



KEONG HONG HOLDINGS LIMITED

(Incorporated in Singapore on 15 April 2008)
(Company Registration Number: 200807303W)

FOR IMMEDIATE RELEASE

KEONG HONG POSTS NET PROFIT OF S\$6.2 MILLION FOR 3Q2016

- S\$411 million in construction order book, providing the Group with a sustainable flow of activities through FY2018
- SkyPark Residences has obtained TOP on 10 August 2016, share of results from this joint venture will be recognised in the current financial year
- Hotel Indigo Singapore Katong and Holiday Inn Express Singapore Katong opens for business

FINANCIAL HIGHLIGHTS

S\$'million	3 Months Ended 30 June			9 Months Ended 30 June		
	3Q2016	3Q2015	Change	9M2016	9M2015	Change
Revenue	65.6	62.9	4.3%	190.9	204.3	(6.6%)
Gross Profit	10.8	8.5	26.9%	28.8	22.6	27.4%
Gross Profit Margin (%)	16.4%	13.5%	2.9ppt	15.1%	11.1%	4.0ppt
Profit Before Tax	7.9	7.5	5.4%	20.0	18.7	6.7%
Profit After Tax	6.2	6.4	(4.1%)	16.0	15.6	2.8%
Basic EPS (cents)	2.55	2.71	(5.9%)	7.73	6.69	15.5%

Singapore, 11 August 2016 – Singapore’s homegrown building construction, hotel and property development and investment group, Keong Hong Holdings Limited (强枫控股有限公司) (“Keong Hong” or the “Company” and together with its subsidiaries, the “Group”), has reported a 4.3% increase in revenue to S\$65.6 million for the third financial quarter ended 30 June 2016 (“3Q2016”), versus S\$62.9 million in the previous corresponding period (“3Q2015”). The increase in revenue was attributable to higher revenue recognition from construction projects as the Group began to book in revenue from the Maldives resorts’ construction.



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The Group's gross profit also grew 26.9% year-on-year to S\$10.8 million, from S\$8.5 million in 3Q2015. Consequently, gross profit margin grew by 2.9 percentage points year-on-year to 16.4% in 3Q2016. The improvement was primarily due to higher revenue and improved gross profit margin from certain projects which are near completion.

Net profit was marginally lower at S\$6.2 million as compared to S\$6.4 million in 3Q2015 mainly due to higher administrative expenses of S\$3.4 million in 3Q2016 versus S\$1.8 million in 3Q2015.

For the nine months ended 30 June 2016 ("9M2016"), the Group reported a 6.6% decline in revenue to S\$190.9 million from S\$204.3 million a year ago ("9M2015") while net profit rose by 2.8% to S\$16.0 million from S\$15.6 million across the same comparative period.

Keong Hong's Chairman and Chief Executive Officer, Mr Ronald Leo (梁定平) said, **"Keong Hong's ability to maintain a healthy financial position and deliver good results despite continued challenging market conditions shows our resilience to market headwinds. The Group will continue to enrich our revenue sources and to seek diversified opportunities here and abroad. The completion of SkyPark Residences will contribute positively to our year end results and barring any unforeseen circumstances, we are optimistic on the Group's overall performance for FY2016."**

As at 30 June 2016, total shareholder's equity attributable to shareholders and net asset value per share stood at S\$119.2 million and 52.0 Singapore cents respectively, compared to S\$111.5 million and 49.3 Singapore cents respectively as at 30 September 2015. The Group's cash and cash equivalents stood at S\$51.7 million at the end of the quarter under review.



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BUSINESS OUTLOOK AND ORDER BOOK

According to data from Singapore Department of Statistics released on 29 July 2016, the real estate industry continues to expect less favourable business conditions for second half of 2016¹. Going forward, the Group sees more opportunities in commercial, industrial and institutional projects such as the redevelopment of Defu Industrial Estate, which will take 15 to 20 years to complete.

As at 30 June 2016, the Group's construction order book stood at approximately S\$411.5 million, providing the Group with a sustainable flow of activities through the end of financial year 2018.

Commenting on the Group's prospects, Mr Ronald Leo said, **"Keong Hong's successful transfer to the SGX Mainboard will further enhance the Group's profile and enable us to broaden our base of investors and customers. We are looking forward to more development and investment opportunities in the hotel, commercial and industrial sectors amidst continued weakness in the private residential market."**

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About Keong Hong Holdings Limited (Bloomberg: KHHL SP, Reuters: KEHO.SI)

Keong Hong was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited in December 2011 and successfully transferred to the Mainboard on 2 August 2016. The Group is principally engaged in the business of (i) providing building construction services for residential, commercial, institutional, industrial and infrastructural projects, (ii) property development and investment and (iii) hotel and resort development in Singapore and overseas.

Keong Hong has a track record of over 30 years in the construction industry in Singapore. The Group made its maiden foray into property development in Singapore in 2012 through a joint venture with FCL Tampines Court Pte. Ltd., a subsidiary of Frasers Centrepoint Limited to develop Twin Waterfalls, a 728-unit executive condominium ("EC") project in Punggol. Its subsequent EC developments include SkyPark Residences, The Amore and Parc Life.

The Group has embarked on its first hotel development in Singapore in 2014 with a hotel and mixed-use development project in Katong. The Group is also developing a mid-scale airport hotel and an upscale resort hotel in the Maldives.

¹ Business Expectations (Services Sector) Third Quarter 2016. Source: http://www.singstat.gov.sg/docs/default-source/default-document-library/news/press_releases/bes3q2016.pdf



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Led by a highly qualified and experienced management team with a staff strength of over 400, Keong Hong has built a strong reputation in the market for its commitment to quality and service.

Keong Hong has been awarded BCA A1 grading under the category CW01 for general building, which allows it to tender for public sector construction projects of unlimited value. At the SIAS Investors' Choice Awards 2013, Keong Hong was conferred the Runner-Up for Most Transparent Company Award under the Catalist Category. The Group also won the Best CFO Award for companies with less than S\$300 million in market capitalisation at the Singapore Corporate Awards 2016.

For more information, please visit www.keonghong.com.

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