

APPLICATION FOR EXTENSION OF TIME:

1. TO ANNOUNCE THE COMPANY'S FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2021 ("FY2021")
 2. TO HOLD THE COMPANY'S ANNUAL GENERAL MEETING (THE "AGM") FOR FY2021
 3. TO ISSUE THE COMPANY'S ANNUAL REPORT FOR FY2021
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1. INTRODUCTION

The Board of Directors of Khong Guan Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 30 August 2021 applied to the Singapore Exchange Securities Limited (the "**SGX-ST**" or "**Exchange**") for the following waivers to comply with the Listing Manual of the Singapore Exchange Securities Limited (the "**SGX-ST**") (the "**Listing Manual**")

- (a) a waiver from the compliance with the requirements of Rule 705(1) of the Listing Manual and a grant of 2 month extension of time to announce its unaudited consolidated financial statements for FY2021 ("**Financial Results**") from the current deadline of 29 September 2021 to no later than 29 November 2021;
- (b) a waiver from the compliance with the requirements of Rule 707(1) of the Listing Manual and a grant of 2 month extension of time to hold its AGM for FY2021 from the current deadline of 30 November 2021 to no later than 31 January 2022; and
- (c) a waiver from the compliance with the requirements of Rule 707(2) of the Listing Manual and a grant of extension of time to issue its annual report for FY2021 to the shareholders and SGX-ST at least 14 days before the date of its AGM.

(collectively refer to as the "**Waivers**" or "**Extension Applications**")

2. RATIONALE FOR SEEKING THE EXTENSION APPLICATIONS

The Company is seeking the Extension Applications for the following reasons:

- (a) The Group has significant operations throughout Malaysia which contribute more than 80% of the Group's revenue. The lockdowns implemented by the Malaysia government in response to the increasing COVID-19 cases there have caused delays and hindered the timelines in finalizing the Group's Financial Results and the completion of the audit of the financial statements of the Group for FY2021 for tabling at the FY2021 AGM of the Company.
- (b) In view of the situation, the Company has ascertained from discussions with the Company's auditors RT LLP (the "**Group Auditors**") that the audit of the financial statements of the Group for FY2021 will not be able to be completed in time to meet the usual prescribed deadlines. This is primarily due to the challenges faced by the Group Auditors and the component auditors, being Ernst & Young, Malaysia and Deloitte PLT in Malaysia ("**components auditors**") to complete the audit of the Company's subsidiaries and associate in Malaysia due to the current lockdowns. The Group Auditors require longer time to complete their audit fieldwork in order to issue the audited financial statements for FY2021 as the Malaysian local finance team as well as the component auditors have had to work from home with the extension of the lockdowns and faced challenges in accessing financial and accounting records and documents of the Malaysian subsidiaries and associate. This has affected the timely preparation of the underlying financial information and provision of supporting documents related to the Group's subsidiaries in Malaysia for audit verification purposes.

- (c) As a result of the above, the Group Auditors and the Company faced difficulties and delays in finalising the Financial Results and the audited financial statements for FY2021 and will consequently, adversely affect the timely issue of the Annual Report FY2021 and the convening of the AGM in respect of FY2021 within the prescribed timeframe.
- (d) Notwithstanding the above, the Group is currently working closely with the Group Auditors and professional teams to complete the Financial Results and audited financial statements for FY2021 as soon as practicable.

3. APPLICATION TO ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

Subject to the outcome of the Extension Applications, the Company will submit an application to the Accounting and Corporate Regulatory Authority (“**ACRA**”) for an extension of time to hold its AGM under Section 175(1)(a) of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) and Section 197(1)(a) of the Companies Act on the filing of its annual returns (“**ACRA Extension of Time Application**”).

4. FURTHER ANNOUNCEMENT

The Company will update shareholders on the outcome of the Extension Applications from the SGX-ST and the ACRA Extension of Time Application in due course.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

By Order of the Board

Chew Kian Boon Daniel
Executive Director
28 September 2021