



## **KSH Holdings Limited**

(Company Registration Number: 200603337G)  
(Incorporated in the Republic of Singapore on 9 March 2006)

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### **RESPONSES TO QUESTIONS FROM SHAREHOLDERS FOR THE ANNUAL GENERAL MEETING ON 31 JULY 2024**

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The Board of Directors of KSH Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), refers to:

- (a) the annual report of the Company for the financial year ended 31 March 2024 (the “**Annual Report**”); and
- (b) the notice of annual general meeting (“**AGM**”) issued on 16 July 2024 informing shareholders that the Company’s AGM will be held on Wednesday, 31 July 2024 at 9.30 a.m.

The Company would like to thank shareholders for submitting their questions in advance of the AGM.

Please refer to Annex A hereto for the list of questions received from shareholders, and the Management and the Board's responses to these questions.

#### **BY ORDER OF THE BOARD**

#### **CHOO CHEE ONN**

Executive Chairman and Managing Director  
26 July 2024

## **ANNEX A**

### **RESPONSES TO QUESTIONS FROM SHAREHOLDERS**

- 1. What is the Company's plan in view of the retirement of the three independent directors at the upcoming annual general meeting (the "AGM")?**

Company's Response:

The Nominating Committee and the Board had identified and conducted interviews with the potential candidates to be appointed as the new independent directors of the Company. The Company will make the necessary announcements on SGXNET to update the shareholders once the appointments have been finalised.

- 2. Whether the Company has any succession plans in view of Mr. Kwok Ngat Khow's retirement on 31 May 2024.**

Company's Response:

Although Mr. Kwok Ngat Khow has retired, the three other Executive Directors of the Company, namely Mr. Choo Chee Onn (Executive Chairman and Managing Director), Mr. Lim Kee Seng (Executive Director and Chief Operating Officer) and Mr. Tok Cheng Hoe (Executive Director and Project Director), all of whom are founders of the Group, remain on the Board and the Management of the Group.

In any case, a renewal process is in progress and succession planning has been in place for several years. In connection with this, the Company has employed experienced professional managers over the past few years and taken all necessary steps and measures to ensure that these managers are comprehensively trained and developed to take on senior roles within the Group and/or the Company.

- 3. The Company's share price has fallen significantly in the past year to the lowest level in many years and it is currently trading at over 60% discount to the latest NAV per share of 52.68c. Please clarify whether the Company is in financial distress. Can something be done to address the depressed valuation?**

Company's Response:

The Company would like to assure the shareholders that the Group is not in financial distress – the Company has a healthy level of current cash and cash equivalents. Further, the Company is in a satisfactory gearing position. The Company will continue to focus on strengthening its business fundamentals and believes that the market will recognise and react to the Company's efforts. However, the Company also wishes to note that share prices ultimately depend on market forces and market conditions.

4. **Based on its healthy construction order book, is the Company in a position to return to profitability in FY2025?**

Company's Response:

While the Company has confidence in its strategic plans and initiatives, it is not at liberty to provide a forecast on its profitability. The Company aims to continue growing its revenue and improving its operational efficiency, which should have a positive impact on its bottom line. The Group will uphold a vigilant and prudent approach by closely monitoring and facilitating the smooth progress of all construction projects. The Group will also exercise strict control over its operations and project management to ensure effectiveness and efficiency thereby promoting positive contribution margins. Additionally, the Group will actively pursue both public and private projects, while prudently seeking opportunities for growth.

5. **Amid the severe property downturn in PRC, would a write-down be required for the Company's Gaobeidian projects?**

Company's Response:

The Company understands the concerns regarding the current property market conditions in the PRC. The Company is closely monitoring the situation and has been taking proactive measures to manage its risks. The Company believes that its PRC projects remain viable and have inherent value, and the Company will continue to monitor the market and take necessary actions to protect its interests and enhance shareholder value. As at date of this announcement, based on the Company's understanding and the latest information available to it regarding the projects in Gaobeidian, no write-down is required.

6. **Please give us an idea of the recurring income generated from the Company's hotels that are in operation.**

Company's Response:

The performance of the Company's hotels is subject to seasonal changes and economic uncertainties, which can have an impact on the occupancy rates and room rates. Despite these challenges, most of the Company's hotels have been operating satisfactorily, with good occupancy rates and room rates in general. While most of the Company's hotel businesses contribute positively to the Company's overall results, it is important to note that the Company's investment in hotels is not substantial compared to the other business segments of the Company. Thus, while the recurring income from the Company's hotels is a good supplement to its core business, it is not a significant driver of the Company's overall financial performance currently. The Company will continue to monitor the performance of its hotels and explore opportunities to optimise their operations and maximise their contributions to the Company's results.

7. **Please refer to page 19 of the Annual Report. For FY2024 the Profit/Loss (“P/L”) from operations before Share of Results of Associates and Joint Ventures statement showed that the Company incurred a loss of S\$33.1 million which was mainly due to the 23 million losses from the construction segment (note 36) and 8 million losses from the Property Development segment.**

**May the Company kindly provide additional details on the loss incurred by the construction segment in FY2024? Going forward in FY2025, are there any more onerous construction contracts which the Company has entered and have not been completed? If so, how long would it take for these contracts to be completed?**

Company’s Response:

In FY2024, cost of construction for projects awarded right before or during the COVID-19 pandemic period was exacerbated by the prolonged construction periods, labour shortages, and higher materials costs, overheads, utilities, logistics expenses, workers’ dormitory expenses, equipment rentals, and subcontractor costs, leading to the loss incurred by the construction segments. As at the date of this announcement, based on the Company’s understanding and latest available information, there are no other onerous construction contracts which the Company has entered aside from the contracts that have been recorded in the Company’s books in FY2024.

8. **Please refer to page 16 of the Annual Report, regarding the Company’s overseas property development in PRC, in particular, (i) the sale status of ZXYL – Phase 1 (83% of 812 units sold) and Phase 2 (28% of 746 launched units) and (ii) the sale status of ZXYS – Phase 1 (97% of 1011 units sold) and phase 2(81% of 804 units sold).**

- i) **For FY2024, how many of the above sales have been recognised? What was the net profit/loss contributed by the GaoBeidian PRC project?**

Company’s Response:

Approximately 9.5% of the completed units mentioned were sold in FY2024, contributing approximately S\$0.8 million to the net profit reflected in the Group’s results in FY2024.

- ii) **What is the to-date sale status for the above property development projects and what are the challenges encountered in selling Phase 2 of ZXYL? What are the plans by the Company to mitigate these challenges? Will there be any impairment for these projects as a result of the PRC property crisis?**

Company’s Response:

The Company is unable to provide a forecast on the sales of the above-mentioned development projects as the market in PRC remains challenging. The Company is also unable to provide an update on the sales status of the above property development projects to date due to market sensitivity and confidentiality agreements with the Company’s joint venture partners. Nevertheless, the

Company will provide an update on the projects' status in its next periodic results announcement.

The challenges encountered in selling development properties in Phase 2 of ZXYL include:

- a. weak market demand and confidence of buyers since the property crisis of PRC in 2020;
- b. constraints from PRC Government measures; and
- c. increasing construction and development costs.

The Company has planned various marketing campaigns to increase sales, including hosting events and property fairs to attract potential buyers, as well as working with local agencies to promote the projects to focused buyers.

As at the date of this announcement, based on the latest report from the Company's PRC joint venture partner-in-charge for the projects and the available information, there is no impairment needed to be provided for these projects at the moment.

**iii) How much of the above sales will be recognised for the bottom line of the Company? Will the Company incur loss/profit from the above sales?**

The Company is unable to provide a forecast on the sales of the above-mentioned development projects as the market in PRC remains challenging. Nevertheless, the Company will provide an update on the projects' status in its next periodic results announcement. As at the date of this announcement, based on the selling prices of the units sold, the sales revenue from the above-mentioned development projects is expected to contribute positively to the Group's results.