

KOP LIMITED

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

SECOND QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Pursuant to Rule 705(2C) of the Listing Manual Section B: Rules of Catalyst, the Singapore Exchange Regulation requires the Company to continue to announce its quarterly financial statements with effect from 7 February 2020.

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

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					
	2QFY2021	2QFY2020		6MFY2021	6MFY2020	
	3 months	3 months		6 months	6 months	
	ended	ended		ended	ended	
	30-Sep-20	30-Sep-19	%	30-Sep-20	30-Sep-19	%
	(Unaudited)	(Unaudited)	change	(Unaudited)	(Unaudited)	change
	S\$'000	S\$'000	+ / (-)	S\$'000	S\$'000	+ / (-)
Revenue	634	5,265	(88)	3,454	10,611	(67)
Cost of sales	(323)	(2,665)	(88)	(3,055)	(4,108)	(26)
Gross profit	311	2,600	(88)	399	6,503	(94)
Other operating income	112	4	N.M	283	20	N.M
	423	2,604	(84)	682	6,523	(90)
Distribution costs	2	(92)	N.M	(81)	(199)	(59)
Administrative and general expenses	(2,375)	(1,588)	50	(3,426)	(4,062)	(16)
Share of results from investments in associates	(3)	20	N.M	34	(35)	N.M
Share of results from investments in joint ventures	(15)	(3)	400	(31)	(6)	417
Finance costs	(1,258)	(856)	47	(2,570)	(1,714)	50
(Loss)/Profit before tax	(3,226)	85	N.M	(5,392)	507	N.M
Income tax credits/(expenses)	4	38	(89)	(236)	42	N.M
(Loss)/Profit after tax	(3,222)	123	N.M	(5,628)	549	N.M
Other comprehensive income for the period, after tax:						
<i>Item that may be subsequently reclassified to profit or loss:</i>						
Exchange difference on translation of foreign operations	(171)	(2,261)	(92)	2,407	(5,074)	N.M
Total comprehensive income for the period	(3,393)	(2,138)	59	(3,221)	(4,525)	(29)
(Loss)/Profit attributable to:						
Owners of the Company	(2,888)	106	N.M	(5,049)	737	N.M
Non-controlling interests	(334)	17	N.M	(579)	(188)	208
	(3,222)	123	N.M	(5,628)	549	N.M
Total comprehensive income attributable to:						
Owners of the Company	(2,919)	(2,111)	38	(2,937)	(4,326)	(32)
Non-controlling interests	(474)	(27)	1,656	(284)	(199)	43
	(3,393)	(2,138)	59	(3,221)	(4,525)	(29)

N.M - not meaningful

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

	Group					
	2QFY2021	2QFY2020		6MFY2021	6MFY2020	
	3 months	3 months		6 months	6 months	
	ended	ended		ended	ended	
	30-Sep-20	30-Sep-19	%	30-Sep-20	30-Sep-19	%
	(Unaudited)	(Unaudited)	change	(Unaudited)	(Unaudited)	change
	S\$'000	S\$'000	+ / (-)	S\$'000	S\$'000	+ / (-)
Depreciation of property, plant and equipment (Note a)	656	778	(16)	1,340	1,534	(13)
Interest income (Note b)	(2)	(4)	(50)	(3)	(9)	(67)
Net foreign exchange loss/(gain) (Note c)	558	(1,076)	N.M	(602)	(1,820)	(67)
Interest expense (Note d)	1,258	856	47	2,570	1,714	50
Loss on strike-off of subsidiaries	-	2	N.M	-	2	N.M
Gain on disposal of property, plant and equipment	-	-	N.M	-	(1)	N.M

N.M - not meaningful

Notes:

- 2QFY2021 vs 2QFY2020 & 6MFY2021 vs 6MFY2020
Decrease in depreciation was mainly due to assets fully depreciated during the period.
- 2QFY2021 vs 2QFY2020 & 6MFY2021 vs 6MFY2020
Decrease in interest income was mainly due to the full redemption of notes receivable in FY2020.
- 2QFY2021 vs 2QFY2020 & 6MFY2021 vs 6MFY2020
Net foreign exchange differences were mainly due to the translation of foreign currencies balances.
- 2QFY2021 vs 2QFY2020 & 6MFY2021 vs 6MFY2020
Increase in interest expense was mainly due to the additional shareholder's loan obtained in 4QFY2020, additional bank loan drawdown for Dalvey Project in 2QFY2021 and interest expenses of Dalvey Project expensed off during the period.

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

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-20 (Unaudited) S\$'000	31-Mar-20 (Audited) S\$'000	30-Sep-20 (Unaudited) S\$'000	31-Mar-20 (Audited) S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	41,237	40,416	-	-
Investments in subsidiaries	-	-	149,687	150,871
Investments in associates	227	943	-	-
Investments in joint ventures	101,085	101,073	-	-
Deferred tax assets	-	41	-	-
Total non-current assets	142,549	142,473	149,687	150,871
Current assets				
Development properties	126,790	125,948	-	-
Inventories	427	412	-	-
Trade and other receivables	1,410	1,960	1,433	1,632
Other current assets	622	630	15	12
Cash and bank balances	2,176	3,139	180	11
Total current assets	131,425	132,089	1,628	1,655
Total assets	273,974	274,562	151,315	152,526
Current liabilities				
Bank borrowings (secured)	2,733	2,392	-	-
Finance leases	34	33	-	-
Lease liabilities	191	428	-	-
Contract liabilities	2,028	2,986	-	-
Tax payable	1,663	1,768	-	-
Trade and other payables	15,063	12,146	3,064	2,021
Loans from shareholders	-	38,900	-	38,900
Total current liabilities	21,712	58,653	3,064	40,921
Non-current liabilities				
Deferred tax liabilities	2,594	2,408	-	-
Bank borrowings (secured)	77,672	76,683	-	-
Finance leases	96	113	-	-
Lease liabilities	55	78	-	-
Loans from shareholders	38,900	-	38,900	-
Loan from non-controlling interests	11,116	10,941	-	-
Total non-current liabilities	130,433	90,223	38,900	-
Total liabilities	152,145	148,876	41,964	40,921
Equity attributable to owners of the Company				
Share capital	78,940	78,940	294,506	294,506
Foreign currency translation reserves	(4,783)	(6,895)	-	-
Revaluation reserve	37,768	37,768	-	-
Other reserves	1,681	1,681	-	-
Retained earnings/(Accumulated losses)	5,557	10,606	(185,155)	(182,901)
	119,163	122,100	109,351	111,605
Non-controlling interests	2,666	3,586	-	-
Total equity	121,829	125,686	109,351	111,605
Total liabilities and equity	273,974	274,562	151,315	152,526

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

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

	Group			
	30-Sep-20		31-Mar-20	
	(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	2,767	-	39,425	1,900
Amount repayable after one year	114,768	13,016	76,796	10,941
	<u>117,535</u>	<u>13,016</u>	<u>116,221</u>	<u>12,841</u>

Details of any collaterals:

The Group's borrowings are secured by the Group's properties, corporate guarantees issued by the Company, the Group's 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	
	6MFY2021 30-Sep-20 (Unaudited) S\$'000	6MFY2020 30-Sep-19 (Unaudited) S\$'000
Operating activities		
(Loss)/Profit before tax	(5,392)	507
Adjustments for:		
Depreciation of property, plant and equipment	1,340	1,534
Loss on strike-off of subsidiaries	-	2
Gain on disposal of property, plant and equipment	-	(1)
Interest income	(3)	(9)
Finance costs	2,570	1,714
Unrealised foreign exchange differences	(194)	(1,463)
Share of results from investments in associates	(34)	35
Share of result from investment in a joint venture	31	6
Operating cash flows before changes in working capital	<u>(1,682)</u>	<u>2,325</u>
Trade and other receivables	672	457
Other current assets	8	(45)
Development properties	(842)	(1,025)
Inventories	(15)	53
Trade and other payables and contract liabilities	1,272	(115)
Contract liabilities	(958)	(16)
Cash flows (used in)/generated from operations	<u>(1,545)</u>	<u>1,634</u>
Interest paid	(790)	(2,020)
Interest received	-	503
Net cash flows (used in)/generated from operating activities	<u>(2,335)</u>	<u>117</u>

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

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	
	6MFY2021 30-Sep-20 (Unaudited) S\$'000	6MFY2020 30-Sep-19 (Unaudited) S\$'000
Investing activities		
Purchase of property, plant and equipment	(229)	(1,461)
Proceeds from disposal of property, plant and equipment	-	1
Net cash flows used in investing activities	(229)	(1,460)
Financing activities		
Repayment of bank borrowings	(180)	(823)
Drawdown of bank borrowings	1,848	-
Decrease in restricted funds placed in escrow accounts	193	87
Repayment of finance leases	(16)	(16)
Interest expense from lease liabilities	(40)	-
Loan from non-controlling interests	-	851
Net cash flows generated from financing activities	1,805	99
Net decrease in cash and cash equivalents	(759)	(1,244)
Cash and cash equivalents at the beginning of financial period	2,757	1,968
Effect of foreign currency translation in cash and cash equivalents	(11)	23
Cash and cash equivalents at the end of financial period	1,987	747

Explanatory Notes:

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

	30-Sep-20 (Unaudited) S\$'000	30-Sep-19 (Audited) S\$'000
Cash and bank balances	2,176	1,556
Less: Restricted funds placed in escrow accounts	(189)	(809)
Cash and cash equivalents	1,987	747

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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 2020

The Group	Share capital S\$'000	Foreign currency translation reserves S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
As at 1 April 2020	78,940	(6,895)	37,768	1,681	10,606	122,100	3,586	125,686
<u>Total comprehensive income for the period</u>								
Loss for the period	-	-	-	-	(5,049)	(5,049)	(579)	(5,628)
Other comprehensive income for the period	-	2,112	-	-	-	2,112	295	2,407
Total	-	2,112	-	-	(5,049)	(2,937)	(284)	(3,221)
Dividend paid	-	-	-	-	-	-	(636)	(636)
As at 30 September 2020	78,940	(4,783)	37,768	1,681	5,557	119,163	2,666	121,829
As at 1 April 2019, as previously reported	78,940	(1,302)	37,768	2,094	12,372	129,872	4,558	134,430
Effect of adopting SFRS(I) 16	-	-	-	-	(47)	(47)	-	(47)
As at 1 April 2019, as restated	78,940	(1,302)	37,768	2,094	12,325	129,825	4,558	134,383
<u>Total comprehensive income for the period</u>								
Profit/(Loss) for the period	-	-	-	-	737	737	(188)	549
Other comprehensive income for the period	-	(5,063)	-	-	-	(5,063)	(11)	(5,074)
Total	-	(5,063)	-	-	737	(4,326)	(199)	(4,525)
As at 30 September 2019	78,940	(6,365)	37,768	2,094	13,062	125,499	4,359	129,858



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

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

Unaudited Statement of Changes in Equity for the period ended 30 September 2020

	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
The Company			
As at 1 April 2020	294,506	(182,901)	111,605
Loss for the period, representing total comprehensive income for the period	-	(2,254)	(2,254)
As at 30 September 2020	294,506	(185,155)	109,351
As at 1 April 2019	294,506	(104,472)	190,034
Loss for the period, representing total comprehensive income for the period	-	(846)	(846)
As at 30 September 2019	294,506	(105,318)	189,188

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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 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 2020 (Audited) and 30 September 2020 (Unaudited)	1,107,962,214	294,506

The Company does not have treasury shares or any outstanding convertibles or subsidiary holdings as at 30 September 2020 and 31 March 2020.

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

	30-Sep-20 (Unaudited)	31-Mar-20 (Audited)
Total number of issued shares (excluding treasury shares)	1,107,962,214	1,107,962,214

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

There are no sale, transfer, cancellation and/or use of treasury shares as at 30 September 2020.

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

There are no sale, transfer, cancellation and/or use of subsidiary holdings as at 30 September 2020.

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 modifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subjected to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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.

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 2020.

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.

Not applicable.

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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-20 (Unaudited)	6 months ended 30-Sep-19 (Unaudited)
Net (loss)/profit attributable to Owners of the Company (S\$'000)	(5,049)	737
Weighted average number of ordinary shares	1,107,962,214	1,107,962,214
(Loss)/Earnings per share (in SGD cents per share)		
(a) based on weighted average number of ordinary shares	(0.46)	0.07
(b) on a fully diluted basis	(0.46)	0.07

Note:

(1) Fully diluted (loss)/earnings per share is the same as basic as there are no dilutive potential ordinary shares.

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-20 (Unaudited)	31-Mar-20 (Audited)	30-Sep-20 (Unaudited)	31-Mar-20 (Audited)
Net asset value ("NAV") (S\$'000)	121,829	125,686	109,351	111,605
Number of shares	1,107,962,214	1,107,962,214	1,107,962,214	1,107,962,214
NAV per ordinary share based on issued share capital as at end of the period reported on (in SGD cents per share)	11.00	11.34	9.87	10.07

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	2QFY2021 S\$'000	2QFY2020 S\$'000	Change	
			S\$'000	%
Real estate development and investment	95	-	95	N.M.
Real estate origination and management services	307	253	54	21
Hospitality	232	5,012	(4,780)	(95)
Entertainment	-	-	-	N.M.
	634	5,265	(4,631)	(88)
	6MFY2021 S\$'000	6MFY2020 S\$'000	Change	
			S\$'000	%
Real estate development and investment	2,586	-	2,586	N.M.
Real estate origination and management services	463	1,067	(604)	(57)
Hospitality	405	9,544	(9,139)	(96)
Entertainment	-	-	-	N.M.
	3,454	10,611	(7,157)	(67)



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Revenue decreased by S\$4.6 million or 88% from S\$5.2 million in 2QFY2020 to S\$0.6 million in 2QFY2021. The decrease was mainly due to a decrease in revenue from the hospitality segment. The decrease was partially offset by the increase in revenue from the real estate development and investment segment and real estate origination and management services segment.

The increase in revenue from the real estate development and investment segment was mainly due to the revenue recognised based on work progress for Dalvey Project during the period.

The increase in revenue from the real estate origination and management services segment was mainly due to additional management fee and consultancy fee received during the period.

The decrease in revenue from the hospitality segment was mainly due to the closure of both resorts during COVID-19 pandemic period and were reopened only recently in October 2020 with limited domestic business.

6MFY2021 vs 6MFY2020

Revenue decreased by S\$7.1 million or 67% from S\$10.6 million in 6MFY2020 to S\$3.5 million in 6MFY2021. The decrease was mainly due decrease in revenue from the real estate origination and management services segment and hospitality segment. The decrease was partially offset by the increase in revenue from the real estate development and investment segment.

The increase in revenue from the real estate development and investment segment was mainly due to the handover of 1 completed unit at Montigo Resorts, Nongsa and revenue recognised based on work progress for Dalvey Project during the period.

The decrease in revenue from the real estate origination and management services segment was mainly due to the one-time consultancy fee income received in the prior period.

The decrease in revenue from the hospitality segment was mainly due to the closure of both resorts during COVID-19 pandemic period and were reopened only recently in October 2020 with limited domestic business.

Cost of sales2QFY2021 vs 2QFY2020 & 6MFY2021 vs 6MFY2020

Cost of sales decreased by \$2.4 million or 88% from S\$2.7 million in 2QFY2020 to S\$0.3 million in 2QFY2021 and decreased by S\$1.0 million or 26% from S\$4.1 million in 6MFY2020 to S\$3.1 million in 6MFY2021 is in line with the decrease in revenue during the period.

Gross profit margin2QFY2021 vs 2QFY2020 & 6MFY2021 vs 6MFY2020

Gross profit decreased by S\$2.3 million or 88% from S\$2.6 million in 2QFY2020 to S\$0.3 million in 2QFY2021 and decreased by S\$6.1 million or 94% from S\$6.5 million in 6MFY2020 to S\$0.4 million in 6MFY2021. The COVID-19 pandemic adversely impacted the travel and tourism industries globally during the period. Both Montigo Resorts, Nongsa and Seminyak have experienced a decrease in demand, resulting in a decrease in revenue and performance during the period.

Other operating income2QFY2021 vs 2QFY2020 & 6MFY2021 vs 6MFY2020

Other operating income increased by S\$108,000 from S\$4,000 in 2QFY2020 to S\$112,000 in 2QFY2021 and increased by S\$263,000 from S\$20,000 in 6MFY2020 to S\$283,000 in 6MFY2021 mainly due to the Job Support Scheme grant received during the period.

Distribution costs2QFY2021 vs 2QFY2020 & 6MFY2021 vs 6MFY2020

Distribution costs decreased by S\$94,000 from S\$92,000 in 2QFY2020 to (S\$2,000) in 2QFY2021 and decreased by S\$118,000 from S\$199,000 in 6MFY2020 to S\$81,000 in 6MFY2021 mainly due to reversal of certain cost accruals that are no longer required.

Administrative and general expenses2QFY2021 vs 2QFY2020

Administrative and general expenses increased by S\$0.8 million or 50% from S\$1.6 million in 2QFY2020 to S\$2.4 million in 2QFY2021 mainly due to unrealised foreign exchange loss arising from translation of USD loan during the period.

6MFY2021 vs 6MFY2020

Administrative and general expenses decreased by S\$0.7 million or 16% from S\$4.1 million in 6MFY2020 to S\$3.4 million in 6MFY2021 mainly due to the implementation of various cost control measures.



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SECOND QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS**(a) INCOME STATEMENTS (CONT'D)****Share of results from investments in associates**

2QFY2021 vs 2QFY2020 & 6MFY2021 vs 6MFY2020

This represents the Group's share of results from investment in associate, Epic Land Pte. Ltd., during the period.

Share of results from investment in joint ventures

2QFY2021 vs 2QFY2020 & 6MFY2021 vs 6MFY2020

This represents the Group's share of results from investment in joint venture company, Shanghai Snow Star Properties Co., Ltd. during the period.

Finance costs

2QFY2021 vs 2QFY2020 & 6MFY2021 vs 6MFY2020

Finance costs increased by S\$0.4million or 47% from S\$0.9 million in 2QFY2020 to S\$1.3 million in 2QFY2021 and increased by S\$0.9 million or 50% from S\$1.7 million in 6MFY2020 to S\$2.6 million in 6MFY2021 mainly due to the additional shareholder's loan obtained in 4QFY2020, additional bank loan drawdown for Dalvey Project in 2QFY2021 and interest expenses of Dalvey Project expensed off during the period.

Loss after tax

2QFY2021 vs 2QFY2020 & 6MFY2021 vs 6MFY2020

As a result of the above, the Group recorded a loss after tax of S\$3.2 million in 2QFY2021 and a loss after tax of S\$5.6 million in 6MFY2021 compared to a profit after tax of S\$0.1 million in 2QFY2020 and profit after tax of S\$0.5 million in 6MFY2020.

Exchange difference on translation of foreign operations

The significant change in the exchange difference on translation of foreign operations was mainly due to the translation of IDR from the share of foreign currency translation reserves from investment in subsidiaries, P.T. Montigo Seminyak and P.T. Teguh Cipta Pratama during the period.

(b) STATEMENT OF FINANCIAL POSITION

Investment in associate decreased by S\$0.7 million from S\$0.9 million as at 31 March 2020 to S\$0.2 million as at 30 September 2020 mainly due to the declaration of dividend by the associate during the period.

Trade and other receivables decreased by S\$0.6 million from S\$2.0 million as at 31 March 2020 to S\$1.4 million as at 30 September 2020 mainly due to the reduction in revenue during the period.

Decrease in lease liabilities was mainly due to repayments made during the period.

Contract liabilities decreased by S\$1.0 million from S\$3.0 million as at 31 March 2020 to S\$2.0 million as at 30 September 2020 mainly due to the recognition of sale upon the handover of completed unit at Montigo Resorts, Nongsa during the period.

Trade and other payables increased by S\$3.0 million from S\$12.1 million as at 31 March 2020 to S\$15.1 million as at 30 September 2020 mainly due to increase in interest payables of loans and borrowings and accruals.

Reclassification of S\$38.9 million loan from shareholders from current liabilities to non-current liabilities as there were further extension of the loan repayment term during the period.

(c) STATEMENT OF CASH FLOWS

The net cash outflow from operating activities for the period ended 30 September 2020 arose mainly due to operating costs incurred during the period.

The net cash outflow from investing activities for the period ended 30 September 2020 arose mainly from the purchase of property, plant and equipment during the period.

The net cash inflow from financing activities for the period ended 30 September 2020 arose mainly due to the drawdown of bank borrowings and decrease in restricted funds placed in escrow accounts during the period, offset by the repayment of bank borrowings, repayment of finance leases and interest expenses from lease liabilities during the period.



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SECOND QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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

With the rapid spread of COVID-19 globally and the implementation of tighter travel restrictions by the various countries, travel and tourism industries continue to be severely and adversely impacted. Consequently, our Montigo Resorts, Nongsa and Montigo Resorts, Seminyak (collectively, "Resorts") have both experienced a decrease in demand, resulting in a decrease in revenue and performance. As for the operations in China, business remains as usual and have been progressing well. Closer to home, approximately 3% of the Dalvey Haus development project has been completed to date.

As a result, the Group expects that its financial performance will be adversely impacted for the financial year ending 2021, as compared to the corresponding year. However, the extent of the impact on the Group's financial performance and operations for the full year 2021 cannot be determined at this stage as the duration and extent of the spread of COVID-19 pandemic is uncertain.

A series of cost control measures have been implemented, including closure of facilities and all F&B outlets in the Resorts since March 2020, temporary closure of both Resorts from the month of June 2020 and only recently reopened with limited domestic business, requiring employees to take unpaid leave and/or annual leave, reducing the minimum consumption of energy and temporarily suspension of services that are not required during this period. On the other hand, the Group is also taking this opportunity to deploy its own resources to renovate and refurbish the resort in Nongsa, Batam and gearing up for the re-opening of the Resorts once the travel restrictions are lifted. In addition to control measures, the Group has also implemented a series of sales and marketing campaigns in order to generate some sales during this period.

The Group has also put in place stringent health and precautionary measures to ensure the well-being of its employees and guests on its properties.

The Group will remain cautious on future prospects during this COVID-19 pandemic period.

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.

(c) Date Payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended as the Company has deemed it more appropriate to retain the cash in the Group for its future growth.



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SECOND QUARTER FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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>Mr. Sam Goi Seng Hui</u> Interest expense	653	-

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 second quarter financial results of the Company and of the Group for the period ended 30 September 2020 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
11 December 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("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. Khong Choun Mun, Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.