

**KOP LIMITED**  
(Company Registration Number: 200415164G)  
(Incorporated in the Republic of Singapore)

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**PROPOSED PLACEMENT OF NEW SHARES**

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1. The board of directors (the “**Board**”) of KOP Limited (the “**Company**”) refers to the circular to shareholders of the Company dated 31 March 2014 (“**Circular**”) in relation to, *inter alia*, the Proposed Placement. The Board wishes to announce that the Company has entered into a placement agreement dated 9 May 2014 (the “**Placement Agreement**”) with Hong Leong Finance Limited (the “**Placement Agent**”) for the placement of 80 million new ordinary shares in the Company to subscribers procured by the Placement Agent.
2. All capitalised terms used in this announcement, unless expressly defined herein, shall bear the same meanings as ascribed to them in the Placement Agreement, the Circular and the Company’s announcement on 24 April 2014 in respect of the listing and quotation notice from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (“**Announcement**”).
3. The Placement (as defined below) will increase the share capital of Company so as to comply with Rule 1015(3) read with Rule 406(1) of the SGX-ST Listing Manual – Section B: Rules of Catalist (the “**Catalist Rules**”).

***Details of the Placement Agreement***

4. In accordance with and subject to the terms and conditions of the Placement Agreement, the Company will issue 80 million<sup>1</sup> new Consolidated Shares (the “**Placement Shares**”) by way of a placement pursuant to an exemption granted under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore (the “**Placement**”).
5. The Company had applied to the SGX-ST for the listing and quotation of, *inter alia*, up to 80 million new Consolidated Shares to be allotted and issued pursuant to the Proposed Placement on the Catalist Board of the SGX-ST (the “**Application**”). As mentioned in the Announcement, the SGX-ST had on 24 April 2014 issued the listing and quotation notice (“**Listing and Quotation Notice**”) for the listing of, *inter alia*, the Placement Shares. The Listing and Quotation Notice is not an indication of the merits of the Company, its subsidiaries, the Target Group, the Proposed Transactions and the New Shares.
6. The Placement Agent has agreed, to procure subscriptions for and/or purchases of the Placement Shares, at the placement price of S\$0.28 for each Placement Share.
7. The Placement Shares, shall be issued or transferred free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and shall carry all rights similar to the existing issued ordinary shares of the Company, save for any dividend, rights, benefits, entitlements, allotment or other distributions, the Record Date for which falls on or before the date of issue of the Placement Shares.

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<sup>1</sup> Including 22 million Placement Shares allocated to Ang Sin Liu and Han Seng Juan, who are existing shareholders of the Company, each holding less than 5% of the total issued Shares.

8. The gross proceeds arising from the Placement is approximately S\$22.4 million. The estimated amount of net proceeds from the Placement would be S\$20 million (the “**Net Proceeds**”), after deducting estimated expenses (including the commission, management fee and/or brokerage fee payable to the Placement Agent of up to S\$0.8 million, professional fees of about S\$1.4 million, and listing fees and other expenses of about S\$0.2 million incurred in connection with the Proposed Acquisition and Placement.
9. The Company intends to use the Net Proceeds in the following manner:
  - (a) Approximately S\$17 million (about 85%) to fund expansion by way of new development projects, joint ventures, acquisitions, investments and others, including repayment of loans<sup>2</sup>; and
  - (b) Approximately S\$3 million (about 15%) will be used for general working capital purposes of the Company.
10. The Company will make periodic announcements as and when the Net Proceeds are materially disbursed. A status report on the use of such Net Proceeds will also be provided in its annual report.
11. The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Enlarged Group is sufficient to meet its present requirements. The reasons for the Placement are set out in the Circular. The Directors are also of the opinion that, after taking into consideration the present bank facilities and the Net Proceeds, the working capital available to the Enlarged Group is sufficient to meet its present requirements.

### **Completion of the Placement**

12. Completion of the Placement is conditional upon, *inter alia*:
  - (a) the Listing and Quotation Notice not having been revoked or amended and, where such approval is subject to conditions (which are not normally imposed by the SGX-ST for a transaction of a similar nature), and to the extent that any conditions for the listing and quotation or relisting (as the case may be) of the Placement Shares on the Catalist Board of the SGX-ST are required to be fulfilled on or before 12 May 2014, or such other date as may be agreed between the parties, they are so fulfilled; and
  - (b) the allotment, issue and subscription or sale and transfer of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or the Placement Agent.
13. The Placement Shares will not be placed to any persons set out as restricted persons under Rule 812 of the Catalist Rules, except that the Company may do so if such persons fall within the exemptions under Rule 812(3) of the Catalist Rules.

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<sup>2</sup> A portion of the Net Proceeds will be used to repay loans from CIMB Niaga and UOB, London Branch.

14. Pursuant to Rule 805 of the Catalist Rules, the Placement Shares will be issued pursuant to the share issue mandate granted by shareholders of the Company to the Directors pursuant to Section 161 of the Companies Act (Chapter 50) of Singapore, at its extraordinary general meeting on 25 April 2014.

**BY ORDER OF THE BOARD**

Ong Chih Ching  
Executive Director and Group Chief Executive Officer  
9 May 2014

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

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

The contact person for the Sponsor is Ms. Joan Ling, Senior Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone: (65) 6415 9886.