



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

UPDATE ON THE RECEIPT OF NOTICE OF ARBITRATION

*Unless otherwise specified, capitalised terms used herein shall bear the same meaning ascribed to the announcements dated 18 January 2021, 20 January 2021, 1 February 2021, 11 February 2021, 5 March 2021 and 3 June 2021 in relation to the receipt of notice of arbitration ("**Announcements**").*

BACKGROUND

1. The Board of Directors (the "**Board**") of KOP Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Announcements and wishes to update that at the recent hearing on 1 July 2022, counterparties have agreed that they have no objection to the Company disclosing updates on the arbitration which are set out below.
2. On 10 November 2016, the Company announced that its indirect wholly-owned subsidiary company, KOP Northern Lights Pte. Ltd. ("**KOPNL**") had entered into a joint venture framework agreement ("**Framework Agreement**") in relation to a joint venture ("**JV**") with Shanghai LuJiaZui Zhi Mao Investment Co., Ltd (上海陆家嘴至茂投资有限公司) ("**SLJZZM**"), a wholly-owned subsidiary of Shanghai LuJiaZui (Group) Co., Ltd (上海陆家嘴(集团)有限公司) ("**SLJZ**") and Shanghai Harbour City Development (Group) Co., Ltd (上海港城开发(集团)有限公司) ("**SHCD**") for the development of Wintastar Shanghai (冰雪之星) located in Shanghai's Lingang City (临港主城区).
3. On 12 June 2017, KOPNL entered into an investment agreement ("**Investment Agreement**") in relation to the incorporation of the JV company, Shanghai Snow Star Properties Co., Ltd. (上海耀雪置业有限公司) ("**JVC**"), with SLJZZM and Shanghai Hong Bin Properties Co., Ltd. (上海鸿滨置业有限公司), a wholly-owned subsidiary of SHCD (collectively known as the "**Applicants**").
4. On or around 2020, as a result of differing views and disagreements between the parties in the JV, the Applicants have brought the case to the Shanghai International Arbitration Centre on 28 December 2020 (the "**SHIAC**").
5. On 18 January 2021, the Company announced that KOPNL had received a notice of arbitration dated 4 January 2021. Subsequently, the Company had appointed its legal adviser on 11 February 2021 and was advised on 5 March 2021 that, in accordance with Article 40 of the (中华人民共和国仲裁法) and Article 41 of the (中国(上海)自由贸易试验区仲裁规则), further disclosure of the status of the arbitration case would cause the Company to be in breach of these laws and regulations. On 3 June 2021, the Company announced that the counterparties had, on 26 May 2021, rejected the Group's request to disclose more details on the arbitration.

UPDATE ON ARBITRATION

6. Following a hearing on 25 June 2021, the SHIAC issued a partial judgment on 29 November 2021 as follows: (i) the Framework Agreement and the Investment Agreement shall be terminated on 20 December 2020, and (ii) the Applicants will acquire the Company's 30% equity interests in the JVC at a fair market value, based on the average of the valuation provided by two China-qualified valuers appointed by the Applicants and the Company respectively.
7. The partial judgement dated 29 November 2021 had retrospectively terminated the Framework Agreement and Investment Agreement on 20 December 2020.

8. As of the date of this announcement, the Company and the Applicants have submitted their respective valuation reports to the SHIAC.
9. The Company is presently not aware of the final arbitration award date and the execution date of the judgment, even though the lawyers for all the parties have requested SHIAC, to expedite the case.
10. Pending the final arbitration award, the Company is at the present time unable to quantify the quantum of the arbitration and the full financial impact on the Group. As announced on 5 March 2021, although the arbitration may materially affect the cash flow and working capital of the Company, it is not expected to materially affect the operations and going concern of the Group.
11. The Company's legal adviser had advised that it is more appropriate to disclose the full details of the arbitration, the outcome and financial impact once the final arbitration award is made, in order not to prejudice the final judgement. In consultation with the Company's legal adviser and having regard to the foregoing, the Board concurs with the Company's legal adviser's advice.
12. The Company will make further announcements as and when there are further developments on this matter.

DIRECTORS' RESPONSIBILITY STATEMENT

13. The Board collectively accepts full responsibility for the accuracy of the information given in this announcement and confirms after making all reasonable enquiries that, to the best of its knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the update on arbitration, the Company and its subsidiaries, and the Board is 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 Board has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing or trading in the shares of the Company. Shareholders and potential investors who are in any doubt about the contents of this announcement or as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant, or other professional advisers immediately.

BY ORDER OF THE BOARD

Ong Chih Ching
Executive Chairman and Executive Director
29 July 2022

*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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