



KEONG HONG HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200807303W)

PROPOSED ACQUISITION OF 60% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF HANSIN TIMBER SPECIALIST AND TRADING PTE. LTD. – RECEIPT OF APPROVAL IN-PRINCIPLE FOR LISTING AND QUOTATION OF CONSIDERATION SHARES

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Keong Hong Holdings Limited (the “**Company**”) refers to the announcement dated 21 April 2017 (the “**Previous Announcement**”) and the announcement dated 30 June 2017 (the “**Supplemental Announcement**”) in relation to the Proposed Acquisition.
- 1.2 All capitalized terms undefined in this announcement shall have the meaning ascribed to them in the Previous Announcement and the Supplemental Announcement.

2. APPROVAL IN-PRINCIPLE

- 2.1 The Board is pleased to announce that it had on 5 July 2017, obtained the in-principle approval of the SGX-ST for the listing and quotation of the 2,565,000 Consideration Shares to be issued in connection with the Proposed Acquisition on the Mainboard of the SGX-ST, subject to compliance with the SGX-ST’s listing requirements.
- 2.2 The SGX-ST’s in-principle approval is not to be taken as an indication of the merits of the Proposed Acquisition, the Consideration Shares, the Company and/or its subsidiaries.
- 2.3 The Company will, in accordance with its obligations under Rule 864(4) of the Listing Manual, notify the SGX-ST immediately upon any significant changes affecting any matter obtained in the application for the listing and quotation of the Consideration Shares, or which would be required to be included in such application if it had arisen before the application was submitted.

3. FURTHER CLARIFICATION

- 3.1 In addition to the above, the Board wishes to clarify that Paragraph 2.5 of the Supplemental Announcement should read as follows:

“In the event the NPAT for FY2016 is equal to or more than 50%, but less than 80% of the Profit Target, the part Purchase Consideration shall be adjusted as follows:

$$\begin{array}{l} \text{Adjusted part} \\ \text{Purchase} \\ \text{Consideration} \end{array} = \frac{\text{NPAT for FY2016}}{\text{Profit Target for FY2016}} \times \begin{array}{l} \text{Remaining Part} \\ \text{Purchase} \\ \text{Consideration} \end{array}$$

- 3.2 In addition, the Board also wishes to clarify that the “part Purchase Consideration” or “part Consideration” referred to in Paragraphs 2.5 and 2.6 of the Supplemental Announcement refers to the third tranche payment of the Purchase Consideration.

3.3 Save as set out above, all other information in the Supplemental Announcement remains unchanged.

4. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and other matters contemplated by this announcement. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD

Lim Guek Hong
Company Secretary
6 July 2017