



KEONG HONG HOLDINGS LIMITED

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

ENTRY INTO A MEMORANDUM OF UNDERSTANDING WITH CONTINENTAL HOPE SINGAPORE INDUSTRIAL DEVELOPMENT PTE. LTD. FOR THE JOINT EXPLORATION AND DEVELOPMENT OF HOTEL PROJECTS

1. INTRODUCTION

The Board of Directors of Keong Hong Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 7 February 2022, entered into a memorandum of understanding (the “**MOU**”) with Continental Hope Singapore Industrial Development Pte. Ltd. (“**Continental Hope**”) (collectively with the Company, the “**Parties**” and each a “**Party**”) in relation to its business cooperation in the hotel industry to share their respective strengths in the hotel industry and networks in the Maldives, Japan, Singapore, mainland China and other countries. (the “**Cooperation**”).

2. INFORMATION ON CONTINENTAL HOPE

Continental Hope (Company Registration Number: 201115361W) was incorporated in Singapore on 30 June 2011 with its registered office at 51, Changi Business Park Central 2, #09-03, The Signature, Singapore 486066. Continental Hope is a wholly owned subsidiary of Continental Hope Group (“**CHG**”) based in Chengdu, China. Continental Hope mainly engages in the development of overseas markets. CHG is developing its cultural and tourism business in mainland China, and Continental Hope plans to leverage on the resources of CHG for the Cooperation.

3. RATIONALE AND BENEFITS FOR THE COOPERATION

The rationale for the Cooperation is to establish a long term and mutually beneficial relationship, to collaborate in good faith in the potential and upcoming hotel projects. It is intended for the Parties to share their respective strengths in the hotel industry and networks in Maldives, Japan, Singapore, mainland China and other countries.

The Chinese market has become an important source of tourist and business tourists in the Asia Pacific region, especially for the Maldives and Singapore markets, and is the main travel destination of Chinese tourists and business travelers. With the gradual relaxation of COVID-19 rules, the tourism industry will recover in the foreseeable future. The signing of the MOU enables both Parties to leverage on each other's market advantages to generate greater business profits. The Company expects that this cooperation will bring positive long-term growth benefits to its business.

Shareholders shall note that the Parties will enter into such definitive agreement(s) relating to the above as may be necessary in due course and the Board will make such announcements on the same to update shareholders when such agreements have been entered into.

For the avoidance of doubt, the entry by either Party into any further definitive agreement(s) in connection with the purposes in line with this MOU shall be subject to such approval as may be required to be obtained from their respective shareholders and/or the board of directors under applicable laws.

4. FURTHER INFORMATION

The MOU sets out the initial intentions of the Parties in relation to the basic objectives and scope of the Cooperation and is subject to the execution of the further agreements between the Parties. Save for clauses in relation to exclusivity, taxes, costs and expenses, confidentiality, termination, governing law, dispute resolution, binding effect and effectiveness, the MOU is non-binding.

The exclusivity period of the MOU lasts 90 business days from the execution of the MOU. During this period, the Parties shall have the exclusive negotiation right toward subjects contemplated under the definitive agreement(s). If the Parties fail to execute the definitive agreement(s) by the expiry of the aforesaid exclusivity period, each Party shall be entitled to terminate the MOU.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The deemed substantial shareholder, LJHB Holdings (S) Pte. Ltd. is related to Continental Hope. Ms. Liu Hai Yan directly owns 100% of LJHB Holdings (S) Pte. Ltd. which in turn owns 100% of Continental Hope.

Mr Xu Quanqiang, the Non-Executive Non-Independent Director of the Company is the Chief Executive Officer of LJHB Holdings (S) Pte Ltd and Continental Hope.

Save as disclosed above, none of the directors or controlling shareholders, has any interest, direct or indirect, in the MOU, other than their shareholdings interest in the Company.

6. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Shareholders and potential investors should note that the entry into the MOU may or may not lead to the entry of further definitive agreement(s) with the relevant parties. There is no certainty or assurance that any definitive agreements will be entered into. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Lo Swee Oi
Company Secretary

7 February 2022