



For Immediate Release

PRESS RELEASE

KOP Properties' S\$3.3 million Junior Notes due 2023 to be redeemed¹

Singapore, 14 November 2014 – The Board of Directors of KOP Limited (“**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that its wholly-owned subsidiary, KOP Properties Pte. Ltd. (“**KOPP**”), has accepted an offer by Royce Properties Pte. Ltd. (“**Royce Properties**”) proposing, *inter alia*, the redemption of Junior Notes due 2023 at a total amount of S\$68,490,994 (“**Redemption Amount**”). The redemption is subject to the approval of shareholders of the Company.

Junior Notes due 2023 of a principal amount of S\$8,400,000 (“**2013 Junior Notes**”) were issued in 2013 by Royce Properties pursuant to a subscription agreement between Royce Properties and various noteholders, including KOPP. Royce Properties is an indirect wholly-owned subsidiary of KOP Group Pte. Ltd., a controlling shareholder of the Company. KOPP currently holds S\$3,300,000 in principal amount of the 2013 Junior Notes, equating to approximately 39.9% of the underlying economic interest in The Ritz-Carlton Residences. In addition to redeeming the 2013 Junior Notes held by KOPP, the Redemption Amount serves as repayment of all amounts owed to KOPP under S\$28,000,000 Secured Fixed Rate Junior Notes (“**2007 Junior Notes**”) and Series A Redeemable Preference Shares (“**Series A RPS**”) (“**Proposed Redemption**”) held by KOPP previously, the principal amounts of which were repaid in 2013.

In conjunction with the Proposed Redemption, the Company has announced that Royce Properties will issue new Junior Notes of a 5-year tenure in the aggregate principal amount of S\$39,800,000 (“**2014 Junior Notes**”), which KOPP will subscribe for, pursuant to a subscription agreement dated 13 November 2014 (“**Proposed Subscription**”). The terms for the above transactions were negotiated and arrived at on a willing-buyer-willing-seller basis, taking into account that the Redemption Amount represents a premium of 119% over the net book value of the 2013 Junior Notes and all amounts owed by Royce Properties to KOPP under the 2007 Junior Notes and the Series A RPS as at 31 July 2014.

“We think that the redemption of the 2013 Junior Notes will enable KOP Limited to realise its 39.9% economic interest in Royce Properties’ underlying investment in The Ritz-Carlton Residences in the midst of the present market slow-down in the high-end real estate market. We are excited, as this additional liquidity will pave the way for business expansion and further growth,” says Executive Chairman and Co-founder of KOP Limited Ong Chih Ching.

Following the Proposed Redemption, the Group looks forward to deeper cash reserves and increased liquidity, thereby better positioning the Group in pursuing opportunities to expand its business in Singapore as well as overseas through acquisitions, joint ventures and/or strategic alliances. It also holds the opinion that the Proposed Subscription is in its interests as KOPP will earn returns in the form of interest payable under the 2014 Junior Notes.

¹ Capitalised terms used herein shall, unless otherwise defined, have the definitions ascribed to them in the SGX announcement by KOP Limited dated [14] November 2014.

Asian Corporate Advisors Pte. Ltd. has been appointed as the independent financial advisor to advise the non-interested directors of the Company on whether or not the Proposed Transactions are on normal commercial terms or are prejudicial to the interests of the Company and its minority shareholders. The Proposed Transactions are interested person transactions subject to the approval of independent shareholders of the Company at an EGM to be convened. A circular to the Company's shareholders with more information on the Proposed Transactions will be despatched in due course.

The redemption and subscription processes are expected to be completed before 31 March 2015.

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ABOUT ROYCE PROPERTIES

Royce Properties is a private company limited by shares incorporated in Singapore. Royce Properties is an indirect wholly-owned subsidiary of KOP Group Pte. Ltd. ("**KOPG**"), a controlling shareholder of the Company. KOPG's directors and shareholders include Ms. Ong Chih Ching, the Executive Chairman and an Executive Director of the Company, and Ms. Leny Suparman, the Group Chief Executive Officer and an Executive Director of the Company.

Royce Properties is an interested person vis-à-vis the Group and the Proposed Transactions constitute interested person transactions.

ABOUT KOP LIMITED

KOP Limited ("KOPL") is formed from the Reverse Takeover (RTO) of Scorpio East Holdings Ltd., and listed on Catalist of the Singapore Exchange on 14 May 2014. It has businesses that encompass both property and entertainment industries, and strives to be a business organisation that is founded on superior returns, established relationships with customers and sound investment strategies.

KOPL seeks to expand their work through synergies derived from the Property and Entertainment Businesses, with their sights set on a multitude of ventures in the region. Tracing its roots to KOP Properties Pte. Ltd., which developed high-quality and iconic property projects such as The Spazio, Hamilton Scotts (the world's tallest en suite elevated car porch residence), The Ritz-Carlton Residences, Singapore, and Montigo Resorts, Nongsa, KOPL seeks to be a leading property and lifestyle purveyor in the region.

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This Press Release should be read in conjunction, and qualified in its entirety, with the announcement released by KOP Limited dated 13 November 2014.

This Press Release 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 SGX-ST. The Sponsor has not independently verified the contents of this Press Release.

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

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