



KEONG HONG HOLDINGS LIMITED

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

APPLICATION FOR EXTENSION OF TIME TO (A) HOLD THE ANNUAL GENERAL MEETING (“AGM”) FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021, AND (B) ISSUE THE ANNUAL REPORT FOR FY2021

The Board of Directors of Keong Hong Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company, has on 14 December 2021, made an application, to the Singapore Exchange Regulation (“**SGX RegCo**”) for an extension of time to comply with the following Listing Rules:

1. Rule 707(1) of the Listing Manual in relation to the requirement to hold its AGM within 4 months from the financial year end (i.e. 31 January 2022) by 31 March 2022 (“**AGM Extension**”); and
2. Rule 707(2) of the Listing Manual in relation to the requirement to issue its Annual Report to the shareholders and the Exchange at least 14 days before the date of its AGM by 16 March 2022 (“**Annual Report Extension**”).

(collectively, the “**Extension of Time Applications**”)

The reasons for seeking the Extension of Time Applications are as follows:

- a) During the critical period for financial reporting, some key finance personnel from the Group had left their employment resulting in a delay in furnishing the required information and documents to the auditors and progress of the audit for the financial year ended 30 September 2021 (“**FY2021**”).
- b) Arising from the above, the audit of the financial statements of the Group for FY2021 would not be completed in time for the AGM to be convened by 31 January 2022. The auditors would require more time to finalise their review on a number of outstanding matters/issues relating to the business of the Group, with management assistance to furnish the necessary information and documents.
- c) Amongst the number of outstanding matters/issues, the critical outstanding matters include the accounting for construction contracts, audit of a joint venture of the Group’s equity accounting and issue surrounding the non-compliance of a financial covenant of the 6.25% fixed rates Notes due 2023 issued by the Company under the Multicurrency Medium Term Notes Programme (“**Series 003 Notes**”).

- i. Revenue from construction contracts represented 98% of the total revenue of the Group for FY2021 and significant judgement is required to estimate the total construction contract costs that will affect the measure of progress and revenue and profit margins recognised from construction contracts.

Arising from the continued disruption brought on by the COVID-19 pandemic to the supply chain for constructions materials, supply of foreign manpower and volatile economic conditions, there was an increase in the level of estimation uncertainty and judgement. The auditors would require more time to review and assess the reasonableness, adequacy and appropriateness of the revised information furnished by the management.

- ii. The audit of a joint venture of the Group's equity accounting was delayed due to challenges faced in assessing the financial and accounting records of the joint venture.
- iii. The non-compliance of a financial covenant in relation to its Series 003 Notes and subsequent actions undertake by the Group will have significant relevance to the Group's audited financial statements for FY2021. Consequently, more time will be required by the Group to finalise on its actions and for the auditors to form an opinion on the financial statements.

In view of the above, the Company notes that it will not be able to finalise the audited financial statements for FY2021 in time for the annual report and notice of AGM for FY2021 to be issued at least 14 days before 31 January 2022. In addition to the finalisation of the audited financial statements for FY2021, the Company also requires additional time to complete the administrative and procedural matters in relation to the preparation and issuance of the annual report for FY2021, the standalone sustainability report, as well as the holding of the FY2021 AGM.

The Company will be concurrently submitting an application to the Accounting and Corporate Regulatory Authority for an extension to hold its AGM and file its Annual Return under Sections 175 and 197 of the Companies Act, Chapter 50.

The Company will provide an update on the outcome of the Extension of Time Applications in due course.

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary

14 December 2021