash inflow from investing activities 6MFY2017 was mainly due to the proceeds from the sale of Cranley Hotel during the period.

The cash outflow from financing activities for 2QFY2017 and 6MFY2017 was mainly due to the repayment of borrowings and finance leases as well as an increase in restricted funds placed in escrow accounts during the period.

KOP LIMITED

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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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 places such as Singapore, China and Indonesia. In view of the uncertainty and downturn of the global economy, the Group will focus on its existing businesses and will only expand cautiously under opportunistic and strategic circumstances.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial year

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

None.

(c) Date Payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended.

KOP LIMITED

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

SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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
<u>Royce Properties Pte. Ltd.</u>		
Commission income	187	-
Interest income	481	-
Management fee income	525	-
Sales and marketing fee income	808	-
<u>Scotts Spazio Pte. Ltd.</u>		
Management fee income	100	-

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

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the half year financial results of the Company and of the Group for the period ended 30 September 2016 to be false or misleading in any material aspect.

15. Confirmation pursuant to Rule 720(1)

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

BY ORDER OF THE BOARD

Ong Chih Ching
Executive Chairman and Executive Director
9 November 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance Limited ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("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. Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone: (65) 6415 9886.