2015 | ANNUAL REPORT

KOP

LIMITED

This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Hong Leong Finance Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this Annual Report.

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

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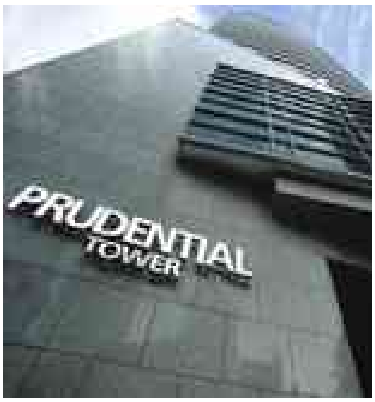
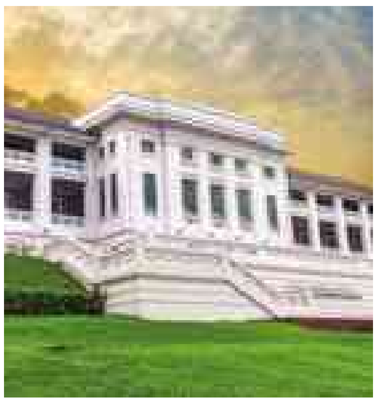
COMPANY PROFILE

KOP Limited ("KOPL" or the "Group") is a Singapore-based real estate development and entertainment company with a diversified and robust portfolio of developments and investments in Singapore as well as the region.

With origins leading back to KOP Properties Pte. Ltd., the Group has quickly built a reputation as a developer of niche, iconic and award-winning projects such as The Ritz-Carlton Residences and Montigo Resorts, Nongsa. Through the Reverse Takeover of Scorpio East Holdings Ltd., KOP Limited commences trading on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 14 May 2014. KOPL's property business covers areas of real estate development, investment and management services and is built on an integrated business model. Through a broad range of distinctive and award-winning real estate and hospitality projects crafted with quality design and workmanship, KOPL provides unique living and leisure experiences to its clients.

The Group's entertainment arm will continue with strategic investments and partnerships with specialist companies that focus on providing venues as well as educational entertainment content including concerts, musicals, exhibitions and events.





COMPANY PROFILE

Leveraging from the strategic synergies between its subsidiaries, KOPL is empowered to expand its core business of property development and incorporate entertainment elements into various ventures, adding flavor and character to real estate. Through spearheading high-quality and innovative projects, with the objective to strengthen its market leadership ambitions, KOPL aims to generate growing returns for its shareholders and investors.

CRANLEY HOTEL

Cranley Hotel is one of London's most charming and beautiful boutique hotels. Comprised of 3 buildings built in 1869, its excellent location in the heart of the London Royal Borough of Kensington and Chelsea allows guests to enjoy easy access to the many historical attractions and to the shopping areas of Knightsbridge and Kings Road. With its traditional English charm and furnishings, the 39-room hotel promises all guests a memorable experience at every visit.

10 Bina Gardens, South Kensington
London SW5 0LA

www.cranleyhotel.com

PRUDENTIAL TOWER

A joint venture with subsidiaries of Lian Beng Group Ltd., KSH Holdings Limited and Centurion Global Ltd., Prudential Tower is a 30-storey Grade A strata-titled office development. It is strategically located at the junction of Cecil Street and Church Street in the heart of Singapore's business and financial district, easily accessible from Raffles Place MRT Interchange and Telok Ayer MRT Stations.

30 Cecil Street
Singapore 049712

www.kopproperties.com

MESSAGE FROM THE EXECUTIVE CHAIRMAN

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present KOP Limited's ("KOPL" or the "Group") Annual Report for the financial year ended 31 March 2015 ("FY2015"). Since the Reverse Takeover ("RTO") of Scorpio East Holdings Ltd. (the "Scorpio Group") on 6 May 2014, we have witnessed tremendous growth and expansion opportunities, and marked several corporate and project milestones. For FY2015, the Group reported revenue of S$18.6 million and a net profit after tax of S$10.8 million, a signal of the robustness of the Group's finances, and put KOPL in good stead for its future ambitions.

STRATEGIC REPOSITIONING

Following the RTO, the Group's business now comprise Entertainment, Properties and Hospitality segments.

KOP Entertainment

KOPL will be winding down and divesting the DVD and movie production part of the Entertainment Business, which no longer fits with our strategic growth plans.

Instead of producing content ourselves, we intend to go into strategic investment and partnerships with specialist companies that focus on creating content. The Group will draw synergies from both ends and leverage on the capabilities of its Property Business arm, by focusing its efforts on the provision of entertainment venues for the arts, including concerts, musicals and events. This will be a win-win scenario for both the Property Business as well as its Entertainment Business making KOP Limited a unique player in the sunrise real estate/entertainment business.

In April 2015, our associated company, Art Heritage Singapore Pte Ltd, obtained the Temporary Occupation Permit for Singapore Pinacothèque de Paris museum at Fort Canning Park. The grand opening of Singapore Pinacothèque de Paris was held on 29 May 2015.

MESSAGE FROM THE EXECUTIVE CHAIRMAN

KOP Properties

The Property Business has been the shining beacon in the Group's businesses since inception. Shareholders would be familiar with past exemplary projects such as The Ritz-Carlton Residences, the first freehold Ritz-Carlton Residence in Asia, and Hamilton Scotts, Asia's tallest award-winning residence with en-suite elevated sky garages.

MESSAGE FROM THE EXECUTIVE CHAIRMAN

In September 2014, the Group (as part of a 25%-owned consortium) completed the acquisition of the 92.8% interest of the aggregate strata area of Prudential Tower for a purchase consideration of S$512 million. Prudential Tower, a 30-storey Grade A landmark office tower located in the prime Raffles Place Central Business District, recorded 100% occupancy as at 31 March 2015. The Group views the acquisition as a good opportunity to participate in a strategic investment with recurring rental income and subsequent strata sales.

KOPL continues to push boundaries and challenge conventions, exhibited in our conceptualisation and undertaking of the world's largest indoor winter resort, Northern Light Shanghai ("NLS") in China. NLS, is set to include Winterland, the world's longest indoor ski trail, providing residents and visitors with year-round access to winter sports activities, ice sculpture competitions and more. Beyond this novel idea, NLS is an integrated project that curates the consumer experience and caters to the growing Chinese population's urban lifestyle. It will encourage a live-work-play community, supported by facilities such as gardens, retail, and food and beverage space as well as an ultra-modern full entertainment centre offering movies, theatrical shows and concerts.

KOP Hospitality

This running theme of creativity and experiential concept has been a guiding force and point of differentiation in KOPL's business. In the Hospitality Business, we continue to see results and reap rewards since establishing the multi-award winning Montigo Resorts brand that has now become synonymous with an upscale getaway experience for the whole family.

Following the success of Montigo Resorts, Nongsa in Batam, we are scheduled to soft-open Montigo Resorts, Seminyak in Bali, Indonesia, in the last quarter of 2015. Our expansion in Indonesia is part of the Group's strategy to grow our hospitality arm through the deliberate placement of the Montigo Resorts brand in tourist hotspots.

Our Hospitality Business derives its income from two streams: Montigo Villas and Residences sales and recurring income through hotel/resort stay sales from Montigo Resorts, Nongsa, and Cranley Hotel, London. It will be actively marketing Montigo Resorts properties including studios, residences and villas in the second half of 2015 and beyond, and this is expected to contribute positively to our performance in the next financial year.

MESSAGE FROM THE EXECUTIVE CHAIRMAN

The Group's research has shown that the customer experience continues to rank high among the list of priorities the (luxury) traveller seeks, and there is indication that people are travelling more in groups and families as well as looking for unique and authentic experiences; a need that the Montigo Resorts brand, as well as Cranley Hotel, actively fulfills. As a hotel owner and/or manager, we are poised for further growth in the global hospitality sector, in identifying projects worldwide that meet this niche but profitable segment of the market.

GOING FORWARD

KOPL will focus on developing its core competencies across its three business arms: Property, Hospitality, and Entertainment. These include the identification of projects and buildings with potential for high returns, harnessing our 'creative DNA' to develop new design concepts for projects, and the marketing of these developments through our robust marketing framework that differentiates KOPL from other property developers.

We believe that in pursuing these objectives, there are synergies across the three business arms. To this end, we have identified Indonesia, China and the United Kingdom, areas for which we currently have a presence in and see growth opportunities, for further expansion.

APPRECIATION

In closing, on behalf of the Group, we would like to thank the Board of Directors for their wise counsel in the last financial year. We would also like to thank the management and staff for their immeasurable contribution towards KOPL as we celebrate our first year as a listed company on the SGX-ST. To our clients, consultants, suppliers and business associates, we would like to convey our sincerest appreciation.

Last but not least, to our valued shareholders for your support – we look forward to you growing with us in the years to come. Together, let us "live and travel in style" and look towards the Group's "next big idea".

Ms Ong Chih Ching
Executive Chairman and Executive Director

BOARD OF DIRECTORS

Ms Ong Chih Ching
Executive Chairman and Executive Director

Ms Leny Suparman
Group Chief Executive Officer
and Executive Director

Mr Ko Chuan Aun
President and Executive Director

Mr Lee Kiam Hwee
Lead Independent Director

Dr Ho Kah Leong @ Ho Kah Leung
Independent Director

Mrs Yu-Foo Yee Shoon
Independent Director

BOARD OF DIRECTORS

Ms Ong Chih Ching
Executive Chairman and Executive Director

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

Prior to the Reverse Takeover, Ong Chih Ching was the chairman and founder of KOP Properties Pte. Ltd., and Chief Executive Officer of KOP Group Pte. Ltd.. Prior to establishing KOP Properties Pte. Ltd., Ong Chih Ching worked as a lawyer, specialising in corporate and property law. She was a founding partner of the Singapore law firm, Koh, Ong & Partners, where she specialised in corporate and real estate transactions. To better meet the needs of her client base of high net worth individuals and private and public equity institutions, she co-founded Koh Ong & Partners Management Services Pte. Ltd. in 1999, providing secretarial, consultancy and corporate management services.

Named as one of the 50 Power Business Women in Asia by Forbes Asia Magazine in 2014 and 2015, Ong Chih Ching is also an Outstanding Entrepreneur awardee at the Asia Pacific Entrepreneurship Awards 2014 by Enterprise Asia.

Ong Chih Ching is also the Founder and First Honorary Secretary for the Securities Investors Association (Singapore), an association with one of the largest memberships in the country, which represents investors' interests in listed companies.

Ong Chih Ching graduated with a Bachelor of Laws from the University of Buckingham in 1991. She was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1994.

BOARD OF DIRECTORS

Ms Leny Suparman
Group Chief Executive Officer and Executive Director

Leny Suparman is a Group Chief Executive Officer ("CEO") and Executive Director of the Company and oversees the implementation of the Company's development and growth plan. Prior to the Reverse Takeover, Leny Suparman was co-founder of the KOP Group Pte. Ltd..

Before the founding of KOP Group Pte. Ltd., Leny Suparman was a Director of Real Estate in Koh Ong & Partners Management Services Pte. Ltd. where she was responsible for sourcing, executing and closing real estate transactions on behalf of clients. She was previously with real estate consultancy firm, CB Richards Ellis, for a period of nine years where she headed the retail department and worked with well-known retail brands in redevelopment projects in Singapore and Shanghai, the People's Republic of China. She obtained a Bachelor of Science in Business from the Indiana University Bloomington, Indiana, United States of America in 1995.

Mr Ko Chuan Aun
President and Executive Director

Ko Chuan Aun is the President and Executive Director of the Company and oversees the Entertainment Business. Prior to the Reverse Takeover, Ko Chuan Aun was Chief Executive Officer ("CEO") and Executive Director of the Company. Ko Chuan Aun was an Independent Director of the Company since 15 August 2007, before his appointment as CEO and Executive Director on 1 March 2012.

Prior to his appointment as CEO of the Company, he was the Executive President of International Business Development of Ananda Group of Companies. He has more than 15 years of working experience with the Trade Development Board of Singapore ("TDB") (now known as the International Enterprise Singapore or IE Singapore). His last appointment with TDB was Head of China Operations.

BOARD OF DIRECTORS

In the past 20 years, Ko Chuan Aun has been very actively involved in business investments in the People's Republic of China market. In 2001, he was appointed as the Steering Committee Member of the Network China.

Between 2003 to 2005, he served as the Chairman of the Tourism Sub-Committee under the Singapore-Sichuan Trade & Investment Committee. He currently holds positions as an Independent Non-Executive Director of Super Group Ltd, San Teh Ltd, Koon Holdings Ltd and KSH Holdings Limited. Ko Chuan Aun holds a Diploma in Export Marketing, which is equivalent to Danish Niels Brock International Business Degree Program.

Mr Lee Kiam Hwee
Lead Independent Director

Lee Kiam Hwee is a Lead Independent Director of the Company. He currently serves as an independent director of HTL International Holdings Limited and Marco Polo Marine Ltd (companies listed on the Main Board of the SGX-ST). From 2007 to 2013, he held appointments as independent director for several years in two other companies listed on the Main Board of the SGX-ST.

Lee Kiam Hwee has about 28 years of experience in finance, accounting and auditing. He began his professional career in Coopers & Lybrand and was promoted to Senior Audit Manager in 1988.

He was Group Financial Controller of IMC Holdings Ltd. from 1994 to 2003 and served as Chief Financial Officer of Pan United Corporation Ltd from 2003 to March 2007.

Lee Kiam Hwee is a fellow member of the Association of Chartered Certified Accountants, UK, and a fellow member of the Institute of Singapore Chartered Accountants. He is also a member of the Singapore Institute of Directors.

BOARD OF DIRECTORS

Dr Ho Kah Leong @ Ho Kah Leung
Independent Director

Dr Ho Kah Leong is an Independent Director of the Company. Prior to his appointment, he was the Special Adviser to the Board and his role includes providing guidance in respect of the business and corporate governance matters.

Dr Ho Kah Leong is currently a director of Vicom Ltd, Fuxing China Group Limited, Ang Mo Kio – Thye Hua Kwan Hospital Ltd. and Pioneers and Leaders (Malaysia) Sdn Bhd. He was the former Senior Parliamentary Secretary to the Minister for the Environment. Upon his retirement from politics in 1997, he was appointed as the Principal of the Nanyang Academy of Fine Arts for over six years. He holds a Bachelor of Science degree from Nanyang University (today's Nanyang Technological University) and was conferred a PhD in Doctor of Philosophy in Arts by Wisconsin International University, United States of America, in 2001.

Mrs Yu-Foo Yee Shoon
Independent Director

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

Yu-Foo Yee Shoon was Minister of State for Ministry of Community Development, Youth and Sports ("MCYS") from August 2004 to May 2011. From November 2001 to July 2004, she was Mayor of the Bukit Timah Community Development Council ("CDC") which subsequently expanded to become the South West CDC. From June 1999 to October 2001, Yu-Foo Yee Shoon was the Senior Parliamentary Secretary for the then Ministry of Community Development and Sports. She was an Elected Member of Parliament from 1984 to May 2011, before she retired from politics. Yu-Foo Yee Shoon is the longest serving woman politician in Singapore.

BOARD OF DIRECTORS

From 1971 to 1999, she held various appointments in the Civil Service. She was a board member of statutory boards, government linked companies and NTUC co-operatives. Over the years, she had been Vice Chairman of NTUC Insurance Co-operative (INCOME), Vice President, Assistant Secretary-General and Deputy Secretary-General of NTUC.

She was the first woman to chair the NTUC Central Co-operative Fund Committee and was a founder of NTUC Childcare. She was Founder Chairman of ComCare and NTUC Foodfare.

Her other appointments include Member of the Professional Advisory Council of NTUC Childcare Co-operative Ltd, Chairman of the Board of Trustees of the Singapore National Co-operative Federation and Chairman of the MCYS Central Co-operative Fund Committee. She was also Independent Director of the listed companies, Kian Ann Engineering Ltd, Singapore Telecommunications Ltd (now known as SingTel) and Singapore Bus Service (now known as ComfortDelGro Corporation).

Yu-Foo Yee Shoon chairs the Publicity and Outreach Committee for the Lee Kuan Yew Fund for Bilingualism. Her other directorships include Independent Non-Executive Director of Singapura Finance Ltd, Director of ARA Trust Management (Dynasty) Pte Ltd, and Honorary Chairman of Silkrouteasia Capital Partners Pte Ltd. Currently, Yu-Foo Yee Shoon is Advisor to Hyflux Ltd, Nuri Holdings (S) Pte Ltd, Global Yellow Pages Ltd, and Dimensions International College Pte Ltd. She graduated from Nanyang University with a Bachelor of Commerce and a Masters Degree in Business from Nanyang Technology University. She was awarded the Honorary Doctorate of Education by Wheelock College of Boston, United States in 2008.

MONTIGO RESORTS, NONGSA

Just 30 minutes away by ferry from Singapore, Montigo Resorts, Nongsa is the first multiple award-winning flagship property located in Batam, Indonesia. Situated along a one-kilometre stretch of seafront, the tasteful and charming resort has 88 Villas, 85 Studio Residences and 23 Residences available for resort stay and purchase. Resort facilities include a beach club, kid's club, spa and exceptional dining options.

Jl. Hang Lekir Nongsa
Batam, Indonesia

www.montigoresorts.com

MONTIGO RESORTS, SEMINYAK

Montigo Resorts' second property, Montigo Resorts, Seminyak, will introduce a new lifestyle resort concept in Bali, Indonesia. Located in the heart of the Seminyak district and a short stroll away to the beach, Montigo Resorts, Seminyak, will offer 108 beautifully decorated, expansive rooms and suites, featuring a comfortable, contemporary design, and adorned with fun, quintessentially Montigo elements. Facilities include a brand new interactive dining restaurant, a poolside cocktail lounge bar, swimming pools, a spa and a kid's club.

Jalan Petitenget, Seminyak,
Kerobokan Kelod,
Kuta - Badung,
Bali 80361 Indonesia

www.montigoresorts.com

MILESTONES

1999 Koh Ong & Partners Management Services Pte. Ltd. was founded by Ong Chih Ching

2005 Leny Suparman joins Koh Ong & Partners Management Services Pte. Ltd. as Director of Real Estate

2006 KOP Group Pte. Ltd. ("KOPG", formerly known as KOP Capital) was founded

2007 Sites for The Ritz-Carlton Residences, Singapore, Cairnhill and Hamilton Scotts in Singapore were acquired by KOPG

KOPG commenced project planning and development of 51 Scotts Road, Singapore, its first commercial project

KOPG commenced project planning and development of 158 Cecil Street, Singapore (formerly known as Dapenso Building)

2008 KOP Properties Pte. Ltd. ("KOP Properties") was founded

Site for Montigo Resorts, Nongsa in Batam, Indonesia was acquired

2009 KOPG acquires Franklyn Hotels and Resorts, Luxury Lifestyle Hotels & Resorts and LUX Magazine

KOPG restructured its hospitality business and relocated its headquarters from Europe to Singapore

2011 KOPG acquired an interest in 10 Trinity Square, London, United Kingdom

Montigo Resorts, Nongsa was awarded "Best Villa Development (Indonesia)" at the South East Asia Property Awards 2011

The Ritz-Carlton Residences obtained Temporary Occupation Permit (TOP)

MILESTONES

2012

Montigo Resorts, Nongsa was awarded “Best Leisure Development (Indonesia)” at the International Property Awards (Asia Pacific 2012 – 2013)

Hamilton Scotts was awarded “Best Residential High Rise Development (Singapore)” and “Highly Commended High-Rise Architecture (Singapore)” at the International Property Awards (Asia Pacific 2012 – 2013)

The Ritz-Carlton Residences was awarded “Best Condo Development (Singapore)” at the South East Asia Property Awards 2012

KOPG divested its interest in 10 Trinity Square, London, United Kingdom

KOPG acquired Cranley Hotel

Hamilton Scotts obtained Temporary Occupation Permit (TOP)

KOP Properties took over the hospitality business of Cranley Hotel from KOPG

KOP Properties was awarded “Most Promising Brand 2012” at the Singapore Prestige Brand Awards 2012, jointly organised by the Association of Small and Medium Enterprises and Lianhe Zaobao

2013

The Ritz-Carlton Residences is awarded the “Construction Excellence Award” by the Building and Construction Authority of Singapore

KOP Properties acquired the Semara Resort and Spa in Seminyak, Bali, Indonesia, to be renovated and reopened as Montigo Resorts, Seminyak

KOP Properties divested its interest in Hamilton Scotts

MILESTONES

KOPG announces partnership with the Pinacothèque de Paris to open the Singapore Pinacothèque de Paris at the Fort Canning Centre Singapore in 2015, the Company's first foray in Museums and the Retail Property business

Montigo Resorts, Nongsa received the TripAdvisor "Award of Excellence"

Montigo Resorts, Nongsa received an Honourable Mention at the Gold Key Awards for Excellence in Hospitality Design by Hotels Magazine

KOP Properties announced its plans for Northern Light Shanghai, a mixed-use development comprising residential, commercial and entertainment components anchored by Winterland, the world's largest integrated indoor winter resort

2014

Company commences trading on the Catalist of the SGX-ST as KOP Limited on 14 May 2014

KOP Limited led a consortium consisting of Lian Beng Group Ltd., KSH Holdings Limited, and Centurion Global Ltd. to acquire a 92.8% interest in Prudential Tower for S$512 million

Redemption of 2013 Junior Notes in Royce Properties Pte. Ltd.

2015

KOP Limited announced plans for the opening of Montigo Resorts, Seminyak

Singapore Pinacothèque de Paris opens at the Fort Canning Centre

THE MANAGEMENT TEAM

Ms Lily Foo
Chief Financial Officer

Ms Joey Ong
Chief Operating Officer

Mr Dalip Singh
Managing Director

Mr Anton Kilayko
Director of Marketing

THE MANAGEMENT TEAM

Ms Lily Foo
Chief Financial Officer

Lily Foo is the Chief Financial Officer of the Company with responsibility for the overall financial management of the Group. She has more than 20 years' working experience in various finance and accounting positions.

Prior to joining KOP Properties Pte. Ltd. in November 2010, she was the Chief Financial Officer of Pacific Healthcare Holdings Ltd, a company which she joined in 2007 and which is listed on the Main Board of the SGX-ST. She started her professional career in audit with Deloitte & Touche, from May 1988 to August 1994. She then spent the subsequent 6 years with The Hour Glass Limited, a company listed on the Main Board of the SGX-ST, in various capacities as Finance Manager and Group Accountant. She left The Hour Glass Limited in May 2000 to pursue a six-year career with Boustead Projects Pte Ltd where she was involved in the financial management of the various industrial real estate projects undertaken by the company. She graduated with a Bachelor of Accountancy (Honours) from the National University of Singapore in 1988 and is a fellow member of the Institute of Singapore Chartered Accountants. She is also a member of the Singapore Institute of Directors.

Ms Joey Ong
Chief Operating Officer

Joey Ong is the Chief Operating Officer ("COO") of KOP Properties Pte. Ltd., holding responsibility for the overall corporate and business operations of the Group. Joey Ong joined KOP Group Pte. Ltd. ("KOPG") in 2007 as Senior Manager, Business Development. She was later appointed Deputy Director, Internal Audit & Compliance in 2008 and tasked with the internal audit of the companies within KOPG as well as overseeing compliance matters such as bank compliance and reporting to third party investors. Joey Ong was promoted to her current position as COO of KOP Properties Pte. Ltd. in August 2010.

Joey Ong started her career in Additive Circuits Pte Ltd in 1987 where she worked as a materials engineer and was responsible for research and development on the electroplating of circuits on plastic boards and was involved in the trouble- shooting and process control of daily production.

THE MANAGEMENT TEAM

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

Mr Dalip Singh
Managing Director

Dalip Singh is the Managing Director of the Company. He was previously the Senior Vice President and Head of KOP Hospitality. He started his professional career in hotel management with The Ritz-Carlton, Millenia, Singapore as Executive Assistant Manager, from January 2001 to June 2007.

In July 2007, he joined Dusit International as General Manager, and continued in his role until May 2010. From June 2010, he was General Manager at Pangkor Laut Resort until August 2011, when he left to join the Company in September 2011. Dalip Singh graduated with a Diploma in Management Studies from the Singapore Institute of Management in 2008.

THE MANAGEMENT TEAM

Mr Anton Kilayko
Director of Marketing

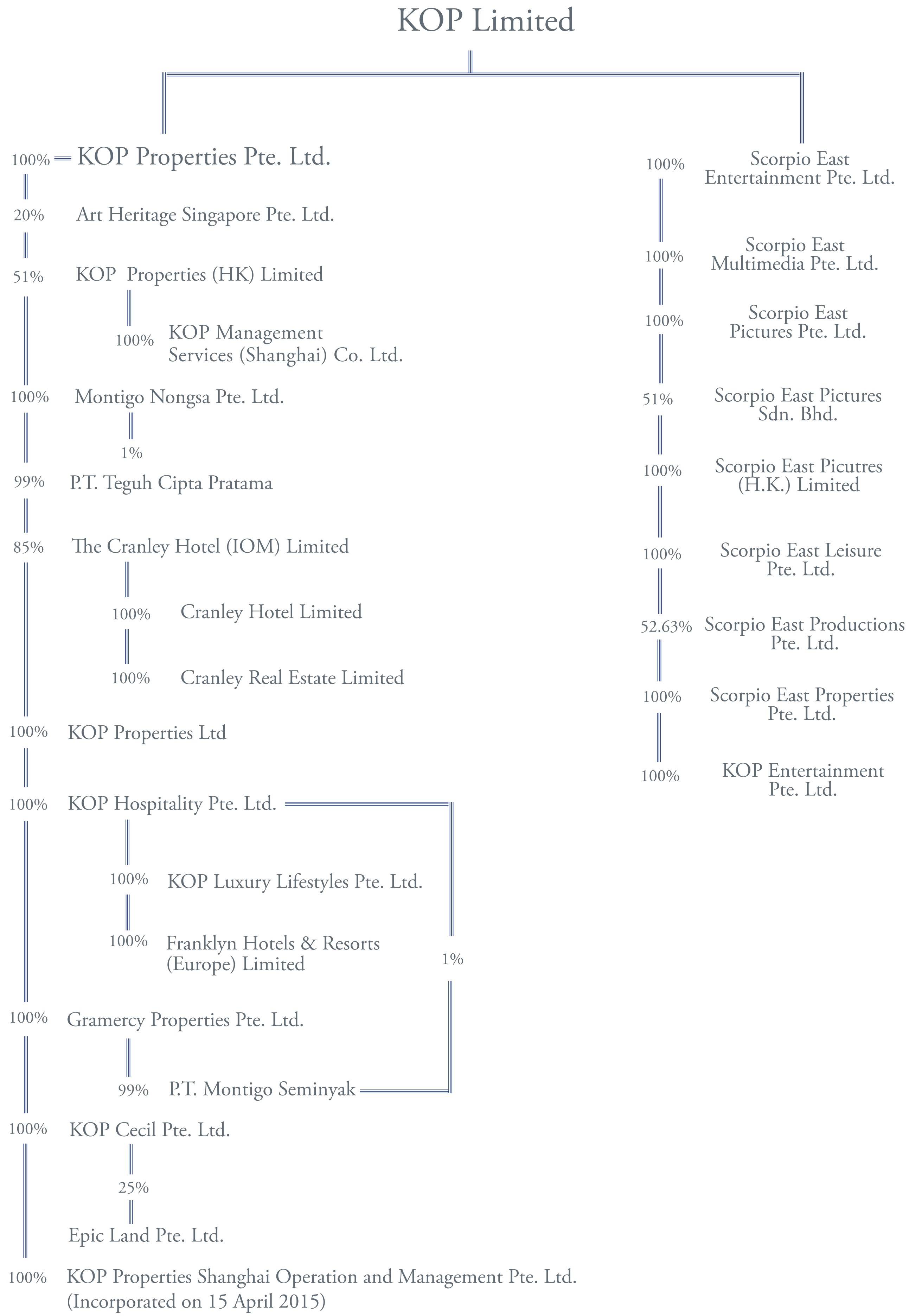
Anton Kilayko is the Director of Marketing and is responsible for all marketing, corporate communications and public relations aspects of the Group. Anton Kilayko joined KOP Hotels & Resorts Pte Ltd ("KOP H&R") in June 2010 as Vice President, Marketing and Brand Development. He was later appointed Senior Vice President of KOP H&R in June 2011, with responsibility for overall corporate level hospitality marketing. Anton Kilayko was appointed to his current position in September 2012.

Anton Kilayko started his career in The Ritz-Carlton, Cancun, Mexico in 1999, and later joined The Ritz-Carlton, Millenia, Singapore in 2001. He was promoted to Manager, Public Relations in January 2002, and later to Director, Public Relations in 2003, where he was responsible for all public relations, crisis communications and marketing communications efforts of the hotel.

In 2003, he was awarded the Mystique Award for Public Relations Director of the Year by The Ritz-Carlton Hotel Company L.L.C., and in 2005, he was awarded the Five Star Leader award by The Ritz-Carlton, Millenia Singapore. In January 2007, Mr Kilayko joined Orient-Express Trains and Cruises, Singapore, as Director, Sales and Marketing, where he was in charge of overall sales and marketing efforts for the Eastern & Oriental Express (SEA) luxury train and Road to Mandalay river cruise (Myanmar). From November 2008, he joined Dusit International, Bangkok, Thailand as Brand Director of Dusit D2 and Dusit Devarana Hotels and Resorts, where he was in charge of brand development and guidelines implementation. He continued in this position until May 2010, when he left to join KOP H&R.

Anton Kilayko graduated with a Bachelor of Science in International Hospitality Management from the Les Roches International School of Hotel Management, Switzerland in 1998.

COMPANY STRUCTURE



FINANCIAL REVIEW

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Revenue for the financial year ended 31 March 2015 ("FY2015") decreased by S$3.6 million or 16.1% as compared to financial year ended 31 March 2014 ("FY2014"). The decrease was mainly due to more properties sold in FY2014 as compared to FY2015 and decrease in coordination fee billed to related parties.

The decrease in revenue was partially off-set with the increase in revenue from hospitality segment which resulted from increase in occupancy and revenue per room in relation to Montigo Resorts, Nongsa.

Gross profit decreased by S$3.2 million or 29.2% from S$11.0 million in FY2014 to S$7.8 million in FY2015, mainly due to more properties sold in FY2014 as compared to FY2015 and decrease in coordination fee billed to related parties.

Investment income represents gain on redemption of 2013 Junior Notes in Royce Properties Pte. Ltd. during FY2015.

Other income decreased by S$2.7 million from S$6.4 million in FY2014 to S$3.7 million in FY2015, mainly due to corporate service fee billed to related company amounting to S$3 million in FY2014.

Administrative expenses increased by S$24.4 million or 159% from S$15.3 million in FY2014 to S$39.7 million in FY2015. The increase was mainly due to administrative expenses contributed by the Scorpio Group amounting to S$5.0 million; professional fee of S$1 million incurred by KOP Properties (HK) Limited in relation to the Winterland project; increase in provision for doubtful debts of S$0.5 million; expenses incurred by KOP Management Services (Shanghai) Co. Ltd., which was newly incorporated in September 2013, amounting to S$2.0 million; write-off of goodwill arising from RTO of S$18.0 million and loss on disposal of property, plant and equipment of S$0.3 million, off-set with the decrease in staff cost of S$2.6 million.

FINANCIAL REVIEW

The share of loss from interest in associate increased mainly due to increased losses suffered by the associate, as there were no sales in FY2015.

The share of results from investments in associated companies represent share of profit from associated company, Epic Land Pte. Ltd. ("Epic Land"), off-set with share of loss from associated company, Art Heritage Singapore Pte. Ltd.. The profits from Epic Land was mainly from the share of profits of the sales of strata units in Prudential Tower in FY2015.

Finance costs increased by S$134,000 or 12.1% from S$1,105,000 in FY2014 to S$1,239,000 in FY2015 mainly due to the full settlement of loan in KOP Properties Pte. Ltd. in FY2014.

As a result of the above, the Group recorded a net profit after tax of S$10.8 million in FY2015.

STATEMENTS OF FINANCIAL POSITION

Increase in trade and other receivables by S$30.8 million from S$3.5 million to S$34.3 million was mainly due to S$30.2 million loan to an associated company, Epic Land Pte. Ltd., in relation to the acquisition of Prudential Tower and S$1.0 million was related to reverse acquisition of Scorpio Group in May 2014.

Increase in other current assets by S$0.3 million from S$0.7 million to S$1.0 million was mainly due to S$0.3 million related to reverse acquisition of Scorpio Group in May 2014.

Development properties increased by S$3.0 million from S$52.5 million to S$55.5 million was mainly due to capitalisation of interest cost for the bank loans.

Increases in inventories, prepaid film rights and intangible assets were mainly due to reverse acquisition of Scorpio Group in May 2014.

FINANCIAL REVIEW

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

Long-term notes receivable is due from Royce Properties Pte. Ltd. which bears interest of 8% per annum.

Decrease in property, plant and equipment by S$0.7 million mainly due to depreciation charged for the year amounting to S$3.1 million was off-set with the reverse acquisition of Scorpio Group in May 2014.

Non-current asset held for sale and liabilities directly associated with asset classified as held for sale relates to the asset and liabilities associated with the Scorpio East Building located at 25 Tai Seng Avenue, Singapore. The Group has appointed Colliers International (Singapore) Pte Ltd as the exclusive marketing agent in connection with the proposed disposal of the property.

Trade and other payables decreased by S$5.6 million from S$48.1 million in FY2014 to S$42.5 million in FY2015 mainly due to repayment of advance from ultimate holding company during the financial year.

Decrease in bank borrowings of S$0.7 million mainly due to bank loan repayments amounting to S$37.4 million, off-set with drawdown of revolving credit of S$12.0 million, utilisation of bank overdraft of S$6.7 million and drawdown of term loan of S$16.4 million throughout the financial year under review.

FINANCIAL REVIEW

Increase in finance leases of S$0.7 million was mainly due to the reverse acquisition of Scorpio Group in May 2014.

CONSOLIDATED STATEMENT OF CASH FLOWS

The net cash outflow from operating activities for FY2015 arose mainly due to long-term notes receivable amounting to S$40.7 million outstanding as at 31 March 2015.

The net cash inflow from investing activities for FY2015 was mainly due to proceeds from redemption of 2013 Junior Notes of S$28.7 million offset with a loan of S$30.2 million extended to an associated company, Epic Land Pte. Ltd., for the acquisition of Prudential Tower.

The net cash inflow from financing activities of S$18.9 million for FY2015 arose mainly due to a share placement with proceeds of S$21.5 million, proceeds from bank loans and overdrafts of S$35 million, offset by net repayment of bank borrowings and finance leases of S$38.1 million and decrease in restricted cash placed in escrow account of S$0.5 million.

CORPORATE SOCIAL RESPONSIBILITY

As a socially responsible corporate citizen, KOP Limited believes in the continuous engagement of and contribution to various segments of the community. The diverse mix of community causes that KOPL champions is a strong testament to our steadfast commitment in effecting positive change. Our initiatives are centred around two themes – the arts, as well as promoting gender equality.

Arts

For the current financial year, The Red Pencil (Singapore) became our Community Partner. Red Pencil is a non-profit organisation that uses art therapy to help children cope with their mental and emotional problems through the creative art-making process. Part of this funding goes into the development of an art therapy program at KK Women's and Children's Hospital (KKH), where KOPL, The Red Pencil and KKH hope to assist around 300 to 320 patients a year, and in time, be able to extend the programme to include children suffering from long-term and chronic medical conditions.

Separately, we made a financial contribution to the 13th Orchid Country Club annual fundraising gala in support of W!LD RICE which aims to create an open forum to share the experience of theatre with members of the public and present productions that inspire, challenge and entertain.

CORPORATE SOCIAL RESPONSIBILITY

Gender Equality

KOPL believes that regardless of gender, both men and women should have equal rights, opportunities and access to education, marriage and employment, and we advocate this through our own company policies. We support the Association of Women for Action and Research (AWARE), a relationship we have built since 2010. AWARE endeavours to remove all gender-based barriers in Singapore, and our financial contributions support their research and advocacy, education and training and support services.

In this vein, KOPL also contributed to the 2014 SNOW (Say No to the Oppression of Women) event. Organised by the Singapore Committee for UN (United Nations) Women, proceeds raised from the gala benefit go towards supporting women and girls' empowerment in Singapore and the region.

The Spirit of Giving

In addition to pledging our long term support to the two causes above, we strive to give back to the community in a sustainable manner and share the fruits of our success with the less fortunate. We also make regular donations to other charities, outside of the Arts and Gender Equality causes, which inspire, advance, and help the community.

Courtesy of WILD RICE Ltd., AWARE Singapore, UN Women

AWARDS AND ACCOLADES

AWARDS AND ACCOLADES

2014-2015

- KOP Properties Pte Ltd awarded by Singapore Prestige Brand Award 2014 – Established Brands
- Montigo Resorts, Nongsa, Top Real Estate, Elite Traveler 2015
- Ms. Ong Chih Ching, awarded the Most Promising Entrepreneur by the Asia Pacific Entrepreneurship Awards 2014 Singapore
- Ms. Ong Chih Ching, named as one of Asia's 50 Power Business Women by Forbes Asia Magazine 2014 and 2015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KOP







CORPORATE INFORMATION

BOARD OF DIRECTORS

Ong Chih Ching
Executive Chairman and Executive Director

Leny Suparman
Group Chief Executive Officer
and Executive Director

Ko Chuan Aun
President and Executive Director

Lee Kiam Hwee
Lead Independent Director

Dr Ho Kah Leong @ Ho Kah Leung
Independent Director

Yu-Foo Yee Shoon
Independent Director

AUDIT AND RISK COMMITTEE

Lee Kiam Hwee
Chairman, Independent Director

Dr Ho Kah Leong @ Ho Kah Leung
Member, Independent Director

Yu-Foo Yee Shoon
Member, Independent Director

REMUNERATION COMMITTEE

Dr Ho Kah Leong @ Ho Kah Leung
Chairman, Independent Director

Lee Kiam Hwee
Member, Independent Director

Yu-Foo Yee Shoon
Member, Independent Director

NOMINATING COMMITTEE

Yu-Foo Yee Shoon
Chairman, Independent Director

Lee Kiam Hwee
Member, Independent Director

Dr Ho Kah Leong @ Ho Kah Leung
Member, Independent Director

Company Secretary
Ms Shirley Tan Sey Liy (ACIS)

SPONSOR

Hong Leong Finance Limited
16 Raffles Quay,
#40-01A Hong Leong Building,
Singapore 048581

REGISTERED OFFICE

152 Beach Road,
#27-01 The Gateway East,
Singapore 189721
Tel: +65 6533 7337
Fax: +65 6536 7735
Website: www.koplimited.com

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

RHT Corporate Advisory Pte. Ltd.
Six Battery Road
#10-01
Singapore 049909

AUDITORS

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
6 Shenton Way
OUE Downtown 2 #33-00
Singapore 068809

PARTNER-IN-CHARGE

Mr Rankin Brandt Yeo
(a member of the Institute of Singapore
Chartered Accountants)
(First appointed in respect of the
financial year ended 30 April 2012)

PRINCIPAL BANKERS

Malayan Banking Berhad
2 Battery Road
Maybank Tower
Singapore 049907

PT Bank CIMB Niaga Tbk
Graha CIMB Niaga Lt. 11
Jl. Jend. Sudirman Kav. 58
Jakarta 12190
Indonesia

INVESTOR RELATIONS

Hill + Knowlton Strategies
50 Scotts Road
#04-01
Singapore 228242

REPORT OF CORPORATE GOVERNANCE

The Board of Directors (the "**Board**") and management (the "**Management**") of KOP Limited (the "**Company**" and together with its subsidiaries, collectively the "**Group**") are committed to maintaining a high standard of corporate governance within the Group.

This report sets out the Group's corporate governance practices with specific reference to the Code of Corporate Governance 2012 (the "**Code**") and the Disclosure Guide on Compliance with the Code developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015. The Group subscribe fully to the principles and guidelines and recommendations in the Code where they are applicable. The Group has complied with the Code's principles and guidelines throughout the reporting period for the financial year ended 31 March 2015 ("**FY2015**"), except where otherwise stated.

For ease of reference, the relevant provision of the Code under discussion is identified in bold. However, other sections of this Report may also have an impact on the disclosures as this Report is meant to be read as a whole, instead of being compartmentalised under the different principles of the Code.

1. BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

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

The Board's role is to:

- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- review management performance;
- identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

REPORT OF CORPORATE GOVERNANCE

- set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and

- consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

Every Director is expected, in the course of carrying out his duties, to act in good faith, provide insights and consider at all times, the interests of the Company.

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

The Board conducts regular scheduled meetings to review the Group's key activities, business strategies, funding decisions, financial performance and to approve the release of the results of the Group. Where circumstances require, ad-hoc meetings are arranged. Attendance of the Directors via telephone conference is allowed under Article 120(2) of the Company's Articles of Association.

The number of Board and Board Committees meetings held during FY2015 and the attendance of each Director where relevant are as follows:–

Name of Directors	Board Meeting		Audit and Risk Committee		Remuneration Committee		Nominating Committee	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ms. Ong Chih Ching[1]	4	4	4	4^	1	1^	1	1^
Ms. Leny Suparman[1]	4	4	4	4^	1	1^	1	1^
Mr. Ko Chuan Aun	4	4	4	4^	1	1^	1	1^
Dr. Ho Kah Leong @ Ho Kah Leung	4	2	4	2	1	–	1	–
Mr. Lee Kiam Hwee[1]	4	4	4	4	1	1	1	1
Mrs. Yu-Foo Yee Shoon[1]	4	4	4	4	1	1	1	1

Notes:

^ *Attendance by invitation.*

(1) *Appointed as a director on 6 May 2014.*

REPORT OF CORPORATE GOVERNANCE

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

All Directors are regularly updated on changes to the Company's policies, changes to the Listing Manual – Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"), risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as the Board and Board Committees members.

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

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

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

Newly appointed Directors will undergo an orientation programme and will be provided with reading materials to help them familiarise with the business and governance practices of the Company. All Directors are appointed to the Board by way of a formal letter of appointment or service agreement setting out the scope of their duties.

REPORT OF CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently comprises three Executive Directors and three Independent Directors as follows:–

Name of Directors	Board	ARC	NC	RC
Ms. Ong Chih Ching(1)	Executive Director and Executive Chairman	–	–	–
Ms. Leny Suparman(1)	Executive Director and Group CEO	–	–	–
Mr. Ko Chuan Aun	Executive Director and President	–	–	–
Mr. Lee Kiam Hwee(1)	Lead Independent Director	Chairman	Member	Member
Mrs. Yu-Foo Yee Shoon(1)	Independent Director	Member	Chairman	Member
Dr. Ho Kah Leong @ Ho Kah Leung	Independent Director	Member	Member	Chairman

Note:
(1) Appointed as a director on 6 May 2014.

As the Independent Directors make up at least fifty percent of the Board during all material times, there is a strong independent element on the Board, thereby allowing it to exercise objective judgment on corporate affairs independently from the Management.

The independence of each Director is reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an independent director in its review. The NC is of the view that the Independent Directors, namely Dr. Ho Kah Leong @ Ho Kah Leung, Mr. Lee Kiam Hwee and Mrs. Yu-Foo Yee Shoon are independent of the Management.

None of the Independent Directors have served on the Board beyond nine years from their respective date of first appointment.

REPORT OF CORPORATE GOVERNANCE

The Board comprises businessmen and includes professionals with financial, accounting and legal backgrounds. Profiles of the Directors are set out in the "**Board of Directors**" section of this annual report. The NC is of the view that the Board consists of persons who, as a group, provide core competencies such as business and management experience, industry knowledge, legal expertise, financial and strategic planning experience and knowledge that are necessary to meet the Company's objectives. In addition, it is of the view that the current Board size of six Directors is appropriate for effective decision making, taking into account the scope and nature of the operations of the Company. Furthermore, the NC is of the view that no individual or small group of individuals dominates the Board's decision-making processes. From time to time, the NC will review the appropriateness of the current Board size, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment.

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

It is the Company's practice to keep the roles of the Chairman and Group CEO separate. By doing so, there is a clear division of responsibilities between the Chairman and the Group CEO, which will ensure a balance of power and authority, such that no individual or small group of individuals represents a considerable concentration of power. Keeping the two roles separate will also ensure increased accountability and greater capacity of the Board for decision-making.

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

REPORT OF CORPORATE GOVERNANCE

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

1. scheduling of meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;

2. setting meeting agendas in consultation with the Board;

3. promote a culture of openness and debate at the Board;

4. ensuring that Board members receive complete, adequate and timely information;

5. ensuring effective communication with shareholders;

6. encourage constructive relations within the Board and between the Board and Management;

7. facilitate the effective contribution of non-executive directors;

8. promote high standards of corporate governance for the Group; and

9. formulation of the Group's vision and mission, strategic, direction and expansion plans.

The Company Secretary may be called to assist the Executive Chairman in any of the above.

All major decisions made by the Board are subject to majority approval of the Board. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

The Board had appointed Mr. Lee Kiam Hwee as the Lead Independent Director to co-ordinate and to lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is the main liaison on Board issues between the Independent Directors and Executive Chairman. He is available to shareholders where they have concerns and for which contact through the normal channels of the Executive Chairman or Chief Financial Officer has failed to resolve or is inappropriate.

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

REPORT OF CORPORATE GOVERNANCE

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

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

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

The NC Chairman is not related to any of the substantial shareholders of the Company.

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

- review nominations for the appointment and re-appointment of members to the Board and the various Board Committees;
- decide on the evaluation criteria of the Board, propose an objective performance criteria to assess effectiveness of the Board as a whole and the contribution of each Director;
- decide whether a Director is able to and has been adequately carrying out his duties as Director of the Company (in a case where the Director has multiple board representations);
- ensure that Directors submit themselves for re-nomination and re-election at regular intervals and at least once in every three years; and
- determine, on an annual basis, whether a Director is independent bearing in mind the salient factors set out in the Code.

The NC is responsible for the re-nomination of the Directors. Article 107 of the Company's Articles of Association requires one-third of the Directors to retire from office at least once in every three years at the Company's Annual General Meeting (the "**AGM**") and Article 112 of the Company's Articles of Association provides that each term of appointment of the Managing Director (or a person holding an equivalent position) shall not exceed five years. Retiring Directors are eligible to offer themselves for re-election pursuant to Article 109. The NC may recommend the appointment of any other qualified person as a Director to fill a vacancy or as an addition to the Board. Article 117 of the Company's Articles of Association provides that such Director so appointed shall hold office until the next AGM and shall be eligible for re-election.

REPORT OF CORPORATE GOVERNANCE

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

Pursuant to Section 153(6) of the Companies Act, Chapter 50, a Director who is 70 years or above of age, is required by law to stand for re-appointment every year at the AGM.

The NC has recommended to the Board, the re-election of Mr. Ko Chuan Aun and Mrs. Yu-Foo Yee Shoon at the forthcoming AGM. The NC had also recommended to the Board that Dr. Ho Kah Leong @ Ho Kah Leung, who is over 70 years of age this year, to be re-appointed as a Director at the forthcoming AGM. The Board had accepted the NC's recommendation.

Mrs. Yu-Foo Yee Shoon, being the Chairman of the NC, who is retiring at the AGM abstained from voting on the resolution in respect of her re-nomination as a Director. Dr Ho Kah Leong @ Ho Kah Leung, being a member of the NC, had abstained from voting on the resolution in respect of his re-appointment as a Director.

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

Name	**Age**	**Appointment**	**Date of initial appointment**	**Date of last re-election**	**Present Directorships in other listed companies**	**Past Directorships in other listed companies in the last three preceding years**
Ms. Ong Chih Ching	46	Executive Director and Executive Chairman	6 May 2014	28 August 2014	None	None
Ms. Leny Suparman	41	Executive Director and Group CEO	6 May 2014	28 August 2014	None	None
Mr. Ko Chuan Aun	58	Executive Director & President	15 August 2007	23 August 2013	1. Super Group Ltd 2. San Teh Ltd. 3. Koon Holdings Limited 4. KSH Holdings Limited	1. Brothers (Holdings) Limited

REPORT OF CORPORATE GOVERNANCE

Name	Age	Appointment	Date of initial appointment	Date of last re-election	Present Directorships in other listed companies	Past Directorships in other listed companies in the last three preceding years
Mr. Lee Kiam Hwee	59	Lead Independent Director	6 May 2014	28 August 2014	1. HTL International Holdings Ltd. 2. Marco Polo Marine Ltd.	1. Ausgroup Limited 2. Pacific Healthcare Holdings Ltd
Dr. Ho Kah Leong @ Ho Kah Leung	78	Independent Director	28 August 2012	28 August 2014	1. Vicom Ltd 2. Fuxing China Group Limited	1. Brothers (Holdings) Limited 2. Superbowl Holdings Ltd
Mrs. Yu-Foo Yee Shoon	65	Independent Director	6 May 2014	28 August 2014	1. Singapura Finance Ltd.	None

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

Currently, none of the Directors hold more than four (4) directorships in other listed companies.

There is no alternate director being appointed to the Board.

In its search, nomination and selection process for new directors, the NC:

1. identifies the competencies required to enable the Board to fulfil its responsibilities;

2. seeks external assistance, if the need arises, by approaching relevant institutions such as the Singapore Institute of Directors, search companies or via public advertisements to search for suitable candidates. The search for suitable candidates could also be drawn from the contacts and network of the existing Directors and the Management;

3. conducts formal interview of short-listed candidates to assess suitability and to ensure that the candidates are aware of the expectations and the level of commitment required of them; and

4. makes recommendations to the Board for approval.

REPORT OF CORPORATE GOVERNANCE

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

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

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

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

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for FY2015, is of the view that the performance of the Board as a whole has been satisfactory. The NC is satisfied that sufficient time and attention has been given to the Group by the Directors.

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

ACCESS TO INFORMATION

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Company believes that the Board should be provided with timely, complete and adequate information prior to Board meetings and as and when the need arises.

REPORT OF CORPORATE GOVERNANCE

The Company recognises the importance of the flow of information for the Board to discharge its duties effectively. All Directors are furnished with Management accounts of the Group and regular updates on the financial position of the Company. The Board has unrestricted access to the Company's records and information.

The Directors have also been provided with the contact details of the Company's Senior Management and Company Secretary to facilitate separate and independent access.

The Company Secretary administers and prepares minutes of the Board and Board Committees meetings. Such minutes of meetings are circulated. The Company Secretary attends all Board meetings and assists the Board in ensuring that proper procedures at such meetings are followed and the relevant requirements of the Companies Act, Chapter 50 of Singapore and the Catalist Rules are complied with.

Each member of the Board may seek professional advice in furtherance of their duties and the costs of obtaining such professional advice will be borne by the Company. The appointment and removal of the Company Secretary is a matter for consideration by the Board as a whole.

2. REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC has been established with written terms of reference and currently comprises three directors, all of whom, including the Chairman, are independent:–

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

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

It is a practice that the RC recommends to the Board a framework of remuneration for the Board and the key management personnel as well as specific remuneration packages for the Group CEO and Executive Directors. The recommendations will be submitted for endorsement by the Board. All aspects of remuneration, including but not limited to Directors' and Senior Managements' fees, salaries, allowances, bonuses and benefits in kind will be covered by the RC.

REPORT OF CORPORATE GOVERNANCE

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

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expenses of such services shall be borne by the Company.

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

LEVEL AND MIX OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

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

The Company has entered into a service agreement with Ms. Ong Chih Ching, Ms. Leny Suparman and Mr. Ko Chuan Aun. The service agreement is for a period of three (3) years commencing 6 May 2014.

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

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

REPORT OF CORPORATE GOVERNANCE

DISCLOSURE ON REMUNERATION

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

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

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

A breakdown showing the level and mix of each individual Director's remuneration in remuneration bands of S$250,000 for FY2015 is set out as follows:–

	Fees* %	Salary# %	Bonus %	Other Benefits %	Total %
S$500,000 and above					
Ms. Ong Chih Ching(1)	–	92%	8%	–	100%
Ms. Leny Suparman(1)	–	93%	7%	–	100%
S$250,000 to below S$500,000					
Mr. Ko Chuan Aun	–	92%	8%	–	100%
Below S$250,000					
Mr. Lee Kiam Hwee(1)	100%	–	–	–	100%
Dr. Ho Kah Leong @ Ho Kah Leung	100%	–	–	–	100%
Mrs. Yu-Foo Yee Shoon(1)	100%	–	–	–	100%

Notes:

* *These fees are subject to approval of the shareholders at the forthcoming AGM.*

\# *Salary is inclusive of fixed allowance and CPF contributions.*

(1) *Appointed as a director on 6 May 2014*

REPORT OF CORPORATE GOVERNANCE

Details and the level of remuneration of the Group's top 5 key management personnel (who are not directors) for FY2015 is set out as follows:–

Top 5 key management personnel	Position
Ms. Lily Foo	Chief Financial Officer of KOP Limited
Ms. Joey Ong(1)	Chief Operating Officer of KOP Properties Pte Ltd
Mr. Dalip Singh	Managing Director of KOP Properties Pte Ltd
Mr. Anton Kilayko	Director of Marketing of KOP Properties Pte Ltd
Mr. Ron Loi Lup Sheng(2)	Chief Financial Officer of KOP Limited

Notes:

(1) Ms. Joey Ong is the sister of Ms. Ong Chih Ching, Executive Director and Executive Chairman of the Company, whose remuneration exceeds S$50,000 during FY2015.

(2) Resigned as CFO on 27 February 2015.

Remunerations bands	No. of top 5 key management personnel
S$500,000 and above	–
S$250,000 to below S$500,000	2
Below S$250,000	3

The aggregate remuneration total amount paid to the directors and the relevant key management personnel (who are not director or the CEO) for FY2015 is $1,713,360 and $1,224,792, respectively.

For FY2015, there were no terminations, retirement or post-employment benefits granted to Directors and relevant key management personnel other than the standard contractual notice period termination payment in lieu of service.

Details of remuneration paid to the immediate family member of Directors or substantial shareholders for the financial year ended 31 March 2015 are set out below:

Name of Immediate Family Member	Salary#	Bonus	Other Benefits	Total
	%	%	%	%
S$250,000 to below S$300,000				
Ms. Joey Ong	93	7	–	100

Note:

 # Salary is inclusive of fixed allowance and CPF contributions.

REPORT OF CORPORATE GOVERNANCE

Save for the above disclosure, the Company does not have any employee who is an immediate family member of a Director or CEO whose remuneration in the financial year ended 31 March 2015 exceeded $50,000.

3. ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Company has taken efforts to comply with the Catalist Rules on the disclosure requirements of material information. The Board is mindful of the obligation to provide shareholders of all major developments that affect the Group and strives to maintain a high standard of transparency.

The Board provides the shareholders with a detailed and balanced explanation and analysis of the Company's performance, position and prospects on a quarterly basis. This responsibility extends to reports to regulators. In accordance with the Catalist Rules, the Board issued negative assurance statements in its quarterly financial results announcement, confirming that to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

The Management currently provides the Board with appropriately detailed management accounts of the Group's performance, position and prospects on quarterly basis.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

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

The Board and the ARC noted that all internal controls contain inherent limitations and no systems of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities. Accordingly, the Board will continue its risk assessment process with a view to improve the Group's internal control systems.

REPORT OF CORPORATE GOVERNANCE

Management frequently reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Company's policies and strategies. The Management reviews all significant control policies and procedures and highlights all significant matters to the ARC and the Board. The significant risk management policies are as disclosed in the audited financial statements of this annual report.

During the year under review, the Board has received assurance from the Group CEO and Group CFO:

- that the Group's financial records have been properly maintained and the financial statements for the financial year ended 31 March 2015 give a true and fair view of the Group's business operations and finances; and

- that the effectiveness of the Group's risk management systems and internal control systems in place is adequate and effective in addressing the material risks in the Group.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the Management, the Board and the various Board Committees, the Board, with concurrence of the ARC, is of the opinion that the system of internal controls maintained by the Group is adequate and effective in addressing the financial, operational, compliance and information technology risks of the Group for the financial year ended 31 March 2015.

AUDIT COMMITTEE

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

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

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

Mr. Lee Kiam Hwee, the Lead Independent Director of the Company, currently chairs the ARC. The ARC met 4 times in FY2015. It performs the following functions:–

- reviews announcements of the Group's quarterly and full year results;

- reviews the audit plans and reports of the external auditors and to consider the effectiveness of the actions taken by the Management on the external auditors' recommendations;

REPORT OF CORPORATE GOVERNANCE

- appraises and reports to the Board on the audits undertaken by the external auditors, the adequacy of disclosure of information;
- review the adequacy of the Group's internal financial, operational and compliance controls, and risk management policies and systems established by the Management;
- reviews the assistance and co-operation given by the Management to the external auditors;
- discusses problems and concerns, if any, arising from the interim and final audits;
- nominates external auditors for re-appointment;
- reviews interested person transactions, as defined in the Catalist Rules; and
- reviews the effectiveness of the Company's internal audit function and considers the appointment and re-appointment of the internal auditors.

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

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

During FY2015, the amount of non-audit fees paid to the external auditors and its members was $50,000. The audit fees paid to the external auditors amounted to $175,000. The non-audit fees paid to the external auditors mainly pertains to work performed for tax advisory.

In July 2010, SGX-ST and ACRA had launched the "**Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors**" ("**Guidance**") which aims to facilitate the ARC in evaluating the external auditors. Accordingly, the ARC had evaluated the performance of the external auditors based on the key indicators of audit quality and guidance, where relevant, as set out in the Guidance.

The ARC reviews the independence of the external auditors annually. The ARC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The ARC recommends to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors and approving the remuneration of the external auditors. The ARC has recommended to the Board that Deloitte & Touche LLP be nominated for re-appointment as external auditors of the Company at the forthcoming AGM.

REPORT OF CORPORATE GOVERNANCE

The ARC also meets with the external auditors and internal auditors at least once a year, without the presence of the Management, to review the Management's level of cooperation and other matters that warrants the ARC's attention. The ARC has met with the external auditors and the internal auditors without the presence of the management during FY2015.

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

The Company has adopted a whistle-blowing policy which serves to provide employees with well-defined and assessable channels within the Group for reporting possible improprieties in financial reporting or other matters in confidence. There were no reports received by the ARC through the Company's whistle-blowing mechanism during FY2015.

The ARC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors. No former partner or director of the Company's existing auditing firm has acted as a member of the ARC.

INTERNAL AUDIT

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company has outsourced the internal audit function to a qualified public accounting firm (the "**IA**"). The IA is expected to meet or exceed the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. Currently, the Company has engaged KPMG Services Pte. Ltd. as its IA to provide internal audit services in accordance with its internal audit plan.

The IA has unrestricted direct access to the ARC and reports to the ARC. The IA also has unfettered access to all the Company's documents, records, properties and personnel. The IA plans its scope of internal audit work during FY2015 in consultation with the ARC, and submitted its annual audit plan to the ARC for approval.

The ARC has reviewed the effectiveness of the IA and is satisfied that the IA is adequately resourced and has the appropriate standing within the Company to fulfil its mandate.

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

REPORT OF CORPORATE GOVERNANCE

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

In line with the continuous obligations of the Company under the Catalist Rules and the Companies Act, Chapter 50, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNet.

Shareholders are informed of general meetings through the announcement released to the SGXNet and notices contained in the Annual Report or circulars sent to all shareholders. These notices are also advertised in a national newspaper. All shareholders are entitled to attend the general meetings and are provided the opportunity to participate in the general meetings. If any shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. The Company's current Memorandum and Articles of Association does not include the nominee and custodial services to appoint more than two proxies.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

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

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

- annual reports that are prepared and issued to all shareholders within the mandatory period;
- public announcements via the SGXNET;
- press releases; and
- the Company's website which the shareholders can access information on the Group.

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

REPORT OF CORPORATE GOVERNANCE

The Company does not practice selective disclosure. Price sensitive information is first publicly released through SGXNet, either before the Company meets with any investors or analysts. All shareholders of the Company will receive the Annual Report with notice of AGM by post and published in the newspapers within the mandatory period, which is held within four months after the close of the financial year.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. No dividends will be paid in respect of FY2015 as the Company is still in a loss-making position.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company's AGMs are the principal forums for dialogue with shareholders. Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay appraised of the Group's strategies and growth plans. Notices of the meetings will be advertised in newspapers in Singapore and announced via the SGXNET. Resolutions tabled at general meetings are passed through a process of voting by poll which procedures are clearly explained by the scrutineers at such general meetings.

Shareholders are given the opportunity to pose questions to the Directors or the Management at the AGM. The chairman of the ARC, RC and NC will be present at these meetings to answer questions relating to matters that are overseen by these Board Committees. The external auditors will also be present to assist the Directors in addressing any queries that shareholders may have.

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

The Company prepares minutes or notes of general meetings, which include substantial comments or queries from shareholders relating to the agendas of the meetings and responses from the Board and the Management. These minutes or notes are available for the inspection of shareholders upon their request.

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

REPORT OF CORPORATE GOVERNANCE

5. DEALINGS IN SECURITIES

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

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

6. INTERESTED PERSON TRANSACTIONS

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

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

The interested person transactions during FY2015 are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S$100,000) S$'000
Royce Properties Pte. Ltd.		
Commission income	283	–
Interest income	1,145	–
Gain on redemption of 2013 Junior Notes	43,002	–
Hayden Properties Pte. Ltd.		
Management fee income	166	–

REPORT OF CORPORATE GOVERNANCE

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transaction less than S$100,000) S$'000
Aqua Voyage Pte. Ltd.		
Management fee income	158	–
Scotts Spazio Pte. Ltd.		
Management fee income	350	–

7. NON-SPONSOR FEE

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The current sponsor of the Company is Hong Leong Finance Limited (the "**Sponsor**") with effect from 22 April 2014.

The Sponsor of the Company from 1 May 2013 till 22 April 2014 was SAC Capital Private Limited (the "**SAC**").

No non-sponsor fee was paid to the Sponsor by the Company in FY2015.

8. MATERIAL CONTRACTS AND LOANS

Except as disclosed in the financial statements, the Company confirmed that there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the Executive Director or any Director or controlling shareholder, either still subsisting at the end of FY2015 or if not then subsisting, which were entered into since the end of the previous financial year.

REPORT OF THE DIRECTORS

The directors present their report together with the audited consolidated financial statements of KOP Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended March 31, 2015.

1 DIRECTORS

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

Ko Chuan Aun	
Dr. Ho Kah Leong @ Ho Kah Leung	
Ong Chih Ching	(Appointed on May 6, 2014)
Leny Suparman	(Appointed on May 6, 2014)
Lee Kiam Hwee	(Appointed on May 6, 2014)
Yu-Foo Yee Shoon	(Appointed on May 6, 2014)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in name of director		**Shareholdings in which directors are deemed to have an interest**	
Name of the directors and company in which interests are held	**At May 1, 2014, or date of appointment, if later**	**At March 31, 2015**	**At May 1, 2014, or date of appointment, if later**	**At March 31, 2015**
The Company (Ordinary shares)				
Ong Chih Ching[(1)]	64,175,715	33,087,858	428,571,428[(2)]	460,659,285[(3)]
Leny Suparman[(1)]	30,685,714	16,342,857	428,571,428[(2)]	443,914,285[(4)]
Ko Chuan Aun	3,000,000	1,500,000	–	–

REPORT OF THE DIRECTORS

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

The directors' interest in the shares of the Company at April 21, 2015 were the same as at March 31, 2015.

(1) By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Ms. Ong Chih Ching and Ms. Leny Suparman are deemed to have an interest in all the subsidiaries and associates of the Company.

(2) By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Ms. Ong Chih Ching and Ms. Leny Suparman are deemed to have an interest in the shares held by KOP Group Pte. Ltd..

(3) By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Ms. Ong Chih Ching is deemed to have an interest in 460,659,285 shares which comprises of (i) 428,571,428 shares held through KOP Group Pte. Ltd. and (ii) 32,087,857 shares held through United Overseas Bank Nominees (Private) Limited.

(4) By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Ms. Leny Suparman is deemed to have an interest in 443,914,285 shares which comprises of (i) 428,571,428 shares held through KOP Group Pte. Ltd. and (ii) 15,342,857 shares held through United Overseas Bank Nominees (Private) Limited.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year or date of appointment, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, Chapter 50, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as follows:

(i) Salaries, bonuses and other benefits

Certain directors received remuneration from related corporations in their capacity as directors of those related companies.

(ii) Fees paid to a company in which a director has an interest

The Group has entered into certain transactions with companies in which directors have interests as disclosed in Note 7.

REPORT OF THE DIRECTORS

5 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 options

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

6 AUDIT AND RISK COMMITTEE

The Audit Committee comprises the following members:

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

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

(a) the audit plans and results of the external auditors' examination of the financial statements;

(b) the audit plans and results of the internal auditors' examination and evaluation of the Group's system of internal accounting controls;

(c) the Group's financial and operating results and accounting policies;

(d) 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 auditors' report on those financial statements;

REPORT OF THE DIRECTORS

6 AUDIT AND RISK COMMITTEE (cont'd)

(e) 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;

(f) the co-operation and assistance given by the management to the Group's external auditors; and

(g) the re-appointment of the external auditors of the Group and their independence.

The Audit Committee 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 Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

The Audit Committee has been renamed as Audit and Risk Committee on June 5, 2015. In addition to its existing roles and responsibility, the Audit and Risk Committee shall undertake the additional roles and responsibility of assisting the Board in reviewing the adequacy and effectiveness of the Group's risk management and internal control system.

7 INVESTIGATION BY THE COMMERCIAL AFFAIRS DEPARTMENT FOLLOWING THE RECEIPT OF THE SPECIAL AUDITORS' REPORT

On March 25, 2011, the Company announced the appointment of a firm of independent accountants (the "Special Auditors") to ascertain the veracity of certain of the Group's transactions and balances with certain counterparties which had been entered into or terminated by the Group during the financial year ended April 30, 2011, and bank transactions in relation thereto, and further to review the circumstances leading to the creation and termination of such contracts.

Following the issue of the Special Auditors' Report (the "Report") on August 23, 2011, the Company had sought legal advice on the findings contained in the Report and had referred the matters specified in the Report to the Commercial Affairs Department ("CAD").

As of the date of this financial statement, there is no update from CAD and to the best of the directors' knowledge and belief, the effect of the investigation, if any, on the accompanying financial statements is not expected to be material.

REPORT OF THE DIRECTORS

8 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

....

Ong Chih Ching

....

Leny Suparman

July 3, 2015

STATEMENT OF DIRECTORS

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 71 to 175 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at March 31, 2015, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

....
Ong Chih Ching

....
Leny Suparman

July 3, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KOP LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of KOP Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at March 31, 2015, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 71 to 175.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KOP LIMITED

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at March 31, 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

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.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

July 3, 2015

STATEMENTS OF FINANCIAL POSITION

March 31, 2015

	Note	GROUP March 31, 2015 $'000	GROUP March 31, 2014 $'000	COMPANY March 31, 2015 $'000	COMPANY April 30, 2014 $'000
<u>ASSETS</u>					
Current assets					
Cash and bank balances	8	5,309	4,705	276	37
Trade and other receivables	9	34,337	3,497	21,860	1,819
Other current assets	10	969	726	65	15
Development properties	11	55,457	52,490	–	–
Inventories	12	467	337	–	–
Prepaid film rights	13	134	–	–	–
		96,673	61,755	22,201	1,871
Non-current asset held for sale	14	26,414	–	–	–
Total current assets		123,087	61,755	22,201	1,871
Non-current assets					
Intangibles assets	15	344	1	–	–
Goodwill	16	–	–	–	–
Investments in subsidiaries	17	–	–	152,715	2,715
Investments in associated companies	18	1,200	72	–	–
Interest in associate	19	–	36,004	–	–
Long-term notes receivable	20	40,725	–	–	–
Property, plant and equipment	21	40,053	40,755	–	–
Investment property	22	–	–	–	–
Deferred tax assets	23(a)	1,534	1,667	–	–
Total non-current assets		83,856	78,499	152,715	2,715
Total assets		206,943	140,254	174,916	4,586

STATEMENTS OF FINANCIAL POSITION

March 31, 2015

	Note	GROUP March 31, 2015 $'000	GROUP March 31, 2014 $'000	COMPANY March 31, 2015 $'000	COMPANY April 30, 2014 $'000
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	24	42,540	48,134	2,443	1,000
Bank overdrafts and borrowings (secured)	25	12,026	21,689	–	–
Finance leases	26	796	48	–	–
Income tax payables		2,295	3,731	4	4
		57,657	73,602	2,447	1,004
Liabilities directly associated with asset classified as held for sale	14	12,384	–	–	–
Total current liabilities		70,041	73,602	2,447	1,004
Non-current liabilities					
Bank borrowings (secured)	25	32,022	23,039	–	–
Finance leases	26	226	276	–	–
Sales proceeds received in advance	27	11,231	12,119	–	–
Deferred tax liabilities	23(b)	58	1,804	–	–
Total non-current liabilities		43,537	37,238	–	–
Capital, reserves and non-controlling interests					
Share capital	28	67,861	15,000	283,427	18,396
Foreign currency translation reserves		714	(7)	–	–
Other reserve		1,258	1,258	–	–
Retained earnings/ (Accumulated losses)		24,666	12,059	(110,958)	(14,814)
Equity attributable to owners of the Company		94,499	28,310	172,469	3,582
Non-controlling interests		(1,134)	1,104	–	–
Total equity		93,365	29,414	172,469	3,582
Total liabilities and equity		206,943	140,254	174,916	4,586

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial year ended March 31, 2015

		GROUP	
	Note	March 31, 2015 $'000	March 31, 2014 $'000
Revenue	29	18,583	22,140
Cost of sales		(10,801)	(11,151)
Gross profit		7,782	10,989
Investment income	30	43,002	–
Other operating income	31	3,673	6,355
Distribution costs		(1,374)	(2,732)
Administrative expenses		(39,671)	(15,319)
Share of results from interest in associate		(1,920)	625
Share of results from investments in associated companies		1,128	(528)
Finance costs	32	(1,239)	(1,105)
Profit/(Loss) before tax		11,381	(1,715)
Income tax expense	33	(575)	(397)
Profit/(Loss) after tax	34	10,806	(2,112)
Other comprehensive income for the year, after tax:			
Item that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations		571	(97)
Total comprehensive income/(loss) for the year		11,377	(2,209)
Profit/(Loss) attributable to:			
Owners of the Company		12,607	(1,885)
Non-controlling interests		(1,801)	(227)
		10,806	(2,112)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		13,328	(1,980)
Non-controlling interests		(1,951)	(229)
		11,377	(2,209)
Earnings/(Loss) per share (cents)			
Basic and diluted	35	1.45	(0.26)

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended March 31, 2015

	Share capital $'000	Foreign currency translation reserves $'000	Other reserve $'000	Retained earnings $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
GROUP							
Balance at April 1, 2013	15,000	88	(1,684)	13,944	27,348	1,253	28,601
Total comprehensive loss for the year							
Loss for the year	–	–	–	(1,885)	(1,885)	(227)	(2,112)
Other comprehensive loss for the year	–	(95)	–	–	(95)	(2)	(97)
Total	–	(95)	–	(1,885)	(1,980)	(229)	(2,209)
Transactions with owners, recognised directly in equity							
Capital contribution from non-controlling interests	–	–	–	–	–	80	80
Disposals of subsidiaries (Note 37)	–	–	2,942	–	2,942	–	2,942
Total	–	–	2,942	–	2,942	80	3,022
Balance at March 31, 2014	15,000	(7)	1,258	12,059	28,310	1,104	29,414
Total comprehensive income for the year							
Profit for the year	–	–	–	12,607	12,607	(1,801)	10,806
Other comprehensive income for the year	–	721	–	–	721	(150)	571
Total	–	721	–	12,607	13,328	(1,951)	11,377
Transactions with owners, recognised directly in equity							
Issuance of consideration shares (Note 28)	31,401	–	–	–	31,401	(287)	31,114
Issuance of shares for cash (Note 28)	21,460	–	–	–	21,460	–	21,460
Total	52,861	–	–	–	52,861	(287)	52,574
Balance at March 31, 2015	67,861	714	1,258	24,666	94,499	(1,134)	93,365

STATEMENTS OF CHANGES IN EQUITY

Financial year ended March 31, 2015

	Share capital $'000	Accumulated losses $'000	Total equity $'000
COMPANY			
Balance at May 1, 2013	16,186	(9,014)	7,172
Loss for the year, representing total comprehensive loss for the year	–	(5,800)	(5,800)
Issuance of shares, representing total transactions with owners, recognised directly in equity	2,210	–	2,210
Balance at April 30, 2014	18,396	(14,814)	3,582
Loss for the year, representing total comprehensive loss for the year	–	(96,144)	(96,144)
Transactions with owners, recognised directly in equity			
Issuance of consideration shares (Note 28)	243,571	–	243,571
Issuance of shares (Note 28)	21,460	–	21,460
Total	265,031	–	265,031
Balance at March 31, 2015	283,427	(110,958)	172,469

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended March 31, 2015

	Note	GROUP March 31, 2015 $'000	 March 31, 2014 $'000
Operating activities			
Profit/(loss) before tax		11,381	(1,715)
Adjustments for:			
Depreciation of property, plant and equipment	21	3,110	1,694
Loss on disposal of property, plant and equipment	34	284	–
Amortisation of intangible assets	15	334	1
Impairment of prepaid film rights	34	52	–
Goodwill written off	34	18,033	–
Fair value gain on investment property	31	(894)	–
Finance costs	32	1,239	1,105
Interest income	31	(1,644)	(403)
Allowance for doubtful receivables	34	529	16
Bad and doubtful receivables written off	34	–	10
Allowance for inventories written down value	34	49	–
Gain on redemption of 2013 Junior Notes	19	(43,002)	–
Effect of foreign currency translation		2,539	86
Share of results from interest in associate		1,920	(625)
Share of results of investments in associated companies		(1,128)	528
Operating cash flows before movements in working capital		(7,198)	697
Trade and other receivables		1,638	447
Other current assets		(243)	(306)
Development properties		(1,034)	(18,522)
Inventories		(65)	(100)
Prepaid film rights		262	–
Trade and other payables		(6,277)	26,824
Sales proceeds received in advance		(888)	1,333
Cash (used in)/generated from operations		(13,805)	10,373
Interest paid		(3,172)	(2,952)
Interest received		29	50
Income tax paid		(3,515)	(1,519)
Net cash (used in)/generated from operating activities		(20,463)	5,952

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended March 31, 2015

	Note	GROUP March 31, 2015 $'000	GROUP March 31, 2014 $'000
Investing activities			
Purchase of property, plant and equipment	21,A	(1,881)	(4,876)
Proceeds from disposal of property, plant and equipment		1,428	–
Proceeds from disposal of available-for-sale investment		–	1,000
Completion of RTO, net of cash acquired	36	485	–
Realisation of interest in associate		3,993	–
Receipts from redemption of 2013 Junior Notes	19	28,691	–
Repurchase of Junior Notes and redemption of preference shares		–	12,286
Acquisition of Junior Notes		–	(3,300)
Acquisition of an associated company	18	–	(600)
Disposals of subsidiaries, net of cash disposed	37	–	(1,042)
Loan to an associated company	9	(30,214)	–
Net cash generated from investing activities		2,502	3,468
Financing activities			
Proceeds from issuance of ordinary shares	28	21,460	–
Proceeds from borrowings		34,976	15,092
Repayment of borrowings		(37,430)	(22,155)
Decrease/(increase) in restricted funds placed in escrow accounts		503	(1,471)
Repayment of finance leases		(657)	(46)
Capital contribution from non-controlling interests		–	80
Net cash generated from/(used in) financing activities		18,852	(8,500)
Net increase in cash and cash equivalents		891	920
Cash and cash equivalents at beginning of the financial year		2,990	2,090
Effect of foreign currency translation on cash and cash equivalents		31	(20)
Cash and cash equivalents at end of the financial year	8	3,912	2,990

Significant non-cash transactions

Note A

In 2014, the Group acquired property, plant and equipment with an aggregate cost of $4,947,000 at which $71,000 comprises of provision for reinstatement cost for the leased property. Cash payment of $4,876,000 was made to acquire property, plant and equipment.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

1 GENERAL

The Company (Registration No. 200415164G) is incorporated in Singapore with its principal place of business and registered office at 152 Beach Road, #27-01 The Gateway East, Singapore 189721. The Company is listed on the Catalist of Singapore Exchange Securities Trading Limited ("SGX-ST"). The financial statements are expressed in Singapore dollars (SGD or $).

The principal activity of the Company is to carry on the business of an investment holding company. The principal activities of the subsidiaries and associated companies are disclosed in Notes 17 and 18 to the financial statements respectively.

The consolidated financial statements of the Group and the statement of financial position and changes in equity of the Company for the financial year ended March 31, 2015 were authorised for issue by the Board of Directors on July 3, 2015.

2 THE REVERSE TAKEOVER

On November 27, 2013, the shareholders of KOP Properties Pte. Ltd. ("KOPP") entered into an agreement to sell the entire issued and paid-up ordinary share capital of KOPP to the Company for a total consideration of $150,000,000 which was satisfied with the issuance of 714,285,714 new ordinary shares to the shareholders of KOPP at an issuance price of $0.21 per share ("Proposed Acquisition").

On April 25, 2014, the Company obtained shareholders' approvals on the resolution relating to the Proposed Acquisition.

On May 6, 2014, the Company completed the acquisition ("Acquisition") with the issuance of 714,285,714 new ordinary shares to the shareholders on an unconditional basis at the closing price of $0.341 per share. The Company acquired the entire share capital of KOPP, satisfied by the allotment and issuance of new ordinary shares in the capital of the Company to the shareholders of KOPP.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2 THE REVERSE TAKEOVER (cont'd)

Upon the completion of the Reverse Takeover ("RTO"), the Enlarged Group comprised:

(i) Scorpio East Holdings Ltd. (now known as KOP Limited) and its operating subsidiaries (hereinafter refer to as the "Scorpio Group"); and

(ii) KOP Properties Pte. Ltd. and its subsidiaries (hereinafter refer to as the "KOPP Group"),

(collectively, the "Enlarged Group").

In connection with the RTO, the Company had changed its financial year end from April 30 to March 31 to be coterminous with the financial year end of the KOPP Group. Therefore, the financial statements of the Company for the current financial year cover the 11 months period from May 1, 2014 to March 31, 2015. The financial statements of the Company for the previous financial year covered the 12 months period from May 1, 2013 to April 30, 2014.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>At Group level</u>

The Acquisition has been accounted for as a RTO in accordance to FRS 103 *Business Combinations*, where the legal subsidiary, KOPP, is regarded as the acquirer and the Company as the acquiree for accounting purposes. Accordingly, the Enlarged Group's consolidated financial statements have been prepared and presented as a continuation of KOPP Group's consolidated financial statements. The comparative figures presented in these consolidated financial statements are that of the consolidated financial statements of the KOPP Group.

BASIS OF ACCOUNTING – The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payments*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS – On April 1, 2014, the Group and the Company adopted all the new and revised FRS and Interpretations to FRS ("INT FRS") that are effective from that date and are relevant to its operations.

The adoption of these new/revised FRS and INT FRS does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years except as disclosed below:

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FRS 110 – *Consolidated Financial Statements*

FRS 110 replaces all of the guidance on control and consolidation in FRS 27 *Consolidated and Separate Financial Statements* and INT FRS 12 *Consolidation – Special Purpose Entities*. The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess.

The Group has early adopted FRS 110 in the financial year ended March 31, 2013 ("2013") and the impact was disclosed in the financial year 2013 financial statements.

FRS 112 – *Disclosures of Interests in Other Entities*

FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities.

The Group has early adopted FRS 112 in 2013 and the additional disclosures were made in Notes 17 and 18 to the financial statements.

NEW/REVISED STANDARDS AND IMPROVEMENTS TO THE STANDARDS ISSUED BUT NOT YET EFFECTIVE – At the date of authorisation of these financial statements, the following amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- FRS 109 *Financial Instruments*
- FRS 115 *Revenue from Contracts with Customers*
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*
- Improvements to Financial Reporting Standards (January 2014)
- Improvements to Financial Reporting Standards (February 2014)
- Improvements to Financial Reporting Standards (November 2014)

Management anticipates that the adoption of the above FRSs and amendments/improvements to FRS issued but only effective in future periods will not have any material impact on the financial statements of the Group and of the Company in the period of their initial adoption, except as follows:

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) derecognition (iii) general hedge accounting (iv) impairment requirements for financial assets.

Key requirements of FRS 109:

All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under FRS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL is presented in profit or loss.

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

FRS 109 will take effect from financial year beginning on or after January 1, 2018. The Group is currently evaluating the impact of the changes in the period of initial adoption.

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FRS 115 will take effect from financial year beginning on or after January 1, 2017. The Group is currently evaluating the impact of the changes in the period of initial adoption.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the 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 interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the Company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS – Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

The policy described above is applied to all business combinations that take place on or after January 1, 2010.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BUSINESS COMBINATION UNDER COMMON CONTROL – Business combinations involving entities under common control are accounted for using merger accounting.

The net assets of the combining entities or businesses are consolidated using the existing book values from the date of the acquisition.

Any excess or shortfall of the consideration paid over the net book values of the acquiree is recognised as a component under equity as "other reserves".

REVERSE ACQUISITION – As set out in Note 2 to the financial statements, the Acquisition has been accounted for as a reverse acquisition in accordance to FRS 103 *Business Combinations*, where the legal subsidiary, KOPP, is regarded as the acquirer and the Company as the acquiree for accounting purposes.

Since such consolidated financial statements represent a continuation of the KOPP Group:

(a) the assets and liabilities of the KOPP Group are recognised and measured in the consolidated statements of financial position at their pre-combination carrying amounts;

(b) the assets and liabilities of the Scorpio Group are recognised and measured in accordance to FRS 103 *Business Combinations*;

(c) the retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of the KOPP Group immediately before the business combination;

(d) the amount recognised as issued equity interest in the consolidated financial statements is determined by adding to the issued equity of the KOPP Group immediately before the business combination to the fair value of the Scorpio Group. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) shall reflect the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the legal parent (i.e. the Company) to effect the combination; and

(e) the comparative figures presented in these consolidated financial statements are that of the consolidated financial statements of the KOPP Group.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Consolidated financial statements prepared following a reverse acquisition shall reflect the fair values of the assets, liabilities and contingent liabilities of the legal parent (i.e. the acquiree for accounting purposes). Therefore, the cost of the business combination for the acquisition is allocated to the identifiable assets, liabilities and contingent liabilities of the legal parent that satisfy the recognition criteria at their fair values at May 6, 2014.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the Group's statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into loans and receivables. The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 180 days (2014: 30 days), as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserves.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method, except for short-term payables when the recognition of interest would be immaterial with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at fair value to profit or loss, subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group have a legally enforceable right to set off the recognised amounts; and intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

LEASES – Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less cost to sell.

DEVELOPMENT PROPERTIES – Development properties held for sale are those which are intended for sale in the ordinary course of business. Development properties held for sale which are unsold are carried at the lower of cost and estimated net realisable value. Cost of development properties held for sale includes land, construction and related development costs and interest on borrowings obtained to finance the purchase and construction of the properties. Net realisable value represents the estimated selling price in the ordinary course of business less costs to complete the development and selling expenses.

INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PREPAID FILM RIGHTS – These represent advance payments made to acquire film rights. These are carried at cost less any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

PROPERTY, PLANT AND EQUIPMENT – Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at cost less accumulated depreciation and any accumulated impairment losses.

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land and building	26 to 50 years
Computer	1 to 4 years
Furniture and fittings	5 years
Motor vehicles	5 years
Boats	5 years
Office equipment	1 to 5 years
Hotel equipment	3 to 5 years
Renovation	5 years
Machinery and factory equipment	2 to 7 years

Freehold land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use.

INVESTMENT PROPERTY – Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognised of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

GOODWILL – Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

INTANGIBLE ASSETS

Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful live as follows:

Website cost	3 years

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy disclosed below.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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;
- 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.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL – At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

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 the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS – Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of goods and services tax, estimated customer returns, rebates, discounts and other similar allowances.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

Revenue from sale of development properties

For overseas properties, revenue and cost on development properties that have been sold are recognised using the completed-contract method. Under the completed-contract method, revenue and cost on development properties that have been sold are recognised when the construction of the development properties is completed and the risks and rewards of ownership have been transferred to the buyer through either the transfer of legal title or the transfer of an equitable interest in a property.

Management and coordination fee income

Management fee from real estate origination and coordination services are recognised when the services are rendered.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue from hotel and resort operations

Hotel room revenue is recognised based on room occupancy while other hospitality related revenue is recognised when the goods are delivered or the services are rendered to the customers.

Commission income

Commission income is recognised when the services are rendered.

Sale of tickets

Revenue from the sale of concert tickets is recognised once the concert performance is completed.

Content production

Revenue and minimum guarantee payments from the production, sale and exploitation of film productions are recognised only after conditions contained in the relevant contracts are fully satisfied, films are delivered and the amount of revenue can be measured reliably.

Sponsorship income

Revenue from sponsorship income that is of a short duration is recognised when the services are rendered.

Sale of goods and assignment of distribution rights

Revenue from the sale of goods and assignment of distribution rights is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods or distribution rights;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods or distribution rights sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the relevant lease.

Interest income

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

Investment income

Investment income is recognised when the Group redeems all or a portion of its investment in real estate projects or when the Group receives cash income, such as dividends or distributions.

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund and the state-managed retirement benefit scheme in Indonesia, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured at fair value model the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In the case of a partial disposal (i.e., no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e., of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS – Cash and cash equivalents in the statement of cash flows comprise cash on hand and at bank, bank deposits less bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

SEGMENT REPORTING – An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

The Group determines and presents operating segments based on information that is internally provided to the Group's chief operating decision maker and the Board. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker and the Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Management did not make any material judgements that have a significant effect on the amounts recognised in the financial statements except for the judgement in relation to the investigation referred to in Note 42 to the financial statements and as disclosed below:

Investment in Royce Properties Pte. Ltd. ("Royce")

Royce's capital structures were made up of ordinary share capital and Other Capital (made up of Junior Notes) and in the primary business of property development. The Group held 39.93% in the Other Capital of Royce until full redemption during the year. The Group provided property management services to Royce.

Control over Investees

In determining whether the Group had control over Royce, management has considered the following:

- Power over Royce;
- the exposure, or rights to variable returns from its involvement with Royce; and
- the ability to use its power over Royce to affect the amount of the investor's returns.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Management had assessed and determined that the Group did not have control over Royce as:

(i) Only the Other Capital holders of Royce had the power to appoint directors who had power over the operating and financial decisions and the power to affect the amount of the returns to the Other Capital holders; and

(ii) The Other Capital holders were entitled to all the economic benefits of Royce including all the distributable profits of the Investees.

The investments in ordinary share capital in the Investees were classified as available-for-sale investment in prior financial year and have been sold off in current financial year.

Significant influence over an investee

The Group held 39.93% share in the Other Capital (defined above) in Royce which management had determined to have significant influence over Royce as the Other Capital could significantly influence the appointment of directors in Royce who had power over Royce and were able to influence the returns to the Other Capital holders. The investment in Other Capital in Royce was thus determined to be an interest in associate and the Group had equity accounted for its share of the profits in Royce. Further details of the interest in associate are disclosed in Note 19 to the financial statements. The interest in associate was disposed in December 2014.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

<u>Allowances for doubtful receivables</u>

The policy for allowances for doubtful receivables of the Company and the Group is based on the evaluation of collectability and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, the past collection history of each customer and on-going dealings with these parties. If the financial conditions of the counterparties were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Allowances for doubtful receivables (cont'd)

During the year, management performed a credit evaluation process to review the recoverability of the trade and other receivables balances based on their judgement. The assessment has led to recognition of allowance for impairment of $529,000 (2014: $16,000) for the Group during the year.

The carrying amounts of the trade and other receivables are disclosed in Note 9 to the financial statements.

Impairment of investments in subsidiaries and amounts due from subsidiaries

Management has carried out a review of the recoverable amount of the investment in subsidiaries and the amounts due from subsidiaries, having regard to the existing performance of the relevant subsidiaries and the carrying value of the net assets in these subsidiaries.

Management has estimated the recoverable amount based on higher of value-in-use and fair value less cost to sell. The value-in-use is determined by reference to the discounted cash flow forecasts of the subsidiaries, which are derived from the most recent financial budgets approved by management using discount rates ranging from 8.0% to 12.6% per annum, growth rate of 3.5% per annum and terminal growth rate of 1.0% per annum.

The fair value less cost to sell is determined by reference to the estimated realisable values of the net tangible assets of the subsidiaries.

The assessment has led to recognition of allowance for impairment of investment in subsidiaries of $93,572,000 (2014: $1,957,000) and allowance for impairment of amounts due from subsidiaries of $949,000 (2014: $2,461,000) during the year.

The carrying amounts of the investments in subsidiaries and amounts due from subsidiaries are disclosed in Notes 17 and 9 to the financial statements respectively.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. If there is indication of impairment, the recoverable amounts of property, plant and equipment are determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

Management has carried out a review of the recoverable amount of the property, plant and equipment based on their value-in-use and assessed that no impairment was required.

The carrying amounts of the property, plant and equipment are disclosed in Note 21 to the financial statements.

Valuation of the investment property

As described in Note 3 to the financial statements, investment property is stated at fair value which is based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have used various methods of valuation which involves the making of certain assumptions and the use of estimates. In relying on the valuation reports of the professional valuers, management has exercised judgement in arriving at a value which is reflective of the current market conditions.

The investment property had been classified as "non-current asset held for sale" during the year (Note 14).

Development properties

The Group assesses allowance for foreseeable losses taking into account the Group's recent experience in estimating the net realisable value of sold and unsold development properties by reference to expected selling price, the margin between the selling price and the cost of construction and the expected realisable value. Market conditions may, however, change which may affect the future selling prices on the remaining unsold residential units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods.

At the end of the reporting period, the carrying values of unsold completed properties held for sale and unsold development properties under development are disclosed in Note 11 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Taxes

In determining the provision for income taxes, management is required to estimate the amount of tax payable at each jurisdiction. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made. The carrying amounts of the Group's and the Company's current tax and deferred tax provision are disclosed in the statement of financial position with notes where relevant.

Acquisition of subsidiaries

As disclosed in Note 36 to the financial statements, the net assets acquired and previously held interest in relation to the acquisition of subsidiaries are stated at fair value based on the valuation performed by an independent professional valuer. The independent professional valuer determined the fair values based on a method of valuation which involves the use of certain estimates. Management is of the view that the estimates used by the professional valuers and the fair values are reasonable.

Carrying amount of goodwill

Information relating to the carrying amount and management's assessment of goodwill is provided in Note 16. Based on the assessment as noted in Note 16, management expects the carrying amount of goodwill to be non-recoverable and has written off the full amount of $18,033,000 during the year.

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	GROUP		COMPANY	
	March 31, 2015 $'000	**March 31, 2014 $'000**	**March 31, 2015 $'000**	**April 30, 2014 $'000**
Financial assets				
Loans and receivables (including cash and bank balances)	80,848	8,432	22,136	1,862
Financial liabilities				
Amortised cost	98,265	89,649	2,443	1,000

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) *Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements*

The Group and the Company do not have any financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

(c) *Financial risk management policies and objectives*

The Group's overall financial risk management seeks to minimise potential adverse effects on the financial performance of the Group. 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 Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group operates primarily in Singapore, Indonesia and United Kingdom and as a result, is exposed to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from its normal business activities.

The currencies giving rise to this risk are primarily Singapore Dollars ("SGD"), Indonesian Rupiah ("IDR") and United States Dollars ("USD"). Exposures to foreign currency risks are managed as far as possible by natural hedges of matching assets and liabilities.

The Group does not enter into derivative foreign exchange contracts and foreign currency borrowings to hedge against foreign currency risk.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives* (cont'd)

(i) Foreign exchange risk management (cont'd)

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

	GROUP			
	Assets		Liabilities	
	March 31, 2015 $'000	March 31, 2014 $'000	March 31, 2015 $'000	March 31, 2014 $'000
Singapore Dollars	354	–	16,261	–
Indonesian Rupiah	450	959	2,470	525
United States Dollars	655	459	7,409	8,082

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk.

Foreign currency sensitivity

The following table details the sensitivity to a 3% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 3% change in foreign currency rates.

If the relevant foreign currency were to strengthen by 3% against the functional currency of each Group's entity, the Group's profit for the year will increase/(decrease) and the 2014's loss would decrease/(increase) by:

	GROUP	
	March 31, 2015 $'000	March 31, 2014 $'000
Impact on profit or loss:		
Singapore Dollars	(477)	–
Indonesian Rupiah	(61)	13
United States Dollars	(203)	(229)

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

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

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives* (cont'd)

(ii) Interest rate risk management

Summary quantitative data of the Group's and the Company's interest-bearing financial instruments can be found in Note 5(c)(iv). The Group's primary source of interest rate risk is from its borrowings from financial institutions. The Group ensures that it obtains borrowings at competitive interest rates under most favourable terms and conditions based on the Group's financial strength.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments 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, the Group's profit for the year ended March 31, 2015 would decrease/increase by $158,000 (2014: loss would increase/decrease by $83,000) respectively. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Company has no exposure to interest rate risk as the Company had no interest-bearing financial assets and liabilities. Accordingly, interest rate sensitivity analysis has not been prepared.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Company. The Group has 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 the management annually. The recoverable amount of each individual trade receivable is reviewed at the end of each reporting period and allowance is made for estimated irrecoverable amount.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives* (cont'd)

(iii) Credit risk management (cont'd)

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets stated in the statement of financial position. The credit risk on bank balances is limited because the counterparties are reputable financial institutions.

The maximum amount the Company could be forced to settle under the financial guarantee contract in Note 38 to the financial statements, if the full guaranteed amount is claimed by the counterparty to the guarantee, is $125,898,000 (2014: $12,512,000). 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. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The Group and the Company have no concentration of credit risk other than the loan due from an associated company and amounts due from subsidiaries as disclosed in Note 9 and the long-term notes receivable as disclosed in Note 20 to the financial statements.

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 9 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives* (cont'd)

(iv) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Group finances their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustments amount represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statements of financial position.

GROUP	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustments $'000	Total $'000
2015						
Non-interest bearing	–	41,983	–	–	–	41,983
Fixed interest rate	3.79	9,328	18,919	6	(3,628)	24,625
Variable interest rate	2.69	16,375	17,855	–	(2,573)	31,657
		67,686	36,774	6	(6,201)	98,265
2014						
Non-interest bearing	–	44,597	–	–	–	44,597
Fixed interest rate	6.73	8,081	21,359	4,010	(5,080)	28,370
Variable interest rate	3.00	17,009	–	–	(327)	16,682
		69,687	21,359	4,010	(5,407)	89,649

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives* (cont'd)

(iv) Liquidity risk management (cont'd)

Liquidity and interest risk analyses (cont'd)

Non-derivative financial liabilities (cont'd)

The Company's financial liabilities in financial years ended 2015 and 2014 are repayable on demand or due within 1 year from the end of the reporting period.

The maximum amount that the Company could be forced to settle under the financial guarantee contract in Note 38, if the full guaranteed amount is claimed by the counterparty to the guarantee, is $125,898,000 (2014: $12,512,000). The earliest period that the guarantee could be called is within 1 year (2014: 1 year) from the end of the reporting period. As mentioned in Note 5(c)(iii), the Company considers that it is more likely than not that no amount will be payable under the arrangement.

Non-derivative financial assets

The following table details the expected maturity for non-derivative assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk managed on a net asset and liability basis. The table below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipates that the cash flow will occur in a difference period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statements of financial position.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives* (cont'd)

(iv) Liquidity risk management (cont'd)

Liquidity and interest risk analyses (cont'd)

Non-derivative financial assets (cont'd)

GROUP	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustments $'000	Total $'000
2015						
Non-interest bearing	–	9,909	–	–	–	9,909
Fixed interest rate	5.24	35,240	51,481	–	(15,782)	70,939
		45,149	51,481	–	(15,782)	80,848
2014						
Non-interest bearing	–	8,432	–	–	–	8,432

The Company's financial assets in financial years ended 2015 and 2014 are receivable on demand or receivable within 1 year from the end of the reporting period.

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments except for long-term note receivables, long-term bank borrowing and finance leases. The fair value of other classes of financial assets and financial liabilities are disclosed in the respective notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) *Financial risk management policies and objectives* (cont'd)

(v) Fair value of financial assets and financial liabilities (cont'd)

Management was of the opinion that the interest rates on long-term note receivables, bank borrowings and finance leases approximated market interest rates and therefore their carrying amounts approximated fair values.

(d) *Capital risk management policies and objectives*

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debts, which include the bank overdraft and borrowings and equity attributable to owners of the Company, comprising issued share capital and retained earnings as disclosed in the notes to financial statements.

In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. The management reviews the capital structure on an on-going basis.

The Company actively and regularly reviews and manages its capital structure, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group monitors capital using a gearing ratio, which is total borrowings (excluding borrowings classified under liabilities held for sale) divided by total equity. At the end of the reporting period, the Group's gearing ratio is 0.48 (2014: 1.53).

Management would also monitor compliance with the financial covenants imposed by various financial institutions for the facilities granted to the Group. As at the end of the reporting period, the Group is in compliance with externally imposed financial covenants requirements.

The Group's and Company's overall strategy on capital risk management remains unchanged from prior year.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

6 HOLDING COMPANY AND RELATED COMPANIES TRANSACTIONS

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 financial statements refer to members of the ultimate holding company's group of companies.

Some of the Group's transactions and arrangements are between members of the ultimate holding company's group of companies and the effect of these on the basis determined between the parties is reflected in the financial statements.

The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

During the financial year, other than those disclosed elsewhere in the financial statements, the Group entered into the following transactions with related companies:

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
With ultimate holding company:		
Acquisition of associated company	–	600
Disposals of investments in subsidiaries	–	(5,010)
Management fee income	–	(3,000)
Lease expenses	–	756
With related companies:		
Management fee income	(324)	(565)
Interest income	(925)	–
Advertising income	(3)	–
Lease expenses	–	51
Ferry services expenses	–	65
Commission income	(70)	–
Transactions with associate:		
Advertising income	(15)	–
Interest income	(220)	(354)
Management fee income	–	(100)
Commission income	(213)	(717)

NOTES TO FINANCIAL STATEMENTS
March 31, 2015

7 OTHER RELATED PARTIES TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

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

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Entity controlled by the director of the Company:		
Management fee income	(350)	(350)
Transactions with directors:		
Management of development properties sold	(14)	(14)

(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	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Short-term benefits	2,879	1,431
Post-employment benefits	97	53
Total	2,976	1,484

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.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

8 CASH AND BANK BALANCES

	GROUP		COMPANY	
	March 31, 2015 $'000	**March 31, 2014 $'000**	**March 31, 2015 $'000**	**April 30, 2014 $'000**
Cash on hand and at bank	4,097	2,990	276	37
Funds placed in escrow accounts	1,212	1,715	–	–
	5,309	4,705	276	37
Less: Bank overdrafts (Note 25)	(185)	–	–	–
Less: Restricted funds placed in escrow accounts	(1,212)	(1,715)	–	–
Cash and cash equivalents in the consolidated statement of cash flows	3,912	2,990	276	37

Funds placed in escrow accounts relate to the minimum balance maintained with banks to secure bank borrowings. The minimum balance is equivalent to the aggregate of three months interest and principal on the term loan during the instalment period and an initial deposit of $250,000 since the first drawdown of the term loan.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

9 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	March 31, 2015 $'000	**March 31, 2014 $'000**	**March 31, 2015 $'000**	**April 30, 2014 $'000**
Trade receivables:				
Subsidiaries (Notes 6 and 17)	–	–	1,269	96
Associate (Notes 6 and 19)	–	30	–	–
Related party (Note 7)	3	–	–	–
Related companies (Note 6)	58	54	–	–
Third parties	2,718	1,188	–	–
	2,779	1,272	1,269	96
Less: Allowance for doubtful receivables	(1,661)	(16)	(1,145)	–
Net trade receivables	1,118	1,256	124	96
Receivables from Scorpio Contracts[(a)]	262	–	–	–
Non-trade receivables:				
Subsidiaries (Notes 6 and 17)	–	–	27,886	8,050
Less: Allowance for doubtful receivables	–	–	(6,150)	(6,346)
Net subsidiaries balances	–	–	21,736	1,704
Ultimate holding company (Note 6)	5	–	–	–
Associate (Note 6 and 19)	–	74	–	–
Associated company (Notes 6 and 18)	890	–	–	–
Related companies (Note 6)	1,118	1,512	–	–
Third parties	730	655	–	19
Loan to an associated company (Notes 6 and 18)	30,214	–	–	–
	34,337	3,497	21,860	1,819

(a) This represents amounts due from the producers of movies and concerts arising from their purported termination ("Scorpio Contracts").

Movements in receivables from Scorpio Contracts were as follows:

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Arising from RTO	373	–
Cash refunded from a producer during the year	(125)	–
Interest income on financial assets carried at amortised cost (Note 31)	14	–
Balance at end of the year	262	–

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

9 TRADE AND OTHER RECEIVABLES (cont'd)

The average credit period on sale of goods and rendering of services ranges between 30 to 180 days (2014: 30 days). No interest is charged on the overdue balances.

The non-trade receivables due from associated company and related companies are unsecured, interest-free and repayable on demand.

The loan to an associated company is unsecured, bears fixed interest of 3% per annum and repayable on demand.

The table below is an analysis of trade receivables as at the end of the reporting period:

	GROUP		COMPANY	
	March 31, 2015 $'000	**March 31, 2014 $'000**	**March 31, 2015 $'000**	**April 30, 2014 $'000**
Not past due and not impaired	504	279	–	96
Past due but not impaired	614	977	124	–
	1,118	1,256	124	96
Impaired receivables – individually assessed[b]				
Past due and no response to repayment demands	1,661	16	1,145	–
Less: Allowance for doubtful receivables	(1,661)	(16)	(1,145)	–
	–	–	–	–
Total trade receivables, net	1,118	1,256	124	96

(b) These amounts are stated before any deduction for allowance for doubtful receivables.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

9 TRADE AND OTHER RECEIVABLES (cont'd)

The table below is an analysis of trade receivables which are past due for which no allowance has been provided:

	GROUP		COMPANY	
	March 31, 2015 $'000	March 31, 2014 $'000	March 31, 2015 $'000	April 30, 2014 $'000
Past due <3 months	308	789	–	–
Past due 3 to 6 months	102	64	124	–
Past due over 6 months	204	124	–	–
	614	977	124	–

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.

Included in the Group's trade receivable balance are debtors with a carrying amount of $614,000 (2014: $977,000) which are past due at the end of the reporting period for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Movements in the allowance for doubtful receivables are as follows:

	GROUP		COMPANY	
	March 31, 2015 $'000	March 31, 2014 $'000	March 31, 2015 $'000	April 30, 2014 $'000
Balance at beginning of the year	16	–	6,346	3,885
Arising from RTO	1,152	–	–	–
Charged to profit or loss (Note 34)	529	16	949	2,461
Written off	(24)	–	–	–
Exchange differences	(12)	–	–	–
Balance at end of the year	1,661	16	7,295	6,346

Receivables that are individually determined to be 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.

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10 OTHER CURRENT ASSETS

	GROUP		COMPANY	
	March 31, 2015 $'000	**March 31, 2014 $'000**	**March 31, 2015 $'000**	**April 30, 2014 $'000**
Deposits	477	230	–	6
Prepayments	492	496	65	9
	969	726	65	15

11 DEVELOPMENT PROPERTIES

Development properties under construction consist of sold and unsold properties under development.

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Development properties		
Completed properties held for sale	20,330	10,116
Properties under development	35,127	42,374
Accounted for using the completion of contract method	55,457	52,490

Development properties held for sale under construction accounted for using the completion of contract method were analysed as follows:

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Land and other related costs	28,162	25,975
Development cost, related overhead expenditure and financing charge incurred to-date	53,481	50,040
Cost of development properties	81,643	76,015
Transferred to cost of sales	(26,186)	(23,525)
	55,457	52,490

The interest expense capitalised during the financial year amounted to $1,933,000 (Note 32) (2014: $1,962,000).

All development properties are pledged as securities for bank borrowings (Note 25). Borrowing costs capitalised during the financial year were from loans borrowed specifically for the development properties.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

11 DEVELOPMENT PROPERTIES (cont'd)

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	47%	December 2016
Resort	Jalan Petitenget, Seminyak Sub – District, North Kuta District, Badung Region, Bali Province, Indonesia.	June 7, 2013 to July 1, 2034	115,501	76,930	–	June 2016

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

12 INVENTORIES

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Supplies and consumables	378	337
Finished goods	138	–
	516	337
Less: Allowance for inventories written down value charged to profit or loss (Note 34)	(49)	–
	467	337

Management has carried out a review of the net realisable value of the inventories as at the end of the reporting period. The assessment has led to a recognition of allowance for inventories written down value of $49,000 (2014: $Nil) during the year as a result of inventory obsolescence.

13 PREPAID FILM RIGHTS

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Arising from RTO (Note 36)	448	–
Charged to profit or loss (included in cost of sales in the consolidated statement of profit or loss and other comprehensive income)	(262)	–
Impairment during the year (Note 34)	(52)	–
Balance at end of year	134	–

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

14 NON-CURRENT ASSET HELD FOR SALE

On April 23, 2015, the management appointed Colliers International (Singapore) Pte Ltd as the exclusive marketing agent in connection with the proposed disposal of the property known as Scorpio East Building at 25 Tai Seng Avenue, Singapore 534104 (the "Building"). Negotiations with several interested parties have subsequently taken place. The assets and liabilities attributable to the Building, which are expected to be sold within twelve months, have been reclassified as "non-current asset held for sale" and "liabilities directly associated with asset classified as held for sale" and are presented separately in the consolidated statements of financial position.

The proceeds of disposal are expected to exceed the net carrying amount of the relevant asset and, accordingly, no impairment loss had been recognised on the classification of this asset held for sale.

The major classes of assets and liabilities comprising the "non-current asset held for sale" and "liabilities directly associated with asset classified as held for sale" were as follow:

	GROUP March 31, 2015 $'000
Property, plant and equipment (Note 21)	18,377
Investment property (Note 22)	8,037
Total non-current asset held for sale	26,414
Bank borrowings[(1)]	11,212
Deferred tax liabilities [Note 23(b)]	1,172
Total liabilities directly associated with asset classified as held for sale	12,384
Net assets of non-current asset held for sale	14,030

(1) SGD land and building loan

The effective interest rate on bank loans is 2.38% per annum which is based on 2.00% above Cost of Funds. The term loans were drawdown in 3 tranches and are repayable in 180 and 60 equal monthly payments respectively, commencing from May 1, 2009. The term loans are secured by legal mortgage of the investment property, leasehold land and building of the subsidiary and corporate guarantee from the Company.

The loan is arranged at floating rates and thus exposing the Group to interest rate risk.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

15 INTANGIBLE ASSETS

	Website cost $'000	License cost $'000	Content production $'000	Total $'000
GROUP				
Cost:				
At April 1, 2013 and March 31, 2014	3	–	–	3
Arising from RTO (Note 36)	–	528	149	677
At March 31, 2015	3	528	149	680
Accumulated amortisation:				
At April 1, 2013	1	–	–	1
Amortisation for the year (Note 34)	1	–	–	1
At March 31, 2014	2	–	–	2
Amortisation for the year (Note 34)	1	291	42	334
At March 31, 2015	3	291	42	336
Carrying amount:				
At March 31, 2014	1	–	–	1
At March 31, 2015	–	237	107	344

The amortisation expense amounting to $334,000 (2014: $1,000) has been included in the line item "cost of sales" and "administrative expenses" 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.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

16 GOODWILL

	GROUP March 31, 2015 $'000
Arising from RTO (Note 36)	18,033
Written off during the year (Note 34)	(18,033)
At March 31, 2015	–

This represents goodwill arising from FRS 103 *Business Combinations* resulting from the RTO of Scorpio Group (Note 2) mainly due to increase in share price from $0.210 at negotiation date to $0.341 at completion date on May 6, 2014. Financial Reporting Standards require the measurement of equity-settled purchase consideration for business combinations at the completion date.

The main business of Scorpio Group relates to the entertainment business which had been making losses over the last few years. The goodwill that arose from the RTO of Scorpio Group was allocated, at acquisition, to the cash generating units (CGUs) of Entertainment Segment. Management carried out a recoverability review of the carrying amount of the goodwill allocated to the Entertainment Segment and determined that the entire amount should be written off.

The impairment loss was determined using value-in-use ("VIU") recoverable amount computation for 5 years. No growth rate was used in the VIU computation. No discount rate was used as the VIU computation was generating negative cash flows.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

17 INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	March 31, 2015 $'000	**April 30, 2014 $'000**
Unquoted equity shares, at cost	254,172	10,600
Less: Allowance for impairment	(101,457)	(7,885)
Carrying amount of investments in subsidiaries	152,715	2,715

During the financial year, the Company completed the legal acquisition of KOP Properties Pte. Ltd. and its subsidiaries ("KOPP Group") on May 6, 2014. The Company issued 714,285,714 shares at the closing price of $0.341 which was higher than the negotiated price of $150,000,000 at $0.210 per share based on the valuation report dated March 12, 2014 which resulted in a cost of investment of $243,572,000 that was higher than the recoverable amount of KOPP Group. Accordingly, management recognised impairment losses of $93,572,000 for the investment in KOPP Group.

At the end of the reporting period, management carried out a review of recoverable amount of the investment in subsidiaries. The review led to a recognition of impairment loss of $Nil (2014: $1,957,000) that had been recognised in profit or loss. The recoverable amount had been estimated based on the value-in-use. The basis for management's assessment on impairment is disclosed in Note 4 to the financial statements.

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

	COMPANY	
	March 31, 2015 $'000	**April 30, 2014 $'000**
Balance at beginning of the year	7,885	5,928
Charged to profit or loss	93,572	1,957
Balance at end of the year	101,457	7,885

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

17 INVESTMENTS IN SUBSIDIARIES (cont'd)

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

Name of company	Principal activity/ Place of incorporation	Effective equity interest March 31, 2015 %	Effective equity interest April 30, 2014 %
Subsidiaries held by the Company			
Scorpio East Entertainment Pte. Ltd.[(1)]	Distribution of video programmes for home entertainment/ Singapore	100.00	100.00
Scorpio East Multimedia Pte. Ltd.[(1)]	Packaging of disk media and distribution of film rights/ Singapore	100.00	100.00
Scorpio East Pictures Pte. Ltd.[(1)]	Film production investment, provision of producer services, event organiser, acquisition and distribution of film rights/ Singapore	100.00	100.00
Scorpio East Pictures Sdn. Bhd.[(3)]	Acquisition and distribution of film rights within the territory of Malaysia/ Malaysia	51.00	51.00
Scorpio East Pictures (H.K.) Limited[(4)]	Dormant/ Hong Kong	100.00	100.00
Scorpio East Leisure Pte. Ltd.[(4)]	Dormant/ Singapore	100.00	100.00
Scorpio East Productions Pte. Ltd.[(1)]	Event organiser/ Singapore	52.63	52.63
Scorpio East Properties Pte. Ltd.[(1)]	Real estate activities/ Singapore	100.00	100.00
KOP Entertainment Pte. Ltd.[(1)(6)]	Investment holding company/ Singapore	100.00	–
KOP Properties Pte. Ltd.[(1)]	Investment holding company/ Singapore	100.00	–

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

17 INVESTMENTS IN SUBSIDIARIES (cont'd)

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

Name of company	Principal activity/ Place of incorporation	Effective equity interest March 31, 2015 %	Effective equity interest April 30, 2014 %
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	100.00	–
P.T. Teguh Cipta Pratama[(2)]	Development and trade/ Indonesia	100.00	–
KOP Properties Ltd[(3)]	Letting and operation of owned or leased real estate/ United Kingdom	100.00	–
KOP Hospitality Pte. Ltd.[(1)]	Management of hotels with restaurants/ Singapore	100.00	–
The Cranley Hotel (IOM) Limited[(3)(5)(8)]	Property holding company/ Isle of Man	85.00	–
Gramercy Properties Pte. Ltd.[(1)]	Real estate development/ Singapore	100.00	–
KOP Properties (HK) Limited.[(3)(7)]	Property management and consultancy/ Hong Kong	51.00	–
KOP Cecil Pte. Ltd.[(1)(6)]	Investment holding company/ Singapore	100.00	–
Subsidiaries held by Gramercy Properties Pte. Ltd.			
P.T. Montigo Seminyak[(3)]	Development and trade/ Indonesia	100.00	–
Subsidiaries held by KOP Properties (HK) Limited			
KOP Management Services (Shanghai) Co.Ltd.[(3)(7)]	Property management and consultancy/ People's Republic of China	51.00	–

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

17 INVESTMENTS IN SUBSIDIARIES (cont'd)

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

Name of company	Principal activity/ Place of incorporation	Effective equity interest March 31, 2015 %	Effective equity interest April 30, 2014 %
Subsidiaries held by KOP Hospitality Pte. Ltd.			
KOP Luxury Lifestyles Pte. Ltd.(1)	Publication of journals, periodical and magazines and other reservation service activities/ Singapore	100.00	–
Franklyn Hotels & Resorts (Europe) Limited(3)	Hospitality management services/ United Kingdom	100.00	–
Subsidiaries held by The Cranley Hotel (IOM) Limited			
Cranley Hotel Limited(2)(5)(8)	Provision of hotel services/ United Kingdom	85.00	–
Cranley Real Estate Limited(3)(5)(8)	Property holding company/ United Kingdom	85.00	–

(1) Audited by Deloitte & Touche LLP, Singapore.
(2) Audited for consolidation purpose by Deloitte & Touche LLP, Singapore.
(3) Reviewed for consolidation purpose by Deloitte & Touche LLP, Singapore.
(4) Not audited as the subsidiary is dormant since incorporation.
(5) Audited by Alexander & Co., United Kingdom.
(6) Incorporated during the financial year ended March 31, 2015.
(7) Collectively known as "KOP HK Group".
(8) Collectively known as "Cranley Group".

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

17 INVESTMENTS IN SUBSIDIARIES (cont'd)

Information about the composition of the Group at the end of the reporting period is as follows:

(a) Wholly-owned subsidiaries

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries March 31, 2015	March 31, 2014
Investment holding	Singapore	3	–
Real estate activities with own or leased property and business and management consultancy services	Singapore	1	1
Development and trade	Indonesia	2	2
Letting and operation of owned or leased real estate	United Kingdom	1	1
Management of hotels with restaurants	Singapore	1	1
Real estate development	Singapore	1	1
Real estate activities	Singapore	1	–
Hospitality management services	United Kingdom	1	1
Publication of journals, periodical and magazines and other reservation service activities	Singapore	1	1
Distribution of video programmes for home entertainment	Singapore	1	–
Packing of disk media and distribution of film rights	Singapore	1	–
Film production investment, provision of producer services, event organiser, acquisition and distribution of film rights	Singapore	1	–
Dormant	Singapore	1	–
Dormant	Hong Kong	1	–
		17	8

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

17 INVESTMENTS IN SUBSIDIARIES (cont'd)

Information about the composition of the Group at the end of the reporting period is as follows:

(b) Non-wholly owned subsidiaries

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries	
		March 31, 2015	March 31, 2014
Property holding company	United Kingdom	1	1
Property holding company	Isle of Man	1	1
Property management and consultancy	Hong Kong	1	1
Property management and consultancy	People's Republic of China	1	1
Provision of hotel services	United Kingdom	1	1
Acquisition and distribution of film rights within the territory of Malaysia	Malaysia	1	–
Event organiser	Singapore	1	–
		7	5
Total		24	13

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

17 INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of non-wholly owned subsidiaries that have material non-controlling interests to the Group are disclosed below.

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
		%	%	$'000	$'000	$'000	$'000
Cranley Group	United Kingdom	15.00	15.00	19	106	1,435	1,358
KOP HK Group	Hong Kong & People's Republic of China	49.00	49.00	(1,742)	(333)	(2,204)	(254)
Scorpio East Productions Pte. Ltd.	Singapore	47.37	47.37	(78)	–	(411)	–
Individual subsidiaries with immaterial non-controlling interests		–	–	–	–	46	–
Total				(1,801)	(227)	(1,134)	1,104

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

17 INVESTMENTS IN SUBSIDIARIES (cont'd)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Cranley Group March 31, 2015 $'000	Cranley Group March 31, 2014 $'000
Statement of profit or loss and other comprehensive income		
Revenue	3,970	4,087
Expenses	(3,842)	(3,382)
Profit for the year attributable to:		
Owners of the Company	109	599
Non-controlling interests	19	106
	128	705
Other comprehensive income/(loss) attributable to:		
Owners of the Company	326	(2)
Non-controlling interests	58	–
	384	(2)
Total comprehensive income attributable to:		
Owners of the Company	435	597
Non-controlling interests	77	106
	512	703
Statement of financial position		
Current assets	1,073	605
Non-current assets	27,265	27,895
Current liabilities	(2,942)	(19,447)
Non-current liabilities	(15,830)	–
Equity attributable to owners of the Company	8,131	7,695
Non-controlling interests	1,435	1,358
Cash flows information		
Net cash inflow from operating activities	899	722
Net cash outflow from investing activities	(6)	(31)
Net cash outflow from financing activities	(671)	(785)
Net cash inflow/(outflow)	222	(94)

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

17 INVESTMENTS IN SUBSIDIARIES (cont'd)

No dividends were paid by Cranley Group's entities for the financial years ended 2015 and 2014.

For Cranley Group with non-controlling interests ("NCI"), the remaining 15% of NCI is held by a third party.

	KOP HK Group March 31, 2015 $'000	 March 31, 2014 $'000
Statement of profit or loss and other comprehensive income		
Expenses	(3,556)	(680)
Loss for the year attributable to:		
Owners of the Company	(1,814)	(347)
Non-controlling interests	(1,742)	(333)
	(3,556)	(680)
Other comprehensive loss attributable to:		
Owners of the Company	(212)	(2)
Non-controlling interests	(208)	(2)
	(420)	(4)
Total comprehensive loss attributable to:		
Owners of the Company	(2,026)	(349)
Non-controlling interests	(1,950)	(335)
	(3,976)	(684)
Statement of financial position		
Current assets	273	849
Non-current assets	299	9
Current liabilities	(5,066)	(1,376)
Capital deficiency attributable to owners of the Company	(2,290)	(264)
Non-controlling interests	(2,204)	(254)
Cash flows information		
Net cash inflow from operating activities	226	128
Net cash outflow from investing activities	(348)	(9)
Net cash inflow from financing activities	–	165
Net cash (outflow)/inflow	(122)	284

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

17 INVESTMENTS IN SUBSIDIARIES (cont'd)

No dividends were paid by KOP HK Group's entities for the financial years ended 2015 and 2014.

For KOP HK Group with NCI, the remaining 49% of NCI is held by a third party.

	Scorpio East Productions Pte. Ltd. March 31, 2015 $'000	March 31, 2014 $'000
Statement of profit or loss and other comprehensive income		
Revenue	367	–
Expenses	(533)	–
Loss for the year attributable to:		
Owners of the Company	(88)	–
Non-controlling interests	(78)	–
	(166)	–
Other comprehensive income attributable to:		
Owners of the Company	–	–
Non-controlling interests	–	–
	–	–
Total comprehensive loss attributable to:		
Owners of the Company	(88)	–
Non-controlling interests	(78)	–
	(166)	–
Statement of financial position		
Current assets	71	–
Current liabilities	(939)	–
Capital deficiency attributable to the owners of the Company	(457)	–
Non-controlling interests	(411)	–
Cash flows information		
Net cash inflow from operating activities	43	–
Net cash outflow from investing activities	–	–
Net cash outflow from financing activities	(5)	–
Net cash inflow	38	–

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

17 INVESTMENTS IN SUBSIDIARIES (cont'd)

No dividends were paid by Scorpio East Productions Pte. Ltd. for the financial year ended 2015.

For Scorpio East Productions Pte. Ltd. with NCI, the remaining 47.37% of NCI is held by a third party.

18 INVESTMENTS IN ASSOCIATED COMPANIES

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Cost of investment in associated companies[1]	600	600
Share of post-acquisition profit/(loss), net of dividend received	600	(528)
	1,200	72

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

Name of Company	**Principal activity**	**Place of incorporation**	**Proportion of ownership interest and voting power March 31, 2015 %**	**March 31, 2014 %**
Art Heritage Singapore Pte. Ltd.[3]	Art and cultural exhibitions	Singapore	20	20
Epic Land Pte. Ltd.[2] ("Epic Land")	Investment holding company	Singapore	25	–

(1) Includes an investment in associated company of Epic Land of $25.

(2) Audited for consolidation purpose by Deloitte & Touche LLP, Singapore.

(3) Reviewed for consolidation purpose by Deloitte & Touche LLP, Singapore.

All the above associated companies are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's material associated company is set out below. The summarised financial information below represents amounts shown in the associated company's financial statements prepared in accordance with Singapore Financial Reporting Standards.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

18 INVESTMENTS IN ASSOCIATED COMPANIES (cont'd)

	Epic Land	
	March 31, 2015 $'000	**March 31, 2014 $'000**
On entity basis		
Revenue	16,368	–
Profit for the year	4,800	–
Other comprehensive income for the year	–	–
Total comprehensive income for the year	4,800	–
Dividends received from the associated company during the year	–	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in Epic Land recognised in the consolidated financial statements are as follows:

	March 31, 2015 $'000	**March 31, 2014 $'000**
Net assets of the associated company	4,800	–
Proportion of the Group's ownership interest in Epic Land	25%	–
Carrying amount of the Group's interest in Epic Land	1,200	–

The summarised financial information in respect of the Group's immaterial associated company is set out below:

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
The Group's share of loss, representing the Group's share of total comprehensive income	(72)	(528)
Aggregate carrying amount of the Group's interest in this associated company	–	72

The Group has not recognised the share of losses of $256,000 during the financial year, which is also the total accumulated losses of the associated company not recognised. The Group has no obligation in respect of those losses in excess of the Group's cost of investment.

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March 31, 2015

19 INTEREST IN ASSOCIATE

	GROUP	
	March 31, 2015	**March 31, 2014**
	$'000	**$'000**
Junior notes receivables	–	36,004

Details of the Group's interest in associate are as follows:

Name of Company	Principal activity	Place of incorporation	Proportion of ownership interest and voting power March 31, 2015 %	March 31 2014 %
Royce Properties Pte. Ltd. ("Royce")	Property development	Singapore	–	39.93

<u>FY2015</u>

On November 13, 2014, Royce entered into agreements with all the holders of the Junior Notes to redeem all of the existing Junior Notes for a total amount of $104,000,000 which was determined based on the underlying economic interest in Royce that factored in, inter alia, the future distributable profits (i.e. unsold Royce's properties) after discharge of all debts. Under the agreements, KOP Properties Pte. Ltd. ("KOPP") received the redemption proceeds in cash of $28,691,000 and a new 2014 Junior Notes Receivable ("2014 Junior Notes") of $39,800,000 that was interest bearing at 8.0% which was similar to other securities of similar risk profiles (Note 20). The other Junior Noteholders will receive the remaining redemption proceeds of $35,509,000 in cash.

KOPP received 65.86% of the total redemption proceeds even though KOPP was entitled 39.93% of the total Junior Notes based on underlying economic interest. The cash consideration paid to KOPP represents 44.69% of the total redemption paid in cash to the holders of the Junior Notes which is slightly higher when compared to the 39.93%. The additional redemption proceeds received by KOPP were agreed by all the other Junior Noteholders. Certain holders of the Junior Notes are considered related parties as they include directors and/or shareholders of the Company.

The transaction was completed on December 16, 2014. As a result of the redemption, KOPP no longer holds the 39.93% economic interest and accordingly, Royce became a 100% owned subsidary of the Company's ultimate holding company (Note 6).

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

19 INTEREST IN ASSOCIATE (cont'd)

Details of the redemption of the Junior Notes are as follows:

	December 16, 2014 $'000
Carrying amount of the interest in associate	11,915
Interest receivables	633
Deferred tax liability	(1,285)
Deferred income (Note 24)	(3,537)
Share of loss of interest in associate	17,763
Net assets disposed	25,489
Cash consideration received	(28,691)
Long-term note receivable (Note 20)	(39,800)
Gain on redemption of 2013 Junior Notes (Note 30)	(43,002)

FY2014

The investment in Junior Notes of Royce entitled the Group to a 39.93% of the total economic benefits in Royce and significant influence over the composition of the board of directors in Royce.

The Junior Notes were unsecured and interest bearing at 10% per annum. The Junior Notes and the interest payable on Junior Notes rank for settlement below the secured bank borrowings.

Subject to all the secured debts having been discharged, Junior Noteholders shall be entitled to the distribution of all the distributable profits of Royce each year.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

19 INTEREST IN ASSOCIATE (cont'd)

Summarised financial information in respect of the Group's interest in associate based on their FRS financial statements and reconciliation to the carrying amount of the interest in the consolidated financial statements are as follows:

	Royce March 31, 2014 $'000
Current assets	264,079
Non-current assets	4,172
Current liabilities	(22,303)
Non-current liabilities	(244,948)
Net assets	1,000
Adjustments(1)	(1,000)
Adjustments(2)	90,168
Adjusted net assets	90,168
Proportion of the Group's ownership	39.93%
Carrying amount of the interest	36,004
Revenue	37,703
Profit from continuing operations(3)	–
Profit for the year(3)	–
Other comprehensive income for the year	–
Total comprehensive income for the year	37,703

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

19 INTEREST IN ASSOCIATE (cont'd)

(1) The ordinary share capital for Royce belongs to its legal shareholder Hayden Properties Pte. Ltd.. Junior Noteholders are not entitled to the ordinary share capital.

(2) The adjustment related to the share of assets of Royce by the Junior Noteholders after deduction of the ordinary share capital of $1,000,000. The Junior Notes entitle the holders to all the economic benefits in Royce but also obligate the holders to share in the losses up to the extent of their shareholdings.

(3) The Group's share of the profits (losses) in Royce is reflected in the finance cost in Royce's statement of profit or loss and other comprehensive income where the Junior Noteholders are entitled to all the distributable profits via a special interest charge.

Except as otherwise disclosed, amounts due to and from the associate is unsecured, interest-free and repayable on demand.

20 LONG-TERM NOTES RECEIVABLE

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Principal amount (Note 19)	39,800	–
Interest receivables (Note 31)	925	–
	40,725	–

Long-term 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 long-term notes receivable is interest-bearing at 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 November 12, 2019.

The fair value of the Group's long-term notes receivable approximates their carrying amount.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

21 PROPERTY, PLANT AND EQUIPMENT

	Freehold Land $'000	Leasehold Land and Building $'000	Computer $'000	Furniture and Fittings $'000	Motor Vehicles $'000	Boats $'000	Office Equipment $'000	Hotel Equipment $'000	Renovation $'000	Machinery and factory equipment $'000	Total $'000
Group											
Cost											
At April 1, 2013	13,488	19,877	561	79	954	60	26	457	–	–	35,502
Additions	–	1,753	74	2,009	90	–	97	483	441	–	4,947
Exchange differences	1,494	1,286	2	4	–	–	–	3	–	–	2,789
At March 31, 2014	14,982	22,916	637	2,092	1,044	60	123	943	441	–	43,238
Arising from RTO (Note 36)	–	18,772	–	19	–	–	42	–	85	2,235	21,153
Additions during the year	–	1,104	66	160	129	–	–	113	309	–	1,881
Disposals during the year	–	–	–	–	–	–	–	–	–	(2,235)	(2,235)
Reclassification to non-current asset held for sale (Note 14)	–	(18,772)	–	–	–	–	–	–	–	–	(18,772)
Exchange differences	(390)	(335)	5	183	11	–	19	31	13	–	(463)
At March 31, 2015	14,592	23,685	708	2,454	1,184	60	184	1,087	848	–	44,802
Accumulated depreciation											
At April 1, 2013	–	297	240	20	136	20	24	37	–	–	774
Depreciation charge during the year (Note 34)	–	689	86	355	211	15	97	173	68	–	1,694
Exchange differences	–	15	1	(1)	–	–	–	–	–	–	15
At March 31, 2014	–	1,001	327	374	347	35	121	210	68	–	2,483
Depreciation charge during the year (Note 34)	–	1,302	156	454	218	15	27	188	227	523	3,110
Disposals during the year	–	–	–	–	–	–	–	–	–	(523)	(523)
Reclassification to non-current asset held for sale (Note 14)	–	(395)	–	–	–	–	–	–	–	–	(395)
Exchange differences	–	(17)	4	55	2	–	17	9	4	–	74
At March 31, 2015	–	1,891	487	883	567	50	165	407	299	–	4,749
Carrying amount											
At March 31, 2015	14,592	21,794	221	1,571	617	10	19	680	549	–	40,053
At March 31, 2014	14,982	21,915	310	1,718	697	25	2	733	373	–	40,755

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

21 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group's freehold land is located in Bina Gardens in London for the use of providing hospitality services.

The Group's leasehold property is located in Batam for the use of providing hospitality services and the unexpired lease term of the leasehold land is 23 years (2014: 24 years).

The granted lease term for the Group's leasehold property located at 25 Tai Seng Avenue, Singapore 534104 is for a period of 30 years with effect from December 25, 2007 with an entitlement to a further term of 29 years. As at the end of the reporting period, the leasehold property is classified as "non-current asset held for sale" (Note 14).

The Group has pledged its freehold land and leasehold land and building with a total carrying amount of $36,386,000 (2014: $36,897,000) to secure the bank overdrafts, borrowings and banking facilities as disclosed in Note 25 to the financial statements.

As at the end of the reporting period, the carrying amount of motor vehicles held under finance leases is $205,000 (2014: $292,000).

22 INVESTMENT PROPERTY

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Arising from RTO (Note 36)	7,143	–
Gain from fair value adjustments credited to profit or loss (Note 31)	894	–
Reclassification to non-current asset held for sale (Note 14)	(8,037)	–
	–	–

Fair value measurement of the Group's investment property

As at the end of the reporting period, the fair value of the Group's investment property has been determined on the basis of valuation carried out by an independent valuer on March 31, 2015, having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was arrived using Comparable Sales Method, based on assumption that investment property has a tenure of 30 years with effect from December 25, 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. There has been no change to the valuation technique during the year.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

22 INVESTMENT PROPERTY (cont'd)

Details of the Group's investment property and information about the fair value hierarchy as at March 31, 2015 are as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair value as at March 31, 2015 $'000
Investment property located at 25 Tai Seng Avenue Scorpio East Building #03-01, #03-02, #03-03, #04-01, #04-02 #05-01 and #05-02, Singapore 534104	–	–	8,037	8,037

There were no transfers between Levels during the year.

The following table shows the significant unobservable inputs used in the valuation model:

	Fair value as at March 31, 2015 $'000	Valuation technique(s) $'000	Significant unobservable input(s) $'000
Investment property Gross floor: 19,000 sq ft	8,037	Comparable sales method	Price per square meter(1)

(1) Any significant isolated increases (decreases) in these inputs would result in a significantly higher (lower) fair value measurement.

The property rental income from the Group's investment property all of which are leased out under operating leases, amounted to $650,000 (2014: $Nil). Direct operating expenses (including repairs and maintenance) arising from the rental-generating investment property amounted to $235,000 (2014: $Nil).

The investment property is pledged to secure bank overdrafts, borrowings and banking facilities.

As at the end of the reporting period, the investment property is classified as "non-current asset held for sale" during the financial year (Note 14).

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

23 DEFERRED TAX

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

(a) Deferred tax assets

	Cash receipts for COC development properties[1] $'000	**Accelerated accounting depreciation over tax depreciation $'000**	**Others $'000**	**Total $'000**
GROUP				
At April 1, 2013	(1,064)	–	–	(1,064)
Tax payable on cash received	(763)	–	(75)	(838)
Charged/(Credited) to profit or loss	630	(39)	(356)	235
At March 31, 2014	(1,197)	(39)	(431)	(1,667)
Tax payable on cash received	62	–	–	62
(Credited)/Charged to profit or loss	–	(3)	67	64
Exchange differences	–	1	6	7
At March 31, 2015	(1,135)	(41)	(358)	(1,534)

(1) Deferred tax assets relate to the tax payable on advanced cash receipts for the sale of development properties in Indonesia which is recognised using the completed contract ("COC") method.

No deferred tax assets have been recognised in respect of the unutilised tax losses and capital allowances due to the unpredictability of future profit streams. The unutilised tax losses of $34,786,000 (2014: $10,618,000) and capital allowances of $1,378,000 (2014: $Nil) may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

23 DEFERRED TAX (cont'd)

(b) Deferred tax liabilities

	Accelerated tax depreciation over accounting depreciation $'000	Interest income not received $'000	Others $'000	Total $'000
GROUP				
At April 1, 2013	67	1,768	–	1,835
Credited to profit or loss	–	(31)	–	(31)
At March 31, 2014	67	1,737	–	1,804
Redemption of 2013 Junior Notes	–	(1,737)	–	(1,737)
Arising from RTO (Note 36)	–	–	1,172	1,172
Transferred to liabilities directly associated with asset classified as held for sale (Note 14)	–	–	(1,172)	(1,172)
Credited to profit or loss	(9)	–	–	(9)
At March 31, 2015	58	–	–	58

For the unremitted income from overseas subsidiaries, no deferred tax liability had been recognised for undistributed profits of $843,000 (2014: $715,000) for the Group's subsidiaries in the United Kingdom as there is no withholding tax payable on the undistributed profits for United Kingdom subsidiaries.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

24 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	March 31, 2015 $'000	**March 31, 2014 $'000**	**March 31, 2015 $'000**	**April 30, 2014 $'000**
Trade payables:				
Third parties	2,116	3,221	–	–
Non-trade payables:				
Subsidiaries (Notes 6 and 17)	–	–	2,182	–
Ultimate holding company (Note 6)	19,441	24,198	–	–
Related companies (Note 6)	6,278	4,854	–	–
Related party (Note 7)	–	43	–	–
Third parties	1,814	3,367	44	671
Accrued operating expenses	4,050	2,152	217	259
Accrued development costs	3,053	4,074	–	–
Advances from non-controlling interests	4,982	2,218	–	–
Deferred income	–	3,537	–	–
Amounts due to directors (Note 7)	117	80	–	70
Deposits received[1]	689	390	–	–
	42,540	48,134	2,443	1,000

(1) In 2015, the deposits received includes non-refundable deposits of $557,000.

The average credit period on purchases of goods and services ranges between 30 to 120 days (2014: 30 days). No interest is charged on the overdue balances.

The non-trade payables to subsidiaries, ultimate holding company, related companies and related party are unsecured, interest-free and repayable on demand.

The advances from non-controlling interests are unsecured, interest-free and repayable on demand.

The amounts due to directors are unsecured, interest-free and repayable on demand.

Deferred income relate to the unrealised gain on transactions with the interest in associate and had been included in the redemption of the Junior Notes (Note 19).

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

25 BANK OVERDRAFTS AND BORROWINGS (SECURED)

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Bank overdrafts (Note 8)	185	–
Revolving credit facility	4,000	–
Bank loans	39,863	44,728
	44,048	44,728
Less: Amount due for settlement within 12 months (shown under current liabilities)	(12,026)	(21,689)
Amount due for settlement after 12 months	32,022	23,039

The Group's bank borrowings comprise the followings:

(a) Bank overdrafts

The bank overdrafts are denominated in SGD, bears an effective interest rate of 5.25% per annum and are repayable within 12 months. The bank overdrafts are 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.

(b) Revolving credit facility

The revolving credit facility ("RC") of $4,000,000 is denominated in SGD, bears interest at 3.70% per annum and matures on April 23, 2015. The RC is 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.

(c) 5-year SGD term loan

The 5-year SGD term loan of $3,611,000 (2014: $6,361,000) bears interest at 6.00% (2014: 6.00%) per annum. The loan is to be repaid over 60 monthly instalments after its first drawdown. The loan is secured by legal mortgage of the leasehold land and building of the subsidiary and corporate guarantee from a subsidiary. The net carrying amount of the loan was stated net of the loan facility fee totalling $161,000 (2014: $249,000). Such expenses were amortised over the life of the loan by charging the expenses to profit or loss and increasing the net carrying amount of the loan with the corresponding amount. As of March 31, 2015, the accumulated amortisation amounted to $279,000 (2014: $191,000).

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

25 BANK OVERDRAFTS AND BORROWINGS (SECURED) (cont'd)

(d) 5-year USD term loan

The 5-year USD term loan of $5,479,000 (2014: $7,635,000) bears interest at 7.00% (2014: 7.00%) per annum. The loan is to be repaid over 60 monthly instalments after its first drawdown. The loan is secured by legal mortgage of the leasehold land and building of the subsidiary and corporate guarantee from a subsidiary. The net carrying amount of the loan was stated net of the loan facility fee totalling $183,000 (2014: $251,000). Such expenses were amortised over the life of the loan by charging the expenses to profit or loss and increasing the net carrying amount of the loan with the corresponding amount. As of March 31, 2015, the accumulated amortisation amounted to $234,000 (2014: $166,000).

(e) 7-year USD term loan

The 7-year USD term loan of $14,857,000 (2014: $14,550,000) bears interest at 7.00% (2014: 7.00%) per annum. The loan is to be repaid over 84 monthly instalments after its first drawdown. The loan is secured by legal mortgage of the development properties of the subsidiary, personal guarantee from directors of the Company and corporate guarantee from a subsidiary.

(f) 5-year SGD term loan

The 5-year SGD term loan of $16,260,000 (2014: $Nil) bears interest at 1.75% (2014: $Nil) per annum plus the 3-months Cost of Funds. The loan is to be repaid over 60 monthly instalments after its first drawdown. The loan is secured by legal mortgage of the freehold land and building of the subsidiary and corporate guarantee from the Company and from a subsidiary.

(g) 3-year GBP term loan

The 3-year GBP term loan of $Nil (2014: $16,682,000) bore interest at Nil% (2014: 3.00%) per annum. The loan was arranged at floating rate and secured by legal mortgage of the freehold land and building of the subsidiary and corporate guarantee from subsidiaries. The 3-year GBP term loan was fully repaid during the financial year.

The Group had available $Nil (2014: $6,280,000) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

26 FINANCE LEASES

	GROUP			
	Minimum lease payments		**Present value of minimum lease payments**	
	March 31, 2015 $'000	**March 31, 2014 $'000**	**March 31, 2015 $'000**	**March 31, 2014 $'000**
Amounts payable under finance leases:				
Within one year	821	61	796	48
Between two to five years	238	243	220	216
After five years	6	61	6	60
	1,065	365	1,022	324
Less: Future finance charges	(43)	(41)	–	–
Present value of lease obligations	1,022	324	1,022	324
Less: Amount due for settlement within 12 months (shown under current liabilities)			(796)	(48)
Amount due for settlement after 12 months			226	276

It is the Group's policy to lease certain of its motor vehicles and equipment under finance leases. The term of the finance lease ranges between 3 to 8 years (2014: 7 to 8 years) and bear interest rate of 1.80% to 2.80% per annum (2014: 1.88% to 2.80% per annum). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the Group's lease obligations approximates their carrying amount.

The Group's obligations under finance leases are secured by the leased assets (Note 21).

27 SALES PROCEEDS RECEIVED IN ADVANCE

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

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

28 SHARE CAPITAL

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Issued and paid-up capital:		
Balance at beginning of the year	15,000	15,000
Consideration issued for acquiring of Scorpio Group (Note 36)	31,401	–
Issuance of shares for cash[3]	21,460	–
Balance at end of the year	67,861	15,000

	COMPANY			
	March 31, 2015	**April 30, 2014**	**March 31, 2015**	**April 30, 2014**
	Number of ordinary shares		**$'000**	**$'000**
Issued and paid-up capital:				
Balance at beginning of the year	184,168,117	150,168,117	18,396	16,186
After consolidation of share[1]	(92,084,060)	–	–	–
Issuance of consideration shares[2]	714,285,714	–	243,571	–
Issuance of shares for cash[3]	80,000,000	34,000,000	21,460	2,210
Balance at end of the year	886,369,771	184,168,117	283,427	18,396

(1) On May 6, 2014, the Company completed the consolidation of every two existing ordinary shares into one ordinary share.

(2) On May 6, 2014, pursuant to the consolidation of the existing shares, the Company completed the RTO through acquiring 100% of the issued and paid-up share capital of KOP Properties Pte. Ltd. for a consideration of $243,571,000 for 714,285,714 new ordinary shares at the closing price of $0.341 and change its name to KOP Limited.

(3) On May 12, 2014, pursuant to the RTO, 80,000,000 new ordinary shares of the capital of the Company were allotted and issued to the subscribers in accordance with the terms and subject to the conditions of the placement agreement dated May 9, 2014, for a net cash consideration of $21,460,000.

The new shares ranked pari passu in all respects with the existing issued ordinary shares.

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

29 REVENUE

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Management and coordination fee	1,109	4,554
Hotel and resort operations	12,168	10,737
Sale of development properties	2,358	6,849
Sale of tickets	306	–
Sale of goods	705	–
Assignment of distribution rights	492	–
Content production	49	–
Sponsorship income	38	–
Rental income	1,297	–
Others	61	–
	18,583	22,140

30 INVESTMENT INCOME

Investment income represents gain on redemption of 2013 Royce's Junior Notes during the financial year (Note 19).

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

31 OTHER OPERATING INCOME

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Commission income	283	749
Corporate service fee from related companies (Note 6)	–	3,158
Other income from ultimate holding company (Note 6)	–	1,228
Net foreign exchange gains	299	788
Fair value gain on investment property (Note 22)	894	–
Government grants received	68	–
Interest income from third parties	29	403
Interest income from associated company	456	–
Interest income from associate	220	–
Interest income receivables from long-term notes receivable (Note 20)	925	–
Interest income on financial assets carried at amortised cost [Note 9 (a)]	14	–
Legal claim received	440	–
Other income	45	29
	3,673	6,355

32 FINANCE COSTS

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Interest expense to third party:		
– Bank overdrafts	71	–
– Revolving credit facility	198	–
– Bank loans	2,821	2,864
– Others	82	203
	3,172	3,067
Less: Amount capitalised in development properties (Note 11)	(1,933)	(1,962)
	1,239	1,105

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

33 INCOME TAX EXPENSE

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Tax expense attributable to profit or loss is made up of:		
Income tax:		
– Current year	288	247
– Overprovision in prior years	(16)	(753)
Deferred tax	55	204
Tax penalty[1]	248	699
	575	397

(1) Tax penalty relates to the penalty levied by overseas tax authority for late-payment of tax liabilities in prior years.

Domestic income tax is calculated at 17% (2014: 17%) of its estimated assessable profit/(loss) for the years.

The total income tax for the years can be reconciled to the accounting profit/(loss) as follows:

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Profit/(loss) before tax	11,381	(1,715)
Share of results from interest in associate	1,920	(625)
Share of results from investments in associated companies	(1,128)	528
Profit/(loss) before tax and after share of results of associates	12,173	(1,812)
Income tax expense/(benefit) calculated at domestic tax rate of 17%	2,069	(308)
Expenses not deductible for tax purposes	4,618	1,664
Deferred tax assets not recognised	2,127	610
Tax exemption	(5)	(37)
Overprovision of tax in prior years	(16)	(753)
Tax penalty	248	699
Income not subjected to tax	(8,114)	(406)
Different tax rates of subsidiaries operating in other jurisdictions	(198)	(540)
Utilisation of previously unrecognised tax losses	(126)	(472)
Others	(28)	(60)
	575	397

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

33 INCOME TAX EXPENSE (cont'd)

The Group has unutilised tax losses available for offsetting against future taxable income as follows:

	Unutilised tax losses		Unutilised capital allowances		Total	
	March 31, 2015 $'000	**March 31, 2014 $'000**	**March 31, 2015 $'000**	**March 31, 2014 $'000**	**March 31, 2015 $'000**	**March 31, 2014 $'000**
GROUP						
Balance at beginning of the year	10,618	9,840	–	–	10,618	9,840
Arising from RTO	12,399	–	1,378	–	13,777	–
Amounts utilised	(743)	(2,776)	–	–	(743)	(2,776)
Arising during the year	12,512	3,591	–	–	12,512	3,591
Disposal of subsidiary	–	(37)	–	–	–	(37)
Balance at end of the year	34,786	10,618	1,378	–	36,164	10,618
Deferred tax assets not recognised					6,148	1,805

The realisation of the future income tax benefits from tax losses and capital allowances carryforward is available for an indefinite period subject to the conditions imposed by law including the retention of majority shareholders as defined.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

34 PROFIT/(LOSS) AFTER TAX

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

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Directors' remuneration:		
– of the Company	1,486	1,484
– of the subsidiary	626	–
	2,112	1,484
Directors' fees	110	–
Employee benefits expense (including directors' remuneration)	7,270	6,831
Defined contribution plans (included in employee benefits expense)	512	444
Audit fees:		
– paid to auditors of the Company	175	64
– paid to other auditors	121	81
Non-audit fees:		
– paid to auditors of the Company	50	148
Allowance for doubtful receivables (Note 9)	529	16
Bad and doubtful receivables written off	–	10
Depreciation of property, plant and equipment (Note 21)	3,110	1,694
Amortisation of intangible assets (Note 15)	334	1
Rental expenses	844	878
Goodwill written off (Note 16)	18,033	–
Impairment of prepaid film rights (Note 13)	52	–
Loss on disposal of property, plant and equipment	284	–
Cost of inventories recognised as expenses	6,797	5,409
Allowance for inventories written down value (Note 12)	49	–
Cost of development properties recognised as expenses	2,661	4,889
Net foreign exchange gains	(299)	(788)
Professional fees in relation to RTO[1]	461	735

(1) In 2014, the professional fees excluded the non-audit fees of $148,000 paid to auditors of the Company, as disclosed above.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

35 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

For the purpose of calculating diluted earnings/(loss) per share, profit/(loss) attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares.

	GROUP	
	March 31, 2015	**March 31, 2014**
Net profit/(loss) attributable to equity holders of the Company ($'000)	12,607	(1,885)
Weighted average number of ordinary shares outstanding for basic and diluted earnings/(loss) per share	868,724,326	714,285,714
Basic and diluted earnings/(loss) per share (cents per share)	1.45	(0.26)

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

36 ACQUISITION OF SUBSIDIARIES

As disclosed in Note 2 to the financial statements, KOPP became the parent of the Group for accounting purposes, and the Company and its subsidiaries before the RTO became the accounting acquiree. The net assets acquired and the goodwill arising from RTO were as follows:

	GROUP March 31, 2015 $'000
Consideration transferred:	
Equity instruments issued as settlement of purchase consideration[1]	31,401
Fair value of assets acquired and liabilities assumed at the date of acquisition:	
Cash and bank balances	485
Trade and other receivables	2,323
Inventories	114
Prepaid film rights (Note 13)	448
Intangible assets (Note 15)	677
Property, plant and equipment (Note 21)	21,153
Investment property (Note 22)	7,143
Total assets	32,343
Bank borrowings	12,512
Finance leases	1,355
Trade and other payables	4,219
Income tax payables	4
Deferred tax liabilities [Note 23(b)]	1,172
Total liabilities	19,262
Fair value of net assets acquired	13,081
Add: Non-controlling interests	287
Less: Consideration transferred (Note 28)	(31,401)
Goodwill arising from RTO[2] (Note 16)	18,033
Net cash inflow arising from RTO:	
Cash and bank balances arising from RTO	485

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

36 ACQUISITION OF SUBSIDIARIES (cont'd)

(1) The consideration was based on the Company's entire share capital of 184,168,117 shares before the RTO using fair value of $0.1705 per share, representing the fair value of the issued equity of the Company before the RTO.

(2) On RTO, the goodwill represents the excess of purchase consideration over the fair value of the net assets acquired. The goodwill arose from the difference in share price from the date of the announcement of the RTO of Scorpio Group to the completion date.

Acquisition-related costs amounting to $461,000 have been excluded from the consideration transferred and have been recognised as an expense in the period, within the "administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

Impact of acquisition on the results of the Group:

Had the acquisition been completed on the first day of the financial year, the Group's revenue and profit after tax would have been $19,726,000 and $9,930,000 respectively.

<u>FY2014</u>

On October 16, 2013, the Group had acquired 51% equity interest in KOP Properties (HK) Limited ("KOP HK"), an entity incorporated in Hong Kong, for a total consideration of Hong Kong Dollars 510,000 ($84,000) from a third party and obtained control over KOP HK since then.

Accordingly, the entity is consolidated into the Group and $80,000 was recognised as capital contribution from the 49% non-controlling interests of KOP HK in the statement of changes in equity.

Carrying amounts of aggregated assets assumed at the date of acquisition are as follows:

	October 16, 2013 $'000
Cash and bank balances	164
Total assets	164
Net assets recognised	164
Consideration paid for the acquisition	(84)
Net cash inflow arising on acquisition	
Less: Cash and bank balances in subsidiary acquired	164
Cash inflow on acquisition	80

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

37 DISPOSALS OF SUBSIDIARIES

On April 16, 2013, the Group has sold its 100% interests in common shares in its subsidiaries, Hayden Properties Pte. Ltd. ("Hayden") and Royce Properties Pte. Ltd. ("Royce") to the Company's ultimate holding company for a total consideration of $5,010,000. The difference of $2,942,000 was taken to other reserves as a deemed contribution from the ultimate holding company.

Carrying amounts of the aggregated assets and liabilities disposed of are as follows:

	April 16, 2013 $'000
Cash and bank balances	1,042
Trade and other receivables	12,359
Interest in associate	1,286
Available-for-sale investment	1,000
Total assets	15,687
Trade and other payables	13,511
Deferred tax liabilities	108
Total liabilities	13,619
Net assets derecognised	2,068
Consideration for the disposal	5,010
Excess of purchase consideration over identifiable net assets taken to other reserves	2,942
Net cash outflow arising on disposal	
Less: Cash and bank balances in subsidiary disposed of	(1,042)
Cash outflow on disposal	(1,042)

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

38 CONTINGENT LIABILITIES

	COMPANY	
	March 31, 2015 $'000	April 30, 2014 $'000
Corporate guarantee to financial institutions for subsidiaries' banking facilities (Notes 14 and 25)	31,657	12,512
Corporate guarantee to financial institutions for associated company's banking facilities	94,241	–
	125,898	12,512

Management has performed an assessment of the fair value of the financial guarantee provided to its associate and is of the opinion that the impact is not significant and therefore have not recognised in accordance with FRS 39.

39 COMMITMENTS

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

	GROUP	
	March 31, 2015 $'000	March 31, 2014 $'000
Distribution rights and production films	1,215	–
Development properties	27,742	11,117
Property, plant and equipment	535	278
	29,492	11,395

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

40 OPERATING LEASE ARRANGEMENTS

The Group as Lessor

The Group rents out its investment property and equipment in Singapore under operating leases. The leases are negotiated for term of two years and rentals are fixed for an average of two years.

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Within one year	323	–
Between two to five years	24	–
	347	–

The Group as Lessee

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Minimal lease payments under operating leases recognised as an expense in the year	673	796

At the end of the reporting period, the Group has commitments in respect of the non-cancellable operating leases for the rental of premises as follows:

	GROUP	
	March 31, 2015 $'000	**March 31, 2014 $'000**
Within one year	696	433
Between two to five years	616	758
	1,312	1,191

Operating lease payments represent rentals payable by the Group for its rented premises. Leases are negotiated for an average term of 3 years (2014: 3 years) and rentals are fixed for an average of 3 years (2014: 3 years).

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

41 SEGMENT INFORMATION

Products and services from which reportable segments derive their revenues

For the purpose of the resource allocation and assessment of segment performance, the Group's chief operating decision maker has focused on the business operating units which in turn, are segregated based on their products and services. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Operating segments are aggregated into a single reportable operating segment if they have similar economic characteristic, such as long-term average gross margins, and are similar in respect of nature of services and process, type of customers, method of distribution, and if applicable, the nature of the regulatory environment.

The Group's reportable operating segments under FRS 108 are as follows:

Segment	Principal activities
Real estate development and investment	The development, construction and sale of development properties.
Real estate 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.
Hospitality	Management and operation of hotels, including restaurants and spas.
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.
Corporate office	Management fee income from subsidiaries.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

41 SEGMENT INFORMATION (cont'd)

The accounting policies of the reportable segments are described in Note 3 to the financial statements. Segment revenue represents revenue generated from external and internal customers. Segment result represents the profit/(loss) earned from each segment after allocating costs directly attributable to a segment as well as those that can be allocated on a reasonable basis. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources, the chief operating decision maker 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.

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

Information regarding the Group's reportable segments is presented in the tables below:

	Real estate development and investment $'000	Real estate management services $'000	Hospitality $'000	Entertainment $'000	Corporate office $'000	Inter-segment eliminations $'000	Total $'000
2015							
Revenue							
Revenue from external customers	3,004	1,140	12,168	2,271	–	–	18,583
Inter-segment revenue	–	59	737	761	1,298	(2,855)	–
Total revenue	3,004	1,199	12,905	3,032	1,298	(2,855)	18,583
Results							
Segment results	41,396	(7,092)	1,158	(18,538)	(3,512)	–	13,412
Finance costs	–	(107)	(553)	(579)	–	–	(1,239)
Share of results from interest in associate	(1,920)	–	–	–	–	–	(1,920)
Share of results from investments in associated companies	1,200	–	–	(72)	–	–	1,128
Reportable profit/(loss)	40,676	(7,199)	605	(19,189)	(3,512)	–	11,381
Income tax expense	(555)	4	(24)	–	–	–	(575)
Profit/(loss) for the year	40,121	(7,195)	581	(19,189)	(3,512)	–	10,806

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

41 SEGMENT INFORMATION (cont'd)

Information regarding the Group's reportable segments is presented in the tables below:

	Real estate development and investment $'000	Real estate management services $'000	Hospitality $'000	Entertainment $'000	Corporate office $'000	Inter-segment eliminations $'000	Total $'000
2015							
Other information							
Interest income	474	1,152	4	14	–	–	1,644
Gain on redemption of 2013 Junior Notes	43,002	–	–	–	–	–	43,002
Depreciation of property, plant and equipment	(1,195)	(312)	(622)	(981)	–	–	(3,110)
Amortisation of intangible assets	–	–	–	(334)	–	–	(334)
Allowance for doubtful receivables	–	(455)	(63)	(11)	–	–	(529)
Loss on disposal of property, plant and equipment	–	–	–	(284)	–	–	(284)
Fair value gain on investment property	–	–	–	894	–	–	894
Allowance for inventories written down value	–	–	–	(49)	–	–	(49)
Impairment of prepaid film rights	–	–	–	(52)	–	–	(52)
Goodwill written off	–	–	–	(18,033)	–	–	(18,033)
Reportable segment assets	142,280	4,153	30,902	27,732	342	–	205,409
Unallocated assets:							
Deferred tax assets							1,534
							206,943
Reportable segment assets included:							
Additions to non-current assets	1,104	367	409	1	–	–	1,881
Reportable segment liabilities	58,950	7,842	24,843	18,149	1,441	–	111,225
Unallocated liabilities:							
Income tax payables							2,295
Deferred tax liabilities							58
							113,578

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

41 SEGMENT INFORMATION (cont'd)

Information regarding the Group's reportable segments is presented in the tables below:

	Real estate development and investment $'000	Real estate management services $'000	Hospitality $'000	Inter-segment eliminations $'000	Total $'000
2014					
Revenue:					
Revenue from external customers	6,849	4,636	10,655	–	22,140
Inter-segment revenue	–	324	521	(845)	–
Total revenue	6,849	4,960	11,176	(845)	22,140
Results					
Segment results	27	1,497	(2,231)	–	(707)
Finance costs	(495)	(15)	(595)	–	(1,105)
Share of results from interest in associate	625	–	–	–	625
Share of results from investments in associated companies	(528)	–	–	–	(528)
Reportable (loss)/profit	(371)	1,482	(2,826)	–	(1,715)
Income tax expense	(713)	605	(289)	–	(397)
(Loss)/Profit for the year	(1,084)	2,087	(3,115)	–	(2,112)
Other information					
Depreciation of property, plant and equipment	(884)	(201)	(609)	–	(1,694)
Amortisation of intangible assets	–	–	(1)	–	(1)
Interest income	383	4	16	–	403
Allowance for doubtful receivables	16	–	–	–	16
Bad and doubtful receivables written off	–	–	10	–	10

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

41 SEGMENT INFORMATION (cont'd)

Information regarding the Group's reportable segments is presented in the tables below:

	Real estate development and investment $'000	Real estate management services $'000	Hospitality $'000	Inter-segment eliminations $'000	Total $'000
2014					
Reportable segment assets	103,054	3,863	31,670	–	138,587
Unallocated assets:					
Deferred tax assets					1,667
					140,254
Reportable segment assets included:					
Additions to non-current assets	4,214	455	278	–	4,947
Reportable segment liabilities	50,461	31,651	23,193	–	105,305
Unallocated liabilities:					
Income tax payables					3,731
Deferred tax liabilities					1,804
					110,840

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

41 SEGMENT INFORMATION (cont'd)

Geographical information

The operations of the Group, except for the property development in Indonesia and hotel management in United Kingdom, are principally located in Singapore as follows:

	REVENUE		NON-CURRENT ASSETS	
	March 31, 2015	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
GROUP	**$'000**	**$'000**	**$'000**	**$'000**
Singapore	3,038	4,554	2,080	36,743
United Kingdom	4,343	4,086	26,469	27,487
Indonesia	11,202	13,500	12,749	12,593
People's Republic of China	–	–	299	9
	18,583	22,140	41,597	76,832

Information about major customers

The Group did not have any single customer contributing 10% or more of its revenue for the financial years ended 2015 and 2014.

42 INVESTIGATION BY THE COMMERCIAL AFFAIRS DEPARTMENT FOLLOWING THE RECEIPT OF THE SPECIAL AUDITORS' REPORT

On March 25, 2011, the Company announced the appointment of a firm of independent accountants (the "Special Auditors") to ascertain the veracity of certain of the Group's transactions and balances with certain counterparties which had been entered into or terminated by the Group during the financial year ended April 30, 2011, and bank transactions in relation thereto, and further to review the circumstances leading to the creation and termination of such contracts.

Following the issue of the Special Auditors' Report (the "Report") on August 23, 2011, the Company had sought legal advice on the findings contained in the Report and had referred the matters specified in the Report to the Commercial Affairs Department ("CAD").

As of the date of these financial statements, there is no update from CAD and to the best of the directors' knowledge and belief, the effect of the investigation, if any, on the accompanying financial statements is not expected to be material.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

43 EVENTS AFTER REPORTING PERIOD

(a) Incorporation of KOP Properties Shanghai Operation and Management Pte. Ltd.

On April 15, 2015, the Group incorporated a wholly-owned subsidiary, KOP Properties Shanghai Operation and Management Pte. Ltd., with issued and paid-up share capital of $1 divided into one ordinary share.

(b) Disposal of an indirect associated company

On March 16, 2015, the 25%-owned associated company, Epic Land Pte. Ltd. ("Epic Land") has entered into a sale and purchase agreement to dispose the entire paid-up share capital of its wholly-owned subsidiary, Epic Land (10-01) Pte. Ltd. and the settlement of shareholder's loan to an unrelated third party for an aggregate consideration of $14,328,000. Upon completion of the disposal, Epic Land (10-01) Pte. Ltd. ceases to be an associated company of the Group.

(c) Disposal of an indirect associated company

On June 22, 2015, the 25%-owned associated company, Epic Land Pte. Ltd. ("Epic Land") has entered into a sale and purchase agreement to dispose the entire paid-up share capital of its wholly-owned subsidiary, Epic Land (18-02) Pte. Ltd. and the settlement of shareholder's loan to an unrelated third party for an aggregate consideration of $16,189,440. Upon completion of the disposal, Epic Land (18-02) Pte. Ltd. ceases to be an associated company of the Group.

44 COMPARATIVE NUMBERS

The financial statements of the Company for 2014 covered the financial year from May 1, 2013 to April 30, 2014. The financial statements of the Company for 2015 cover the financial period from May 1, 2014 to March 31, 2015.

The financial statements of the Group for 2014 covered the financial year from April 1, 2013 to March 31, 2014. The financial statements of the Group for 2015 covers the financial year from April 1, 2014 to March 31, 2015.

STATISTICS OF SHAREHOLDINGS

AS AT 26 JUNE 2015

Class of Shares	:	Ordinary share
No. of Shares (excluding treasury shares)	:	886,369,771
Voting rights	:	One vote per share
No. of treasury shares and percentage	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 – 99	3	0.25	64	0.00
100 – 1,000	320	26.69	194,744	0.02
1,001 – 10,000	283	23.60	1,776,700	0.20
10,001 – 1,000,000	554	46.21	65,993,805	7.45
1,000,001 and above	39	3.25	818,404,458	92.33
TOTAL	**1,199**	**100.00**	**886,369,771**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	United Overseas Bank Nominees (Private) Limited	541,062,026	61.04
2	BNP Paribas Nominees Singapore Pte Ltd	72,602,857	8.19
3	UOB Kay Hian Private Limited	25,215,800	2.84
4	DBS Nominees (Private) Limited	19,955,538	2.25
5	Han Seng Juan	18,815,000	2.12
6	Ong Phang Hoo (Wang Bangfu)	18,750,000	2.12
7	Low Kheng Hong @ Lau Kheng Hong	12,667,762	1.43
8	Ang Yew Lai	12,500,000	1.41
9	Cho Kim Wing	12,500,000	1.41
10	OCBC Securities Private Limited	10,736,900	1.21
11	Raffles Nominees (Pte) Limited	10,115,400	1.14
12	Maybank Kim Eng Securities Pte Ltd	10,076,200	1.14
13	Citibank Nominees Singapore Pte Ltd	7,279,000	0.82
14	Ong Siew Ting Geraldine	7,000,000	0.79
15	Ong Hoi Lian	3,000,000	0.34
16	Committee Of The Person And Estate Of Neo Meng Hwa	2,320,500	0.26
17	Low Xiu Li Elvelyn (Liu Xiuli Elvelyn)	2,300,000	0.26
18	DB Nominees (Singapore) Pte Ltd	2,245,000	0.25
19	Maybank Nominees (Singapore) Private Limited	2,160,000	0.24
20	RHB Securities Singapore Pte. Ltd.	1,722,200	0.19
	TOTAL	**793,024,183**	**89.45**

STATISTICS OF SHAREHOLDINGS

AS AT 26 JUNE 2015

SUBSTANTIAL SHAREHOLDERS AS AT 26 JUNE 2015

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
KOP Group Pte. Ltd.[1]	–	–	428,571,428	48.35
Ong Chih Ching[2]	1,000,000	0.11	492,747,143	55.59
Leny Suparman[3]	1,000,000	0.11	459,257,142	51.81
Wang Xuan[4]	–	–	72,602,857	8.19

Notes:

1 KOP Group Pte. Ltd. is deemed to be interested in 428,571,428 ordinary shares held through United Overseas Bank Nominees (Private) Limited.

2 Ms. Ong Chih Ching is deemed to be interested in 428,571,428 ordinary shares held by KOP Group Pte. Ltd. by virtue of Section 7 of the Companies Act, Chapter 50 and 64,175,715 ordinary shares held through United Overseas Bank Nominees (Private) Limited.

3 Ms. Leny Suparman is deemed to be interested in 428,571,428 ordinary shares held by KOP Group Pte. Ltd. by virtue of Section 7 of the Companies Act, Chapter 50 and 30,685,714 ordinary shares held through United Overseas Bank Nominees (Private) Limited.

4 Ms. Wang Xuan is deemed to be interested in 72,602,857 ordinary shares held through BNP Paribas Nominees Singapore Pte Ltd.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 26 June 2015, approximately 27.91% of the issued ordinary shares of the Company is held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting ("**AGM**") of KOP Limited (the "**Company**") will be held at 25 Tai Seng Avenue #01-01 Scorpio East Building Singapore 534104 on Wednesday, 29 July 2015 at 11.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of the Directors and the Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2015 together with the Auditors' Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of S$120,000 for the financial year ending 31 March 2016 to be paid quarterly in arrears (2015: S$120,000). **Resolution 2**

3. To re-elect the following Directors retiring pursuant to Article 107 of the Articles of Association of the Company:

   Mr. Ko Chuan Aun **Resolution 3**
   Mrs. Yu-Foo Yee Shoon **Resolution 4**

   [See Explanatory Note (i)]

4. To re-appoint Dr. Ho Kah Leong @ Ho Kah Leung, a Director of the Company who is over 70 years of age, retiring pursuant to Section 153(6) of the Companies Act, Chapter 50, to hold office from the date of this AGM until the next AGM of the Company. **Resolution 5**

   [See Explanatory Note (ii)]

5. To re-appoint Messrs Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **Resolution 6**

6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as ordinary resolutions, with or without modifications:

7. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual – Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Catalist Rules")**

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Catalist Rules of the SGX-ST, the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "**Share Issue Mandate**")

provided that:

(1) the aggregate number of shares (including shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro rata*

NOTICE OF ANNUAL GENERAL MEETING

basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
(b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and
(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

Resolution 7

[See Explanatory Note (iii)]

By Order of the Board

Shirley Tan Sey Liy
Company Secretary
Singapore, 13 July 2015

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Mrs. Yu-Foo Yee Shoon will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit and Risk Committee and Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

(ii) Dr. Ho Kah Leong @ Ho Kah Leung will, upon re-appointment as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and Nominating Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

(iii) Resolution 7 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro rata* basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "**Meeting**") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.

NOTICE OF ANNUAL GENERAL MEETING

3. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or the hand of its duly authorised officer or attorney in writing.

4. The instrument appointing a proxy must be deposited at the registered office of the Company at 152 Beach Road #27-01 The Gateway East, Singapore 189721 not less than forty-eight (48) hours before the time appointed for the Meeting.

Personal Data Privacy

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

KOP LIMITED
(Company Registration No. 200415164G)
(Incorporated In Singapore)

ANNUAL GENERAL MEETING
PROXY FORM
(Please see notes overleaf before completing this Proxy Form)

IMPORTANT:
1. For investors who have used their CPF monies to buy shares of KOP Limited, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We, ______________________________ (Name(s))

NRIC/Passport No./Co. Registration No. ______________________________

of ______________________________ (Address)

being *a member/members of **KOP LIMITED** (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings to be presented by Proxy	
			No of Shares	%

*and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings to be presented by Proxy	
			No of Shares	%

or failing him/her, the Chairman of the Annual General Meeting ("AGM") of the Company as *my/our proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at 25 Tai Seng Avenue #01-01 Scorpio East Building Singapore 534104 on Wednesday, 29 July 2015 at 11.00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Resolutions proposed at the AGM as indicated hereunder.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, your proxy/proxies will vote or abstain from voting as *he/she/they may think fit, as he/she/they will on any other matter arising at the AGM.)

No.	Resolutions relating to:	For	Against
Ordinary Business			
1	Report of the Directors and Audited Financial Statements for the financial year ended 31 March 2015		
2	Approval of Directors' fees amounting to S$120,000 for the financial year ending 31 March 2016		
3	Re-election of Mr. Ko Chuan Aun as a Director		
4	Re-election of Mrs. Yu-Foo Yee Shoon as a Director		
5	Re-appointment of Dr. Ho Kah Leong @ Ho Kah Leung as a Director pursuant to Section 153(6) of the Companies Act, Chapter 50		
6	Re-appointment of Messrs Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration		
Special Business			
7	Authority to allot and issue new shares		

Dated this _____ day of __________ 2015

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Member or,
Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: Please read notes overleaf

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Singapore Companies Act, Chapter 50), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote on behalf. Such proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 152 Beach Road #27-01 The Gateway East, Singapore 189721 not less than forty-eight (48) hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Singapore Companies Act, Chapter 50.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 July 2015.

KOP LIMITED
152 Beach Road #27-01, The Gateway East Singapore 189721
Tel: (65) 6533 7337 Fax: (65) 6536 7735
www.koplimited.com