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KWAN YONG HOLDINGS LIMITED

光榮建築控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9998)

VOLUNTARY ANNOUNCEMENT

MEMORANDUM OF UNDERSTANDING ON STRATEGIC COOPERATION

This announcement is made by Kwan Yong Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide its shareholders and potential investors with updated information in relation to the latest business development of the Group.

THE MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 1 June 2020, the Company and Joy Famous International Investment Limited (“**Joy Famous International**”) entered into a memorandum of understanding on strategic cooperation (the “**MOU**”). Pursuant to the MOU, the Company and Joy Famous International intend to promote the online business platform in sales and promotion of new building materials such as prefabricated prefinished volumetric construction (PPVC) and building information modelling 5D (BIM5D), with an objective to explore new business opportunities in the upstream of building construction industry in Singapore (the “**Potential Cooperation**”).

To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, Joy Famous International and its ultimate beneficial owners are independent third parties who are not connected persons of the Company (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) as at the date of this announcement.

The Potential Cooperation is subject to the signing of a formal binding agreement within six months after the date of the MOU. Joy Famous International undertakes that it will only engage in negotiation with the Company and that it will not, directly or indirectly, enter into any form of negotiation with any third party in relation to the Potential Cooperation within six months after signing of the MOU and either party can terminate the MOU by giving the other party one month’s notice. Save for the clauses relating to exclusivity, termination and governing law, the MOU is not legally binding.

REASONS FOR AND BENEFITS OF THE MOU

The Company is an investment holding company. The Group is principally engaged in the provision of general building and construction services in Singapore.

The Board is of the view that the transactions contemplated in the MOU, if materialises, will enable the Group to explore new business opportunities in the upstream of the building construction industry in Singapore, and therefore is in the interests of the Company and its shareholders as a whole.

GENERAL

The Board wishes to emphasize that, save for the clauses relating to exclusivity, termination and governing law, the MOU is not legally-binding and may or may not lead to entering into of the formal binding agreement. Further announcement(s) will be made by the Company in respect thereof as and when appropriate in accordance with the Listing Rules. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.

By order of the Board
Kwan Yong Holdings Limited
Kwan Mei Kam
Chairman and Executive Director

Hong Kong, 1 June 2020

As at the date of this announcement, the Board comprises Mr. Kwan Mei Kam, Ms. Tay Yen Hua, Mr. Jacob Wong San Ta and Ms. Kwan Shu Ming as executive Directors; Mr. Lim Ah Lay as non-executive Director; and Mr. Koh Lian Huat, Dr. Wu Dongqing, Mr. Chou Sean Yu and Mr. Fong Heng Boo as independent non-executive Directors.