

KEONG HONG HOLDINGS LIMITED

(the “Company” or “Keong Hong”)
(UEN 200807303W)
(Incorporated in the Republic of Singapore)

Minutes of Extraordinary General Meeting of the Company held on Wednesday, 18 June 2025 at 10.30 a.m. at Banquet Hall, Sembawang Country Club, 249 Sembawang Road, Singapore 758352

PRESENT : As set out in the attendance records maintained by the Company.

1. CHAIRMAN

- 1.1 Mr Leo Ting Ping Ronald presided as the Chairman of the Meeting (the “**Chairman**”), welcomed all shareholders present at the Extraordinary General Meeting (“**EGM**” or “**Meeting**”) of the Company.

2. QUORUM

- 2.1 The Chairman called the AGM to order at 10.30 a.m. after confirming by the Company Secretary that the requisite quorum had been met.

3. WELCOME

- 3.1 The Chairman extended a warm welcome to the shareholders and opened the Meeting with an introduction of the Board of Directors who were present at the EGM. He also informed the Meeting that the Chief Financial Officer (“**CFO**”), Company Secretaries, Auditors, Share Registrar, Polling Agent and Scrutineers together with their representatives were also attending the EGM.

4. NOTICE OF MEETING

- 4.1 The Notice convening the Meeting was taken as read.

5. QUESTIONS AND ANSWERS

- 5.1 Shareholders were informed that the Company did not receive any questions from shareholders prior to the EGM. However, there were questions from Securities Investors Association Singapore (SIAS). The response from the Company has been released to the SGX-ST via SGXNet yesterday.

6. VOTING PROCEDURE AND MANNER

- 6.1 The Chairman informed the Meeting that voting at the Meeting would be conducted by way of poll in accordance with the Company’s Constitution and the Listing Rules of the Singapore Exchange Securities Trading Limited.
- 6.2 B.A.C.S Private Limited has been appointed as the Polling Agent and CACS Corporate Advisory Pte. Ltd. as the Scrutineer for the Meeting.

KEONG HONG HOLDINGS LIMITED

- Minutes of the Extraordinary General Meeting held on Wednesday, 18 June 2025

- 6.3 After the Scrutineer explained the procedures on the conduct of the poll voting, the Chairman proceeded with the agenda of the Meeting.
- 6.4 The Chairman informed the Meeting that once the ordinary resolution had been proposed, shareholders would be asked to cast their votes by completing the Poll Voting Slips. Once the ordinary resolution had been voted upon, the Poll Voting Slips would be collected by the Scrutineer for counting. The results of the poll would be released at the end of the Meeting.
- 6.5 The Chairman informed shareholders that in his capacity as Chairman of the Meeting, he had been appointed as proxy by certain shareholders and would cast the votes on the ordinary resolution in accordance with the specific instruction of those shareholders.

7. ORDINARY RESOLUTION - PROPOSED DISPOSAL OF SHARES AND DISCHARGE OF LOANS

- 7.1 The Chairman informed the Meeting that the ordinary resolution was to seek the approval of the Shareholders for the Proposed Disposal of Shares and Discharge of Loans (“**Proposed Disposal**”).
- 7.2 All pertinent information relating to the Ordinary Resolution, including the background and rationale of the Proposed Disposal had been set out in the Circular. The Chairman has proposed the ordinary resolution tabled at the EGM.
- 7.3 The Chairman opened the floor to questions on the Proposed Disposal.

The questions from shareholders and the responses received from the Directors and Chief Financial Officer are compiled below.

Shareholder A

- 7.4 Shareholder A questioned whether “the absence of new order book inflows” stated in the Circular was due to the Group’s recent years’ losses, reputational challenges, or broader industry conditions and whether the current state of the Group’s working capital needs was hampering the Company’s inability to take on large contracts.
- 7.5 The CFO responded that the current order book is valued at approximately S\$261 million, with projects secured in the past. While the Company has managed to sustain its existing operations with the current order book, more projects would help to replace the completing or completed projects to generate sufficient cash flow for overhead needs and financial commitments.
- 7.6 Shareholder A further questioned whether the projects in the pipeline were profitable or if the pandemic cost overruns were still an issue. In response, the Chairman said that the post-COVID projects were profitable. However, the Group’s overall financial health has been significantly compromised due to the pre-COVID projects and impairments of the investment in an associate. The Chairman also mentioned that the Group has implemented cost-cutting measures and is prudent when seeking for new projects.

KEONG HONG HOLDINGS LIMITED

- Minutes of the Extraordinary General Meeting held on Wednesday, 18 June 2025

- 7.7 Shareholder A raised question regarding the types of projects that the Company is currently bidding for. The Chairman shared that the tenders would include public projects such as Housing and Development Board (HDB), and some smaller-scale private sector jobs. Whilst Management is actively seeking for new projects, these tenders generally require large capital commitments, which the banks will demand for collateral in the form of a performance bond. The Chairman highlighted that the Proposed Disposal is important to improve the Group's liquidity and to meet its working capital needs. He emphasized that while the Company remains committed in pursuing new projects, it will do so with prudence and caution.
- 7.8 In response to Shareholder A's query regarding the utilisation of the S\$34.5 million proceeds from the Proposed Disposal of Katong Holdings Pte. Ltd. ("**KHPL**"), the Chairman clarified that it would primarily be used to support the Group's working capital and overhead needs, rather than for the repayment of debts.
- 7.9 Shareholder A further enquired about the Group's net gearing level following the Proposed Disposal. The CFO clarified that the S\$72 million referred to in the Circular relates to corporate guarantees and is not the actual borrowings for Keong Hong nor the liabilities in KHPL and thus reflected in the Group's balance sheet. Based on the FY2024 Annual Report. The Company's gearing ratio stood at approximately 65%, excluding KHPL related guarantees. With the expected inflow from the Proposed Disposal, the gearing ratio is expected to improve.
- 7.10 Shareholder A sought further confirmation on whether the Company's financial position would be stronger after the Proposed Disposal. The Chairman replied that it would be in a more comfortable financial position.
- 7.11 Shareholder A noted that the performance of the hotels of KHPL for the past three years were gradually improving. He questioned whether the Proposal Disposal was timely, given signs of operational turnaround and potential for further value creation. The Chairman assured shareholders that the Board and management had explored and evaluated all options available with regard to its investment in KHPL, and following its deliberations and taking into consideration the existing challenges of working with KHPL, have concurred that the best option available is the one now being put to shareholders' approval.
- 7.12 In response to Shareholder A's question on whether the Group holds any other associate investments that are planned for divestment, the Chairman informed that the Group has a 49% stake in Pristine Islands Investment Pte Ltd ("**PIIPL**"), which owns and runs two resorts in the Maldives. The Board will consider reasonable offers for purchase of its investment in PIIPL if a suitable opportunity arises.
- 7.13 Shareholder A then posed a question regarding the Group's financial commitment to PIIPL. In response, the Chairman said that the Company is actively in discussions to restructure the capital structure of PIIPL to be more cost-efficient.
- 7.14 Shareholder A queried the performance of PIIPL's Maldives resorts and their ability to generate sufficient returns to cover the interest on loans. The Chairman replied that whilst the two resorts would generally be operationally profitable, the interest payments under the shareholder loans extended to PIIPL would have an impact on PIIPL.

KEONG HONG HOLDINGS LIMITED

- Minutes of the Extraordinary General Meeting held on Wednesday, 18 June 2025

Shareholder B

- 7.15 Shareholder B commented that the Proposed Disposal appeared to be a fire sale or distress sale. The Chairman clarified that he would not characterise the transaction as a fire sale and that the sale would certainly improve the Group's current financial position.
- 7.16 Shareholder B referred to page 9 of the Circular and asked the CFO for an explanation regarding the net assets of KHPL, which had gone up substantially from S\$251 million to S\$290 million, while suffering losses in previous years. The CFO explained that the reported losses for FY2022 to FY2024 reflected the net result of operating expenses exceeding revenue in the profit and loss statement. However, the increase in net asset value was attributable to the appreciation in the fair value of KHPL's underlying assets, including the hotels. These properties had been fair-valued over the years, contributing to an increase in the net assets but the increased is not recognised in the profit and loss statement.
- 7.17 Shareholder B enquired about the expected completion date for the sale of KHPL and the collection of the proceeds. The Chairman explained that following the passing of the resolution at the EGM, the Company would expect the first instalment of \$14 million to be received from the purchaser. As disclosed in the Company's announcement made to the Singapore Exchange Securities Trading Limited in February 2025, the remaining consideration will be paid over three instalments for a period of up to 18 months, following the completion of the Proposed Disposal.
- 7.18 Shareholder B sought clarification on why the Board had accepted a buyout offer at a significant discount to the Group's investment, and whether alternative buyers had been considered. In response, the Chairman explained that KHPL is a private entity, which 80% majority owned by the purchaser and 20% held by Keong Hong Construction Pte Ltd ("**Keong Hong Construction**"). KHPL is a significant investment for the Group and there were no readily available buyers in the market. He reiterated that the Proposal Disposal had been under negotiation for a long time before an agreement was reached with the purchaser.
- 7.19 Shareholder B referred to the shareholder loans extended to KHPL and questioned whether the loans were callable on demand. He asked whether the loan agreement included any conditions allowing the loans to be called for repayment. Mr Fong Heng Boo, the Audit Committee Chairman, explained that there was an understanding among the KHPL's shareholders that loans would be extended when it is necessary and justifiable. The Chairman added that the use of shareholder loans had initially been intended to facilitate the remittance of interest payments for the shareholder loan once KHPL became profitable, based on the advice given at the time.
- 7.20 Shareholder B also asked whether any legal action had been considered to recover the investment in KHPL. The Chairman responded that the Company had explored and evaluated various options before the Board concluded that the Proposed Disposal would be in the best interests of the Group.
- 7.21 As there were no questions from the shareholders, the Chairman requested the shareholders to cast their votes for ordinary resolution.

KEONG HONG HOLDINGS LIMITED*- Minutes of the Extraordinary General Meeting held on Wednesday, 18 June 2025***8. COLLECTION OF POLL VOTING SLIPS**

- 8.1 After the ordinary resolution had been proposed and voted upon, the Chairman asked shareholders to remain seated while the Scrutineers went round to collect the completed Poll Voting Slips for counting.
- 8.2 At 10.27 a.m., the Chairman adjourned the Meeting for the counting of votes.
- 8.3 At 11.25 a.m., the Scrutineer completed the counting of votes and handed over the results to the Chairman. The Chairman invited the shareholders to return to their seats to receive the results of the Poll.

9. DECLARATION OF POLL RESULTS

- 9.1 Upon ensuring a quorum is met, the Chairman proceeded to announce the following results of the Poll taken for the resolutions:
- 9.2 **ORDINARY RESOLUTION - PROPOSED DISPOSAL OF SHARES AND DISCHARGE OF LOANS**

The results for the Ordinary Resolution were as follows:

Number of Ordinary Shares FOR	% FOR	Number of Ordinary Shares AGAINST	% AGAINST
205,681,448	99.69%	644,400	0.31%

The Chairman declared Ordinary Resolution carried and it was **RESOLVED** that:

- (1) approval be and is hereby given for (a) the disposal by Keong Hong Construction Pte Ltd ("**Keong Hong Construction**") of its entire shareholding interest, being 200,000 ordinary shares, in the capital of Katong Holdings Pte. Ltd. ("**Katong Holdings**"), representing 20% of the issued and paid-up share capital of Katong Holdings, and (b) the proposed discharge of the loans extended by Keong Hong Construction to Katong Holdings and any interest accrued or accruing, further details of which are set out in the Circular dated 11 April 2025 (the "**Proposed Disposal**"); and
- (2) the Directors of the Company or any one of them be and are hereby authorised to take all necessary steps and to negotiate, finalise and enter into all transactions, arrangements and agreements and to execute all such documents (including but not limited to the execution of application forms and transfers) with full and discretionary powers to make or assent to any modifications or amendments thereto in any manner they/he may deem necessary, expedient, incidental or in the interests of the Company and its subsidiaries and associated companies for the purposes of giving effect to this Ordinary Resolution and/or the Proposed Disposal and the transactions contemplated thereunder.

KEONG HONG HOLDINGS LIMITED

- Minutes of the Extraordinary General Meeting held on Wednesday, 18 June 2025

10. CONCLUSION

- 10.1 As there was no other business, the Chairman declared the Meeting closed at 11.35 a.m. He thanked the shareholders for their support and attendance at the EGM.

Confirmed as a correct record

Leo Ting Ping Ronald
Chairman of Meeting