



(Company Registration Number: 200415164G)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021**

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

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

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

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KOP LIMITED

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group					
		3 months ended 30-Sep-21 S\$'000	3 months ended 30-Sep-20 S\$'000	% of change + / (-)	6 months ended 30-Sep-21 S\$'000	6 months ended 30-Sep-20 S\$'000	% of change + / (-)
Revenue	E4	3,442	634	443	6,836	3,454	98
Cost of sales		(2,492)	(323)	672	(4,826)	(3,055)	58
Gross profit		950	311	205	2,010	399	404
Other operating income		48	112	(57)	244	283	(14)
Distribution costs		(46)	2	N.M.	(118)	(81)	46
Administrative and general expenses		(2,111)	(2,375)	(11)	(4,011)	(3,426)	17
Share of results from investments in associates		(2)	(3)	(33)	-	34	N.M.
Share of results from investments in joint ventures		(14)	(15)	(7)	(16)	(31)	(48)
Finance costs		(1,548)	(1,258)	23	(2,815)	(2,570)	10
Loss before tax		(2,723)	(3,226)	(16)	(4,706)	(5,392)	(13)
Income tax expenses	E7	(9)	4	N.M.	(44)	(236)	(81)
Loss after tax		(2,732)	(3,222)	(15)	(4,750)	(5,628)	(16)
Other comprehensive income for the period, after tax:							
<i>Item that may be subsequently reclassified to profit or loss:</i>							
Exchange difference on translation of foreign operations		2,204	(171)	N.M.	3,889	2,407	62
Total comprehensive income for the period		(528)	(3,393)	(84)	(861)	(3,221)	(73)
Loss attributable to:							
Owners of the Company		(2,624)	(2,888)	(9)	(4,561)	(5,049)	(10)
Non-controlling interests		(108)	(334)	(68)	(189)	(579)	(67)
		(2,732)	(3,222)	(15)	(4,750)	(5,628)	(16)
Total comprehensive income attributable to:							
Owners of the Company		(491)	(2,919)	(83)	(747)	(2,937)	(75)
Non-controlling interests		(37)	(474)	(92)	(114)	(284)	(60)
		(528)	(3,393)	(84)	(861)	(3,221)	(73)
Loss per share for the period attributable to the owners of the Company:							
Basic and diluted (SGD in cent)					(0.41)	(0.46)	

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B. Condensed interim balance sheets

Note	Group		Company		
	30-Sep-21 S\$'000	31-Mar-21 S\$'000	30-Sep-21 S\$'000	31-Mar-21 S\$'000	
ASSETS					
Non-current assets					
Property, plant and equipment	E9	41,383	40,775	1	2
Investments in subsidiaries		-	-	144,597	143,743
Investments in associates		306	306	-	-
Investments in joint ventures		105,937	103,167	-	-
Deferred tax assets		-	52	-	-
Total non-current assets		147,626	144,300	144,598	143,745
Current assets					
Development properties		126,308	126,718	-	-
Inventories		326	329	-	-
Trade and other receivables		2,032	1,719	4,013	2,003
Other current assets		619	633	16	29
Contract assets		587	-	-	-
Contract costs		483	636	-	-
Cash and bank balances		2,837	1,783	79	89
Total current assets		133,192	131,818	4,108	2,121
Total assets		280,818	276,118	148,706	145,866
LIABILITIES					
Current liabilities					
Bank borrowings (secured)	E10	1,904	3,694	-	-
Finance leases		36	35	-	-
Lease liabilities		60	139	-	-
Contract liabilities		-	1,996	-	-
Tax payable		1,653	1,656	-	-
Trade and other payables		18,981	16,386	6,589	4,661
Loans from shareholders	E11	8,193	41,301	8,193	41,301
Total current liabilities		30,827	65,207	14,782	45,962
Non-current liabilities					
Deferred tax liabilities		2,589	2,583	-	-
Bank borrowings (secured)	E10	80,187	77,408	-	-
Finance leases		60	78	-	-
Lease liabilities		100	107	-	-
Loans from shareholders	E11	37,000	-	37,000	-
Loan from a non-controlling interest		11,473	11,292	-	-
Total non-current liabilities		131,409	91,468	37,000	-
Total liabilities		162,236	156,675	51,782	45,962
NET ASSETS		118,582	119,443	96,924	99,904
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	E12	78,940	78,940	294,506	294,506
Foreign currency translation reserves		1,576	(2,238)	-	-
Revaluation reserve		37,768	37,768	-	-
Other reserves		1,681	1,681	-	-
Retained earnings/ (Accumulated losses)		(3,670)	891	(197,582)	(194,602)
		116,295	117,042	96,924	99,904
Non-controlling interests		2,287	2,401	-	-
Total equity		118,582	119,443	96,924	99,904

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C. Condensed interim statements of changes in equity

Group	Share capital S\$'000	Foreign currency translation reserves S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000	Retained earnings/ (Accumulated losses) S\$'000	Equity attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
As at 1 April 2021	78,940	(2,238)	37,768	1,681	891	117,042	2,401	119,443
<u>Total comprehensive income for the period</u>								
Loss for the period	-	-	-	-	(4,561)	(4,561)	(189)	(4,750)
Other comprehensive income for the period								
Exchange difference on translation of foreign operations	-	3,814	-	-	-	3,814	75	3,889
Total comprehensive income for the financial period	-	3,814	-	-	(4,561)	(747)	(114)	(861)
As at 30 September 2021	78,940	1,576	37,768	1,681	(3,670)	116,295	2,287	118,582
As at 1 April 2020	78,940	(6,895)	37,768	1,681	10,606	122,100	3,586	125,686
<u>Total comprehensive income for the period</u>								
Loss for the period	-	-	-	-	(5,049)	(5,049)	(579)	(5,628)
Other comprehensive income for the period								
Exchange difference on translation of foreign operations	-	2,112	-	-	-	2,112	295	2,407
Total comprehensive income for the financial period	-	2,112	-	-	(5,049)	(2,937)	(284)	(3,221)
Dividend paid	-	-	-	-	-	-	(636)	(636)
As at 30 September 2020	78,940	(4,783)	37,768	1,681	5,557	119,163	2,666	121,829

Company	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
As at 1 April 2021	294,506	(194,602)	99,904
Loss for the period, representing total comprehensive income for the period	-	(2,980)	(2,980)
As at 30 September 2021	294,506	(197,582)	96,924
As at 1 April 2020	294,506	(182,901)	111,605
Loss for the period, representing total comprehensive income for the period	-	(2,254)	(2,254)
As at 30 September 2020	294,506	(185,155)	109,351

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D. Condensed interim consolidated statement of cash flows

	Note	Group	
		6 months ended 30-Sep-21 S\$'000	6 months ended 30-Sep-20 S\$'000
Operating activities			
Loss before tax		(4,706)	(5,392)
Adjustments for:			
Depreciation of property, plant and equipment		960	1,340
Loss on strike-off of subsidiary		(1)	-
Property, plant and equipment written-off		5	-
Interest income		(1)	(3)
Finance costs		2,815	2,570
Unrealised foreign exchange differences		257	(194)
Share of results from investments in associates		-	(34)
Share of results from investments in joint ventures		16	31
Operating cash flows before changes in working capital		(655)	(1,682)
Changes in working capital			
Trade and other receivables		(345)	672
Other current assets		14	8
Development properties		410	(842)
Contract assets		(587)	-
Contract costs		153	-
Inventories		3	(15)
Trade and other payables and contract liabilities		537	1,272
Contract liabilities		(1,996)	(958)
Cash flows used in operations		(2,466)	(1,545)
Interest paid		(621)	(790)
Tax paid		(9)	-
Net cash flows used in operating activities		(3,096)	(2,335)
Investing activity			
Purchase of property, plant and equipment	E9	(541)	(229)
Net cash flows used in investing activity		(541)	(229)
Financing activities			
Repayment of bank borrowings		(51)	(180)
Decrease in restricted funds placed in escrow accounts		29	193
Repayment of finance leases		(17)	(16)
Repayment of lease liabilities		(62)	(40)
Proceeds from bank borrowings		925	1,848
Proceeds from loan from a shareholder		3,892	-
Net cash flows generated from financing activities		4,716	1,805
Net changes in cash and cash equivalents		1,079	(759)
Cash and cash equivalents at the beginning of financial period		1,500	2,757
Effect of foreign currency translation in cash and cash equivalents		4	(11)
Cash and cash equivalents at the end of financial period		2,583	1,987

Cash and cash equivalents in the condensed interim consolidated statement of cash flows comprise the following:

	30-Sep-21 S\$'000	30-Sep-20 S\$'000
Cash and bank balances	2,837	2,176
Less: Restricted funds placed in escrow accounts	(254)	(189)
Cash and cash equivalents	2,583	1,987

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E. Notes to condensed interim consolidated financial statements

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). These condensed interim consolidated financial statements as at and for the 6 months ended 30 September 2021 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activity of the Company is to carry on the business of an investment holding company. The principal activities of the Group are:

- (a) Investment holding;
- (b) Business management and consultancy services;
- (c) Development and provision of resort services;
- (d) Real estate developers

2. Basis of preparation

The condensed interim financial statements for the 6 months ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

Going concern assumption

The Group incurred a net loss of \$4,750,000 (30 September 2020: \$5,628,000) for the financial period ended 30 September 2021. The Group's current assets of \$133,192,000 (31 March 2021: \$131,818,000) mainly comprised development properties which amounted to \$126,308,000 (31 March 2021: \$126,718,000) as at 30 September 2021. The Company incurred a net loss of \$2,980,000 (30 September 2020: \$2,254,000) for the financial period ended 30 September 2021, and as at 30 September 2021, the Company is in a net current liabilities position of \$10,674,000 (31 March 2021: \$43,841,000). Included in the Group and Company's current liabilities as at 30 September 2021 is an amount of \$8,193,000 (31 March 2021: \$4,301,000) due from its ultimate holding company.

The performance of the Group's hospitality segment was adversely impacted by the COVID-19 pandemic. There is significant uncertainty as to the duration and impact of the COVID-19 pandemic, the timing of the expected recovery.

The Group has implemented a series of cost control measures. These measures include closure of facilities and all food and beverage outlets in the resorts since March 2020, temporary closure of the resorts from the month of June 2020 and reopened in the last quarter of year 2020 for limited domestic business. In addition, the Group also implemented cost cutting measures such as requiring employees to take unpaid leave and/or annual leave, reducing the minimum consumption of energy and temporary suspension of services that are not required during this period.

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:

- 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 for new shares of the Company for up to \$10 million.
- The loan from a shareholder of \$37 million has been extended for another 12 months and will be due for repayment on 9 November 2022.
- The repayment of the loan from ultimate holding company has been extended until cashflows of the Company improves.

Accordingly, the management considers it appropriate that these condensed interim consolidated financial statements are prepared on a going concern basis.

E. Notes to condensed interim consolidated financial statements

2. Basis of preparation (cont'd)

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

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.

(iii) Entertainment

Sales of goods, sales of tickets and sponsorship income.

(iv) Corporate office

Management fee income from subsidiaries, Group-level corporate services and treasury function.

These operating segments are reported in a manner consistent with internal reporting provided to Executive Chairman and Group Chief Executive Officer who are responsible for allocating resources and assessing performance of the operating segments.

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E. Notes to condensed interim consolidated financial statements

4. Segment and revenue information (cont'd)

4.1 Reportable segment

	Real estate development and investment S\$'000	Real estate origination and management services S\$'000	Hospitality S\$'000	Entertainment S\$'000	Corporate office S\$'000	Inter-segment elimination S\$'000	Total S\$'000
1 April 2021 to 30 September 2021							
Revenue							
Revenue from external customers	5,522	548	766	-	-	-	6,836
Inter-segment revenue	-	-	-	-	-	-	-
Total revenue	5,522	548	766	-	-	-	6,836
Results							
Segment results	819	(725)	(805)	-	(1,164)	-	(1,875)
Finance costs	(815)	(19)	(165)	-	(1,816)	-	(2,815)
Share of results from investments in associates	-	-	-	-	-	-	-
Share of results from investments in joint ventures	-	(16)	-	-	-	-	(16)
Reportable loss	4	(760)	(970)	-	(2,980)	-	(4,706)
Income (expense)/tax credit	(28)	-	(16)	-	-	-	(44)
Loss for the period	(24)	(760)	(986)	-	(2,980)	-	(4,750)
Other information							
Interest income	-	1	-	-	-	-	1
Depreciation of property, plant and equipment	(71)	(159)	(730)	-	-	-	(960)
As at 30 September 2021							
Reportable segment assets	138,378	107,041	35,300	-	99	-	280,818
Reportable segment assets included:							
Investments in associates	306	-	-	-	-	-	306
Investments in joint ventures	-	105,937	-	-	-	-	105,937
Additions to non-current assets	465	74	2	-	-	-	541
Reportable segment liabilities	88,523	6,778	15,154	-	51,781	-	162,236

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E. Notes to condensed interim consolidated financial statements

4. Segment and revenue information (cont'd)

4.1 Reportable segment (cont'd)

	Real estate development and investment S\$'000	Real estate origination and management services S\$'000	Hospitality S\$'000	Entertainment S\$'000	Corporate office S\$'000	Inter-segment elimination S\$'000	Total S\$'000
1 April 2020 to 30 September 2020							
Revenue							
Revenue from external customers	2,585	463	406	-	-	-	3,454
Inter-segment revenue	-	-	-	-	-	-	-
Total revenue	2,585	463	406	-	-	-	3,454
Results							
Segment results	(138)	(737)	(660)	-	(1,290)	-	(2,825)
Finance costs	(856)	(17)	(332)	-	(1,365)	-	(2,570)
Share of results from investments in associates	34	-	-	-	-	-	34
Share of results from investments in joint ventures	-	(31)	-	-	-	-	(31)
Reportable (loss)/profit	(960)	(785)	(992)	-	(2,655)	-	(5,392)
Income tax credit	(236)	-	-	-	-	-	(236)
(Loss)/Profit for the period	(1,196)	(785)	(992)	-	(2,655)	-	(5,628)
Other information							
Interest income	-	3	-	-	-	-	3
Depreciation of property, plant and equipment	(271)	(303)	(766)	-	-	-	(1,340)
As at 31 March 2021							
Reportable segment assets	136,989	104,291	34,710	-	128	-	276,118
Reportable segment assets included:							
Investments in associates	306	-	-	-	-	-	306
Investments in joint ventures	-	103,167	-	-	-	-	103,167
Additions to non-current assets	519	246	41	-	2	-	808
Reportable segment liabilities	88,094	7,239	15,381	-	45,961	-	156,675

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E. Notes to condensed interim consolidated financial statements

4. Segment and revenue information (cont'd)

4.2 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	
	6 months ended 30-Sep-21 S\$'000	6 months ended 30-Sep-20 S\$'000	30-Sep-21 S\$'000	31-Mar-21 S\$'000
Singapore	6,159	586	1,581	1,189
Indonesia	662	2,774	40,042	39,816
People's Republic of China	15	94	106,003	103,243
	<u>6,836</u>	<u>3,454</u>	<u>147,626</u>	<u>144,248</u>

4.3 Disaggregation of revenue

	Real estate development and investment		Real estate origination and management services		Hospitality		Total	
	30-Sep-21 S\$'000	30-Sep-20 S\$'000	30-Sep-21 S\$'000	30-Sep-20 S\$'000	30-Sep-21 S\$'000	30-Sep-20 S\$'000	30-Sep-21 S\$'000	30-Sep-20 S\$'000
Primary geographical markets								
Singapore	5,522	217	533	369	104	-	6,159	586
Indonesia	-	2,368	-	-	662	406	662	2,774
People's Republic of China	-	-	15	94	-	-	15	94
	<u>5,522</u>	<u>2,585</u>	<u>548</u>	<u>463</u>	<u>766</u>	<u>406</u>	<u>6,836</u>	<u>3,454</u>
Major product or service lines								
Management, coordination, consultancy and establishment fee	-	-	548	463	104	-	652	463
Room revenue	-	-	-	-	242	88	242	88
Food & beverage, Spa and other retail revenue	-	-	-	-	159	58	159	58
Sale of development properties	5,522	2,585	-	-	-	-	5,522	2,585
Others	-	-	-	-	261	260	261	260
	<u>5,522</u>	<u>2,585</u>	<u>548</u>	<u>463</u>	<u>766</u>	<u>406</u>	<u>6,836</u>	<u>3,454</u>
Timing of transfer of goods or services								
At a point in time	5,522	2,585	-	-	420	318	5,942	2,903
Over time	-	-	548	463	346	88	894	551
	<u>5,522</u>	<u>2,585</u>	<u>548</u>	<u>463</u>	<u>766</u>	<u>406</u>	<u>6,836</u>	<u>3,454</u>

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E. Notes to condensed interim consolidated financial statements

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2021 and 31 March 2021:

	Group		Company	
	30-Sep-21 S\$'000	31-Mar-21 S\$'000	30-Sep-21 S\$'000	31-Mar-21 S\$'000
Financial assets				
Trade and other receivables	2,032	1,719	4,013	2,003
Other current assets, excluding prepayment	381	359	1	-
Cash and bank balances	2,837	1,783	79	89
Total undiscounted financial assets	5,250	3,861	4,093	2,092
Financial liabilities				
Trade and other payables, excluding non-refundable deposits	18,326	15,737	6,589	4,661
Bank borrowings (secured)	84,914	84,224	-	-
Finance leases	102	121	-	-
Loans from shareholders	46,279	42,883	46,279	42,883
Loan from a non-controlling interest	12,028	12,028	-	-
Total undiscounted financial liabilities	161,649	154,993	52,868	47,544
Total net undiscounted financial liabilities	(156,399)	(151,132)	(48,775)	(45,452)

6. Profit before taxation

6.1 Significant items

	Group	
	6 months ended 30-Sep-21 S\$'000	6 months ended 30-Sep-20 S\$'000
Income		
Interest income	(1)	(3)
Expenses		
Depreciation of property, plant and equipment	960	1,340
Net foreign exchange gain	(232)	(602)
Interest expense	2,815	2,570
Loss on strike-off of subsidiary	(1)	-
Property, plant and equipment written-off	5	-

6.2 Related party transactions

During the financial period, the Group entered into the following significant transactions with related parties at terms agreed between the parties, other than those disclosed elsewhere in the condensed interim consolidated financial statements:

	Group	
	6 months ended 30-Sep-21 S\$'000	6 months ended 30-Sep-20 S\$'000
Ultimate holding company		
Loan	3,892	-
Interest expense	217	67
Related companies		
Management fee income	42	42
Joint venture		
Consultancy fee income	104	-

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E. Notes to condensed interim consolidated financial statements

6. Profit before taxation (cont'd)

6.2 Related party transactions (cont'd)

During the financial period, the Group entered into the following significant transactions with related parties at terms agreed between the parties, other than those disclosed elsewhere in the condensed interim consolidated financial statements: (cont'd)

	Group	
	6 months ended 30-Sep-21 S\$'000	6 months ended 30-Sep-20 S\$'000
Entity which the directors of the Company have interest in		
Management fee income	100	100
Transactions with directors of the Company		
Management fee income from development properties sold	4	4
Shared return from development properties	(3)	(2)
Guarantors fee	140	140
Transactions with shareholders of the Company		
Interest expense	1,600	1,299

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended 30-Sep-21 S\$'000	6 months ended 30-Sep-20 S\$'000
Income taxes		
- Current income taxation	17	236
- Under provision in prior years	27	-
Income tax expenses recognised in profit or loss	44	236

8. Net asset value

	Group		Company	
	30-Sep-21 S\$ in cent	31-Mar-21 S\$ in cent	30-Sep-21 S\$ in cent	31-Mar-21 S\$ in cent
Net asset value per ordinary share	10.50	10.56	8.75	9.02

9. Property, plant and equipment

During the 3 months ended 30 September 2021, the Group acquired assets amounting to \$541,000 (30 September 2020: \$229,000).

KOP LIMITED

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E. Notes to condensed interim consolidated financial statements

10. Bank borrowings (secured)

	Group	
	30-Sep-21 S\$'000	31-Mar-21 S\$'000
Current		
Fixed rate bank loans		
- 7-year USD loan	1,591	3,477
- 5-year SGD loan	313	217
	1,904	3,694
Non-current		
Fixed rate bank loans		
- 7-year USD loan	7,336	5,371
- 5-year SGD loan	936	1,083
Variable rate bank loan		
- SGD land loan and construction loan	71,915	70,954
	80,187	77,408
Total bank borrowings (secured)	82,091	81,102

The Group's bank borrowings comprise the followings:

(a) 7-year fixed rate bank loan

The 7-year USD term loan bears interest at 5.50% (31 March 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 subsidiaries, personal guarantee from directors of the Company and corporate guarantee from a subsidiary.

(b) 5-year fixed rate bank loan

The 5-year SGD term loan bears interest at 2.75% (31 March 2021: 2.75%) per annum and matures in July 2025. The loan is secured by a corporate guarantee from the Company.

(c) Variable rate bank loan

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 \$2,261,000 (31 March 2021: \$1,336,000) as at the reporting date. The loans bear interest at 1.40% (31 March 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 and proportionate guarantee from the Company.

11. Loans from shareholders

The Group's loans from shareholders comprise the followings:

(a) Shareholder: \$37,000,000 fixed rate loan (31 March 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 in November 2018 was extended for repayment to November 2022.

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: \$8,193,000 fixed rate loan (31 March 2020: \$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 cashflows 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.

KOP LIMITED

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E. Notes to condensed interim consolidated financial statements

12. Share capital

	Group and Company		Company	
	30-Sep-21	31-Mar-21	30-Sep-21	31-Mar-21
	Number of ordinary shares *		S\$'000	
Issued and fully paid-up capital:				
At beginning and end of the interim period	1,107,962,214	1,107,962,214	294,506	294,506

* 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	
	30-Sep-21	31-Mar-21
	S\$'000	
Issued and fully paid-up capital: ^		
At beginning and end of the interim period	78,940	78,940

^ 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 Company did not hold any treasury shares as at 30 September 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2021 and 31 March 2021.

13. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

On 17 November 2021, the Company announced that its wholly-owned subsidiary, KOP Properties Shanghai Operation and Management Pte. Ltd. has been struck off from the Register of Companies pursuant to Section 344 of the Companies Act, Chapter 50.

On 16 December 2021, the Company announced that its indirect 60%-owned subsidiary, Cafe Montigo Pte. Ltd. has been struck off from the Register of Companies pursuant to Section 344 of the Companies Act, Chapter 50.

The above events are not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 March 2022.

The financial effects of the above transaction have not been included in this interim financial statements for the period ended 30 September 2021. The operating results and assets and liabilities of the company will be reflected in third quarter FY2022 financial statements and in full year financial statements for FY2022.

KOP LIMITED

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F. Other information required by Listing Rule Appendix 7C

Other information

1. Review

The condensed consolidated balance sheets of KOP Limited and its subsidiaries as at 30 September 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the 6-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

2a. Income statement

Revenue

	3 months ended		3 months ended	
	30-Sep-21 S\$'000	30-Sep-20 S\$'000	Change S\$'000	%
Real estate development and investment	2,927	94	2,833	3,013.9
Real estate origination and management services	232	307	(75)	(24.4)
Hospitality	284	233	51	21.9
Entertainment	-	-	-	N.M.
	<u>3,442</u>	<u>634</u>	<u>2,808</u>	<u>443.0</u>

	6 months ended		6 months ended	
	30-Sep-21 S\$'000	30-Sep-20 S\$'000	Change S\$'000	%
Real estate development and investment	5,522	2,585	2,937	113.6
Real estate origination and management services	548	463	85	18.4
Hospitality	766	406	360	88.7
Entertainment	-	-	-	N.M.
	<u>6,836</u>	<u>3,454</u>	<u>3,382</u>	<u>97.9</u>

Revenue increased by S\$2.8 million or 443.0% from S\$0.6 million in 3 months ended 30 September 2020 ("2QFY2021") to S\$3.4 million in 3 months ended 30 September 2021 ("2QFY2022"). The increase was mainly due to increase in revenue from the real estate development and investment segment and hospitality segment. The increase was partially offset by the decrease in revenue from the real estate origination and management services segment.

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

Revenue increased by S\$3.3 million or 97.9% from S\$3.5 million in 6 months ended 30 September 2020 ("6MFY2021") to S\$6.8 million in 6 months ended 30 September 2021 ("6MFY2022"). The increase was mainly due to increase in revenue from the real estate development and investment segment, real estate origination and management services segment and hospitality segment.

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

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

The increase in revenue from the hospitality segment was mainly due to the reopening of the resorts only in October 2020 with limited domestic business.

Cost of sales

Cost of sales increased by \$2.2 million or 672% from S\$0.3 million in 2QFY2021 to S\$2.5 million in 2QFY2022 and increased by S\$1.7 million or 58% from S\$3.1 million in 6MFY2021 to S\$4.8 million in 6MFY2022 which is in line with the increase in revenue during the period.

Gross profit

Gross profit increased by S\$0.7 million or 205% from S\$0.3 million in 2QFY2021 to S\$1.0 million in 6MFY2022 and increased by S\$1.6 million or 404% from S\$0.4 million in 6MFY2021 to S\$2.0 million in 6MFY2022 which is in line with the increase in revenue during the period.

Other operating income

Other operating income decreased by \$64,000 or 57% from S\$112,000 in 2QFY2021 to S\$48,000 in 2QFY2022 and decreased by S\$39,000 or 14% from S\$283,000 in 6MFY2021 to S\$244,000 in 6MFY2022 mainly due to the reduction in government grants received during the period.

F. Other information required by Listing Rule Appendix 7C

Other information

2. Review of performance of the Group (cont'd)

2a. Income statement (cont'd)

Administrative and general expenses

Administrative and general expenses decreased by S\$0.3 million or 11% from S\$2.4 million in 2QFY2021 to S\$2.1 million in 2QFY2022 mainly due to unrealised foreign exchange loss arising from translation of USD loan in the prior period.

Administrative and general expenses increased by S\$0.6 million or 17% from S\$3.4 million in 6MFY2021 to S\$4.0 million in 6MFY2022 mainly due to the reopening of the resorts in October 2020.

Distribution costs

Distribution costs increased by S\$37,000 or 46% from S\$81,000 in 6MFY2021 to S\$118,000 in 6MFY2022 mainly due to the increase in sales and marketing expenses incurred during the period.

Share of results from investments in associates

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

Share of results from investments in joint ventures

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

Loss after tax

As a result of the above, the Group recorded a loss after tax of S\$2.7 million in 2QFY2022 and a loss after tax of S\$4.8 million in 6MFY2022 compared to a loss after tax of S\$3.2 million in 2QFY2021 and a loss after tax of S\$5.6 million in 6MFY2021.

Exchange difference on translation of foreign operations

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

2b. Balance sheets

Trade and other receivables increased by S\$0.3 million from S\$1.7 million as at 31 March 2021 to S\$2.0 million as at 30 September 2021 mainly due to the proceeds receivable from the sale of unit in Dalvey Haus.

Contract assets relates to the right to recognise revenue for percentage of work completed but not billed in Dalvey Haus Project during the period.

Contract costs decreased by S\$0.1 million from S\$0.6 million as at 31 March 2021 to S\$0.5 million as at 30 September 2021 mainly due to amortisation of the cost to obtain sales contracts over the period of construction of Dalvey Haus project.

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

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

2c. Cash flows statement

The net cash outflow from operating activities for 2QFY2022 arose mainly due to the proceeds receivable from the sale of unit in Dalvey Haus which would only be received subsequent to the period.

The net cash outflow from investing activities for 2QFY2022 arose from the purchase of property, plant and equipment during the period.

The net cash inflow from financing activities for 2QFY2022 arose mainly from the proceeds from loan from a shareholder.

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

No forecast or prospect statement has been previously disclosed.

F. Other information required by Listing Rule Appendix 7C

Other information

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

With the continuation of the unprecedented health crisis, the global travel and tourism industries were among the industries adversely affected by the pandemic, resulting from the movement control. Travel ban and closure of the countries' borders have been imposed in many countries to curb the spread of the virus.

Consequently, our Montigo Resorts, Nongsa and Montigo Resorts, Seminyak (collectively, "Resorts") have both experienced a decrease in demand, resulting in a decrease in revenue and performance. A series of cost control measures have been implemented during this period. On the other hand, we have also rolled-out a series of sales and marketing campaigns domestically to generate additional sales during this period. Meanwhile, we will continue to deploy our own resources to refurbish and maintain the Resorts so we are geared up for re-opening once the travel restrictions are lifted.

While safeguarding the viability of the business, our utmost priority has been the safety and well-being of all our staff, guests, and associates. The Group have put in place stringent health and precautionary measures, inclusive but not limited to deep cleaning and sanitising the Resorts regularly, to ensure the cleanliness of the properties as well as the well-being of our staff and guests.

As for the operations in China, business remains as usual and have been progressing well. Closer to home, approximately 31% of the Dalvey Haus development project has been completed to date.

While global economic conditions are expected to recover by the progressive roll-out of the vaccination programmes by various countries, the outlook of the global economy continues to be fraught with uncertainties. The Company will remain cautious on future prospects during this period as we remain prudent in cost management and continue to focus on improving our operational efficiency to optimise the utilisation of our resources.

The Group's indirect subsidiary, KOP Northern Lights Pte. Ltd., received a notice of arbitration on 18 January 2021. Please refer to the Company's announcements dated 18 January 2021, 20 January 2021, 1 February 2021, 11 February 2021, 5 March 2021 and 3 June 2021 for more details.

5. Dividend information

5a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

5b. Corresponding Period of the Immediately Preceding Financial year

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

No.

5c. Date Payable

Not applicable.

5d. Books closure date

Not applicable.

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

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

F. Other information required by Listing Rule Appendix 7C

Other information

7. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S\$100,000) S\$'000
<u>Scotts Spazio Pte. Ltd.</u> Management fee income	100	-
<u>KOP Group Pte. Ltd.</u> Interest expense	217	-
<u>Mr. Sam Goi Seng Hui</u> Interest expense	1,600	-
<u>Ms. Ong Chih Ching</u> Guarantors fee	70	-
<u>Ms. Leny Suparman</u> Guarantors fee	70	-

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Listing Manual of the SGX-ST.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the 6-month period ended 30 September 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ong Chih Ching
Executive Chairman and Executive Director

Leny Suparman
Executive Director and Group Chief Executive Officer

16 December 2021