



KEONG HONG HOLDINGS LIMITED

(Company Registration Number: 200807303W)

SETTING UP OF A JOINT VENTURE COMPANY AND SUBSCRIPTION OF SHARES PURSUANT TO THE JOINT VENTURE AGREEMENT

The Board of Directors of Keong Hong Holdings Limited (“Keong Hong” or the “Company” and together with its subsidiaries, the “Group”) is pleased to announce that Keong Hong Construction Pte Ltd (“KHC”), a wholly-owned subsidiary of the Company, had on 25 January 2013 entered into a Joint Venture Agreement (“JV Agreement”) with JBE Holdings Pte. Ltd (“JBE”) for a joint development of an Executive Condominium (the “Project”) located at Sembawang Crescent/Sembawang Drive, Lot No. 6037C MK13 (the “Land Parcel”). JBE was awarded the tender by the Housing Development Board (“HDB”) for the Land Parcel in December 2012.

JBE group of companies has been principally involved in the property development business in Singapore since 2004. Projects undertaken by JBE include Luxe Ville at Pasir Panjang Road, The Luxe at Handy Road and 53 terrace houses in Sembawang.

Pursuant to the JV Agreement, a joint venture company known as Oasis Development Pte. Ltd. (the “JVC”) has been set up to undertake the development of the Project. The issued and paid-up share capital of the JVC will be S\$1,000,000 comprising 1,000,000 ordinary shares to be held by the KHC and JBE (“Joint Venture Partners”) in the following proportion:-

<u>Name of Joint Venture Partners</u>	<u>Shareholding</u>		
	<u>%</u>	<u>No. of Shares</u>	<u>Share Capital</u>
KHC	20	200,000	S\$200,000
JBE	80	800,000	S\$800,000
	100	1,000,000	S\$1,000,000

Under the JV Agreement, JBE or its group of companies (“Project Manager”) will provide project management services in relation to the Project, which includes the implementation of the Project and supervision of the execution of the construction works. The Project Manager will also provide sales and marketing, accounting and corporate administration services in relation to the Project.

KHC will be the main contractor of the Project and KHC has received a binding Letter of Intent for the main contract work worth approximately S\$149.9 million. The construction work is expected to commence in the last quarter of 2013.

The setting up of the JVC and subscription of shares by KHC pursuant to the JV Agreement will be funded through the Company’s internal resources and are not expected to have any material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the financial year ending 30 September 2013.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the JV Agreement, other than through their shareholding interests in the Company.

None of the Directors or substantial shareholders of the Company and their respective associates are related to JBE.

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary
Dated: 28 January 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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