



KOYO INTERNATIONAL LIMITED
Registration No. 200100075E
(Incorporated in Singapore)

ENTRY INTO LOAN AGREEMENT AS AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Koyo International Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to inform shareholders that Mr Foo Suay Lun (the “**Lender**”) has entered into a loan agreement, dated 12 September 2024, with the Group’s wholly owned subsidiary, Koyo Engineering (S.E. Asia) Pte Ltd (the “**Subsidiary**”). Pursuant to the loan agreement, the Lender has agreed to extend an interest-bearing working capital loan of up to S\$3,000,000 to the Subsidiary (“**Working Capital Loan 2**”).

2. PRINCIPAL TERMS OF THE WORKING CAPITAL LOAN

The principal terms of the Working Capital Loan are as follows:

Principal Amount	:	Up to S\$3,000,000 (to be disbursed in full or in parts, as may be mutually agreed upon between the Subsidiary and the Lender).
Disbursement	:	At the request of the Subsidiary, how the Working Capital Loan is disbursed by the Lender to the Subsidiary shall be as mutually agreed upon between parties.
Repayment	:	The Working Capital Loan shall be repayable in full to the Lender after one (1) year from 12 September 2024 or such date(s) as may be mutually agreed upon between the Subsidiary and the Lender, subject to review and approval by the Audit Committee of the Company of the terms including the applicable interest rate, rationale for and benefit of the above interested person transaction.
Interest Rate	:	Interest is chargeable at 1.5% per annum above the cost of funds of an existing commercial bank. This is in line with the commercial bank’s letter of offer to the Subsidiary. The Subsidiary shall update the Lender on the prevailing cost of funds for the existing commercial bank as and when it changes. The current interest rate for the Working Capital Loan as at the date of this announcement is 5.20%.

The interest is on a term-loan basis, which is calculated upon disbursement of the Working Capital Loan (whether in full or in parts), charged to the Subsidiary and payable upon disbursement of the Working Capital Loan (or any part thereof). The Subsidiary may repay the entire outstanding amount under the Working Capital Loan and all monies due and/or payable to the Lender under this Agreement prior to expiry of the repayment term by giving to the Lender not less than one (1) month's written notice of intended repayment.

3. INFORMATION ON THE LENDER

The Lender is an Executive Director of the Group, who is the brother of Mr Foo Suay Wei, the Managing Director and CEO of the Group. The Lender owns 100% of Salix Capital Pte Ltd, which in turn holds 49,449,500 ordinary shares representing 26.05% of the Company's issued and paid-up share capital as of the date of this announcement.

4. INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE CATALIST RULES

Transactions entered into between an issuer's an "interested person" and the issuer, its subsidiaries or associated companies (which the listed group or its interested persons have control over) are deemed interested person transactions ("IPTs") and subject to Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

Pursuant to Rule 909(3), in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. On the assumption that the tenure of the Working Capital Loan is 12 months, the interested person transaction value amounts to an estimate of S\$156,000 (based on the current interest rate), which represents 0.91% of the Group's latest audited net tangible assets as at 31 December 2023 amounting to S\$17,103,000.

In addition to the Working Capital Loan 2, the Group entered into the following IPTs since the beginning of FY2024:

- The Subsidiary had on 12 July 2024, extended the repayment date of a working capital loan from KF Capital Pte Ltd, which is controlled by Mdm Dalat Kositanon, who is the mother of Mr Foo Suay Wei and Mr Foo Suay Lun, the Managing Director and the Executive Director of the Group respectively. The repayment date was extended for one year from 13 July 2024 to 13 July 2025. The principal amount of the loan was S\$3,500,000 (the "**Working Capital Loan**"). The interest of the Working Capital Loan was in line with the Working Capital Loan 2 totaling approximately S\$182,000. Further details can be found in the Company's announcement dated 12 July 2024;
- The Subsidiary had extended the repayment date of a bridging loan from the Lender for one year from 11 January 2024 to 11 January 2025. The principal amount of the loan was S\$500,000 (the "**Bridging Loan**"). The interest of the Bridging Loan was in line with the Working Capital Loan 2 totaling approximately S\$26,000

Pursuant to Rule 905 read with Rule 908 of the Catalist Rules, the aggregate value of interested person transactions arising from the Working Capital Loan 2, and extensions of the Working Capital Loan and the Bridging Loan is estimated at S\$338,000, which represents 1.98% of the Group's latest audited net tangible assets as at 31 December 2023 amounting to S\$17,103,000.

In view of the foregoing, shareholders' approval is not required under the Catalist Rules. However, the Company is disclosing the Working Capital Loan 2 pursuant to paragraph 9 of Appendix 7A of the Catalist Rules.

Save as disclosed above, there are no other interested person transactions (more than \$100,000) entered into by the Group with the Lender or its associates for the current financial year ending 31 December 2024 as at the date of this announcement.

5. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of the Company, having considered the terms and rationale for the Working Capital Loan 2, is of the view that the grant of the Working Capital Loan 2 by the Lender is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective shareholdings in the Company and as disclosed, none of the Directors or controlling shareholders of the Company or their respective associates has any direct or indirect interest in the Working Capital Loan 2.

7. UPDATES TO SHAREHOLDERS

The Directors of the Company (including those who have been delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

By Order of the Board

Mr. Foo Suay Wei
Managing Director and Chief Executive Officer
12 September 2024

This announcement has been reviewed by the Company's sponsor.

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**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 Ms Charmian Lim (Tel: (65) 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.