



KEONG HONG HOLDINGS LIMITED

Incorporated in the Republic of Singapore
(UEN 200807303W)

RESPONSE TO QUESTIONS RAISED BY SHAREHOLDER ON KEONG HONG'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

The Board of Directors of Keong Hong Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to respond to questions raised from a shareholder which was submitted in advance of the Annual General Meeting to be held on 28 March 2024 as follows:

Question*:

In relation to the 49% shareholdings in Pristine Islands Investment Pte Ltd (“**PIIPL Group**”), as stated on page 108 of the annual report, “The recoverable amount of the investment amounted to \$4,437,000 (2022: \$21,342,000) has been determined based on value in use. According to BRC Asia Limited's announcement on 2 January 2024, there is a proposed disposal of 17% share in, and shareholders' loan to, PIIPL for a total consideration of US\$14,000,000. As stated in the said announcement, “for any disposal of Pristine shares, the shareholders of Pristine are subject to certain rights of first refusal and tag-along rights. On the assumption that Keong Hong could have the full tag-along rights, would Keong Hong's 49% shares in PIIPL be worth far more than the recoverable amount of \$4,437,000 as stated in the annual report? Would it be worthwhile for Keong Hong to consider exiting from this investment?”

Company's Response:

Assuming that the Group exercises its tag-along rights based on similar terms that were offered to BRC Asia Limited from its purchaser, the Group's interest of 49% shares in PIIPL Group would be worth more than the carrying amount of \$4,437,000.

As the largest shareholder in PIIPL Group, the Group has other business and commercial considerations (along with the other remaining shareholders in PIIPL Group) and the Group continues to evaluate and explore various options holistically to maximise the return on its investment in PIIPL Group including but not limited to divesting its interests in PIIPL Group at an opportune time.

BY ORDER OF THE BOARD

Heng Michelle Fiona / Lim Guek Hong
Company Secretaries

22 March 2024

** Please note that editorial amendments to the query was made for clarity.*