KEONG HONG HOLDINGS LIMITED
(Incorporated in Singapore on 15 April 2008)
(Company Registration Number: 200807303W)

FOR IMMEDIATE RELEASE

KEONG HONG REPORTS 95% GROWTH IN REVENUE TO S$55 MILLION AND NET LOSS OF S$11.3 MILLION IN 1HFY2022

- **Healthy construction order book of S$438 million**
- **Poised for gradual recovery and actively seeking development and investment opportunities**

FINANCIAL HIGHLIGHTS

S$'million	1HFY2022	1HFY2021	Change (%)
Revenue	**54.7**	28.1	94.7
Cost of sales	**(62.4)**	(21.5)	>100.0
Gross (loss)/profit	**(7.7)**	6.6	n.m.
Gross profit margin	**(14.0%)**	23.5%	n.m.
Loss for the period	**(11.3)**	(2.1)	>100.0
(1) **Basic loss per share (cents)**	**(4.6)**	(0.6)	>100.0
(2) **Net asset value per share (cents)**	**63.2**	67.5	(6.4)

(1) *Based on weighted average of 235,010,000 ordinary shares (excluding treasury shares)*

(2) *Based on 235,010,000 ordinary shares*

Singapore, 11 May 2022 – 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 a 94.7% increase in revenue to S$54.7 million for the six months ended 31 March 2022 ("**1HFY2022**") as compared to S$28.1 million for the six months ended 31 March 2021 ("**1HFY2021**"). The increase was largely due to improvement in construction productivity and the commencement of upgrading works to Grand Hyatt Hotel Singapore in 1HFY2022.

The Group continued to face challenges such as supply chain disruptions, raw material price fluctuations and increased operational costs, in addition to labour shortage. With cost of sales rising by S$40.9 million from the impact of the COVID-19 pandemic, the Group recorded a gross loss of S$7.7 million in 1HFY2022 as compared to a gross profit of S$6.6 million in 1HFY2021. Accordingly, the Group reported a negative gross profit margin of 14.0% in 1HFY2022 as compared to gross profit margin of 23.5% in 1HFY2021.

The Group recorded a net gain of S$6.3 million from joint ventures in 1HFY2022 as compared to S$2.6 million in 1HFY2021 mainly attributable to share of profit from its property development projects. The increase was partially offset by losses relating to certain building construction projects.

The Group shared a lower net loss of S$1.6 million from associates in 1HFY2022 as compared to a net loss of S$3.0 million in 1HFY2021 as the financial performance of the hospitality business in Maldives continues to improve with further easing of COVID-19 restrictions around the world.

Overall, the Group sustained a net loss after tax of S$11.3 million as compared to a net loss after tax of S$2.1 million over the same period last year.

As at 31 March 2022, the Group's balance sheet remains healthy with net tangible assets of S$146.8 million while cash and cash equivalents stood at S$29.6 million, compared to S$20.7 million a year ago. Net asset value per share stood at 63.2 cents while basic loss per share was 4.6 cents.

Keong Hong's Chairman and Chief Executive Officer, Mr Ronald Leo (梁定平) said, **"While we are encouraged by the gradual recovery of economic and construction activities in Singapore, we continue to face challenges such as supply chain disruptions and cost pressures. Despite achieving a higher half-yearly revenue, the Group's overall financial performance was dragged down by escalating business and operation costs. Nevertheless, we remain optimistic on our prospects and are actively seeking new development and investment opportunities in Singapore as well as in the Maldives islands."**

OUTLOOK

Building Construction

The Group's current project pipeline consists of National Skin Centre, Sky Everton condominium, Wilshire Residences condominium, The Antares condominium and the Grand Hyatt Hotel Singapore. As at 31 March 2022, its construction order book stood at approximately S$438 million.

Activities in the construction sector will continue to recover on the back of the progressive easing of border restrictions on the entry of migrant workers as well as streamlining of COVID-19 requirements for the construction sector. However, the on-going Russia-Ukraine conflict which resulted in soaring energy and commodity prices and new waves of COVID-19 infections in China and its strict lockdowns have further exacerbate global supply chain disruptions.

Looking ahead, the construction sector will continue to face challenges such as supply chain disruptions and cost pressures from escalating energy, steel, raw material, shipping and labour costs. The Group is working closely with its sub-contractors to mitigate these challenges.

Property Development and Investment

Singapore's private residential market slowed in the first quarter of 2022 amid new cooling measures introduced in December 2021, rising interest rates and inflation, as well as geopolitical tensions. Sales of new private homes were down 39.5% in the first quarter to 1,825 units, from 3,018 units in the preceding quarter. Prices of private residential properties were up by 0.7% in the first quarter of 2022, marking the eighth consecutive quarter of increase but significantly lower than the 5.0% growth in the fourth quarter of 2021.

The Antares condominium has achieved sales of more than 98% to date, whilst its completion has been pushed back to the third quarter of 2022.

Notwithstanding the recent property cooling measures and inflationary pressures, the Group remains positive of the fundamentals of the domestic property market, and will continue to exercise caution and be more selective in replenishing its land bank.

Hotel Development and Investment

The Maldives tourism industry has rebounded well from the pandemic, boosted by pent-up demand for leisure travel. During 2021, more than 1.3 million tourists have arrived in Maldives as compared to 555,494 tourist arrivals in 2020. The country aims to welcome 1.6 million international visitors this year.

This has augured well for our Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort, with both properties achieving a combined average occupancy rate of more than 65% year to date.

As the Group's hospitality business is poised for a long-awaited recovery, we are actively seeking new development and investment opportunities in the Maldives islands.

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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 Hotel 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 150, Keong Hong has built a strong reputation and record of accomplishment over the last 35 years for its commitment to quality and service standards.

For more information, please visit 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 11 May 2022, which can be downloaded via www.sgx.com.