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SINGASIA HOLDINGS LIMITED

星亞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8293)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE BUSINESS COOPERATION

This announcement is made voluntarily by SingAsia Holdings Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”).

MEMORANDUM OF UNDERSTANDING

The board of directors of the Company (the “**Directors**” and the “**Board**” respectively) is pleased to announce that on 16 December 2020, the Group entered into a non-legally binding memorandum of understanding (the “**MOU**”) with 浙江康烯新材料科技有限公司 (unofficial English translation being “Zhejiang Kangxi New Material Technology Limited”) (the “**Prospective Partner**”). The Prospective Partner is in the business of manufacturing and trading graphene infrared mattresses and pillows to the health care industry in the People’s Republic of China (the “**PRC**”).

The Group’s Chairman, Mr. Sim Hak Chor, and Mr. Yu Xiaobing from the Prospective Partner will lead this potential cooperation.

The Group and the Prospective Partner are in the process of discussing possible ways of cooperation (the “**Discussion**”), which may include (i) the formation of a joint venture between the Group and the Prospective Partner; or (ii) the Group’s investment in the Prospective Partner. As at the date of the MOU, none of the terms or form of the cooperation has been finalised.

Upon the conclusion of the Discussion, a formal agreement will be signed between the parties, and amongst other terms, the Group will be in charge of providing human resource support for the Prospective Partner's health care staff. The Prospective Partner will be responsible for manufacturing and trading graphene infrared mattresses and pillows.

To the best knowledge, information, and belief of the Directors, having made all reasonable enquiries, the Prospective Partner and its ultimate beneficial owners are independent third parties and are not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")).

BACKGROUND OF THE PROSPECTIVE PARTNER

The Prospective Partner is a limited company incorporated in Jiaxing, China, and is engaged in the business of manufacturing and trading graphene infrared mattresses and pillows, and other health-related products.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

The Group is a Singapore-based workforce solutions provider. We provide manpower outsourcing services, manpower recruitment services and manpower training services.

However, as disclosed in the Annual Report 2020 released on October 30, 2020, there has been a decrease in the Group's sales volume and profit due to the COVID-19 outbreak in Singapore. Hence, the Group is actively seeking new business opportunities to strengthen its income stream.

The Directors consider that entering into the MOU is in the interest of the Group and its Shareholders as a whole as the transactions contemplated under the MOU, if materialised, are expected to diversify the income stream of the Group as well as achieving a synergistic effect with its existing human resources services. Accordingly, the Board is of the view that the entering into of the MOU is in the interest of the Group and the Shareholders as a whole.

GENERAL

The Board wishes to emphasise that the cooperation contemplated under the MOU may or may not proceed and that the parties have not entered into a legally binding agreement in relation to the transactions contemplated under the MOU as at the date of this announcement. If the transactions contemplated under the MOU materialise, the Company will make further announcements 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 the shares of the Company.

By order of the Board
SingAsia Holdings Limited
Sim Hak Chor
Chairman

Hong Kong, 16 December 2020

As at the date of this announcement, the executive Directors are Mr. Sim Hak Chor, Ms. Serene Tan; and the independent non-executive Directors are Mr. Lim Cheng Hock, Lawrence, Mr. Jong Voon Hoo and Mr. Lim Wee Pin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

* *For identification purposes only*