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

---

(1) UPDATE ON THE RECEIPT OF FINAL ARBITRATION JUDGEMENT
(2) DISPOSAL BY KOP NORTHERN LIGHTS PTE. LTD. OF ITS 30% EQUITY INTEREST IN SHANGHAI SNOW STAR PROPERTIES CO. LTD. AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE CATALIST RULES (THE "DISPOSAL")

---

*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, 3 June 2021, 29 July 2022 and 9 September 2022 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 the Group had on 30 September 2022 received the final arbitration judgement dated 29 September 2022 from the Shanghai International Arbitration Centre (the "**SHIAC**").

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) ("**Project Wintastar**").

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）("**SHBP**"), a wholly-owned subsidiary of SHCD (collectively known as the "**Purchasers**").

4. On 13 November 2017, the Company announced that KOPNL has fully contributed its 30% registered capital of RMB 300 million in the JV.

5. On 30 August 2018, the Company announced the groundbreaking of Project Wintastar.

6. On or around 2020, as a result of differing views and disagreements between the parties in the JV, the Purchasers have brought the case to the SHIAC on 28 December 2020.

7. 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.

8. Following a hearing on 25 June 2021, the SHIAC issued a partial judgement on 29 November 2021 as follows: (i) the Framework Agreement and the Investment Agreement shall be terminated on 20 December 2020, and (ii) the Purchasers will acquire the KOPNL'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 Purchasers and the Company respectively. The partial judgement dated 29 November 2021 had retrospectively terminated the Framework Agreement and Investment Agreement on 20 December 2020.

9. The Company and the Purchasers have submitted their respective valuation reports to the SHIAC.

10. On 29 September 2022, SHIAC issued the final arbitration judgement ("**Final Arbitration Judgement**").

11. Further details of the background will be disclosed in the circular relating to the ratification of the Disposal pursuant to the Final Arbitration Judgement.

UPDATE ON FINAL ARBITRATION JUDGEMENT

12. The Final Arbitration Judgement is, inter alia, as follows:

(i) Confirmation that the Framework Agreement and the Investment Agreement ("**Agreements**") were terminated on 20 December 2020;

(ii) The Company's 30% equity interests in the JVC held by KOPNL would be transferred to SLJZZM and SHBP in a ratio of 4:3. The equity transfer price payable by SLJZZM and SHBP would be RMB 326,033,957 and RMB 244,525,468 respectively;

(iii) KOPNL shall pay SLJZZM termination penalty amounting to RMB 80,000,000;

(iv) KOPNL shall pay SHBP termination penalty amounting to RMB 80,000,000;

(v) KOPNL shall bear 80% of the Purchasers' legal fee amounting to RMB 1,280,000;

(vi) KOPNL shall bear 80% of the arbitration fee amounting to RMB 4,702,400 and the remaining 20% amounting to RMB1,175,600 to be borne by the Purchasers;

(vii) The amount to be paid by the Purchasers to KOPNL in item (ii) above is RMB 570,559,425 (the "**Consideration**") which will be offset against the amounts to be received by the Purchasers from KOPNL in items (iii), (iv), (v) and (vi) above;

(viii) Therefore, the Purchasers will pay KOPNL the net amount of RMB 404,577,025, being the proceeds after offsetting (iii), (iv), (v) and (vi) (excluding the taxes), in full within 90 days from the Final Arbitration Judgement date, and

(ix) The Final Arbitration Judgement is final and takes effect from the date of its issuance, and together with the partial judgement issued on 29 November 2021 constitutes the complete award of the dispute in arbitration relating to the JVC.

CONSIDERATION

13. The Consideration is as stipulated in the Final Arbitration Judgement is as set out in paragraph 12 above.

14. The Consideration is derived by taking the average of the valuation of the two reports provided by the valuers appointed by the Purchasers and KOPNL, which are, RM 316,105,050 and RMB 825,013,800 respectively, to be paid in Renminbi or any currency otherwise agreed between the parties, and the Purchasers and KOPNL shall each bear their tax and expenses payable under the applicable laws. Further details of the valuation reports will be disclosed in the circular relating to the ratification of the Disposal pursuant to the Final Arbitration Judgement.

INFORMATION ON THE PURCHASERS

Shareholders should note that information relating to the Purchasers in paragraphs 15 and 16 and elsewhere in this announcement has been provided by the Purchasers in 2015 announcements. The Company and the Directors have not independently verified the accuracy and correctness of such information herein. The sole responsibility of the Directors and the Company for the purpose of such information has been to ensure that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

15. **Information on Shanghai LuJiaZui Zhi Mao Investment Co., Ltd ("SLJZZM")**

SLJZZM (上海陆家嘴至茂投资有限公司) is the wholly-owned subsidiary of Shanghai LuJiaZui (Group) Co., Ltd (上海陆家嘴（集团）有限公司) ("**SLJZ**" or "**Lujiazui Group**").

SLJZ was established in the early 1990s, and in the last 20 years, SLJZ has been continuously committing itself to land development and urban facilities establishment in Lujiazui Finance, as well as in trade zones including Lujiazui Financial City, Zhuyuan Business District, Lujiazui Software Park, Lujiazui Century Financial Plaza, Century Avenue Area, and New International Expo Center.

After 25 years of development, Lujiazui Properties (SLJZ properties) has become one comprehensive stock-holding investment group focusing on urban facility developments, commercial property operations and investments, financial products investment, as well as on exhibitions and the development of holiday resorts.

The commercial real estate package is composed of urban complex, Grade-A office building, large shopping centers, international communities and Hi-tech R&D building, among others. It includes over 1.5 million square meters of commercial buildings such as the Shanghai Center Tower, Standard Chartered Tower, DBS Tower, UOB Headquarter Building, 96 Plaza, and Donghe International Apartment. Lujiazui Group is committed to continuously contributing and helping Shanghai becoming an international financial center.

16. **Information on Shanghai Hong Bin Properties Co., Ltd. ("SHBP")**

SHBP (上海鸿滨置业有限公司) is the wholly-owned subsidiary of Shanghai Harbour City Development (Group) Co., Ltd (上海港城开发（集团）有限公司) ("**SHCD**").

SHCD was established on 28 April 2002. SHCD is engaged in the Harbour City development, construction and operation, building it into the city which operates and performs independently with complete city functions. At the end of 2014, the company has completed close to 9 billion yuan worth of investments in projects relating to education, culture, commercial, residential and hospitality of over 1.5 million square meters. After years of endeavour, its development includes a full system of education from kindergarten to university, creating a vibrant living city.

17. As at the date of this announcement, the Purchasers (and its ultimate beneficial shareholders) do not have any shareholding interest, direct or indirect in KOPNL and the Company, nor are the Purchasers (and its ultimate beneficial shareholders) related to any of the Directors or Controlling Shareholders (as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**") of KOPNL or the Company, or their respective associates.

18. None of the Directors or Controlling Shareholders of the Company or KOPNL, or their respective associates have any shareholding interests, direct or indirect, in the Purchasers, nor are any of the Directors or Controlling Shareholders of the Company or KOPNL or their respective associates related to the Purchasers' directors, Controlling Shareholders, or their respective associates.

INFORMATION OF SHANGHAI SNOW STAR PROPERTIES CO. LTD. ("JVC")

19. The JVC is a private company limited by shares, incorporated in the People's Republic of China on 19 June 2017. The JVC has an existing registered share capital of RMB 1 billion. The JVC is currently held by SLJZZM, SHBP and KOPNL in the following ratios of 40%:30%:30%.

20. The principal activities of the JVC is (i) development, construction and operation of the commercial complex and hotel related facilities (including sales and leasing); and (ii) property management and provision of related services (excluding the industry under the China foreign investment negative list). The JVC was incorporated to acquire the land located in Shanghai's Lingang City and development for Project Wintastar.

BOARD'S OPINION

21. The Board is of the view that the Final Arbitration Judgement have a positive impact on the Company despite the fact that the Company is made to terminate the Agreements and dispose of the equity interests in the JVC and pay damages and contribute to the cost of the arbitration, given that:

    (i) The Disposal is pursuant to the Final Arbitration Judgement issued by SHIAC;

    (ii) The Group had injected RMB 300,000,000 as the registered capital in JVC, while the proceeds after offsetting items in paragraph 12(iii), (iv), (v) and (vi) (excluding the taxes) will be RMB 404,577,025 . Therefore, the Disposal will generate a healthy cash inflow which enables the Group to substantially reduce its liabilities by repaying all the shareholders' loans and have a significant interest cost saving; and

    (iii) With the Disposal, the Group will substantially improve its gearing, improve cash flow and working capital of the Group and allow the Group a better position to expand and enhance its core business in new acquisitions in the current economic climate.

USE OF PROCEEDS

22. The final amount of Consideration is RMB 570,559,425 (or approximately S$ 114,580,000)[1] while the expenses and taxes[2] to be incurred in connection with the Disposal are estimated to be approximately RMB 176,440,000 (or approximately S$ 35,433,000)[1]. The net proceeds of the Disposal after deducting all the expenses and expected taxes[2] will be approximately RMB 394,119,425 (or approximately S$79,147,000)[1] (the "**Net Proceeds**").

23. The Group intends to utilise the Net Proceeds for general working capital, repayment of shareholders' loans and for expansion into other new opportunities which may result in higher

[1] The amount was computed based on the applicable exchange rates as of 30 September 2022, being SGD 1: RMB 4.97955 (sourced from Oanda.com), and is subject to fluctuations in the applicable exchange rate upon the actual payment.

[2] The taxes were computed based on estimated tax rate and is subject to actual tax payment.

value to the Shareholders. Further details of the use of proceeds will be disclosed in the circular relating to the ratification of the Disposal pursuant to the Final Arbitration Judgement.

FINANCIAL EFFECTS OF THE DISPOSAL

24. **General**

The pro forma financial effects of the Disposal on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after completion of the Disposal. They are prepared based on the audited consolidated financial statements of the Group for financial year ended 31 March 2022 ("**FY2022**"), being the most recently completed financial year and is subject to the following key assumptions:

(a) the effect of the Disposal on the Group's consolidated net tangible assets ("**NTA**") per ordinary share in the capital of the Company is based on the assumption that the Disposal had been effected at the end of FY2022; and

(b) the effect of the Disposal on the Group's consolidated loss per share ("**LPS**") is based on the assumption that the Disposal had been effected at the beginning of FY2022, taking into account the waived advances amount.

24.1 **NTA**

	Before the Disposal	**After the Disposal**
Consolidated NTA (S$'000)	112,029	85,836
Number of shares	1,107,962,214	1,107,962,214
Consolidated NTA pershare (cents) (1)	10.11	7.75

Notes:

(1) NTA is computed based on total assets less total liabilities and intangible assets.

24.2 **LPS**

	Before the Disposal	**After the Disposal**
Loss attributable to equity holders of the Company (S$'000)	(10,782)	(38,470)
Weighted average number of shares	1,107,962,214	1,107,962,214
Consolidated LPS (cents)	(0.97)	(3.47)

24.3 **Share Capital**

The Disposal will not have any effect on the share capital and shareholding structure of the Company as the Disposal does not involve the allotment and issuance of any new shares in the Company and the Consideration is wholly satisfied in cash.

24.4 **Loss on Disposal**

As of FY2022, the Group's carrying amount of the non-current asset held for sale amounted to S$ 107,599,000 and with Net Proceeds of approximately S$ 79,147,000, the Disposal resulted in loss on disposal of S$ 28,452,000 is due to the revaluation of the property of JVC which was recognised in prior years.

RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF CATALIST RULES

25. The relative figures in relation to the Disposal computed on the bases set out in Rule 1006 of the Catalist Rules, based on the Group's latest announced audited consolidated financial statements for the Group for FY2022, are as follows:

Rule	**Bases**	**Relative Figure**
Rule 1006(a)	Net asset value of assets to be disposed, compared with the Group's net asset value	96%(1)
Rule 1006(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net losses	246%(2)
Rule 1006(c)	Aggregate value of consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	98%(3)
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable.
Rule 1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable.

Notes:

(1) Determined based on the Group's carrying amount of the non-current asset held for sale of S$107,599,000 as per the audited consolidated financial statements for FY2022 and the Group's net asset value of S$ 112,029,000 as per the audited consolidated financial statements for FY2022.

(2) Determined based on net loss attributable to the Disposal of S$ 28,452,000 and the Group's net loss of S$ 11,575,000 as per the audited consolidated financial statements for FY2022.

(3) The market capitalisation of the Company of S$ 80,881,000 is determined by multiplying the total number of Shares of 1,107,962,214 in issue by the volume-weighted average price of Shares of S$ 0.073 as at 29 September 2022 being the market day on which the Final Arbitration Judgement is issued.

As the relative figures computed under Rules 1006(a), 1006(b) and 1006(c) of the Catalist Rules exceed 50%, the Disposal constitutes a "major transaction" under Chapter 10 of the Catalist Rules and is subject to the approval of the shareholders at an extraordinary general meeting ("**EGM**") to be convened. However, the relative figure in Rule 1006(b) above is negative. Under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed

pursuant to Rule 1006 of the Catalist Rules involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules.

As the relative figures computed under Rules 1006(a) and 1006(c) and the absolute relative figure under Rule 1006(b) exceed 50%, paragraph 4.4(e) of Practice Note 10A will not apply. If the transaction does not fall within all the situations in paragraph 4.4(e), Rule 1014 of the Catalist Rules shall apply to the transaction. Under Rule 1014 of the Catalist Rules, where, in respect of a disposal, any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceed 50%, the transaction is classified as a major transaction and must be made conditional upon approval by shareholders in general meeting.

CIRCULAR AND EGM

26. A circular relating to the ratification of the Disposal pursuant to the Final Arbitration Judgement containing further details on the Disposal and enclosing a notice of EGM in connection therewith will be despatched to Shareholders in due course. As the Final Arbitration Judgement is enforceable in China, the outcome of the voting would not alter or impact the Final Arbitration Judgement in any way. The EGM would give Shareholders the opportunity to ask questions and seek clarification and for the compliance with Chapter 10 of the Catalist Rules.

DIRECTORS' SERVICE CONTRACTS

27. No person is proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

INTEREST IN THE TRANSACTION

28. None of the Directors, Controlling Shareholders or Substantial Shareholders or their respective associates has any interests, direct or indirect, in the Disposal, other than through their respective shareholding interests in the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

29. The Directors 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 Final Arbitration Judgement and Disposal, the Company and its subsidiaries, and the Directors 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 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.

CAUTION IN TRADING

30. Shareholders and potential investors of the Company 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.

FURTHER ANNOUNCEMENTS

31. Further announcement(s) will be made as appropriate when there are material developments to the Disposal.

DOCUMENTS FOR INSPECTION

32. Shareholders should note that a copy of the Final Arbitration Judgement, agreement and valuation reports will be available for inspection during normal business hours at the Company's registered office at 316 Tanglin Road #01-01 Singapore 247978 for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Ong Chih Ching
Executive Chairman and Executive Director
4 October 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**").*

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, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.