



KEONG HONG HOLDINGS LIMITED

(Company Registration Number: 200807303W)

CHANGE IN USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The Board of Directors of Keong Hong Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Offer Document dated 8 December 2011 in relation to the Initial Public Offering (“**IPO**”) of the Company (“**Offer Document**”) and the Company’s Annual Report for the financial year ended 30 September 2012 (“**Annual Report 2012**”).

It was disclosed in the Offer Document that S\$1.5 million, S\$3.543 million and S\$1.437 million of the proceeds from IPO were intended to be used for merger and acquisition, general working capital and IPO expenses, respectively.

The Company further provided a status update on the use of IPO proceeds in the Annual Report 2012, where it was indicated that the IPO proceeds allocated for the aforesaid purpose had been utilised as below:

Intended Use	Allocation (S\$'000)	Amount utilised (S\$'000)	Amount unutilised (S\$'000)
Merger and acquisition	1,500	32	1,468
General working capital	3,543	-	3,543
IPO expenses	1,437	1,336	101
TOTAL	6,480	1,368	5,112

The Company has and is expected to have sufficient cash or funds from operations to meet its existing and future general working capital requirements. In addition, there is an unutilised amount from the proceeds allocated for IPO expenses. The Company wishes to announce that it has re-allocated the unutilised amounts from general working capital and from IPO expenses to fund the Group’s merger and acquisition plans (“**Reallocation**”).

The Company, through its wholly-owned subsidiary, Keong Hong Construction Pte Ltd (“**KHC**”), had set up a joint venture company, namely Oasis Development Pte. Ltd. (“**Oasis**”) with JBE Holdings Pte. Ltd. (“**JBE**”), as announced by the Company on 28 January 2013. Pursuant to the Reallocation, the Company has fully utilised the remaining IPO proceeds of S\$5,112,000 for its investment in Oasis, as well as for the extension of a shareholder’s loan to Oasis (amounting to S\$14.4 million which was in proportion to the equity interests of KHC and JBE in Oasis).

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary
Dated: 25 April 2013

*The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 16 December 2011. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”).*

This announcement has been prepared by the Company and reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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