

CORPORATE PRESENTATION

FULL YEAR RESULTS 2015



KEONG HONG HOLDINGS LIMITED

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1. Group Overview

Twin Waterfalls



Year In Review

October 2014

- Appointment of Intercontinental Hotels Group to manage its first hotel property in Singapore.

March 2015

- Acquired 15.12% of Kori Holdings Limited.
- If the Company converts its existing S\$5 million convertible bond into shares of Kori, the Company will own 24.2% of Kori and will become its second largest shareholder.

April 2015

- Appointment of Accor to manage its first two hotel properties in the Maldives.
- Establishment of S\$150 million multicurrency medium term note programme.

June 2015

- Issued S\$50 million 6.00 per cent term notes due 2018.

July 2015

- Award of S\$163.4 million contract for the construction of Parc Life Executive Condominium.

August 2015

- Award of S\$107.5 million contract for the construction of Raffles Hospital's 20-storey medical tower.



Financial Summary

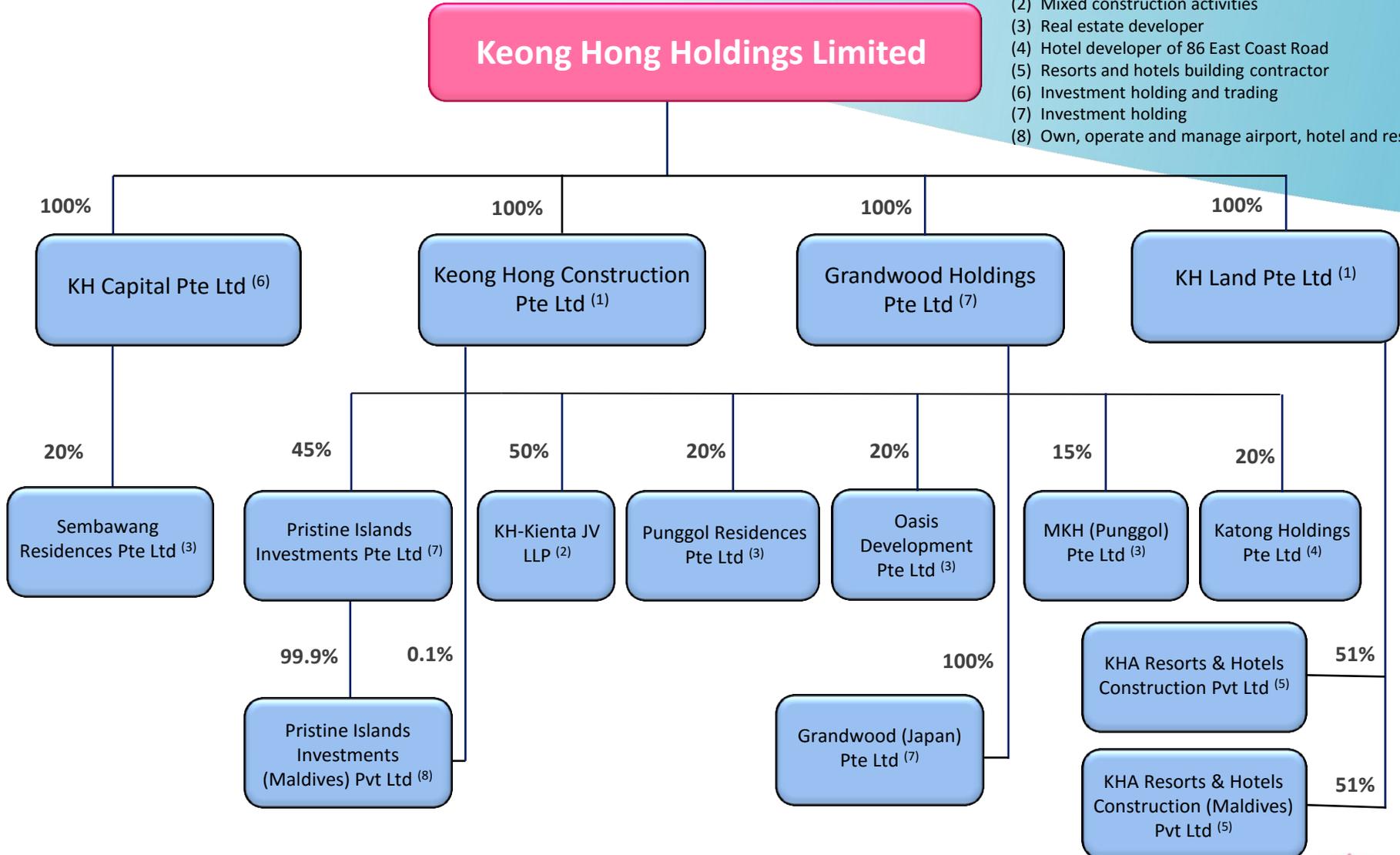
S\$ '000	FY2012	FY2013	FY2014	FY2015
Revenue	167,360	146,623	272,881	280,289
EBITDA	26,886	27,809	26,194	46,713
EBITDA Margin (%)	16.06%	19.09%	9.60%	16.67%
Finance Costs	63	62	320	1,346
Total Assets	125,988	132,346	222,099	337,408
Total Liabilities	74,635	67,138	141,962	225,122
Debt (Borrowings only)	n.a.	3,005	21,413	66,501
Tangible Net Worth	51,111	64,972	79,894	112,059
Debt / Tangible Net Worth	n.a.	0.05	0.27	0.59
Debt / Total Assets	n.a.	0.02	0.10	0.20
EBITDA / Finance Costs	424.05	452.21	81.90	34.71



Group Structure

Principal activities:

- (1) General and building contractors
- (2) Mixed construction activities
- (3) Real estate developer
- (4) Hotel developer of 86 East Coast Road
- (5) Resorts and hotels building contractor
- (6) Investment holding and trading
- (7) Investment holding
- (8) Own, operate and manage airport, hotel and resort



Building Construction Services Business

- The Group's construction projects covers new construction, A&A works of existing buildings, refurbishment and upgrading of existing buildings.
- The Group provides a broad range of building construction services for residential, commercial, industrial, infrastructural and institutional projects in the private and public sectors.



Residential	Commercial	Industrial	Institutional	Infrastructural
condominiums, apartment buildings, landed and public housing	office buildings, hotels, resorts and shopping mall	factories and warehouses	schools, medical centre, tertiary institutions and nursing home	domestic airport
Martin Place Residences, The Parvis, 8@Woodleigh, Terrace, Paterson Collection, J Gateway	Sime Darby Performance Centre, IBIS Hotel, Alexandra Central	Vicplas, AvaPlas, Makino	Toa Payoh Nursing Home, Mount Alvernia Hospital Sisters' Accommodation, SIM, Raffles Hospital's medical tower	Kooddo Airport in the Maldives



Property Development Business

- Leveraging on our experience and expertise in the building construction sector, the Group has expanded into property development in 2012.
- Our strategy to partner reputable property developers and owners to jointly undertake residential development projects enables the Group to share resources with business partners and manage any business risks associated with the property development projects.
- We will continue to explore new business opportunities in property development in Singapore and other countries in the Asia Pacific region, such as Australia and Japan.
- The Group has been appointed the main contractor for all its joint venture residential developments:

	Twin Waterfalls	SkyPark Residences	The Amore	Parc Life
Joint venture partners	FCL Tampines Court Pte Ltd (a subsidiary of Frasers Centrepoint Limited)	JBE Holdings Pte Ltd	Master Contract Services Pte Ltd, JBE Holdings Pte Ltd	FCL Tampines Court Pte Ltd (a subsidiary of Frasers Centrepoint Limited)
Group's Stake	20%	20%	15%	20%
Approximate contract sum	S\$162.3 million	S\$149.9 million	S\$118.0 million	S\$163.4 million



Hotel and Resort Development Business

- As global tourism is projected to increase over the next ten years, the Group's expansion into hotel and resort development will provide the Group with recurring income and an added engine of growth.
- The Group intends to achieve such expansion through suitable acquisitions, investments, strategic alliances and/or joint ventures, which will give us access to new markets and prospective customers.
- We have four hotel and resort developments in Singapore and the Maldives:

	Singapore	The Maldives
Development	<ul style="list-style-type: none"> • Hotel Indigo Singapore Katong • Holiday Inn Express Singapore Katong • F&B outlets and retail shops 	<ul style="list-style-type: none"> • Mercure Maldives Kooddoo Resort • Pullman Maldives Maamutaa Resort
Joint venture partners	Master Contract Services Pte Ltd, Asia Development Pte Ltd	Sansui Holding Pte Ltd, BRC Asia Limited, L3 Development Pte Ltd, Hotels & Resort Construction Pvt Ltd
Hotel manager	InterContinental Hotels Group (IHG)	Accor
Group Stake	20%	45%



2. Singapore Business

Raffles Hospital's new medical tower



Building Construction Pipeline

SkyPark Residences
(expected TOP 2016)



The Amore
(expected TOP 2016)

Parc Life EC
(launching in Jan 2016)
(expected TOP 2018)



J Gateway
(expected TOP 2016)



Raffles Hospital's new
medical tower
(expected TOP 2017)



Paterson Collection
(obtained TOP October 2015)



Property Development Projects

Twin Waterfalls



Type Executive Condominium

Total Units	728
Launch Date	February 2012
Sales Status	100%
Average Selling Price	S\$698 psf
Group's Stake	20%
TOP	2 June 2015

SkyPark Residences



Type Executive Condominium

Total Units	506
Launch Date	November 2013
Sales Status	92%
Average Selling Price	S\$793 psf
Group's Stake	20%
Expected TOP	2016



Property Development Projects

The Amore



Type Executive Condominium

Total Units	378
Launch Date	January 2015
Sales Status	46%
Average Selling Price	S\$795 psf
Group's Stake	15%
Expected TOP	2016

Parc Life



Type Executive Condominium

Total Units	660
Launch Date	January 2016
Sales Status	n.a.
Average Selling Price	n.a.
Group's Stake	20%
Expected TOP	2018



Hotel Development Projects



131-room Hotel Indigo Singapore Katong

451-room Holiday Inn Express Singapore Katong

Food and beverage outlets and retail shops

The hotels will be managed by InterContinental Hotels Group, to be opened in 2016

Group holds 20% interest in this joint development



3. Overseas Business – The Maldives

Pullman Maldives Maamutaa Resort



Resort Development Projects



Kooddoo Island

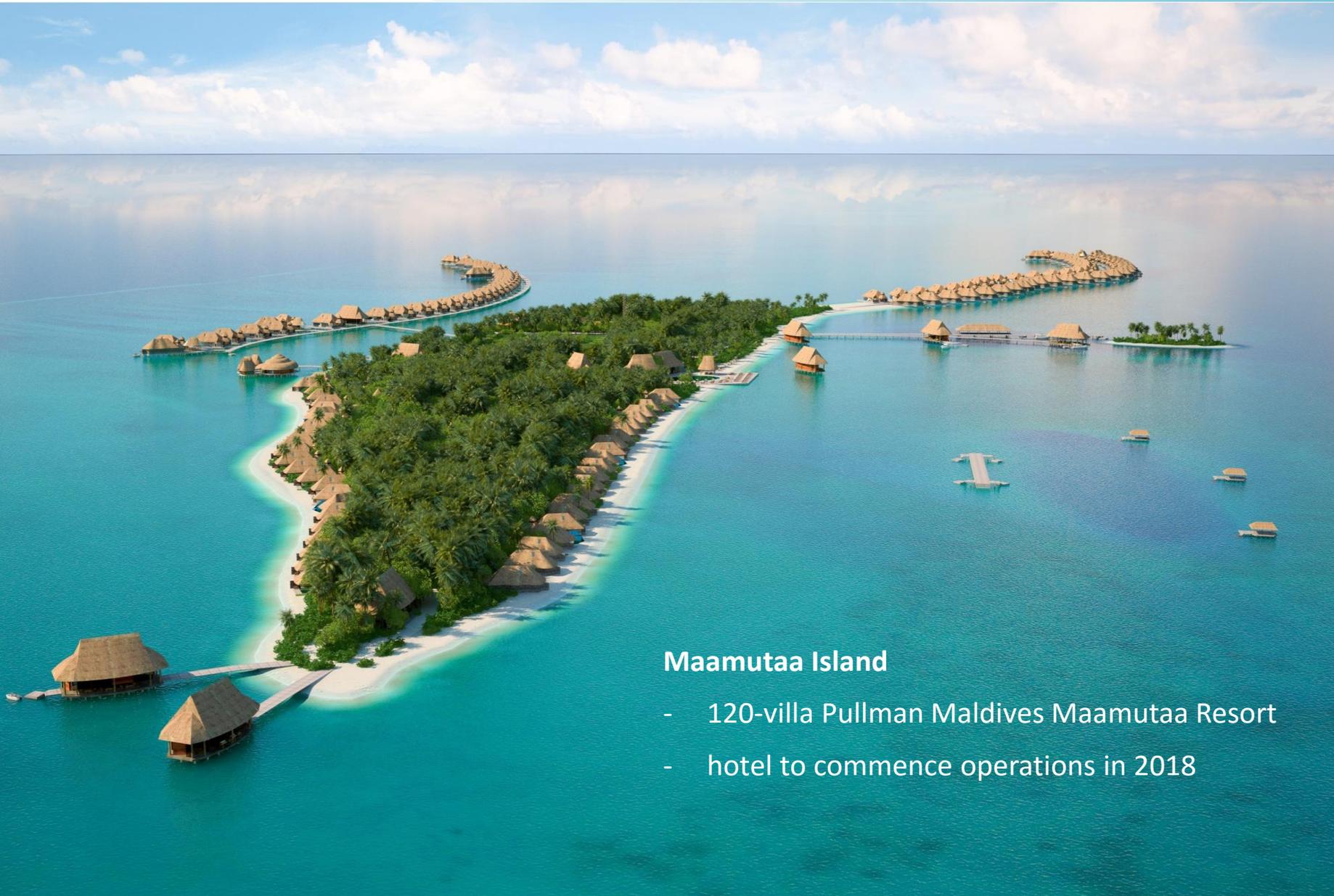
- 68-villa Mercure Maldives Kooddoo Resort
- hotel to commence operations in 2016

Mercure Maldives Kooddoo Resort

- Located in the south of the Maldives, Kooddoo Island is just a short 55 minutes flight from Male
- Mercure Kooddoo will be the only Maldivian beach resort directly accessible by domestic plane



Resort Development Projects



Maamutaa Island

- 120-villa Pullman Maldives Maamutaa Resort
- hotel to commence operations in 2018

4. Financial Highlights

Pullman Maldives Maamutaa Resort

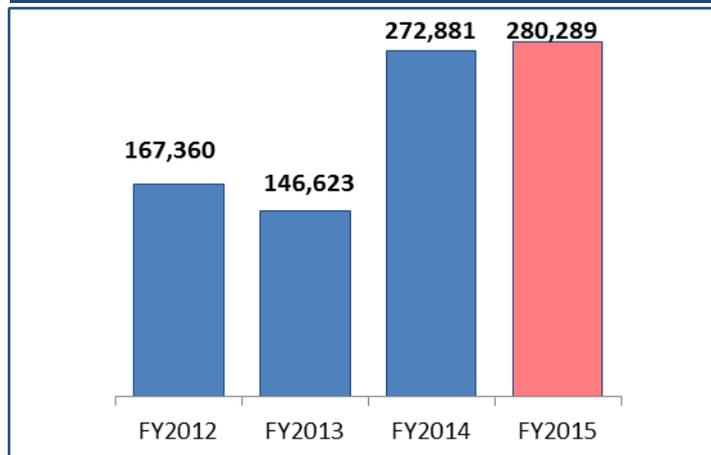


Key Financials

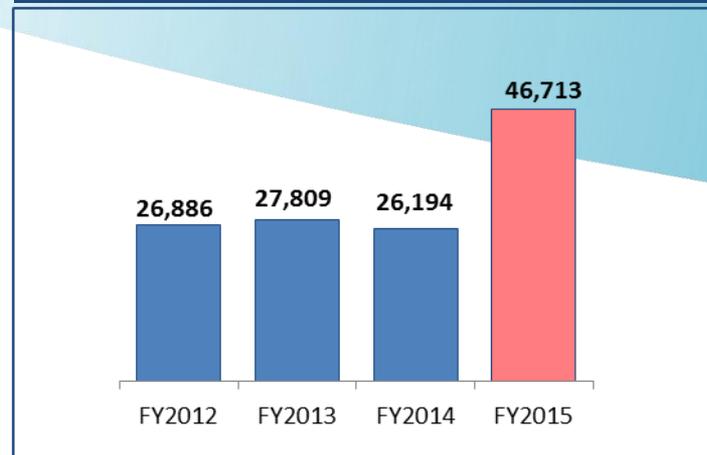
S\$ 'million	FY2014	FY2015	Change	Remarks
Revenue	272,881	280,289	2.7%	<ul style="list-style-type: none"> Growth in revenue due mainly to higher revenue recognition from ongoing projects
Gross profit	30,589	29,800	(2.6%)	<ul style="list-style-type: none"> Decline in gross profit margin was due mainly to higher operating costs such as higher wages, labour levies, safety compliance costs and higher depreciation expenses as a result of increase in plant and machinery
Gross profit margin (%)	11.2	10.6%	(0.6ppt)	
Net profit after tax	19,397	38,810	100.1%	<ul style="list-style-type: none"> Increase in net profit as a result of share of profit from the completion of Twin Waterfalls Executive Condominium
Basic EPS (cents)	11.1	16.5	48.6%	
Net gearing ratio (x)	0.27x	0.59x		<ul style="list-style-type: none"> Increase in bank borrowings and issuance of the S\$50 million term notes

Financial Summary – Income Statement

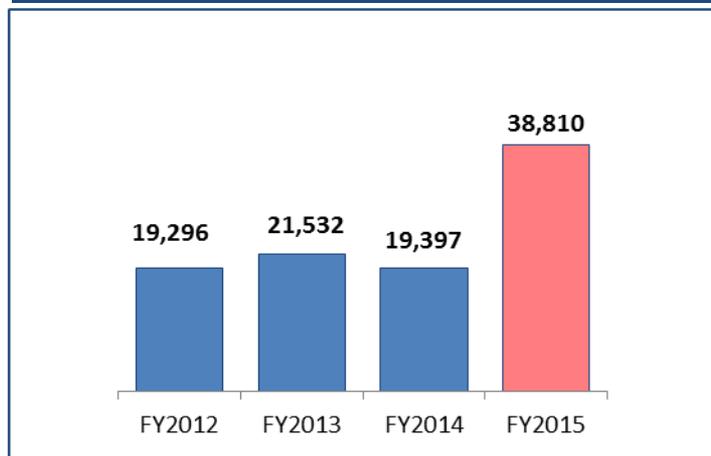
Revenue (S\$'000)



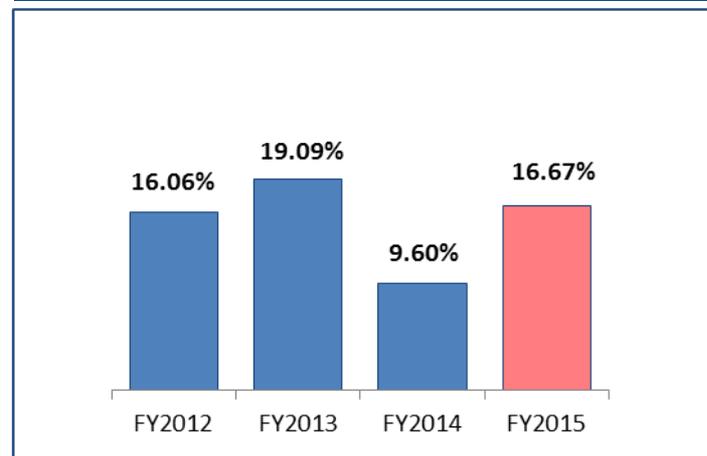
EBITDA (S\$'000)



NPAT (S\$'000)

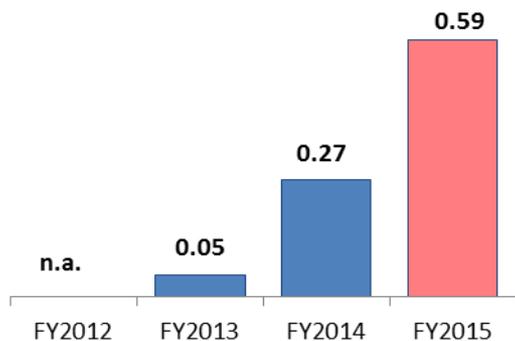


EBITDA Margin (%)

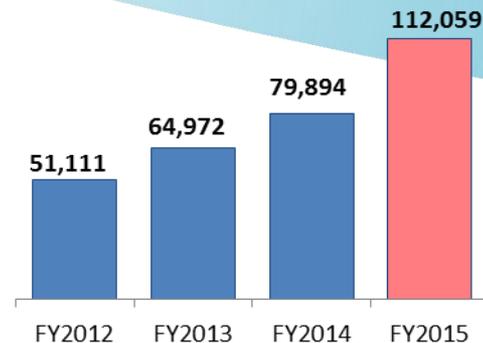


Financial Summary – Key Financial Ratios

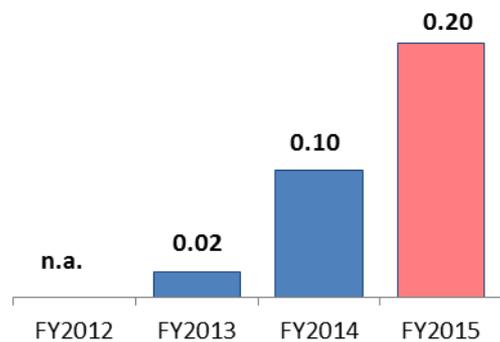
Debt to Tangible Net Worth



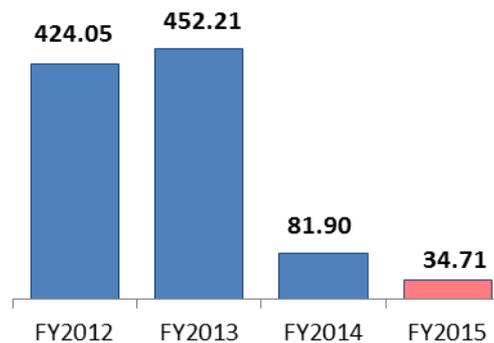
Tangible Net Worth



Debt to Asset



EBITDA Coverage



5. Outlook and Strategies

The Amore



Outlook

Singapore Construction Industry

- The average construction demand according to the BCA's forecast for 2016 and 2017 is between S\$27 billion to S\$36 billion per annum ⁽¹⁾.
- The Government's property cooling measures is also anticipated to continue in 2016. Any further interest rate hikes by the banks will not bode well for buyer sentiment in the housing market. 2016 is thus likely to be another challenging year.
- As at 30 September 2015, Group's order book stood at S\$462 million.
- We remain confident of our ability to meet the challenges of the near future given our strong pipeline of construction projects which stretch to 2018.
- Going forward, we will put more emphasis on commercial and institutional property construction, particularly in the medical and healthcare sector given Singapore's ageing population

*(1) Building and Construction Authority, "Public sector projects to sustain construction demand in 2015."
Available: http://www.bca.gov.sg/Newsroom/pr08012015_BCA.HTML*



Outlook

The Maldives Tourism Industry ⁽²⁾

- ***Strong demand for new resort construction as well as airport infrastructure to support the growing tourism industry***
- ***Traditional honeymoon and high-end tourists for luxury resorts will continue to grow. Recent years there has also been a steady rise in niche markets, such as family holidays, diving tours and conservation trips***
- ***Leading destination for luxury vacations, with one of the highest concentrations of high-end resorts in the world. Around a third of visitors spend more than USD5,000 in a single trip***
- From January to October 2015, tourist arrivals to the Maldives reached 1.02 million, registering a 1.3% growth over the same period in 2014. The country expects to receive 1.4 million visitors in 2015.
- Asia Pacific currently accounts for around 50% of visitor arrivals (with China the number one source country) and Europe accounting for 42% of visitor arrivals.
- The top ten tourists generating markets to-date are China, Germany, United Kingdom, Italy, India, Russia, France, Japan, Switzerland and Korea.

(2) <http://tourism.gov.mv/>



Strategies

Focus on projects with higher complexity and value-add for its building construction business

Generate higher profits and further raise business profile

Explore new business opportunities in property development in Singapore and other countries in the Asia Pacific region

Partner with well-established players to jointly undertake property development projects

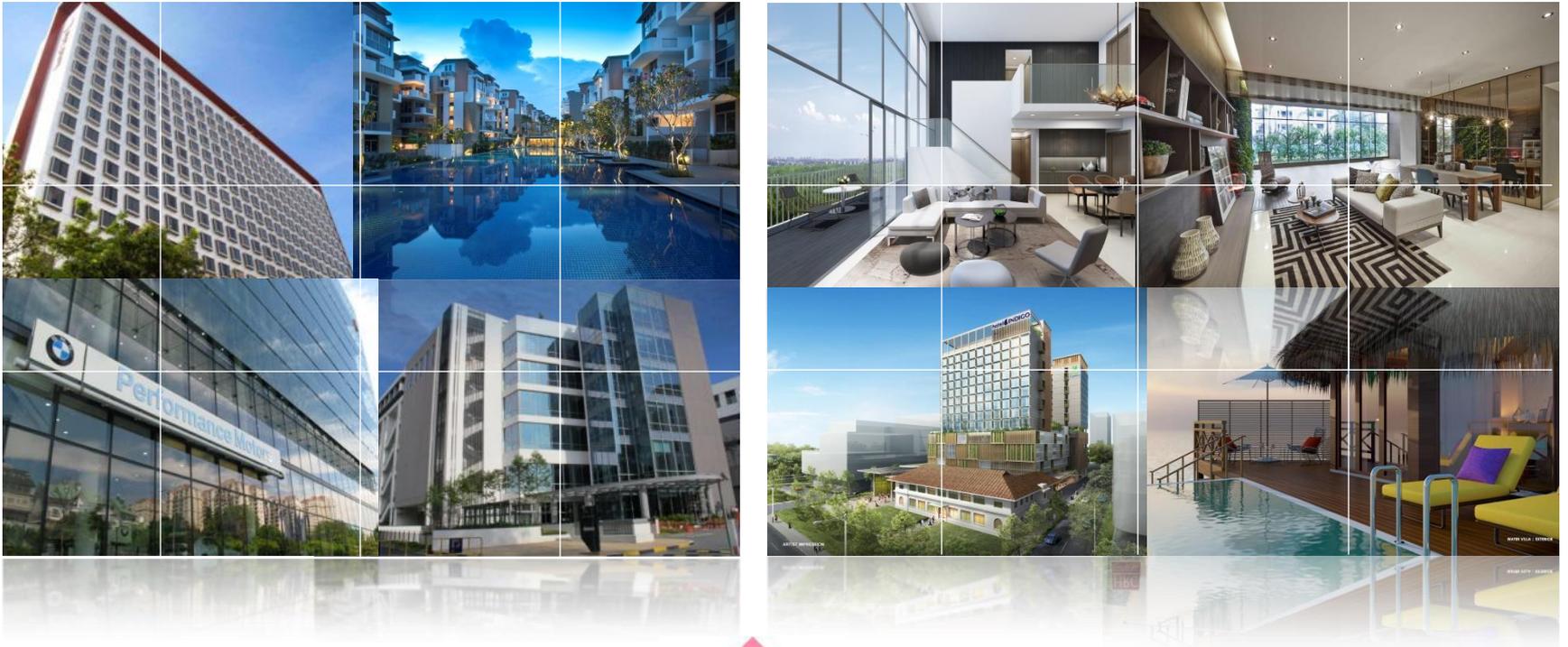
Undertake hotel and resort development projects in Singapore, the Maldives and other countries

Provide more stable sources of cash flows and recurring income for future growth

Growth and expansion through joint ventures and acquisitions

Investment in businesses which are complementary to the Group, such as infrastructural works for the MRT





BUILDING A SUSTAINABLE FUTURE