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

RESPONSE TO SGX QUERIES

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*Unless otherwise specified, capitalised terms used herein shall bear the same meaning ascribed to the announcements dated 18 January 2021 and 20 January 2021 in relation to the receipt of notice of arbitration ("**Announcements**").*

The Board of Directors (the "**Board**") of KOP Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refer to the Announcements.

The Company sets out below the queries raised by the SGX-ST on 30 January 2021 and the Company's responses to the queries.

Query 1

On 18 Jan 2021, the Company announced the receipt of a notice of arbitration, without providing further details ("**Arbitration**").

On 20 Jan 2021, the Company released its responses to SGX RegCo's queries dated 19 Jan 2021, stating that the Company was bound by the non-disclosure clause in the notice of arbitration and hence is unable to disclose any further details of the arbitration. Additionally, the Company will be appointing a legal advisor within the next 2 weeks and will make an update announcement if there are any material changes.

We note that Leny Suparman, the CEO and ED, and Ong Chih Ching, the Executive Chairman, of the Company had acquired shares in the Company on 21 Jan 2021. Both transactions were announced on 22 Jan 2021.

KOP disclosed in its annual report that in compliance with Rule 1204(19) of the Catalist Rules, the Company has adopted policies to provide guidance to its Directors and officers on dealings in the Company's securities. The Company prohibits its Directors and officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information ("**Trading Policies**").

(a) Please explain if both directors were aware of details of the Arbitration and the arbitration notice, and were therefore in possession of unpublished price-sensitive information.

(b) Please provide us with AC's views as to whether both directors were compliant with the Company's Trading Policies, given the trades conducted on 21 Jan 2021.

Company's Response

While the directors were aware of the arbitration notice, they were of the view that they were not acting on material price-sensitive information when they acquired shares on 21 January 2021, for the following reasons:

(i) The Company had, on 18 January 2021 announced that it had received the Arbitration. On 20 January 2021, to the best of the Company's ability and present knowledge, the Company had responded in the SGX-ST queries that the quantum involved in the arbitration is expected to have a material impact in the Group, but the Company is unable to quantify the impact now. In addition, the Company also responded that the outcome of the arbitration will potentially affect the cash flow and working capital, however it is not expected to materially affect the operations and going concern of the Group.

(ii) The Company is, as at the date of this announcement, still waiting for their Chinese counsel to advise on the ambit of the non-disclosure clause. Due to the non-disclosure clause in the notice of arbitration and in accordance with Rule 703(2) of the Listing Manual Section B: Rules of Catalist, the Company is unable to disclose further information as it would to amount to the breach of the relevant laws.

In addition, as announced on 20 January 2021, the Company is in the midst of appointing its legal advisor. As of 21 January 2021 and to-date, the Company has not obtained formal legal advice on, and the Company nor the Directors are aware or able to determine if the details of the notice of arbitration contains any price-sensitive information.

Having reviewed the responses to the queries, the AC is of the view that this is an isolated case taking into account the non-disclosure clause in the notice of arbitration. Moving forward, the AC has advised the directors to, and the directors will undertake to, exercise greater caution prior to trading in the Company's securities.

Query 2

Please provide updates as to the progress of seeking legal advice as to (1) whether the Company is unable to provide further details of the Arbitration as a result of the non-disclosure clause in the notice of arbitration, and (2) the impact of the Arbitration on the Group's cash flow and working capital.

Company's Response

The Company is in the midst of appointing its legal advisor and unable to quantify the impact on the Group's cash flow and working capital now. The Company will make an update announcement if there are any material changes.

BY ORDER OF THE BOARD

Ong Chih Ching
Executive Chairman and Executive Director
1 February 2021

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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. ("**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.

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