

# KOP LIMITED

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

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## PROPOSED ISSUE OF UP TO 221,592,443 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

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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 the Company has, on 6 October 2017, entered into a placement agreement ("**Placement Agreement**") with Sam Goi Seng Hui (the "**Placee**"), pursuant to which the Placee will subscribe for up to 221,592,443 new ordinary shares in the capital of the Company ("**Placement Shares**") at a placement price of S\$0.05 (the "**Placement Price**") for each Placement Share, to raise an aggregate of up to S\$11,079,622.15 (the "**Proposed Placement**").

On the assumption that 221,592,443 Placement Shares are subscribed, the Placement Shares represent 25% of the existing issued share capital of the Company. Upon completion of the Proposed Placement, and assuming that no new Shares are issued, the Placement Shares will represent 20% of the enlarged share capital of the Company.

There is no introducer or placement agent appointed for the Proposed Placement. The offer of the Placement Shares from the Company shall only be offered to Mr. Sam Goi Seng Hui pursuant to Section 272B of the Securities and Futures Act, Chapter 289 of Singapore (the "**Securities and Futures Act**"). As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the allotment and issue of the Placement Shares.

The Sponsor of the Company, RHT Capital Pte. Ltd., will be making an application on behalf of the Company to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing of and quotation for the Placement Shares on the Catalist of the SGX-ST.

### 2 USE OF PROCEEDS

On the assumption that 221,592,443 Placement Shares are subscribed at the Placement Price, the estimated net proceeds from the Proposed Placement is S\$11 million ("**Net Proceeds**"). The Company intends to utilise the Net Proceeds in the following proportions:

Use of Net Proceeds	Proportion (%)	Amount
To support business development and business expansion	100	S\$11 million

Pending deployment of the Net Proceeds for such purposes, the Net Proceeds may be placed in deposits with financial institutions or invested in short-term money market instruments or used for any other purposes on a short-term basis as the Directors may in their absolute discretion deem fit in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial

statements issued under Rule 705 of the Catalist Rules and in the annual report of the Company.

### 3 RATIONALE FOR THE PLACEMENT AND INFORMATION ON THE PLACEE

3.1 The Placement Shares subscribed by the Placee is as follows:

Name of Placee	Number of Placement Shares subscribed for
Mr. Sam Goi Seng Hui	221,592,443

3.2 The Placee, Mr. Goi, is a successful businessman. Currently, he is the Executive Chairman of Tee Yih Jia Group, a global food and beverage manufacturer and of GSH Corporation. Apart from these core businesses, Mr Goi has strategic investments in listed and private entities spanning numerous industries, such as food and beverage, consumer essentials, recycling, distribution and logistics.

3.3 The rationale for the Proposed Placement is to raise funds for the Company to support its business development and business expansion.

3.4 As at the date of this announcement, the Placee does not hold any Shares in the Company. Upon completion of the Proposed Placement, the Placee will hold an aggregate of 221,592,443 Shares, representing approximately 20% of the enlarged share capital of the Company.

3.5 The Placee's subscription of the Placement Shares is for investment purposes only, and the Placee will not be holding the Placement Shares on trust or as a nominee. Pursuant to the Placement Agreement, the Placee will upon completion nominate a non-executive director and an independent director onto the Board.

3.6 The Placee does not hold any interest in any investment or any directorship in the Company or businesses in competition with the Group. The Placee has no connection with the Company, its Directors and substantial shareholders (including any business relationship), and is not a person to whom the Company is prohibited from using Shares to, as provided for by Rule 812 of Section B of the Listing Manual dealing with the rules of Catalist.

### 4 PRINCIPAL TERMS OF THE PLACEMENT AGREEMENT

#### 4.1 Placement Shares and Placement Price

The Placement Price was arrived at following arm's length negotiations between the Company and the Placee, and represents a discount of approximately 4.76% to the volume weighted average price of S\$0.0526 as at 5 October 2017 for each share of the Company ("Share") for trades done on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the full market day on 5 October 2017 (being the last full market day prior to the signing of the Placement Agreement).

The Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued Shares at the time of the issue except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Placement Shares.

#### 4.2 Conditions Precedent

Completion of the Proposed Placement shall take place on the date falling seven (7) business days from the date on which the Listing Approval (as defined below) is obtained (the "Completion Date"), and is conditional upon the following (collectively, the "Conditions"):

- (a) approval for the listing and quotation of the Placement Shares on the SGX-ST being obtained, and not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before Completion Date, they are so fulfilled;
- (b) the exemption under Section 272B of the SFA being applicable to the Placement under this Agreement;
- (c) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of this Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction, which is applicable to the Company or the Placee;
- (d) the delivery to the Placee on the Completion Date, of a certificate, substantially in the form set out in Schedule 1 of the Placement Agreement, signed on behalf of the Company by its duly authorised officers;
- (e) there not having occurred, in the opinion of the Placee, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of this Agreement which, in the opinion of the Placee, is or is reasonably likely to be materially adverse in the context of the Placement; and
- (f) the representations, warranties and undertakings in the Placement Agreement remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations hereunder to be performed on or before the Completion Date; and
- (g) the delivery to the Placee of a letter of undertaking from the controlling shareholders of the Company, namely Ong Chih Ching and Leny Suparman, to procure the appointment of the two (2) nominees of the Placee to the board of directors of the Company in accordance with Clause the Placement Agreement.

If any of the Conditions is not satisfied on or before the date falling four (4) weeks after the date of the Placement Agreement, the Placement Agreement shall terminate and shall be of no further effect and neither the Company or nor the Placee shall be under any liability to the other in respect of the Placement Agreement save that the Company shall remain liable for the indemnities it has provided to the Placee and for the reimbursement of costs and expenses incurred by the Placee in respect of the Proposed Placement up to the date of such termination.

## 5 AUTHORITY TO ISSUE THE PLACEMENT SHARES

The Placement Shares will be issued pursuant to the share issue mandate (the “**Share Issue Mandate**”) which was approved by shareholders of the Company at the annual general meeting of the Company held on 21 September 2017 (“**AGM**”). Pursuant to the Share Issue Mandate, Directors have the authority to issue Shares and/or make or grant offers, agreements, or options (collectively, “**Instruments**”) that might or would require Shares to be issued, such that the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments, made or granted) does not exceed 100% of the total number of issued Shares (excluding treasury shares) as at the date of the AGM, of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares) as at the date of the AGM.

As at the date of the AGM, the Company had an issued share capital of 886,369,771 Shares. As no Share has been issued pursuant to the Share Issue Mandate, the total number of Shares that may be issued pursuant to the Share Issue Mandate is 886,369,771 Shares, of which the maximum number of Shares that can be issued other than on a pro rata basis is 443,184,885 Shares. The 221,592,443 Placement Shares that may be issued pursuant to the Proposed Placement falls within the limits of the Share Issue Mandate.

## 6 FINANCIAL EFFECTS

The financial effects of the Proposed Placement on the net tangible asset (“NTA”) per Share and the earnings per Share (“EPS”) are prepared for illustration only and do not purport to reflect the actual future results and financial position of the Group following completion of the Proposed Placement. The financial effects have been computed based on the following bases and assumptions:

- (a) the audited consolidated financial statements of the Group for the financial year ended 31 March 2017;
- (b) the effect of the Proposed Placement on the NTA per Share is computed based on the issued share capital of 886,369,771 Shares before the Proposed Placement and on the assumption that the Proposed Placement was completed on 31 March 2017; and
- (c) the effect of the Proposed Placement on the EPS is computed based on the issued share capital of 886,369,771 Shares before the Proposed Placement and on the assumption that the Proposed Placement was completed on 1 April 2016.

	Before Completion of the Proposed Placement	After Completion of the Proposed Placement
Issued and paid-up share capital (S\$'000)	283,427	294,507
Number of Shares	886,369,771	1,107,962,214
NTA per Share (cents)	10.74	9.60
EPS (cents)	0.13	0.11

While the Proposed Placement will result in the Placee holding more than 15% of the shareholding in the Company, the Proposed Placement will not have any effect of transferring a controlling interest in the Company.

The controlling shareholders of the Company currently hold 526,032,857 Shares in the capital of the Company. On the basis of 886,369,771 Shares, the controlling shareholders currently hold 59.35% of the Shares in the capital of the Company.

Following the Proposed Placement, the share capital of the Company would be 1,107,962,214 Shares and the controlling shareholders of the Company would hold 47.78% of the enlarged share capital of the Company.

## 7 DIRECTORS' OPINION ON WORKING CAPITAL

The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Nevertheless, the Company intends to utilise the Net Proceeds to support its business development and business expansion.

## 8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Placement Agreement are available for inspection at the office of the Company's registered office at 25 Tai Seng Avenue #06-01 KOP Building Singapore 534104, during normal business hours for a period of three (3) months from the date of this announcement

## 9 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement, other than their respective interests in the Shares.

## 10 GENERAL

The Company will make the necessary announcements once the listing and quotation notice for the Placement Shares has been obtained from the SGX-ST.

## 11 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors of the Company are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

### BY ORDER OF THE BOARD

Ong Chih Ching  
Executive Chairman and Executive Director

7 October 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.*

*The contact person for the Sponsor is Mr. Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd., Six Battery Road, #10-01, Singapore 049909, (65) 6381 6757.*