



(Company Registration No. 200415164G)  
(Incorporated in the Republic of Singapore)

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## ENTRY INTO A LOAN AGREEMENT WITH THE CONTROLLING SHAREHOLDER

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### 1. INTRODUCTION

The Board of Directors (the "**Board**") of KOP Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that it has on [9] November 2017 entered into a loan agreement ("**Loan Agreement**") with Mr Sam Goi Seng Hui (the "**Lender**"), pursuant to which the Lender has agreed to grant the Company a loan of an aggregate principal amount of S\$45,000,000 ("**Loan**") which is convertible (at the Lender's option upon the occurrence of a Conversion Event (as defined below)) into fully paid-up ordinary shares in the capital of the Company ("**Conversion Shares**") on the terms and subject to the conditions of the Loan Agreement.

### 2. THE LENDER

Mr Sam Goi Seng Hui is a controlling shareholder of the Company and as at the date of this announcement has a direct interest in an aggregate of 221,592,443 ordinary shares in the capital of the Company representing approximately 20.0% of the entire issued share capital of the Company.

### 3. SALIENT TERMS OF THE LOAN AGREEMENT

The salient terms of the Loan Agreement are as follows:

- (a) **Principal amount** : S\$45,000,000
- (b) **Drawdown Date** : Such date the Lender has received all the documents and evidence of the conditions precedent set out in the Loan Agreement in form and substance satisfactory to the Lender
- (c) **Interest** : Seven percent (7%) per annum to be paid in three-monthly intervals, to be calculated from the Drawdown Date, on the basis of the actual days elapsed on a 365-day year.
- (d) **Conditions precedent to drawdown** : The obligation of the Lender to grant the Loan is conditional upon the following conditions being fulfilled by the date falling one (1) week from the date of the Loan Agreement, being:

- (a) delivery of the copies of the Certificate of Incorporation, the Constitution and other constitutional documents of the Company, each certified as a true copy by a director of the Company;
- (b) delivery of the copies of the NRIC or identification documents of each of the Guarantors (as defined below);
- (c) delivery of an extract of the resolutions of the board of directors of the Company (each certified as a true copy or extract by any two (2) directors of the Company), (i) approving the terms of and the transactions contemplated by the Loan Agreement, the Guarantee (as defined below) and the Conversion Option Notice (as defined below) (collectively the "**Finance Documents**") to which it is a party and resolving that it executes the Finance Documents to which it is a party; (b) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;
- (d) delivery of the Guarantee duly executed by the parties to it;
- (e) satisfactory replies to the composite litigation, winding up, insolvency, bankruptcy, judicial management, company and other related searches conducted against the Company who is incorporated, registered, domiciled or resident in Singapore;
- (f) the Lender being satisfied that there has been no investigations by any regulatory authority on the Company or any of its directors and that no such investigation is threatened;
- (g) delivery of a copy of each of the business licence and the constitution of the Snow Star Properties Co., Ltd reflecting the equity interests held by KOP Northern Lights Pte. Ltd., Shanghai LuJiaZui Zhimao Investment Co., Ltd. (上海陆家嘴至茂投资有限公司) and Shanghai Hongbin Zhiye Co., Ltd. (上海鸿宾置业有限公司) to be 30%, 40% and 30% respectively;
- (h) delivery of an irrevocable undertaking in favour of the Lender, from each of the controlling shareholders of the Company and the Guarantors to vote in favour of the issuance and allotment of the Conversion Shares at the Conversion EGM (each as defined below);
- (i) determination by the Lender at its own discretion that there is no breach of any representations, warranties and undertakings required to be performed or caused to be performed by the Company under the Finance Documents since the date hereof;
- (j) there being no material adverse effect on the assets, properties, business, financial condition, prospects or operations of the Company or member of the Group or development or event involving a prospective change likely to result in a material

adverse effect to the condition (financial or otherwise), prospects, results of operations or general affairs of the Company or member of the Group since the date hereof; and

(k) delivery of any other document which the Lender may require.

(e) **Repayment Terms** : The Company shall repay the Loan, together with the interest accrued on the repayment date, such date falling twelve (12) month(s) from the Drawdown Date ("**Repayment Date**").

(f) **Security** : As security for the Loan, the Company shall procure, in favour of the Lender, a joint and several personal guarantee ("**Guarantee**") to be provided by the executive directors of the Company, Ong Chih Ching and Leny Suparman (the "**Guarantors**")

(g) **Conversion Option** : In the event the Company is unable to repay the outstanding Loan amount (including interest accrued) ("**Outstanding Sum**") on the Repayment Date ("**Conversion Event**"), the Lender may elect to, at any time following the Conversion Event, convert the Loan into Conversion Shares (collectively the "**Conversion Option**"). The Lender may exercise the Conversion Option by serving on the Company a notice in writing ("**Conversion Option Notice**").

(h) **Conversion Shares** : The number of Conversion Shares to be allotted and issued or transferred to the Lender or its nominee(s) credited as fully paid-up shall be calculated based on the following formula:-

**A**

----- = **C**

**B**

*Where:-*

*A = The Outstanding Sum as at the date of the Conversion Option Notice*

*B = The Conversion Price (as defined below)*

*C = The number of Conversion Shares*

(i) **Issuance of the Conversion Shares** : The Company undertakes, by no later than eight (8) months from the date of the Loan Agreement, deliver and/or procure the delivery of the following documents and other evidence in form and substance satisfactory to the Lender:

(a) the in-principle approval from SGX-ST ("**Listing Approval**") for the listing and quotation of the Conversion Shares on the Catalist of the SGX-ST, and if any conditions are attached to the Listing Approval, such conditions being on terms satisfactory to the Company;

(b) the approval of the shareholders of the Company in a general

- meeting ("**Conversion EGM**") having been obtained for the allotment and issue of the Conversion Shares to the Lender;
- (c) amended the approval of the Securities Industry Council ("**SIC**") ("**SIC Approval**") to the Lender and the parties acting in concert with the Lender to dispense with the requirements of Rule 14 of the Singapore Code on Takeovers and Mergers ("**Takeover Code**") to make an offer to the shareholders of the Company arising from the issuance and allotment of the Conversion Shares, on conditions acceptable to the Company;
  - (d) the approval of the shareholders of the Company in a general meeting in respect of the waiver of the rights of the shareholders of the Company to receive a mandatory offer from the Lender and parties acting in concert with the Lender pursuant to Rule 14 of the Takeover Code for all the issued and paid-up shares of the Company;
  - (e) any conditions attached to the Listing Approval and/or SIC Approval which is required to be fulfilled before the issuance and allotment of the Conversion Shares, being acceptable to the Lender and the Company, and having been fulfilled on or before that date to the satisfaction or waiver of SGX-ST and/or SIC (as the case may be); and
  - (f) all such other authorisations, consents and approvals required for the allotment and issuance of the Conversion Shares as the Lender may require.
- (j) **Conversion Price** : The lower of either (i) the volume weighted average price of the Company's shares transacted on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on the five (5) market days preceding the date the Conversion Option Notice was given. In the event the Conversion Option Notice was not given on a market day or there were no trades done on the SGX-ST on the market day that the Conversion Option Notice was given, the volume weighted average price shall be based on the last five (5) full market days in which trades were recorded on the SGX-ST; or (ii) S\$0.09.
- (k) **Governing law** : The Loan Agreement shall be governed by and construed in accordance with the laws of Singapore.

#### **4. RATIONALE AND USE OF PROCEEDS**

- 4.1 As announced by the Company on 7 April 2017, 19 April 2017 and 23 June 2017 in relation to the proposed land acquisition and resort development of Project Wintastar, the Company had successfully tendered for the land located at Lingang, Pudong New District, Shanghai ("**Land**"). The Company shall use the Loan to fund the capital requirements of the Company's 30% equity interest in the joint venture company, Snow Star Properties Co., Ltd. for the development of the Project Wintastar in Shanghai, China.

## **5. INTERESTED PERSON TRANSACTION**

- 5.1. The Lender is a controlling shareholder of the Company. Accordingly, the Lender is an "interested person" for the purposes of Chapter 9 of Section B: Rules of Catalist ("**Catalist Rules**").
- 5.2. The interested person transaction value (representing the amount at risk to the Company) in relation to the Loan is S\$3,150,000, being the interest payable on the Loan, assuming the Loan is fully repaid by the final Repayment Date and no portion of the Loan is prepaid by the Company at any time prior to the final Repayment Date.
- 5.3. The interested person transaction value in relation to the Loan exceeds 3% of the Group's latest audited net tangible assets ("**Group NTA**") of approximately S\$95,238,000 as at 31 March 2017.
- 5.4. Save as disclosed, there are no other interested person transactions entered into by the Group entered into by the Group with the Lender or his associates for the financial year ending 31 March 2018.
- 5.5. The interested person transaction value in relation to the Loan does not exceed 5% of the Group NTA. As such, the Company is not required to seek shareholders' approval pursuant to Rule 906(1) of the Catalist Rules for entry into the Loan Agreement.
- 5.6. The Audit Committee of the Company is of the view that the Loan has been entered into on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

## **6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their respective shareholdings in the Company), in the Loan.

## **7. FURTHER ANNOUNCEMENTS**

The Company will make further announcements on the Loan as and when appropriate.

## **BY ORDER OF THE BOARD**

### **ONG CHIH CHING**

Executive Chairman and Executive Director

9 November 2017

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (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.*

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