

KHONG GUAN LIMITED
(Company Registration No. 196000096G)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING TO BE HELD ON 30 NOVEMBER 2022
RESPONSE TO QUESTIONS FROM SHAREHOLDER

The Board of Directors (the "**Board**") of Khong Guan Limited (the "**Company**", together with its subsidiaries and associates, the "**Group**") would like to thank shareholders for submitting their questions in advance of the Annual General Meeting ("**AGM**") of the Company to be held on 30 November 2022 at 11.00 a.m. The Company has received queries from a shareholder in relation to its annual report for the financial year ended 31 July 2022 (the "**2022 Annual Report**").

The following are the Company's responses to the corresponding questions from the shareholder:

Question from shareholder

(Q1) How would the results of the Malaysian General Election 2022 affect Khong Guan's business? Please elaborate.

Company's response

We do not anticipate any major impact on our business after GE 2022.

We saw minimal disruption to business during GE 2018 which saw the government change hands after decades under the UMNO government.

Our subsidiaries and associates are involved in the manufacturing, import and distribution of essential food items.

(Q2) With reference to page 5 of the Annual Report, why is the shareholders equity on a constant decline? Please elaborate.

Company's response

The decreases in the shareholders equity from FY2017 to FY2022 were mainly impacted by the Profit and Loss, Forex translation losses, and dividend payments. Since 2019, the main impact was from foreign exchange losses as the Malaysian ringgit continued to weaken against the US Dollar which is the currency which commodities are denominated. Despite the accelerated weakening of the Malaysian Ringgit in FY2022, we had managed to adjust our prices, thereby mitigating significant losses.

Khong Guan Limited
Shareholders' equity movements

Financial year ending 31 July	Shareholders' equity	Profit or loss	Forex reserve	Dividend payments
2017	61,994,144			
2018	64,165,065	1,037,257	1,952,709	(774,376)
2019	62,298,426	(693,153)	(363,608)	(774,376)
2020	60,846,039	50,401	(964,820)	(516,250)
2021	59,614,932	(352,765)	(333,781)	(516,250)
2022	58,185,305	371,267	(1,261,413)	(516,250)
		413,007	(970,913)	(3,097,502)

(Q3) Please comment on the occupancy of Khong Guan Building. What percentage of the building is rented out? What percentage of the building is unoccupied? The rental income increased from 424k to 498k, what is the reason for this? Is it due to an increase in rental rate or occupancy rate or both?

Company's response

The increase in rental income was due to the building now being fully occupied.

**BY ORDER OF THE BOARD
CHEW KIAN BOON DANIEL
Executive Director
25 November 2022**