



KEONG HONG HOLDINGS LIMITED

Incorporated in the Republic of Singapore
(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 (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 21 July 2014 and is pleased to announce that KH Capital Pte. Ltd. (“**KH**”), a wholly-owned subsidiary of the Company, had on 10 October 2014 entered into a Joint Venture Agreement (“**JV Agreement**”) with FCL Tampines Court Pte. Ltd. (“**FCLT**”) for the development of an Executive Condominium (the “**Project**”) located at Sembawang Avenue Lot 6138X MK 13 (the “**Land Parcel**”). KH and FCLT were awarded the tender by the Housing Development Board for the Land Parcel in July 2014.

FCLT is a wholly-owned subsidiary of Frasers Centrepoint Ltd, a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited on 9 January 2014. Frasers Centrepoint Ltd is principally involved in the development, investment and management of residential, commercial, industrial and hospitality properties. Frasers Centrepoint Ltd is also the sponsor of three real estate investment trusts listed on the Main Board of the Singapore Exchange.

The JV Agreement sets out the terms and conditions governing the joint venture between KH and FCLT in relation to the joint venture company known as Sembawang Residences Pte. Ltd. (the “**JVC**”) which has been set up to undertake the development of the Project. The issued and paid-up share capital of the JVC is S\$1,000,000 comprising 1,000,000 ordinary shares held by KH and FCLT (“**Joint Venture Partners**”) in the following proportion:-

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

Under the JV Agreement, FCL Management Services Pte. Ltd. will provide project management services for the Project, which includes sales and marketing, accounting and administration services.

KH or a subsidiary of the Company will be appointed the main contractor for the Project.

The setting up of the JVC and subscription of shares by KH pursuant to the JV Agreement were funded through the Group’s internal resources and/or bank borrowings 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 2014.

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 FCLT.

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary

Date : 10 October 2014

This announcement has been prepared by the Company and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (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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