



**KEONG HONG HOLDINGS LIMITED**

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

**FOR IMMEDIATE RELEASE**

**KEONG HONG REPORTS 1H2020 REVENUE OF S\$61.6 MILLION  
AND NET PROFIT OF S\$9.6 MILLION**

- Joint venture with Hyundai Engineering & Construction wins \$306 million contract for the construction of a sport and recreation centre
- Order book of \$270 million for construction projects

**FINANCIAL HIGHLIGHTS**

S\$'million	1H2020 Unaudited	1H2019 Audited	Change (%)
Revenue	61.6	76.7	(19.7)
Gross Profit	16.6	8.6	92.7
Gross Profit Margin	26.9%	11.2%	140
Profit Before Tax	12.0	7.3	63.8
Profit After Tax	9.6	6.2	53.9
Basic EPS (cents)	4.3	2.6	65.0

**Singapore, 14 May 2020** – 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**”), today announced its results for the financial half year ended 31 March 2020 (“**1H2020**”). Our revenue stood at S\$61.6 million, a 19.7% decrease over revenue of S\$76.7 million in the corresponding period ended 31 March 2019 (“**1H2019**”). The decrease in revenue was mainly due to lower revenue contribution from the construction of Seaside Residences condominium, which is near completion and Pullman Maldives Maamutaa Resort, which had been completed in the last quarter of 2019.



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The Group was able to achieve a higher gross profit of S\$16.6 million and a higher gross profit margin of 26.9% as compared to S\$8.6 million and 11.2% in 1H2019 on account of prudent cost management and good project management.

Other income improved by 134.4% to S\$7.0 million from S\$3.0 million due mainly to foreign exchange gain and higher rental and interest income.

The Group recorded a share of gain of S\$4.8 million from joint ventures for property development projects, which was offset by share of loss of S\$6.1 million from associates that was mainly attributable to the hotel investments in Maldives.

The Group turned in net profit before tax of S\$12.0 million, a 63.8% increase over 1H2019's S\$7.3 million. Net profit for 1H2020 stood at S\$9.6 million, a 53.9% increase over the same period last year.

As at 31 March 2020, the Group maintained a healthy balance sheet with cash and cash equivalents of S\$33.7 million. Net asset value per share stood at 97.5 cents with basic earnings per share at 4.3 cents.

Keong Hong's Chairman and Chief Executive Officer, Mr Ronald Leo (梁定平) said, **"Keong Hong has started 2020 well with two new construction projects, Sky Everton condominium and a joint venture with Hyundai Engineering & Construction for the development of a sport and recreation centre. Unfortunately, we are impacted by the coronavirus pandemic and our operating environment has become incredibly challenging. Moving forward, we anticipate potential project delays and supply-chain disruptions. As the global COVID-19 situation is still evolving rapidly, the Group must be prudent in its capital and cash flow management. To conserve our cash resources, we have already implemented various cost cutting measures, including a 5 to 20 per cent pay cut**



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**for senior management, board members and employees, and the board has recommended not to declare an interim dividend.”**

## OUTLOOK

### Building Construction

The Group's current construction projects consist mainly of National Skin Centre, Sky Everton condominium, The Antares condominium, Wilshire Residences condominium and Seaside Residences condominium. As at 31 March 2020, the Group's construction order book stood at approximately S\$270.5 million, which will stretch construction activities to FY2022.

All construction work has been suspended since the start of the circuit breaker on 7 April. Prior to that, the supply of prefabricated bathroom units (PBUs) was disrupted as Malaysia went into lockdown on 18 March. We expect further delay in delivery of the PBUs after the lockdown, as the factory takes time to restart and resume normal production. During the circuit breaker, our team continues to work from home and liaise closely with architects, consultants and relevant authorities in respect of project planning and shop-drawing submission to authorities for approval. Besides regular technical and progress meetings via video conferencing with consultants, sub-contractors and clients, we are also working with them on advanced planning on workers' alternative accommodation, safe distancing and work site segregation to meet BCA's and MOM's pre-requisites for restarting work when the circuit breaker is lifted.

Our workers, who are work permit and S Pass holders, have been serving their stay-home notice (SHN) since 20 April. Initially slated to end on 4 May, the SHN has been extended to 18 May. During this period, about 85 per cent of Keong Hong's 289 workers are staying in dormitories and temporary living quarters on construction sites. As of 13 May, 19 of our workers have been diagnosed with COVID-19.



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**Property Development and Investment**

Prices of private residential properties decreased by 1.0 per cent in the first quarter of 2020, before circuit breaker measures were imposed. Year on year, private home prices in the first quarter are still up 2.4 per cent from March 2019. As the circuit breaker period has been extended to 1 June, the closure of sales galleries and stay home measures will affect new home sales in the second quarter.

Given the uncertainties brought on by the coronavirus pandemic, we remain cautiously optimistic on the long-term prospects of the sector as we have seen Singapore's property market recovered after every economic crisis.

Despite suspension of all construction work until 1 June, we are on track to obtain TOP for Seaside Residences in the next few months. The project has attained sales of approximately 93.5 per cent to-date, with 55 units left unsold. Over at Mattar Road, The Antares has sold 34 units to-date.

**Hotel Development and Investment**

The geography of Maldives and the one island one resort concept has proved effective in containment of the virus. As of 14 May, the total number of COVID-19 cases in Maldives remained relatively low at 955.

Due to the COVID-19 outbreak, we have decided to close both Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort for three months, from April to June. During this period, the staff are on reduced salaries and they will use the downtime to upskill and reskill. Over time, when the situation has stabilised and travel confidence has improved, our resorts will be ready for a strong recovery.

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

Keong Hong Holdings Limited is listed on the Main Board of the Singapore Exchange Securities Trading Limited. The Group's principal activities include building construction, property and hotel investor and developer. Its building construction services include a broad range of residential, commercial, institutional, industrial and infrastructural projects for both private and public sectors. The Group has property and hotel development and investment projects in Singapore, Japan and Maldives.

The Group made its maiden foray into property development in Singapore in 2012 through a joint venture with Frasers Property to develop Twin Waterfalls Executive Condominium ("EC"). Its subsequent residential developments include SkyPark Residences EC, The Amore EC, Parc Life EC, Seaside Residences and The Antares.

The Group ventured into hotel development and investment in 2013 with its two resort developments in Maldives, Mercure Maldives Kooddoo Resort and Pullman Maldives Maamutaa Resort. In Singapore, the Group owns a joint hotel and mixed-use development project - Hotel Indigo Singapore Katong, Holiday Inn Express Singapore Katong and Katong Square.

In 2016, the Group acquired the first of its two commercial properties in Japan.

Led by a highly qualified and experienced management team with a staff strength of over 300, Keong Hong has built a strong reputation and record of accomplishment over the last 30 years for its commitment to quality and service standards.

For more information, please visit [www.keonghong.com](http://www.keonghong.com).

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*This press release should be read in conjunction with Keong Hong's financial announcement filings with the Singapore Exchange on 14 May 2020, which can be downloaded via [www.sgx.com](http://www.sgx.com).*