

KOP LIMITED

ANNUAL REPORT 2022



CONTENTS

- 01 Company Profile
- 02 Chairman's Statement
- 03 Board of Directors
- 05 The Management
- 06 Corporate Structure
- 07 Business Review
- 08 Corporate Information
- 09 Report of Corporate Governance

FINANCIAL STATEMENTS

- 33 Directors' Statement
- 36 Independent Auditor's Report
- 43 Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 44 Balance Sheets
- 46 Statements of Changes In Equity
- 48 Consolidated Cash Flow Statement
- 50 Notes to The Financial Statements
- 113 Statistics of Shareholding
- 115 Notice of Annual General Meeting
- 121 Appendix

Proxy Form

This annual report 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**").

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

The contact person for the Sponsor is Mr. Khong Choun Mun, Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.

COMPANY PROFILE

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

With origins leading back to KOP Properties Pte. Ltd., the Group has quickly built a reputation as a developer of niche, iconic and award-winning projects such as The Ritz-Carlton Residences, Montigo Resorts, Nongsa and Seminyak in Indonesia, and the upcoming Wintastar in Shanghai. Wintastar Shanghai is the highly anticipated integrated sports-entertainment-tourism resort that will house the world’s largest

indoor Ski & Snow Park. KOPL’s property business covers areas of real estate development, investment and management services and is built on an integrated business model. Through a broad range of distinctive and award-winning real estate and hospitality projects crafted with quality design and workmanship, KOPL provides unique living and leisure experiences to its clients.

Leveraging on the strategic synergies among its subsidiaries, KOPL is empowered to expand its core business of property development and to incorporate entertainment elements into various ventures, adding flavour and character to its real estate portfolio.



CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

On behalf of the Board of Directors, I am presenting KOP Limited ("KOP" or the "Company", and together with its subsidiaries, the "Group") annual report for the financial year ended 31 March 2022 ("FY2022").

Since February 2020, the global outbreak of COVID-19 has continued unabated into 2021 with the Delta variant and the Omicron variant following suit. As a result, the government's preventive and control measures were still in place until 26 April 2022 when most control and travel restrictions were lifted. These measures have largely impacted our hospitality sector for FY2022.

For FY2022, revenue increased by S\$7.1 million or 85% from S\$8.3 million in the financial year ended 31 March 2021 ("FY2021") to S\$15.4 million in FY2022. This was largely due to the rise in revenue from the following segments: - real estate development and investment; real estate origination and management services; and hospitality. For real estate development and investment, revenue was recognised based on the progressive work of the Dalvey Haus Project during the year. The reopening of the two Montigo resorts in October 2021 albeit with limited domestic business also helped to increase the revenue from the hospitality segment.

The rise in revenue also saw the gross profit increased by S\$1.9 million or 107% from S\$1.9 million in FY2021 to S\$3.8 million in FY2022, with cost of sales increased by S\$5.1 million or 79% from S\$6.5 million in FY2021 to S\$11.6 million in FY2022.

Due to the preparation as well as the re-opening of the two Montigo Resorts, higher expenses were incurred. As a result, the Group recorded a loss after tax of S\$11.6 million in FY2022 compared to a loss after tax of S\$10.6 million in FY2021.

Companies today are placing great emphasis on the environmental, social and governance issues. Climate change has become the impetus for companies to act. In this regard, KOP is also playing its part in addressing these issues. The measures taken by the management, Board of Directors and staff are documented in the FY2022 Sustainability Report.

LOOKING AHEAD

With the lifting of the travel restrictions, our Montigo Resorts, Nongsa and Montigo Resorts, Seminyak are fully opened. Since May 2022, we have witnessed recovery close to pre-COVID period. Although bookings have picked up substantially, we remain cautious in view of the rising inflation and manpower costs.

We have also been refurbishing the two existing resort rooms and facilities during the lull period to ensure that they meet the expectations of our guests. New facilities are being developed and updating of our existing concepts at the resorts have been done to ensure that the guests have a wonderful experience.

Announcements have been made regarding the receipt of notice of arbitration for our Wintastar project in Shanghai. The final arbitration award date and the execution date of the judgment has not been fixed. Pending the final arbitration award, the Company is unable to quantify the quantum of the arbitration and the full financial impact on the Group.

With the divestment of the Wintastar project in Shanghai, this will free up the resources of the Company especially in terms of capital. The potential available capital is most timely as it enables us to seize available opportunities. The Company is exploring future opportunities in key hospitality markets, to generate growing returns for its shareholders and investors.

With the current global geopolitical and economic conditions, we remain cautious on future prospects during this period. The Company will take prudent measures in cost management and continue to focus on improving our operational efficiency, increase productivity and optimise the utilisation of our resources to meet the challenging times ahead.

APPRECIATION

On behalf of the Board of Directors, I would like to extend my appreciation and gratitude to our customers, suppliers, business associates and bankers for their unwavering support. To the management and staff, thank you for your loyalty, dedication and commitment especially during the last two years of the pandemic. My appreciation also goes to my fellow directors on the board for their invaluable counsel and guidance during the past year.

Last but not least, I would like to thank our shareholders and investors for their continued support and confidence in the Group.

MS. ONG CHIH CHING
Executive Chairman and Executive Director

BOARD OF DIRECTORS

MS. ONG CHIH CHING Executive Chairman and Executive Director

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

Chih Ching was the Chairman and Co-Founder of KOP Properties Pte. Ltd. and KOP Group Pte. Ltd.. She was responsible for a number of ground-breaking real estate projects including The Ritz-Carlton Residences, Singapore, Cairnhill, which is the first Ritz-Carlton branded private residences outside of North America; Hamilton Scotts, Singapore, an iconic residential tower with sky-garages (an exclusive car porch in the living room); the multi-award winning Montigo Resorts hospitality brand conceptualised by Chih Ching with two resorts in Indonesia under its portfolio – one in Nongsa, Batam and the other in Seminyak, Bali; and the upcoming Wintastar, Shanghai. Wintastar, Shanghai is the highly anticipated integrated sports-entertainment-tourism resort that will house the world's largest indoor Ski & Snow Park.

She was named one of Forbes Asia magazine's 50 Power Business Women in Asia in 2014 and 2015, Chih Ching was also named Outstanding Entrepreneur at the Asia Pacific Entrepreneurship

Awards 2014 by Enterprise Asia. Recognised as a forerunner and thought leader on the topics of real estate, women leadership and innovation, Chih Ching has been invited to speak at several prestigious forums and seminars including Women's Forum Asia 2019, The Economist – Longevity Summit in September 2018 and the Innovation Summit in 2015, the Real Estate Investment World 2015 conference and was featured in the broadcast of CNBC's Managing Asia: Asia Builders in October 2014. Chih Ching also sat on the jury panel of the highly coveted Channel News Asia Luminary Awards where she also spoke about gender diversity and leadership at its forum titled Leadership for Innovation and Growth: Women on Board in March 2015.

Chih Ching was a founding partner of Singapore law firm Koh Ong & Partners where she started Koh Ong and Partners Management Services Pte. Ltd.. She was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1994. Chih Ching is also a qualified Barrister at Law and a member of The Honourable Society of Gray's Inn, London, the United Kingdom. In 2019, Chih Ching was appointed as a Council Member for Singapore-Zhejiang Economic and Trade Council (SZETC).

MS. LENY SUPARMAN Group Chief Executive Officer and Executive Director

Leny Suparman is the Group Chief Executive Officer and Executive Director of KOP Limited. She oversees the implementation of the Company's development and growth plans. Leny was also the Co-Founder of KOP Properties Pte. Ltd. and KOP Group Pte. Ltd. where she was instrumental in shaping KOP Limited into a purveyor of luxury lifestyle, real estate and hospitality.

Under her leadership, KOP developed iconic projects such as The Ritz-Carlton Residences, Singapore, Cairnhill, which is the first Ritz-Carlton branded private residences outside of North America; Hamilton Scotts, Singapore, an iconic residential tower with sky-garages; the multi-award winning Montigo Resorts in Nongsa and Seminyak as well as the upcoming Wintastar, Shanghai, the highly

anticipated integrated sports-entertainment-tourism resort that will house the world's largest indoor Ski & Snow Park, exemplifying KOP's enterprising creativity in conceptualising and building projects that are different and bold.

Before the founding of KOP Group Pte. Ltd., Leny was with real estate consultancy firm, CB Richards Ellis, for a period of nine years where she headed the retail department and worked with well-known retail brands in redevelopment projects in Singapore and Shanghai.

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

MS. JUDITH GOI LANG PENG Non-Executive Director

Judith Goi Lang Peng is the Non-Executive Director of the Company.

Judith Goi Lang Peng has more than 30 years of experience in various managerial positions in education, banking and fast-moving consumer goods (FMCG) industries.

She has obtained a Masters in Early Learning Intervention from the University of Melbourne, Australia, a Post-Graduate Diploma in Education from the National Institute of Education, Nanyang Technological University, Singapore and a Bachelor of Science in Business Administration, Management from the California State University, Long Beach, USA.

BOARD OF DIRECTORS

MR. NG HIN LEE Lead Independent Director

Ng Hin Lee is the Lead Independent Director of the Company. He is also on the Board of Directors at FJ Benjamin Holdings Ltd., GSH Corporation Limited, Durian Master Pte. Ltd., Jiaxing Shi Cheng Hotel Management Co., Ltd., Leading Dragon Corporation Ltd., Tianjin Junhe Industrial Co., Ltd., Qingdao Timi Supply Chain Co., Ltd. and Ding Yi Music Company Ltd..

Ng Hin Lee has more than 30 years of working experience in key financial and managerial positions, having served as Executive Director at Valen Technologies (S) Pte. Ltd. and Gul Technologies Singapore Ltd.. He was also employed as Group Chief Financial

Officer at Singapore Post Ltd., Financial Controller at Data General Hong Kong Ltd (Singapore Branch), Credit Admin Manager at Banque Paribas (Singapore Branch) and Audit Manager at KPMG Singapore.

Ng Hin Lee is a Fellow Member of the Institute of Singapore Chartered Accountants and was bestowed the honour of Singapore Corporate Award – Best CFO of the Year 2011 and Suzhou Industrial Park Pioneer Award in 2017. He obtained his Bachelor of Accountancy degree from the University of Singapore in 1980.

DR. HO KAH LEONG @ HO KAH LEUNG Independent Director

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

Dr. Ho Kah Leong is currently a director of Fuxing China Group Limited and Pioneers & Leaders (M) Sdn Bhd. He was the former Senior Parliamentary Secretary to the Minister for the Environment. Upon his retirement from politics in 1997, he was also appointed

as the Principal of the Nanyang Academy of Fine Arts (“**Academy**”) for over six years. He was instrumental in building the Academy campus and established links with world renowned art institutions for the Academy.

He holds a Bachelor of Science degree from Nanyang University and was conferred a PhD in Arts by Wisconsin International University, United States of America, in 2001.

MRS. YU-FOO YEE SHOON Independent Director

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

Yu-Foo Yee Shoon was the Deputy Secretary-General of NTUC, the first woman Mayor in Singapore before she became Minister of State for Ministry of Community Development, Youth and Sports.

She retired after 27 years in politics.

Her present directorships include ARA Trust Management (Suntec) Limited, KOP Limited, Singapura Finance Ltd. and ED+ Pte. Ltd.. She is Senior Advisor to Elomart Pte. Ltd. and Advisor to Nuri Holdings (S) Pte. Ltd. and Dimensions International College Pte. Ltd..

Yu-Foo Yee Shoon chairs the Publicity and Outreach Committee for the Lee Kuan Yew Fund for Bilingualism. She is a Justice of the Peace and Chairman of Traditional Chinese Medicine Practitioners Board, and Advisor to Hardware Network, Executive Council Member of Hainan University and Singapore China Friendship Association - Women's Alliance.

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

THE MANAGEMENT

MS. JOEY ONG Chief Operating Officer – KOP Limited

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

Joey Ong was promoted to COO of KOP Properties Pte. Ltd. in August 2010 and re-designated to COO of KOP Limited in April 2020. Joey Ong started her career in Additive Circuits Pte. Ltd. in 1987 where she worked as a Materials Engineer and was responsible for research and development on the electroplating of circuits on plastic boards and was involved in the troubleshooting and process control of daily production.

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

MR. JOE TAN Chief Financial Officer – KOP Limited

Joe Tan is the Chief Financial Officer of KOP Limited and is responsible for the entire spectrum of its financial activities. He joined the Group in November 2014 as Group Finance Manager and was promoted to Chief Financial Officer in April 2020. Prior to joining KOP Limited, Joe Tan was the Group Finance Manager of GKE Corporation Limited, a company listed on the Catalist Board of the SGX-ST.

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

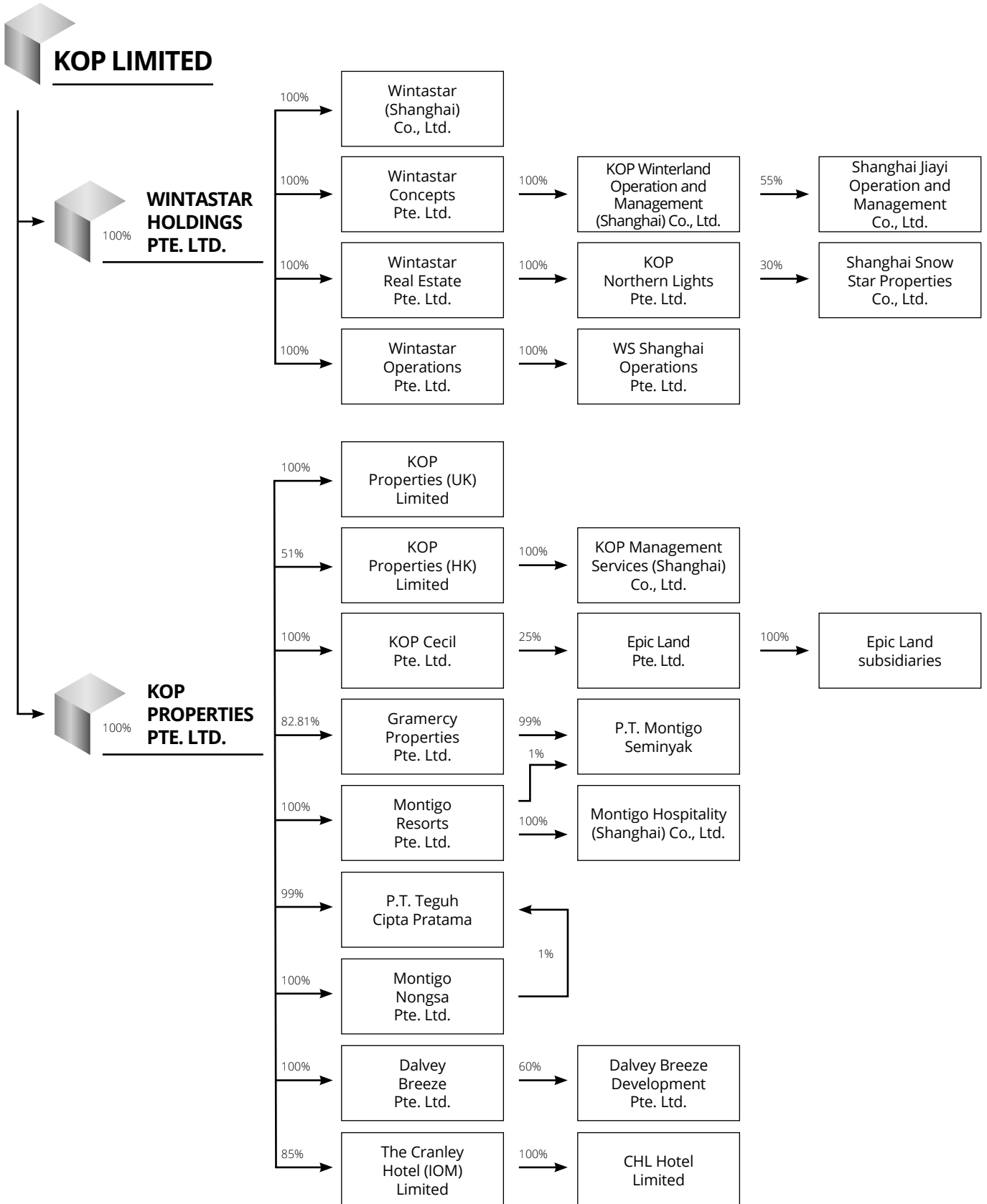
MS. LIANE ONG Chief Executive Officer – Wintastar Holdings Pte. Ltd.

Liane Ong was appointed as Managing Director of Wintastar Holdings Pte. Ltd. (“**Wintastar Holdings**”) in June 2017 and was promoted to Chief Executive Officer of Wintastar Holdings in April 2020. As a subsidiary under KOP Limited, Wintastar Holdings will drive the growth of its business in consultancy, investment and operations of world-class, integrated developments globally. Liane brings with her over 20 years of wide-ranging experience in strategic planning, market development, industry development, business development, government liaison, media and marketing communications.

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

Prior to joining IE Singapore (now Enterprise Singapore), Liane held various positions with the National Registration Department, Singapore Immigration & Registration and the Ministry of Home Affairs.

CORPORATE STRUCTURE



BUSINESS REVIEW

FINANCIAL AND OPERATIONS REVIEW

The Group's financial statements for the financial year ended 31 March 2022 ("FY2022") have been prepared in accordance with the Singapore Financial Reporting Standards (International) SFRS(I).

For FY2022, revenue increased by S\$7.1 million or 85% from S\$8.3 million in the financial year ended 31 March 2021 ("FY2021") to S\$15.4 million in FY2022. The increase was mainly due to the rise in revenue from the following segments: - real estate development and investment; real estate origination and management services; and hospitality.

Revenue recognised based on work progress for Dalvey Haus Project during the year, helped to increase the revenue from the real estate development and investment segment. The reopening of the two Montigo resorts in October 2021 with limited domestic business also helped to increase the revenue from the hospitality segment.

Cost of Sales

Cost of sales increased by S\$5.1 million or 79% from S\$6.5 million in FY2021 to S\$11.6 million in FY2022 which is in line with the increase in revenue during the year.

Gross Profit

Gross profit increased by S\$1.9 million or 107% from S\$1.9 million in FY2021 to S\$3.8 million in FY2022 which is in line with the increase in revenue during the year.

Other Operating Income

Other operating income decreased by S\$0.2 million or 12% from S\$1.2 million in FY2021 to S\$1.0 million in FY2022 mainly due to the reduction in government grants received during the year.

Distribution Costs

Distribution costs increased by S\$125,000 or 69% from S\$181,000 in FY2021 to S\$306,000 in FY2022 mainly due to the increase in sales and marketing expenses incurred during the year.

Administrative and General Expenses

Administrative and general expenses increased by S\$1.3 million or 15% from S\$8.4 million in FY2021 to S\$9.7 million in FY2022 mainly due to the increase in operations resulted from the re-opening of the 2 Montigo resorts.

Loss After Tax

As a result of the above, the Group recorded a loss after tax of S\$11.6 million in FY2022 compared to a loss after tax of S\$10.6 million in FY2021.

REVIEW OF THE FINANCIAL POSITION OF THE GROUP

Trade and other receivables increased by S\$0.9 million from S\$1.7 million as at 31 March 2021 to S\$2.6 million as at 31 March 2022 mainly due to the proceeds receivable from the sale of a unit in Dalvey Haus Project.

Other current assets decreased by S\$0.3 million from S\$0.6 million as at 31 March 2021 to S\$0.3 million as at 31 March 2022 mainly due to prepaid sales and marketing expenses amortised during the year.

Contract costs decreased by S\$73,000 from S\$636,000 as at 31 March 2021 to S\$563,000 as at 31 March 2022 mainly due to amortisation of the cost to obtain sales contracts over the period of construction of Dalvey Haus Project.

Decrease in finance leases and lease liabilities was mainly due to repayments during the year.

Decrease in contract liabilities was mainly due to recognition of revenue as the Group satisfies its performance obligations under sales contracts.

Trade and other payables increased by S\$2.0 million from S\$16.4 million as at 31 March 2021 to S\$18.4 million as at 31 March 2022 mainly due to increase in interest accrued for shareholders' loans, bank borrowings and increase in accruals relating to Dalvey Haus Project during the year.

Loan from shareholders increased by S\$6.8 million from S\$41.3 million as at 31 March 2021 to S\$48.1 million as at 31 March 2022 mainly due to the additional loan drawdown during the year.

REVIEW OF THE CASH FLOW STATEMENT OF THE GROUP

The net cash outflow from operating activities for FY2022 arose mainly due to operation loss and interest paid during the year.

The net cash outflow from investing activities for FY2022 arose from the purchase of property, plant and equipment during the year.

The net cash inflow from financing activities for FY2022 arose mainly from the proceeds from bank borrowings and loan from a shareholder.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ong Chih Ching

Executive Chairman and Executive Director

Leny Suparman

Group Chief Executive Officer and Executive Director

Judith Goi Lang Peng

Non-Executive Director

Ng Hin Lee

Lead Independent Director

Dr. Ho Kah Leong @ Ho Kah Leung

Independent Director

Yu-Foo Yee Shoon

Independent Director

AUDIT AND RISK COMMITTEE

Ng Hin Lee (Chairman)

Dr. Ho Kah Leong @ Ho Kah Leung

Yu-Foo Yee Shoon

REMUNERATION COMMITTEE

Dr. Ho Kah Leong @ Ho Kah Leung (Chairman)

Ng Hin Lee

Yu-Foo Yee Shoon

NOMINATING COMMITTEE

Yu-Foo Yee Shoon (Chairman)

Ng Hin Lee

Dr. Ho Kah Leong @ Ho Kah Leung

COMPANY SECRETARY

Shirley Tan Sey Liy (FCS, FCG)

SPONSOR

RHT Capital Pte. Ltd.
6 Raffles Quay #24-02
Singapore 048580

REGISTERED OFFICE

316 Tanglin Road #01-01
Singapore 247978

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

In.Corp Corporate Services Pte. Ltd.
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712

AUDITORS

UHY Lee Seng Chan & Co.
Chartered Accountants
6001 Beach Road #14-01
Golden Mile Tower
Singapore 199589

PARTNER-IN-CHARGE

Lee Sen Choon

(a member of the Institute of
Singapore Chartered Accountants)

(First appointed in respect of the
financial year ended 31 March 2021)

BANKERS

PT Bank CIMB Niaga Tbk
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited
Hong Leong Finance Limited

REPORT OF CORPORATE GOVERNANCE

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

This report sets out the Group’s corporate governance practices (“**Report**”) with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (“**Code**”) and the accompanying practice guidance that was issued in August 2018, which formed part of the continuing obligations of the Listing Manual – Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”). The Group subscribes fully to the principles and guidelines and recommendations in the Code and the Catalist Rules, where applicable. The Group has complied with the Code’s principles and guidelines throughout the reporting period for the financial year ended 31 March 2022 (“**FY2022**”), except where otherwise stated.

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

1. BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

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

The Board’s role is to:

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

Every Director is expected, in the course of carrying out his duties, to exercise due diligence and independent judgment in dealing with the business affairs of the Group and is obliged to act in good faith, and make objective decisions while considering at all times the interests of the Company. The Board holds the Management accountable for performance. Directors facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict.

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

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

- investments/divestments and funding decisions of the Group;
- issuance of shares or declaration of dividends;
- material acquisitions and disposals of assets;

REPORT OF CORPORATE GOVERNANCE

- convening of general meetings;
- announcements or press releases concerning the Group for release via the SGXNET; and
- all matters of strategic importance.

The number of Board and Board Committees meetings held during FY2022 and the attendance of each Director where relevant are as follows:

Name of Directors	Board		ARC		NC		RC		AGM	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings		No. of meetings	
	held	attended	held	attended	held	attended	held	attended	held	attended
Ms. Ong Chih Ching	4	4	4	4*	1	1*	1	1*	1	1
Ms. Leny Suparman	4	4	4	4*	1	1*	1	1*	1	1
Ms. Judith Goi Lang Peng	4	4	4	4*	1	1*	1	1*	1	1
Mr. Lee Kiam Hwee**	1	1	1	1	1	1	1	1	1	1
Mr. Ng Hin Lee	4	4	4	4	1	1	1	1	1	1
Dr. Ho Kah Leong @ Ho Kah Leung	4	4	4	4	1	1	1	1	1	1
Mrs. Yu-Foo Yee Shoon	4	4	4	4	1	1	1	1	1	1

Notes:

* Attendance by invitation

** Mr. Lee Kiam Hwee has retired as the Lead of Independent Director on 29 October 2021.

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

All Directors are regularly updated on changes to the Company's policies, changes to the Catalist Rules, risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as the Board and Board Committees members.

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

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

News releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are circulated to the Board. The Directors are informed of upcoming conferences and seminars relevant to their roles as Directors of the Company. Annually, the external auditor updates the ARC and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.

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

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

REPORT OF CORPORATE GOVERNANCE

To enable the Board to fulfil its responsibility, the Management strives to provide Board members with adequate and timely information for Board and Board Committees meetings on an on-going basis. The Board and Board Committees papers include financial, business and corporate matters of the Group so as to enable the Directors to be properly briefed on matters to be considered at the Board and Board Committees meetings and enabled to make informed decisions.

Directors are given separate and independent access to the Management and Company Secretary to address any enquiries. Directors may seek professional advice in furtherance of their duties and the costs will be borne by the Company. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As at the date of this report, the Independent Directors make up a majority of the Board, which currently comprises two (2) Executive Directors, three (3) Independent Directors and one (1) Non-Executive Director as follows:

Name of Directors	Board	ARC	NC	RC
Ms. Ong Chih Ching	Executive Chairman and Executive Director	-	-	-
Ms. Leny Suparman	Group CEO and Executive Director	-	-	-
Ms. Judith Goi Lang Peng	Non-Executive Director	-	-	-
Mr. Ng Hin Lee*	Lead Independent Director	Chairman	Member	Member
Dr. Ho Kah Leong @ Ho Kah Leung	Independent Director	Member	Member	Chairman
Mrs. Yu-Foo Yee Shoon	Independent Director	Member	Chairman	Member

Note:

* Mr. Ng Hin Lee re-designated as Lead Independent Director and Chairman of ARC on 29 October 2021.

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

The independence of each Director is reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an Independent Director in its review. The Independent Directors have confirmed that they do not have any relationship with the Company and/or its related corporations and/or its substantial shareholders and/or its officers that would interfere, or be reasonably perceived to interfere with their independence pursuant to Provision 2.1 of the Code. As such, the NC has reviewed the independence of each Independent Director and is of the view that the Independent Directors, namely Mr. Ng Hin Lee, Dr. Ho Kah Leong @ Ho Kah Leung and Mrs. Yu-Foo Yee Shoon are independent.

With effect from 1 January 2022, a director will not be independent if he has served for an aggregate of more than nine (9) years and his continued appointment as an independent director has to be sought and approved in separate resolutions by (a) all shareholders and (b) shareholders, excluding the directors and chief executive officer of the issuer, and associates of such directors and chief executive officer (the "Two-Tier Voting"). Such resolutions approved by a Two-Tier Voting may remain in force until the earlier of (i) the retirement or resignation of the director or (ii) the conclusion of the third annual general meeting following the passing of the resolutions.

The NC has conducted a rigorous review on the independence of the Independent Director, Dr. Ho Kah Leong @ Ho Kah Leung and has considered that Dr. Ho Kah Leong @ Ho Kah Leung is independent even though he has served on the Board beyond nine (9) years. The relevant factors that were taken into consideration in determining the independence of Dr. Ho Kah Leong @ Ho Kah Leung are set out in Principle 4 of this report. Having considered the relevant factors, the NC had determined that Dr. Ho Kah Leong @ Ho Kah Leung has demonstrated strong independence in character and judgment over the years in discharging his duties and responsibilities as an Independent Director. His continued presence as an Independent Board member will ensure best practices being followed and provide effective oversight and compliance to good corporate governance.

REPORT OF CORPORATE GOVERNANCE

Accordingly, the NC had recommended to the Board that Dr. Ho Kah Leong @ Ho Kah Leung continues to be considered independent, notwithstanding he has served on the Board for more than nine (9) years from the date of his first appointment. Dr. Ho Kah Leong @ Ho Kah Leung, being a NC member, abstained from any discussion and voting on his independence.

After due consideration and with the concurrence of the NC, the Board is of the view that Dr. Ho Kah Leong @ Ho Kah Leung remains objective, continues to possess independent thinking and has the ability to continue exercising independent judgment in discharging his duties as the Independent Director of the Company for the best interests of the Company.

Dr. Ho Kah Leong @ Ho Kah Leung, who has served on the Board more than nine (9) years, has obtained shareholders' approval for Two-Tier Voting resolutions for his continued appointment at the Company's Annual General Meeting ("AGM") held on 29 October 2021. Accordingly, Dr. Ho Kah Leong @ Ho Kah Leung will continue to act as Independent Directors of the Company until the conclusion of the third annual general meeting which shall be held in year 2024 or upon his retirement or resignation, whichever the earlier. As set out in Principle 4 of this report, Dr. Ho Kah Leong @ Ho Kah Leung will retire from office by rotation at the forthcoming AGM and will be subjected to the Two-Tier Voting. Upon passing the Two-Tier Voting resolutions (the "**Ordinary Resolution**"), the continued appointment of Dr. Ho Kah Leong @ Ho Kah Leung as an Independent Director shall continue in force pursuant to Rule 406(3)(d)(iii). Should the Ordinary Resolutions not passed at the forthcoming AGM, Dr. Ho Kah Leong @ Ho Kah Leung will cease to be considered independent and will be re-designated as Non-Executive Director of the Company and the Company shall endeavour to search for suitable candidate and fill in the vacancies of the Independent Director to fulfil the requirements of the Catalist Rules and the Code.

The Board comprises businessmen and includes professionals with financial, accounting and legal backgrounds. Profiles of the Directors are set out in the "Board of Directors" section of this annual report.

The composition of the Board is reviewed annually by the NC to ensure that there is an appropriate mix of expertise and experience to enable Management to benefit from a diverse perspective to issues that are brought before the Board. The NC has reviewed the size and composition of the Board and is of the view that the Board consists of persons who, as a group, provide core competencies such as business and management experience, industry knowledge, legal expertise, financial and strategic planning experience and knowledge that are necessary to meet the Company's objectives. In addition, it is of the view that the current Board size of six (6) Directors (consists of four (4) female Directors) is appropriate for effective decision making, taking into account the scope and nature of the operations of the Company and other aspects of diversity such as gender. Furthermore, the NC is of the view that no individual or small group of individuals dominates the Board's decision-making processes. From time to time, the NC will review the appropriateness of the current Board size, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment.

With the introduction of Rule 710(A) of the Catalist Rules effective from 1 January 2022, the Board will endeavour to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity within year 2022 and describe such policy in its Annual Report for the financial year ending 31 March 2023.

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and the Management, and no one individual has unfettered powers of decision-making.

It is the Company's practice to keep the roles of the Chairman and Group CEO separate. By doing so, there is a clear division of responsibilities between the Chairman and the Group CEO, which will ensure a balance of power and authority, such that no individual or small group of individuals represents a considerable concentration of power. Keeping the two roles separate will also ensure increased accountability and greater capacity of the Board for decision-making. The Chairman and the Group CEO are not related to each other nor are they immediate family members.

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

REPORT OF CORPORATE GOVERNANCE

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

- scheduling of meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- setting meeting agendas in consultation with the Board;
- promoting a culture of openness and debate at the Board;
- ensuring that Board members receive complete, adequate and timely information;
- ensuring effective communication with shareholders;
- encouraging constructive relations within the Board and between the Board and Management;
- facilitating the effective contribution of non-executive directors;
- promoting high standards of corporate governance for the Group; and
- formulation of the Group's vision and mission, strategic, direction and expansion plans.

The Company Secretary may be called to assist the Executive Chairman in any of the above. All major decisions made by the Board are subject to majority approval of the Board. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

The Board had appointed Mr. Ng Hin Lee as the Lead Independent Director to co-ordinate and lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is the main liaison on Board issues between the Independent Directors and Executive Chairman. He is available to shareholders when they have concerns and for which contact through the normal channels of the Executive Chairman or the Management are inappropriate or inadequate.

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

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC has been established with written terms of reference and currently comprises three (3) Directors, all of whom, including the Chairman, are independent. They are:

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

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

- the review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the Group CEO and key management personnel;
- the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;
- the review of training and professional development programmes for the Board and its Directors;
- the appointment and re-appointment of Directors (including alternate Directors, if any);
- decide whether a Director is able to and has been adequately carrying out his/her duties as Director of the Company (in a case where the Director has multiple board representations);

REPORT OF CORPORATE GOVERNANCE

- ensure that Directors submit themselves for re-nomination and re-election at regular intervals and at least once in every three (3) years; and
- determine on an annual basis, whether a Director is independent bearing in mind the salient factors set out in the Code.

The NC is responsible for the re-nomination of the Directors. In accordance with Rule 720(4) of the Catalist Rules, all Directors, including Executive Directors and Non-Executive Director, need to submit themselves for re-nomination and re-appointment at least once every three (3) years.

Regulation 112 of the Company's Constitution requires one-third of the Directors to retire from office at least once in every three (3) years at the Company's AGM and Regulation 117 of the Company's Constitution provides that each term of appointment of the Managing Director (or a person holding an equivalent position) shall not exceed five (5) years. Retiring Directors are eligible to offer themselves for re-election pursuant to Regulation 114.

The NC may recommend the appointment of any other qualified person as a Director to fill a vacancy or as an addition to the Board. Regulation 122(2) of the Company's Constitution provides that such Director so appointed shall hold office until the next AGM and shall be eligible for re-election.

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

The NC has recommended to the Board, the re-election of Ms. Leny Suparman and Dr. Ho Kah Leong @ Ho Kah Leung at the forthcoming AGM. The Board had accepted the NC's recommendation.

Dr. Ho Kah Leong @ Ho Kah Leung, being a member of the NC, who is retiring at the AGM abstained from voting on the resolution in respect of his re-nomination and re-appointment as a Director.

Please refer to the section entitled "Additional Information on Directors Nominated for Re-election – Appendix 7F to the Catalist Rules" of this report as well as the "Board of Directors" section of this annual report for more information on the retiring Directors.

Particulars of the Directors such as their present and past five (5) years' directorships in other listed companies are set out below:

Name	Age	Appointment	Date of initial appointment	Date of last re-election/ re-appointment	Present Directorships in other listed companies	Past Directorships in other listed companies in the last five (5) preceding years
Ms. Ong Chih Ching	53	Executive Chairman and Executive Director	6 May 2014	28 October 2020	None	None
Ms. Leny Suparman	48	Group CEO and Executive Director	6 May 2014	30 August 2019	None	None
Ms. Judith Goi Lang Peng	52	Non-Executive Director	16 September 2019	28 October 2020	None	None
Mr. Ng Hin Lee	66	Independent Director	15 January 2018	29 October 2021	FJ Benjamin Holdings Ltd. GSH Corporation Limited	None
Dr. Ho Kah Leong @ Ho Kah Leung	85	Independent Director	28 August 2012	30 August 2019	Fuxing China Group Limited	None
Mrs. Yu-Foo Yee Shoon	72	Independent Director	6 May 2014	28 October 2020	ARA Trust Management (Suntec) Limited Singapura Finance Ltd.	None

REPORT OF CORPORATE GOVERNANCE

For the financial year under review, the NC has received the confirmation of independence from the Independent Directors, that they do not have any relationship as provided under the Provision 4.4 of the Code.

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

There is no alternate director being appointed to the Board. In its search, nomination and selection process for new directors, the NC:

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

In considering whether an Independent Director who has served on the Board beyond 9 years is still independent, the Board has taken into consideration the following factors:

- the amount of experience and wealth of knowledge that the Independent Director brings to the Company;
- the attendance, active participation and ability to express his views independently at all times and present constructive challenges on issues, in the proceedings and decision-making process of the Board and Board Committee meetings;
- provision of continuity and stability to the Management at the Board level as the Independent Director has developed deep insight into the business of the Company;
- the qualifications of the Independent Director and his expertise, to provide reasonable checks and balances for the Management;
- the Independent Director has provided adequate attention and sufficient time has been devoted to the proceedings and business of the Company. He is adequately prepared, responsive and heavily involved in the discussions at the meeting; and
- the Independent Director provides overall guidance to Management and acts as a safeguard for the protection of Company's assets and shareholders' interests.

In this regard, the NC has conducted a rigorous review of the suitability of Dr. Ho Kah Leong @ Ho Kah Leung being the Independent Director who has served on the Board beyond nine (9) years and has determined that Dr. Ho Kah Leong @ Ho Kah Leung remains independent. In addition, the NC is of the view that Mr. Ng Hin Lee and Mrs. Yu-Foo Yee Shoon are independent (as defined in the Code) and are able to exercise judgment on the corporate affairs of the Group independent of the Management.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

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

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

REPORT OF CORPORATE GOVERNANCE

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

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities, conduct of its affairs as a whole, effectiveness of the Board Committees and contribution by each individual Director for FY2022, is of the view that the performance of the Board as a whole, Board Committees and individual Director has been satisfactory. The NC is satisfied that sufficient time and attention has been given to the Group by the Directors. No external facilitator was used in the evaluation process.

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

2. REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC has been established with written terms of reference and currently comprises three (3) Directors, all of whom, including the Chairman, are independent. They are:

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

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

It is a practice that the RC recommends to the Board a framework of remuneration for the Board and the key management personnel as well as specific remuneration packages for the Executive Chairman, Group CEO, and Directors.

The recommendations will be submitted for endorsement by the Board. All aspects of remuneration, including but not limited to Directors' and key management personnels' fees, salaries, allowances, bonuses and benefits in kind will be covered by the RC.

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

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expenses of such services shall be borne by the Company. There were no remuneration consultants engaged by the Company in FY2022.

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

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

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

REPORT OF CORPORATE GOVERNANCE

The Company has entered into a service agreement with Ms. Ong Chih Ching and Ms. Leny Suparman. The service agreement for Ms. Ong Chih Ching and Ms. Leny Suparman that commenced on 6 May 2014, have been renewed for another three (3) years on 6 May 2017 and subsequently on 6 May 2020.

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

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

DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

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

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

A breakdown showing the level and mix of each individual Director's remuneration in remuneration bands of S\$250,000 for FY2022 are set out as follows:

Name of Director	Fees %	Salary [#] %	Bonus %	Other Benefits [@] %	Total %
S\$500,000 and above					
Ms. Ong Chih Ching	-	100	-	-	100
S\$250,000 to below S\$500,000					
Ms. Leny Suparman	-	100	-	-	100
Below S\$250,000					
Ms. Judith Goi Lang Peng	100*	-	-	-	100
Mr. Lee Kiam Hwee	∞	-	-	-	∞
Mr. Ng Hin Lee	100*	-	-	-	100
Dr. Ho Kah Leong @ Ho Kah Leung	100*	-	-	-	100
Mrs. Yu-Foo Yee Shoon	100*	-	-	-	100

Notes:

* These fees were approved by the shareholders at the AGM held on 29 October 2021.

Salary is inclusive of fixed allowance and CPF contributions.

@ Other benefits are inclusive of one-time allowance, incentives and dental allowance.

∞ Mr. Lee Kiam Hwee has retired as the Lead of Independent Director on 29 October 2021. The Director's fee for Mr. Lee Kiam Hwee will be tabled at the forthcoming AGM for shareholders' approval.

REPORT OF CORPORATE GOVERNANCE

For FY2022, the Group has identified three (3) key management personnel. A breakdown, showing the level and mix of top key management personnel who are not a Director or the CEO of the Company for FY2022 are as follow:

Top 3 Key Management Personnel	Position
Ms. Joey Ong ⁽¹⁾	Chief Operating Officer of KOP Limited
Ms. Liane Ong ⁽²⁾	Chief Executive Officer of Wintastar Holdings Pte. Ltd.
Mr. Joe Tan	Chief Financial Officer of KOP Limited

Notes:

- (1) Ms. Joey Ong is the sister of Ms. Ong Chih Ching, Executive Chairman and Executive Director of the Company.
 (2) Ms. Liane Ong is the cousin of Ms. Ong Chih Ching, Executive Chairman and Executive Director and Ms. Joey Ong, Chief Operating Officer of the Company.

Key Management Personnel	Salary [#] %	Bonus %	Other Benefits [@] %	Total %
\$250,000 to below S\$500,000				
Ms. Liane Ong	100	-	-	100
Below S\$250,000				
Ms. Joey Ong	100	-	-	100
Mr. Joe Tan	100	-	-	100

Notes:

- # Salary is inclusive of fixed allowance and CPF contributions.
 @ Other benefits are inclusive of one-time allowance, incentives and dental allowance.

Save for the above disclosure, the Company does not have any employee who is an immediate family member of Directors or Group CEO whose remuneration in FY2022 exceeded S\$100,000.

The aggregate remuneration total amount paid to the Directors and the relevant key management personnel (who are not a Director or the Group CEO) for FY2022 is S\$1,386,000 and S\$676,000, respectively.

For FY2022, there were no terminations, retirement or post-employment benefits granted to Directors and relevant key management personnel.

3. ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

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

The Board acknowledges that it is responsible for maintaining a sound system of internal controls to safeguard shareholders' interests and maintain accountability of its assets but acknowledges that no cost-effective risk management and internal controls system will preclude all errors and irregularities. While no cost-effective internal control system can provide absolute assurance against loss or misstatement, the Group's internal controls and systems have been designed to provide reasonable assurance that assets are safeguarded, operational controls are in place, business risks are suitably protected, proper accounting records are maintained and financial information used within the business and for publication, are reasonable and accurate.

REPORT OF CORPORATE GOVERNANCE

The Group has had in place an Enterprise Risk Management (“**ERM**”) Framework, which governs the risk management processes of the Group. Risk management capabilities and competencies are continuously enhanced through this Framework. The ERM Framework also enables the identification, prioritisation, assessment, management and monitoring of key risks and associated key controls in the Group’s businesses. Management quarterly reviews the Company’s business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Company’s policies and strategies. The ARC reviews the adequacy and effectiveness of the ERM Framework against leading practices in risk management and vis-à-vis the external and internal environments, which the Group operates.

Complementing the ERM framework is a Group-wide system of internal controls, which includes documented policies and procedures, proper segregation of duties, approval procedures and authorisations, as well as checks-and-balances built into the business processes. In addition to ensuring that internal controls and risk management processes are adequate and effective, the ARC is assisted by various independent professional service providers. The external auditors provided assurance over the risk of material misstatements in the Group’s financial statements. The internal auditors conducted audit reviews based on the approved internal audit plans. All audit reports detailing audit findings and recommendations are provided to Management who timely respond to actions to be taken. The ARC monitors closely and timely to ensure proper implementation of the required corrective action plans are undertaken by the Management.

The internal auditors carried out internal audit on the system of internal controls and reported their findings to the ARC. The external auditors have also carried out, in the course of their statutory audit, an understanding of the key internal controls assessed to be relevant to the audit. In this respect, the ARC has reviewed the findings of both the internal and external auditors and will ensure that the Group follows up on the auditors’ recommendations raised during the audit process.

The Board and ARC have received assurance from the Group CEO and Chief Financial Officer (“**CFO**”) that the Group’s risk management systems and internal control systems in place is adequate and effective in addressing the material risks in the Group including that the Group’s financial records have been properly maintained and the financial statements for FY2022 give a true and fair view of the Group’s business operations and finances.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the Management, the Board and the various Board Committees, the Board, with concurrence of the ARC, is of the opinion that the system of internal controls and risk management maintained by the Group is adequate and effective in addressing the financial, operational, compliance and information technology risks of the Group for FY2022.

AUDIT COMMITTEE

Principle 10: The Board has an Audit and Risk Committee which discharges its duties objectively.

The ARC has been established with written terms of reference and currently comprises three (3) Directors, all of whom, including the Chairman, are independent. They are:

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

Mr. Ng Hin Lee, the Lead Independent Director of the Company, currently chairs the ARC. The ARC met four (4) times in FY2022. It performs the following functions:

- reviews the Group’s quarterly and full year results announcements;
- reviews the assurance from the Group CEO and the CFO on the financial records and financial statements;
- reviews the audit plans and reports of the external auditors and to consider the effectiveness of the actions taken by the Management on the external auditors’ recommendations;
- appraises and reports to the Board on the audits undertaken by the external auditors, the adequacy of disclosure of information;
- reviews the adequacy of the Group’s internal financial, operational and compliance controls, and risk management policies and systems established by the Management annually;
- reviews the assistance and co-operation given by the Management to the external auditors;
- discusses problems and concerns, if any, arising from the interim and final audits;

REPORT OF CORPORATE GOVERNANCE

- nominates external auditors for re-appointment;
- reviews interested person transactions, as defined in the Catalist Rules; and
- reviews the effectiveness of the Company's internal audit function and considers the appointment and re-appointment of the internal auditors.

The ARC considered the report from the external auditors, including their findings on the key audit matters.

In assessing the key audit matters, the ARC took into consideration the approach, methodology and the key assumptions applied in the review of valuation reports and the assessment on the going concern assumption. The ARC concluded that Management's accounting treatment and estimates in the key audit matters were appropriate.

The ARC also reviewed the assumptions made in the Group's budget and evaluated the Management financing's plan and satisfied that the Company and the Group have adequate resources to fulfil their obligation and will continue operations as going concern.

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

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

The ARC had evaluated the performance of the external auditors as well as the resolution for re-appointment of the external auditors based on the Audit Quality Indicators relating to external auditors, adequacy of the resources, experience and competence of the external auditors, taking into account the experience of the team and partner.

The ARC reviews the independence of the external auditors annually. The ARC has conducted an annual review of all non-audit services, if any, provided by the external auditors to the Group, and are satisfied that the nature and extent of such services would not affect the independence of the external auditors. UHY Lee Seng Chan & Co has confirmed that they are public accounting firm registered with the Accounting and Corporate Regulatory Authority and provided a confirmation on their independence to the ARC.

In FY2022, the Company has paid the following aggregate amount of fees to UHY Lee Seng Chan & Co and its members:

Services	Amount (\$)
Audit service	192,000 ⁽¹⁾
Non-audit service - Audit of the project account of Dalvey Breeze Development Pte. Ltd., under the Housing Developers (Project Account) Rules - under accrual for the financial year ended 31 March 2021	1,000
Total	193,000

Note:

(1) Included in audit fee of \$192,000 is an amount of \$60,000 pertaining to under accrual of audit fees for the financial year ended 31 March 2021.

The ARC recommends to the Board on the proposals to shareholders on the appointment, re-appointment and removal of the external auditors and approving the remuneration of the external auditors. The ARC has recommended to the Board, and the Board has accepted, the re-appointment of UHY Lee Seng Chan & Co as the external auditors of the Company at the forthcoming AGM.

The ARC also meets with the external auditors and internal auditors at least once a year, without the presence of the Management, to review the Management's level of co-operation and other matters that warrants the ARC's attention. The ARC has met with the external auditors and the internal auditors without the presence of the Management during FY2022.

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

The Company has adopted a whistle-blowing policy which serves to provide employees with well-defined and assessable channels within the Group for reporting possible improprieties in financial reporting or other matters in confidence. All reports/complaints including the identity of the complainant will be treated as private and strictly confidential. The members will then report to the Chairman of the ARC. The whistle-blowing procedures are clearly communicated to employees. The ARC is responsible for oversight and monitoring of whistleblowing. There were no reports received by the ARC through the Company's whistle-blowing mechanism during FY2022.

REPORT OF CORPORATE GOVERNANCE

The ARC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors. No former partner or director of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

INTERNAL AUDIT FUNCTION

The Company has outsourced the internal audit function to a qualified public accounting firm ("IA"). Currently, the Company has engaged Baker Tilly Consultancy (Singapore) Pte. Ltd. ("**Baker Tilly**") as its IA to provide internal audit services in accordance with its internal audit plan.

The IA is a member of the Institute of Internal Auditors Singapore ("**IIA**"), a professional internal auditing body affiliated to the Institute of Internal Auditors. The audit work carried out is guided by the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the IIA. The IA continues to meet or exceed the IIA Standards in all key aspects. Baker Tilly has confirmed their independence to the ARC.

The IA reviews the effectiveness of key internal controls, including financial, operational and compliance controls for selected scope of review annually, as approved by the ARC. Procedures are in place for the IA to report independently on their findings and recommendations to the ARC for review.

The ARC reviews and approves the appointment, removal, termination, evaluation and compensation of its outsourced IA. The IA has unrestricted direct access to the ARC and reports to the ARC. The IA also has unfettered access to all the Company's documents, records, properties and personnel. The IA plans its scope of internal audit work during FY2022 in consultation with the ARC, and submitted its annual audit plan to the ARC for approval.

The ARC has reviewed the effectiveness of the IA and is satisfied that the IA (i) is independent, (ii) has adequate resources to perform its function effectively, and (iii) is staffed by suitably qualified and experienced professionals with the relevant experience.

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

4. SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

In line with the continuous obligations of the Company under the Catalist Rules and the Companies Act 1967, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNET.

The Company's AGMs are the principal forums for dialogue with shareholders. Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay apprised of the Group's strategies and growth plans. Shareholders are informed of general meetings through the announcement released to the SGXNET and notices contained in the annual report or circulars sent to all shareholders. The notices of the general meetings are also advertised in a national newspaper and announced via the SGXNET. Resolutions tabled at general meetings are passed through a process of voting by poll which procedures are clearly explained by the scrutineers at such general meetings.

All shareholders are entitled to attend the general meetings and are provided the opportunity to pose questions and participate in the general meetings to the Directors or the Management. The shareholders are also informed on the voting procedures at the general meetings. If any shareholder is unable to attend, he/she (who is not a relevant intermediary) is allowed to appoint up to two proxies to vote on his/her behalf at the general meetings through proxy forms sent in advance.

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

REPORT OF CORPORATE GOVERNANCE

All Directors including chairman of the Board and Board Committees are normally present at the general meetings to answer questions relating to matters that are overseen by these Board Committees. The external auditors are present to assist the Board in addressing any relevant queries raised by the shareholders about the conduct of audit and the preparation and content of the auditors' report. The attendance of the Directors at general meetings held during the financial year is disclosed in the annual report on page 10.

The Company conducted poll voting for all its general meetings since 2013. To accord the full voting rights of shareholders, the Company will continue to put all resolutions to vote by poll at the forthcoming AGM. The poll voting procedures are clearly explained by the scrutineers at such general meeting.

The Company's last AGM for the financial ended 31 March 2021 held on 29 October 2021 ("**2021 AGM**") was held by way of electronic means, through "live webcast" and "audio-only means", pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**COVID-19 Order**"). The notice of AGM was not published in the newspaper, but was instead disseminated to Shareholders through publication on SGXNET and the Company's corporate website, in accordance with the alternative arrangements for holding of the AGM pursuant to the COVID-19 Order. The Company had also published a notice to Shareholders, together with the notice of AGM, detailing the alternative arrangements for the 2021 AGM, during the COVID-19 pandemic.

Pursuant to Part 4 of the COVID-19 Order, a member of the Company (whether individual or corporate and including a relevant intermediary) entitled to vote at the AGM must appoint the Chairman of the AGM to act as proxy and direct the vote at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate and including a relevant intermediary) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid. Shareholders participated in the 2021 AGM via electronic means, voting by appointing the Chairman of the 2021 AGM as proxy. The detailed results of each resolution are announced via SGXNET after the general meetings.

The Company prepares minutes or notes of general meetings, which include substantial comments or queries from shareholders relating to the agendas of the meetings and responses from the Board and the Management. These minutes or notes are available for the inspection of shareholders upon their request. The Company will also publish the minutes of general meetings of shareholders on both the SGX website via SGXNET and the Company's website within one (1) month after the date of the AGM.

The Company's Constitution does not include the nominee or custodial services to appoint more than two proxies. Voting by absentia by mail, facsimile or email is currently not provided in the Company's Constitution as such voting methods would need to be cautiously studied for its feasibility to ensure that the integrity of the information and the authenticity of the shareholder's identity is not compromised.

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

The Company's Constitution also provides that shareholders who are entitled to attend and vote at the AGM, are entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy must be deposited at the place specified in the notice of the general meetings not less than seventy-two (72) hours before the time appointed for holding the general meetings.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. No dividends will be paid in respect of FY2022 as the Company has deemed it more appropriate to retain the cash in the Group for its future growth.

REPORT OF CORPORATE GOVERNANCE

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

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

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

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

The Company does not have an investor relations policy in place and does not practise selective disclosure. Price sensitive information is first publicly released through SGXNET, even before the Company meets with any investors or analysts. All shareholders of the Company will receive the annual report with notice of AGM by post and published in the newspapers within the mandatory period.

Pursuant to the COVID-19 Order and guidance on the conduct of general meetings issued by the Monetary Authority of Singapore, the ACRA and the Singapore Exchange Regulation, the Company's AGM for FY2022 will be held by way of electronic means and shareholders will not be allowed to attend the AGM for FY2022 in person.

Printed copies of the notice of AGM and annual report for FY2022 will not be sent to members. Instead, the notice of AGM and annual report for FY2022 will be sent to members by electronic means. The notice of AGM for FY2022 will not be advertised in the national newspaper. Please refer to the notice of AGM for FY2022 for further details and the alternative arrangement for the AGM for FY2022.

By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company's website at which the shareholders can access financial information, corporate announcements, press releases, annual reports and profile of the Group.

5. MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company acknowledges the importance of establishing effective communication among its stakeholders through regular engagement and various communication platforms to achieve mutually beneficial goals. Ongoing communication with stakeholders is an integral part of the Company's day-to-day operations.

The Company has identified four (4) stakeholders' groups, namely, investors and shareholders, employees, customers and guests and government and regulators, who are able to impact the Group's business and operations. The Company's approach to the engagement with key stakeholders and materiality assessment were disclosed in the Company's Sustainability Report for FY2022, where the Company would continue to monitor and improve to ensure the best interest of the Company.

The Company maintains a corporate website at <http://www.koplimited.com> to communicate and engage with stakeholders. The Company's financial information, corporate announcements, press releases, annual reports and profile of the Group can be accessed through the Company's website.

REPORT OF CORPORATE GOVERNANCE

6. DEALINGS IN SECURITIES

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

The Company prohibits its Directors and officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Directors and officers are also not allowed to deal in the Company's shares during the period commencing two (2) weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year and one (1) month before the announcement of the Company's full-year financial results, and ending on the date of the announcement of the relevant results.

7. INTERESTED PERSON TRANSACTIONS

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

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

The interested person transactions during FY2022 are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$'000
Scotts Spazio Pte. Ltd.		
Management fee income	(200)	-
Consultancy fee income	(150)	-
KOP Group Pte. Ltd.		
Service income	(211)	-
Interest expense	550	-
Royce Properties Pte. Ltd.		
Recharge of expenses	(617)	-
Reimbursement of expenses	131	-
Mr. Sam Goi Seng Hui		
Interest expense	3,138	-
Ms. Ong Chih Ching		
Guarantors fee	139	-
Ms. Leny Suparman		
Guarantors fee	139	-

REPORT OF CORPORATE GOVERNANCE

8. NON-SPONSOR FEE

In accordance with Rule 1204(21) of the Catalist Rules, there was no non-sponsor fee paid to the Company's Sponsor, RHT Capital Pte. Ltd. in FY2022.

9. MATERIAL CONTRACTS AND LOANS

Except as disclosed in the financial statements, the Company confirmed that there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the Executive Director or any Director or controlling shareholder, either still subsisting at the end of FY2022 or if not then subsisting, which were entered into since the end of the previous financial year.

10. SUMMARY OF FY2022 SUSTAINABILITY REPORT

The FY2022 Sustainability Report is the Group's fifth year in publishing its sustainability report publicly, covering the Group's performance, initiatives and impact of its operations in the aspects of Environmental, Social and Governance ("ESG"). All data and activities reported were from 1 April 2021 to 31 March 2022 unless stated otherwise.

In FY2022, we have maintained our focus in the ESG performance of our hospitality business which includes properties in Indonesia – Montigo Resorts in Nongsa and Seminyak.

Through this report, the Group would like to share its commitment in managing the impact of key ESG issues with its various stakeholders, which include employees, shareholders, business partners, customers and the community.

REPORT OF CORPORATE GOVERNANCE

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

Name of Director	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member	Directorships in other listed companies and principal commitment	Past directorships in other listed companies and principal commitments over the preceding five (5) years
Ms. Ong Chih Ching	Executive Chairman and Executive Director	Board Member	Director of: <ul style="list-style-type: none"> • KOP Group Pte. Ltd. • KOP Northern Lights Pte. Ltd. • KOP Properties Pte. Ltd. • Montigo Resorts Pte. Ltd. • Royce Properties Pte. Ltd. • Scotts Spazio Pte. Ltd. • Wintastar Holdings Pte. Ltd. • Dalvey Breeze Pte. Ltd. • Gramercy Properties Pte. Ltd. • Hayden Properties Pte. Ltd. • KOP Cecil Pte. Ltd. • KOP-Scotts Pte. Ltd. • Montigo Nongsa Pte. Ltd. • Wintastar Concepts Pte. Ltd. • Wintastar Real Estate Pte. Ltd. 	<ul style="list-style-type: none"> • Aqua Voyage Pte. Ltd. • B3 Pte. Ltd. • Bezel Pte. Ltd. • Bezel Singapore Pte. Ltd. • Chilen Holdings Pte. Ltd. • Cityneon Properties Pte. Ltd. • Franklyn Hotels & Resorts (Europe) Limited • Franklyn Hotels & Resorts Pte. Ltd. • KOP Hotels & Resorts Pte. Ltd. • KOP Properties Shanghai Operation and Management Pte. Ltd. • Montigo Resorts Kazakhstan Pte. Ltd. • Movements Pte. Ltd. • Scorpio East Entertainment Pte. Ltd. • Scorpio East Multimedia Pte. Ltd. • Scorpio East Pictures Pte. Ltd. • Scorpio East Productions Pte. Ltd. • The Cranley Hotel (IOM) Limited • Cafe Montigo Pte. Ltd.
Ms. Leny Suparman	Group CEO and Executive Director	Board Member	Director of: <ul style="list-style-type: none"> • Dalvey Breeze Development Pte. Ltd. • KOP Group Pte. Ltd. • KOP Northern Lights Pte. Ltd. • KOP Properties Pte. Ltd. • Montigo Resorts Pte. Ltd. • P.T. Montigo Seminyak • P.T. Teguh Cipta Pratama • Royce Properties Pte. Ltd. • Wintastar Holdings Pte. Ltd. • Dalvey Breeze Pte. Ltd. • Epic Land Pte. Ltd. • Epic Land (01) Pte. Ltd. • Epic Land (11-2) Pte. Ltd. • Epic Land (16-1) Pte. Ltd. • Epic Land (19-1) Pte. Ltd. • Epic Land (20) Pte. Ltd. • Epic Land (25) Pte. Ltd. • Epic Land (26) Pte. Ltd. • Epic Land (27) Pte. Ltd. • Gramercy Properties Pte. Ltd. • Hayden Properties Pte. Ltd. • KOP Cecil Pte. Ltd. • KOP-Scotts Pte. Ltd. • Montigo Hospitality (Shanghai) Co., Ltd. • Montigo Nongsa Pte. Ltd. • Royce Properties Pte. Ltd. • Wintastar Concepts Pte. Ltd. • Wintastar Real Estate Pte. Ltd. 	<ul style="list-style-type: none"> • Aqua Voyage Pte. Ltd. • B3 Pte. Ltd. • Bezel Pte. Ltd. • Bezel Singapore Pte. Ltd. • Cityneon Properties Pte. Ltd. • Epic Land (11-1) Pte. Ltd. • Epic Land (12-1) Pte. Ltd. • Epic Land (12-2) Pte. Ltd. • Epic Land (13-1) Pte. Ltd. • Epic Land (13-2) Pte. Ltd. • Epic Land (14-1) Pte. Ltd. • Epic Land (14-2) Pte. Ltd. • Epic Land (15-1) Pte. Ltd. • Epic Land (15-2) Pte. Ltd. • Epic Land (17-1) Pte. Ltd. • Epic Land (17-2) Pte. Ltd. • Epic Land (18-1) Pte. Ltd. • Epic Land (21) Pte. Ltd. • Epic Land (22) Pte. Ltd. • Epic Land (23) Pte. Ltd. • Epic Land (24) Pte. Ltd. • Epic Land (28) Pte. Ltd. • Epic Land (29) Pte. Ltd. • Franklyn Hotels & Resorts (Europe) Limited • Franklyn Hotels & Resorts Pte. Ltd. • KOP Hotels & Resorts Pte. Ltd. • KOP Properties Shanghai Operation and Management Pte. Ltd.



REPORT OF CORPORATE GOVERNANCE

Name of Director	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member	Directorships in other listed companies and principal commitment	Past directorships in other listed companies and principal commitments over the preceding five (5) years
				<ul style="list-style-type: none"> • Montigo Resorts Kazakhstan Pte. Ltd. • Movements Pte. Ltd. • Scorpio East Entertainment Pte. Ltd. • Scorpio East Leisure Pte. Ltd. • Scorpio East Pictures Pte. Ltd. • Scorpio East Productions Pte. Ltd. • The Cranley Hotel (IOM) Limited
Ms. Judith Goi Lang Peng	Non-Executive Director	Board Member	Nil	Nil
Mr. Ng Hin Lee	Lead Independent Director	Board Member, Chairman of Audit and Risk Committee, Member of Nominating Committee and Remuneration Committee	Independent Director of: <ul style="list-style-type: none"> • FJ Benjamin Holdings Ltd. • GSH Corporation Limited 	Nil
Dr. Ho Kah Leong @ Ho Kah Leung	Independent Director	Board Member, Chairman of Remuneration Committee, Member of Nominating Committee and Audit and Risk Committee	Independent Director of: <ul style="list-style-type: none"> • Fuxing China Group Limited • Pioneers & Leaders (M) Sdn Bhd 	Nil
Mrs. Yu-Foo Yee Shoon	Independent Director	Board Member, Chairman of Nominating Committee, Member of Audit and Risk Committee and Remuneration Committee	Independent Director of: <ul style="list-style-type: none"> • ARA Trust Management (Suntec) Pte. Ltd. • Singapura Finance Ltd. Director of: <ul style="list-style-type: none"> • ED+ Pte. Ltd. Senior Advisor of: <ul style="list-style-type: none"> • Elomart Pte. Ltd. Advisor of: <ul style="list-style-type: none"> • Dimensions International College Pte. Ltd. • Nuri Holdings (S) Pte. Ltd. Chairman of: <ul style="list-style-type: none"> • Publicity and Outreach Committee for the Lee Kuan Yew Fund for Bilingualism • Chairman of Traditional Chinese Medicine Practitioners Board 	Senior Advisor of: <ul style="list-style-type: none"> • Hyflux Ltd.

REPORT OF CORPORATE GOVERNANCE

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION - APPENDIX 7F OF THE CATALIST RULES

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F of the Catalist Rules for the Directors who are retiring and being eligible, offer themselves for re-election at the forthcoming AGM is set out below:

Details	Name of Director	
	Leny Suparman	Dr. Ho Kah Leong @ Ho Kah Leung
Date of Appointment	6 May 2014	28 August 2012
Date of last re-appointment (if applicable)	30 August 2019	30 August 2019
Age	48	85
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Ms. Leny Suparman was recommended by the NC and the Board has accepted the recommendation after taking into consideration, Ms. Leny's performance as the Group CEO and Executive Director.	The re-election of Dr. Ho Kah Leong @ Ho Kah Leung was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Dr. Ho's qualifications, experience, and overall contribution since he was appointed as a Director of the Company. The Board considers Dr. Ho to be independent for the purpose of Rule 704(6) of the Catalist Rules.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive
Job Title (e.g. Lead ID, ARC Chairman, ARC Member etc.)	Group CEO and Executive Director	Independent Director, Chairman of Remuneration Committee and member of Audit and Risk Committee and Nominating Committee
Professional qualifications	Bachelor of Science in Business from the Indiana University Bloomington, Indiana, United States of America	<ul style="list-style-type: none"> Bachelor of Science degree from Nanyang University PhD in Arts by Wisconsin International University, United States of America
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> Chief Executive Officer of KOP Properties Pte. Ltd. from August 2010 to May 2014. Group Chief Executive Officer and Executive Director of KOP Limited since May 2014. 	<ul style="list-style-type: none"> Independent Director of Fuxing China Group Limited since August 2007. Independent Director of KOP Limited since August 2012. Director of Pioneers & Leaders (M) Sdn Bhd since July 2005. Independent Director of Vicom Ltd from May 2003 to April 2017. Director of TP Healthcare Ltd. from December 2003 to March 2016. Director of Ang Mo Kio - Thye Hua Kwan Hospital Ltd. from March 2002 to March 2016. Independent Director of Superbowl Holdings Limited from January 1997 to April 2013. Independent Director of Brothers (Holdings) Limited from July 1997 to October 2012.



REPORT OF CORPORATE GOVERNANCE

Details	Name of Director	
	Leny Suparman	Dr. Ho Kah Leong @ Ho Kah Leung
Shareholding interest in the listed issuer and its subsidiaries	Refer to Directors' Statement and Statistics of Shareholdings of this annual report	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships	<p>Past (for the last 5 years)</p> <p>Director of:</p> <ul style="list-style-type: none"> • Aqua Voyage Pte. Ltd. • B3 Pte. Ltd. • Bezel Pte. Ltd. • Bezel Singapore Pte. Ltd. • Cityneon Properties Pte. Ltd. • Epic Land (11-1) Pte. Ltd. • Epic Land (12-1) Pte. Ltd. • Epic Land (12-2) Pte. Ltd. • Epic Land (13-1) Pte. Ltd. • Epic Land (13-2) Pte. Ltd. • Epic Land (14-1) Pte. Ltd. • Epic Land (14-2) Pte. Ltd. • Epic Land (15-1) Pte. Ltd. • Epic Land (15-2) Pte. Ltd. • Epic Land (17-1) Pte. Ltd. • Epic Land (17-2) Pte. Ltd. • Epic Land (18-1) Pte. Ltd. • Epic Land (21) Pte. Ltd. • Epic Land (22) Pte. Ltd. • Epic Land (23) Pte. Ltd. • Epic Land (24) Pte. Ltd. • Epic Land (28) Pte. Ltd. • Epic Land (29) Pte. Ltd. • Franklyn Hotels & Resorts (Europe) Limited • Franklyn Hotels & Resorts Pte. Ltd. • KOP Hotels & Resorts Pte. Ltd. • KOP Properties Shanghai Operation and Management Pte. Ltd. • Montigo Resorts Kazakhstan Pte. Ltd. • Movements Pte. Ltd. • Scorpio East Entertainment Pte. Ltd. • Scorpio East Leisure Pte. Ltd. • Scorpio East Pictures Pte. Ltd. • Scorpio East Productions Pte. Ltd. • The Cranley Hotel (IOM) Limited 	<p>Past (for the last 5 years)</p> <p>Nil</p> <p>Present</p> <p>Independent Director of:</p> <ul style="list-style-type: none"> • KOP Limited • Fuxing China Group Limited <p>Director of:</p> <ul style="list-style-type: none"> • Pioneers & Leaders (M) Sdn Bhd

REPORT OF CORPORATE GOVERNANCE

Details	Name of Director	
	Leny Suparman	Dr. Ho Kah Leong @ Ho Kah Leung
	<u>Present</u>	
	Director of: <ul style="list-style-type: none"> ● Dalvey Breeze Development Pte. Ltd. ● Dalvey Breeze Pte. Ltd. ● Epic Land Pte. Ltd. ● Epic Land (01) Pte. Ltd. ● Epic Land (11-2) Pte. Ltd. ● Epic Land (16-1) Pte. Ltd. ● Epic Land (19-1) Pte. Ltd. ● Epic Land (20) Pte. Ltd. ● Epic Land (25) Pte. Ltd. ● Epic Land (26) Pte. Ltd. ● Epic Land (27) Pte. Ltd. ● Gramercy Properties Pte. Ltd. ● Hayden Properties Pte. Ltd. ● KOP Cecil Pte. Ltd. ● KOP Group Pte. Ltd. ● KOP Limited ● KOP Northern Lights Pte. Ltd. ● KOP Properties Pte. Ltd. ● KOP-Scotts Pte. Ltd. ● Montigo Hospitality (Shanghai) Co., Ltd. ● Montigo Nongsa Pte. Ltd. ● Montigo Resorts Pte. Ltd. ● P.T. Montigo Seminyak ● P.T. Teguh Cipta Pratama ● Royce Properties Pte. Ltd. ● Wintastar Concepts Pte. Ltd. ● Wintastar Holdings Pte. Ltd. ● Wintastar Real Estate Pte. Ltd. 	
The general statutory disclosures of the Directors are as follows:		
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No



REPORT OF CORPORATE GOVERNANCE

Details	Name of Director	
	Leny Suparman	Dr. Ho Kah Leong @ Ho Kah Leung
c. Whether there is any unsatisfied judgment against him?	No	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

REPORT OF CORPORATE GOVERNANCE

Details	Name of Director	
	Leny Suparman	Dr. Ho Kah Leong @ Ho Kah Leung
<p>j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No
<p>k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No	No
<p>Any prior experience as a director of an issuer listed on the Exchange?</p>	Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.
<p>If yes, please provide details of prior experience.</p>	Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.
<p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p>	Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of KOP Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2022.

OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) at the date of this statement, based on the factors as described in Note 2.1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

Ong Chih Ching
Leny Suparman
Judith Goi Lang Peng
Ng Hin Lee
Dr. Ho Kah Leong @ Ho Kah Leung
Yu-Foo Yee Shoon

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objectives is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries), as stated below:

Name of directors	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the Company				
Ong Chih Ching ⁽¹⁾⁽²⁾	1,569,100	1,569,100	495,442,143	495,442,143
Leny Suparman ⁽¹⁾⁽³⁾	1,800,000	1,800,000	459,257,142	459,257,142
Yu-Foo Yee Shoon	540,000	540,000	-	-

- (1) By virtue of Section 7 of the Singapore Companies Act 1967, Ms. Ong Chih Ching and Ms. Leny Suparman are deemed to have an interest in the subsidiaries, associates and joint ventures of the Company.
- (2) By virtue of Section 7 of the Singapore Companies Act 1967, Ms. Ong Chih Ching is deemed to have an interest in 495,442,143 (2021: 495,442,143) shares which comprises (i) 428,571,428 (2021: 428,571,428) shares held through KOP Group Pte. Ltd. and, (ii) 66,870,715 (2021: 66,870,715) shares held through OCBC Securities Private Limited.
- (3) By virtue of Section 7 of the Singapore Companies Act 1967, Ms. Leny Suparman is deemed to have an interest in 459,257,142 (2021: 459,257,142) shares which comprises (i) 428,571,428 (2021: 428,571,428) shares held through KOP Group Pte. Ltd. and (ii) 30,685,714 (2021: 30,685,714) shares held through Bank of Singapore Limited under Citibank Nominees Singapore Pte. Ltd..

There were no change in the directors' interests in the Company between the end of the financial year and 21 April 2022.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

SHARE OPTIONS

(a) Options to take up unissued shares

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

(b) Options exercised

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

(c) Unissued shares under option

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

DIRECTORS' STATEMENT

AUDIT AND RISK COMMITTEE (“ARC”)

As at the date of this statement, the members of the ARC are as follows:

Ng Hin Lee	Chairman and Lead Independent Director
Ho Kah Leong @ Ho Kah Leung	Independent Director
Yu-Foo Yee Shoon	Independent Director

All ARC members are Non-Executive Independent Directors.

The ARC has met four (4) times since the last Annual General Meeting and has reviewed the following, where relevant, with the executive directors, external and internal auditors of the Company:

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

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

The ARC also undertakes the additional roles and responsibilities of assisting the Board in reviewing the adequacy and effectiveness of the Group’s risk management and internal control system.

AUDITOR

UHY Lee Seng Chan & Co have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Ong Chih Ching
Director

Leny Suparman
Director

7 September 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of KOP Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED OPINION

We have audited the financial statements of KOP Limited (the “**Company**”) and its subsidiaries (the “**Group**”), which comprise the balance sheets of the Group and the Company as at 31 March 2022, the statements of changes in equity of the Group and the Company and the consolidated statement of profit or loss and other comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

BASIS FOR QUALIFIED OPINION

1) Opening balances

In our independent auditor's report dated 13 October 2021, we expressed a qualified opinion on the financial statements for the financial year ended 31 March 2021. The basis for qualified opinion is disclosed in Note 39 to the financial statements.

In view of the matters described in the basis for qualified opinion section on the financial statements for the financial year ended 31 March 2021, we were unable to determine whether the opening balances as at 1 April 2021 are fairly stated.

Since the opening balances as at 1 April 2021 are entered into the determination of the financial position of the Group and of the Company as at 31 March 2022, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and financial performance and changes in equity of the Company for the financial year ended 31 March 2022, we were unable to determine whether adjustments, if any, might have been found to be necessary in respect of the Group's and the Company's financial statements for the financial year ended 31 March 2022.

Our opinion on the current financial year's financial statements of the Group and the Company is also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.

INDEPENDENT AUDITOR'S REPORT

To the Members of KOP Limited

BASIS FOR QUALIFIED OPINION (CONT'D)

2) Difficulties in obtaining financial information required for the audit of the Group's 30% interest in investment in joint venture, Shanghai Snow Star Properties Co., Ltd. ("Shanghai Snow Star")

As disclosed in Notes 21 and 33 to the financial statements, the Group is currently undergoing arbitration proceedings in the Shanghai International Arbitration Centre ("SHIAC") with its partners ("Applicants") in an indirectly held joint venture company ("JVC"), Shanghai Snow Star Properties Co., Ltd ("Shanghai Snow Star").

On 29 November 2021, SHIAC issued a partial judgment in which it was decided that (i) the Framework Agreement and the Investment Agreement that were entered into with Shanghai LujiaZui Zhi Mao Investment Co., Ltd and Shanghai Hong Bin Properties Co., Ltd. ("**former joint venture partners**") are to be retrospectively terminated on 20 December 2020; and (ii) the former joint venture partners are required to acquire the Group's 30% equity interests in the JVC at a fair market value, based on the average of the valuation provided by two China-qualified valuers appointed by the Applicants and the Company respectively. Due to the issuance of the partial judgment, the Group has reclassified its interest in Shanghai Snow Star from an investment in a joint venture to non-current assets held for sale, in line with management's expectations that the investment would be disposed of within the next 12 months from 29 November 2021. Further details of the arbitration proceedings are disclosed in Notes 21 and 33.

Management informed that on the date of reclassification, the carrying amount of the asset, amounting to \$107,599,000, comprises the sum of (i) the historical costs of investment and (ii) the group's share of Shanghai Snow Star's results from the date of investment, up to the date of reclassification.

Throughout the duration of the arbitration proceedings, the Group has experienced difficulties in obtaining certain relevant financial information from Shanghai Snow Star. In addition, we and our component auditors were also not granted access to Shanghai Snow Star's accounting records and other relevant information required for our audit for the financial years ended 31 March 2022 and its preceding financial year. Accordingly, we are unable to perform any audit procedures nor any other alternative means to obtain sufficient appropriate audit evidence to determine whether the carrying amount of the Group's investments in joint ventures (now reclassified as non-current asset held for sale) of \$103,167,000 as at 31 March 2021, or the Group's share of the results from investments in joint ventures for the current financial year have been accurately recognised.

Consequently, in view of the above, we were unable to determine whether any adjustments to the carrying amount of the Group's investment in joint venture (now reclassified as non-current asset held for sale) of \$107,599,000 as at 31 March 2022 were necessary.

In addition, management has also not reclassified the investment in joint venture to non-current asset held for sale in the comparatives given that the partial judgment on 29 November 2021 had terminated the JVC agreement retrospectively on 20 November 2020.

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

INDEPENDENT AUDITOR'S REPORT

To the Members of KOP Limited

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The Group incurred a net loss of \$11,575,000 for the financial year ended 31 March 2022. The Group's current assets of \$242,490,000 as at 31 March 2022 comprised mainly development properties and non-current asset held for sale which amounted to \$125,880,000 and \$107,599,000 respectively. The Company incurred a net loss of \$6,085,000 for the financial year ended 31 March 2022 and is in a net current liabilities position of \$51,330,000 as at 31 March 2022. Included in the Group's and Company's current liabilities is an amount of \$37,000,000 [Note 26(a)] and \$11,058,000 [Note 26(b)] due to a shareholder and its ultimate holding company respectively. The performance of the Group's hospitality segment was adversely impacted by the COVID-19 pandemic for the past two years.

These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's abilities to continue as a going concern.

As disclosed in Note 2.1, the ability of the Group and the Company to continue as a going concern is dependent and based on the following factors:

- a) Following the lifting of travel restrictions by various countries, the Group's hospitality segment is expected to recover in the next financial year. Accordingly, the directors are confident that the Group and the Company will be able to generate sufficient cash flows from operating activities in the next 12 months from the date of authorisation of the financial statements.
- b) The Group's controlling shareholders, Ms. Ong Chih Ching and Ms. Leny Suparman have undertaken that in the event that the Group is unable to meet its financial obligations, the controlling shareholders will jointly and severally subscribe to new ordinary shares of the Company for up to \$10 million.
- c) The repayment of the loan from the Company's ultimate holding company of approximately \$11.1 million [Note 26(b)] has been extended until cash flows of the Company improves.
- d) The proceeds from the disposal of the non-current asset held for sale are expected to be received in the next 12 months.

In the event that the above-mentioned proceeds do not materialise on a timely basis, the shareholder agreed that he will not seek for repayment of the loan principal of \$37 million due on 9 November 2022 [Note 26(a)] plus interest of approximately \$5.5 million (Note 25) together with the on-going interest accrued until the receipt of the proceeds from the disposal of the non-current asset held for sale (Note 21) or 7 September 2023, whichever is earlier.

If the Group and the Company are unable to generate sufficient cash flows, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

To the Members of KOP Limited

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion* section and in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matters	How the matter was addressed in our audit
<p>1. Valuation of development properties and recoverable amount of leasehold land and buildings</p> <p>As at 31 March 2022, the Group has development properties held for sale in Singapore and Indonesia amounting to \$125,880,000 (Note 15), which represents approximately 52% of the Group's current assets. Development properties are stated at the lower of cost and their net realisable values.</p> <p>The Group also has leasehold land and buildings included in property, plant and equipment (Note 10) with carrying amount of \$37,698,000 as at 31 March 2022.</p> <p>To assess the net realisable value of the development properties and to assess whether there is any impairment of leasehold land and buildings, the Group engaged external professional valuers to determine both the net realisable value of the development properties and the recoverable amount of the leasehold land and buildings.</p> <p>The valuation of these properties is significant to our audit because it involves estimations of the key assumptions to be applied in the valuation models. The key assumptions applied in the valuation are discount rate, average room rates, occupancy rates, growth rate, selling price per square meter and gross development costs per square meter. These valuation results are based on the relevant market conditions prevailing at the reporting date, which may be subject to significant changes after the reporting period given the lingering economic uncertainties brought on by the COVID-19 outbreak. Accordingly, the external professional valuers have included cautionary statements about the heightened uncertainty over valuations in their valuation reports. Consequently, we consider this to be a key audit matter.</p> <p>The disclosures in the financial statements are set out in Notes 2.7, 2.16, 10 and 15 to the accompanying financial statements.</p>	<p>Our audit procedures included but were not limited to the following:</p> <p>a) Reviewed the valuation reports and evaluated the independence, objectivity and competency of the independent external professional valuer.</p> <p>b) Assessed reasonableness of the key assumptions used by management and the independent external valuer, which included historical information, recent actual financial performance of the properties, recent transacted prices of comparable properties and industry data (where available).</p> <p>c) Engaged our internal valuation specialist to: <ul style="list-style-type: none"> ■ evaluate the reasonableness of the key assumptions used by management and the independent external valuer and to understand the valuation methodologies, key assumptions used in the valuation and their scope of work in response to the heightened level of estimation uncertainty; ■ assess the appropriateness of the valuation models used by the external professional valuers by considering the valuation methodologies adopted for similar property types. </p> <p>d) Reviewed the adequacy of the disclosures on the development properties and property, plant and equipment in their respective Note 15 and Note 10 to the financial statements.</p> <p>e) Responded to the increased estimation uncertainty over the valuations of the properties by i) assessing the reasonableness of any adjustments made by external professional valuers, ii) by comparing them against the recent actual financial performance and available industry data, and iii) by performing sensitivity analyses where applicable.</p>

INDEPENDENT AUDITOR'S REPORT

To the Members of KOP Limited

KEY AUDIT MATTERS (CONT'D)

Key Audit Matters	How the matter was addressed in our audit
<p>2. Recognition of revenue and cost of sales of development properties</p> <p>The Group enters into contracts with customers to deliver specified residential units to the customers based on the plan and specifications as set out in the contracts.</p> <p>In accordance with SFRS(I) 15 Revenue from Contracts with Customers, the analysis of whether the contracts comprise one or more performance obligations, determining whether the performance obligations are satisfied over time or at a point in time, the method used to measure progress for revenue recognition where performance obligations are satisfied over time and estimated variable consideration included in the transaction price represent areas requiring critical judgment and estimates by the Group.</p> <p>For development properties whereby performance obligations are satisfied over time, the Group measures its work progress by reference to the construction and other related costs incurred to date to the estimated total construction costs. Any changes in these estimates could result in material variance in revenue recognised.</p> <p>We have determined this area to be a key audit matter as there is a wide range of possible outcomes resulting from these estimations and assumptions that could lead to different revenue and costs of sales being reported in the financial statements.</p> <p>The disclosures in the financial statements are set out in Notes 2.28(c), 3.2(b) and 4 to the accompanying financial statements.</p>	<p>Our audit procedures included but were not limited to the following:</p> <p>a) Evaluated the Group's processes over revenue recognition for sale of development properties and assessed the basis for the identification of performance obligations.</p> <p>b) Reviewed the Sale and Purchase Agreements that the Group had entered into with buyers to obtain an understanding of the specific terms so as to identify performance obligations.</p> <p>c) Assessed whether the criteria are met for recognising revenue over time or at a point in time.</p> <p>d) Assessed management's basis for computing the progress towards completing the construction of the project.</p> <p>e) Reviewed management's estimation of cost to completion and made inquiry with management whether there are any delays relating to project development.</p> <p>f) Obtained and tested the costs incurred to date and evaluated the basis and verified to supporting documents for estimated cost to completion.</p> <p>g) Recomputed the progress towards completing the construction of the project to assess the reasonableness against revenue recognised for the financial year.</p>

OTHER INFORMATION

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of KOP Limited

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of KOP Limited

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Lee Sen Choon.

UHY Lee Seng Chan & Co
Public Accountants and
Chartered Accountants

Singapore
7 September 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2022

	Note	Group	
		2022 \$'000	2021 \$'000
Revenue	4	15,420	8,315
Cost of sales		(11,585)	(6,464)
Gross profit		3,835	1,851
Other operating income	5	1,033	1,174
Distribution costs		(306)	(181)
Administrative and general expenses		(9,681)	(8,418)
Share of results from investment in associate		4	113
Share of results from investments in joint ventures, prior to reclassification	21	(493)	(38)
Finance costs	6	(5,926)	(5,016)
Loss before tax		(11,534)	(10,515)
Income tax expenses	7	(41)	(119)
Loss after tax	8	(11,575)	(10,634)
Other comprehensive income for the financial year			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange difference on translation of foreign operations		5,841	5,035
Total comprehensive income for the financial year		(5,734)	(5,599)
Loss attributable to:			
Owners of the Company		(10,782)	(9,715)
Non-controlling interests	11(c)	(793)	(919)
		(11,575)	(10,634)
Total comprehensive income attributable to:			
Owners of the Company		(5,013)	(5,058)
Non-controlling interests		(721)	(541)
		(5,734)	(5,599)
Loss per share (cents)			
Basic and diluted	9	(0.97)	(0.88)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2022

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Non-current assets					
Property, plant and equipment	10	39,926	40,775	-	2
Investments in subsidiaries	11	-	-	145,149	143,743
Investment in associate	12	310	306	-	-
Investments in joint ventures	13	-	103,167	-	-
Deferred tax assets	14(a)	-	52	-	-
		40,236	144,300	145,149	143,745
Current assets					
Development properties	15	125,880	126,718	-	-
Inventories	16	240	329	-	-
Trade and other receivables	17	2,557	1,719	5,523	2,003
Other current assets	18	346	633	30	29
Contract costs	19	563	636	-	-
Cash and bank balances	20	5,305	1,783	18	89
		134,891	131,818	5,571	2,121
Non-current asset held for sale	21	107,599	-	-	-
		242,490	131,818	5,571	2,121
Total assets		282,726	276,118	150,720	145,866

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2022

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current liabilities					
Bank borrowings (secured)	22	2,510	3,694	-	-
Finance leases	23	36	35	-	-
Lease liabilities	24	92	139	-	-
Contract liabilities	4(b)	1,071	1,996	-	-
Tax payable		1,618	1,656	-	-
Trade and other payables	25	18,356	16,386	8,843	4,661
Loans from shareholders	26	48,058	41,301	48,058	41,301
		71,741	65,207	56,901	45,962
Non-current liabilities					
Deferred tax liabilities	14(b)	2,588	2,583	-	-
Bank borrowings (secured)	22	81,527	77,408	-	-
Finance leases	23	41	78	-	-
Lease liabilities	24	7	107	-	-
Loan from a non-controlling interest	27	12,027	11,292	-	-
Retention sum payable		1,079	-	-	-
		97,269	91,468	-	-
Equity attributable to owners of the Company					
Share capital	28	78,940	78,940	294,506	294,506
Foreign currency translation reserves	29	3,531	(2,238)	-	-
Revaluation reserve	30	37,768	37,768	-	-
Other reserves	31	1,681	1,681	-	-
(Accumulated losses)/Retained earnings		(9,891)	891	(200,687)	(194,602)
		112,029	117,042	93,819	99,904
Non-controlling interests	11(c)	1,687	2,401	-	-
Total equity		113,716	119,443	93,819	99,904
Total liabilities and equity		282,726	276,118	150,720	145,866

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

	Share capital \$'000	Foreign currency translation reserves \$'000	Revaluation reserve \$'000	Other reserves \$'000	Retained earnings/ (Accumulated losses) \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Group								
As at 1 April 2020	78,940	(6,895)	37,768	1,681	10,606	122,100	3,586	125,686
Total comprehensive income for the financial year								
Loss for the year	-	-	-	-	(9,715)	(9,715)	(919)	(10,634)
Other comprehensive income								
Foreign currency translation differences for foreign operations	-	4,657	-	-	-	4,657	378	5,035
Total comprehensive income for the financial year	-	4,657	-	-	(9,715)	(5,058)	(541)	(5,599)
Transactions with owners, recognised directly in equity								
Dividend paid, representing total distribution to owners	-	-	-	-	-	-	(644)	(644)
As at 31 March 2021 and 1 April 2021	78,940	(2,238)	37,768	1,681	891	117,042	2,401	119,443
Total comprehensive income for the financial year								
Loss for the year	-	-	-	-	(10,782)	(10,782)	(793)	(11,575)
Other comprehensive income								
Foreign currency translation differences for foreign operations	-	5,769	-	-	-	5,769	72	5,841
Total comprehensive income for the financial year	-	5,769	-	-	(10,782)	(5,013)	(721)	(5,734)
Changes in ownership interests in subsidiaries with no change in control								
Contributions from non-controlling interests	-	-	-	-	-	-	7	7
As at 31 March 2022	78,940	3,531	37,768	1,681	(9,891)	112,029	1,687	113,716

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
Company			
As at 31 March 2020	294,506	(182,901)	111,605
Loss for the year, representing total comprehensive income for the year	-	(11,701)	(11,701)
As at 31 March 2021 and 1 April 2021	294,506	(194,602)	99,904
Loss for the year, representing total comprehensive income for the year	-	(6,085)	(6,085)
As at 31 March 2022	294,506	(200,687)	93,819

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2022

	Note	2022 \$'000	2021 \$'000
Operating activities			
Loss before tax		(11,534)	(10,515)
Adjustments for:			
Allowance for expected credit losses of other receivables written back	17	(435)	-
Depreciation of property, plant and equipment	8,10	2,266	2,638
Bad debts written off	8	3	-
Gain on strike-off of subsidiaries	8	(9)	-
Property, plant and equipment written off	8	5	-
Loss on disposal of property, plant and equipment	8	5	-
Interest income	5	(2)	(5)
Finance costs	6	5,926	5,016
Unrealised foreign exchange differences		160	380
Share of results of investment in associate		(4)	(113)
Share of results of investments in joint ventures, prior to reclassification	21	493	38
Operating cash flows before changes in working capital		(3,126)	(2,561)
<u>Changes in working capital</u>			
Trade and other receivables		(423)	360
Other current assets		287	(3)
Development properties		838	(770)
Contract costs		73	(636)
Inventories		89	83
Trade and other payables		(1,792)	1,163
Contract liabilities		(925)	(990)
Retention sum payable		1,079	-
Cash flows used in operating activities		(3,900)	(3,354)
Interest paid		(1,685)	(1,549)
Interest received		-	1
Tax paid		(52)	(21)
Net cash flows used in operating activities		(5,637)	(4,923)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2022

	Note	2022 \$'000	2021 \$'000
Investing activities			
Purchase of property, plant and equipment	10	(612)	(808)
Net cash flows used in investing activities		(612)	(808)
Financing activities			
Repayment of bank borrowings		(478)	(177)
Decrease in restricted funds placed in escrow accounts		91	99
Repayment of finance leases		(36)	(33)
Repayment of lease liabilities		(155)	(435)
Proceeds from loan from a non-controlling interest		380	-
Proceeds from bank borrowings		3,302	2,635
Proceeds from loan from a shareholder		6,757	2,401
Net cash flows from financing activities		9,861	4,490
Net increase/(decrease) in cash and cash equivalents		3,612	(1,241)
Cash and cash equivalents at beginning of the financial year		1,500	2,757
Effect of foreign currency translation on cash and cash equivalents		1	(16)
Cash and cash equivalents at end of the financial year	20	5,113	1,500

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

1. CORPORATE INFORMATION

KOP Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore with its principal place of business and registered office at 316 Tanglin Road, #01-01, Singapore 247978. The Company is listed on the Catalist of Singapore Exchange Securities Trading Limited (SGX-ST). The Company is a subsidiary of KOP Group Pte. Ltd., incorporated in Singapore, which is also the Company's immediate and ultimate holding company. KOP Group Pte. Ltd. is substantially owned by Ms. Ong Chih Ching and Ms. Leny Suparman. Related companies in these financial statements refer to subsidiaries of the ultimate holding company, excluding entities within the Group.

The principal activity of the Company is to carry on the business of an investment holding company. The principal activities of the subsidiaries, associate and joint ventures are disclosed in Notes 11, 12 and 13 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below and in Note 3.

Impact of Covid-19 and Ukraine war

Despite the recovery in the hospitality segment due to the easing of Covid-19 measures in countries in which the Group operates, the Group continues to face challenges from global inflationary pressures that were aggravated by supply chain disruptions arising from Covid-19 lockdowns in some cities in China and soaring commodity prices due to the Ukraine war.

As the geopolitical situation continues to evolve, there is significant uncertainty over the full range of possible effects on the Group's financial and liquidity positions. The Group has considered and estimated the impact of these challenges on the Group's financial position and performance, especially in relation to its going concern assumption. Details of the Group's liquidity risk management and capital management policies are disclosed in Notes 37 and 38.

Going concern assumption

The Group incurred a net loss of \$11,575,000 (2021: \$10,634,000) for the financial year ended 31 March 2022. The Group's current assets of \$242,490,000 (2021: \$131,818,000) mainly comprised development properties and non-current asset held for sale which amounted to \$125,880,000 (2021: \$126,718,000) and \$107,599,000 (2021: \$Nil) as at 31 March 2022 respectively. The Company incurred a net loss of \$6,085,000 (2021: \$11,701,000) for the financial year ended 31 March 2022.

The performance of the Group's hospitality segment was adversely impacted by the COVID-19 pandemic for the past 2 years. Following the lifting of the travel restrictions by various countries, the Group's hospitality segment is expected to recover in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 *Basis of preparation (cont'd)*

Going concern assumption (cont'd)

Notwithstanding the above, the directors are of the view that it is appropriate to prepare these financial statements on a going concern basis due to the following factors:

- Following the lifting of travel restrictions by various countries, the Group's hospitality segment is expected to recover in the next financial year. Accordingly, the directors are confident that the Group and the Company will be able to generate sufficient cash flows from operating activities in the next 12 months from the date of authorisation of the financial statements.
- The Group's controlling shareholders, Ms. Ong Chih Ching and Ms. Leny Suparman have undertaken that in the event that the Group is unable to meet its financial obligations, the controlling shareholders will jointly and severally subscribe to new ordinary shares of the Company for up to \$10 million.
- The repayment of the loan from the Company's ultimate holding company of approximately \$11.1 million [Note 26(b)] has been extended until cash flows of the Company improves.
- The proceeds from the disposal of the non-current asset held for sale are expected to be received in the next 12 months.

In the event that the above-mentioned proceeds do not materialise on a timely basis, the shareholder agreed that he will not seek for repayment of the loan principal of \$37 million due on 9 November 2022 [Note 26(a)] plus interest of approximately \$5.5 million (Note 25) together with the on-going interest accrued until the receipt of the proceeds from the disposal of the non-current asset held for sale (Note 21) or 7 September 2023, whichever is earlier.

If the Group and the Company are unable to generate sufficient cash flows, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 April 2021. The adoption of these new/revised standards does not have any material effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: <i>Classification of liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 *Basis of consolidation and business combinations (cont'd)*

(b) *Business combinations and goodwill (cont'd)*

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 *Transactions with non-controlling interests*

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 *Foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.25. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land and buildings	-	20 – 45 years
Computers	-	1 – 4 years
Furniture and fittings	-	3 – 5 years
Motor vehicles	-	5 – 8 years
Boats	-	4 years
Office equipment	-	1 – 5 years
Hotel and resort equipment	-	3 – 5 years
Renovation	-	5 years
Machinery and equipment	-	3 – 5 years

Renovation-in-progress included in property, plant and equipment under the header 'Renovation', are not depreciated as these assets are not available for use.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

A change from property, plant and equipment to investment property that will be carried at fair value is accounted for in accordance to SFRS(I) 1-16 up to the date of change in use. The difference between the carrying amount of the property, plant and equipment and the fair value is recognised in other comprehensive income and accumulated in equity under the header revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is treated as the new gross carrying amount of the asset. The revaluation surplus included in the revaluation reserve under equity in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

2.8 *Investment properties*

Investment properties are properties that are either owned by the Group or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

The Group has no investment properties, apart from one of its investment in joint venture which has an investment property carried at fair value (Note 13).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.10 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less any impairment losses.

2.11 *Joint arrangements*

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

Joint ventures

The Group recognises its interest in joint ventures as an investment and accounts for the investment using the equity method. The accounting policy for investments in joint ventures is set out in Note 2.12.

2.12 *Joint ventures and associates*

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

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate and joint venture's profit or loss in the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 *Joint ventures and associates (cont'd)*

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from associates or joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains or losses resulting from transactions between the Group and associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company unless it is impracticable to do so. When the financial statements of an associate or joint venture used in applying the equity method are prepared as of a different reporting date from that of the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company. In any case, the difference between the end of the reporting period of the associate or joint venture and that of the investor shall be no more than three months. The length of the reporting periods and any difference between the ends of the reporting periods shall be the same from period to period. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.13 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.14 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has provided for lifetime expected credit losses based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.16 *Development properties*

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

Net realisable value of the development properties is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.17 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted on a weighted-average basis.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 *Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. A contract asset is recognised when the Group has partially performed its performance obligations but its right to consideration has not become unconditional under the terms of the contract. Contract assets are transferred to trade receivables upon billing of the customer when payment milestones are met.

2.19 *Contract costs*

The Group pays sales commission to its intermediaries for each contract that they obtain for sale of development properties. The Group capitalises such commission as incremental costs to obtain a contract with the customer if these costs are recoverable. The capitalised costs are amortised to profit or loss as the Group recognises the related revenue.

2.20 *Non-current asset held for sale*

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

2.21 *Contract liabilities*

Contract liabilities relate primarily to the progress billing issued in excess of the Group's right to the consideration in respect of its property development business.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.23 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other operating income". Alternatively, they are deducted in reporting the related expenses.

2.24 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.25 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.26 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes and defined contribution plans are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.27 Leases

The Group assesses at contract inception whether a contract is or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as disclosed in Note 10.

If ownership of the leased assets transfers to the Group at the end of the lease term or the cost reflects the exercise of the purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment non-financial assets is disclosed in Note 2.9.

The Group's right-of-use assets are presented within property, plant and equipment (Note 10).

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present values of the lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities, is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (i.e. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are disclosed in Note 24.

(iii) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain an option to extend). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.27 *Leases (cont'd)*

(b) *Sale and leaseback*

A sale and leaseback transaction involve the transfer of an asset to another entity and the leasing back of the same asset. The accounting treatment of a sale and leaseback transaction depends upon whether the transfer of an asset is accounted for as a sale of that asset.

If the transfer of an asset is accounted for as a sale of the asset, the right-of-use asset arising from the leaseback shall be measured at the proportion of the previous carrying amount of the asset and shall recognise only the amount of any gain or loss that relates to the rights transferred. If the fair value of the consideration for the sale of an asset does not equal the fair value of the asset, or if the payments for the lease are not at market rates, adjustments will be made to measure the sale proceeds at fair value where any below-market terms shall be accounted for as a prepayment of lease payments; and any above-market terms shall be accounted for as additional financing.

If the transfer of an asset is not accounted for as a sale of the asset, the assets would be continued to be recognised and a financial liability equal to the transfer proceeds shall be recognised on the balance sheet.

2.28 *Revenue*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Hotel and resort room revenue*

Room revenue from operation of hotels and resorts are recognised over time as the accommodation and related services are provided and based on the daily room rates over the duration of the stay stated in the contract.

(b) *Food & beverage, Spa and other retail revenues*

Food & beverage, Spa and other retail revenues are recognised at a point in time as and when the goods are transferred and services are rendered.

(c) *Sale of development properties*

The Group develops and sells residential properties before completion of construction of the properties.

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract liabilities are recognised as revenue as the Group performs under the contract.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.28 Revenue (cont'd)

(d) **Management, coordination and establishment fee**

Management fee from real estate origination, coordination services, consultancy services and establishment fee from external parties as well as management fee from related companies are recognised over time as the related services are provided over the duration of the service contracts.

(e) **Interest income**

Interest income is accrued using the effective interest rate method.

2.29 Taxes

(a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.29 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Sales tax*

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.30 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.31 *Contingencies*

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- a present obligation that arises from past events but is not recognised because:
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgments made in applying accounting policies*

In the process of applying the Group's accounting policies, apart from those involving estimations, management has made the following significant judgments including the appropriateness of preparing the consolidated financial statements on a going concern basis as disclosed in Note 2.1.

Capitalisation of renovation work in property, plant and equipment

Included in property, plant and equipment is an amount of \$1 million pertaining to renovation work in a related company's premises under a license agreement, for which the premises are intended to be used by the Group as a marketing office. Under this license agreement, the owner of the premises has the right to sell the premises at any time whenever there is a ready buyer, after compensating the Group. As at the reporting date, the premises under renovation have yet to be handed over to the Group, notwithstanding the licence agreement will expire on 31 December 2022.

As at the date of authorising the financial statements for issuance, the Group has managed to extend the license period for a further 6 months till 30 June 2023. Accordingly, management is of the view that the economic benefits expected to flow to the Group from the use of the premises will last more than 12 months from the end of the reporting period, and hence has justified for the renovation work of \$1 million to be capitalised under property, plant and equipment.

Management expects to depreciate this renovation work of \$1 million in the next financial year ending 31 March 2023 over its useful life from the effective date of handing over the premise for use as a marketing office, till 30 June 2023.

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Net realisable value of development properties and impairment of property, plant and equipment*

As at 31 March 2022, the Group has significant properties which comprise development properties (carried at the lower of cost or net realisable value) amounting to \$125,880,000 (2021: \$126,718,000) and leasehold land and buildings (carried at cost model) amounting to \$37,698,000 (2021: \$38,403,000). To assess the net realisable value of the development properties and the impairment of leasehold land and buildings, the Group engaged an external professional valuer to determine both the net realisable value of the development properties and the recoverable amount of the leasehold land and buildings. The key assumptions applied are discount rate, average room rates, occupancy rates, growth rate, selling price per square metre and gross development cost per square metre. These valuation results are based on the relevant market conditions prevailing at the reporting date, which may be subject to significant changes after the reporting period given the increased economic uncertainties brought on by the COVID-19 outbreak. Accordingly, the external professional valuers have included cautionary statements about the heightened uncertainty over valuations in their valuation reports.

With regards to the net realisable value of development properties and recoverable amount of property, plant and equipment, management believes that no reasonably possible changes in any of the above assumptions would result in a material write-down in the carrying amounts.

The carrying amounts of the property, plant and equipment and development properties are disclosed in Notes 10 and 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

(b) Revenue and cost of sales in respect of development properties

The Group's development properties amounted to \$125,880,000 as at 31 March 2022, of which \$25,623,000 relates to development properties held by a subsidiary in Indonesia and the remaining carrying amount of \$100,257,000 relates to development properties in Singapore ("Singapore development properties").

Revenue from sale of development properties in Singapore

Revenue from sale of Singapore development properties is recognised progressively, where the Group has enforceable rights to payment, based on the Group's progress towards completing the construction. The measure of progress is determined based on construction costs incurred to date as a proportion of the estimated total construction costs to be incurred. The Group is required to estimate the total construction costs which include estimation for variation works and any other claims from contractors. In making these estimates, the Group relies on past experience and the work of specialists. The amount of revenue recognised from development properties by the Group is therefore subject to uncertainty in respect of variation works and estimation of future costs.

The COVID-19 outbreak brings about volatility in market and economic conditions such that there is heightened uncertainty in the variation between actual results and estimates. Significant judgment by management has been made to incorporate the current status and potential impact of COVID-19 in the key assumptions used in forming any revised completion timeline and estimated property development costs.

The Group's revenue recognised from the sale of development properties for the financial year is disclosed in Note 4 to the financial statements. The carrying amounts of the development properties are disclosed in Note 15 to the financial statements.

(c) Impairment of investments in subsidiaries

The Company follows the guidance of SFRS(I) 1-36 in determining whether investments in subsidiaries are impaired. This determination requires significant judgment and estimation. The Company evaluates, among other factors, the duration and extent to which the recoverable amount of the investment is less than its carrying amount and the financial health of and near-term business outlook for the investment, including factors such as industry and sector future performance in view of the Covid-19 outbreak, general economic environment and tourism outlook and financing cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

4. REVENUE

(a) Disaggregation of revenue

Segments	Real estate development and investment		Real estate origination and management services		Hospitality		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Primary geographical markets								
Singapore	12,281	2,800	1,100	1,101	149	199	13,530	4,100
Indonesia	-	2,688	-	-	1,677	1,337	1,677	4,025
People's Republic of China	-	-	213	190	-	-	213	190
	12,281	5,488	1,313	1,291	1,826	1,536	15,420	8,315
Major product or service lines								
Management, coordination, consultancy and establishment fee	-	-	1,313	1,291	149	198	1,462	1,489
Room revenue	-	-	-	-	724	503	724	503
Food & beverage, Spa and other retail revenue	-	-	-	-	420	298	420	298
Sale of development properties	12,281	5,488	-	-	-	-	12,281	5,488
Others	-	-	-	-	533	537	533	537
	12,281	5,488	1,313	1,291	1,826	1,536	15,420	8,315
Timing of transfer of goods or services								
At a point in time	-	2,688	-	-	953	835	953	3,523
Over time	12,281	2,800	1,313	1,291	873	701	14,467	4,792
	12,281	5,488	1,313	1,291	1,826	1,536	15,420	8,315

(b) Contract liabilities

Information about contract liabilities from contracts with customers is disclosed as follows:

	Group	
	2022	2021
	\$'000	\$'000
Sales proceeds received in advance	1,071	1,996

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for sale of development properties which the property has yet to be passed to the purchaser.

Contract liabilities are recognised as revenue as the Group performs under the contract.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

4. REVENUE (CONT'D)

(b) *Contract liabilities (cont'd)*

Significant changes in contract liabilities are explained as follows:

	Group	
	2022	2021
	\$'000	\$'000
Revenue recognised that was included in the contract liability balance at beginning of the year	1,490	2,800

5. OTHER OPERATING INCOME

	Group	
	2022	2021
	\$'000	\$'000
Net foreign exchange gains	398	382
Government grants received	193	785
Interest income from third parties	2	5
Allowance for expected credit losses of other receivables written back (Note 17)	435	-
Gain on strike-off of subsidiaries	4	-
Other income	1	2
	1,033	1,174

6. FINANCE COSTS

	Group	
	2022	2021
	\$'000	\$'000
Interest expense:		
- Bank loans	1,788	1,812
- Loan from a shareholder	3,138	2,590
- Loan from non-controlling interest	362	351
- Loan from ultimate holding company	550	168
- Lease liabilities	8	12
- Others	80	83
	5,926	5,016

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

7. INCOME TAX EXPENSES

Major components of income tax expenses

The major components of income tax expense for the years ended 31 March 2022 and 2021 are:

	Group	
	2022 \$'000	2021 \$'000
Consolidated statement of profit or loss and other comprehensive income		
Income tax		
- Current income taxation	41	62
- Over provision in prior years	-	(116)
Deferred tax		
- Origination and reversal of temporary differences	-	173
Income tax expenses recognised in profit or loss	41	119

Reconciliation between income tax expenses and accounting loss

A reconciliation between income tax expenses and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 March 2022 and 2021 are as follows:

	Group	
	2022 \$'000	2021 \$'000
Loss before tax	(11,534)	(10,515)
Tax at 17% (2021: 17%)	(1,961)	(1,788)
Adjustments:		
Non-deductible expenses	1,164	1,728
Income not subjected to tax	(116)	(145)
Utilisation of previously unrecognised tax losses	(60)	(957)
Deferred tax assets not recognised	989	1,226
Tax losses not available to be carried forward	125	99
Over provision of tax in prior years	-	(116)
Different tax rates of subsidiaries operating in other jurisdictions	(135)	143
Tax effect on share of results from investment in associate	(1)	(19)
Tax effect on share of results from investment in a joint venture, prior to reclassification (Note 21)	84	6
Others	(48)	(58)
Income tax expenses recognised in profit or loss	41	119

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

At the end of the reporting period, the Group has unutilised tax losses and approved donations of \$52,860,000 (2021: \$47,400,000) and \$138,000 (2021: \$138,000) respectively, that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax assets are recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses and capital allowances have no expiry date except for an amount of \$26,587,000 (2021: \$24,803,000) which will expire in 2023 – 2027 (2021: 2022 – 2026). The donations of \$138,000 (2021: \$138,000) will expire in 2022 – 2026 (2021: 2022 – 2025).



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

8. LOSS AFTER TAX

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

	Group	
	2022	2021
	\$'000	\$'000
Directors' remuneration:		
- of the Company	1,228	1,192
- of the subsidiaries	676	673
	<u>1,904</u>	<u>1,865</u>
Directors' fees	181	194
Employee benefits expense (including directors' remuneration)	3,542	3,374
Defined contribution plans (included in employee benefits expense)	208	197
Audit fees:		
Auditors of the Company	132	90
- Under provision in prior year	60	-
	<u>192</u>	<u>90</u>
Other auditors	-	25
- Over provision in prior year	(2)	-
Non-audit fees:		
Auditors of the Company		
- Under provision in prior year	1	-
Bad debts written off	3	-
Depreciation of property, plant and equipment (Note 10)	2,266	2,638
Operating lease expense (Note 24)	89	77
Cost of inventories recognised as expenses	254	305
Cost of development properties recognised as expenses	11,108	5,372
Gain on strike-off of subsidiaries	(9)	-
Loss on disposal of property, plant and equipment	5	-
Property, plant and equipment written off	<u>5</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

9. LOSS PER SHARE

Basic loss per share are calculated by dividing loss, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share are calculated by dividing loss, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The potential ordinary shares convertible from the loans from shareholders under the arrangement detailed in Note 26 have been excluded from the calculation of diluted earnings per share as their effects would be anti-dilutive (i.e. loss per share would have been reduced in the event that dilutive potential shares issued are converted into ordinary shares). Thus, the diluted earnings per share is the same as the basic earnings per share.

The following table reflects the loss and share data used in the computation of basic and diluted loss per share for the financial years ended 31 March:

	Group	
	2022	2021
Loss attributable to owners of the Company (\$'000)	(10,782)	(9,715)
Weighted average number of ordinary shares for basic and diluted earnings per share (number of shares)	1,107,962,214	1,107,962,214
Basic and diluted loss per share (cents per share)	(0.97)	(0.88)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

10. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land and buildings \$'000	Computers \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Boats \$'000	Office equipment \$'000	Hotel and resort equipment \$'000	Renovation \$'000	Machinery and equipment \$'000	Total \$'000
Cost										
At 1 April 2020	44,682	1,584	3,126	1,082	43	155	1,550	1,407	77	53,706
Additions	185	49	-	-	-	-	-	574	-	808
Adjustments	(21)	-	-	-	-	-	-	-	-	(21)
Exchange differences	2,439	79	172	44	3	2	93	74	4	2,910
At 31 March 2021	47,285	1,712	3,298	1,126	46	157	1,643	2,055	81	57,403
Additions	-	12	5	-	-	-	38	557	-	612
Disposals	-	(8)	(19)	-	-	(5)	-	(106)	-	(138)
Strike-off of subsidiary	-	-	(1)	-	-	-	-	-	-	(1)
Write-offs	-	(6)	-	-	-	(53)	-	(11)	-	(70)
Exchange differences	953	34	67	20	1	2	37	35	1	1,150
At 31 March 2022	48,238	1,744	3,350	1,146	47	101	1,718	2,530	82	58,956
Accumulated depreciation										
At 1 April 2020	6,742	1,400	2,396	772	43	112	842	949	34	13,290
Depreciation	1,771	109	248	123	-	13	135	224	15	2,638
Exchange differences	369	67	132	32	3	2	72	22	1	700
At 31 March 2021	8,882	1,576	2,776	927	46	127	1,049	1,195	50	16,628
Depreciation	1,475	84	243	121	-	11	113	206	13	2,266
Disposals	-	(8)	(14)	-	-	(5)	-	(106)	-	(133)
Strike-off of subsidiary	-	-	(1)	-	-	-	-	-	-	(1)
Write-offs	-	(3)	-	-	-	(51)	-	(11)	-	(65)
Exchange differences	183	30	57	14	1	1	33	15	1	335
At 31 March 2022	10,540	1,679	3,061	1,062	47	83	1,195	1,299	64	19,030
Carrying amount										
At 31 March 2022	37,698	65	289	84	-	18	523	1,231	18	39,926
At 31 March 2021	38,403	136	522	199	-	30	594	860	31	40,775

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Computers \$'000
Cost	
At 1 April 2020, 31 March 2021 and 31 March 2022	7
Accumulated depreciation	
At 1 April 2020	5
Depreciation	*
At 31 March 2021 and 1 April 2021	5
Depreciation	2
At 31 March 2022	7
Carrying amounts	
At 31 March 2022	-
At 31 March 2021	2

* Amount is less than one thousand.

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 24(a).

The cash outflow on acquisition of property, plant and equipment during the financial year amounted to \$612,000 (2021: \$808,000).

As at 31 March 2022, the Group's motor vehicles included assets held in trust by a Director of the Company with carrying amount of \$Nil (2021: \$78,000).

Assets held under finance leases

The carrying amount of motor vehicles held under finance leases at the end of the financial period was \$Nil (2021: \$78,000).

Assets pledged as security

In addition to assets held under finance leases, the Group's leasehold land and buildings with a total carrying amount of \$37,698,000 (2021: \$38,403,000) are mortgaged to secure the Group's bank borrowings (Notes 22 and 23).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

11. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	2021
	\$'000	\$'000
Unquoted shares, at cost	253,571	253,571
Less: Allowance for impairment	(181,940)	(181,940)
	71,631	71,631
Loans and receivables		
Amount due from a subsidiary	73,518	72,112
Carrying amount of investments in subsidiaries	145,149	143,743

The amount due from a subsidiary is interest-free and repayable at the discretion of the subsidiary. The amount is considered as an extension of the Company's net investment in the subsidiary.

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

	Company	
	2022	2021
	\$'000	\$'000
Balance at beginning of the year	181,940	174,976
Charged to profit or loss	-	6,964
Balance at end of the year	181,940	181,940

(a) **Impairment testing of investments in subsidiaries**

During the previous financial year, management has performed an impairment test for the Company's investments in subsidiaries. As a result, an impairment loss of \$6,964,000 for the year ended 31 March 2021 was made to write down these investments to their respective recoverable amounts. The impairment loss was mainly due to lower property valuations and losses recorded.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

11. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) *Composition of the Group*

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

Name	Principal activity/ Place of incorporation	Effective equity held by the Group	
		2022 %	2021 %
<i>Held by the Company</i>			
KOP Properties Pte. Ltd. ⁽¹⁾	Investment holding and business management consultancy services/ Singapore	100	100
Wintastar Holdings Pte. Ltd. ⁽¹⁾	Investment holding and business management consultancy services/ Singapore	100	100
<i>Subsidiaries held by KOP Properties Pte. Ltd.</i>			
Montigo Nongsa Pte. Ltd. ⁽¹⁾	Real estate activities with own or leased property and business and management consultancy services/ Singapore	100	100
P.T. Teguh Cipta Pratama ⁽⁷⁾	Development and provision of resort services/ Indonesia	100	100
Montigo Resorts Pte. Ltd. ⁽¹⁾	Management of hotels with restaurants/ Singapore	100	100
The Cranley Hotel (IOM) Limited ⁽²⁾⁽⁴⁾	Property holding/ Isle of Man	85	85
Gramercy Properties Pte. Ltd. ⁽¹⁾⁽⁵⁾	Real estate development/ Singapore	82.81	82.81
KOP Properties (HK) Limited ⁽²⁾⁽³⁾	Property management and consultancy/ Hong Kong	51	51
KOP Cecil Pte. Ltd. ⁽¹⁾	Investment holding/ Singapore	100	100
KOP Properties Shanghai Operation and Management Pte. Ltd. ⁽⁶⁾	Real estate operation and management services/ Singapore	-	100
Dalvey Breeze Pte. Ltd. ⁽¹⁾	Investment holding/ Singapore	100	100
KOP Properties (UK) Limited ⁽⁹⁾	Property management/ United Kingdom	100	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

11. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) *Composition of the Group (cont'd)*

Details of the Group's subsidiaries at the end of the reporting period are as follows: (cont'd)

Name	Principal activity/ Place of incorporation	Effective equity held by the Group	
		2022 %	2021 %
<i>Subsidiary held by Gramercy Properties Pte. Ltd.</i>			
P.T. Montigo Seminyak ⁽⁵⁾⁽⁸⁾	Development and provision of hotel services/ Indonesia	82.81	82.81
<i>Subsidiary held by KOP Properties (HK) Limited</i>			
KOP Management Services (Shanghai) Co., Ltd. ⁽²⁾⁽³⁾	Property management and consultancy/ People's Republic of China	51	51
<i>Subsidiaries held by Montigo Resorts Pte. Ltd.</i>			
Cafe Montigo Pte. Ltd. ⁽⁶⁾	Cafes and coffee houses/ Singapore	-	60
Montigo Hospitality (Shanghai) Co., Ltd. ⁽²⁾	Hotel and property management/ People's Republic of China	100	100
<i>Subsidiary held by held by The Cranley Hotel (IOM) Limited</i>			
CHL Hotel Limited ⁽²⁾⁽⁴⁾	Provision of hotel services/ United Kingdom	85	85
<i>Subsidiary held by Dalvey Breeze Pte. Ltd.</i>			
Dalvey Breeze Development Pte. Ltd. ⁽¹⁾	Real estate developers/ Singapore	60	60
<i>Subsidiaries held by Wintastar Holdings Pte. Ltd.</i>			
Wintastar Real Estate Pte. Ltd. ⁽¹⁾	Investment holding and real estate activities/ Singapore	100	100
Wintastar Operations Pte. Ltd. ⁽¹⁾	Investment holding and business management consultancy services/ Singapore	100	100
Wintastar Concepts Pte. Ltd. ⁽¹⁾	Investment holding and operation and management services for real estate development/ Singapore	100	100
KOP Properties Operation and Management (Shanghai) Co., Ltd. ⁽⁶⁾	Business management and consultancy/ People's Republic of China	-	100
Wintastar (Shanghai) Co., Ltd. ⁽²⁾	Business management and consultancy/ People's Republic of China	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

11. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) *Composition of the Group (cont'd)*

Details of the Group's subsidiaries at the end of the reporting period are as follows: (cont'd)

Name	Principal activity/ Place of incorporation	Effective equity held by the Group	
		2022 %	2021 %
<i>Subsidiary held by Wintastar Real Estate Pte. Ltd.</i>			
KOP Northern Lights Pte. Ltd. ⁽¹⁾	Investment holding and real estate development/ Singapore	100	100
<i>Subsidiary held by Wintastar Operations Pte. Ltd.</i>			
WS Shanghai Operations Pte. Ltd. ⁽¹⁾	Investment holding and business management consultancy services/ Singapore	100	100
<i>Subsidiary held by Wintastar Concepts Pte. Ltd.</i>			
KOP Winterland Operation and Management (Shanghai) Co., Ltd. ⁽²⁾	Investment management and consultancy/ People's Republic of China	100	100

(1) Audited by UHY Lee Seng Chan & Co.

(2) Audited by other auditors.

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

(4) Collectively known as "Cranley Group".

(5) Collectively known as "Gramercy Group".

(6) Struck off during the financial year.

(7) Audited by UHY Lee Seng Chan & Co for the purpose of expressing an opinion on the consolidated financial statements for the financial year ended 31 March 2022.

(8) Audited by member firms of UHY International in the respective countries for the purpose of expressing an opinion on the consolidated financial statements for the financial year ended 31 March 2022.

(9) Not audited as the subsidiary is dormant in the year of incorporation.

(c) *Interest in subsidiaries with material non-controlling interests ("NCI")*

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interests held by NCI		Profit/(Loss) allocated to NCI during the year		Accumulated NCI at the end of the year	
		2022	2021	2022	2021	2022	2021
		%	%	\$'000	\$'000	\$'000	\$'000
Cranley Group	United Kingdom	15.00	15.00	(27)	4	1,217	1,242
KOP HK Group	Hong Kong & People's Republic of China	49.00	49.00	11	23	(2,347)	(2,355)
Gramercy Group	Singapore & Indonesia	17.19	17.19	(317)	(158)	2,821	3,066
Dalvey Breeze Development Pte. Ltd.	Singapore	40.0	40.00	(459)	(920)	(4)	448
Individual subsidiaries with immaterial non-controlling interests				(1)	132	-	-
				(793)	(919)	1,687	2,401

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

11. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Summarised financial information about subsidiaries with material NCI

Summarised financial information before intercompany elimination of subsidiaries with material non-controlling interests are as follows:

Name	Cranley Group		KOP HK Group		Gramercy Group		Dalvey Breeze Development Pte. Ltd.	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Summarised balance sheet								
Current								
Assets	11,127	11,239	313	283	17,471	17,640	107,972	104,505
Liabilities	(3,016)	(2,958)	(5,102)	(5,088)	(26,358)	(26,543)	(21,547)	(21,661)
Net current assets/(liabilities)	8,111	8,281	(4,789)	(4,805)	(8,887)	(8,903)	86,425	82,844
Non-current								
Assets	-	-	-	-	31,722	32,109	1,001	521
Liabilities	-	-	-	-	(6,421)	(5,370)	(87,437)	(82,245)
Net non-current assets/(liabilities)	-	-	-	-	25,301	26,739	(86,436)	(81,724)
Net assets/(liabilities)	8,111	8,281	(4,789)	(4,805)	16,414	17,836	(11)	1,120
Summarised statement of profit or loss and other comprehensive income								
Revenue	-	-	-	-	70	21	12,281	2,801
(Loss)/Profit after tax	(178)	29	22	46	(1,846)	(917)	(1,148)	(2,300)
Other comprehensive income	8	65	(6)	(304)	427	1,516	-	-
Total comprehensive income	(170)	94	16	(258)	(1,419)	599	(1,148)	(2,300)
Other summarised information								
Net cash flow from operations	(14)	4,309	2	-	658	(9)	593	(1,476)
Net cash flow from investing	-	-	-	-	(3)	-	(481)	(519)
Net cash flow from financing	-	(4,296)	-	-	(749)	(78)	3,302	1,410

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

12. INVESTMENT IN ASSOCIATE

	Group	
	2022 \$'000	2021 \$'000
Cost of investment ⁽¹⁾	-	-
Share of post-acquisition profit and losses, net of dividend received	310	306
	310	306

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

Name	Principal activity/ Place of incorporation	Group Proportion of ownership interest	
		2022 %	2021 %
Epic Land Pte. Ltd. ⁽²⁾ ("Epic Land")	Investment holding company/ Singapore	25	25

(1) Includes an investment in an associate, Epic Land of \$25.

(2) Audited by other auditor.

A dividend of \$Nil (2021: \$750,000) was declared from Epic Land during the financial year ended 31 March 2022.

The summarised financial information in respect of the Group's material associate, Epic Land is based on its SFRS(I) financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	2022 \$'000	2021 \$'000
Summarised balance sheet		
Current assets	1,378	1,483
Non-current assets	-	-
Total assets	1,378	1,483
Current liabilities	(140)	(261)
Non-current liabilities	-	-
Total liabilities	(140)	(261)
Net assets	1,238	1,222
Proportion of the Group's ownership interest	25%	25%
Carrying amount of investment in associate	310	306
Summarised statement of profit or loss and other comprehensive income		
Revenue	-	-
Profit for the year, representing total comprehensive income for the year	16	452

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

13. INVESTMENTS IN JOINT VENTURES

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

Name	Principal activity/ Place of incorporation	Group	
		Proportion of ownership interest	
		2022	2021
		%	%
Shanghai Snow Star Properties Co., Ltd. ("Snow Star") ^{(1) (3)}	Investment management and consultancy/ People's Republic of China	30 (Note 21)	30
Shanghai Jiayi Operation and Management Co., Ltd. ⁽²⁾	Business management and consultancy/ People's Republic of China	55	55

(1) Audited by other auditor.

(2) Dormant since incorporation.

(3) Audited for group reporting purpose by member firm of UHY International in the respective countries.

The Group jointly controls the joint ventures with other partners under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

Summarised financial information in respect of the Group's material joint venture, Snow Star is based on its SFRS(I) financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	2022	2021
	\$'000	\$'000
Summarised balance sheet		
Current assets	44,141	23,067
Includes:		
- Cash and bank balances	16,800	5,632
Current liabilities	30,138	76
Includes:		
- Other current liabilities (including trade and other payables)	29,987	17
Non-current assets ⁽¹⁾	838,610	660,139
Non-current liabilities	483,095	328,387
Net assets	369,518	354,743
Proportion of the Group's ownership interest	30%	30%
Group's share of net assets	110,855	106,423
Consolidation adjustment arising from transaction with a joint venture	(3,256)	(3,256)
Carrying amount of the investment in a joint venture	107,599	103,167
Reclassified to non-current asset held for sale (Note 21)	(107,599)	-
Carrying amount of the investment in a joint venture	-	103,167

(1) The Group's joint venture has an investment property amounting to \$828,786,000 (2021: \$658,658,000), which is carried at fair value as at 31 March 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

13. INVESTMENTS IN JOINT VENTURES (CONT'D)

	2022 \$'000	2021 \$'000
Summarised statement of profit or loss and other comprehensive income		
Revenue	146	-
Cost of sales	(1,493)	-
Other income	*	3
Expenses	(295)	(130)
Includes:		
- Finance costs	(14)	(19)
Loss before tax	(1,642)	(127)
Income tax expenses	-	-
Loss after tax	(1,642)	(127)
Other comprehensive income:		
- Exchange difference on translation of foreign operations	16,417	7,107
Total comprehensive income	14,775	6,980

* Amount is less than one thousand.

As at the end of the reporting period, the investment in joint venture, Snow Star was reclassified to "non-current asset held for sale" (Note 21).

The following transactions were entered into with Snow Star during the current financial year:

	Group
	2022
	\$'000
Consultancy fee income (Note 32)	668

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

14. DEFERRED TAX

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

(a) **Deferred tax assets**

	Group
	\$'000
At 31 March 2020 and 1 April 2020	(41)
Tax payable on cash received	(11)
At 31 March 2021	(52)
Charged to profit or loss	53
Exchange differences	(1)
At 31 March 2022	-

Deferred tax assets relate to the tax payable on advanced cash receipts for the sale of development properties in Indonesia which is recognised upon the hand-over of the units to the respective buyers.

(b) **Deferred tax liabilities**

	Group		
	Accelerated tax depreciation over accounting depreciation	Revaluation to fair value of property	Total
	\$'000	\$'000	\$'000
At 1 April 2020	148	2,260	2,408
Charged to profit or loss	173	-	173
Exchange differences	2	-	2
At 31 March 2021	323	2,260	2,583
Exchange differences	5	-	5
At 31 March 2022	328	2,260	2,588

Unrecognised temporary differences relating to investment in associate

At the end of the reporting period, no deferred tax liability (2021: \$Nil) has been recognised for taxes that would be payable on the undistributed earnings of the Group's associate as there is no income tax consequences attached to the dividends from the associate and there is no income tax payable on the subsequent distributions of profits from associate.

Tax consequences of proposed dividends

There are no income tax consequences for 2022 and 2021 attached to the dividends to the shareholders proposed by the Group and hence no liability has been recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

15. DEVELOPMENT PROPERTIES

Development properties consist of unsold properties under development.

	Group	
	2022	2021
	\$'000	\$'000
Completed properties held for sale	14,052	13,869
Properties under development	111,828	112,849
	125,880	126,718

Development properties were analysed as follows:

	Group	
	2022	2021
	\$'000	\$'000
Land and other related costs	98,541	98,504
Development cost, related overhead expenditure and financing costs incurred to-date	69,179	58,946
Cost of development properties	167,720	157,450
Transferred to cost of sales	(41,840)	(30,732)
	125,880	126,718

All development properties are pledged as securities for bank borrowings (Note 22).

Particulars of the development properties are set out below:

Description	Location	Tenure	Site area (square foot)	Gross floor area (square foot)	Approximate percentage of completion	Expected date of completion
Resort	Jalan Hang Lekir, Sambau Sub-District, Nongsa District, Batam City, Riau Islands Province, Indonesia	Hak Guna Bangunan title for 30 years	1,296,459	780,229	87%	December 2023
Residential	Lot 1086C of Town Subdivision 25 at 105 to 111 (odd no.) Dalvey Road Singapore	Freehold	55,481	49,072	37%	March 2023

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

16. INVENTORIES

	Group	
	2022	2021
	\$'000	\$'000
Supplies and consumables	240	329

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

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Third parties	1,725	113	-	-
- Joint venture	115	165	-	-
	1,840	278	-	-
Other receivables				
- Third parties	715	1,417	6	9
- Related companies	2	24	-	-
- Subsidiaries	-	-	5,517	1,994
	717	1,441	5,523	2,003
Total trade and other receivables	2,557	1,719	5,523	2,003
Add:				
Other current assets, excluding prepayments (Note 18)	149	359	*	*
Cash and bank balances (Note 20)	5,305	1,783	18	89
Total financial assets carried at amortised cost	8,011	3,861	5,541	2,092

* Amount is less than one thousand.

Trade and other receivables denominated in foreign currencies at 31 March are as follows:

	Group	
	2022	2021
	\$'000	\$'000
United States Dollar	138	138
Indonesian Rupiah	136	631
China Renminbi	67	87

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

17. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables

The average credit period on sale of goods and rendering of services ranges between 30 to 90 days (2021: 30 to 90 days). No interest is charged on the overdue balances.

Amounts due from subsidiaries, related companies, joint venture (trade and non-trade) and other receivables

The trade and non-trade receivables due from subsidiaries, related companies, joint venture and other receivables are unsecured, interest-free and repayable on demand and are to be settled in cash.

Receivables that are past due but not impaired

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

Expected credit losses

The movement in allowance for expected credit losses of trade receivables is as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At beginning and at end of the year	155	155	-	-

The movement in allowance for expected credit losses of other receivables is as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At beginning of the year	453	1,358	91	149
Written off	-	(905)	-	(58)
Written back (Note 5)	(435)	-	(91)	-
At end of the year	18	453	-	91

18. OTHER CURRENT ASSETS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Deposits	149	359	*	*
Prepayments	197	274	30	29
	346	633	30	29

* Amount is less than one thousand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

19. CONTRACT COSTS

	Group	
	2022	2021
	\$'000	\$'000
Costs to obtain sales contracts for development properties:		
At beginning of the year	636	-
Additions	178	720
Amortisation	(251)	(84)
At end of the year	563	636

Costs to obtain sales contracts for development properties related to incremental commission fees paid to intermediaries as a result of obtaining residential property sale contracts. These costs are amortised on a straight-line basis over the period of construction as this reflects the period over which the residential property is transferred to the customer.

Amortisation of contract costs amounting to \$251,000 (2021: \$84,000) are recognised within "Distribution costs" in the Group's profit or loss. There has been no impairment loss recognised on the contract costs for the financial years ended 31 March 2022 and 2021.

20. CASH AND BANK BALANCES

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at banks and on hand	5,113	1,500	18	89
Funds placed in escrow accounts	192	283	-	-
	5,305	1,783	18	89

As at 31 March 2022, the Group's cash and bank balances of \$4,490,000 (2021: \$1,207,000) were held under project accounts and withdrawals from which are designated for payments for expenditure incurred on project.

Cash and bank balances denominated in foreign currencies at 31 March are as follows:

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
United States Dollar	260	355	-	-
Hong Kong Dollar	10	10	-	-
China Renminbi	91	8	-	-
Great Britain Pounds	1	15	-	-
Indonesian Rupiah	37	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

20. CASH AND BANK BALANCES (CONT'D)

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash and bank balances (as of above)	5,305	1,783	18	89
Less: Restricted funds placed in escrow accounts	(192)	(283)	-	-
Cash and cash equivalents in the consolidated cash flow statement	5,113	1,500	18	89

Cash at bank earns interest at floating rates based on bank deposit rates. Funds placed in escrow accounts relate to the minimum balance maintained with bank to secure bank borrowings (Note 22).

21. NON-CURRENT ASSET HELD FOR SALE

On 10 November 2016, the Company announced that its indirect wholly-owned subsidiary company, KOP Northern Lights Pte. Ltd. ("KOPNL") had entered into a joint venture framework agreement ("Framework Agreement") in relation to a joint venture ("JV") with Shanghai LujiaZui Zhi Mao Investment Co., Ltd (上海陆家嘴至茂投资有限公司) ("SLJZZM"), a wholly-owned subsidiary of Shanghai LujiaZui (Group) Co., Ltd (上海陆家嘴(集团)有限公司) ("SLJZ") and Shanghai Harbour City Development (Group) Co., Ltd (上海港城开发(集团)有限公司) ("SHCD") for the development of Wintastar Shanghai (冰雪之星) located in Shanghai's Lingang City (临港主城区).

On 12 June 2017, KOPNL entered into an investment agreement ("Investment Agreement") in relation to the incorporation of the JV company, Shanghai Snow Star Properties Co., Ltd. (上海耀雪置业有限公司) ("JVC"), with SLJZZM and Shanghai Hong Bin Properties Co., Ltd. (上海鸿滨置业有限公司), a wholly-owned subsidiary of SHCD (collectively known as the "Applicants").

On or around 2020, as a result of differing views and disagreements between the parties in the JV, the Applicants have brought the case to the Shanghai International Arbitration Centre on 28 December 2020 (the "SHIAC").

On 18 January 2021, the Company announced that KOPNL had received a notice of arbitration dated 4 January 2021. Further details of the on-going arbitration are disclosed in Note 33.

Following a hearing on 25 June 2021, the SHIAC issued a partial judgment on 29 November 2021 as follows: (i) the Framework Agreement and the Investment Agreement shall be terminated on 20 December 2020, and (ii) the Applicants will acquire the Company's 30% equity interests in the JVC at a fair market value, based on the average of the valuation provided by two China-qualified valuers appointed by the Applicants and the Company respectively. The partial judgment dated 29 November 2021 had retrospectively terminated the Framework Agreement and Investment Agreement on 20 December 2020.

The investment in joint venture ("asset") attributable to the disposal which is expected to be sold within twelve months, has been reclassified as "non-current asset held for sale" and is presented as a separate line item in the balance sheets.

Notwithstanding Note 33, the Board is of the view that the proceeds of the disposal are expected to exceed the net carrying amount of the relevant asset and, accordingly, no impairment loss has been recognised on the classification of the "non-current asset held for sale".

The major class of asset comprising the "non-current assets held for sale" is as follows:

	Group	
	2022 \$'000	2021 \$'000
Investment in joint venture (Note 13)	107,599	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

22. BANK BORROWINGS (SECURED)

	Group	
	2022	2021
	\$'000	\$'000
Current		
Fixed rate bank loans		
- 7-year USD loan	2,193	3,477
- 5-year SGD loan	317	217
	2,510	3,694
Non-current		
Fixed rate bank loans		
- 7-year USD loan	6,422	5,371
- 5-year SGD loan	776	1,083
Variable rate bank loan		
- SGD land loan and construction loan	74,329	70,954
	81,527	77,408
Total bank borrowings (secured)	84,037	81,102

The Group's bank borrowings comprise the following:

(a) **7-year fixed rate bank loan**

The 7-year USD term loan of \$8,615,000 (2021: \$8,848,000) bears interest at 5.50% (2021: 5.50%) per annum and matures in June 2025. The loan is secured by a legal mortgage of the leasehold land and building of a subsidiary, personal guarantee from directors of the Company and corporate guarantee from a subsidiary.

The loan includes a financial covenant which requires the subsidiary to maintain a maximum adjusted gearing ratio of 0.7 throughout the tenure of the loan.

Subsequent to the reporting period, on 31 May 2022, the Group was granted an indicative restructuring scheme in relation to its 7-year USD loan whereby the principal payments for the amounts due from 1 January 2022 to 31 December 2022 have been deferred and will recommence thereafter from 1 January 2023.

(b) **5-year fixed rate bank loan**

The 5-year SGD term loan of \$1,093,000 (2021: \$1,300,000) bears interest at 2.75% (2021: 2.75%) per annum and matures in July 2025. The loan is secured by a corporate guarantee from the Company (Note 33).

(c) **Variable rate bank loans**

The variable rate bank loans comprise a SGD land loan of \$69,750,000 and a SGD construction loan of up to \$15,000,000 that was drawdown to \$4,637,000 (2021: \$1,336,000) as at the reporting date. The loans bear interest at 1.40% (2021: 1.40%) per annum over and above the prevailing SIBOR rate and are repayable 48 months from the date of drawdown of the land loan or 6 months from date of issuance of Temporary Occupation Permit (TOP) for the proposed development, whichever is earlier.

The loans are secured by a legal mortgage of the development property of the Group's subsidiary (Note 15) and proportionate guarantee from the Company (Note 33).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

22. BANK BORROWINGS (SECURED) (CONT'D)

A reconciliation of liabilities arising from financing activities is as follows:

	1 April 2021 \$'000	Cash flows, net \$'000	Non-cash changes			31 March 2022 \$'000
			Reclassification \$'000	Foreign exchange movement \$'000	Others \$'000	
Current						
Bank borrowings	3,694	(478)	(913)	207	-	2,510
Finance leases (Note 23)	35	(36)	37	-	-	36
Lease liabilities (Note 24(b))	139	(155)	100	-	8	92
Loans from shareholders (Note 26)	41,301	6,757	-	-	-	48,058
Non-current						
Bank borrowings	77,408	3,302	913	(171)	75	81,527
Finance leases (Note 23)	78	-	(37)	-	-	41
Lease liabilities (Note 24(b))	107	-	(100)	-	-	7
Loan from a non-controlling interest (Note 27)	11,292	380	-	-	355	12,027

	1 April 2020 \$'000	Cash flows, net \$'000	Non-cash changes			31 March 2021 \$'000
			Reclassification \$'000	Foreign exchange movement \$'000	Others \$'000	
Current						
Bank borrowings	2,392	40	1,262	-	-	3,694
Finance leases (Note 23)	33	(33)	35	-	-	35
Lease liabilities (Note 24(b))	428	(339)	39	-	11	139
Loans from shareholders (Note 26)	38,900	2,401	-	-	-	41,301
Non-current						
Bank borrowings	76,683	2,418	(1,262)	(506)	75	77,408
Finance leases (Note 23)	113	-	(35)	-	-	78
Lease liabilities (Note 24(b))	78	68	(39)	-	-	107
Loan from a non-controlling interest (Note 27)	10,941	-	-	-	351	11,292

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

23. FINANCE LEASES

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Amount payable under finance leases:				
Within one year	39	39	36	35
Between two to five years	42	82	41	78
	81	121	77	113
Less: Future finance charges	(4)	(8)	-	-
Present value of lease obligations	77	113	77	113
Less: Amount due for settlement within 12 months (shown under current liabilities)			(36)	(35)
Amount due for settlement after 12 months			41	78

The Group has finance lease for motor vehicles. The finance lease has a lease term of 7 years (2021: 7 years) commencing from 19 May 2017 and bears at the interest rate of 2.58% per annum (2021: 2.58% per annum). The lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligation under finance lease is secured by the leased assets (Note 10).

24. LEASES

The Group has lease contracts for land, buildings and office equipment. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the lease assets.

The Group also has certain leases of land and building with lease terms of 12 months or less. The Group has applied the 'short term lease' recognition exemption for these leases.

(a) *Rights-of-use assets*

Carrying amounts of right-of-use assets classified within property, plant and equipment:

	Group		
	Leasehold land and buildings	Office equipment	Total
	\$'000	\$'000	\$'000
At 1 April 2020	677	24	701
Additions	163	-	163
Depreciation	(433)	(7)	(440)
At 31 March 2021	407	17	424
Depreciation	(131)	(7)	(138)
At 31 March 2022	276	10	286

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. LEASES (CONT'D)

(b) *Lease liabilities*

The table below sets out the carrying amount of lease liabilities and the movements during the year:

	Group	
	2022	2021
	\$'000	\$'000
At beginning of the year	246	506
Additions	-	163
Accretion of interest	8	12
Payments	(155)	(435)
At end of the year	99	246
Current	92	139
Non-current	7	107
Total lease liabilities	99	246

(c) *Amounts recognised in profit or loss*

The table below sets out the amounts recognised in profit or loss during the year:

	Group	
	2022	2021
	\$'000	\$'000
Depreciation of right-of-use assets	127	429
Interest expense on lease liabilities	8	12
Expenses relating to short-term leases (included in administrative and general expenses)	89	77
Expenses relating to variable leases (included in cost of sales)	-	5
Total amount recognised in profit or loss	224	523

(d) *Total cash outflows*

The Group had total cash outflows for leases of \$155,000 for the financial year ended 31 March 2022 (2021: \$435,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade payables	2,533	3,042	-	-
Accrued operating expenses ⁽¹⁾	9,111	6,701	6,639	2,859
Advances from non-controlling interests	1,503	1,504	-	-
Deposits received ⁽²⁾	647	649	-	-
Amounts due to directors	1,859	1,315	1,571	1,315
Amounts due to related companies	15	131	-	-
Other payables	2,688	3,044	633	487
	18,356	16,386	8,843	4,661
Trade and other payables (excluding non-refundable deposits)	17,709	15,737	8,843	4,661
Add:				
Bank borrowings (secured) (Note 22)	84,037	81,102	-	-
Finance leases (Note 23)	77	113	-	-
Lease liabilities (Note 24)	99	246	-	-
Loans from shareholders (Note 26)	48,058	41,301	48,058	41,301
Loan from a non-controlling interest (Note 27)	12,027	11,292	-	-
Total financial liabilities carried at amortised cost	162,007	149,791	56,901	45,962

(1) Included in accrued operating expenses are interest payable to a shareholder [Note 26(a)] and ultimate holding company [Note 26(b)] amounting to \$5,451,000 and \$736,000 respectively.

(2) The deposits received include non-refundable deposits of \$647,000 (2021: \$649,000) mainly received from resort guests.

Trade and other payables denominated in foreign currencies at 31 March are as follows:

	Group	
	2022 \$'000	2021 \$'000
United States Dollar	1,529	1,540
Hong Kong Dollar	47	46
China Renminbi	244	229
Great Britain Pounds	1,666	1,543
Euros	316	331
Indonesian Rupiah	2,517	4,253

Trade payables/Other payables

The average credit period on purchases of goods and services ranges between 30 to 120 days (2021: 30 to 120 days). No interest is charged on the overdue balances.

Amounts due to related companies

The non-trade payables due to related companies are unsecured, interest-free and repayable on demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

25. TRADE AND OTHER PAYABLES (CONT'D)

Amounts due to directors

The amounts due to directors are non-trade related, unsecured, interest-free and repayable on demand and are to be settled in cash.

Advances from non-controlling interests

The advances from non-controlling interests are interest-free, unsecured and repayable on demand and are to be settled in cash.

26. LOANS FROM SHAREHOLDERS

The Group's and Company's loans from shareholders comprise the following:

(a) **Shareholder: \$37,000,000 fixed rate loan (2021: \$37,000,000)**

The loan from shareholder is denominated in SGD and bears interest at 7% per annum. The loan which was originally matured on 9 November 2018 was extended for repayment to 9 November 2022. As described in Note 2.1, in the event that the proceeds from disposal do not materialise on a timely basis, the shareholder agreed not to seek repayment of the loan principal of \$37 million due on 9 November 2022 plus interest of approximately \$5.5 million (Note 25) together with the on-going interest accrued until the receipt of the proceeds from the disposal of the non-current asset held for sale (Note 21) or 7 September 2023, whichever is earlier.

The loan is convertible into fully paid-up ordinary shares in the capital of the Company, at the option of the shareholder, in the event that the Company is unable to repay the loan on maturity date. The loan is secured by personal guarantees from certain directors of the Company.

(b) **Ultimate holding company: \$11,058,000 fixed rate loan (2021: \$4,301,000)**

The loan from ultimate holding company is denominated in SGD, bears interest at 7% per annum and repayable in 3 months or such other date as the parties shall agree in writing. The loan has been extended until cash flows of the Company improves.

The loan is convertible into fully paid-up ordinary shares in the capital of the Company, at the option of the shareholder, in the event that the Company is unable to repay the loan on maturity date.

27. LOAN FROM A NON-CONTROLLING INTEREST

The loan from a non-controlling interest is denominated in SGD, interest-free and not expected to be repaid within the next twelve months.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

28. SHARE CAPITAL

	Group and Company		Company	
	2022	2021	2022	2021
	Number of ordinary shares ⁽¹⁾		\$'000	\$'000
Issued and fully paid-up capital:				
At beginning and end of the year	1,107,962,214	1,107,962,214	294,506	294,506

(1) The equity structure (i.e. the number and types of equity instruments issued) reflect the equity structure of the Company, being the legal parent, including the equity instruments issued by the Company to effect the reverse acquisition on 4 May 2014.

	Group	
	2022	2021
	\$'000	\$'000
Issued and fully paid-up capital ⁽²⁾ :		
At beginning and end of the year	78,940	78,940

(2) The amount recognised as issued equity instruments in the consolidated financial statements is determined by adding to the issued equity of Scorpio East Holdings Ltd. and its subsidiaries immediately before the reverse acquisition to the costs of the reverse acquisition and proceeds from issuance of shares by the Company subsequent to the completion of the reverse acquisition.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

29. FOREIGN CURRENCY TRANSLATION RESERVES

The foreign currency translation reserves represent exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

30. REVALUATION RESERVE

The revaluation reserve represents the Group's share of gain on property revaluation of a joint venture, Shanghai Snow Star, net of deferred tax, in the financial year ended 31 March 2019. The gain arose on revaluation of a property held by Shanghai Snow Star that was previously classified under property, plant and equipment which was subsequently reclassified as investment property in the financial year ended 31 March 2019.

As disclosed in Notes 13 and 21, the joint venture has been classified as "non-current asset held for sale". On subsequent disposal of the investment in joint venture, this revaluation reserve will be derecognised and transferred to retained earnings.

31. OTHER RESERVES

Other reserves arose from transactions with ultimate holding company and a non-controlling interest.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

32. OTHER RELATED PARTIES TRANSACTIONS

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

	Group	
	2022	2021
	\$'000	\$'000
Ultimate holding company		
Service income	(211)	-
Loan	6,757	2,401
License fee	1	1
Interest expense	550	168
Related companies ⁽¹⁾		
Management fee income	(84)	(84)
Recharge of expenses	(617)	-
Reimbursement of expenses	131	81
Joint venture ⁽³⁾		
Consultancy fee income (Note 13)	(668)	(632)
Entity which the directors of the Company have interest in		
Management fee income	(200)	(200)
Consultancy fee income	(150)	-
Transactions with directors of the Company		
Management fee income from development properties sold	(7)	(7)
Shared return from development properties	(5)	(6)
Guarantors fee ⁽²⁾	278	280
Transactions with shareholder of the Company		
Interest expense	3,138	2,590

(1) Related companies refer to subsidiaries of the Company's ultimate holding company, KOP Group Pte Ltd and its subsidiaries, excluding entities within the Group.

(2) The guarantors fee was paid to the Group's certain directors for the execution of personal guarantee for the 7-year USD term loan and loan from a shareholder. The fees are accrued on a daily basis at 0.5% per annum and 0.25% per annum on the outstanding principal amount of the 7-year USD term loan and loan from a shareholder respectively, from the date of the loan facility agreement until the facilities are repaid and the directors' personal guarantee are discharged.

(3) The joint venture has been reclassified as non-current asset held for sale as at 31 March 2022 (Note 21).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

32. OTHER RELATED PARTIES TRANSACTIONS (CONT'D)

- (b) Compensation of directors and key management personnel

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

	Group	
	2022	2021
	\$'000	\$'000
Short-term employee benefits	2,001	1,989
Central Provident Fund contributions	61	70
	2,062	2,059

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

33. CONTINGENT LIABILITIES

Corporate guarantees

	Group and Company	
	2022	2021
	\$'000	\$'000
Corporate guarantees to financial institutions for subsidiaries' banking facilities	45,725	43,951

Based on information currently available, the Group and the Company does not expect any liabilities to arise from the guarantees.

Legal claims

In 2018, the Group received a notice from the court of Batam, Indonesia in relation to a statement of claim filed on 13 December 2017 to cancel the lease and unit management agreement for 2 units of the property owned by the Group.

On 13 March 2019, the Group received the verdict which the Court of Batam, Indonesia (the "Court") pronounced that the claim brought by the plaintiff has failed and ordered the plaintiff to pay all costs incurred by the Court.

The plaintiff appealed to Court of Batam and the Court of Batam has rejected the appeal.

Notice of Arbitration and updates on partial judgment

On 18 January 2021, the Company's indirect subsidiary, KOP Northern Lights Pte. Ltd., received a notice of arbitration dated 4 January 2021 through mail at the subsidiary's Singapore mailing address.

On 11 February 2021, Group has appointed its lawyers for the arbitration.

On 5 March 2021, the lawyers have advised that, in accordance with Article 40 of the 《中华人民共和国仲裁法》 and Article 41 of the 《中国（上海）自由贸易试验区仲裁规则》，further disclosure of the status of the arbitration case would cause the Company to be in breach of these laws and regulations. As such, in accordance with Rule 703(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalist, the Group is unable to disclose more details pertaining to the arbitration at this juncture. Notwithstanding this, the Group will seek consent from the counterparties and the relevant authorities to disclose more details on the arbitration case.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

33. CONTINGENT LIABILITIES (CONT'D)

Notice of Arbitration and updates on partial judgment (cont'd)

On 3 June 2021, the Group updated that the counterparties had on 26 May 2021 rejected the Company's request to disclose more details on the arbitration.

Following a hearing on 25 June 2021, the Shanghai International Arbitration Centre (the "SHIAC") issued a partial judgment on 29 November 2021 as follows: (i) the Framework Agreement and the Investment Agreement shall be terminated on 20 December 2020, and (ii) the Applicants will acquire the Company's 30% equity interests in the JVC at a fair market value, based on the average of the valuation provided by two China-qualified valuers appointed by the Applicants and the Company respectively. The partial judgment dated 29 November 2021 had retrospectively terminated the Framework Agreement and Investment Agreement on 20 December 2020.

As of 29 July 2022, the Group and the Applicants (Note 21) have submitted their respective valuation reports to the SHIAC.

The Group is presently not aware of the final arbitration award date and the execution date of the judgment, even though the lawyers for all the parties have requested SHIAC, to expedite the case.

Pending the final arbitration award, the Group is at the present time unable to quantify the quantum of the arbitration and the full financial impact on the Group. As announced on 5 March 2021, although the arbitration may materially affect the cash flow and working capital of the Group, it is not expected to materially affect the operations and going concern of the Group.

The Group's legal adviser had advised that it is more appropriate to disclose the full details of the arbitration, the outcome and financial impact once the final arbitration award is made, in order not to prejudice the final judgment. In consultation with the Group's legal adviser and having regard to the foregoing, the Board concurs with the Group's legal adviser's advice.

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

Further details on the background of the Company's investment are disclosed in Note 21.

34. COMMITMENTS

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

	Group	
	2022	2021
	\$'000	\$'000
Development properties	17,409	25,031
Consultancy fee for real estate development and investment project	269	585
	17,678	25,616

The commitments are not expected to be settled within the next 12 months from the date of financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

35. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables, other current assets, cash and bank balances, trade and other payables

The carrying amounts of these balances approximate fair values due to their short- term nature.

Variable rate bank loans

The carrying amounts of these balances approximate fair values as their interest rates approximate market interest rates.

(c) Assets and liabilities not measured at fair value, for which fair value is disclosed

The following table shows an analysis of the Group's and Company's liabilities not measured at fair value, for which fair value is disclosed:

Group	Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical assets (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Fair value Total \$'000	Carrying amount \$'000
31 March 2022					
Liabilities:					
Bank borrowings (secured):					
- Fixed rate bank loan	-	-	9,472	9,472	9,708
- Variable rate bank loan	-	-	75,031	75,031	74,329
Finance leases	-	-	81	81	77
Loans from shareholders	-	-	49,640	49,640	48,058
31 March 2021					
Liabilities:					
Bank borrowings (secured):					
- Fixed rate bank loan	-	-	10,057	10,057	10,148
- Variable rate bank loan	-	-	66,746	66,746	70,954
Finance leases	-	-	121	121	113
Loans from shareholders	-	-	42,883	42,883	41,301

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Assets and liabilities not measured at fair value, for which fair value is disclosed (cont'd)

Company	Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical assets (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Fair value Total \$'000	Carrying amount \$'000
31 March 2022					
Liabilities:					
Loans from shareholders	-	-	49,640	49,640	48,058
31 March 2021					
Liabilities:					
Loans from shareholders	-	-	42,883	42,883	41,301

Determination of fair value

Fixed rate bank loans, finance leases and loans from shareholders

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

36. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has five reportable segments as follows:

(i)	Real estate development and investment	The development, construction and sale of development properties.
(ii)	Real estate origination and management services	The provision of business and management services for projects, including acquisition of properties and undertaking the development conceptualisation, construction management, marketing and branding strategising and retail sales of such projects.
(iii)	Hospitality	Management and operation of hotel and resort, including restaurants and spas.
(iv)	Entertainment	Sales of goods, sales of tickets and sponsorship income.
(v)	Corporate office	Management fee income from subsidiaries, Group-level corporate services and treasury function.

For the purpose of monitoring segment performance and allocating resources, the Management monitors the assets and liabilities attributable to each segment. All assets and liabilities are allocated to reportable segments. Assets or liabilities, if any, used jointly by reportable segments are allocated to the segments on a reasonable basis. Segment revenue represents revenue generated from external and internal customers. Segment result represents the (loss)/profit earned from each segment after allocating costs directly attributable to a segment as well as those that can be allocated on a reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

36. SEGMENT INFORMATION (CONT'D)

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

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Real estate development and investment \$'000	Real estate origination and management services \$'000	Hospitality \$'000	Entertainment \$'000	Corporate office \$'000	Inter- segment eliminations \$'000	Total \$'000
31 March 2022							
Revenue							
Revenue from external customers	12,281	1,313	1,826	-	-	-	15,420
Inter-segment revenue	-	-	-	-	-	-	-
	12,281	1,313	1,826	-	-	-	15,420
Results							
Segment results	624	(1,173)	(2,173)	-	(2,397)	-	(5,119)
Finance costs	(1,664)	(37)	(537)	-	(3,688)	-	(5,926)
Share of results from investment in associate	4	-	-	-	-	-	4
Share of results from investments in joint ventures	-	(493)	-	-	-	-	(493)
Reportable loss	(1,036)	(1,703)	(2,710)	-	(6,085)	-	(11,534)
Income tax expense	(30)	-	(11)	-	-	-	(41)
Loss for the year	(1,066)	(1,703)	(2,721)	-	(6,085)	-	(11,575)
Other information							
Interest income	-	2	-	-	-	-	2
Depreciation of property, plant and equipment	(529)	(297)	(1,438)	-	(2)	-	(2,266)
Reportable segments assets	140,895	108,406	33,370	-	55	-	282,726
Reportable segments assets included:							
Investment in associate	310	-	-	-	-	-	310
Additions to non-current assets	481	73	58	-	-	-	612
Reportable segments liabilities	91,963	6,610	13,536	-	56,901	-	169,010

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

36. SEGMENT INFORMATION (CONT'D)

	Real estate development and investment \$'000	Real estate origination and management services \$'000	Hospitality \$'000	Entertainment \$'000	Corporate office \$'000	Inter- segment eliminations \$'000	Total \$'000
31 March 2021							
Revenue							
Revenue from external customers	5,488	1,291	1,536	-	-	-	8,315
Inter-segment revenue	-	-	-	-	400	(400)	-
	5,488	1,291	1,536	-	400	(400)	8,315
Results							
Segment results	(599)	(1,528)	(1,067)	-	(2,380)	-	(5,574)
Finance costs	(1,655)	(38)	(565)	-	(2,758)	-	(5,016)
Share of results from investment in associate	113	-	-	-	-	-	113
Share of results from investments in joint ventures	-	(38)	-	-	-	-	(38)
Reportable loss	(2,141)	(1,604)	(1,632)	-	(5,138)	-	(10,515)
Income tax (expense)/ credit	(152)	-	33	-	-	-	(119)
Loss for the year	(2,293)	(1,604)	(1,599)	-	(5,138)	-	(10,634)
Other information							
Interest income	-	4	1	-	-	-	5
Depreciation of property, plant and equipment	(584)	(588)	(1,466)	-	-	-	(2,638)
Reportable segments assets	136,989	104,291	34,710	-	128	-	276,118
Reportable segments assets included:							
Investment in associate	306	-	-	-	-	-	306
Investments in joint ventures	-	103,167	-	-	-	-	103,167
Additions to non-current assets	519	246	41	-	2	-	808
Reportable segments liabilities	88,094	7,239	15,381	-	45,961	-	156,675

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

36. SEGMENT INFORMATION (CONT'D)

Geographical information

The operations of the Group are principally located in Singapore, Indonesia and People's Republic of China.

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

	Revenue		Non-current assets	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Singapore	13,530	4,100	1,462	1,189
Indonesia	1,677	4,025	38,711	39,816
People's Republic of China	213	190	63	103,243
	15,420	8,315	40,236	144,248

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall business strategies, tolerance of risk and general risk management philosophy are determined by the Board of Directors in accordance with prevailing economic and operating conditions.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Foreign currency risk

The Group operates primarily in Singapore, Indonesia, People's Republic of China and the United Kingdom and as a result, is exposed to foreign currency risk from transactions denominated in foreign currencies, arising from its normal business activities.

The Group does not enter into derivative foreign exchange contracts and foreign currency borrowings to hedge against foreign currency risk. Exposures to foreign currency risks are managed as far as possible by natural hedges of matching assets and liabilities.

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

	Group			
	Assets		Liabilities	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
United States Dollars	398	493	(10,142)	(10,388)

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Indonesia, Hong Kong, People's Republic of China (PRC) and the United Kingdom. The Group's net investments in Indonesia, Hong Kong, PRC and the United Kingdom are not hedged as currency positions in Indonesian Rupiah, Hong Kong Dollars, China Renminbi and Great Britain Pounds are considered to be long-term in nature.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) *Foreign currency risk (cont'd)*

Currently, the PRC government imposes control over foreign currencies. The exchanges of China Renminbi for foreign currencies must be conducted through the People's Bank of China or other authorised financial institutions. The authorisation for exchanges at the People's Bank of China or other authorised financial institutions is granted reasons including the purchase of imported materials and remittance of earnings, but there is no guarantee that such authorisation is always granted.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss before tax to a 2% (2021: 5%) strengthening in the relevant foreign currencies against the functional currency of each of the Group's entity, with all other variables held constant.

	Group	
	2022	2021
	\$'000	\$'000
	Decrease in loss before tax	
<i>Impact on loss before tax:</i>		
United States Dollars	195	495

The opposite applies if the relevant foreign currencies were to weaken by 2% (2021: 5%) against the functional currency of each entity within the Group.

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

(b) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their bank overdrafts and bank borrowings.

Interest rate sensitivity

For the financial year ended 31 March 2022, at the end of the reporting period, if interest rates had been 50 basis points higher or lower with all other variables held constant, the Group's loss before tax would have been \$372,000 higher/lower (2021: \$355,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank loan, whose interest expenses are capitalised in development property until end of December 2019.

(c) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The carrying amount of trade and other receivables, other current assets excluding prepayments and cash and bank balances represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group adopts a policy of only dealing with creditworthy counterparties based on their trading and payment history as well as such commercial information which the Group obtains from time to time. Credit exposure is controlled by the counterparty limits that are reviewed and approved by management annually.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Credit risk (cont'd)*

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

(i) Financial assets at amortised cost

There are no significant changes to estimation techniques or assumptions made during the reporting period.

	Group	Company
	Financial assets at amortised cost	Financial assets at amortised cost
	\$'000	\$'000
As at 1 April 2020	1,513	149
Loss allowance measured during the financial year		
12-month ECL	(905)	(58)
Lifetime ECL	-	-
As at 31 March 2021	608	91
Loss allowance measured during the financial year		
12-month ECL	(435)	(91)
Lifetime ECL	-	-
As at 31 March 2022	173	-

The gross carrying amount of financial assets at amortised cost is as follows:

		Group		Company	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
12-month ECL	Other receivables	735	1,894	5,523	2,094
Lifetime ECL	Trade receivables	1,995	433	-	-
	Total	2,730	2,327	5,523	2,094

The gross carrying amount of trade and other receivables of the Group are disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) **Credit risk (cont'd)**

(ii) Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on similar loss pattern. The expected credit losses incorporate forward looking information based on specific economic data. The loss allowance provision as at 31 March is determined as below.

Singapore

	Group		Company	
	Gross carrying amount \$'000	Loss allowance provision \$'000	Gross carrying amount \$'000	Loss allowance provision \$'000
At 31 March 2022				
Up to 30 days	1,628	-	-	-
31 to 60 days	-	-	-	-
61 to 90 days	-	-	-	-
91 to 120 days	-	-	-	-
More than 120 days	159	155	-	-
	1,787	155	-	-
At 31 March 2021				
Up to 30 days	-	-	-	-
31 to 60 days	-	-	-	-
61 to 90 days	-	-	-	-
91 to 120 days	-	-	-	-
More than 120 days	164	155	-	-
	164	155	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) **Credit risk (cont'd)**

(ii) Trade receivables (cont'd)

Indonesia

	Group		Company	
	Gross carrying amount \$'000	Loss allowance provision \$'000	Gross carrying amount \$'000	Loss allowance provision \$'000
At 31 March 2022				
Up to 30 days	3	-	-	-
31 to 60 days	1	-	-	-
61 to 90 days	-	-	-	-
91 to 120 days	-	-	-	-
More than 120 days	88	-	-	-
	92	-	-	-
At 31 March 2021				
Up to 30 days	16	-	-	-
31 to 60 days	-	-	-	-
61 to 90 days	-	-	-	-
91 to 120 days	-	-	-	-
More than 120 days	87	-	-	-
	103	-	-	-

The receivables in Indonesia which are aged past 120 days mostly pertain to development property sales. The credit risk is mitigated by the underlying properties of which the receivables are collateralised upon.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) **Credit risk (cont'd)**

(ii) Trade receivables (cont'd)

Others

	Group		Company	
	Gross carrying amount \$'000	Loss allowance provision \$'000	Gross carrying amount \$'000	Loss allowance provision \$'000
At 31 March 2022				
Up to 30 days	-	-	-	-
31 to 60 days	-	-	-	-
61 to 90 days	-	-	-	-
91 to 120 days	-	-	-	-
More than 120 days	116	-	-	-
	116	-	-	-
At 31 March 2021				
Up to 30 days	162	-	-	-
31 to 60 days	-	-	-	-
61 to 90 days	-	-	-	-
91 to 120 days	-	-	-	-
More than 120 days	4	-	-	-
	166	-	-	-

Information regarding loss allowance movement of trade receivables are disclosed in Note 17.

(iii) Financial guarantees

The maximum amount the Company could be forced to settle under the financial guarantee contracts in Note 33 to the financial statements, if the full guaranteed amount is claimed by the counterparty to the guarantees, is \$45,725,000 (2021: \$43,951,000). Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that no amount will be payable under the arrangement.

The Group computes expected credit loss for financial guarantees using the probability of default approach. In determining ECL for financial guarantees, the Group consider events such as breach of loan covenants, default on instalment payments and determined that significant increase in credit risk occur when there is changes in the risk that the specified debtor will default on the contract.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. The Group does not apply hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Credit risk (cont'd)*

Exposure to credit risk

The Group and Company have no concentration of credit risk other than the amounts due from subsidiaries as disclosed in Note 17 to the financial statements. The credit risk on bank balances is limited because the counterparties are reputable financial institutions.

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

Further details of credit risk on trade and other receivables are disclosed in Note 17 to the financial statements.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2022		2021	
	\$'000	% of total	\$'000	% of total
By country:				
Singapore	1,743	95	169	61
Indonesia	93	5	104	37
Other countries	4	-	5	2
	1,840	100	278	100
By industry sector:				
Real estate development and investment	1,720	94	133	48
Real estate origination and management services	6	-	5	2
Hospitality	114	6	140	50
	1,840	100	278	100

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and bank balances that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 to the financial statements.

(d) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The ability of the Group and Company to pay its debts as and when they fall due are dependent on the factors as detailed in Note 2.1 under the header, Going Concern Assumption. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) *Liquidity risk (cont'd)*

At the end of the reporting period, approximately 83% (2021: 34%) of the Group's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Group			
	On demand or within one year \$'000	Within two to five years \$'000	After five years \$'000	Total \$'000
31 March 2022				
Financial assets:				
Trade and other receivables	2,557	-	-	2,557
Other current assets, excluding prepayments	149	-	-	149
Cash and bank balances	5,305	-	-	5,305
Total undiscounted financial assets	8,011	-	-	8,011
Financial liabilities:				
Trade and other payables, excluding non-refundable deposits	17,709	-	-	17,709
Bank borrowings	73,783	12,167	-	85,950
Finance leases	39	42	-	81
Loans from shareholders	50,279	-	-	50,279
Loan from a non-controlling interest	-	12,408	-	12,408
Total undiscounted financial liabilities	141,810	24,617	-	166,427
Total net undiscounted financial liabilities	(133,799)	(24,617)	-	(158,416)
31 March 2021				
Financial assets:				
Trade and other receivables	1,719	-	-	1,719
Other current assets, excluding prepayments	359	-	-	359
Cash and bank balances	1,783	-	-	1,783
Total undiscounted financial assets	3,861	-	-	3,861
Financial liabilities:				
Trade and other payables, excluding non-refundable deposits	15,737	-	-	15,737
Bank borrowings	4,645	79,579	-	84,224
Finance leases	39	82	-	121
Loans from shareholders	42,883	-	-	42,883
Loan from a non-controlling interest	-	12,028	-	12,028
Total undiscounted financial liabilities	63,304	91,689	-	154,993
Total net undiscounted financial liabilities	(59,443)	(91,689)	-	(151,132)



NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities (cont'd)

	Company			Total \$'000
	On demand or within one year \$'000	Within two to five years \$'000	After five years \$'000	
31 March 2022				
Financial assets:				
Trade and other receivables	5,523	-	-	5,523
Cash and bank balances	18	-	-	18
Total undiscounted financial assets	5,541	-	-	5,541
Financial liabilities:				
Trade and other payables, excluding non-refundable deposits	8,843	-	-	8,843
Loans from shareholders	50,279	-	-	50,279
Total undiscounted financial liabilities	59,122	-	-	59,122
Total net undiscounted financial liabilities	(53,581)	-	-	(53,581)
31 March 2021				
Financial assets:				
Trade and other receivables	2,003	-	-	2,003
Cash and bank balances	89	-	-	89
Total undiscounted financial assets	2,092	-	-	2,092
Financial liabilities:				
Trade and other payables, excluding non-refundable deposits	4,661	-	-	4,661
Loans from shareholders	42,883	-	-	42,883
Total undiscounted financial liabilities	47,544	-	-	47,544
Total net undiscounted financial liabilities	(45,452)	-	-	(45,452)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	2022				2021			
	One year or less \$'000	One to five years \$'000	Over five years \$'000	Total \$'000	One year or less \$'000	One to five years \$'000	Over Five years \$'000	Total \$'000
Company								
Financial guarantees	-	45,725	-	45,725	-	43,951	-	43,951

38. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2022 and 31 March 2021.

The Group is in compliance with externally imposed capital undertakings for the financial year ended 31 March 2022. Externally imposed capital undertakings are mainly debt covenants included in certain borrowings and bank facilities of the Group.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total capital. The Group's policy is to keep the gearing ratio below 1.50. The Group's total borrowings include bank borrowings, finance leases, loan from shareholders and loan from a non-controlling interest. Capital includes equity attributable to the owners of the Company.

	Group	
	2022 \$'000	2021 \$'000
Bank borrowings (secured) (Note 22)	84,037	81,102
Finance leases (Note 23)	77	113
Loans from shareholders (Note 26)	48,058	41,301
Loan from a non-controlling interest (Note 27)	12,027	11,292
Total borrowings	144,199	133,808
Equity attributable to the owners of the Company	112,029	117,042
Gearing ratio	1.29	1.14

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

39. COMPARATIVE INFORMATION

Our independent auditor's report dated 13 October 2021 contains a qualified opinion on the financial statements for the financial year ended 31 March 2021 ("FY2021"). Below is the extract of the basis for qualified opinion.

Extracted from Independent Auditor's Report for FY2021

(a) **On-going Arbitration**

As disclosed in Note 33 to the financial statements, the Board announced on 18 January 2021 that the Company's indirect subsidiary, KOP Northern Lights Pte. Ltd., had received a notice of arbitration dated 4 January 2021 through mail at the subsidiary's Singapore mailing address.

On 19 January 2021, the Singapore Exchange Securities Trading Limited ("SGX-ST") raised certain queries on the on-going arbitration and requested the Company to provide more details such as what does the arbitration relate to, who is the counterparty, what is the quantum of the arbitration, whether legal advice for the arbitration will be obtained and any other information which shareholders and investors would be interested in.

On 20 January 2021, the Company announced in response to the above queries from SGX-ST, and informed that the Company was bound by the non-disclosure clause in the notice of arbitration and hence is unable to disclose any further details of the arbitration. The Company also informed that based on their preliminary assessment then, the quantum involved is expected to have a material impact to the Group. Notwithstanding this, the Company is unable to quantify the full impact. The Company also informed that the arbitration and its outcome will potentially affect the cash flow and working capital. However, it is not expected to materially affect the operations and going concern of the Group. The Company is currently seeking legal advice and will make the necessary announcements when there are further developments on this matter.

On 11 February 2021, in response to SGX-ST earlier queries, the Company announced, that the Board has appointed its lawyers for the arbitration. The lawyers have advised that the Group is unable to provide further details of the arbitration because of the non-disclosure clause in the notice of arbitration.

On 5 March 2021, the Board made further announcement to update that the lawyers of the Group has advised that, in accordance with Article 40 of the 《中华人民共和国仲裁法》 and Article 41 of the 《中国（上海）自由贸易试验区仲裁规则》, further disclosure of the status of the arbitration case would cause the Company to be in breach of these laws and regulations. As such, in accordance with Rule 703(2) of the Listing Manual of the SGX-ST Section B: Rules of Catalist, the Group is unable to disclose more details pertaining to the arbitration.

As part of our audit procedures, we have sent a legal confirmation to the Board's appointed lawyers to inquire on the nature of the arbitration including the probability of success and the expected compensation costs, if any, arising from the arbitration. The lawyers replied that in view of the confidentiality clause signed between the parties involved in the arbitration, the lawyers are not able to disclose or respond to our queries.

Accordingly, we were unable to obtain sufficient appropriate audit evidence to determine the financial impacts that may arise from the arbitration, including any possible material impacts on the Group's and Company's cash flow and working capital arising from the arbitration.

Consequently, we were unable to determine whether any adjustments to the financial statements were necessary in view of the above.

(b) **Investments in Joint Ventures**

As disclosed in Note 13, the Group owns 30% equity interest in the joint venture company, Shanghai Snow Star Properties Co., Ltd ("Snow Star") incorporated in the People's Republic of China, with a carrying amount of approximately \$103,167,000 (2020: \$101,073,000) as at 31 March 2021. Snow Star is 30% owned by KOP Northern Lights Pte. Ltd., the Company's indirect subsidiary.

Snow Star has an investment property amounting to \$490,728,000 which was carried at fair value as at 31 March 2020. The valuation was performed by an independent professional valuer in the last financial year. The Group's 30% share of the investment property would be approximately \$147,218,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

39. COMPARATIVE INFORMATION (CONT'D)

(b) *Investments in Joint Ventures (cont'd)*

In the current financial year, the management of Snow Star did not respond to the professional valuer's requests for the information to conduct the valuation of the investment property as at 31 March 2021. In addition, the management of Snow Star has also granted limited access to our component auditors to audit Snow Star's accounting records.

Accordingly, we and our component auditors are unable to carry out any of our audit procedures on Snow Star, which was recognised by the Group as an investment in joint venture and accounted for using the equity method as disclosed in Note 13 to the financial statements. There are also no alternative audit procedures that can be performed.

As a result, we were unable to obtain sufficient appropriate audit evidence to determine the appropriateness of the carrying amount of the Group's investments in joint ventures as at 31 March 2021 and the Group's share of the results from investments in joint ventures for the financial year.

Consequently, we were unable to determine whether any adjustments were necessary in view of the above.

(c) *Events occurring after the reporting period*

At the reporting date, the Group's wholly-owned subsidiary, P.T. Teguh Cipta Pratama's ("PTTCP") total assets and revenue constituted 9% and 48% of the Group's total assets and revenue in the consolidated financial statements as at 31 March 2021 and for the financial year ended 31 March 2021 respectively.

In April 2021, PTTCP encountered a faulty hard disk incident which resulted in a loss of accounting and reconciliation schedules required for the audit process. While there was no impact to the accounting system/server arising from this incident, management had to reconstruct the accounting and reconciliation schedules for FY2021 audit purposes.

To expedite the audit process, management of PTTCP devoted its entire resources to reconstruct the accounting and reconciliation schedules needed to complete the FY2021 audit.

In view of the above, while FY2021 figures have been finalised and audited, management is currently still working to close its accounts after its financial year end, which is for the period from 1 April 2021. Hence, we were not provided with financial information of PTTCP beyond 31 March 2021, being the latest available.

Consequently, we were unable to complete certain audit procedures for the significant events occurring after the reporting period, which we considered necessary to satisfy ourselves on the significant matters occurring after the reporting period with respect to items recorded or unrecorded in the financial statements as at 31 March 2021.

Notwithstanding this, management informed us that business activities subsequent to the financial year end were not significant due to the imposed travel restrictions and border closures resulted from the COVID-19 pandemic. Accordingly, there should not be any material adjusting subsequent events that would affect the financial statements for the financial year ended 31 March 2021. However, we are unable to verify the above management's assertions.

40. SUBSEQUENT EVENTS

Status of arbitration and updates on partial judgment

As disclosed in Note 33, the Group has an on-going arbitration for the financial year ended 31 March 2021.

Following a hearing on 25 June 2021, a partial judgment was issued on 29 November 2021 which had retrospectively terminated the Framework Agreement and Investment Agreement on 20 December 2020.

The Group is currently pending the final arbitration award. Consequently, the Board of Directors is at the present time unable to quantify the quantum of the arbitration and the full financial impact on the Group. The details of which are disclosed in Notes 21 and 33.

41. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Directors on 7 September 2022.

STATISTICS OF SHAREHOLDING

As at 24 August 2022

Class of Shares	:	Ordinary share
No. of Shares (excluding treasury shares and subsidiary holdings)	:	1,107,962,214
Voting rights	:	One vote per share
No. of treasury shares and percentage	:	Nil
No. of subsidiary holdings held and percentage	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	4	0.35	74	0.00
100 - 1,000	313	27.22	184,075	0.02
1,001 - 10,000	243	21.13	1,554,000	0.14
10,001 - 1,000,000	537	46.69	66,757,705	6.02
1,000,001 AND ABOVE	53	4.61	1,039,466,360	93.82
TOTAL	1,150	100.00	1,107,962,214	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	368,015,542	33.22
2	GOI SENG HUI	234,595,043	21.17
3	HONG LEONG FINANCE NOMINEES PTE LTD	100,000,000	9.03
4	OCBC SECURITIES PRIVATE LIMITED	86,333,915	7.79
5	UOB KAY HIAN PRIVATE LIMITED	52,792,500	4.76
6	DBS NOMINEES (PRIVATE) LIMITED	38,107,938	3.44
7	LOW KHENG HONG @ LAU KHENG HONG	14,150,262	1.28
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	8,706,369	0.79
9	MAYBANK SECURITIES PTE. LTD.	8,520,100	0.77
10	RAFFLES NOMINEES (PTE.) LIMITED	8,099,700	0.73
11	ONG SIEW TING GERALDINE	7,000,000	0.63
12	TAN KIM SENG	6,166,300	0.56
13	NAM LEONG CO PTE LTD	5,510,000	0.50
14	CHUA KENG LOY	5,282,100	0.48
15	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	5,247,516	0.47
16	TAN BEE LIAN	4,881,800	0.44
17	TAY MING HIN	4,878,100	0.44
18	WONG YEE MEE	4,725,700	0.43
19	HSBC (SINGAPORE) NOMINEES PTE LTD	4,665,600	0.42
20	IFAST FINANCIAL PTE. LTD.	4,539,500	0.41
TOTAL		972,217,985	87.76

STATISTICS OF SHAREHOLDING

As at 24 August 2022

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

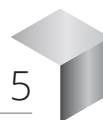
	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
KOP Group Pte. Ltd. ⁽¹⁾	-	-	428,571,428	38.68
Ong Chih Ching ⁽²⁾	1,569,100	0.14	495,442,143	44.72
Leny Suparman ⁽³⁾	1,800,000	0.16	459,257,142	41.45
Goi Seng Hui	234,595,043	21.17	-	-

Notes:

- (1) KOP Group Pte. Ltd. is deemed to be interested in (i) 100,000,000 ordinary shares held through Hong Leong Finance Nominees Pte. Ltd., and (ii) 328,571,428 ordinary shares held through Bank of Singapore Limited under Citibank Nominees Singapore Pte. Ltd..
- (2) Ms. Ong Chih Ching is deemed to be interested in (i) 428,571,428 ordinary shares held through KOP Group Pte. Ltd. by virtue of Section 7 of the Singapore Companies Act 1967, and (ii) 66,870,715 ordinary shares held through OCBC Securities Private Limited.
- (3) Ms. Leny Suparman is deemed to be interested in (i) 428,571,428 ordinary shares held through KOP Group Pte. Ltd. by virtue of Section 7 of the Singapore Companies Act 1967, and (ii) 30,685,714 ordinary shares held through Bank of Singapore Limited under Citibank Nominees Singapore Pte. Ltd..

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 24 August 2022, 27.04% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteen Annual General Meeting (“AGM”) of KOP Limited (“Company”) will be convened and held by way of electronic means, on Friday, 23 September 2022 at 2.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2022 together with the Auditors’ Report thereon. **Resolution 1**
2. To approve the payment of Directors’ fees of S\$24,395 for Mr. Lee Kiam Hwee for the period 1 April 2021 to 29 October 2021, being retirement date.
[See Explanatory Note (i)] **Resolution 2**
3. To approve the payment of Directors’ fees of S\$157,000 for the financial year ending 31 March 2023, to be paid quarterly in arrears. (2022: S\$157,000) **Resolution 3**
4. To re-elect the following Directors retiring pursuant to Regulations 112 of the Constitution of the Company:
Regulation 112
Ms. Leny Suparman **Resolution 4**
Dr. Ho Kah Leong @ Ho Kah Leung (“Dr. Ho”) **Resolution 5**
[See Explanatory Note (ii)]
5. That subject to and contingent upon passing of Ordinary Resolution 5 above, to approve Dr. Ho’s continued appointment as an Independent Director in accordance with Rule 406(3)(d)(iii)(A) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”), and such Resolution shall remain in force until the earlier of the following: (i) retirement or resignation of Dr. Ho as a Director; or (ii) the conclusion of the third AGM following the passing of this Resolution.
[See Explanatory Note (iii)] **Resolution 6**
6. That subject to and contingent upon passing of Ordinary Resolution 5 and 6 above, shareholders (excluding the Directors and the Chief Executive Officer (“CEO”) of the Company, and the respective associates of such Directors and CEO) to approve Dr. Ho’s continued appointment as an Independent Director in accordance with Rule 406(3)(d)(iii)(B) of the Catalist Rules, and such Resolution shall remain in force until the earlier of the following: (i) retirement or resignation of Dr. Ho as a Director; or (ii) the conclusion of the third AGM following the passing of this Resolution.
[See Explanatory Note (iii)] **Resolution 7**
7. To re-appoint Messrs UHY Lee Seng Chan & Co as the Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 8**
8. To transact any other ordinary business which may be properly transacted at an AGM.

AS SPECIAL BUSINESS

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

9. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 (“Companies Act”) and Rule 806 of the Catalist Rules**

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

- (a) (i) issue shares in the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or

NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

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

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

("Share Issue Mandate")

provided that:

- (1) the aggregate number of shares (including shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
- (b) new Shares arising from exercising share options or vesting of share awards provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with Rule 806(3)(a) or Rule 806(3)(b) of the Catalist Rules are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (iv)]

Resolution 9

10. Renewal of the Share Purchase Mandate

That:

- (a) for the purposes of Section 76C and 76E of the Companies Act, the exercise by the Directors of the Company ("**Directors**") of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) on-market purchase(s) (each a "**Market Purchase**"), transacted on Catalist Board ("**Catalist**") of the SGX-ST; and/or



NOTICE OF ANNUAL GENERAL MEETING

- (ii) off-market purchase(s) (each an “**Off-Market Purchase**”) effected otherwise than on Catalist in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Catalist Rules and the Companies Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (“**Share Purchase Mandate**”);
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next AGM of the Company is held or required by law to be held;
 - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
 - (iii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by Shareholders in general meeting;
- (c) in this Resolution:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on Catalist immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period and the day on which the purchases are made;

“**Date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“**Maximum Percentage**” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings as at that date); and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase of a Share, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase of a Share, 120% of the Average Closing Price of the Shares;
- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note (v)]

Resolution 10

By Order of the Board

Shirley Tan Sey Liy
Company Secretary

Singapore, 7 September 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Mr. Lee Kiam Hwee ("**Mr. Lee**"), being retirement date of 29 October 2021 in the last Annual General Meeting. The Company have recommended the Director's fees for Mr. Lee for the period 1 April 2021 to 29 October 2021 amounting to S\$24,395.
- (ii) Dr. Ho will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and the Nominating Committee of the Company. There are no relationships (including family relationships) between Dr. Ho and the other Directors, the Company, its related corporations, its officers or its substantial shareholders, which may affect his independence. The Board considers Dr. Ho to be independent for the purposes of Rule 704(7) of the Catalyst Rules.

Please refer to pages 28 to 32 of the annual report for the detailed information for Ms. Leny Suparman and Dr. Ho required pursuant to Rule 720(5) of the Catalyst Rules.

- (iii) Ordinary Resolutions 6 and 7 are to approve the continued appointment of Dr. Ho, whom had served as an Independent Director for an aggregate period of more than nine (9) years, to a two-tier voting process in accordance with Rule 406(3)(d)(iii) of the Catalyst Rules. For the purpose of Ordinary Resolution 7, in accordance with Rule 406(3)(d)(iii)(B) of the Catalyst Rules, the Directors and the CEO of the Company, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given.

The Nominating Committee and the Board of the Company have evaluated the participation of Dr. Ho at the Board and Nominating Committee meetings and determined that he remains objective, continues to possess independent thinking and has the ability to exercise objective judgment on corporate matters independently in discharging his duties as the Independent Director of the Company for the best interests of the Company.

Should the Ordinary Resolutions 6 and 7 not passed, Dr. Ho will cease to be considered independent and will be re-designated as Non-Executive Director of the Company and the Company shall endeavour to search for suitable candidate and fill in the vacancies of the Independent Director to fulfil the requirements of the Catalyst Rules and the Code of Corporate Governance 2018.

- (iv) Ordinary Resolution 9 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a pro rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issues, consolidation or subdivision of shares.

- (v) Ordinary Resolution 10 above, if passed, will empower the Directors of the Company effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price as defined in Paragraph 2.8.3 to the Appendix. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 March 2022 are set out in greater detail in the Appendix.

Notes:

General

- Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The AGM will be convened and held by way of **electronic means and shareholders will not be allowed to attend the AGM in person**. However, the alternative arrangement has been provided to allow the shareholders to participate and vote at the AGM via electronic means. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's corporate website <http://www.koplimited.com> and the following URL: <https://conveneagm.com/sg/koplimited2022>. This Notice will also be made available on the SGX website at the URL: <https://www.sgx.com/securities/company-announcements>.
- Alternative arrangements are instead put in place to allow shareholders to participate in the AGM by:
 - watching or listening to the AGM proceedings via a Live Webcast (as defined below). Shareholders who wish to participate as such will have to pre-register in the manner outlined in paragraphs (3) to (7) below;
 - submitting questions in advance of or "live" at the AGM. Please refer to paragraphs (8) to (13) below for further details; and
 - voting (i) "live" by the Shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (ii) by appointing the Chairman of the AGM as proxy to vote on their behalf at the AGM. Please refer to paragraphs (14) to (19) below for further details.

Participation in the AGM via live webcast or live audio feed

- A shareholder of the Company or their corporate representatives (in the case of a member which is a legal entity) will be able to watch or listen to the proceedings of the AGM through a live webcast via mobile phone, tablet or computer ("**Live Webcast**"). In order to do so, the member must pre-register **by 2.00 p.m. on 20 September 2022**, being seventy-two (72) hours before the time appointed for the AGM ("**Registration Cut-Off Time**"), at the following URL: <https://conveneagm.com/sg/koplimited2022> ("**KOP AGM Website**"), to create an account.
- Following authentication of his/her/its status as a shareholder of the Company, such shareholder will receive an email on their authentication status and will be able to access the Live Webcast using the account created.

NOTICE OF ANNUAL GENERAL MEETING

5. Shareholders who have registered by the Registration Cut-Off Time in accordance with paragraph (3) above but do not receive an email response by 2.00 p.m. on 21 September 2022 may contact the Company's Share Registrar by 5.00 p.m. on 22 September 2022 for assistance at the following email address: shareregistry@incorp.asia, with the following details included: (1) the shareholder's full name; (2) his/her/its identification/company registration number; and (3) the manner in which the shares are held (e.g. via The Central Depositor (Pte) Limited ("CDP"), Central Provident Fund ("CPF") Investment Scheme, or Supplementary Retirement Scheme ("SRS")).
6. Non-CPF/SRS holders whose shares are registered under Depository Agents ("DAs") must **also** contact their respective DAs to indicate their interest in order for their respective DAs to make the necessary arrangements for them to participate in the Live Webcast of the AGM proceedings.
7. Corporate shareholders must also submit the Corporate Representative Certificate to Share Registrar at shareregistry@incorp.asia, in addition to the registration procedures as set out in paragraph (3) above, by the Registration Cut-Off Time, for verification purpose.

Submission of questions in advance of or "live" at the AGM

8. Shareholders and Investors may submit substantial and relevant textual questions related to the resolutions to be tabled for approval for the AGM in advance of, or "live" at, the AGM.

How to submit questions in advance of AGM

9. Shareholders and Investors may submit textual questions in advance of the AGM in the following manner:
 - (a) via the KOP AGM Website; or
 - (b) by post to the Company's registered office at 316 Tanglin Road, #01-01, Phoenix Park, Singapore 247978.

All questions submitted in advance of the AGM must be received by the Company no later than 14 September 2022 at 2.00 p.m. to be treated as valid.

10. Shareholders and Investors submitting questions are required to state:
 - (a) their full name as it appears on his/her/its CDP/CPF/SRS records;
 - (b) their identification/registration number; and
 - (c) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, or SRS),
 failing which the Company shall be entitled to regard the submission as invalid and not respond to the question(s) submitted.
11. The Company will endeavour to address all substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from Shareholders and Investors before the AGM on SGXNET and the Company's website at <http://www.koplimited.com> at least forty-eight (48) hours prior to the Registration Cut-Off Time for the lodgement of the proxy form on 16 September 2022, 2.00 p.m. or "live" at the AGM for the relevant questions received during the AGM.
12. The Company will publish the minutes of the AGM on SGXNET and the Company's website within one month after the date of the AGM and the minutes will include the responses to the questions referred to above.

How to submit questions "live" at the AGM

13. Shareholders and Investors may submit textual questions "live" at the AGM in the following manner:
 - (a) Shareholders or where applicable, their appointed proxy(ies) and Investors who have pre-registered and are verified to attend the AGM can ask questions relating to the ordinary resolutions tabled for approval at the AGM "live" at the AGM, by typing in and submitting their questions through the "live" ask-a-question function via the audio-visual webcast platform during the AGM within a certain prescribed time limit.
 - (b) Shareholders who wish to appoint a proxy(ies) (other than the Chairman of the AGM) to ask questions "live" at the AGM on their behalf must, in addition to completing and submitting an instrument appointing a proxy(ies), ensure that their proxy(ies) pre-register separately via the registration link that will be sent to the appointed proxy(ies) via email by the AGM service provider, Convene SG, upon verification of the Proxy Form(s).
 - (c) Shareholders (including CPF and SRS Investors) or, where applicable, their appointed proxy(ies) must access the AGM proceedings via the "live" audio-visual webcast in order to ask questions "live" at the AGM, and will not be able to do so via the audio-only stream of the AGM proceedings.
 - (d) The Company will, during the AGM itself, address as many substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) which have not already been addressed prior to the AGM, as well as those received "live" at the AGM itself, as reasonably practicable. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

Submission of instrument appointing a proxy(ies) to vote, or vote "live", at the AGM

Shareholders who wish to exercise their voting rights at the AGM may:

- (a) (where such shareholders are individuals) vote "live" via electronic means at the AGM or (where such shareholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the AGM)[#] to vote "live" via electronic means at the AGM on their behalf; or
 - [#] For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.
- (b) (where such shareholders are individuals or corporates) appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM.
 - Shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), who wish to vote "live" at the AGM must first pre-register at the KOP AGM Website via the URL: <https://conveneagm.com/sg/koplimited2022>.
 - Shareholders (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment for that resolution will be treated as invalid.

NOTICE OF ANNUAL GENERAL MEETING

14. A member who is not a Relevant Intermediary*, entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead at the AGM of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company. The accompanying proxy form for the AGM may be accessed via the KOP AGM Website, the Company's corporate website at the URL: <http://www.koplimited.com>, and will also be made available on the SGX website at the URL: <https://www.sgx.com/securities/company-announcements>.
15. A member who is a relevant intermediary may appoint one or more proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
16. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
 - (a) in the electronic format accessible on the KOP AGM Website;
 - (b) if submitted by post, be lodged at the Company's registered office of the Company at 316 Tanglin Road, #01-01, Phoenix Park, Singapore 247978; or
 - (c) if submitted electronically, be submitted via email to the Company's Share Registrar at shareregistry@incorp.asia,

in either case **by no later than the Registration Cut-Off Time**.

In the case of submission of the Proxy Form other than via the KOP AGM Website, a member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.

17. In the case of submission of the Proxy Form other than via the KOP AGM Website, the instrument appointing the proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
18. An investor who holds shares under the CPF Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) and wishes to vote, should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes to appoint the Chairman of the AGM as their proxy, at least seven (7) working days before the AGM in order to allow sufficient time for their relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf not less than seventy-two (72) hours before the time for holding the AGM.
19. A Depositor's name must appear on the Depository Register maintained by CDP as at seventy-two (72) hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote.

*"Relevant Intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy

By pre-registering for the Live Webcast, submitting a Proxy Form appointing the proxy(ies) and/or representative(s) to vote at the AGM and/or any adjournment thereof, and/ or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis and facilitation by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

APPENDIX DATED 7 SEPTEMBER 2022

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

This Appendix is circulated to the shareholders (the “**Shareholders**”) of KOP Limited (the “**Company**”) together with the Company’s Annual Report (as defined herein). Its purpose is to provide the Shareholders with information relating to and explaining to Shareholders the rationale for the proposed renewal of the Share Purchase Mandate (as defined herein) to be tabled at the Annual General Meeting of the Company to be held on **23 September 2022 at 2.00 p.m. by electronic means** (the “**2022 AGM**”). The Notice of the 2022 AGM and the accompanying Proxy Form are enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix to the purchaser, transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix 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**”).

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

The contact person for the Sponsor is Mr. Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd., 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.

**KOP
LIMITED**

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200415164G)

APPENDIX TO THE ANNUAL REPORT

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

CONTENTS

DEFINITIONS.....		123
LETTER TO SHAREHOLDERS		125
1. INTRODUCTION.....		125
2. THE SHARE PURCHASE MANDATE.....		125
3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS.....		138
4. TAX IMPLICATIONS		138
5. DIRECTORS' RECOMMENDATION		138
6. ANNUAL GENERAL MEETING.....		138
7. APPROVALS AND RESOLUTIONS.....		139
8. ACTIONS TO BE TAKEN BY SHAREHOLDERS		139
9. DIRECTORS' RESPONSIBILITY STATEMENT		139
10. ABSTENTION FROM VOTING		139
11. DOCUMENTS FOR INSPECTION		139

DEFINITIONS

For the purposes of this Appendix, the following definitions apply throughout where the context admits:

<i>“Appendix”</i>	:	This appendix in relation to the proposed renewal of the Share Purchase Mandate
<i>“AGM”</i>	:	The annual general meeting of the Company to be convened on 23 September 2022
<i>“Annual Report”</i>	:	The annual report of the Company for financial year ended 31 March 2022
<i>“Board”</i>	:	The Board of Directors of the Company
<i>“Catalist”</i>	:	The sponsor-supervised listing platform of the SGX-ST
<i>“Catalist Rules”</i>	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Company”</i>	:	KOP Limited
<i>“Companies Act”</i>	:	The Companies Act 1967, as may be amended or modified from time to time
<i>“Constitution”</i>	:	The existing constitution of the Company, as may be amended or modified from time to time
<i>“Controlling Shareholder”</i>	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company
<i>“Directors”</i>	:	The directors of the Company as at the date of this Appendix
<i>“EPS”</i>	:	Earnings per Share
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Latest Practicable Date”</i>	:	24 August 2022, being the latest practicable date prior to the printing of this Appendix
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“NTA”</i>	:	Net tangible assets
<i>“Personal Data Protection Act”</i>	:	Personal Data Protection Act 2012 (No. 26 of 2012) as may be amended or modified from time to time
<i>“Regulation(s)”</i>	:	Regulation(s) of the Constitution
<i>“ROE”</i>	:	Return on equity
<i>“Securities Account”</i>	:	The securities accounts maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<i>“Securities and Futures Act”</i>	:	Securities and Futures Act 2001 Singapore, as may be amended or modified from time to time
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Purchase”</i>	:	The purchase or acquisition by the Company of its own Shares pursuant to the Share Purchase Mandate

DEFINITIONS

<i>"Share Purchase Mandate"</i>	:	The general mandate to enable the Company to purchase or otherwise acquire its issued Shares
<i>"Shareholders"</i>	:	Registered holders of Shares except that where the registered holder of CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
<i>"Shares"</i>	:	Ordinary shares in the capital of the Company
<i>"Subsidiary Holdings"</i>	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
<i>"Substantial Shareholder"</i>	:	A person who has an interest or interests in one or more voting shares in the Company, and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company
<i>"Take-over Code"</i>	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
<i>"S\$" and "cents"</i>	:	Singapore dollars and cents, respectively
<i>"%"</i>	:	percentage or per centum

The terms **"Depositor"**, **"Depository Agent"** and **"Depository Register"** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act. The term **"treasury shares"** shall have the meaning ascribed to it in the Companies Act. For the purpose of the Catalist Rules, treasury shares will be excluded from references to "issued share capital", and "equity securities", and for the calculation of market capitalisation and public float where referred to in the Catalist Rules.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and the neuter genders and vice versa. References to persons shall, where applicable, include corporations and limited liability partnerships.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, Securities and Futures Act, the Catalist Rules, the Take-over Code or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Companies Act, Securities and Futures Act, the Catalist Rules, the Take-over Code or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and dates in this Appendix is made by reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts listed and the totals thereof are due to rounding. Accordingly, figure shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.



LETTER TO SHAREHOLDERS

KOP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200415164G)

Directors:

Ms. Ong Chih Ching (*Executive Chairman and Executive Director*)
Ms. Leny Suparman (*Group Chief Executive Officer and Executive Director*)
Ms. Judith Goi Lang Peng (*Non-Executive Director*)
Mr. Ng Hin Lee (*Lead Independent Director*)
Dr. Ho Kah Leong @ Ho Kah Leung (*Independent Director*)
Mrs. Yu-Foo Yee Shoon (*Independent Director*)

Registered Office:

316 Tanglin Road
#01-01
Phoenix Park
Singapore 247978

7 September 2022

To: The Shareholders of KOP Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

- 1.1 The Directors refer to the Notice of AGM dated 7 September 2022 issued by the Company for the purpose of convening the AGM to be held on 23 September 2022 by electronic means at 2.00 p.m. to seek Shareholders' approval for the proposed renewal of the Share Purchase Mandate.
- 1.2 The purpose of this Appendix is to provide Shareholders with information relating to the proposed renewal of the Share Purchase Mandate to be tabled at the AGM as set out under resolution 10 under "Special Business" in the Notice of AGM.
- 1.3 This Appendix has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders) or for any other purpose.

2. THE SHARE PURCHASE MANDATE

2.1 Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the company's constitution. Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Catalist Rules and such other laws and regulations as may for the time being be applicable. As the Company is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares.

Regulation 20 expressly permits the Company to purchase its issued Shares. However, any Share which is purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Companies Act, be deemed cancelled immediately on purchase or acquisition.

It is a requirement under the Companies Act and the Catalist Rules that a company which wishes to purchase or otherwise acquire its own shares should obtain the prior specific approval of its shareholders to do so at a general meeting.

At the annual general meeting of the Company convened on 29 October 2021, Shareholders had approved the renewal of the Share Purchase Mandate. The Share Purchase Mandate will expire on the date of the forthcoming AGM or the date by which the AGM is required by law to be held, whichever is earlier. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the forthcoming AGM.

LETTER TO SHAREHOLDERS

If Shareholders approve the renewal of the Share Purchase Mandate, the Share Purchase Mandate will take effect from the date of the AGM and continue in force until the date on which the next annual general meeting of the Company is held or required by law to be held, unless prior thereto, Share Purchases are carried out to the full extent mandated or the Share Purchase Mandate is revoked or varied by Shareholders in general meeting. Subject to its continued relevance to the Company, the Share Purchase Mandate may be put to Shareholders for renewal at each subsequent annual general meetings of the Company.

2.2 Rationale for the Share Purchase Mandate

The rationale for the Company to undertake the purchase or acquisition of its Shares, is as follows:

- (a) in line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising return to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner;
- (b) in managing its business, the Group strives to increase Shareholders' value by improving, inter alia, the ROE and a share purchase is one way by which the ROE may be enhanced;
- (c) Share purchases may help mitigate short-term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence;
- (d) all things being equal, purchases or acquisitions of Shares pursuant to the Share Purchase Mandate will result in a lower number of issued Shares being used for the purpose of computing EPS, if the purchased Shares are subsequently cancelled. Therefore, Share Purchases will improve the Company's EPS, which in turn is expected to have a positive impact on the fundamental value of the Shares; and
- (e) the Share Purchase Mandate will provide the Company with the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

The purchase or acquisition of Shares will only be undertaken if it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole.

2.3 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate are summarised below:

2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate shall not exceed ten per cent (10%) of the total number of issued Shares of the Company (excluding treasury shares and Subsidiary Holdings) as at the date on which the resolution authorising the Share Purchase Mandate is passed.

2.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM, at which the Share Purchase Mandate is approved, up to the earliest of:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in general meeting.

The Share Purchase Mandate may be renewed at each annual general meeting or other general meetings of the Company.



LETTER TO SHAREHOLDERS

2.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchase(s) ("**Market Purchase**"), transacted on Catalist through the ready market or the special trading counter on SGX-ST trading system, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) ("**Off-Market Purchase**") effected pursuant to an equal access scheme as defined in Section 76C of the Companies Act and the Catalist Rules.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (a) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (b) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and
 - (c) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed Share Purchases;
- (4) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the Share Purchases, if made, could affect the Company's equity securities on Catalist;
- (6) details of any Share Purchases made by the Company in the previous 12 months (whether Market Purchase or Off-Market Purchase), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the Share Purchases, where relevant, and the total consideration paid for the Share Purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase, or acquisition (the "**Maximum Price**").

LETTER TO SHAREHOLDERS

For the above purposes:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made; and

“date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased Shares

Pursuant to Regulation 20, Shares purchased or acquired by the Company pursuant to the Share Purchase Mandate, unless held as treasury shares to the extent permitted under the Companies Act, will be deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation). The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically de-listed by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised in Paragraphs 2.5.1 to 2.5.3 below.

2.5.1 Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

2.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury shares into treasury shares of a greater or smaller number is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before, as the case may be.

2.5.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for its employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.



LETTER TO SHAREHOLDERS

In addition, under the Catalyst Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares and/or Subsidiary Holdings. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares and/or Subsidiary Holdings, the purpose of such sale, transfer, cancellation and/or use of such treasury shares and/or Subsidiary Holdings, the number of treasury shares and/or Subsidiary Holdings which have been sold, transferred, cancelled and/or used, the number of treasury shares and/or Subsidiary Holdings before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares and/or Subsidiary Holdings against the total number of issued shares (of the same class as the treasury shares and/or Subsidiary Holdings) which are listed before and after such sale, transfer, cancellation and/or use and the value of the treasury shares and/or Subsidiary Holdings if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds

The Company intends to use internal sources of funds, external borrowings or a combination of internal resources and external borrowings to finance the purchases or acquisition of the Shares.

The Directors do not propose to exercise the Share Purchase Mandate in such a manner and to such an extent that the liquidity and capital adequacy position of the Group would be materially and adversely affected.

2.7 Solvency Test

The Companies Act permits any purchase or acquisition of shares to be made out of the company's capital or profits so long as the company is solvent. For this purpose, a company is solvent if at the date of the payment, the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if —
 - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

2.8 Financial Effects

The financial effects arising from a purchase or acquisition of Shares pursuant to the Share Purchase Mandate on the Company and the Group will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effect on the audited financial statements of the Company and the Group will depend, *inter alia*, on the factors set out below:

2.8.1 Purchase or Acquisition out of Profits and/or Capital

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

When Shares are purchased or acquired, and cancelled, the Company shall reduce the amount of its profits and share capital proportionately where the Shares were purchased or acquired out of both the profits and the capital of the Company, by the total amount of the consideration paid by the Company for the Shares cancelled.

LETTER TO SHAREHOLDERS

2.8.2 Number of Shares Acquired or Purchased

Based on 1,107,962,214 issued Shares as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Shares will entail a purchase or acquisition of 110,796,221 Shares.

2.8.3 Maximum Price Paid for Shares Acquired or Purchased

In the case of Market Purchase by the Company and assuming that the Company purchases or acquires 110,796,221 Shares at the Maximum Price of S\$0.074 per Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 110,796,221 Shares is approximately S\$8.2 million (excluding brokerage, commission, applicable goods and services tax and other related expenses).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 110,796,221 Shares at the Maximum Price of S\$0.085 per Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 110,796,221 Shares is approximately S\$9.4 million (excluding brokerage, commission, applicable goods and services tax and other related expenses).

2.8.4 Illustrative Financial Effects

For illustrative purposes only, based on the assumptions set out above and the audited financial statements of the Company and the Group for the financial year ended 31 March 2022, and assuming that (i) Share Purchases are made to the extent aforesaid; (ii) such Share Purchases are funded wholly by internal resources within the Group; and (iii) the Company had purchased 110,796,221 Shares on 31 March 2022 by way of:-

- (a) Share Purchases made entirely out of capital and cancelled;
- (b) Share Purchases made entirely out of profits and cancelled;
- (c) Share Purchases made entirely out of capital and held as treasury shares; and
- (d) Share Purchases made entirely out of profits and held as treasury shares,

LETTER TO SHAREHOLDERS

the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Company and Group for the financial year ended 31 March 2022 would have been as follows:

(A) Purchases made entirely out of capital and cancelled

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
As at 31 March 2022	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	78,940	70,741	69,522	294,506	286,307	285,088
Reserves	33,089	33,089	33,089	(200,687)	(200,687)	(200,687)
Total Shareholders' equity ⁽¹⁾	112,029	103,830	102,611	93,819	85,620	84,401
NTA ⁽²⁾	112,029	103,830	102,611	93,819	85,620	84,401
Current assets	242,490	234,291	233,072	5,571	(2,628) ⁽⁶⁾	(3,847) ⁽⁶⁾
Current liabilities	71,741	71,741	71,741	56,901	56,901	56,901
Total borrowings	144,199	144,199	144,199	48,058	48,058	48,058
Net loss attributable to Shareholders	(10,782)	(10,782)	(10,782)	(6,085)	(6,085)	(6,085)
Number of Shares (in '000)						
Issued and paid-up capital	1,107,962	997,166	997,166	1,107,962	997,166	997,166
Financial Ratios						
NTA per Share (cents) ⁽³⁾	10.11	10.41	10.29	8.47	8.59	8.46
Gearing ratio (times) ⁽⁴⁾	1.29	1.39	1.41	0.51	0.56	0.57
Current ratio (times) ⁽⁵⁾	3.38	3.27	3.25	0.10	(0.05) ⁽⁶⁾	(0.07) ⁽⁶⁾
EPS (cents)	(0.97)	(1.08)	(1.08)	(0.55)	(0.61)	(0.61)

LETTER TO SHAREHOLDERS

(B) Purchases made entirely out of profits and cancelled

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
As at 31 March 2022	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	78,940	78,940	78,940	294,506	294,506	294,506
Reserves	33,089	24,890	23,671	(200,687)	(208,886)	(210,105)
Total Shareholders' equity ⁽¹⁾	112,029	103,830	102,611	93,819	85,620	84,401
NTA ⁽²⁾	112,029	103,830	102,611	93,819	85,620	84,401
Current assets	242,490	234,291	233,072	5,571	(2,628) ⁽⁶⁾	(3,847) ⁽⁶⁾
Current liabilities	71,741	71,741	71,741	56,901	56,901	56,901
Total borrowings	144,199	144,199	144,199	48,058	48,058	48,058
Net loss attributable to Shareholders	(10,782)	(10,782)	(10,782)	(6,085)	(6,085)	(6,085)
Number of Shares (in '000)						
Issued and paid-up capital	1,107,962	997,166	997,166	1,107,962	997,166	997,166
Financial Ratios						
NTA per Share (cents) ⁽³⁾	10.11	10.41	10.29	8.47	8.59	8.46
Gearing ratio (times) ⁽⁴⁾	1.29	1.39	1.41	0.51	0.56	0.57
Current ratio (times) ⁽⁵⁾	3.38	3.27	3.25	0.10	(0.05) ⁽⁶⁾	(0.07) ⁽⁶⁾
EPS (cents)	(0.97)	(1.08)	(1.08)	(0.55)	(0.61)	(0.61)

LETTER TO SHAREHOLDERS

(C) Purchases made entirely out of capital and held as treasury shares

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
As at 31 March 2022	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	78,940	78,940	78,940	294,506	294,506	294,506
Reserves	33,089	33,089	33,089	(200,687)	(200,687)	(200,687)
Treasury shares	-	(8,199)	(9,418)	-	(8,199)	(9,418)
Total Shareholders' equity ⁽¹⁾	112,029	103,830	102,611	93,819	85,620	84,401
NTA ⁽²⁾	112,029	103,830	102,611	93,819	85,620	84,401
Current assets	242,490	234,291	233,072	5,571	(2,628) ⁽⁶⁾	(3,847) ⁽⁶⁾
Current liabilities	71,741	71,741	71,741	56,901	56,901	56,901
Total borrowings	144,199	144,199	144,199	48,058	48,058	48,058
Net loss attributable to Shareholders	(10,782)	(10,782)	(10,782)	(6,085)	(6,085)	(6,085)
Number of Shares (in '000)						
Issued and paid-up capital	1,107,962	997,166	997,166	1,107,962	997,166	997,166
Financial Ratios						
NTA per Share (cents) ⁽³⁾	10.11	10.41	10.29	8.47	8.59	8.46
Gearing ratio (times) ⁽⁴⁾	1.29	1.39	1.41	0.51	0.56	0.57
Current ratio (times) ⁽⁵⁾	3.38	3.27	3.25	0.10	(0.05) ⁽⁶⁾	(0.07) ⁽⁶⁾
EPS (cents)	(0.97)	(1.08)	(1.08)	(0.55)	(0.61)	(0.61)

LETTER TO SHAREHOLDERS

(D) Purchases made entirely out of profits and held as treasury shares

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
As at 31 March 2022	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	78,940	78,940	78,940	294,506	294,506	294,506
Reserves	33,089	33,089	33,089	(200,687)	(200,687)	(200,687)
Treasury shares	-	(8,199)	(9,418)	-	(8,199)	(9,418)
Total Shareholders' equity ⁽¹⁾	112,029	103,830	102,611	93,819	85,620	84,401
NTA ⁽²⁾	112,029	103,830	102,611	93,819	85,620	84,401
Current assets	242,490	234,291	233,072	5,571	(2,628) ⁽⁶⁾	(3,847) ⁽⁶⁾
Current liabilities	71,741	71,741	71,741	56,901	56,901	56,901
Total borrowings	144,199	144,199	144,199	48,058	48,058	48,058
Net loss attributable to Shareholders	(10,782)	(10,782)	(10,782)	(6,085)	(6,085)	(6,085)
Number of Shares (in '000)						
Issued and paid-up capital	1,107,962	997,166	997,166	1,107,962	997,166	997,166
Financial Ratios						
NTA per Share (cents) ⁽³⁾	10.11	10.41	10.29	8.47	8.59	8.46
Gearing ratio (times) ⁽⁴⁾	1.29	1.39	1.41	0.51	0.56	0.57
Current ratio (times) ⁽⁵⁾	3.38	3.27	3.25	0.10	(0.05) ⁽⁶⁾	(0.07) ⁽⁶⁾
EPS (cents)	(0.97)	(1.08)	(1.08)	(0.55)	(0.61)	(0.61)

Notes:

- Total shareholders' equity exclude non-controlling interests.
- NTA refers to net assets less intangible assets.
- NTA per Share is computed based on the NTA (i.e., net assets less intangible assets) divided by the number of Shares issued.
- Gearing ratio equals to total borrowings divided by shareholders' equity.
- Current ratio equals to current assets divided by current liabilities.
- Purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interest of the Company, and the purchases or acquisitions of Shares may not be carried out to the full 10% as mandated. Further, the Directors would emphasise that they do not propose to carry out Share Purchases to such an extent that would, or in circumstances that might result in a material adverse effect on the financial position of the Company or the Group.

Shareholders should note that the financial effects, based on the respective aforementioned assumptions, are for illustrative purposes only. In particular, it is important to note that it is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the Share Purchase Mandate on the NTA per Share and EPS as the resultant effect would depend on the factors such as the aggregate number of Shares purchased, the purchase price paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. The above analysis is based on historical numbers as at 31 March 2022 and is not necessarily representative of future financial performance.

It should also be noted that purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interest of the Company, and the purchases or acquisitions of Shares may not be carried out to the full 10% as mandated. Further, the Directors would emphasise that they do not propose to carry out Share Purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or results in the Company being delisted from the SGX-ST. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share Purchase before execution.

LETTER TO SHAREHOLDERS

2.9 Catalyst Rules

The Catalyst Rules specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8D to the Catalyst Rules) must include the details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

The Catalyst Rules does not expressly prohibit any purchase or acquisition of its own shares by a listed company during any particular time or times. However, as the Company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalyst Rules.

In particular, the Company would not purchase or acquire any Share through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's full-year results and the period of two (2) weeks before the announcement of the first quarter, second quarter and third quarter results of the financial year.

Rule 723 of the Catalyst Rules requires a listed company to ensure that at least 10% of any class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) must be held by public shareholders. As at the Latest Practicable Date, approximately 27.04% of the issued Shares are held by public shareholders. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.10 Reporting Requirements under the Companies Act

Within 30 days of the passing of a Shareholders' resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA. The Company shall notify ACRA within 30 days of a purchase or acquisition of Shares on Catalyst or otherwise. Such notification shall include details of the purchase, including the date of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase or acquisition of Shares and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profits or the capital of the Company and such other particulars as may be required by ACRA.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form.

2.11 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.11.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in the change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

LETTER TO SHAREHOLDERS

2.11.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will be presumed to be acting in concert:

- (a) a company with its parent company, subsidiaries, fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.11.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its issued Shares, the voting rights of such Directors and the persons acting in concert with them would increase to 30% or more, or in the event that such Directors and the persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and the persons acting in concert with them would increase by more than 1% in any period of six months. In calculating the percentage of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such a Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share Purchases by the Company.

LETTER TO SHAREHOLDERS

2.11.4 Concert Party Group

Ong Chih Ching and Leny Suparman, who are Directors of the Company, and Ong Siew Ting Geraldine, Jin Lu and Low Kheng Hong @ Lau Kheng Hong are considered to be parties acting in concert with KOP Group Pte. Ltd. (collectively, the “**Concert Party Group**”).

As at the Latest Practicable Date, the shareholdings of the Concert Party Group are set out below:

Concert Party Group	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest ⁽⁶⁾	
			No. of Shares	%
KOP Group Pte. Ltd.	–	428,571,428 ⁽¹⁾	428,571,428	38.68
Ong Chih Ching	1,569,100	495,442,143 ⁽²⁾	497,011,243	44.86
Leny Suparman	1,800,000	459,257,142 ⁽³⁾	461,057,142	41.61
Ong Siew Ting Geraldine	7,000,000	–	7,000,000	0.63
Jin Lu	425,000	20,570,938 ⁽⁴⁾	20,995,938	1.90
Low Kheng Hong @ Lau Kheng Hong	14,150,262	1,645,000 ⁽⁵⁾	15,795,262	1.43

Notes:

- (1) KOP Group Pte. Ltd. is deemed to be interested in (i) 100,000,000 Shares held through Hong Leong Finance Nominees Pte. Ltd. and (ii) 328,571,428 Shares held through Bank of Singapore Limited under Citibank Nominees Singapore Pte. Ltd..
- (2) Ong Chih Ching is deemed to be interested in (i) 428,571,428 Shares held by KOP Group Pte. Ltd. by virtue of Section 7 of the Companies Act, and (ii) 66,870,715 Shares held through OCBC Securities Private Limited.
- (3) Leny Suparman is deemed to be interested in (i) 428,571,428 Shares held by KOP Group Pte. Ltd. by virtue of Section 7 of the Companies Act, and (ii) 30,685,714 Shares held through Bank of Singapore Limited under Citibank Nominees Singapore Pte. Ltd..
- (4) Jin Lu is deemed to be interested in (i) 18,125,238 Shares held through DBS Nominees (Private) Limited and (ii) 2,445,700 Shares held through Bank of Singapore Limited under Citibank Nominees Singapore Pte. Ltd..
- (5) Low Kheng Hong @ Lau Kheng Hong is deemed to be interested in 1,645,000 Shares held through Citibank Nominees Singapore Pte. Ltd..
- (6) As a percentage of the total number of issued Shares as at the Latest Practicable Date comprising 1,107,962,214 Shares.

As at the Latest Practicable Date, the Concert Party Group has an aggregate interest in 573,288,157 Shares, which is equivalent to 51.74% of the total voting rights of the Company. As their aggregated interest is more than 50% of the total voting rights of the Company, the Share Purchase Mandate, even if exercised in full, will not result in either of them incurring an obligation to make a general offer under Rule 14 and Appendix 2 of the Take-over Code.

Based on the above information and the Register of Directors' Shareholdings as at the Latest Practicable Date, none of the Directors will become obligated to make a mandatory offer in the event that the Company purchases the maximum number of 110,796,221 Shares under the Share Purchase Mandate.

Based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Substantial Shareholder who may become obligated to make a mandatory offer in the event that the Company purchases the maximum number of 110,796,221 Shares under the Share Purchase Mandate.

2.12 Shares bought by the Company in the Past Twelve (12) Months

The Company has not bought back any Shares by way of Market Purchase in the last twelve (12) months preceding the Latest Practicable Date.

LETTER TO SHAREHOLDERS

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholding interests of the Directors and the Substantial Shareholders are set out below:

Directors	Before Share Purchase			After Share Purchase	
	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest ⁽⁴⁾		Total Interest ⁽⁵⁾
			No. of Shares	%	%
Ong Chih Ching	1,569,100	495,442,143 ⁽¹⁾	497,011,243	44.86	49.84
Leny Suparman	1,800,000	459,257,142 ⁽²⁾	461,057,142	41.61	46.24
Judith Goi Lang Peng	-	-	-	-	-
Ng Hin Lee	-	-	-	-	-
Ho Kah Leong @ Ho Kah Leung	-	-	-	-	-
Yu-Foo Yee Shoon	540,000	-	540,000	0.05	0.05
Substantial Shareholders (other than the Directors)					
KOP Group Pte. Ltd.	-	428,571,428 ⁽³⁾	428,571,428	38.68	42.98
Goi Seng Hui	234,595,043	-	234,595,043	21.17	23.53

Notes:

- (1) Ong Chih Ching is deemed to be interested in (i) 428,571,428 Shares held by KOP Group Pte. Ltd. by virtue of Section 7 of the Companies Act and (ii) 66,870,715 Shares held through OCBC Securities Private Limited.
- (2) Leny Suparman is deemed to be interested in (i) 428,571,428 Shares held by KOP Group Pte. Ltd. by virtue of Section 7 of the Companies Act, and (ii) 30,685,714 Shares held through Bank of Singapore under Citibank Nominees Singapore Pte. Ltd..
- (3) KOP Group Pte. Ltd. is deemed to be interested in (i) 100,000,000 Shares held through Hong Leong Finance Nominees Pte. Ltd. and (ii) 328,571,428 Shares held through Bank of Singapore Limited under Citibank Nominees Singapore Pte. Ltd..
- (4) As a percentage of the total number of issued Shares as at the Latest Practicable Date comprising 1,107,962,214 Shares.
- (5) As a percentage of the total number of issued Shares comprising 997,165,993 Shares (assuming that the Company purchases the maximum number of 110,796,221 Shares under the Share Purchase Mandate).

Save as disclosed in this Appendix, the Directors and the Substantial Shareholders of the Company do not have any interest, whether direct or indirect, in the Shares.

4. TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company or to who may be subject to tax whether in or outside Singapore should consult their own professional advisers.

5. DIRECTORS' RECOMMENDATION

As Ong Chih Ching and Leny Suparman are parties acting in concert with KOP Group Pte. Ltd., they shall abstain from making any recommendation in respect of the proposed renewal of the Share Purchase Mandate. Save for the aforementioned, the Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the renewal of the Share Purchase Mandate to be proposed at the AGM.

6. ANNUAL GENERAL MEETING

The AGM, notice of which is enclosed with the Annual Report, will be held on 23 September 2022 by electronic means at 2.00 p.m. for the purpose of considering and, if thought fit, passing the resolutions set out in the Notice of AGM.



LETTER TO SHAREHOLDERS

7. APPROVALS AND RESOLUTIONS

Shareholders' approval for the proposed adoption of the Share Buyback Mandate is sought at the AGM. The resolution relating to the proposed adoption of the Share Buyback Mandate is contained in the Notice of AGM.

8. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders will find enclosed with the Annual Report the Notice of AGM and a Proxy Form.

Due to current movement restriction orders in Singapore, Shareholders will not be able to attend the AGM in person. A Shareholder (whether individual or corporate) may vote or appoint a proxy(ies) to vote on his/her/its behalf at the AGM if such Shareholder wishes to exercise his/her/its voting rights at the AGM, in accordance with the instructions printed on the Proxy Form.

Please refer to the Company's Notice of AGM and proxy form for further details.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

10. ABSTENTION FROM VOTING

Ong Chih Ching, Leny Suparman and parties acting in concert with KOP Group Pte. Ltd. shall abstain from voting on the resolution to the adoption of the proposed renewal of the Share Purchase Mandate at the AGM, and the Company shall disregard any votes cast by Ong Ching Ching, Leny Suparman and parties acting in concert with KOP Group Pte. Ltd. on the said resolution. Ong Ching Ching, Leny Suparman and parties acting in concert with KOP Group Pte. Ltd. shall not accept appointment as proxies for Shareholders to vote on the resolution in relation to the proposed renewal of the Share Purchase Mandate, unless specific instructions have been given in the proxy form(s) on how the votes are to be cast in respect of such resolution.

11. DOCUMENTS FOR INSPECTION

This Appendix and the Annual Report may be accessed on the Company's corporate website on the Company's corporate website <http://www.koplimited.com> and the following URL: <https://conveneagm.com/sg/koplimited2022>.

Copies of the following documents are available for inspection at the office of the Company's registered office at 316 Tanglin Road, #01-01 Phoenix Park Singapore 247978, during normal business hours from the date hereof up to and including the date of the AGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for the financial year ended 31 March 2022.

Yours faithfully
For and on behalf of the Board of Directors of
KOP LIMITED

Ong Chih Ching
Executive Chairman and Executive Director

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KOP LIMITED

(Company Registration No. 200415164G)
(Incorporated In Singapore)

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. The Annual General Meeting ("AGM") is being convened by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Order 2020.
2. A member will not be able to attend the AGM in person. Alternative arrangements relating to the attendance of the AGM through electronic means, as well as conduct of the AGM and relevant guidance with full details are set out in the Notice of AGM dated 7 September 2022, which can be accessed via the SGX website at: <https://www.sgx.com/securities/company-announcements>.
3. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") and wishes to vote should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes to appoint the Chairman of the AGM as their proxy, at least seven (7) working days before the AGM.
4. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) _____ NRIC /Passport No./Co. Registration No.

of _____ (Address)

being *a member/members of **KOP LIMITED** ("Company"), hereby appoint:

Name	Address	Email Address [^]	NRIC/Passport Number	Proportion of Shareholdings	
				No. of Shares	%

*and/or (delete as appropriate)

Name	Address	Email Address [^]	NRIC/Passport Number	Proportion of Shareholdings	
				No. of Shares	%

[^] Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted proxy form) to pre-register at the pre-registration website which is accessible from the URL: <https://conveneagm.com/sg/koplimited2022> in order to access the "live" audio-visual webcast or "live" audio-only stream of the Annual General Meeting proceedings.

the Chairman of the Annual General Meeting ("AGM") of the Company, as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf at the AGM to be held by way of electronic means on Friday, 23 September 2022 at 2.00 p.m. and at any adjournment thereof. *I/We direct my/our proxy/proxies to vote for or against, or abstain from voting on the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid at the AGM and at any adjournment thereof.

No.	Resolutions relating to:	No. of Votes 'For' ^{**}	No. of Votes 'Against' ^{**}	No. of Votes 'Abstain' ^{**}
Ordinary Business				
1	Adoption of the Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 March 2022			
2	Approval of Directors' fees amounting to S\$24,395 for Mr. Lee Kiam Hwee for the period 1 April 2021 to 29 October 2021, being retirement date.			
3	Approval of Directors' fees amounting to S\$157,000 for the financial year ending 31 March 2023, to be paid quarterly in arrears			
4	Re-election of Ms. Leny Suparman as a Director			
5	Re-election of Dr. Ho Kah Leong @ Ho Kah Leung (" Dr. Ho ") as a Director			
6	Approval of Dr. Ho's continued appointment as an Independent Director for the purpose of Rule 406(3)(d)(iii)(A) of the Catalist Rules by all shareholders			
7	Approval of Dr. Ho's continued appointment as an Independent Director for the purpose of Rule 406(3)(d)(iii)(B) of the Catalist Rules by all shareholders (excluding the Directors and the Chief Executive Officer of the Company, and their respective associates)			
8	Re-appointment of Messrs UHY Lee Seng Chan & Co as Auditors and authority to Directors to fix remuneration			
Special Business				
9	Authority for Directors to allot and issue new shares			
10	Approval of renewal of Share Purchase Mandate			

* Delete where inapplicable

** If you wish to exercise all your votes 'For' or 'Against' or 'Abstain', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this _____ day of _____ 2022

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Member

and/or, Common Seal of Corporate Shareholder

IMPORTANT: Please read notes overleaf



NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. **In light of the current COVID-19 measures in Singapore, members will not be able to attend the AGM in person.** If a member (individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it may:
 - (a) (where the member is an individual) vote "live" via electronic means at the AGM or (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the AGM)* to vote "live" via electronic means at the AGM on his/her/its behalf; or
For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.
 - (b) (where the member is an individual or corporate) appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.

In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment for that resolution will be treated as invalid.
3. A member of the Company who is not a Relevant Intermediary entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
4. Where a member who is not a Relevant Intermediary appoints two proxies, the appointments shall be invalid unless he/ she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5. A member who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
6. Subject to paragraph (9) below, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Live Webcast of the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.
7. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
 - (a) via the following URL: <https://conveneagm.com/sg/koplimited2022> ("**KOP AGM Website**"), in the electronic format accessible on the KOP AGM Website;
 - (b) if submitted by post, be lodged at the Company's registered office of the Company at 316 Tanglin Road #01-01 Phoenix Park Singapore 247978; or
 - (c) if submitted electronically, be submitted via email to the Company's Share Registrar at shareregistry@incorp.asia.

in either case **by no later than 2.00 p.m. on 20 September 2022, being seventy-two (72) hours before the time appointed for the AGM.**

In the case of submission of the Proxy Form other than via the KOP AGM Website, a member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically either through the KOP AGM Website or via email to the Company's Share Registrar.

8. In the case of submission of the Proxy Form other than via the KOP AGM Website, the instrument appointing the proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
9. Investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) and wishes to appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 September 2022.

