Company Registration No. 200415164G

KOP Limited and its subsidiaries

Revised Annual Financial Statements
31 March 2019

Building a better
working world

General information

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 (Appointed on 16 September 2019)
Ng Hin Lee	Lead Independent Director (Appointed on 15 January 2018)
Dr Ho Kah Leong @ Ho Kah Leung	Independent Director
Yu-Foo Yee Shoon	Independent Director

Company Secretary

Shirley Tan Sey Liy (FCS, FCG)

Registered Office

316 Tanglin Road
#01-01
Singapore 247978

Share Registrar

In.Corp Corporate Services Pte. Ltd.
(formerly known as RHT Corporate Advisory Pte. Ltd.)
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712

Principal Bankers

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

Auditor

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner in charge: Wong Yew Chung (Date of appointment: since financial year ended 31 March 2018)

KOP Limited and its subsidiaries

General information

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KOP Limited and its subsidiaries

Directors' statement

The directors present their statement to the members together with the audited revised 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 2019.

This new directors’ statement replaces the original directors’ statement signed on 7 August 2019. This new directors’ statement and the revised financial statements have been prepared in accordance with Companies (Revision of Defective Financial Statements, or Consolidated Financial Statements or Balance-Sheet) Regulations 2018.

The bases for revisions are explained in Note 2 to the revised financial statements. This new directors’ statement is taken as having been prepared on the date of the original directors’ statement and accordingly, does not consider those events occurring between 1 April 2019 and 30 March 2023.

Opinion of the directors

In the opinion of the directors,

(a) the revised 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 2019 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year covered by the original consolidated financial statements; and

(b) at the date of the original directors’ statement (7 August 2019), there were reasonable grounds to believe that the Company would be able to pay its debts as and when they fell due.

Directors

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

<table>
<tr><th>Directors in office at 31 March 2019</th><th colspan="2">Movements during the period from 1 Apr 2019 to 30 March 2023</th><th>Directors in office at 30 March 2023</th></tr>
<tr><td></td><td>Appointment</td><td>Resignation</td><td></td></tr>
<tr><td>Ong Chih Ching</td><td>–</td><td>–</td><td>Ong Chih Ching</td></tr>
<tr><td>Leny Suparman</td><td>–</td><td>–</td><td>Leny Suparman</td></tr>
<tr><td>Judith Goi Lang Peng</td><td>16 September 2019</td><td>–</td><td>Judith Goi Lang Peng</td></tr>
<tr><td>Ng Hin Lee</td><td>–</td><td>–</td><td>Ng Hin Lee</td></tr>
<tr><td>Lee Kiam Hwee</td><td>–</td><td>29 October 2021</td><td>–</td></tr>
<tr><td>Dr Ho Kah Leong @ Ho Kah Leung</td><td>–</td><td>–</td><td>Dr Ho Kah Leong @ Ho Kah Leung</td></tr>
<tr><td>Yu-Foo Yee Shoon</td><td>–</td><td>–</td><td>Yu-Foo Yee Shoon</td></tr>
</table>

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 object 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' 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:

	Direct interest			Deemed interest		
Name of directors	**At the beginning of financial year**	**At the end of financial year**	**At 21 April 2019**	**At the beginning of financial year**	**At the end of financial year**	**At 21 April 2019**
Ordinary shares of the Company						
Ong Chih Ching (1) (2)	1,100,000	1,100,000	1,100,000	493,247,143	493,247,143	493,247,143
Leny Suparman (1) (3)	1,000,000	1,100,000	1,100,000	459,257,142	459,257,142	459,257,142
Yu-Foo Yee Shoon	540,000	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 all the subsidiaries, associates and joint venture 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 493,247,143 (2018: 493,247,143) shares which comprises (i) 428,571,428 (2018: 428,571,428) shares held through KOP Group Pte. Ltd. and, (ii) 64,675,715 (2018: 64,675,715) shares held through Bank of Singapore Limited under Citibank Nominees Singapore Pte. Ltd..

(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 (2018: 459,257,142) shares which comprises (i) 428,571,428 (2018: 428,571,428) shares held through KOP Group Pte. Ltd. and (ii) 30,685,714 (2018: 30,685,714) shares held through Bank of Singapore Limited under Citibank Nominees Singapore Pte. Ltd..

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, 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 an option 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.

Audit and Risk Committee ("ARC")

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

Mr. Ng Hin Lee	Chairman and Lead Independent director
Mrs. Yu-Foo Yee Shoon	Independent director
Dr. Ho Kah Leong @ Ho Kah Leung	Independent director

All ARC members are Non-Executive Independent Directors.

The ARC has met three 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 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.

On behalf of the Board of Directors,

Ong Chih Ching
Director

Leny Suparman
Director

30 March 2023

Report on the Audit of the Revised Financial Statements

We have audited the revised financial statements of KOP Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2019, 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 revised financial statements, including a summary of significant accounting policies. The revised financial statements replace the original financial statements approved by the directors on 7 August 2019.

Qualified Opinion on the comparability of the current year's figures and the corresponding figures due to qualification in the previous financial year

In our opinion, except for the possible effects of the corresponding figures relating to the Group's 2018 consolidated financial performance and consolidated changes in equity as described in the Basis for Qualified Opinion section of our report, the accompanying revised consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the Companies Act 1967 (the Act) as they have effect under the Companies (Revision of Defective Financial Statements, or Consolidated Financial Statements or Balance-sheet) Regulations 2018 (the Regulations) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view, seen as at the date of the original financial statements, of the consolidated financial performance and consolidated changes in equity of the Group for the year ended on that date.

Basis for Qualified Opinion (Consequential effect of qualification in the previous financial year)

Our audit opinion on the Group's 2018 consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity ("FY2018 Revised Statements") was qualified as we were unable to assess whether any adjustments arising from the opening balances were necessary to the FY2018 Revised Statements. This was in relation to a qualified opinion expressed by the predecessor auditor on the financial statements for the year ended 31 March 2017 as they were unable to obtain sufficient and appropriate audit evidence on the advances from an individual amounting to US$3,000,000 as disclosed in Note 26.

The FY2018 Revised Statements were presented as corresponding figures in the current year's revised financial statements. The Singapore Standards on Auditing require the auditor to consider the comparability of current period's figures and the corresponding figures when the audit opinion on corresponding figures was qualified and modify their report where appropriate. Accordingly, our opinion on the current year's revised financial statements is qualified because of the possible effect of the comparability of the current year's figures and the corresponding figures.

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 Revised 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 revised 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.

Other Matter – Revisions Made Under the Regulations

We draw attention to Note 2.1 to these revised financial statements which describes the voluntary revision of the original financial statements in accordance with section 202A of the Companies Act. The original financial statements have been revised to reflect a property held by a joint venture as investment property, measured at fair value since the financial year ended 31 March 2018. The said property is accounted for as property, plant and equipment recorded at cost in the FY2018 original financial statements. The original financial statements for the year were approved by the directors on 7 August 2019 and we dated our original auditor's report on the original financial statements on that date.

The revised financial statements have been prepared in accordance with the Regulations and accordingly do not deal with events which have taken place after the date on which the original financial statements were approved. Consequently, our procedures on subsequent events are restricted solely to the revisions described in Note 2.1 to these revised financial statements and we have not performed procedures in relation to events occurring between the date of our original auditor's report and the date of this report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the revised financial statements of the current period. These matters were addressed in the context of our audit of the revised financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the Audit of the Revised Financial Statements section* of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the revised financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying revised financial statements.

1. Review of valuation reports

As at 31 March 2019, the Group has significant properties which comprise development properties amounting to $124,020,000 and leasehold land and buildings carried at cost model amounting to $40,966,000. The Group's joint venture company has an investment property, amounting to $415,235,000, which is carried at fair value as at 31 March 2019.

To assess the net realisable value of the development properties and the 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. The Group has also engaged an external professional valuer to assess the fair value of the investment property held by joint venture company. The valuation of these properties is significant to our audit because it involves the estimation 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 metre and gross development costs per square metre.

Key Audit Matters (cont'd)

1. Review of valuation reports (cont'd)

As part of the audit, we assessed the objectivity, independence and expertise of the external professional valuers. We involved our internal real estate valuation specialists to assist us in assessing the appropriateness of the valuation models and assessing the reasonableness of the key assumptions used by management and the external professional valuers with reference to historical information and industry data (where available). In addition, we assessed the adequacy of the disclosures on the development properties and property, plant and equipment in Note 18 and 10 respectively to the revised financial statements.

2. Going concern assumption

As discussed in Note 2.1 to the revised financial statements, the Group incurred a net loss of $5,933,000 and net cash flows used in operating activities of $104,525,000 for the financial year ended 31 March 2019. Significant management judgement is involved in assessing the ability of the Group to meet its financial obligations and manage its liquidity position as part of management's assessment of the going concern assumption used in the preparation of the revised financial statements. As such, we determined this to be a key audit matter.

As part of our audit procedures, we obtained management's cash flow forecast and evaluated the reasonableness of the key assumptions used in the forecast. We performed stress tests on the key assumptions used, in particular, revenue from sale of properties and resort operations, by comparing these forecasts to historical data and management's plans. We reviewed the letter of undertaking and evaluated the arrangement provided by the Group's major shareholders to subscribe for new shares of the Company, jointly and severally, of up to S$10 million to enable the Group to meet its liabilities as and when they fall due. We also assessed the adequacy of the disclosures in Note 2.1 to the revised financial statements.

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 revised financial statements and our auditor's report thereon.

Our opinion on the revised 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 revised financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the revised 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 have nothing to report in this regard.

Responsibilities of Management and Directors for the Revised Financial Statements

Management is responsible for the preparation of revised 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 revised 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 Revised Financial Statements

Our objectives are to obtain reasonable assurance about whether the revised 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 revised financial statements.

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

- Identify and assess the risks of material misstatement of the revised 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 revised 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.

Auditor's Responsibilities for the Audit of the Revised Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the revised financial statements, including the disclosures, and whether the revised 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 revised 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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the revised 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 Wong Yew Chung.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants

Singapore
30 March 2023

KOP Limited and its subsidiaries

Revised consolidated statement of profit or loss and other comprehensive income
For the financial year ended 31 March 2019

		Group	
	Note	**Revised 2019** $'000	**Revised 2018** $'000
Revenue	4	18,682	26,705
Cost of sales		(8,296)	(8,893)
Gross profit		10,386	17,812
Other operating income	5	246	3,324
Distribution costs		(362)	(582)
Administrative and general expenses		(16,931)	(20,636)
Share of results from investments in associates		427	(66)
Share of results from investment in a joint venture	15	3,889	36,259
Finance costs	6	(3,460)	(3,473)
Impairment loss on financial assets	8	(313)	(142)
(Loss)/Profit before tax		(6,118)	32,496
Income tax credit/(expense)	7	185	(2,981)
(Loss)/Profit after tax	8	(5,933)	29,515
Other comprehensive income for the financial year			
Item that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations		(3,791)	2,367
Total comprehensive income for the financial year		(9,724)	31,882
(Loss)/Profit attributable to:			
Owners of the Company		(5,667)	29,778
Non-controlling interests		(266)	(263)
		(5,933)	29,515
Total comprehensive income attributable to:			
Owners of the Company		(9,369)	31,971
Non-controlling interests		(355)	(89)
		(9,724)	31,882
(Loss)/Earnings per share (cents)			
Basic and diluted	9	(0.51)	3.02

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

KOP Limited and its subsidiaries

Revised balance sheets
As at 31 March 2019

		Group			Company		
			Revised				
	Note	**31 March 2019** $'000	**31 March 2018** $'000	**1 April 2017** $'000	**31 March 2019** $'000	**31 March 2018** $'000	**1 April 2017** $'000
Non-current assets							
Property, plant and equipment	10	43,574	41,671	59,427	–	3	–
Investment property	11	–	–	11,306	–	–	–
Intangible assets	12	–	–	7	–	–	–
Investments in subsidiaries	13	–	–	–	226,194	144,900	147,400
Investments in associates	14	846	8,669	8,735	–	–	–
Investment in a joint venture	15	100,163	99,722	–	–	–	–
Deferred tax assets	16	40	99	242	–	–	–
Notes receivable	17	–	1,789	16,894	–	–	–
		144,623	151,950	96,611	226,194	144,903	147,400
Current assets							
Development properties	18	124,020	24,306	24,448	–	–	–
Inventories	19	531	527	518	–	–	–
Trade and other receivables	20	3,317	11,458	36,485	2,357	78,489	27,833
Other current assets	21	736	932	755	17	47	22
Notes receivable	17	1,829	8,000	–	–	–	–
Cash and bank balances	22	2,864	9,613	815	38	440	5
		133,297	54,836	63,021	2,412	78,976	27,860
Total assets		277,920	206,786	159,632	228,606	223,879	175,260

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

KOP Limited and its subsidiaries

Revised balance sheets
As at 31 March 2019

	Note	Group 31 March 2019 $'000	Group Revised 31 March 2018 $'000	Group 1 April 2017 $'000	Company 31 March 2019 $'000	Company 31 March 2018 $'000	Company 1 April 2017 $'000
Current liabilities							
Bank overdrafts and bank borrowings (secured)	23	1,749	1,131	14,075	–	–	–
Finance leases	24	31	30	20	–	–	–
Sales proceeds received in advance	25	1,341	986	2,445	–	–	–
Tax payable		2,194	523	1,131	4	4	4
Trade and other payables	26	10,532	13,835	24,231	1,568	830	5,015
Loan from a shareholder	27	–	37,000	–	–	37,000	–
		15,847	53,505	41,902	1,572	37,834	5,019
Non-current liabilities							
Deferred tax liabilities	16	2,338	4,733	2,626	–	–	–
Bank borrowings (secured)	23	78,172	10,125	19,822	–	–	–
Finance leases	24	146	177	37	–	–	–
Loan from a shareholder	27	37,000	–	–	37,000	–	–
Loan from a non-controlling interest	28	9,987	–	–	–	–	–
		127,643	15,035	22,485	37,000	–	–
Equity attributable to owners of the Company							
Share capital	29	78,940	78,940	67,861	294,506	294,506	283,427
Foreign currency translation reserves	30	(1,095)	2,607	414	–	–	–
Other reserves	31	2,094	1,520	1,520	–	–	–
Retained earnings/ (Accumulated losses)		49,933	55,722	25,944	(104,472)	(108,461)	(113,186)
		129,872	138,789	95,739	190,034	186,045	170,241
Non-controlling interests		4,558	(543)	(494)	–	–	–
Total equity		134,430	138,246	95,245	190,034	186,045	170,241
Total liabilities and equity		277,920	206,786	159,632	228,606	223,879	175,260

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

KOP Limited and its subsidiaries

Revised consolidated statements of changes in equity
For the financial year ended 31 March 2019

	Share capital $'000	Foreign currency translation reserves (Revised) $'000	Other reserves $'000	Retained earnings (Revised) $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group							
As at 1 April 2017 (FRS framework and SFRS (I) framework)	67,861	414	1,520	25,944	95,739	(494)	95,245
Total comprehensive income for the financial year							
Profit/(Loss) for the year	–	–	–	29,778	29,778	(263)	29,515
Other comprehensive income for the year	–	2,193	–	–	2,193	174	2,367
Total comprehensive income for the financial year	–	2,193	–	29,778	31,971	(89)	31,882
Contribution by owners							
Issuance of ordinary shares (Note 29)	11,079	–	–	–	11,079	–	11,079
Contribution from non-controlling interests	–	–	–	–	–	40	40
Total contribution by owners	11,079	–	–	–	11,079	40	11,119
As at 31 March 2018	78,940	2,607	1,520	55,722	138,789	(543)	138,246

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

KOP Limited and its subsidiaries

Revised consolidated statements of changes in equity
For the financial year ended 31 March 2019

	Share capital $'000	Foreign currency translation reserves (Revised) $'000	Other reserves $'000	Retained earnings (Revised) $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group							
As at 1 April 2018	78,940	2,607	1,520	55,722	138,789	(543)	138,246
Total comprehensive income for the financial year							
Loss for the year	–	–	–	(5,667)	(5,667)	(266)	(5,933)
Other comprehensive income for the year	–	(3,702)	–	–	(3,702)	(89)	(3,791)
Total comprehensive income for the financial year	–	(3,702)	–	(5,667)	(9,369)	(355)	(9,724)
Contribution by owners							
Capital contribution from non-controlling interests	–	–	–	–	–	400	400
Other contribution from non-controlling interests	–	–	–	–	–	1,351	1,351
Total contribution by owners	–	–	–	–	–	1,751	1,751
Changes in ownership interests in subsidiaries							
Strike-off of subsidiary	–	–	122	(122)	–	–	–
Increase in non-controlling interests without a change in control	–	–	452	–	452	3,705	4,157
Total changes in ownership interests in subsidiaries	–	–	574	(122)	452	3,705	4,157
Total transactions with owners in their capacity as owners	–	–	574	(122)	452	5,456	5,908
As at 31 March 2019	78,940	(1,095)	2,094	49,933	129,872	4,558	134,430

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

KOP Limited and its subsidiaries

Statements of changes in equity
For the financial year ended 31 March 2019

Company	Share capital $'000	Accumulated losses $'000	Total $'000
As at 1 April 2017 (FRS framework and SFRS (I) framework)	283,427	(113,186)	170,241
Profit for the year, representing total comprehensive income for the year	–	4,725	4,725
Issuance of ordinary shares (Note 29)	11,079	–	11,079
As at 31 March 2018	294,506	(108,461)	186,045
Profit for the year, representing total comprehensive income for the year	–	3,989	3,989
As at 31 March 2019	294,506	(104,472)	190,034

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

KOP Limited and its subsidiaries

Revised consolidated cash flow statement
For the financial year ended 31 March 2019

	Note	2019 $'000	Revised 2018 $'000
Operating activities			
(Loss)/Profit before tax		(6,118)	32,496
Adjustments for:			
Depreciation of property, plant and equipment	10	2,784	3,251
Gain on disposal of property, plant and equipment	5,8	–	(455)
Gain on strike-off of subsidiaries	5	(2)	(146)
Gain on disposal of a subsidiary	5, 13(d)	–	(23)
Property, plant and equipment written-off	8	45	3
Amortisation of intangible assets	8	–	7
Interest income	5	(112)	(1,038)
Finance costs	6	3,460	3,473
Bad debts written-off	8	313	30
Allowance for doubtful receivables, net	8	–	112
Unrealised foreign exchange differences		(137)	1,845
Share of results of investments in associates		(427)	66
Share of results of investment in a joint venture		(3,889)	(36,259)
Inventories written-off	8	20	–
Operating cash flows before changes in working capital		(4,063)	3,362
Changes in working capital			
Trade and other receivables		1,793	(2,792)
Other current assets		196	(198)
Development properties		(99,266)	172
Inventories		(24)	(9)
Trade and other payables		464	(5,200)
Sales proceeds received in advance		344	(1,459)
Cash flows used in operating activities		(100,556)	(6,124)
Interest paid		(3,471)	(3,640)
Tax paid		(498)	(1,266)
Net cash flows used in operating activities		(104,525)	(11,030)

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

KOP Limited and its subsidiaries

Consolidated cash flow statement
For the financial year ended 31 March 2019

	Note	2019 $'000	2018 $'000
Investing activities			
Purchase of property, plant and equipment	10	(4,666)	(2,678)
Proceeds from disposal of property, plant and equipment		–	492
Partial redemption of notes receivable		8,000	8,000
Net cash outflow on investment in a joint venture		–	(61,389)
Net cash inflow on disposal of a subsidiary	13(d)	–	2,868
Repayment of loan from an associate		6,174	27,000
Dividends received from an associate		8,250	–
Net cash flows generated from/(used in) investing activities		17,758	(25,707)
Financing activities			
Repayment of bank borrowings		(1,471)	(14,539)
Increase in restricted funds placed in escrow accounts		(135)	(474)
Repayment of finance leases		(30)	(83)
Loan from/(Repayment to) non-controlling interests		11,338	(3,792)
Proceeds from issuance of ordinary shares		–	11,079
Proceeds from bank borrowings		69,750	23,000
Proceeds from loan from a shareholder		–	45,000
Repayment of loan to a shareholder		–	(8,000)
Proceeds from finance leases		–	233
Capital contribution from non-controlling interests		400	40
Net cash flows generated from financing activities		79,852	52,464
Net (decrease)/increase in cash and cash equivalents		(6,915)	15,727
Cash and cash equivalents at beginning of the financial year		8,852	(6,800)
Effect of foreign currency translation on cash and cash equivalents		31	(75)
Cash and cash equivalents at end of the financial year	22	1,968	8,852

The accompanying accounting policies and explanatory notes form an integral part of the 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"). The Company is a subsidiary of KOP Group Pte. Ltd., incorporated in Singapore, which is also the Company's ultimate holding company. KOP Group Pte. Ltd. is substantially owned by Ms. Ong Chih Ching and Ms. Leny Suparman. Related companies in these revised financial statements refer to members of the ultimate holding company's group of companies.

The principal activity of the Company is to carry on the business of an investment holding company. The principal activities of the subsidiaries, associates and joint venture are disclosed in Note 13, 14 and 15 to the revised financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

These revised financial statements were prepared in accordance with the Companies (Revision of Defective Financial Statements, or Consolidated Financial Statements or Balance-Sheet) Regulations 2018, as the directors have voluntarily revised these Financial Statements in accordance with section 202A of the Companies Act.

These revised financial statements replace the original financial statements that were approved by the directors on 7 August 2019. These revised financial statements were approved by the directors on 30 March 2023.

These revised financial statements are taken as having been prepared on the date of the original financial statements on 31 March 2019 and accordingly, do not consider any events which occurred between 8 August 2019 and 30 March 2023.

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

The revised 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.

These revised financial statements have been revised to reflect a property held by a joint venture as investment property, measured at fair value, instead of accounting it as property, plant and equipment using cost model in the financial year ended 31 March 2018 ("FY2018").

During the previous financial year, the Group and 2 joint venturers set up Shanghai Snow Star Properties Co., Ltd. ("Joint Venture"), to develop a land in Shanghai into an integrated sports and entertainment tourism resort that will house the world's largest indoor ski and snow park known as the "Wintastar Shanghai project" (the "property"). The parties agreed that the completed property would be leased to an operating company. However, the leasing arrangement would only commence when the land was fully developed with all the components and not at its undeveloped state.

2. Summary of significant accounting policies (cont'd)

2.1 *Basis of preparation (cont'd)*

In assessing the classification of the newly acquired land held by the Joint Venture for the financial year ended 31 March 2018, judgement was made by management based on the information available and circumstances existing at that material time. The Group had assessed that the development was complex consisting of ski and snow parks, water parks, ice skating rinks, hotels, cable cars and other components and regulatory approvals for certain components could be withheld due to its complexity and scale of development. There was no certainty at that material time that all approvals could be easily obtained especially as this was the first integrated indoor ski and snow park in China. As there were concerns of potential regulatory barriers and that legislation in China can change at short notice, the Group took a cautious approach and classified the land as property, plant and equipment (measured at cost), instead of investment property (measured at fair value) as at 31 March 2018. When there is certainty that all the relevant development permits can be obtained and construction is able to commence as planned, the property will be reclassified to investment property and measure at fair value in accordance with the Group's accounting policy.

In arriving at the above accounting treatment, the Group considered the regulatory approvals to have a substantial impact on Joint Venture's ability to develop the land for lease, especially as the planned leasing was not at the land's undeveloped state. Additionally, the Group had also considered that it may not be prudent to record fair value gains on the land until there is certainty in obtaining the relevant development permits as management could be criticised subsequently for adopting an aggressive accounting treatment that results in the fair value gains, if the permits were not obtained.

In the first quarter of the current year results announcement, the Group reclassified the property as investment property, measured at fair value, upon the Group obtaining the relevant development permits. The reclassification and revaluation were also recorded in the Group's original financial statements and all relevant development permits were received during the year.

The Group's original financial statements were reviewed by the ACRA Financial Reporting Surveillance team who enquired on the classification of the property held by the Joint Venture. Based on the documentation submitted by the Group, ACRA is of the view that the property should be classified as investment property for the financial year ended 31 March 2018 as it is the intention of the parties to develop the property for lease and there was no explicit rejection by the Chinese authorities in relation to the application of permits. Consequently, the property should be revalued, with fair value gains recorded in the statement of profit or loss, in the financial year ended 31 March 2018 instead of the current year.

Subsequent to the discussions with ACRA, the Group had revisited their previous assessment and noted that at that material time, the Joint Venture's efforts were directed at obtaining the relevant permits which were eventually obtained. In view of the circumstances and development, the Group had reassessed that in making their judgement on this matter in FY2018, they should have balanced the use of prudence with higher neutrality when applying the accounting standards. The Group is thus making a voluntary revision to the financial statements for FY2018 and the current financial year ended 31 March 2019 to record the uplift in the investment in joint venture in FY2018. As disclosed above, the uplift was previously recorded in the Group's original FY2019 financial statements.

2. Summary of significant accounting policies (cont'd)

2.1 *Basis of preparation (cont'd)*

The main aspects of the revision are reduction of other comprehensive income for the current year and increase in share of results of the investment in a joint venture in prior year as the fair value gains were treated as a prior year item. There is no material impact to the total assets, net assets and the cash flows for the year.

The impacts of the revisions for the financial year ended 31 March 2019 are as follows:

	2019 Original $'000	Adjustments $'000	2019 Revised $'000
Consolidated statement of profit or loss and other comprehensive income			
Exchange difference on translation of foreign operations	(3,246)	(545)	(3,791)
Share of gain on property revaluation of a joint venture	37,768	(37,768)	–
Balance Sheets – Group			
Foreign currency translation reserves	(1,302)	207	(1,095)
Retained earnings	12,372	37,561	49,933
Revaluation reserve	37,768	(37,768)	–

The impacts of the revisions for the financial year ended 31 March 2018 are as follows:

	2018 Original $'000	Adjustments $'000	2018 Revised $'000
Consolidated statement of profit or loss and other comprehensive income			
Share of results from investment in a joint venture	(3,319)	39,578	36,259
Income tax expense	(964)	(2,017)	(2,981)
(Loss)/profit after tax	(8,046)	37,561	29,515
Balance Sheets – Group			
Investment in a joint venture	59,392	40,330	99,722
Deferred tax liabilities	2,716	2,017	4,733
Foreign currency translation reserves	1,855	752	2,607
Retained earnings	18,161	37,561	55,722
Consolidated cash flow statement			
(Loss)/profit before tax	(7,082)	39,578	32,496

Going concern assumption

The Group incurred a net loss of $5,933,000 (2018: net profit of $29,515,000 after adjusting share of fair value gain on investment property in a joint venture) and net cash flows used in operating activities of $104,525,000 (2018: $11,030,000) for the financial year ended 31 March 2019. 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 will be able to generate sufficient cash flows from operating activities in the next 12 months from the date of the original financial statements (7 August 2019).

2. Summary of significant accounting policies (cont'd)

2.1 *Basis of preparation (cont'd)*

Going concern assumption (cont'd)

- The Group's controlling shareholders, Ms. Ong Chih Ching, Ms. Leny Suparman and Mr. Sam Goi Seng Hui 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 the shares of the Company for up to $10 million.

If the Group is unable to continue in operational existence for the foreseeable future, the Group 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 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 *First-time adoption of (SFRS(I))*

These financial statements for the year ended 31 March 2019 are the first the Group and the Company have prepared in accordance with SFRS(I). Accordingly, the Group and the Company have prepared financial statements that comply with SFRS(I) applicable as at 31 March 2019, together with the comparative period data for the year ended 31 March 2018, as described in the summary of significant accounting policies. On preparing the financial statements, the Group's and the Company's opening balance sheets were prepared as at 1 April 2017, the Group and the Company's date of transition to SFRS(I).

The principal adjustments made by the Group on adoption of SFRS(I) and the adoption of the new standards that are effective on 1 January 2018 are disclosed below.

Exemptions applied on adoption of SFRS(I)

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemptions:

- SFRS(I) 3 *Business Combinations* has not been applied to either acquisitions of subsidiaries that are considered businesses under SFRS(I), or acquisitions of interests in associates and joint ventures that occurred before 1 April 2017. The carrying amounts of assets and liabilities at the date of transition to SFRS(I) is the same as previously reported under FRS.

- The comparative information do not comply with SFRS(I) 9 *Financial Instruments* or SFRS(I) 7 *Financial Instruments: Disclosures* to the extent the disclosures relate to items within the scope of SFRS(I) 9.

New accounting standards effective on 1 April 2018

The accounting policies adopted are consistent with those of the previously applied under FRS except that in the current financial year, the Group has adopted all the SFRS(I) which are effective for the annual financial periods beginning on or after 1 April 2018. Except for the impact arising from the exemptions applied as described above and the adoption of SFRS(I) 9 and SFRS(I) 15 described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.2 *First-time adoption of (SFRS(I)) (cont'd)*

SFRS(I) 9 Financial Instruments

On 1 April 2018, the Group adopted SFRS(I) 9 *Financial instruments*, which is effective for annual periods beginning on or after 1 April 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) 1 and has not restated comparative information in the year of initial application. There is no impact arising from SFRS(I) 9 adoption at the date of initial application, 1 April 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

Classification and measurement

SFRS(I) 9 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 April 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 April 2018.

The Group's debt instruments have contractual cash flows that are solely payments of principal and interest. The Group has a mixed business model. Debt instruments that were measured at amortised cost previously are held to collect contractual cash flows, and accordingly measured at amortised cost under SFRS(I) 9. There is no significant impact arising from measurement of these instruments under SFRS(I) 9.

Impairment

SFRS(I) 9 requires the Group to record expected credit losses on all of its financial assets measured at amortised cost or FVOCI and financial guarantees. The Group previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired. The Group has performed an assessment of its financial assets and concluded that no additional impairment or adjustment is required.

The initial application of SFRS(I) 9 does not have any reclassification effect to the Group's and Company's financial statements.

2. Summary of significant accounting policies (cont'd)

2.2 *First-time adoption of (SFRS(I)) (cont'd)*

SFRS(I) 15 Revenue from Contracts with Customers

The Group adopted SFRS(I) 15 which is effective for annual periods beginning on or after 1 April 2018.

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers and introduces new contract cost guidance. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group is in business of hotel, resort and cafe operations, provision of management, coordination, consultancy and establishment fee, sale of development properties and assignment of distribution rights.

On the sale of development properties, management has evaluated the terms and conditions in the sale agreement of the development properties held for sale and concluded that its performance obligations are transferred at a point in time, i.e. upon the completion of the development property and handover of the property unit to the buyer. There is no change in revenue recognition for the other revenue streams.

Accordingly, management has assessed that the adoption of SFRS(I) 15 has no material impact on the Group and there is no change in point of revenue recognition upon the adoption of SFRS(I) 15.

For sale and leaseback transactions which result in the recognition of an operating lease, the Group evaluates if the transaction is established at fair value to determine if the profit or loss should be recognised immediately.

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**
SFRS(I) 16 *Leases*	1 January 2019
SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to SFRS(I) 1-28 *Long-term Interest in Associates and Joint Ventures*	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

Except for SFRS(I) 16, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 are described below.

<u>SFRS(I) 16 *Leases*</u>

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group will apply the standard from its mandatory adoption date of 1 April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

On the adoption of SFRS(I) 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

SFRS(I) 16 *Leases (cont'd)*

In addition, the Group plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

On the adoption of SFRS(I) 16, the Group expects to record an adjustment to recognise the right-of-use assets and lease liabilities for its leases previously classified as operating leases and its related tax impact as of 1 April 2019.

Sale and lease-back arrangements

The Group has sale and lease-back arrangement for its development properties in Batam, Indonesia. Under SFRS(I) 16, the Group shall apply the requirements for determining when a performance obligation is satisfied in SFRS(I) 15 *Revenue from Contracts with Customers* to determine whether the transfer of an asset is accounted for as a sale of that asset.

The management has evaluated the terms and conditions in the sale agreement of the development properties held for sale and concluded that the transfer of the development properties satisfies the requirements of SFRS(I) 15 and the performance obligations are transferred at a point in time. The Group expects to measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, the Group shall recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 16 in 2019.

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.

2. Summary of significant accounting policies (cont'd)

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

(b) *Business combinations and goodwill*

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.

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 interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire 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.

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. Summary of significant accounting policies (cont'd)

2.5 *Transactions with non-controlling interests*

Non-controlling interest 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.

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 2.22. 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

Assets under construction included in property, plant and equipment 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 heading of revaluation surplus.

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

2. Summary of significant accounting policies (cont'd)

2.8 *Investment properties*

Investment properties are properties that are either owned by the Group or leased under a finance lease 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. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

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.

2.9 *Intangible assets*

Intangible assets acquired separately

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives as follows:

Website cost	-	3 years

Intangible assets relating to film rights

These represent license cost of film rights incurred and cost incurred on content production. The amounts are recognised as intangible assets only if all the following conditions are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;

2. Summary of significant accounting policies (cont'd)

2.9 *Intangible assets (cont'd)*

- The ability to use or sell the intangible asset;
- It is probable that the asset created will generate future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The development cost of the asset can be measured reliably.

Intangible assets are amortised to profit or loss from the title release date on the basis consistent with industry practice over the period of its expected benefits unless the film right is sold to other licensees during the period.

Intangible assets have useful lives as follows:

License cost	-	1 to 4 years
Content production	-	1 to 4 years

Subsequent to initial recognition intangible assets are reported at cost less accumulated amortisation and accumulated impairment. The recoverable amount of intangible assets which have indefinite useful lives is reviewed on annual basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.10 *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, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.11 *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.

2.12 *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.

<u>Joint ventures</u>

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.13.

2.13 *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.

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.

2. Summary of significant accounting policies (cont'd)

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

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.

2.14 *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.

2. Summary of significant accounting policies (cont'd)

2.14 *Financial instruments (cont'd)*

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

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.

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. Summary of significant accounting policies (cont'd)

2.15 *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.

2.16 *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.

2.17 *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. Summary of significant accounting policies (cont'd)

2.18 *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.

2.19 *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.

2.20 *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.

2.21 *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.

2.22 *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. Summary of significant accounting policies (cont'd)

2.23 *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.

2.24 *Leases*

(a) *As lessee*

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.25(h).

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. The accounting treatment of a sale and leaseback transaction depends upon the type of lease involved.

2. Summary of significant accounting policies (cont'd)

2.24 *Leases (cont'd)*

(b) *As lessor (cont'd)*

If a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss shall be recognised immediately. If the sale price is below fair value, any profit or loss shall be recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it shall be deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value shall be deferred and amortised over the period for which the asset is expected to be used.

2.25 *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) *Cafe operations*

Revenue is recognised at a point in time as and when the goods are transferred and services are rendered.

(d) *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.

2. Summary of significant accounting policies (cont'd)

2.25 *Revenue (cont'd)*

(d) *Sale of development properties (cont'd)*

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.

(e) *Management, coordination and establishment fee*

Management fee from real estate origination, coordination services, consultancy services and establishment fee are recognised at a point in time as and when the services are rendered and satisfying the stipulated conditions in the contract. Management fee from related companies are recognised over time as the related services are provided over the duration of the service contract.

(f) *Commission income*

Commission income is recognised at a point in time as and when the services are rendered.

(g) *Assignment of distribution rights*

The revenue from the assignment of distribution rights is recognised at a point in time when the Group has transferred to the customer the significant risks and rewards of ownership of the distribution rights.

(h) *Rental income*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(i) *Interest income*

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2. Summary of significant accounting policies (cont'd)

2.26 *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.

2. Summary of significant accounting policies (cont'd)

2.26 *Taxes (cont'd)*

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

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.

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.

2.27 *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.

2.28 *Contingencies*

A contingent liability is:

(a) 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

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

2. Summary of significant accounting policies (cont'd)

2.28 *Contingencies (cont'd)*

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.

3. Significant accounting judgments and estimates

The preparation of the Group's revised 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 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made significant judgements on the appropriateness of preparing the revised consolidated financial statements on a going concern basis and on the classification of the property held by a joint venture as investment property or property, plant and equipment as disclosed in Note 2.1.

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.

Net realisable value of development properties and impairment of property, plant and equipment

As at 31 March 2019, the Group has significant properties which comprise development properties (carried at the lower of cost or net realisable value) amounting to $124,020,000 (31 March 2018: $24,306,000, 1 April 2017: $24,448,000) and leasehold land and buildings (carried at cost model) amounting to $40,966,000 (31 March 2018: $31,588,000, 1 April 2017: $49,004,000). 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.

3. Significant accounting judgments and estimates (cont'd)

3.2 *Key sources of estimation uncertainty (cont'd)*

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 amount of the property, plant and equipment and development properties are disclosed in Notes 10 and 18 to the financial statements.

Revaluation of investment property held by joint venture

The Group's joint venture has an investment property which is carried at fair value, with changes in fair value being recognised in profit or loss (Note 15). The Group engaged external professional valuer to determine the fair value for its investment property using recognised valuation techniques. The key assumptions applied are selling price per square metre and gross development cost per square metre.

The carrying amount of the investment in joint venture as at 31 March 2019 is $100,163,000 (31 March 2018 (revised): $99,722,000, 1 April 2017: $Nil).

4. Revenue

(a) Disaggregation of revenue

Segments	Real estate development and investment		Real estate origination and management services		Hospitality		Entertainment		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Primary geographical markets										
Singapore	–	–	1,600	200	172	96	–	412	1,772	708
Indonesia	493	1,659	–	–	16,221	13,484	–	–	16,714	15,143
People's Republic of China	–	–	196	10,854	–	–	–	–	196	10,854
	493	1,659	1,796	11,054	16,393	13,580	–	412	18,682	26,705
Major product or service lines										
Management, coordination, consultancy and establishment fee	–	–	1,796	11,054	126	–	–	–	1,922	11,054
Room revenue	–	–	–	–	8,273	6,666	–	–	8,273	6,666
Food & beverage, Spa and other	–	–	–	–	7,948	6,818	–	–	7,948	6,818
Cafe operations	–	–	–	–	46	96	–	–	46	96
Sale of development properties	493	1,659	–	–	–	–	–	–	493	1,659
Assignment of distribution rights	–	–	–	–	–	–	–	5	–	5
Rental income	–	–	–	–	–	–	–	407	–	407
	493	1,659	1,796	11,054	16,393	13,580	–	412	18,682	26,705
Timing of transfer of goods or services										
At a point in time	493	1,659	1,596	10,854	8,120	6,914	–	5	10,209	19,432
Over time	–	–	200	200	8,273	6,666	–	407	8,473	7,273
	493	1,659	1,796	11,054	16,393	13,580	–	412	18,682	26,705

4. Revenue (cont'd)

(b) Contract liabilities

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

	Group		
	31 March 2019	**31 March 2018**	**1 April 2017**
	$'000	$'000	$'000
Sales proceeds received in advance	1,341	986	2,445

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances received 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.

(i) Significant changes in contract liabilities are explained as follows:

	Group	
	2019	**2018**
	$'000	$'000
Revenue recognised that was included in the contract liability balance at beginning of the year	250	1,394

5. Other operating income

	Group	
	2019	**2018**
	$'000	$'000
Net foreign exchange gains	–	45
Government grants received	15	5
Interest income from third parties	25	18
Interest income from an associate	47	125
Interest income from notes receivable	40	895
Bad debts recovered	9	650
Gain on disposal of a subsidiary	–	23
Gain on strike-off of subsidiaries	2	146
Gain on disposal of property, plant and equipment	–	455
Other income	108	962
	246	3,324

In 2018, included in other income were recovery of penalties of $612,000 previously paid to the Indonesian tax authority.

6. Finance costs

	Group 2019 $'000	Group 2018 $'000
Interest expense:		
- Bank overdrafts	–	136
- Revolving credit facility	–	62
- Bank loans	1,301	1,288
- Loan from a shareholder	2,590	1,178
- Others	80	839
	3,971	3,503
Less: Amount capitalised in development properties	(511)	(30)
	3,460	3,473

In 2018, included in other interest expense was an amount of $823,000 charged by joint venture partners for late capital injection into a joint venture investment.

7. Income tax (credit)/expense

<u>Major components of income tax (credit)/expense</u>

The major components of income tax (credit)/expense for the years ended 31 March 2019 and 2018 are:

	Group 2019 $'000	Group Revised 2018 $'000
Consolidated statement of profit or loss and other comprehensive income		
Income taxes		
- Current income taxation	1,898	824
- Under/(Over) provision in prior years	200	(20)
Deferred tax		
- Origination and reversal of temporary differences	(2,283)	2,177
Income tax (credit)/expenses recognised in profit or loss	(185)	2,981

7. Income tax (credit)/expense (cont'd)

Relationship between tax (credit)/expense and accounting loss

A reconciliation between tax (credit)/expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 March 2019 and 2018 is as follows:

	Group	
		Revised
	2019	**2018**
	$'000	$'000
(Loss)/Profit before tax	(6,118)	32,496
Tax at 17% (2018: 17%)	(1,040)	5,524
Adjustments:		
Non-deductible expenses	929	1,349
Income not subjected to tax	(1,156)	(1,592)
Effect of partial tax exemption and tax relief	(17)	(26)
Utilisation of previously unrecognised tax losses	(775)	(175)
Deferred tax assets not recognised	2,369	1,446
Tax losses not available to be carried forward	131	52
Under/(Over) provision of tax in prior years	200	(20)
Different tax rates of subsidiaries operating in other jurisdictions	(259)	1,881
Tax effect on share of results from investments in associates	(72)	11
Tax effect on share of results from investment in a joint venture	(661)	(6,164)
Others	166	695
	(185)	2,981

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, capital allowances and approved donations of $37,696,000 (2018: $28,318,000), $3,000 (2018: $3,000) and $365,000 (2018: $388,000) respectively, that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is 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 $14,810,000 (2018: $6,511,000) which will expire in 2020 – 2024 (2018: 2019 – 2023). The donations of $365,000 (2018: $388,000) will expire in 2020 – 2023 (2018: 2020 – 2023).

8. (Loss)/profit after tax

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

	Group	
	2019	**2018**
	$'000	$'000
Directors' remuneration:		
- of the Company	1,733	1,357
- of the subsidiaries	733	774
	2,466	2,131
Directors' fees	157	177
Employee benefits expense (including directors' remuneration)	4,828	5,320
Defined contribution plans (included in employee benefits expense)	354	330
Audit fees:		
- Paid to auditors of the Company	228	239
- Paid to other auditors	10	56
Impairment loss on financial assets (trade and other receivables):		
- Bad debts written-off	313	30
- Allowance for doubtful receivables, net	–	112
	313	142
Depreciation of property, plant and equipment (Note 10)	2,784	3,251
Amortisation of intangible assets (Note 12)	–	7
Operating lease expense (Note 35)	879	332
Cost of inventories recognised as expenses	4,295	3,317
Cost of development properties recognised as expenses	300	704
Gain on disposal of property, plant and equipment	–	(455)
Property, plant and equipment written-off	45	3
Inventories written-off	20	–

9. (Loss)/Earnings per share

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

Diluted (loss)/earnings per share are calculated by dividing (loss)/profit, 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 loan from a shareholder under the arrangement detailed in Note 27 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 (loss)/earnings per share is the same as the basic earnings per share.

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

	Group	
	2019	**Revised 2018**
(Loss)/Profit attributable to owners of the Company ($'000)	(5,667)	29,778
Weighted average number of ordinary shares for basic and diluted earnings per share (number of shares)	1,107,962,214	984,990,584
Basic and diluted (loss)/earnings per share (cents per share)	(0.51)	3.02

10. Property, plant and equipment

	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	Assets under con-struction $'000	Total $'000
Group											
Cost											
At 1 April 2017	53,913	1,364	2,568	1,189	60	202	3,784	660	10	6,398	70,148
Additions during the year	20	118	151	451	–	50	302	444	6	1,136	2,678
Disposals during the year	–	(19)	(6)	(441)	–	–	(29)	–	–	–	(495)
Disposal of subsidiary	(15,617)	–	–	–	–	(26)	–	(452)	–	–	(16,095)
Write-offs	–	–	(4)	–	–	–	–	–	–	–	(4)
Transfer from assets under construction	–	–	–	–	–	–	545	–	–	(545)	–
Exchange differences	(2,111)	(37)	(137)	1	–	(1)	(25)	5	(1)	(612)	(2,918)
At 31 March 2018	36,205	1,426	2,572	1,200	60	225	4,577	657	15	6,377	53,314
Additions during the year	3,886	172	134	95	–	2	103	165	47	62	4,666
Disposals during the year	(493)	–	–	(36)	–	–	–	–	–	–	(529)
Write-offs	(1,003)	–	(17)	–	–	(34)	–	–	–	–	(1,054)
Transfers	8,200	204	662	–	–	–	(2,809)	–	6	(6,263)	–
Exchange differences	(425)	(128)	6	(187)	(13)	(78)	(343)	(30)	–	(176)	(1,374)
At 31 March 2019	46,370	1,674	3,357	1,072	47	115	1,528	792	68	–	55,023

10. Property, plant and equipment (cont'd)

	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	Assets under con-struction $'000	Total $'000
Group											
Accumulated depreciation											
At 1 April 2017	4,909	888	1,844	1,013	60	202	1,187	614	4	–	10,721
Depreciation charge during the year	1,215	189	491	194	–	23	1,040	95	4	–	3,251
Disposals during the year	–	(19)	(2)	(431)	–	–	(6)	–	–	–	(458)
Disposal of subsidiary	(1,436)	–	–	–	–	(26)	–	(113)	–	–	(1,575)
Write-offs	–	–	(1)	–	–	–	–	–	–	–	(1)
Exchange differences	(71)	(19)	(117)	(1)	–	(2)	(87)	2	–	–	(295)
At 31 March 2018	4,617	1,039	2,215	775	60	197	2,134	598	8	–	11,643
Depreciation charge during the year	1,760	339	194	130	–	7	175	166	13	–	2,784
Disposals during the year	(493)	–	–	(36)	–	–	–	–	–	–	(529)
Write-offs	(1,003)	–	(6)	–	–	–	–	–	–	–	(1,009)
Transfers	1,365	–	–	–	–	–	(1,365)	–	–	–	–
Exchange differences	(842)	(87)	(54)	(178)	(13)	(98)	(152)	(16)	–	–	(1,440)
At 31 March 2019	5,404	1,291	2,349	691	47	106	792	748	21	–	11,449
Net carrying amount											
At 31 March 2019	40,966	383	1,008	381	–	9	736	44	47	–	43,574
At 31 March 2018	31,588	387	357	425	–	28	2,443	59	7	6,377	41,671
At 1 April 2017	49,004	476	724	176	–	–	2,597	46	6	6,398	59,427

10. Property, plant and equipment (cont'd)

Company	**Computers** $'000
Cost	
At 1 April 2017	2
Additions during the year	3
At 31 March 2018 and 31 March 2019	5
Accumulated depreciation	
At 1 April 2017	2
Depreciation charge during the year	*
At 31 March 2018	2
Depreciation charge during the year	3
At 31 March 2019	5
Net carrying amounts	
At 31 March 2019	–
At 31 March 2018	3
At 1 April 2017	–

* *Amount is less than one thousand.*

<u>Assets held under finance leases</u>

The carrying amount of motor vehicles held under finance leases at the end of the financial period was $233,000 (31 March 2018: $310,000, 1 April 2017: $33,000).

<u>Assets pledged as security</u>

In addition to assets held under finance leases, the Group's leasehold land and buildings and assets under construction with a total carrying amount of $40,966,000 (31 March 2018: $37,965,000, 1 April 2017: $55,402,000) are mortgaged to secure the Group's bank loans (Note 23).

11. Investment property

	Group 31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
<u>At fair value</u>			
Balance at beginning of the year	–	11,306	9,699
Reclassification from property, plant and equipment	–	–	1,267
Fair value gain credited to profit or loss	–	–	340
Disposal of subsidiary	–	(11,306)	–
Balance at end of the year	–	–	11,306

The investment property held by the Group as at 1 April 2017 is as follows:

Location	**Description**	**Gross Area (Sq. Feet)**
Investment property located at 25 Tai Seng Avenue, KOP Building #02-01, #03-02, #03-03, #04-01, #04-02 and #05-01, Singapore 534104	Commercial	27,000

Valuation of investment property

Investment property was stated at fair value, which was determined based on valuations performed as at 1 April 2017. The valuation was performed by Savills Valuation And Professional Services (S) Pte Ltd, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the property being valued.

The valuation was arrived using Comparable Sales Method and Income Capitalisation Method based on assumption that investment property has a tenure of 30 years with effect from 25 December 2007 with an entitlement to a further term of 29 years. In estimating the fair value of the investment property, the highest and best use of the property is their current use.

11. Investment property (cont'd)

The following table shows the significant unobservable inputs used in the valuation models for the investment property during the financial year ended 1 April 2017:

Valuation technique	Significant unobservable input(s)	Commercial
Comparable sales method	Comparable price (Price per square metre) [1]	$4,561
Income capitalisation method	Capitalisation rate [2]	6.0%

(1) Any significant isolated increase/(decrease) in these inputs would result in a significantly higher/(lower) fair value measurement.d

(2) Any significant isolated increase/(decrease) in these inputs would result in a significantly lower/(higher) fair value measurement.

The property rental income from the Group's investment property all of which are leased out under operating leases, amounted to $Nil (31 March 2018: $407,000). Direct operating expenses (including repairs and maintenance) arising from the rental-generating investment property amounted to $Nil (31 March 2018: $155,000).

On 29 December 2017, the Group completed a sale and purchase agreement to dispose its interest in a wholly-owned subsidiary, Scorpio East Properties Pte. Ltd.. Further details in relation to the disposal are disclosed in Note 13(d). The above investment property was disposed along with the disposal of the subsidiary.

12. Intangible assets

	License cost $'000	**Content production** $'000	**Total** $'000
Group			
Cost			
At 1 April 2017 and 31 March 2018	528	149	677
Write-offs	(528)	(149)	(677)
At 31 March 2019	–	–	–
Accumulated amortisation			
At 1 April 2017	370	74	444
Amortisation	7	–	7
At 31 March 2018	377	74	451
Write-offs	(377)	(74)	(451)
At 31 March 2019	–	–	–

12. Intangible assets (cont'd)

	License cost $'000	Content production $'000	Total $'000
Group			
Accumulated impairment			
At 1 April 2017 and 31 March 2018	151	75	226
Write-offs	(151)	(75)	(226)
At 31 March 2019	–	–	–
Net carrying amount			
At 31 March 2019	–	–	–
At 31 March 2018	–	–	–
At 1 April 2017	7	–	7

The amortisation expense amounting to $Nil (31 March 2018: $7,000) has been included in the line item "cost of sales" in the consolidated statement of profit or loss and other comprehensive income. The expected useful life of the intangible assets ranges between one to four years.

13. Investments in subsidiaries

	Company		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Unquoted shares, at cost	250,744	250,744	253,944
Less: Allowance for impairment	(105,844)	(105,844)	(106,544)
	144,900	144,900	147,400
Loans and receivables			
Amount due from a subsidiary	81,294	–	–
Carrying amount of investments in subsidiaries	226,194	144,900	147,400

The amount due from a subsidiary was previously repayable on demand. On 31 March 2019, the Company and the subsidiary have renegotiated the terms of this instrument and the amount would be repayable at the discretion of the subsidiary.

13. Investments in subsidiaries (cont'd)

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

		Company	
	31 March 2019	**31 March 2018**	**1 April 2017**
	$'000	$'000	$'000
Balance at beginning of the year	105,844	106,544	101,457
Charged to profit or loss	–	–	5,163
Write-offs	–	(700)	(76)
Balance at end of the year	105,844	105,844	106,544

In 2017 and 2018, the write-offs were related to the strike-off of subsidiaries.

In 2017, the allowance for impairment for investment in subsidiaries was recorded to write-down the carrying amount of the investment in a subsidiary to its estimated recoverable amount.

(a) 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**		
		31 March 2019	**31 March 2018**	**1 April 2017**
		%	%	%
Scorpio East Entertainment Pte. Ltd. (1)	Dormant/ Singapore	100	100	100
Scorpio East Multimedia Pte. Ltd. (7)	Dormant/ Singapore	–	–	100

13. Investments in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

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		
		31 March 2019 %	31 March 2018 %	1 April 2017 %
Scorpio East Pictures Pte. Ltd. (1)	Dormant/ Singapore	100	100	100
Scorpio East Pictures (H.K.) Limited (7)	Dormant/ Hong Kong	–	–	100
Scorpio East Productions Pte.Ltd. (1) (13)	Dormant/ Singapore	52.63	52.63	52.63
Scorpio East Properties Pte. Ltd. (7)	Real estate activities/ Singapore	–	–	100
Dalvey Breeze Pte. Ltd. (formerly known as KOP Entertainment Pte. Ltd.) (1) (3)	Investment holding/ Singapore	–	100	100
KOP Properties Pte. Ltd. (1)	Investment holding/ Singapore	100	100	100
Subsidiaries held by KOP Properties Pte. Ltd.				
Montigo Nongsa Pte. Ltd. (1)	Real estate activities with own or leased property and business and management consultancy services/ Singapore	100	100	100
P.T. Teguh Cipta Pratama (2)	Development and provision of resort services/ Indonesia	100	100	100
KOP Properties Ltd (7)	Letting and operation of owned or leased real estate/ United Kingdom	–	–	100

13. Investments in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

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**		
		31 March 2019	**31 March 2018**	**1 April 2017**
		%	%	%
Montigo Resorts Pte. Ltd. (formerly known as KOP Hospitality Pte. Ltd.) (1)	Management of hotels with restaurants/ Singapore	100	100	100
The Cranley Hotel (IOM) Limited (2) (6)	Property holding/ Isle of Man	85	85	85
Gramercy Properties Pte. Ltd. (1) (11) (12)	Real estate development/ Singapore	82.81	100	100
KOP Properties (HK) Limited (2) (5)	Property management and consultancy/ Hong Kong	51	51	51
KOP Cecil Pte. Ltd. (1)	Investment holding/ Singapore	100	100	100
KOP Properties Shanghai Operation and Management Pte. Ltd. (1)	Real estate operation and management services/ Singapore	100	100	100
Wintastar Holdings Pte. Ltd. (1)	Investment holding and business management consultancy services/ Singapore	100	100	100
Dalvey Breeze Pte. Ltd. (formerly known as KOP Entertainment Pte. Ltd. (1) (3)	Investment holding/ Singapore	100	–	–

13. Investments in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

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**		
		31 March 2019	**31 March 2018**	**1 April 2017**
		%	%	%
Subsidiary held by Gramercy Properties Pte. Ltd.				
P.T. Montigo Seminyak (2) (12)	Development and provision of hotel services/ Indonesia	82.81	100	100
Subsidiary held by KOP Properties (HK) Limited				
KOP Management Services (Shanghai) Co., Ltd. (2) (5)	Property management and consultancy/ People's Republic of China	51	51	51
Subsidiaries held by Montigo Resorts Pte. Ltd.				
Franklyn Hotels & Resorts (Europe) Limited (2) (7)	Dormant/ United Kingdom	–	100	100
Montigo Resorts Kazakhstan Pte. Ltd. (1) (9)	Investment holding/ Singapore	50	50	50
Cafe Montigo Pte. Ltd. (1) (4)	Cafes and coffee houses/ Singapore	60	60	–
Subsidiaries held by The Cranley Hotel (IOM) Limited				
CHL Hotel Limited (formerly known as Cranley Hotel Limited) (2) (6)	Provision of hotel services/ United Kingdom	85	85	85
Cranley Real Estate Limited (2) (6) (7)	Dormant/ United Kingdom	–	85	85
Subsidiary held by Dalvey Breeze Pte. Ltd.				
Dalvey Breeze Development Pte. Ltd. (1) (4)	Real estate developers/ Singapore	60	–	–

13. Investments in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

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		
		31 March 2019	31 March 2018	1 April 2017
		%	%	%
Subsidiaries held by KOP Properties Shanghai Operation and Management Pte. Ltd.				
Wintastar Concepts Pte. Ltd. (formerly known as KOP Winterland Pte. Ltd.) (1) (3) (8)	Investment holding and operation and management services for real estate development/ Singapore	–	–	85
KOP Properties Operation and Management (Shanghai) Co., Ltd. (2) (3)	Business management and consultancy/ People's Republic of China	–	100	100
Subsidiaries held by Wintastar Holdings Pte. Ltd.				
Wintastar Real Estate Pte. Ltd. (1)	Investment holding and real estate activities/ Singapore	100	100	100
Wintastar Operations Pte. Ltd. (1) (4)	Investment holding and business management consultancy services/ Singapore	100	100	–
Wintastar Concepts Pte. Ltd. (formerly known as KOP Winterland Pte. Ltd.) (1) (3) (8)	Investment holding and operation and management services for real estate development/ Singapore	85	85	–
KOP Properties Operation and Management (Shanghai) Co., Ltd. (2) (3)	Business management and consultancy/ People's Republic of China	100	–	–

13. Investments in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

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		
		31 March 2019 %	31 March 2018 %	1 April 2017 %
Subsidiary held by Wintastar Real Estate Pte. Ltd.				
KOP Northern Lights Pte. Ltd. [1]	Investment holding and real estate development/ Singapore	100	100	100
Subsidiary held by Wintastar Operations Pte. Ltd.				
WS Shanghai Operations Pte. Ltd. [1] [4]	Investment holding and business management consultancy services/ Singapore	100	100	–
Subsidiary held by Wintastar Concepts Pte. Ltd. (formerly known as KOP Winterland Pte. Ltd.)				
KOP Winterland Operation and Management (Shanghai) Co., Ltd. [2] [8]	Investment management and consultancy/ People's Republic of China	85	85	85
Subsidiary held by Montigo Resorts Kazakhstan Pte. Ltd.				
Montigo Resorts Kazakhstan Limited Liability Partnership [4] [7]	Dormant/ Republic of Kazakhstan	–	50	–

13. Investments in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

(1) Audited by Ernst & Young LLP, Singapore.
(2) Audited by other auditors.
(3) Transferred during the financial year ended 31 March 2019, 31 March 2018 and 1 April 2017.
(4) Incorporated during the financial year ended 31 March 2019 and 31 March 2018.
(5) Collectively known as "KOP HK Group".
(6) Collectively known as "Cranley Group".
(7) Struck off/disposed during the financial year ended 31 March 2019, 31 March 2018 and 1 April 2017.
(8) Collectively known as "Wintastar Concepts Group".
(9) This subsidiary is inactive and the Group has control over this subsidiary as it has full board representation in this subsidiary to make decision over its relevant activities.
(10) Not audited as the subsidiary has been dormant since incorporation.
(11) On 10 July 2018, the Group received a notice from the individual lender indicating his intention to convert the loan into shares in subsidiary, Gramercy Properties Pte. Ltd ("Gramercy"). Accordingly, in accordance with the terms of the Loan Deed and the conversion formula set out in the Loan Deed, the Group disposed 17.19% interest in Gramercy to the individual lender in full and final settlement of the loan and accrued interest.
(12) Collectively known as "Gramercy Group"
(13) Struck off subsequent to year-end

(b) 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 reporting period			Accumulated NCI at the end of the reporting period		
		31 March 2019	**31 March 2018**	**1 April 2017**	**31 March 2019**	**31 March 2018**	**1 April 2017**	**31 March 2019**	**31 March 2018**	**1 April 2017**
		%	%	%	$'000	$'000	$'000	$'000	$'000	$'000
Cranley Group	United Kingdom	15.00	15.00	15.00	(33)	(24)	900	2,059	2,127	2,107
KOP HK Group	Hong Kong & People's Republic of China	49.00	49.00	49.00	(18)	28	(78)	(2,353)	(2,284)	(2,435)
Scorpio East Productions Pte. Ltd.	Singapore	47.37	47.37	47.37	(8)	12	341	–	8	(4)
Wintastar Concepts Group	Singapore & People's Republic of China	15.00	15.00	15.00	(72)	(205)	(134)	(420)	(348)	(149)
Gramercy Group	Singapore & Indonesia	17.19	–	–	(195)	–	–	3,510	–	–
Dalvey Breeze Development Pte. Ltd.	Singapore	40.00	–	–	(8)	–	–	1,743	–	–
Individual subsidiaries with immaterial non-controlling interests					68	(74)	(9)	19	(46)	(13)
					(266)	(263)	1,020	4,558	(543)	(494)

13. Investments in subsidiaries (cont'd)

(c) 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**			**Scorpio East Production Pte. Ltd.**			**Wintastar Concepts Group**			**Gramercy Group**			**Dalvey Breeze Development Pte. Ltd.**		
	31 March 2019	**31 March 2018**	**1 April 2017**	**31 March 2019**	**31 March 2018**	**1 April 2017**	**31 March 2019**	**31 March 2018**	**1 April 2017**	**31 March 2019**	**31 March 2018**	**1 April 2017**	**31 March 2019**	**31 March 2018**	**1 April 2017**	**31 March 2019**	**31 March 2018**	**1 April 2017**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Summarised balance sheets																		
Current																		
Assets	15,399	15,894	15,741	222	235	231	–	23	45	263	132	323	1,594	–	–	98,502	–	–
Liabilities	(1,670)	(253)	(308)	(5,073)	(4,954)	(5,250)	–	(5)	(53)	(3,067)	(2,451)	(1,316)	(6,659)	–	–	(27,773)	–	–
Net current assets/ (liabilities)	13,729	15,641	15,433	(4,851)	(4,719)	(5,019)	–	18	(8)	(2,804)	(2,319)	(993)	(5,065)	–	–	70,729	–	–
Non-current																		
Assets	–	–	–	49	58	50	–	–	–	5	2	1	34,187	–	–	–	–	–
Liabilities	–	(1,462)	(1,389)	–	–	–	–	–	–	–	–	–	(8,703)	–	–	(66,372)	–	–
Net non-current (liabilities)/assets	–	(1,462)	(1,389)	49	58	50	–	–	–	5	2	1	25,484	–	–	(66,372)	–	–
Net assets/ (liabilities)	13,729	14,179	14,044	(4,802)	(4,661)	(4,969)	–	18	(8)	(2,799)	(2,317)	(992)	20,419	–	–	4,357	–	–

KOP Limited and its subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2019

13. Investments in subsidiaries (cont'd)

(c) 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			Scorpio East Production Pte. Ltd.			Wintastar Concepts Group			Gramercy Group			Dalvey Breeze Development Pte. Ltd.		
	31 March 2019 $'000	**31 March 2018** $'000	**1 April 2017** $'000	**31 March 2019** $'000	**31 March 2018** $'000	**1 April 2017** $'000	**31 March 2019** $'000	**31 March 2018** $'000	**1 April 2017** $'000	**31 March 2019** $'000	**31 March 2018** $'000	**1 April 2017** $'000	**31 March 2019** $'000	**31 March 2018** $'000	**1 April 2017** $'000	**31 March 2019** $'000	**31 March 2018** $'000	**1 April 2017** $'000
Summarised statement of profit or loss and other comprehensive income																		
Revenue	–	–	20	–	–	–	–	–	–	–	–	–	3,911	–	–	–	–	–
(Loss)/Profit after tax	(223)	(162)	6,002	(37)	57	(159)	(18)	26	722	(480)	(1,368)	(890)	(2,484)	–	–	(21)	–	–
Other comprehensive income	(227)	297	(184)	(104)	251	(113)	–	–	–	(2)	43	(44)	(132)	–	–	–	–	–
Total comprehensive income	(450)	135	5,818	(141)	308	(272)	(18)	26	722	(482)	(1,325)	(934)	(2,616)	–	–	(21)	–	–
Other summarised information																		
Net cash flow from operations	3	(9)	(1,408)	(2)	1	(89)	(22)	8	731	(634)	(879)	(793)	4,831	–	–	(97,587)	–	–
Net cash flow from investing	–	–	16,734	–	–	87	13	–	(732)	(5)	(1)	(2)	(3,325)	–	–	–	–	–
Net cash flow from financing	–	–	(15,575)	–	–	(2)	–	–	(1)	583	928	797	(1,606)	–	–	98,094	–	–

13. Investments in subsidiaries (cont'd)

(d) Loss of control in a subsidiary

On 29 December 2017, the Group completed a sale and purchase agreement to dispose the entire issued and paid-up share capital and property of its wholly-owned subsidiary, Scorpio East Properties Pte. Ltd. for a consideration of S$2,875,000, excluding completion adjustment amount. The purchase consideration was fully settled in cash. The disposal was completed on 29 December 2017, on which date control of Scorpio East Properties Pte. Ltd. passed to the acquirer.

The value of assets and liabilities of Scorpio East Properties Pte. Ltd. recorded in the consolidated financial statements as at 29 December 2017, and the effects of the disposal were:

	2018 $'000
Property, plant and equipment	14,520
Investment property	11,306
Trade and other receivables	16
Other current assets	22
Cash and cash equivalents	794
	26,658
Trade and other payables	(813)
Bank borrowings (secured)	(23,000)
Carrying value of the net assets	2,845
Consideration	2,875
Add: Completion adjustment amount	794
Total consideration received	3,669
Less: Cash and cash equivalents of subsidiary disposed	(794)
Less: Transaction costs	(7)
Net cash inflow on disposal of a subsidiary	2,868
Gain on disposal:	
Net cash inflow on disposal of a subsidiary	2,868
Net assets derecognised	(2,845)
Gain on disposal	23

13. Investments in subsidiaries (cont'd)

(e) Disposal in shares in subsidiary without a change in control

On 10 July 2018, the Group received a notice from the individual lender (Note 26) indicating his intention to convert the loan into shares in a subsidiary, Gramercy Properties Pte. Ltd.. Accordingly, in accordance with the terms and the conversion formula set up in the loan deed which takes into account, inter alia, the net tangible asset of Gramercy Properties Pte. Ltd. and its subsidiary, and the loan and the accrued interest, the Group would dispose 17.19% interest in Gramercy Properties Pte. Ltd. to the individual lender. More information of the loan deed can be found in Note 26 to the financial statements.

The transaction has been accounted for as an equity transaction with non-controlling interests, resulting in:

	2019 $'000
Loan and accrued interest converted into 17.19% ownership interest	4,157
Net assets attributable to NCI	(3,705)
Increase in equity attributable to the Group	452
Represented by:	
Other reserves	452
Increase in equity attributable to the Group	452

14. Investments in associates

	Group		
	31 March 2019	**31 March 2018**	**1 April 2017**
	$'000	$'000	$'000
Cost of investments [1]	600	600	600
Share of post-acquisition profit and losses, net of dividend received	246	8,069	8,135
	846	8,669	8,735

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

Name	**Principal activity**	**Place of incorporation**	**Proportion of ownership interest**		
			Group		
			31 March 2019	**31 March 2018**	**1 April 2017**
			%	%	%
Art Heritage Singapore Pte. Ltd. [3]	Art and cultural exhibitions	Singapore	20	20	20
Epic Land Pte. Ltd. [2] ("Epic Land")	Investment holding company	Singapore	25	25	25

(1) Includes an investment in an associate, Epic Land of $25.
(2) Audited by Ernst & Young LLP, Singapore.
(3) In liquidation.

The Group has recognised its share of losses in Art Heritage Singapore Pte. Ltd. amounting to $600,000 (31 March 2018: $600,000, 1 April 2017: $600,000).

The Group has not recognised losses relating to Art Heritage Singapore Pte. Ltd. where its share of losses exceeds the Group's interest in this associate. The Group's cumulative share of unrecognised losses at the end of the reporting period was $2,191,000 (31 March 2018: $2,191,000, 1 April 2017: $2,191,000). There was no (31 March 2018: $Nil, 1 April 2017: $343,000) share of losses in this associate for the year. The Group has no obligation in respect of these losses.

Dividend of $8,250,000 (31 March 2018: $Nil) was received from Epic Land in the financial period ended 31 March 2019.

14. Investments in associates (cont'd)

The summarised financial information in respect of the Group's material associates is based on its IFRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

		Epic Land	
	31 March 2019	**31 March 2018**	**1 April 2017**
Summarised balance sheet	$'000	$'000	$'000
Current assets	13,726	149,595	182,304
Non-current assets	–	–	–
Total assets	13,726	149,595	182,304
Current liabilities	(10,343)	(33,118)	(147,363)
Non-current liabilities	–	(81,800)	–
Total liabilities	(10,343)	(114,918)	(147,363)
Net assets	3,383	34,677	34,941
Proportion of the Group's ownership interest in Epic Land	25%	25%	25%
Carrying amount of the Group's ownership interest in Epic Land	846	8,669	8,735
Summarised statement of profit or loss and other comprehensive income			
Revenue	13,612	18,950	36,014
Profit/(Loss) for the year, representing total comprehensive income for the year	1,706	(264)	7,585

15. Investment in a joint venture

In June 2017, the Group's indirect wholly-owned subsidiary, KOP Northern Lights Pte. Ltd. has incorporated a joint venture company, Shanghai Snow Star Properties Co., Ltd. ("Snow Star") in Shanghai, People's Republic of China. The Group has 30% (2018: 30%) interest in the ownership and voting rights in Snow Star. The Group jointly controls the venture with other partners under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

15. Investment in a joint venture (cont'd)

Summarised financial information in respect of Snow Star based on its IFRSs financial statements, and the reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet	**2019** $'000	**Revised 2018** $'000
Current assets	3,338	11,933
Includes:		
- Cash and bank balances	3,135	11,253
Current liabilities	2,794	7,674
Includes:		
- Other current liabilities (including trade and other payables)	2,794	7,674
Non-current assets	417,735 (1)	383,811(1)
Non-current liabilities	73,549	44,811
Net assets	344,730	343,259
Proportion of the Group's ownership interest	30%	30%
Group's share of net assets	103,419	102,978
Consolidation adjustment arising from transaction with a joint venture	(3,256)	(3,256)
Carrying amount of the investment in a joint venture	100,163	99,722

15. Investment in a joint venture (cont'd)

	Revised 2019 $'000	Revised 2018 $'000
Summarised statement of profit or loss and other comprehensive income		
Revenue	–	–
Interest income	24	–
Fair value gain on investment property [(1)]	17,312	175,900
Expenses	(46)	(210)
Includes:		
- Depreciation and amortisation	–	–
- Finance costs	–	(178)
Profit before tax	17,290	175,690
Income tax expenses	(4,328)	(43,975)
Profit after tax	12,962	131,715
Other comprehensive income:		–
- Exchange difference on translation of foreign operations	(11,491)	4,405
Total comprehensive income	1,471	136,120

The Group's share of results from the investment in the joint venture amounted to $3,889,000 (2018: $36,259,000) for the year ended 31 March 2019 (refer to Note 2.1).

(1) The Group's joint venture company has an investment property amounting to $415,235,000 (2018: $383,789,000), which is carried at fair value as at 31 March 2019. A fair value gain of $17,312,000 (2018: $175,900,000) on the investment property was recorded for the year ended 31 March 2019.

16. Deferred tax

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

(a) ***Deferred tax assets***

Group	**Cash receipts for uncompleted development properties [1]** $'000
At 1 April 2017	(242)
Charged to profit or loss	143
At 31 March 2018 and 1 April 2018	(99)
Charged to profit or loss	59
At 31 March 2019	(40)

(1) 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.

16. Deferred tax (cont'd)

(b) *Deferred tax liabilities*

	Accelerated tax depreciation over accounting depreciation $'000	Deferred tax on gain from sale of a property (1) $'000	Revaluation arising from reverse takeover exercise (2) $'000	Others (3) $'000	Accrued income (4) $'000	Tax on distributable dividend $'000	Total $'000
Group							
At 1 April 2017	65	1,389	1,172	–	–	–	2,626
Charged/(Credited) to profit or loss	97	–	(1,172)	729	363	2,017	2,034
Exchange differences	–	73	–	–	–	–	73
At 31 March 2018 and 1 April 2018	162	1,462	–	729	363	2,017	4,733
Charged/(Credited) to profit or loss	(7)	(1,438)	–	(729)	(363)	195	(2,342)
Exchange differences	–	(24)	–	–	–	(29)	(53)
At 31 March 2019	155	–	–	–	–	2,183	2,338

(1) The deferred tax arose from the disposal of a property in the United Kingdom in 2016. The deferred tax will be payable if the sale proceeds is not reinvested into a qualifying asset by April 2019. As at 31 March 2019, the sales proceeds were not reinvested into a qualifying asset and the deferred tax was reversed. Correspondingly, the current income tax payable was provided for.

(2) The deferred tax arose from the revaluation of KOP Building during the reverse takeover exercise in 2013. The building was disposed on 29 December 2017.

(3) Others comprise mainly tax effect on overseas income.

(4) The deferred tax arose on overseas income earned by not yet remitted into Singapore. In the financial year ended 31 March 2019, the overseas income was remitted into Singapore and the deferred tax was reversed. Correspondingly, the current income tax payable was provided for.

16. Deferred tax (cont'd)

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

Temporary differences relating to investments in associates and joint venture

At the end of the reporting period, deferred tax liability of $2,183,000 (2018: $2,017,000) has been recognised for taxes that would be payable on the undistributed earnings of the Group's joint venture.

At the end of the reporting period, no deferred tax liability (2018: $Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's associates as there is no income tax consequences attached to the dividends from associates as there is no income tax payable on the subsequent distributions of profits from associates.

As at 31 March 2019, there are no other temporary differences for which no deferred tax liability has been recognised.

17. Notes receivable

	Group		
	31 March 2019	**31 March 2018**	**1 April 2017**
	$'000	$'000	$'000
Notes receivable	1,829	9,789	16,894
Less: Notes receivable due for settlement within next 12 months	(1,829)	(8,000)	–
Notes receivable due for settlement after 12 months	–	1,789	16,894

Notes receivable is due from Royce Properties Pte. Ltd. ("Royce"), a company owned by KOP Group Pte. Ltd., which is the ultimate holding company of the Company. The notes receivable is interest-bearing at 8.0% (31 March 2018: 8.0%, 1 April 2017: 8.0%) per annum, secured against the underlying development properties of Royce subject to the full satisfaction of the bank borrowings of Royce and repayable on 16 December 2019.

During the financial year ended 31 March 2018, Royce served a notice of redemption to the Group to partially redeem a principal amount of $3,900,000 and interest receivables of $4,100,000 on 8 May 2018 prior to maturity date. Accordingly, the Group has classified the total of $8,000,000 of the notes receivable as current asset.

During the year ended 31 March 2019, notes receivable amounting to $8,000,000 (31 March 2018: $8,000,000, 1 April 2017: $21,000,000) was early redeemed and settled by cash.

18. Development properties

Development properties consist of unsold properties under development.

	Group 31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Completed properties held for sale	16,741	9,292	15,360
Properties under development	107,279	15,014	9,088
	124,020	24,306	24,448

Development properties were analysed as follows:

	Group 31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Land and other related costs	95,355	2,355	2,355
Development cost, related overhead expenditure and financing charge incurred to-date	63,759	56,757	56,195
Cost of development properties	159,114	59,112	58,550
Transferred to cost of sales	(35,094)	(34,806)	(34,102)
	124,020	24,306	24,448

The interest expense capitalised during the financial year amounted to $511,000 (Note 6) (31 March 2018: $30,000, 1 April 2017: $123,000).

All development properties are pledged as securities for bank borrowings (Note 23). Borrowing costs capitalised during the financial year were from loans borrowed specifically for the development properties.

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 2021
Residential	Lot 1086C of Town Subdivision 25 at 105 to 111 (odd no.) Dalvey Road Singapore	Freehold	55,481	49,072	–	December 2021

19. Inventories

	Group		
	31 March 2019 $'000	**31 March 2018** $'000	**1 April 2017** $'000
Supplies and consumables	531	527	518

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.

20. Trade and other receivables

	Group			Company		
	31 March 2019 $'000	**31 March 2018** $'000	**1 April 2017** $'000	**31 March 2019** $'000	**31 March 2018** $'000	**1 April 2017** $'000
Trade receivables						
- Third parties	451	861	1,433	–	2	–
- Related companies	726	467	–	–	–	–
- Related parties	18	–	–	–	–	–
- Joint venture	115	–	–	–	–	–
- Subsidiaries	–	–	–	–	8,045	6,320
	1,310	1,328	1,433	–	8,047	6,320
Other receivables						
- Third parties	1,864	1,763	1,522	*	20	–
- Related companies	143	143	520	–	–	30
- Associate	–	–	8	–	–	–
- Subsidiaries	–	–	–	2,357	70,422	21,483
Loan to associate	–	6,127	33,002	–	–	–
Accrued income from a joint venture	–	2,097	–	–	–	–
	2,007	10,130	35,052	2,357	70,442	21,513
Total trade and other receivables	3,317	11,458	36,485	2,357	78,489	27,833
Add:						
Notes receivable (Note 17)	1,829	9,789	16,894	–	–	–
Other current assets, excluding prepayments (Note 21)	192	532	163	*	32	1
Cash and bank balances (Note 22)	2,864	9,613	815	38	440	5
Total financial assets carried at amortised cost	8,202	31,392	54,357	2,395	78,961	27,839

* *Amount is less than one thousand.*

20. Trade and other receivables (cont'd)

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

	Group		
	31 March 2019	**31 March 2018**	**1 April 2017**
	$'000	$'000	$'000
United States Dollar	323	2,427	144
Great Britain Pounds	635	668	7,391
Indonesian Rupiah	1,467	1,367	492

<u>Trade receivables</u>

The average credit period on sale of goods and rendering of services ranges between 30 to 90 days (31 March 2018: 30 to 90 days, 1 April 2017: 30 to 90 days). No interest is charged on the overdue balances.

<u>Accrued income from a joint venture</u>

The accrued income relates to services rendered to joint venture company, Shanghai Snow Star Properties Co., Ltd. ("Snow Star"). The billing is conditional upon the receipt of permits issued from the China authority required for the joint venture project in Shanghai, People's Republic of China.

<u>Amounts due from subsidiaries, associate, related companies, related parties and joint venture (trade and non-trade) and other receivables</u>

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

The amount of $81,294,000 due from a subsidiary was previously repayable on demand. On 31 March 2019, the Company and the subsidiary have renegotiated the terms of this instrument and the amount would be repayable at the discretion of the subsidiary. As at 31 March 2019, the amount form part of the Company's net investment in subsidairies (Note 13).

<u>Loan to an associate</u>

The loan to an associate is unsecured, bears fixed interest of 3% (31 March 2018: 3%, 1 April 2017: 3%) per annum, repayable on demand and is to be settled in cash.

<u>Receivables that are past due but not impaired</u>

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.

20. Trade and other receivables (cont'd)

As at 31 March 2018, the Group and the Company have trade receivables amounting to $1,055,000 (1 April 2017: $1,029,000) and $7,682,000 (1 April 2017: $6,001,000) respectively that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	Group		Company	
	31 March 2018	**1 April 2017**	**31 March 2018**	**1 April 2017**
	$'000	$'000	$'000	$'000
Past due <3 months	285	114	612	563
Past due 3 to 6 months	178	233	1,340	1,129
Past due over 6 months	592	682	5,730	4,309
	1,055	1,029	7,682	6,001

Trade receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period are as follows:

	Group		Company	
	31 March 2018	**1 April 2017**	**31 March 2018**	**1 April 2017**
	$'000	$'000	$'000	$'000
Trade receivables – nominal amounts	408	979	1,276	1,220
Less: Allowance for impairment	(408)	(979)	(1,276)	(1,220)
	–	–	–	–
Movement in allowance accounts:				
At beginning of the year	979	1,308	1,220	1,124
(Credited)/Charged to profit or loss	(571)	90	(456)	96
Transfer from subsidiary (1)	–	–	512	–
Written off	–	(385)	–	–
Exchange differences	–	(34)	–	–
At end of the year	408	979	1,276	1,220

(1) During the financial year ended 31 March 2018, the Company disposed off Scorpio East Properties Pte. Ltd. ("SEPP"). Accordingly, as at 31 March 2018, the trade receivables due from Scorpio East Entertainment Pte. Ltd. to SEPP of $512,000, for which allowance for doubtful receivables was made in the prior year, were transferred to the Company.

20. Trade and other receivables (cont'd)

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	31 March 2019	
	Group	**Company**
	$'000	$'000
Movement in allowance accounts:		
At beginning of the year	408	1,276
Written off	–	(1,276)
At end of the year	408	–

Other receivables that are impaired

The Group's other receivables that are impaired at the end of the reporting period are as follows:

	Group		**Company**	
	31 March 2018	**1 April 2017**	**31 March 2018**	**1 April 2017**
	$'000	$'000	$'000	$'000
Other receivables – nominal amounts	1,087	1,143	4,837	4,010
Less: Allowance for impairment	(1,087)	(1,143)	(4,837)	(4,010)
	–	–	–	–
Movement in allowance accounts:				
At beginning of the year	1,143	890	4,010	5,429
Charged/(Credited) to profit or loss	683	253	212	(2,121)
Transfer from subsidiary (1) (2)	–	–	615	702
Written off	(739)	–	–	–
At end of the year	1,087	1,143	4,837	4,010

(1) During the financial year ended 31 March 2018, the Company disposed off Scorpio East Properties Pte. Ltd. ("SEPP"). Accordingly, as at 31 March 2018, the other receivables due from Scorpio East Entertainment Pte. Ltd. to SEPP of $615,000 respectively, for which allowance for doubtful receivables was made in the prior year, were transferred to the Company.

(2) During the financial year ended 1 April 2017, the Company was in the process of striking off Scorpio East Multimedia Pte. Ltd. ("SEMPL"). Accordingly, as at 1 April 2017, the receivables due from Scorpio East Pictures Pte. Ltd. to SEMPL of $702,000, for which allowance for doubtful receivables was made in prior year, were transferred to the Company.

20. Trade and other receivables (cont'd)

All trade and other receivables are individually determined to be impaired for the years ended 31 March 2018 and 31 March 2017. The receivables that are impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

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

Expected credit losses

	31 March 2019 Group $'000	31 March 2019 Company $'000
Movement in allowance accounts:		
At beginning of the year	1,087	4,837
Written off	–	(4,746)
At end of the year	1,087	91

21. Other current assets

	Group 31 March 2019 $'000	Group 31 March 2018 $'000	Group 1 April 2017 $'000	Company 31 March 2019 $'000	Company 31 March 2018 $'000	Company 1 April 2017 $'000
Deposits	192	532	163	*	32	1
Prepayments	544	400	592	17	15	21
	736	932	755	17	47	22

* *Amount is less than one thousand.*

22. Cash and bank balances

	Group 31 March 2019 $'000	Group 31 March 2018 $'000	Group 1 April 2017 $'000	Company 31 March 2019 $'000	Company 31 March 2018 $'000	Company 1 April 2017 $'000
Cash at banks and on hand	1,968	8,852	528	38	440	5
Funds placed in escrow accounts	896	761	287	–	–	–
	2,864	9,613	815	38	440	5

22. Cash and bank balances (cont'd)

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

	Group			Company		
	31 March 2019 $'000	**31 March 2018** $'000	**1 April 2017** $'000	**31 March 2019** $'000	**31 March 2018** $'000	**1 April 2017** $'000
United States Dollar	970	973	309	–	–	–
Hong Kong Dollar	10	10	11	–	–	–
China Renminbi	105	4	26	–	–	–
Great Britain Pounds	2	1	10	–	–	–
Indonesian Rupiah	546	518	165	–	–	–

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		
	31 March 2019 $'000	**31 March 2018** $'000	**1 April 2017** $'000	**31 March 2019** $'000	**31 March 2018** $'000	**1 April 2017** $'000
Cash and bank balances	2,864	9,613	815	38	440	5
Less: Bank overdrafts (Note 23)	–	–	(7,328)	–	–	–
Less: Restricted funds placed in escrow accounts	(896)	(761)	(287)	–	–	–
Cash and cash equivalents in the consolidated cash flow statement	1,968	8,852	(6,800)	38	440	5

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 banks to secure bank borrowings (Note 23). The minimum balance is equivalent to the aggregate of three months interest and principal on the term loan during the instalment period.

23. Bank overdrafts and bank borrowings (secured)

	Group		
	31 March 2019 $'000	**31 March 2018** $'000	**1 April 2017** $'000
Current			
Bank overdrafts	–	–	7,328
Revolving credit facility	–	–	4,000
Fixed rate bank loans:			
- 5-year USD term loan	–	–	726
- 7-year USD term loan	1,749	1,131	891
Variable rate bank loan:			
- SGD land and building loan	–	–	1,130
	1,749	1,131	14,075
Non-current			
Fixed rate bank loan:			
- 7-year USD term loan	8,722	10,125	12,000
Variable rate bank loans:			
- SGD land and building loan	–	–	7,822
- SGD land and construction loan	69,450	–	–
	78,172	10,125	19,822
Total bank overdrafts and bank borrowings (secured)	79,921	11,256	33,897

The Group's bank overdrafts and bank borrowings comprise the followings:

(a) ***Bank overdrafts***

As at 1 April 2017, the bank overdrafts were denominated in SGD, bore an effective interest rate of 5.75% per annum and were repayable on demand. The bank overdrafts were arranged at floating rates and secured by legal mortgage of the investment property, leasehold land and building of the subsidiary and corporate guarantee from the Company.

The bank overdrafts were fully repaid during the financial year ended 31 March 2018.

(b) ***Revolving credit facility***

As at 1 April 2017, the revolving credit facility ("RC") of $4,000,000 was denominated in SGD, bore interest at 4.45% per annum and matured on 10 April 2017. The RC was arranged at floating rate and secured by legal mortgage of the investment property, leasehold land and building of the subsidiary and corporate guarantee from the Company.

The RC was fully repaid during the financial year ended 31 March 2018.

23. Bank overdrafts and bank borrowings (secured) (cont'd)

(c) ***5-year USD term loan***

As at 1 April 2017, the 5-year USD term loan of $726,000 bore interest at 7.00% per annum. The loan was to be repaid over 60 monthly instalments after its first drawdown. The loan was secured by legal mortgage of the leasehold land and building of the subsidiary and corporate guarantee from a subsidiary. The loan was denominated in United States Dollar.

The loan was fully repaid during the financial year ended 31 March 2018.

(d) ***7-year USD term loan***

The 7-year USD term loan of $10,471,000 (31 March 2018: $11,256,000, 1 April 2017: $12,891,000) bears interest at 7.00% (31 March 2018: 7.00%, 1 April 2017: 7.00%) per annum and matures in June 2023. The loan is secured by legal mortgage of the leasehold land and building of the 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.

(e) ***SGD land and building loan***

As at 1 April 2017, the SGD land and building loan of $8,952,000 bore interest at 3.00% per annum which was based on 2.00% above Cost of Funds. The term loans amounting to $5,472,000 and $3,480,000 were repayable in 180 and 168 equal monthly payment respectively, commencing from 1 May 2009. The term loans were secured by legal mortgage of the investment property, leasehold land and building of the subsidiary and corporate guarantee from the Company.

The loan was refinanced with a new term loan that is denominated in SGD, bore interest at 2.60% per annum below the bank's base rate and matures on 10 August 2019.

The loan was fully repaid during the financial year ended 31 March 2018.

(f) ***SGD land and construction loan***

As at 31 March 2019, the SGD land and construction loan bore interest at 1.40% per annum over and above the prevailing SIBOR rate. The loans were 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 maximum facility of the land and construction loans amounted to $69,750,000 and $15,000,000 respectively. As at 31 March 2019, the Group has fully drawdown on the land loan but has not drawdown on the construction loan.

The loan was secured by legal mortgage of the freehold land of the Group's subsidiary and proportion guarantee from the Company (Note 33).

23. Bank overdrafts and bank borrowings (secured) (cont'd)

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

			Non-cash changes		
	1 April 2018 $'000	**Cash flows, net** $'000	**Reclassifi-cation** $'000	**Foreign exchange movement** $'000	**31 March 2019** $'000
Current					
Bank loans	1,131	(1,471)	2,049	40	1,749
Finance leases (Note 24)	30	(30)	31	–	31
Loan from a shareholder (Note 27)	37,000	–	(37,000)	–	–
Non-current					
Bank loans	10,125	69,750	(2,049)	346	78,172
Finance leases (Note 24)	177	–	(31)	–	146
Loan from a shareholder (Note 27)	–	–	37,000	–	37,000
Loan from a non-controlling interest (Note 28)	–	11,338	–	–	11,338

			Non-cash changes			
	1 April 2017 $'000	**Cash flows, net** $'000	**Disposal of subsidiary** $'000	**Reclassifi-cation** $'000	**Foreign exchange movement** $'000	**31 March 2018** $'000
Current						
Revolving credit facility	4,000	(4,000)	–	–	–	–
Bank loans	2,747	12,461	(23,000)	8,988	(65)	1,131
Finance leases (Note 24)	20	10	–	–	–	30
Loan from a shareholder (Note 27)	–	37,000	–	–	–	37,000
Non-current						
Bank loans	19,822	–	–	(8,988)	(709)	10,125
Finance leases (Note 24)	37	140	–	–	–	177

24. Finance leases

	Group					
	Minimum lease payments			Present value of minimum lease payments		
	31 March 2019	**31 March 2018**	**1 April 2017**	**31 March 2019**	**31 March 2018**	**1 April 2017**
	$'000	$'000	$'000	$'000	$'000	$'000
Amounts payable under finance leases:						
Within one year	39	39	22	31	30	20
Between two to five years	157	157	39	143	136	37
After five years	3	43	–	3	41	–
	199	239	61	177	207	57
Less: Future finance charges	(22)	(32)	(4)	–	–	–
Present value of lease obligations	177	207	57	177	207	57
Less: Amount due for settlement within 12 months (shown under current liabilities)				(31)	(30)	(20)
Amount due for settlement after 12 months				146	177	37

The Group has finance lease for motor vehicles. The term of the finance lease is 7 years (31 March 2018: 7 years, 1 April 2017: 7 years) and bears interest rate of 2.58% per annum (31 March 2018: 2.58% per annum, 1 April 2017: 2.80% per annum). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the leased assets (Note 10).

25. Sales proceeds received in advance

The sales proceeds received in advance relate to the consideration received from the sale of development properties which the property has yet to be passed to the purchaser.

26. Trade and other payables

	Group			Company		
	31 March 2019 $'000	**31 March 2018** $'000	**1 April 2017** $'000	**31 March 2019** $'000	**31 March 2018** $'000	**1 April 2017** $'000
Trade payables	3,890	3,850	7,789	24	114	251
Accrued operating expenses	2,395	2,977	3,825	803	680	885
Advances from non-controlling interests (Note A)	2,014	5,898	9,690	–	–	–
Deposits received (1)	659	376	590	–	–	–
Amounts due to directors	714	93	339	714	–	–
Amounts due to ultimate holding company	–	–	433	–	–	–
Amounts due to related companies	1	38	42	–	–	–
Amounts due to subsidiaries	–	–	–	–	13	3,847
Other payables	859	603	1,523	27	23	32
	10,532	13,835	24,231	1,568	830	5,015
Trade and other payables (excluding non-refundable deposits)	9,873	13,459	23,820	1,568	830	5,015
Add:						
Bank overdrafts and bank borrowings (secured) (Note 23)	79,921	11,256	33,897	–	–	–
Finance leases (Note 24)	177	207	57	–	–	–
Loan from a shareholder (Note 27)	37,000	37,000	–	37,000	37,000	–
Loan from a non-controlling interest (Note 28)	9,987	–	–	–	–	–
Total financial liabilities carried at amortised cost	136,958	61,922	57,774	38,568	37,830	5,015

(1) The deposits received include non-refundable deposits of $659,000 (31 March 2018: $376,000, 1 April 2017: $411,000) mainly received from resort guests.

26. Trade and other payables (cont'd)

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

	Group		
	31 March 2019	**31 March 2018**	**1 April 2017**
	$'000	$'000	$'000
United States Dollar	1,501	5,386	5,755
Hong Kong Dollar	46	45	48
China Renminbi	182	271	287
Great Britain Pounds	198	87	239
Euros	–	10	10
Indonesian Rupiah	5,492	4,905	9,089

Trade payables/Other payables

The average credit period on purchases of goods and services ranges between 30 to 120 days (31 March 2018: 30 to 120 days, 1 April 2017: 30 to 120 days). No interest is charged on the overdue balances.

As at 1 April 2017, $570,000 of the non-trade payable to third parties bear fixed interest of 6.5% per annum. The amount was fully repaid during the financial year ended 31 March 2018.

Amounts due to ultimate holding company, related companies and subsidiaries

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

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.

Note A

As at 31 March 2018, included in advances from non-controlling interests was an amount of US$3,000,000 equivalent to $3,932,250 (1 April 2017: US$3,000,000, equivalent to $4,192,000) owing to an individual, who is also a shareholder of the Company. The Group's Executive Chairman and Chief Operating Officer are relatives of the individual.

In May 2013, the individual extended US$1,500,000 to the Group for the purpose of acquisition of a Group's project, which represents 17% of the economic interest in the Montigo Resorts, Seminyak project.

In June 2016, the individual extended another US$1,500,000 to the Group for the purpose of funding for the construction cost for the same project with the term that the total advances of US$3,000,000 were equivalent to 17% of the economic interest in the Montigo Resorts, Seminyak project.

26. Trade and other payables (cont'd)

Note A (cont'd)

The Group's intent for the advances to be interest-free, repayable on demand and free from all liens, charges and other encumbrances.

The predecessor auditor expressed a qualified opinion on the financial statements of the Group for the financial year ended 31 March 2017 in respect of these advances owing to this individual as the terms of these advances in the loan agreement and related documents between the individual and the Group were not consistent with management's intent or explanation.

The Group explained that the same terms (i.e. the advances to be interest-free, repayable on demand and free from all liens, charges and other encumbrances) were confirmed and acknowledged by the individual since financial year ended 31 March 2014.

Around February 2018, the Group and the individual entered into negotiations regarding the terms of the advances. Following discussions with the individual, on 31 May 2018, the Group entered into a loan deed ("Deed") with the individual to formalise and clarify the terms governing the US$3,000,000 loan. The key terms of the Deed are as follows:

- For the avoidance of doubts, the amount of US$3,000,000 advanced to the Group is interest-free, repayable on demand and free from all liens, charges and other encumbrances since the respective dates of drawn down of the loan and as at 31 March 2018.

- The Group and the individual have also set out the newly agreed terms governing the US$3,000,000 loan from 31 May 2018:

  - The maturity date of the loan of US$3,000,000 is determined to be one year from the date of Deed.

  - Interest is at 7% per annum and shall accrue from 1 April 2018 until the repayment date.

  - The individual may, in his absolute discretion, elect to convert the loan into shares of a subsidiary (i.e. the borrower of the loan) of the Group any time till the maturity date by providing a notice in writing specifying its intention to convert the loan to the subsidiary's shares, based on a conversion formula.

The loan arrangement did not result in any payments or receipts between the Group and the said individual.

Based on the terms and conditions of the Deed, the advances due to the individual of US$3,000,000 as at 31 March 2018 and 1 April 2017 are accounted for as financial liabilities and are interest-free, repayable on demand and free from all liens, charges and other encumbrances.

During the year, the individual elected to convert the loan into shares in a subsidiary, Gramercy Properties Pte. Ltd.. Refer to Note 13 (e) for details of the conversion.

27. Loan from a shareholder

The loan from a shareholder is denominated in SGD, bears interest at 7% per annum and matures in November 2018. In the financial year ended 31 March 2019, the loan was extended for another 24 months and will be due for repayment in November 2020.

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 guarantee from certain directors of the Company.

28. Loan from a non-controlling interest

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

29. Share capital

	Group and Company			Company		
	31 March 2019	**31 March 2018**	**1 April 2017**	**31 March 2019**	**31 March 2018**	**1 April 2017**
	Number of ordinary shares[1]			$'000	$'000	$'000
Issued and fully paid-up capital:						
At beginning of the year	1,107,962,214	886,369,771	886,369,771	294,506	283,427	283,427
Issuance of ordinary shares	–	221,592,443	–	–	11,079	–
At end of the year	1,107,962,214	1,107,962,214	886,369,771	294,506	294,506	283,427

(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		
	31 March 2019	**31 March 2018**	**1 April 2017**
	$'000	$'000	$'000
Issued and fully paid-up capital [2]:			
At beginning of the year	78,940	67,861	67,861
Issuance of ordinary shares	–	11,079	–
At end of the year	78,940	78,940	67,861

(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.

29. Share capital (cont'd)

For the financial year ended 31 March 2018, the Company issued 221,592,443 ordinary shares for a consideration of $11,079,000 for the purpose of business development and business expansion.

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.

30. 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.

31. Other reserves

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

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	
	2019	**2018**
	$'000	$'000
Related companies		
Interest income from notes receivable	(40)	(895)
Associates		
Management fee income	(1,400)	–
Interest income	(47)	(125)
Joint venture company		
Establishment fee income	–	(10,854)
Interest expense	–	823
Consultancy fee income	(126)	–
Entity which the directors of the Company have interest in		
Management fee income	(200)	(200)
Purchase of equipment	–	28
Sales of goods	–	(5)

32. Other related parties transactions (cont'd)

(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 (cont'd):

	Group	
	2019	**2018**
	$'000	$'000
Transactions with directors		
Management fee income from development properties sold	(7)	(7)
Sales of goods	–	(1)
Shared return from development properties	22	12
Guarantors fee	1,114	–
Transactions with a shareholder of the Company		
Loan from a shareholder	–	37,000
Interest expense on loan from a shareholder	2,590	1,178

The guarantors fee were paid to the Group's 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.

(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	
	2019	**2018**
	$'000	$'000
Short-term employee benefits	2,534	2,786
Central Provident Fund contributions	89	93
	2,623	2,879

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

	Company	
	2019	**2018**
	$'000	$'000
Corporate guarantee to financial institutions for subsidiaries' banking facilities	41,850	–
Corporate guarantee to financial institutions for associates' banking facilities	–	20,450
Corporate guarantee to financial institutions for joint venture's banking facilities	7,772	–
	49,622	20,450

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

Legal claims

(a) On 13 May 2016, certain subsidiaries and the Company's directors received a Writ of Summons for alleged breach of duties in relation to a collaboration between a subsidiary and a non-controlling shareholder of a subsidiary.

Subsequent to the year end, the Company has received the judgement that the judge dismissed all claims against the Company's Directors and subsidiaries.

Thereafter, the plaintiff has appealed to Court of Appeal and the hearing for the appeals has been fixed on 18 February 2020.

(b) In 2018, the Group received a notice from 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.

34. Commitments

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

	Group	
	2019	**2018**
	$'000	$'000
Development properties	4,089	3,367
Property, plant and equipment	–	2,083
Consultancy fee for real estate development and investment project	888	–
	4,977	5,450

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

35. Operating lease arrangements

<u>The Group as Lessee</u>

The Group has entered into commercial leases on certain motor vehicles, equipment, warehouses and offices. The leases have an average tenure between one and three years.

	Group	
	2019	**2018**
	$'000	$'000
Minimal lease payments under operating leases recognised as an expense in the year	879	332

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2019	**2018**
	$'000	$'000
Within one year	748	854
Between two to five years	561	1,090
	1,309	1,944

36. 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) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

		Group 1 April 2017 Fair value measurements at the end of the reporting period using			
	Note	**Quoted prices in active markets for identical instruments (Level 1)**	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
		$'000	$'000	$'000	$'000
Assets measured at fair value					
Non-financial assets:					
Investment property	11	–	–	11,306	11,306
Non-financial assets as at 1 April 2017		–	–	11,306	11,306

There are no non-financial assets measured at fair value as at 31 March 2018 and 31 March 2019.

36. Fair value of assets and liabilities (cont'd)

(c) *Level 3 fair value measurements*

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	**Fair value at 1 April 2017** $'000	**Valuation techniques**	**Unobservable Inputs**	**Range**
Recurring fair value measurements				
Investment property:				
KOP Building at 25 Tai Seng Avenue	11,306	Income Capitalisation Method	Income Capitalisation Method	Commerical: 6%
		Direct Comparison Method	Direct Comparison Method	Price per square metre: $4,561

For investment property, a significant increase/decrease in capitalisation rate and decrease/increase in market value of direct comparisons would result in a significantly lower/higher fair value measurement.

(ii) *Valuation policies and procedures*

The Financial Controller ("FC") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the FC reports to the Group's Audit and Risk Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

36. Fair value of assets and liabilities (cont'd)

(c) *Level 3 fair value measurements (cont'd)*

(ii) *Valuation policies and procedures (cont'd)*

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(d) *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.

Bank overdrafts, revolving credit facility and variable rate bank loans

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

36. Fair value of assets and liabilities (cont'd)

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

The following table shows an analysis of the Group's assets and 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 2019					
Assets:					
Notes receivable	–	–	1,835	1,835	1,829
Liabilities:					
Bank overdrafts and bank borrowings (secured):					
- Fixed rate bank loans	–	–	10,009	10,009	10,471
Finance leases	–	–	199	199	177
Loan from a shareholder	–	–	38,004	38,004	37,000
Loan from a non-controlling interest	–	–	9,163	9,163	9,987
31 March 2018					
Assets:					
Notes receivable	–	–	9,674	9,674	9,789
Liabilities:					
Bank overdrafts and bank borrowings (secured):					
- Fixed rate bank loans	–	–	10,902	10,902	11,256
Finance leases	–	–	239	239	207
Loan from a shareholder	–	–	37,234	37,234	37,000

36. Fair value of assets and liabilities (cont'd)

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

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
1 April 2017					
Assets:					
Notes receivable	–	–	16,968	16,968	16,894
Liabilities:					
Bank overdrafts and bank borrowings (secured):					
- Fixed rate bank loans	–	–	11,865	11,865	13,617
Finance leases	–	–	61	61	57
Company					
31 March 2019					
Liabilities:					
Loan from a shareholder	–	–	38,004	38,004	37,000
31 March 2018					
Liabilities:					
Loan from a shareholder	–	–	37,234	37,234	37,000

The Company has no financial liabilities not measured at fair value, for which fair value is disclosed as at 1 April 2017.

<u>Determination of fair value</u>

Notes receivable, fixed rate bank loans, finance leases and loan from a shareholder

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.

37. 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, grant of sub-distribution rights and assignment of distribution rights; content production and producer fees; sales of tickets and sponsorship income and investment property rental 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.

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.

37. Segment information (cont'd)

31 March 2019	Real estate development and investment $'000	Real estate origination and management services $'000	Hospitality $'000	Entertain-ment $'000	Corporate office $'000	Inter-segment eliminations $'000	Total $'000
Revenue							
Revenue from external customers	493	1,796	16,393	–	–	–	18,682
Inter-segment revenue	–	–	–	–	2,400	(2,400)	–
	493	1,796	16,393	–	2,400	(2,400)	18,682
Results							
Segment results	(673)	(2,051)	(124)	8	(4,134)	–	(6,974)
Finance costs	–	(9)	(861)	–	(2,590)	–	(3,460)
Share of results from investments in associates	427	–	–	–	–	–	427
Share of results from investment in a joint venture	–	3,889	–	–	–	–	3,889
Reportable (loss)/profit	(246)	1,829	(985)	8	(6,724)	–	(6,118)
Income tax (expense)/credit	(75)	412	(152)	–	–	–	185
(Loss)/Profit for the year	(321)	2,241	(1,137)	8	(6,724)	–	(5,933)
Other information							
Interest income	47	51	14	–	–	–	112
Depreciation of property, plant and equipment	(425)	(175)	(2,181)	–	(3)	–	(2,784)
Bad debts written-off	–	–	(313)	–	–	–	(313)
Property, plant and equipment written-off	–	–	(45)	–	–	–	(45)
Inventories written-off	–	–	(20)	–	–	–	(20)
Gain on strike-off of subsidiary	–	–	–	2	–	–	2

37. Segment information (cont'd)

31 March 2019	Real estate development and investment $'000	Real estate origination and management services $'000	Hospitality $'000	Entertain-ment $'000	Corporate office $'000	Inter-segment eliminations $'000	Total $'000
Reportable segments assets	123,258	103,993	50,613	–	56	–	277,920
Reportable segments assets included:							
Investment in a joint venture	–	100,163	–	–	–	–	100,163
Investments in associates	846	–	–	–	–	–	846
Additions to non-current assets	27	62	4,577	–	–	–	4,666
Reportable segments liabilities	82,676	5,807	16,434	–	38,573	–	143,490

37. Segment information (cont'd)

31 March 2018 (Revised)	Real estate development and investment	Real estate origination and management services	Hospitality	Entertain-ment	Corporate office	Inter-segment eliminations	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue							
Revenue from external customers	1,659	11,054	13,580	412	–	–	26,705
Inter-segment revenue	–	–	538	262	2,400	(3,200)	–
	1,659	11,054	14,118	674	2,400	(3,200)	26,705
Results							
Segment results	(328)	4,647	(2,529)	1,854	(3,868)	–	(224)
Finance costs	–	(847)	(858)	(1,768)	–	–	(3,473)
Share of results from investments in associates	(66)	–	–	–	–	–	(66)
Share of results from investment in a joint venture	–	36,259	–	–	–	–	36,259
Reportable (loss)/profit	(394)	40,059	(3,387)	86	(3,868)	–	32,496
Income tax (expense)/credit	(326)	(2,677)	22	–	–	–	(2,981)
(Loss)/Profit for the year	(720)	37,382	(3,365)	86	(3,868)	–	29,515
Other information							
Interest income	125	911	2	–	–	–	1,038
Depreciation of property, plant and equipment	(396)	(135)	(2,482)	(238)	–	–	(3,251)
Amortisation of intangible assets	–	–	–	(7)	–	–	(7)
Allowance for doubtful receivables, net	–	(30)	–	(82)	–	–	(112)
Bad debts recovered	–	–	–	650	–	–	650
Bad debts written off	(30)	–	–	–	–	–	(30)
Property, plant and equipment written off	–	–	–	(3)	–	–	(3)
Gain on disposal of property, plant and equipment	–	181	(1)	275	–	–	455
Gain on disposal of subsidiary	–	–	–	–	23	–	23
Gain on strike-off of subsidiaries	–	149	–	(3)	–	–	146

37. Segment information (cont'd)

31 March 2018 (Revised)	Real estate development and investment $'000	Real estate origination and management services $'000	Hospitality $'000	Entertain-ment $'000	Corporate office $'000	Inter-segment eliminations $'000	Total $'000
Reportable segments assets	48,428	120,225	37,552	69	512	–	206,786
Reportable segments assets included:							
Investment in a joint venture	–	99,722	–	–	–	–	99,722
Investments in associates	8,669	–	–	–	–	–	8,669
Additions to non-current assets	–	643	2,032	3	–	–	2,678
Reportable segments liabilities	3,664	5,884	19,974	1,197	37,821	–	68,540

1 April 2017	Real estate development and investment $'000	Real estate origination and management services $'000	Hospitality $'000	Entertain-ment $'000	Corporate office $'000	Inter-segment eliminations $'000	Total $'000
Reportable segments assets	76,868	18,448	37,881	26,379	56	–	159,632
Reportable segments assets included:							
Investments in associates	8,735	–	–	–	–	–	8,735
Additions to non-current assets	14	–	3,465	332	–	–	3,811
Reportable segments liabilities	9,301	9,317	22,229	22,369	1,171	–	64,387

37. 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 long-term notes receivable and deferred tax assets) by geographical locations are detailed below:

	Revenue		**Non-current assets**		
				Revised	
	2019	**2018**	**31 March 2019**	**31 March 2018**	**1 April 2017**
	$'000	$'000	$'000	$'000	$'000
Singapore	1,772	708	1,260	9,308	34,847
Indonesia	16,714	15,143	43,106	41,032	44,578
People's Republic of China	196	10,854	100,217	99,722	50
	18,682	26,705	144,583	150,062	79,475

Information about a major customer

For the financial year ended 31 March 2018, included in the Group's revenue is an establishment fee of $10,854,000 which arose from services rendered to a joint venture company.

38. 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, polices 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.

38. Financial risk management objectives and policies (cont'd)

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

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		
	31 March 2019	**31 March 2018**	**1 April 2017**	**31 March 2019**	**31 March 2018**	**1 April 2017**
	$'000	$'000	$'000	$'000	$'000	$'000
United States Dollars	1,294	3,400	453	(9,226)	(5,386)	(6,481)

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.

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.

<u>Sensitivity analysis for foreign currency risk</u>

The following table demonstrates the sensitivity of the Group's profit before tax to an 3% (2018: 8%) increase and decrease in the relevant foreign currencies against the functional currency of each of the Group's entity, with all other variables held constant.

	Group	
	2019	**2018**
	$'000	$'000
Impact on profit before tax:		
United States Dollars	(238)	(159)

The opposite applies if the relevant foreign currencies were to weaken by 3% (2018: 8%) against the functional currency of each Group's entity.

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

38. Financial risk management objectives and policies (cont'd)

(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 2019, at the end of the reporting period, if interest rates had been 50 basis points higher or lower and all other variables were held constant, there is no impact to the Group's profit before tax. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings, whose interest expenses are fully capitalised in development properties (Note 18).

At the end of the reporting period, the Group and Company have no exposure to interest rate risk as the Group and Company have no interest-bearing financial assets whose interest rates are variable. Accordingly, interest rate sensitivity analysis has not been prepared.

(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, notes receivables 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.

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.

38. Financial risk management objectives and policies (cont'd)

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

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 Financial assets at amortised cost $'000
As at 1 April 2018	1,495
Loss allowance measured during the financial year	
12-month ECL	–
Lifetime ECL	–
As at 31 March 2019	1,495

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

	Group	**2019** $'000
12-month ECL	Other receivables	3,094
Lifetime ECL	Trade receivables	1,718
	Total	4,812

The gross carrying amount of trade and other receivables of the Group are disclosed in Note 20.

38. 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 loss allowance provision as at 31 March 2019 is determined as follows, the expected credit losses below also incorporate forward looking information based on specific economic data.

Singapore

31 March 2019	**Up to 30 days**	**31 – 60 days**	**61 – 90 day**	**91 – 120 days**	**> 120 days**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000
Gross carrying amount	18	–	–	–	881	899
Loss allowance provision	–	–	–	–	408	408

Indonesia

31 March 2019	**Up to 30 days**	**31 – 60 days**	**61 – 90 day**	**91 – 120 days**	**> 120 days**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000
Gross carrying amount	563	15	3	2	117	700
Loss allowance provision	–	–	–	–	–	–

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 collaterised upon.

38. Financial risk management objectives and policies (cont'd)

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

(ii) Trade receivables (cont'd)

Others

31 March 2019	Up to 30 days	31 – 60 days	61 – 90 day	91 – 120 days	> 120 days	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Gross carrying amount	115	–	–	–	4	119
Loss allowance provision	–	–	–	–	–	–

Information regarding loss allowance movement of trade receivables are disclosed in Note 20.

(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 $49,622,000 (2018: $20,450,000). 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.

38. 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 loan to an associate, accrued income and amounts due from subsidiaries as disclosed in Note 20 and the notes receivable 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 20 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					
	31 March 2019		**31 March 2018**		**1 April 2017**	
	$'000	**% of total**	**$'000**	**% of total**	**$'000**	**% of total**
By country:						
Singapore	491	37	486	36	248	17
Indonesia	700	53	832	63	1,175	82
Other countries	119	10	10	1	10	1
	1,310	100	1,328	100	1,433	100
By industry						
Real estate development and investment	308	24	589	44	1,092	76
Real estate origination and management services	491	37	476	36	91	7
Hospitality	511	39	263	20	24	2
Entertainment	–	–	–	–	226	15
	1,310	100	1,328	100	1,433	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.

38. Financial risk management objectives and policies (cont'd)

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

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20 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 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.

At the end of the reporting period, approximately 1% (31 March 2018: 79%, 1 April 2017: 42%) 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		
31 March 2019	**On demand or within one year** $'000	**Within two to five years** $'000	**After five years** $'000	**Total** $'000
Financial assets:				
Trade and other receivables	3,317	–	–	3,317
Other current assets, excluding prepayments	192	–	–	192
Notes receivable	1,835	–	–	1,835
Cash and bank balances	2,864	–	–	2,864
Total undiscounted financial assets	8,208	–	–	8,208

38. Financial risk management objectives and policies (cont'd)

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

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

	Group			
	On demand or within one year	**Within two to five years**	**After five years**	**Total**
31 March 2019	$'000	$'000	$'000	$'000
Financial liabilities:				
Trade and other payables, excluding non-refundable deposits	9,873	–	–	9,873
Bank overdrafts and bank borrowings	2,440	88,125	–	90,565
Finance leases	39	157	3	199
Loan from a shareholder	2,597	38,582	–	41,179
Loan from non-controlling interests	–	11,338	–	11,338
Total undiscounted financial liabilities	14,949	138,202	3	153,154
Total net undiscounted financial liabilities	(6,741)	(138,202)	(3)	(144,946)
31 March 2018				
Financial assets:				
Trade and other receivables	11,642	–	–	11,642
Other current assets, excluding prepayments	532	–	–	532
Notes receivable	8,000	1,834	–	9,834
Cash and bank balances	9,613	–	–	9,613
Total undiscounted financial assets	29,787	1,834	–	31,621

38. Financial risk management objectives and policies (cont'd)

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

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

	Group			
31 March 2018	**On demand or within one year** $'000	**Within two to five years** $'000	**After five years** $'000	**Total** $'000
Financial liabilities:				
Trade and other payables, excluding non-refundable deposits	13,459	–	–	13,459
Bank overdrafts and bank borrowings	1,897	11,848	–	13,745
Finance leases	39	157	43	239
Loan from a shareholder	38,582	–	–	38,582
Total undiscounted financial liabilities	53,977	12,005	43	66,025
Total net undiscounted financial liabilities	(24,190)	(10,171)	(43)	(34,404)
1 April 2017				
Financial assets:				
Trade and other receivables	37,475	–	–	37,475
Other current assets, excluding prepayments	163	–	–	163
Notes receivable	5,854	13,683	–	19,537
Cash and bank balances	815	–	–	815
Total undiscounted financial assets	44,307	13,683	–	57,990
Financial liabilities:				
Trade and other payables, excluding non-refundable deposits	24,028	–	–	24,028
Bank overdrafts and bank borrowings	15,510	22,475	–	37,985
Finance leases	22	39	–	61
Total undiscounted financial liabilities	39,560	22,514	–	62,074
Total net undiscounted financial assets/(liabilities)	4,747	(8,831)	–	(4,084)

38. Financial risk management objectives and policies (cont'd)

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

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

		Company		
31 March 2019	**On demand or within one year** $'000	**Within two to five years** $'000	**After five years** $'000	**Total** $'000
Financial assets:				
Trade and other receivables	2,357	–	–	2,357
Cash and bank balances	38	–	–	38
Total undiscounted financial assets	2,395	–	–	2,395
Financial liabilities:				
Trade and other payables, excluding non-refundable deposits	1,568	–	–	1,568
Loan from a shareholder	2,597	38,582	–	41,179
Total undiscounted financial liabilities	4,165	38,582	–	42,747
Total net undiscounted financial assets/ (liabilities)	(1,770)	(38,582)	–	(40,352)

38. Financial risk management objectives and policies (cont'd)

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

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

		Company		
31 March 2018	**On demand or within one year** $'000	**Within two to five years** $'000	**After five years** $'000	**Total** $'000
Financial assets:				
Trade and other receivables	78,489	–	–	78,489
Other current assets, excluding prepayments	32	–	–	32
Cash and bank balances	440	–	–	440
Total undiscounted financial assets	78,961	–	–	78,961
Financial liabilities:				
Trade and other payables, excluding non-refundable deposits	830	–	–	830
Loan from a shareholder	38,582	–	–	38,582
Total undiscounted financial liabilities	39,412	–	–	39,412
Total net undiscounted financial assets	39,549	–	–	39,549

38. Financial risk management objectives and policies (cont'd)

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

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

1 April 2017	**On demand or within one year** $'000	**Company Within two to five years** $'000	**After five years** $'000	**Total** $'000
Financial assets:				
Trade and other receivables	27,833	–	–	27,833
Other current assets, excluding prepayments	1	–	–	1
Cash and bank balances	5	–	–	5
Total undiscounted financial assets	27,839	–	–	27,839
Financial liabilities:				
Trade and other payables, excluding non-refundable deposits	5,015	–	–	5,015
Total undiscounted financial liabilities	5,015	–	–	5,015
Total net undiscounted financial assets	22,824	–	–	22,824

The table below shows the contractual expiry by maturity of the Group's and 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.

	31 March 2019				**31 March 2018**				**1 April 2017**			
	One year or less	**One to five years**	**Over five years**	**Total**	**One year or less**	**One to five years**	**Over Five years**	**Total**	**One year or less**	**One to five years**	**Over five years**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Company												
Financial guarantees	–	41,850	7,772	49,622	–	20,450	–	20,450	31,030	–	–	31,030

39. 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 2019 and 31 March 2018.

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 includes bank overdrafts and bank borrowings, finance leases, loan from a shareholder and loan from non-controlling interests. Capital includes equity attributable to the owners of the Company.

	Group	
		Revised
	2019	**2018**
	$'000	$'000
Bank overdrafts and bank borrowings (secured) (Note 23)	79,921	11,256
Finance leases (Note 24)	177	207
Loan from a shareholder (Note 27)	37,000	37,000
Loan from a non-controlling interest (Note 28)	9,987	–
Total borrowings	127,085	48,463
Equity attributable to the owners of the Company	129,872	138,789
Gearing ratio	0.98	0.35

40. Events after reporting period as of the original financial statements (7 August 2019)

On 29 May 2019, the Group incorporated a wholly-owned subsidiary, Montigo Hospitality (Shanghai) Co., Ltd. ("Montigo Hospitality") for a registered capital of RMB 5,000,000.

The principal activities of Montigo Hospitality is hotel management, property management, catering management (except for food manufacturing and production), wedding services, etiquette services, fitness services, cultural and artistic activities planning (except performance agents), wholesale and retail (limited to branch management) of agricultural products, daily necessities, craft gifts (except for ivory and its related products).

On 15 July 2019, the Group announced that its 52.63% owned subsidiary, Scorpio East Productions Pte. Ltd. has been struck off from the Register of Companies pursuant to Section 344 of the Companies Act 1967.

41. Authorisation of revised financial statements

The revised financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Directors on 30 March 2023.