



KEONG HONG HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200807303W)

**COMPLETION OF PROPOSED ACQUISITION OF 60% OF THE ENTIRE ISSUED AND PAID-UP
SHARE CAPITAL OF HANSIN TIMBER SPECIALIST AND TRADING PTE. LTD.
AND ISSUANCE OF SHARES IN THE COMPANY**

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Keong Hong Holdings Limited (the “**Company**”) refers to the announcements dated 21 April 2017, 30 June 2017 and 6 July 2017 (collectively, the “**Announcements**”) in relation to the Proposed Acquisition.
- 1.2 All capitalized terms undefined in this announcement shall have the meaning ascribed to them in the Announcements.

2. COMPLETION AND ISSUE OF CONSIDERATION SHARES

- 2.1 The Board is pleased to announce that the conditions precedent for the completion of the Proposed Acquisition have been satisfied. In addition, it has received the audited financial statements of the Target for FY2016 and the Target has achieved the Profit Target for FY2016. Accordingly, the third tranche payment of the Purchase Consideration is payable to the Vendors on Completion.
- 2.2 The Board also wishes to announce that Completion has occurred on 28 August 2017. On Completion, S\$3,000,000 has been paid by the Company in cash to the Vendors, and the 2,565,000 Consideration Shares have been issued to the Vendors on 28 August 2017. 1,200,000 shares in the Target have also been transferred from the Vendors to the Company. Accordingly, as at the date of this announcement, the Company has completed the Proposed Acquisition and the Company holds 60% of the Target.
- 2.3 Following the issue and allotment of the Consideration Shares, the total number of issued share capital of the Company (excluding treasury shares) has increased from 229,820,000 Shares to 232,385,000 Shares. The Consideration Shares are issued credited as fully paid for, free and clear of all encumbrances and shall rank pari passu in all respects with the existing issued Shares, save for any dividends, rights, allotments or any distribution, the record date of which falls before the date of issue of the Consideration Shares. The Consideration Shares are expected to be listed and quoted on the Mainboard of the SGX-ST on 30 August 2017.
- 2.4 Pursuant to the terms of the SPA, the Vendors have undertaken not to sell, contract to sell, offer, realise, transfer, assign, grant any option or right to acquire, pledge, grant any security over, directly or indirectly, or otherwise dispose of or encumber any part of their interests in the 2,565,000 Consideration Shares for a period of three (3) years after the Completion Date.

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary
28 August 2017