



## KEONG HONG HOLDINGS LIMITED

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

### FOR IMMEDIATE RELEASE

## KEONG HONG'S NET PROFIT GROWS 8% TO S\$9.9 MILLION FOR HALF YEAR ENDED 31 MARCH 2016

- S\$359 million in construction order book, providing the Group with a sustainable flow of activities through FY2018
- Launched latest residential development, Parc Life Executive Condominium ("EC") in Sembawang
- Declared an interim dividend of 0.5 Singapore cents per share

### FINANCIAL HIGHLIGHTS

S\$'million	3 Months Ended 31 March			6 Months Ended 31 March		
	2Q2016	2Q2015	Change	1H2016	1H2015	Change
Revenue	56.7	68.2	(16.9%)	125.2	141.4	(11.4%)
Gross Profit	10.6	6.5	62.2%	18.0	14.1	27.8%
Gross Profit Margin (%)	18.7%	9.6%	9.1ppt	14.4%	10.0%	4.4ppt
Profit Before Tax	6.4	4.5	43.6%	12.1	11.3	7.5%
Profit After Tax	5.1	3.5	45.9%	9.9	9.2	7.6%
Basic EPS (cents)	3.06	1.54	98.7%	5.18	3.97	30.5%

**Singapore, 5 May 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"), today announced a 45.9% year-on-year ("yoy") jump in net profit to S\$5.1 million for the three months ended 31 March 2016 ("2Q2016"). This was despite a 16.9% dip in revenue to S\$56.7 million over the same period.



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For the six months ended 31 March 2016 (“**1H2016**”), the Group’s net profit increased 7.6% yoy to S\$12.1 million despite a 11.4% yoy decline in revenue to S\$125.2 million.

The decrease in revenue was attributable to lower revenue recognition from the building construction segment due to new construction projects such as Raffles Hospital Extension and Parc Life EC and the completion of Twin Waterfalls EC and Alexandra Central Phase 2.

Gross profit and gross profit margin grew by 62.2% and 9.1 percentage points yoy to S\$10.6 million and 18.7% respectively in 2Q2016. The improvement was primarily due to cost savings, higher gross margins from certain projects which are near completion.

As at 31 March 2016, the Group’s cash and cash equivalents stood at S\$55.9 million. Net assets and net asset per share as of 31 March 2016 increased marginally by 1.3% to S\$114.2 million and 49.83 Singapore cents respectively. Basic earnings per share in 2Q2016 saw a spike of 98.7% yoy to 3.06 Singapore cents as compared to 1.54 Singapore cents in the previous year.

The Board of Directors has approved a one tier-tax exempt interim dividend 0.5 Singapore cents per share.

Keong Hong’s Chairman and Chief Executive Officer, Mr Ronald Leo (梁定平) remarked, “**Keong Hong started 2016 with the successful joint tender for a land parcel at Siglap Road for residential condominium development, completion of the acquisition of our first commercial property in Osaka, Japan and jointly launched Parc Life EC with strong interest from home buyers.**

**The Group will continue to build on this momentum as we will see the completion of Mercure Maldives Kooddoo Resort and our hotel and mixed-used development project in Katong in 2016. SkyPark Residences is also expected to obtain its TOP in the second half of 2016.”**



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### **BUSINESS OUTLOOK AND ORDER BOOK**

Singapore's slow economic growth environment is expected to continue in 2016 as the Ministry of Trade and Industry (MTI) has warned that the outlook for 2016 has softened in the first few months of the year, amid further slides in global oil prices and financial market volatility. Correspondingly, the prospects for the construction sector have also weakened in 2016 on the back of the drop in contracts awarded in 2015 and the soft property market continues to weigh on private sector building activity.

Given the less favourable outlook, the Group's priorities are to continue exploring overseas development and investment opportunities and grow our presence in the institutional, healthcare and medical sector, aside from residential and hotel construction.

As at 31 March 2016, the Group's construction order book stood at approximately S\$358.5 million, providing the Group with a sustainable flow of activities through the financial year ended 30 September 2018.

Commenting on the Group's prospects, Mr Ronald Leo said, **"Despite the more challenging operating environment, Keong Hong remains confident of its prospects. The Group has embarked on its expansion into hotel and property development and investment a few years ago, this year we expect to see some contribution from these projects."**

– End –

#### **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 for residential, commercial, institutional, industrial and infrastructural projects, (ii) property development and investment and (iii) hotel and resort development in Singapore and overseas.



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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.

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

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*This press release should be read in conjunction with Keong Hong's financial announcement filings with the Singapore Exchange on 5 May 2016, which can be downloaded via [www.sgx.com](http://www.sgx.com). 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 Catalist. The Sponsor has not verified the contents of this press release.*

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