Further to the announcement dated 21 November 2016, the Board of Directors of KOP Limited (the “Company”, and together with its subsidiaries, the “Group”) wishes to announce that its 25%-owned associated company, Epic Land Pte. Ltd. (“Vendor” or “Epic”) has executed a sale and purchase agreement (the “SPA”) to dispose the entire issued and paid-up share capital of its 12 wholly-owned subsidiaries, Epic Land (11-1) Pte. Ltd., Epic Land (12-1) Pte. Ltd., Epic Land (12-2) Pte. Ltd., Epic Land (13-1) Pte. Ltd., Epic Land (13-2) Pte. Ltd., Epic Land (14-1) Pte. Ltd., Epic Land (14-2) Pte. Ltd., Epic Land (15-1) Pte. Ltd., Epic Land (15-2) Pte. Ltd., Epic Land (23) Pte. Ltd., Epic Land (24) Pte. Ltd., and Epic Land (29) Pte. Ltd. (collectively, the “Sale Companies”), holding in aggregate a total of 17 strata office units in Prudential Tower (the “Properties”) to unrelated third party (the “Purchaser”) for an aggregate consideration based on the net asset value of the Sale Companies as at the completion date (“Sale Consideration”), computed on the basis that the value of the Properties is equivalent to S$206,593,400 (the “Proposed Disposal”). The outstanding shareholder’s loan owing by the Sale Companies to the Vendor will be fully settled on Completion.

The Sale Consideration was arrived on a willing-buyer-willing-seller basis, which has taken into account, inter alia, the shareholder’s loan due to the Vendor, the cost of the Properties and the prevailing market conditions. The Sale Consideration will be satisfied in cash by the Purchaser and the Purchaser will pay a deposit of S$20,659,340 following the signing of the SPA.

No valuation was commissioned in respect of the Sale Companies. The aggregate unaudited net asset value of the Sale Companies as at 31 December 2016 was approximately S$915,804.58, after deducting the outstanding shareholder’s loan owing by the Sale Companies to the Vendor.

The completion of the Proposed Disposal (“Completion”) is scheduled on 31 March 2017. Upon Completion, the Sale Companies will cease to be associated companies of the Company.

The Proposed Disposal is in line with one of the Group’s core business activities in property development and investments. As the Proposed Disposal is in line with the Group’s ordinary course of business and is of a revenue nature, Chapter 10 of the Singapore Exchange Securities Trading Limited’s Catalist Listing Manual, in particular, seeking Shareholders’ approval under Rule 1014 where the relative figures as computed on the bases set out in Rule 1006 exceeds 50%, does not apply to the Proposed Disposal.

The Proposed Disposal is expected to have positive material impact on the net earnings per share or the net tangible assets per share of the Group for the current financial year ending 31 March 2017.

Mr. Ko Chuan Aun, the President, Executive Director and shareholder of the Company, is also an Independent Director and shareholder of Lian Beng Group Ltd, holding company of one of the shareholder of Epic and also an Independent Director of KSH Holdings Limited, holding company of one of the shareholder of Epic.
Save as disclosed above, none of the other directors or substantial shareholders of the Company has any interest, direct or indirect, in the aforesaid transaction save for their shareholdings (if any) in the Company.

BY ORDER OF THE BOARD

Ong Chih Ching
Executive Chairman and Executive Director
21 January 2017

This announcement 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 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 Mr. Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone: (65) 6415 9886.