



KEONG HONG HOLDINGS LIMITED

Incorporated in the Republic of Singapore
(Company Registration Number: 200807303W)

CLARIFICATION ANNOUNCEMENT IN RELATION TO THE BUSINESS TIMES ARTICLE PUBLISHED ON 12 OCTOBER 2021

Keong Hong Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) referred to the Business Times article published on 12 October 2021, “*Lower profit, higher pay for key execs: Is it justifiable?*” (“**BT Article**”). The BT Article mentioned that “Keong Hong Holdings’ annual aggregate remuneration paid to its 2 key management personnel rose from S\$360,000 to S\$500,000 in FY2020. The company reported a net loss of S\$18 million for FY2020, versus a profit of S\$16.3 million in FY2019” and cited the Company as an example for increasing “the remuneration or bonuses paid to its key executives or directors even as net profits fell”.

The Group would like to clarify that the increase in the annual aggregate remuneration paid to the 2 key management personnel from FY2019 to FY2020 was primarily due to remuneration paid to Mr Loo Toon Boon, Sebastian, our ex-General Manager of Operations. Mr Loo joined the Group on 2 September 2019 and was on medical leave for three months from February 2020 till his resignation on 30 April 2020 as he was unable to continue with his position. Effectively, only one month of remuneration was recorded in FY2019. The Company had also made a one-off lump sum payment to Mr Loo’s family as a gesture of goodwill.

The Group would also like to put on record that its executive directors, senior management and other staff took a pay cut ranging from 5% to 20% effective from May and June 2020, as the Group’s business segments were badly affected by the Covid-19 pandemic. The senior management took a pay cut of 20% whereas the junior executives’ pay cut was kept to 5%. The salaries were subsequently reinstated in April 2021.

As the pandemic has caused Singapore and many countries to tighten border control measures, the shortage of manpower in the industry has resulted in widespread poaching of staff at all levels. In order to retain staff and to attract new employees, the Group had to adjust and restore salaries accordingly in order to stay competitive.

By Order of the Board

Lo Swee Oi
Company Secretary

14 October 2021