



KEONG HONG HOLDINGS LIMITED

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

FOR IMMEDIATE RELEASE

KEONG HONG'S NET PROFIT SURGES 100% TO S\$38.8 MILLION FOR FY2015

- Recommends final dividend of 4 Singapore cents per share
- S\$462 million in construction order book, with projects lasting till FY2018
- Cash and cash equivalents rise to S\$100 million, fortifying balance sheet for strategic investments and growth

FINANCIAL HIGHLIGHTS

S\$'million	FY2015	FY2014	Change (%)
Revenue	280.3	272.9	2.7
Gross Profit	29.8	30.6	(2.6)
Gross Profit Margin	10.6%	11.2%	-
Profit Before Tax	41.4	23.6	75.5
Profit After Tax	38.8	19.4	100.1
⁽¹⁾ Basic EPS (cents)	16.5	11.1	48.6
⁽²⁾ NAV/Share (cents)	49.1	34.4	42.7

⁽¹⁾ Based on weighted average ordinary shares of 231,191,342 (FY2014: 177,653,912)

⁽²⁾ Based on 225.95 million ordinary shares (excluding treasury shares) (FY2014: 233.25 million)

Singapore, 27 November 2015 – 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"), reported record earnings for the financial year ended 30 September 2015 ("FY2015").

Net profit jumped 100.1% to a high of S\$38.8 million on revenue of S\$280.3 million. Completion of maiden property development, Twin Waterfalls Executive Condominium, drove the bottom-line growth.



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As at 30 September 2015, the Group maintains a strong financial position with cash and cash equivalents of S\$100.6 million, and net asset value per share of 49.1 cents. The Group's basic earnings per share increased 48.6% to 16.5 cents, up from 11.1 cents in the previous year.

Commenting on the strong set of results, Keong Hong's Chairman and Chief Executive Officer, Mr Ronald Leo (梁定平) said, **"2015 is a corporate milestone for Keong Hong as we completed our first property development, Twin Waterfalls Executive Condominium, which contributed to our record net profit. We also established a S\$150 million multicurrency Medium Term Note programme and made our maiden venture into Vietnam with a joint venture residential development in Ho Chi Minh City. Our Building Construction division also clinched the contract for Raffles Hospital's new medical tower extension at North Bridge Road, which marked our first step into the healthcare and medical industry."**

DIVIDEND

The Board of Directors is recommending a one tier tax-exempt final dividend of 4 Singapore cents per share for approval by shareholders at the forthcoming annual general meeting in January 2016. This would bring the full-year payout to 4.5 cents per share, which works out to a dividend payout ratio of 26.8%.

PROJECT UPDATES

Building Construction

During FY2015, the Group secured a S\$163.4 million building contract to construct the 660-unit Parc Life Executive Condominium at Sembawang Crescent. Construction works on the soon-to-be launched project have commenced and the project is expected to be completed by 2018. The Group holds a 20% interest in this joint development with FCL Tampines Court Pte. Ltd., a wholly-owned subsidiary of Frasers Centrepoint Limited.



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In the same period, the Group has also been awarded the contract for the construction of a 20-storey medical building for Raffles Hospital. This S\$107.5 million project marks the Group's maiden foray into healthcare and medical sector, which bears testimony to the Group's established building construction track record as it has met the stringent qualifications for construction of specialised medical premises.

The Group's current construction projects pipeline include Maldives' Kooddoo Airport Extension, Mercure Maldives Kooddoo Resort, Pullman Maldives Maamutaa Resort, SkyPark Residences, The Amore, J Gateway, Parc Life and Raffles Hospital's new 20-storey medical tower.

As at 30 September 2015, the Group's construction order book stood at approximately S\$462 million, providing the Group with a sustainable flow of activities through FY2018.

Property Development and Investment

KEONG HONG'S EXISTING EXECUTIVE CONDOMINIUM DEVELOPMENT						
Name	Location	Launch Date	Expected TOP	Number of Units	Sales Status To-date	Keong Hong's Stake
SkyPark Residences	Sembawang Crescent	November 2013	2016	506	92%	20%
The Amore	Punggol Central	January 2015	2016	378	46%	15%
Parc Life	Sembawang Crescent	January 2016	2018	660	n.a.	20%

The Group has also made its maiden venture into Vietnam with a residential development in Nha Be, Ho Chi Minh City. The Group holds a 15% share in this joint venture project with other established property developers such as Chip Eng Seng Corporation Ltd, Lian Beng Group and KSH Holdings Limited.



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Hotel and Resort Development

The Group's 68-villa Mercure Maldives Kooddoo Resort is expected to be completed in the second quarter of 2016. Despite a slowdown in Chinese luxury travel, the Group anticipates the mid-market Mercure Maldives Kooddoo will be well received as it will be the only Maldivian beach resort directly accessible by domestic plane, without the need of an additional speedboat journey.

Construction of the upscale 120-villa Pullman Maldives Maamutaa Resort will commence in early 2016 and is expected to be completed in 2018.

The Holiday Inn Express Singapore Katong and Hotel Indigo Singapore Katong are expected to be operational in 2016. Besides the two hotels, the mixed-used development project at the former Joo Chiat Police Station site also includes food and beverage outlets and retail shops.

OUTLOOK

Amid continuing fragility in the recovery of global economy and a significant slowdown in domestic residential property market, the Group foresees the building construction environment to remain challenging due to intense competition in clinching new contracts and rising labour costs. Nonetheless, the Group is optimistic on its building construction business for 2016 given the pipeline of contracts it has secured and its proven track record.

Commenting on the Group's growth plans, Mr Ronald Leo said, **"Going forward, Keong Hong will put more emphasis on commercial and institutional property construction, particularly in the medical and healthcare sector as Singapore is facing an aging population. The Group will also continue its expansion into hotel and resort developments to boost its recurring income.**

Our cash pile has grown to S\$100 million, we can now speed up our overseas expansion plans. We are actively exploring suitable investment and development opportunities in countries such



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as Australia, Japan, Malaysia and the Maldives to further drive growth and diversify our revenue sources.”

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

Listed on the Catalist Board of the Singapore Exchange Securities Trading Limited in December 2011, Keong Hong Holdings Limited is principally engaged in the business of (i) providing building construction services in Singapore and the Maldives for residential, commercial, institutional, industrial and infrastructural projects, (ii) property development and investment and (iii) hotel and resort development in Singapore and the Maldives.

The Group’s construction business in Singapore is primarily undertaken by KH Construction, which has a track record of over 30 years in the construction industry in Singapore. The Group’s diversified portfolio of projects include IBIS Hotel, Singapore Institute of Management, Sime Darby Performance Centre, Martin Place Residences, Parvis, Paterson Collection, Twin Waterfalls, SkyPark Residences, The Amore, J Gateway, Alexandra Central and The Residences resort and Kooddoo domestic airport in the Maldives.

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 developments include the 506-unit SkyPark Residences EC and the 378-unit The Amore EC, which were launched in 2013 and 2015 respectively.

Keong Hong 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.

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.

The Group has also received certifications and accolades for its construction business, including the ISO 9001:2008 and SS ISO 9001:2008 certification in 1998, the OHSAS 18001:2007, the ISO 14001:2004 and SS ISO 14001:2004 certification in 2004, the BCA Award for Construction Excellence (Certificate of Excellence) for the Parc Vista condominium in 2000, the BCA Award for Construction Excellence (Certificate of Merit) for Martin Place Residences condominium in 2013 and the bizSAFE Star Certificate in 2009. The Group has also 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.

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This press release should be read in conjunction with Keong Hong’s financial announcement filings with the Singapore Exchange on 27 November 2015, which can be downloaded via www.sqx.com.



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This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this press release.

This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release.

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