

# CORPORATE PRESENTATION

20 May 2014



KEONG HONG HOLDINGS LIMITED

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# Overview

Twin Waterfalls Executive Condominium



# Overview

## 3 Growth Engines

- Building Construction
- Property Development
- Hotel Development



**30**

Years of  
established  
track record

**144**

Per cent growth in  
market capitalisation  
since IPO



**>400**

Employees

**494**

Million of  
Singapore Dollars  
worth of order  
book as at 31  
March 2014



**2925**

Units of residential and  
hotel rooms under  
construction



# Overview

- Listed on the Catalist Board of the Singapore Exchange in December 2011
- Customers include main contractors, project consultants and well-established property developers and owners, such as Keppel Land group, Frasers Centrepoint Limited and MCL Land
- Awarded BCA A1 grading under the category CW01 for general building, able to tender for public sector construction projects of unlimited value with no restrictions for private sector construction projects
- Attained the runner-up position in the category of the Most Transparent Catalist Company by SIAS during its 14th Investors' Choice Awards in November 2013
- Expanded into airport construction and hotel development in the Maldives
- Expanded into property and hotel development in Singapore



# Corporate Action

## Dividends

	FY2012			FY2013		FY2014
	<b>\$0.005</b> Interim Dividend	<b>\$0.015</b> Final Dividend	<b>\$0.015</b> Special Dividend	<b>\$0.005</b> Interim Dividend	<b>\$0.02</b> Final Dividend	<b>\$0.01</b> Interim Dividend
Dividend Payout Ratio	28.3%			18%		18%

## Convertible Bond Subscription (August 2013)

- Entered into a S\$5 million convertible bond subscription with Kori Holdings Limited (“Kori”) in August 2013. The Bond may be converted into 11,904,000 ordinary shares in the capital of Kori.
- Kori is a Catalist-listed company on the Singapore Exchange, principally engaged in providing civil and structural engineering and infrastructural services for commercial, industrial and public infrastructural construction projects.

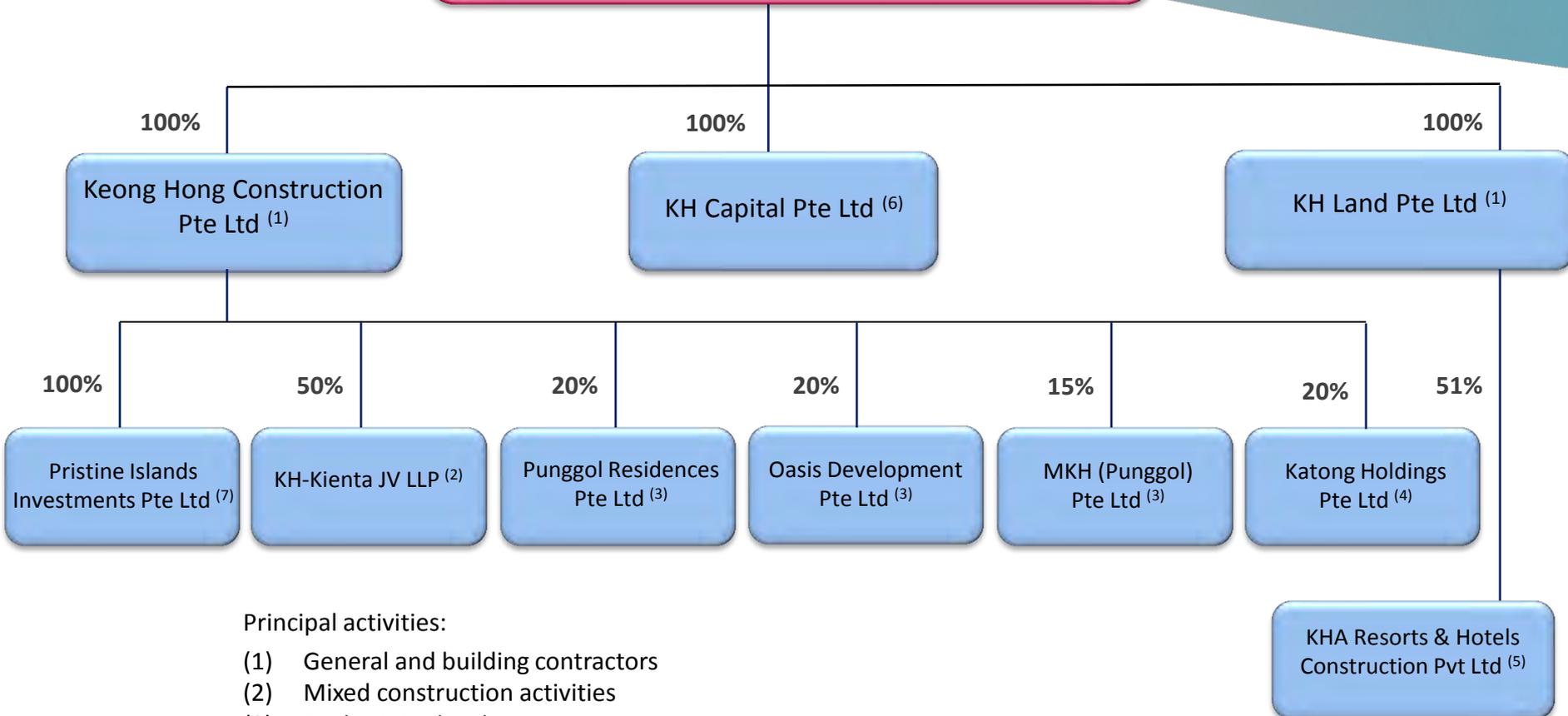
## Bonus Share Issue (May 2014)

- Proposed bonus share issue to shareholders on the basis of one bonus share for every two existing ordinary shares.
- To reward the shareholders for their loyalty, and continuing support for the Company as well as to reflect the growth and expansion of the Group’s business.



# Group Structure

## Keong Hong Holdings Limited



Principal activities:

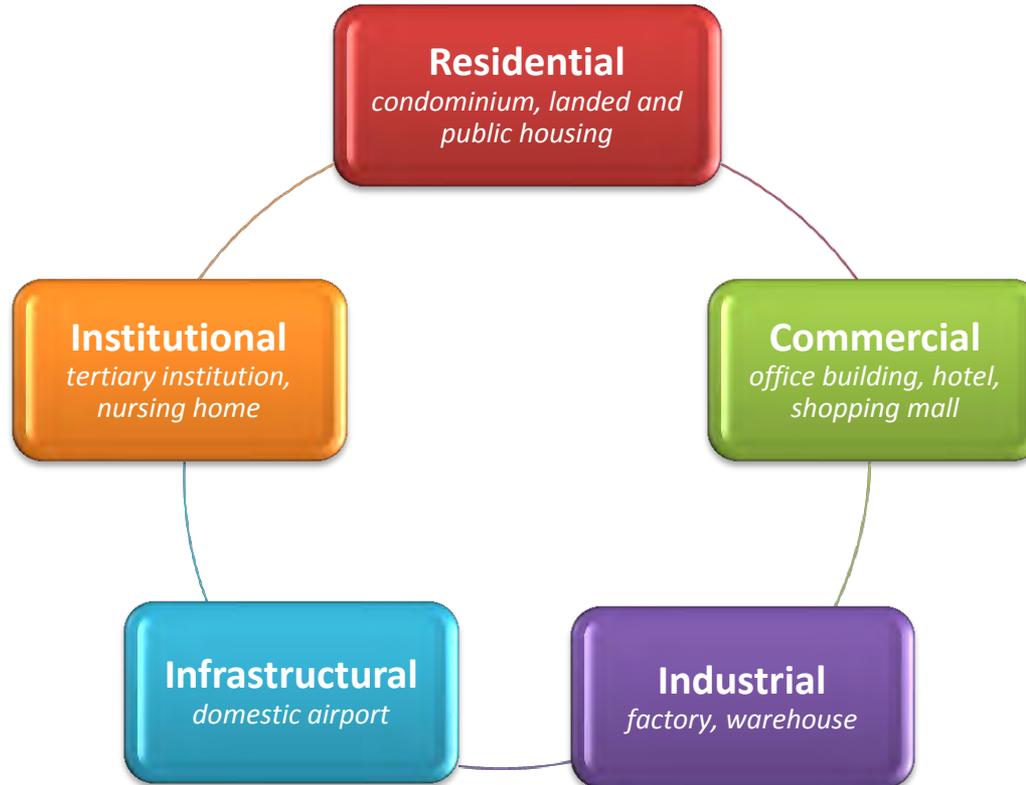
- (1) General and building contractors
- (2) Mixed construction activities
- (3) Real estate developer
- (4) Hotel developer of 883 East Coast Road
- (5) Resorts and hotels building contractor
- (6) Investment holding and trading
- (7) Investment holding



# Building Construction Services

Our construction projects covers new construction, A&A works of existing buildings, refurbishment and upgrading of existing buildings.

We provide a broad range of building construction services to both private and public sectors for residential, commercial, industrial, infrastructural and institutional projects.



# Residential Projects

Intelligent computerized self-climbing platform at Martin Place Residences



Martin Place Residences at Kim Yam Road (D&B)



The Parvis (D&B)



J Gateway construction site



8@Woodleigh (D&B)



# Commercial Projects



Sime Darby Performance Centre at Alexandra Road



IBIS Hotel at Bencoolen Street



# Industrial Projects



Vicplas at Joo Koon Circle



AvaPlas at Changi South Industrial Estate



Makino at Gul Avenue



# Institutional Projects



SIM at Clementi Road



Mount Alvernia Hospital Sisters' Accommodation



Toa Payoh Nursing Home



# Resort Development Project



## The Residence Maldives

- 94-villa resort hotel on Falhumaafushi Island
- Developed by Bonvest group

# Infrastructural Project



## Kooddoo Airport in Maldives

- Domestic airport to serve nearby resorts
- Design and built project:
  - 1.2km runway
  - Passenger terminal
  - Air-traffic control tower
  - Infrastructure facilities



# Property Development

## Twin Waterfalls

- 728-unit executive condominium development in Punggol
- Main contractor and joint developer
- Group holds 20% interest in this joint property development with Frasers Centrepoint Limited
- Officially launched on 18 February 2012, fully-sold
- Average selling price S\$698 per sq foot
- Target completion December 2014
- Contract sum S\$162 m



# Property Development

## SkyPark Residences

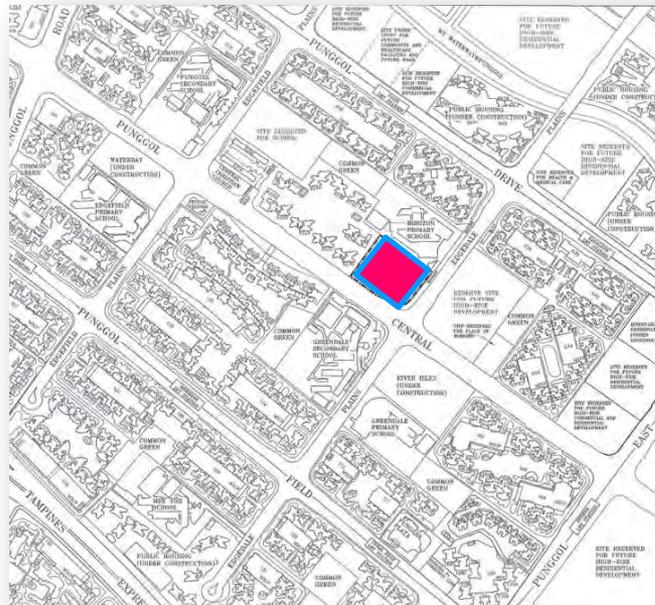
- 506-unit executive condominium development in Sembawang
- Main contractor and joint developer
- Group holds 20% interest in this joint property development with JBE Holdings Limited
- Officially launched on 16 November 2013, approximately 60% sold to-date
- Average selling price S\$793 per sq foot
- Target completion October 2016
- Contract sum S\$149.9 m



# Property Development

## Executive Condominium at Punggol Central/Edgedale Plains

- Awarded the 13,564.8 sqm site in August 2013 for S\$156.0 million
- Group holds 15% interest in this joint property development with Master Contract Services Pte Ltd (70%) and JBE Holdings Limited (15%)
- Target to launch the project in the fourth quarter of 2014



# Hotel Development

## Hotel development at East Coast Road, former Joo Chiat Police Station

- Awarded the 8,238.5 sqm site in January 2014 for S\$352.8 million
- Able to build 500 to 600-room hotel with commercial space for medical suites, offices as well as retail and F&B outlets
- Group holds 20% interest in this joint development with Master Contract Services Pte Ltd (70%) and Asia Development Pte Ltd (10%)



# Projects in the Maldives

## Hotel Development

- Kooddoo Island in Gaafu Alifu Atoll - development of an airport hotel
- Maamutaa Island in Gaafu Alifu Atoll – development of a resort hotel

## Airport Expansion

- Kooddoo Island in Gaafu Alifu Atoll - expansion of the Kooddoo domestic airport, including infrastructure work for the extension of its existing runway are slated for completion by the first quarter of 2015



# Current Projects



SkyPark Residences



Twin Waterfalls



The Terrace



J Gateway



Alexandra Central



Paterson 2



# Financial Highlights

SkyPark Residences



# Stock Information

<b>52-week range</b>	<ul style="list-style-type: none"><li>• S\$0.500 – S\$0.650</li></ul>
<b>Market capitalisation</b>	<ul style="list-style-type: none"><li>• S\$94.1 million</li><li>• Share price as at 16.5.2014: S\$0.605</li></ul>
<b>P/E ratio</b>	<ul style="list-style-type: none"><li>• 4.4 x <sup>(1)</sup></li></ul>
<b>Price / NAV ratio</b>	<ul style="list-style-type: none"><li>• 1.5 x <sup>(2)</sup></li></ul>
<b>Dividend payout ratio</b>	<ul style="list-style-type: none"><li>• 18.0% <sup>(3)</sup></li></ul>
<b>No. of shares</b>	<ul style="list-style-type: none"><li>• 155,500,000 <sup>(4)</sup></li></ul>
<b>Public Float</b>	<ul style="list-style-type: none"><li>• 39.60% <sup>(5)</sup></li></ul>
<b>Major shareholder</b>	<ul style="list-style-type: none"><li>• Ronald Leo (52.1%)</li></ul>

**Notes:**

(1) Based on EPS of 13.9 cents for FY2013

(2) Based on net asset value per ordinary share of 41.4 cents for FY2013

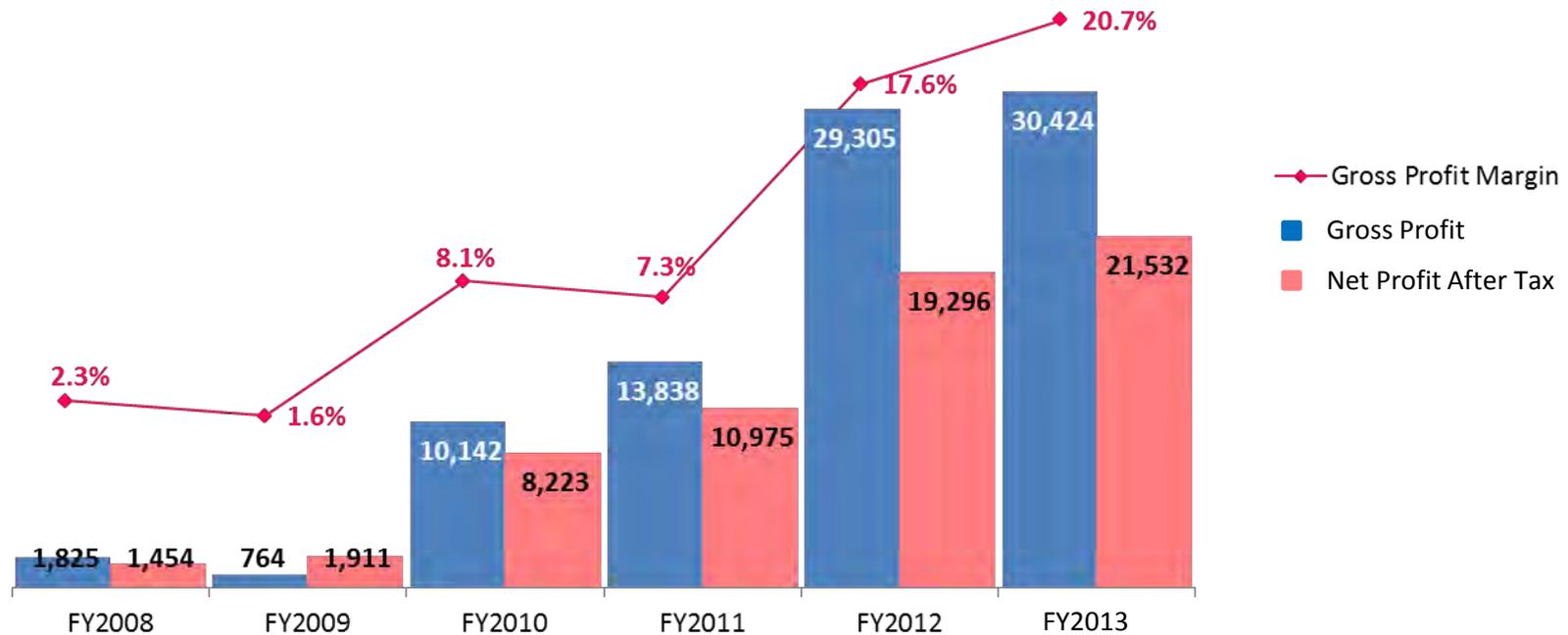
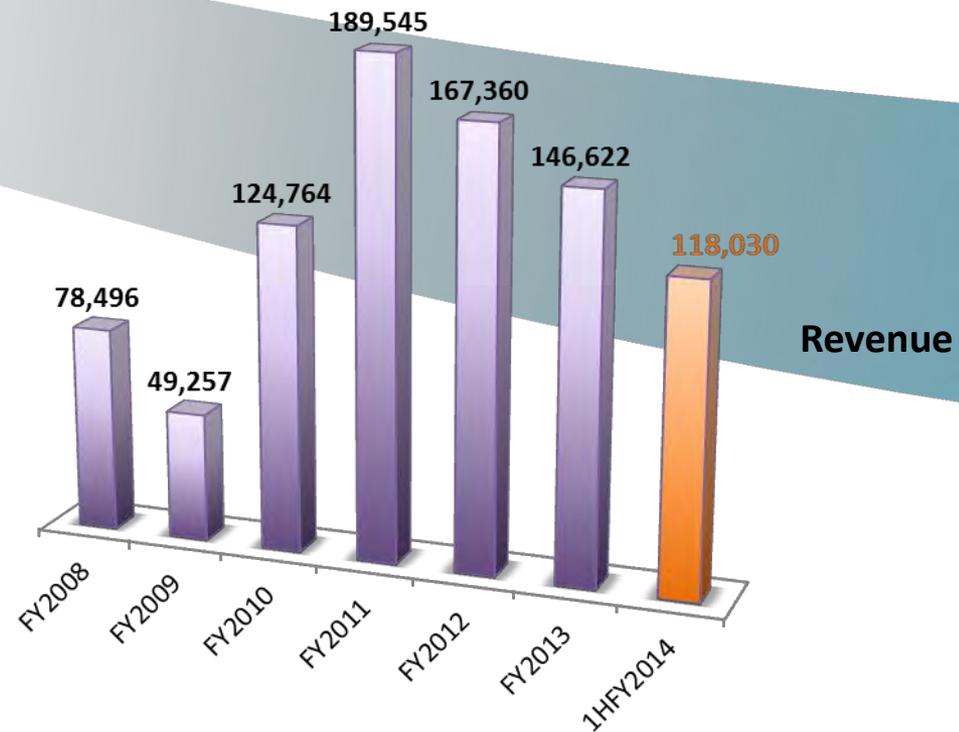
(3) Based on 1HFY2014's interim dividend of 1.0 cent per share

(4) Company bought back 4.5 million shares to keep as treasury shares

(5) Based on information obtained on 12 December 2013



# Revenue and Profit Growth



# Key Financials

S\$ 'million	1HFY2014	1HFY2013	Change (%)	Remarks
Revenue	<b>118.0</b>	53.2	122.0	<ul style="list-style-type: none"> <li>Growth in revenue due mainly to higher revenue recognition from new and ongoing projects</li> </ul>
Gross profit	<b>13.7</b>	9.1	50.7	<ul style="list-style-type: none"> <li>Increase in cost of sales as a result of higher business costs, wages and labour levies has impacted the gross profit margin</li> </ul>
Gross profit margin (%)	<b>11.6</b>	17.2	(5.6ppt)	<ul style="list-style-type: none"> <li>Decline in gross profit margin was also partly due to lower margin for new projects in the initial stages of construction</li> </ul>
Net profit after tax	<b>8.6</b>	5.7	48.9	<ul style="list-style-type: none"> <li>Increase in net profit as a result of a higher gross profit generated during the financial period</li> </ul>
Basic and diluted EPS (cents)	<b>5.6</b>	3.9	43.5	
Net gearing ratio (x)	<b>0.18</b>	Nil	n.m.	<ul style="list-style-type: none"> <li>Increase in bank borrowings for working capital</li> </ul>



# Outlook and Strategies

SkyPark Residences



# Outlook

## Singapore Construction Industry

### 2014

- BCA projects the overall construction demand in 2014 to remain strong at between S\$31 and S\$38 billion
- Private residential construction demand is expected to continue to soften following the implementation of various property cooling measures as well as the significant supply of completed housing units over the next few years
- Industry is facing challenges such as rising business costs and foreign worker levies, shortages of experienced and skilled manpower
- As at 30 March 2014, Group's order book stood at S\$494 million, with some projects' completion stretching up to 2016



# Outlook

## The Maldives Tourism Industry <sup>(1)</sup>

- ***Strong demand for new resort construction as well as airport infrastructure to support the growing tourism industry***
- The country registered strong tourists growth in 2010 (+20.7%) and 2011 (+17.6%), but a modest growth in 2012 (+2.9%) due mainly to political uncertainty
- Tourist arrivals to the Maldives reached a million for the first time in 2013, registering a healthy growth of 17.4% compared with 2012
- The top ten tourists generating markets in 2013 were China, Germany, United Kingdom, Russia, Italy, France, Japan, Switzerland, India and Korea. China remains the biggest market generator to the Maldives, with a market share of 32.6% of the total visitor arrivals in 2013
- At the end of first quarter of 2014, tourist arrivals to the Maldives saw an increase of 9.7% compared with the same period of 2013, the average hotel occupancy was higher at 84.5%

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

# Strategies

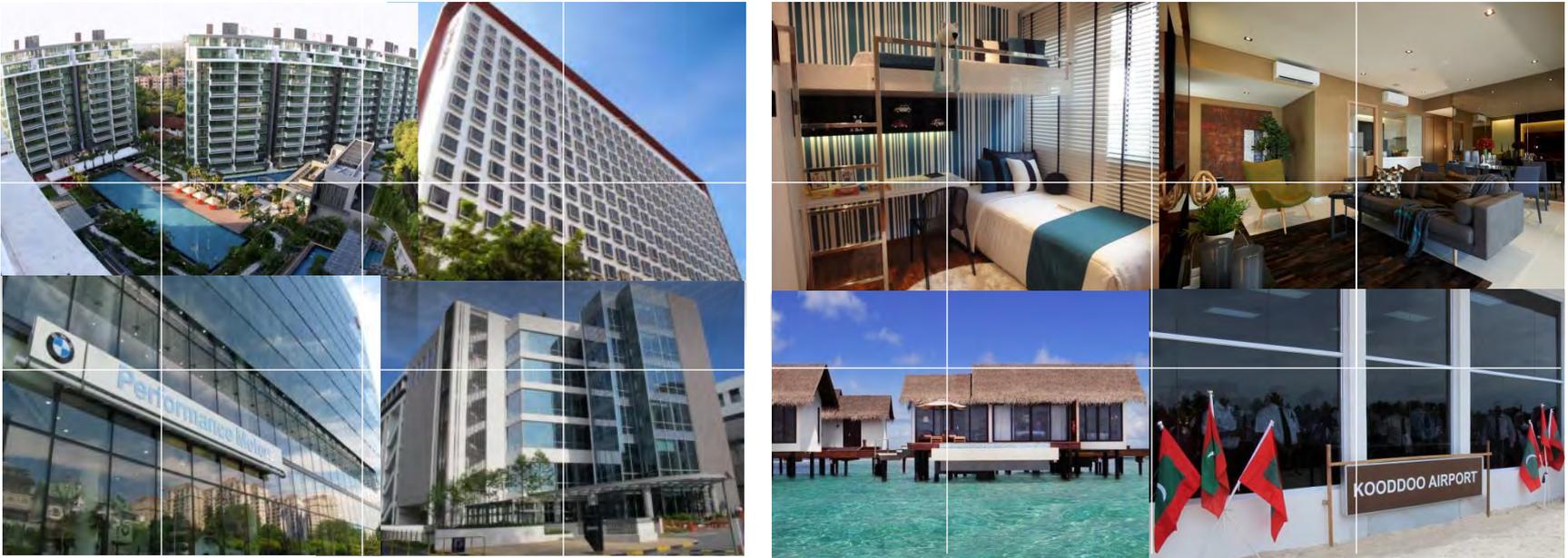
Expansion of building construction business in Singapore in the residential and commercial sectors

Continue to prospect for new business opportunities in hotel and residential development

Expansion in Maldives and other markets for hotel and resort development

Seek strategic alliances for future growth and expansion





# GROWING FOOTPRINT