

CORPORATE PRESENTATION

FY2016



KEONG HONG HOLDINGS LIMITED

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1. Group Overview

Parc Life



Year In Review

September 2015

- Keong Hong moved into its new corporate headquarters at 9 Sungei Kadut, enabling the Group to consolidate and strengthen its operations to bring about a leaner, more effective structure.

October 2015

- Replicating its property development model in Singapore, the Group took a 15% stake in a joint venture residential development in Nha Be, Ho Chi Minh City, Vietnam.

December 2015

- The Group made its first acquisition overseas - a commercial property in Honmachi, Osaka, Japan.

January 2016

- The Group acquired a land parcel for residential condominium development at Siglap Road through joint tender.

June 2016

- The Group's joint venture mixed-use development project at the former Joo Chiat Police Station – Katong Square, Hotel Indigo Singapore Katong and Holiday Inn Express Singapore Katong opened for business.

July 2016

- Group CFO has been conferred the Best CFO Award at Singapore Corporate Awards for listed companies with less than S\$300 million in market capitalisation.

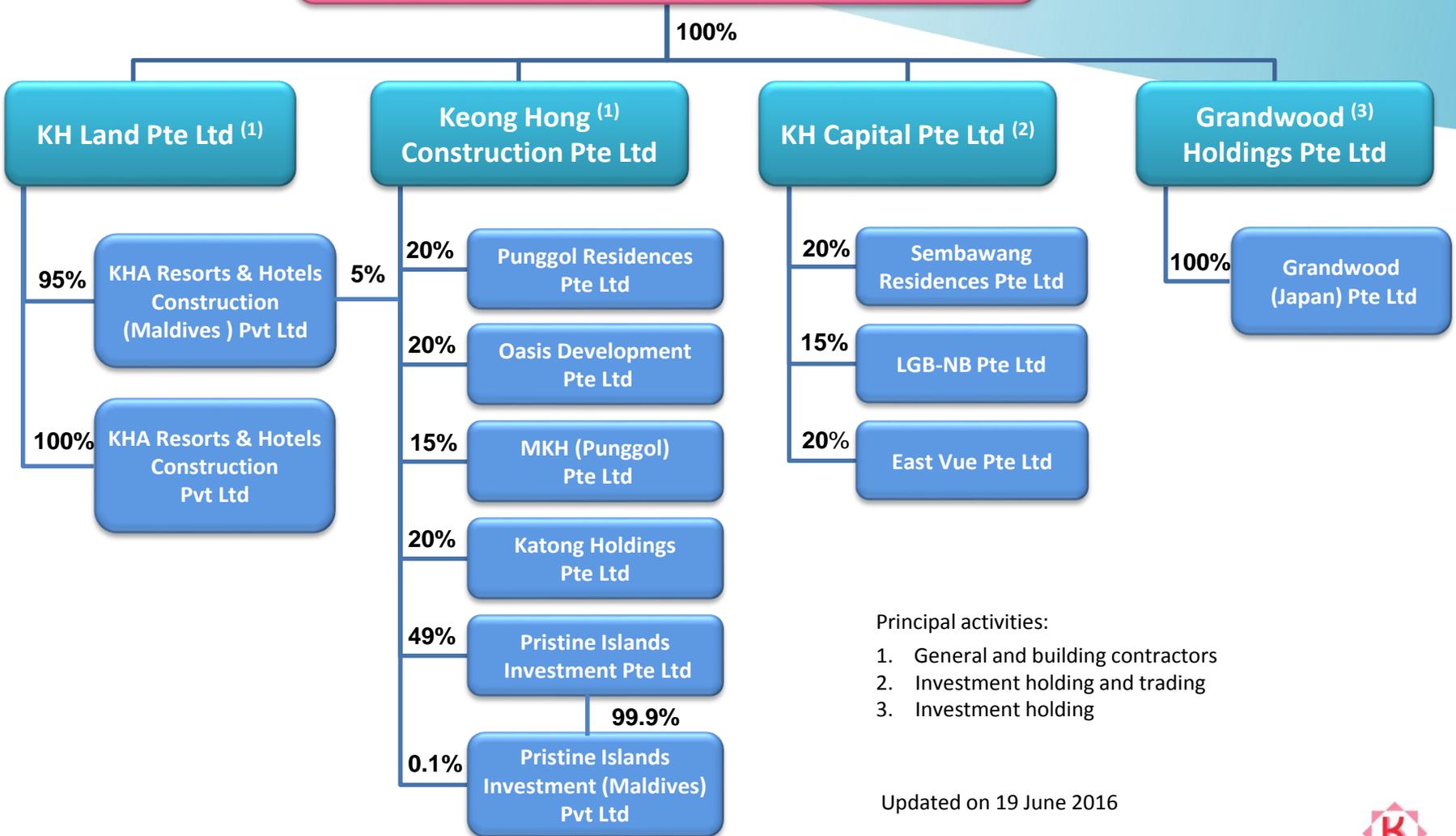
August 2016

- The Group achieved another corporate milestone with the successful transfer of its listing from Catalist to the Mainboard of the Singapore Exchange.
- SkyPark Residences obtained its Temporary Occupation Permit (“TOP”).



Group Structure

Keong Hong Holdings Limited



Principal activities:

1. General and building contractors
2. Investment holding and trading
3. Investment holding

Updated on 19 June 2016



2. Singapore Business

Raffles Hospital Extension



Building Construction

- Visible pipeline with construction order book standing at S\$351 million, providing the Group with a sustainable flow of activities through the end of financial year 2018.

SkyPark Residences EC

(obtained TOP in August 2016)



The Amore EC

(obtained TOP in November 2016)



Parc Life EC

(expected TOP 2018)



Raffles Hospital Extension

(expected TOP 2017)



J Gateway

(obtained TOP in November 2016)



Property Development & Investment

- 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.
- The Group has been appointed the main contractor for all its joint venture residential developments:

Project	Joint Venture Partners	Keong Hong's Interest	Approximate Contract Sum
Twin Waterfalls EC	FCL Tampines Court Pte Ltd (a subsidiary of Frasers Centrepoint Limited)	20%	S\$162.3 million
SkyPark Residences EC	JBE Holdings Pte Ltd	20%	S\$149.9 million
The Amore EC	Master Contract Services Pte Ltd, JBE Holdings Pte Ltd	15%	S\$118.0 million
Parc Life EC	FCL Tampines Court Pte Ltd (a subsidiary of Frasers Centrepoint Limited)	20%	S\$163.4 million



Property Development & Investment

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	99.8%
Average Selling Price	S\$793 psf
Group's Stake	20%
TOP	10 August 2016



Property Development & Investment

The Amore



Type Executive Condominium

Total Units	378
Launch Date	January 2015
Sales Status	100%
Average Selling Price	S\$795 psf
Group's Stake	15%
TOP	28 November 2016

Parc Life



Type Executive Condominium

Total Units	628
Launch Date	April 2016
Sales Status	22%
Average Selling Price	S\$770 – S\$800 psf
Group's Stake	20%
Expected TOP	2018



Property Development & Investment



Residential condominium at Siglap Road

Type	Private Condominium
Total Units	841
Launch Date	First Half Of 2017
Tender Price	S\$624.18 million
Site Area	19,309.6 m ²
Group's Stake	20%



Hotel Development & Investment

- 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.
- Hotel investment in Singapore is through our 20% interest in Holiday Inn Express Singapore Katong and Hotel Indigo Singapore Katong, opened in May and June 2016 respectively. Both hotels are managed by InterContinental Hotels Group.

131-room Hotel Indigo Singapore Katong



451-room Holiday Inn Express Singapore Katong



3. Overseas Business

Pullman Maldives Maamutaa Resort



Building Construction - Maldives



Kooddoo Airport Extension

Kooddoo Island in Gaafu Alifu Atoll

- expansion of the Kooddoo domestic airport, including infrastructure work for the extension of its existing runway, slated for completion by 2016



Maamutaa
Island
Kooddoo
Airport



Hotel Development & Investment - Maldives

- Located in the south of the Maldives, Kooddoo Island is just a short 55 minutes flight from Male
- Mercure Maldives Kooddoo will be the only Maldivian beach resort directly accessible by domestic plane
- 68-villa Mercure Maldives Kooddoo Resort to commence operations in the first half of 2017



Hotel Development & Investment - Maldives

- Construction works on Pullman Maldives Maamutaa Resort have commenced
- The 120-villa upscale resort is expected to be completed in 2018



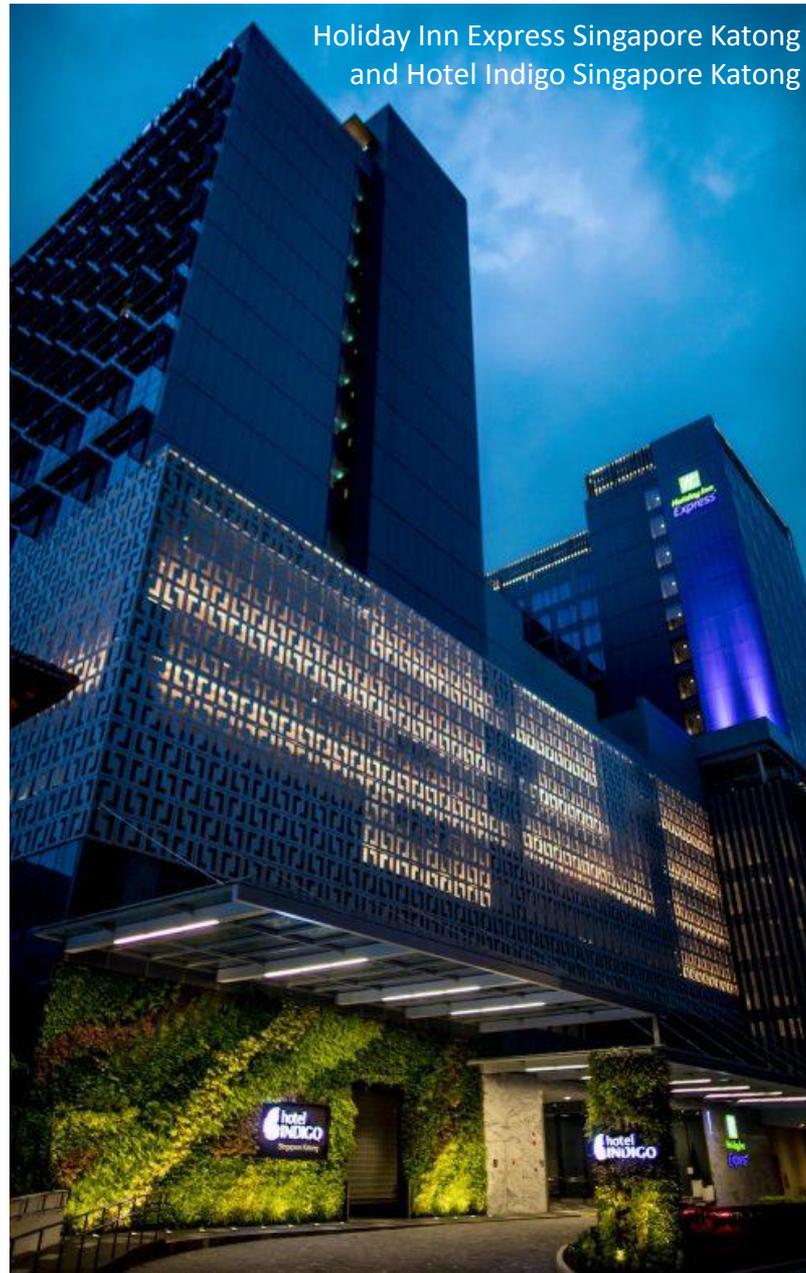
Property Development & Investment - Osaka, Japan



- The 9-storey commercial property is a 2-minute walk from Honmachi subway station, has a net rentable area of 1,686 square metres and land size of approximately 344.65 square metres
- The property is mainly occupied by offices and is currently 85% tenanted



4. Financial Highlights



Key Financials

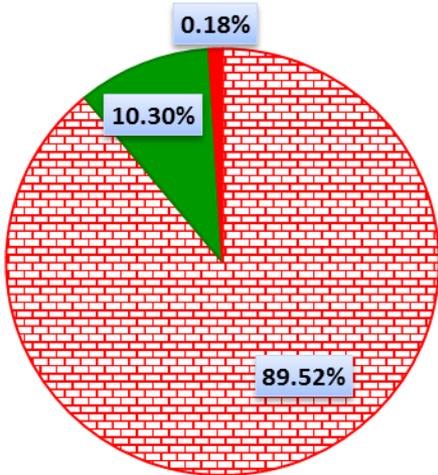
S\$ 'million	FY2016 Unaudited	FY2015 Audited	Change	Remarks
Revenue	248,014	281,984	(12.0%)	<ul style="list-style-type: none"> Decline in revenue was mainly due to lower revenue recognition from new projects which were at initial revenue recognition stage and projects which had largely completed in the last financial year
Gross profit	38,806	29,885	29.9%	<ul style="list-style-type: none"> Higher gross profit margin was driven by better margin for certain construction projects
Gross profit margin	15.6%	10.6%	5.0ppt	<ul style="list-style-type: none"> Retention sum received in 1Q2016 from completed projects also helped to improve gross profit
Net profit after tax	33,061	38,819	(14.8%)	<ul style="list-style-type: none"> Decline in net profit was mainly due to lower gain from joint ventures and associates in FY2016 as compared to FY2015
Basic EPS (cents)	15.2	16.5	(7.9%)	-
*Net Gearing Ratio	0.46	0.60	-	<ul style="list-style-type: none"> Lower NGR as a result of decrease in bank borrowings

*Debt/Total Equity



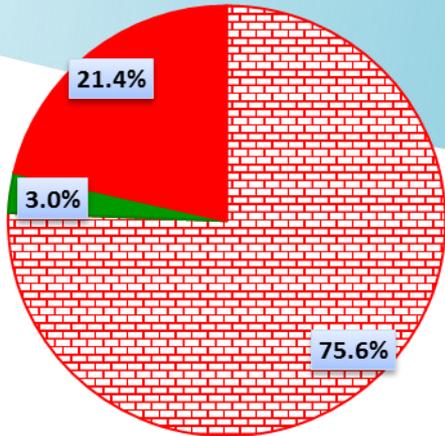
Geographical and Segmental Breakdown

Revenue (S\$248.0 million)



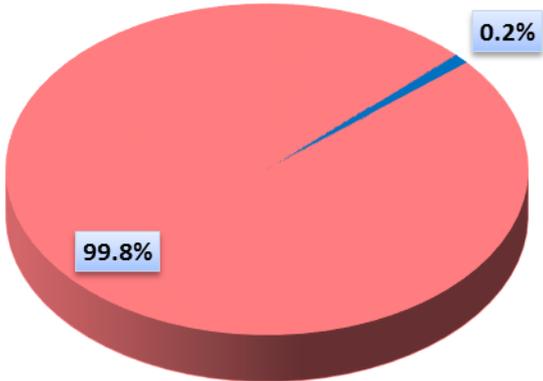
■ Singapore ■ Maldives ■ Japan

Non-current Assets (S\$60.3 million)



■ Singapore ■ Maldives ■ Japan

Revenue (S\$248.0 million)

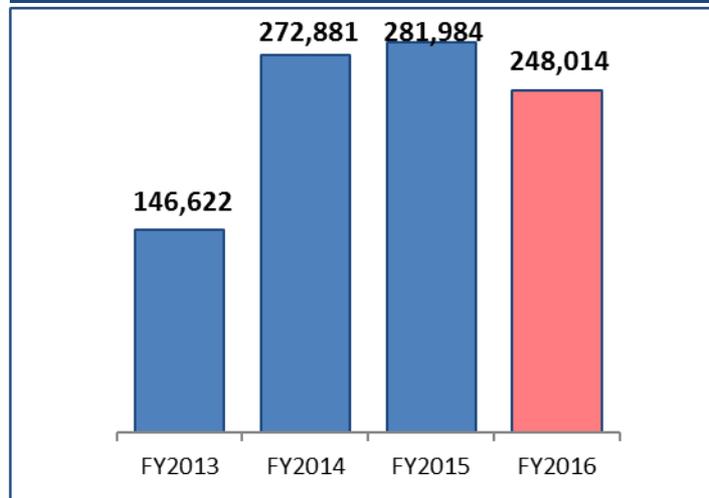


■ Building Construction
■ Property Investment

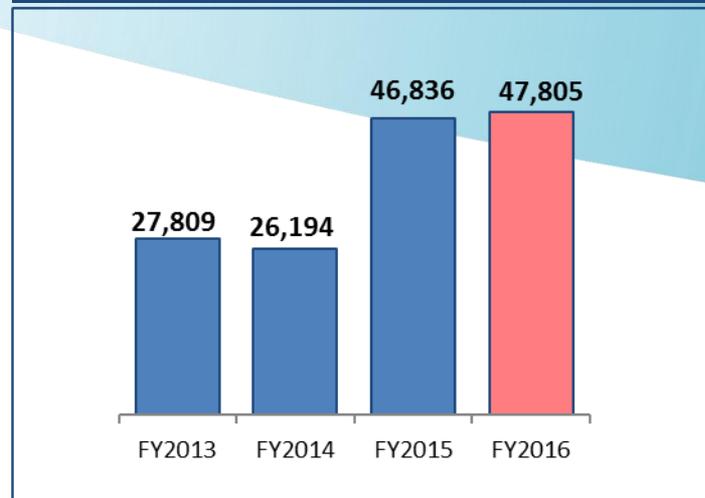


Financial Summary – Income Statement

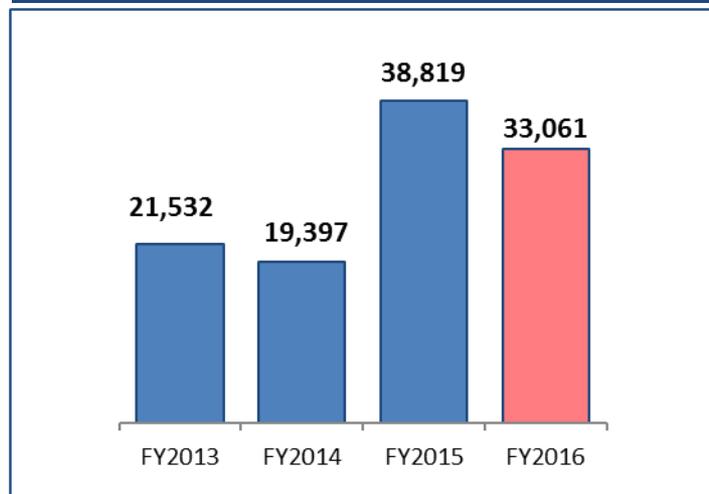
Revenue (S\$'000)



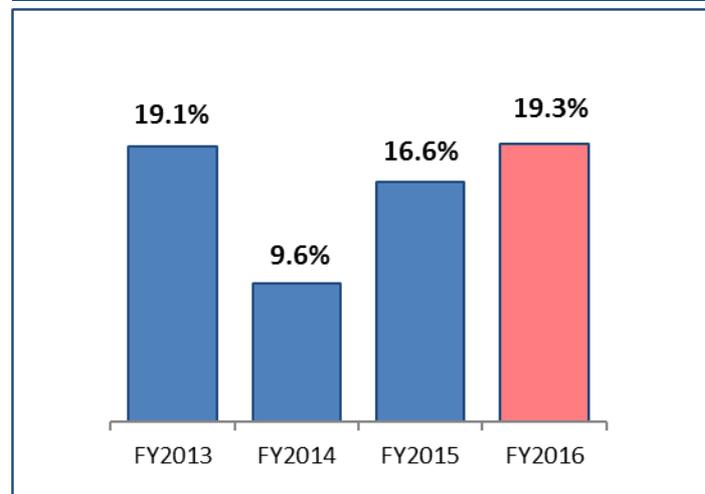
EBITDA (S\$'000)



NPAT (S\$'000)

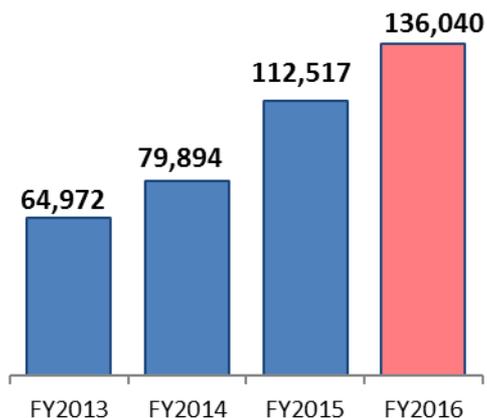


EBITDA Margin (%)

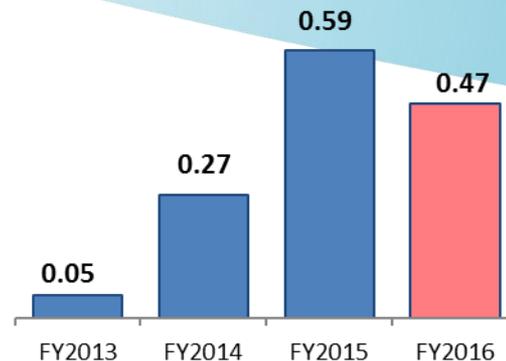


Financial Summary – Key Financial Ratios

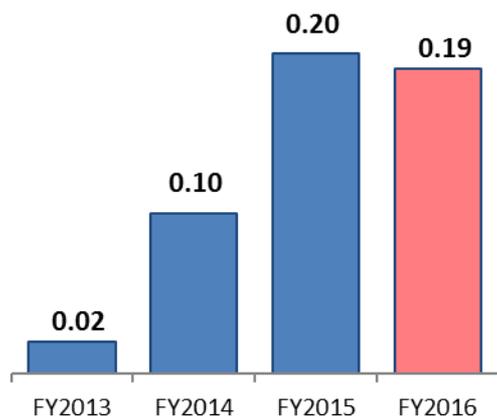
Tangible Net Worth



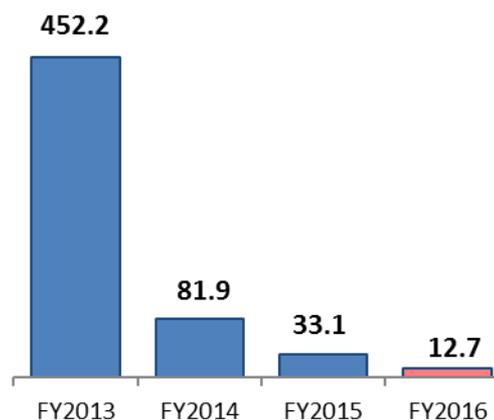
Debt to Tangible Net Worth



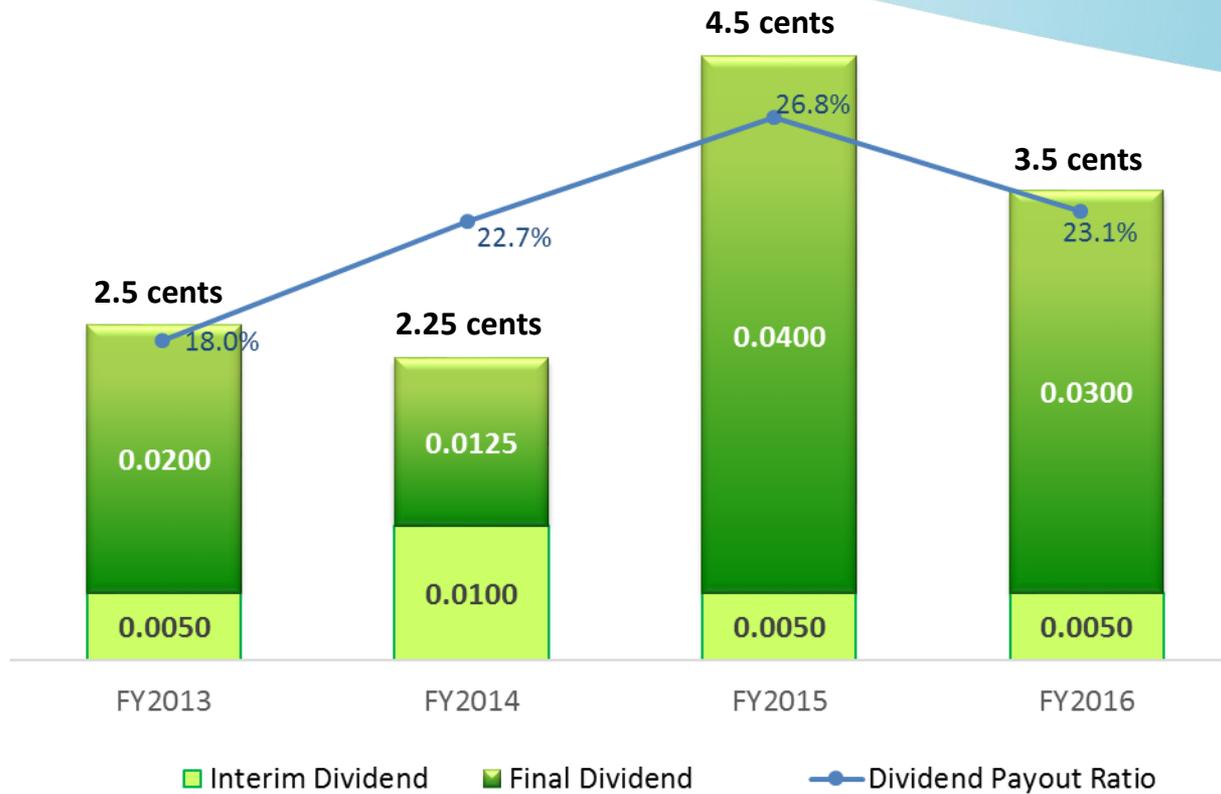
Debt to Asset



EBITDA Coverage



Dividend



5. Outlook and Strategies



Mercure Maldives Kooddoo

M E R

Isles Maldives

I. DE CEYLAN

LIGNE EQUIN



Outlook

Building Construction

- According to statistics released by Ministry of Trade and Industry, the construction sector grew by 1.6 per cent in the third quarter of 2016, a contraction from 2.0 per cent in the previous quarter¹.
- The slowdown in the construction sector was due to a sharper decline in private sector construction¹.
- Going forward, the Group sees more opportunities in commercial, industrial and institutional sector.

Property Development and Investment

- Given the increased supply of completed housing projects and the property cooling measures still firmly in place, the outlook for private residential development, in general, does not look positive in the next 12 months.
- The Group will continue to look out for viable real estate projects in Singapore and to focus on seeking property investment opportunities overseas to further expand its business.

Hotel Development and Investment

- Besides Maldives and Singapore, the Group sees long term expansion prospects in the tourism industry in Japan, Australia, Malaysia and Indonesia.
- Over time, the Group plans to grow the contribution from hotel development and investment to form a more substantial portion of its results.

¹ Ministry of Trade and Industry, "MTI Forecasts GDP to Grow by 1.0 to 1.5 Per Cent in 2016 and 1.0 to 3.0 Per Cent in 2017"
https://www.mti.gov.sg/ResearchRoom/SiteAssets/Pages/Economic-Survey-of-Singapore-Third-Quarter-2016/PR_3Q16.pdf



Strategies

Focus on building construction projects in commercial, industrial and institutional sector

To mitigate slowdown in private residential construction in Singapore

Seek overseas investment opportunities in mature and stable economies such as Japan and Australia as well as fast growing market like Vietnam

To achieve a balanced portfolio to grow the contribution from property and hotel investments

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

To grow a sustainable source of cash flows and recurring income

Expansion through suitable joint ventures and acquisitions

To widen synergistic investments which are complementary to the Group





**FORTIFYING OUR STRENGTHS
EXPANDING OUR BOUNDARIES**