



KEONG HONG HOLDINGS LIMITED

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

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST") ON THE GROUP'S ANNUAL REPORT FOR FULL YEAR ENDED 30 SEPTEMBER 2022.

The Board of Directors of Keong Hong Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the queries raised by the SGX-ST on 20 January 2023 in relation to the Group's Annual Report for full year ended 30 September 2022 ("**FY2022**") announced on 11 January 2023, wishes to provide its response as follows:

1) The Company disclosed in its FY2022 annual report that there is no material uncertainty regarding the Group's ability to continue as a going concern for at least the next 12 months based on its cash flow forecast. This is despite the Company having a net operating cash outflow of S\$21.8 million and only a working capital position of S\$10.8 million. Please provide details on and quantify each of the represented sources of funding available to the Group as follow:

a) internally generated funds from the Group's core business, and potential proceeds from the disposal of certain assets;

The Group's core business is in building and constructions with four ongoing projects as at 30 September 2022 and a new project commencing in 2nd quarter of financial year ending 30 September 2023. One of the projects has obtained temporary occupational permit ("**TOP**") in December 2022 while the other three projects are estimated to obtain TOP towards end of 2023.

Based on the Group's cash flow forecast for the next twelve months from January 2023, the Group is expected to receive proceeds from construction projects of over S\$300 million and expected to generate positive operating cash flows.

The Group is also currently in the midst of finalising the details of disposal of certain assets to improve its liquidity and that the relevant announcement shall be made in due course upon finalisation.

b) the continuing financial support from its ultimate controlling company, LJHB Holdings Pte Ltd;

On 11 January 2023, the holding company and ultimate controlling company, LJHB Capital (S) Pte. Ltd. and LJHB Holdings Pte. Ltd. respectively, has each provided an undertaking to the Company that it will continue to provide continuing financial support to enable the Company to meet its financial obligations as and when they fall due so that the Company can continue as a going concern in the foreseeable future.

In addition, LJHB Capital (S) Pte. Ltd. has also provided an undertaking that it will not demand repayment of the shareholder loan of S\$8.0 million owing by the Company until the Company's resources permit.

LJHB Holdings Pte. Ltd. is the ultimate holding company of LJHB Capital (S) Pte. Ltd.

c) available banking and other credit facilities to finance the Group's operation.

As at 30 September 2022, the Group has undrawn committed banking and credit facilities of S\$75.0 million in respect of which all conditions precedent had been met.

BY ORDER OF THE BOARD

Heng Michelle Fiona / Lim Guek Hong
Company Secretaries

26 January 2023