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

FOR IMMEDIATE RELEASE

KEONG HONG REPORTS FULL YEAR REVENUE OF S$177 MILLION

- **Visible pipeline with construction order book stood at approximately S$368 million as at 30 September 2024**
- **Proposed disposal of minority interest in Katong Holdings Pte Ltd to concentrate on core competencies**
- **Focused on building construction business segment in the coming year, in particular private residential and commercial projects**

FINANCIAL REVIEW

S$'million	FY2024	FY2023	Change (%)
Revenue	**176.6**	**199.8**	(11.6)
Cost of Sales	**(177.0)**	**(226.2)**	(21.7)
Gross Loss	**(0.4)**	**(26.4)**	98.4
Negative Gross Profit Margin	**(0.2) %**	**(13.2) %**	98.4
Profit/Loss for the Financial Year	**1.1**	**(51.2)**	n.m.
Basic earnings/loss per share (cents)	**0.5**	**(21.2)**	n.m.
Net asset value per share (cents)	**23.6**	**21.8**	8.3

Singapore, 28 January 2025 – 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"), registered a revenue of S$176.6 million for the financial year ended 30 September 2024 ("FY2024"), a 11.6% decrease as compared to S$199.8 million in the financial year ended 30 September 2023 ("FY2023"). The decrease in revenue was mainly due to lower revenue recognition for construction projects which have already obtained Temporary Occupation Permit ('TOP") in FY2023, while new projects such as Tengah Plantation and Solitaire @ Cecil have just started.

In line with lower revenue recorded, cost of sales decreased by 21.7% to S$177.0 million in FY2024 as compared to S$226.2 million in FY2023.

The Group recorded a lower gross loss of S$0.4 million as compared to a gross loss of S$26.4 million in FY2023. The negative gross profit margin for FY2024 was 0.2% as compared to negative gross profit margin of 13.2% in FY2023. The decrease in gross loss was mainly attributable to two factors, namely, an effective cost management strategy, and the near completion of pre-pandemic projects which had higher construction costs for materials and labour.

Other income decreased by 48.3% or S$8.2 million to S$8.7 million in FY2024, as compared to S$16.9 million in FY2023, mainly due to the absence of one-off gain from the disposal of two investment properties in Japan in FY2023.

Finance costs decreased by 47.8% to S$2.1 million in FY2024 as compared to S$4.1 million in FY2023 mainly attributable to the full repayment of the S$35.2 million medium term notes in August 2023.

The Group recorded a 3.6% decrease in administrative expenses, from S$19.0 million in FY2023 to S$18.3 million in FY2024. The decrease was mainly attributed to the absence of legal and incidental costs related to the disposal of two investment properties in Japan and the reduction in employee benefits and its related expenses, partially offset by increase in net foreign exchange loss, that is mainly unrealised.

The Group recorded a net profit of S$44,000 from its share of results of joint ventures, mainly attributed to its share of profits relating to the joint venture of sale of development properties. The Group's share of net losses of associates increased to S$10.6 million in FY2024 as compared to S$8.4

million in FY2023. The increase was mainly attributed to its investment in an associate that owns and operates airport, hotel and resort in the Maldives. A higher loss was reported arising from higher operating and finance costs during the current financial year reported on.

Arising from the Group assessment at reporting date, the Group recorded a reversal loss allowance of S$23.3 million in FY2024 as compared to a loss allowance of S$8.5 million in FY2023 mainly attributable to the reversal of impairment loss on investment in an associate amounting S$23.3 million.

Consequently, the Group recorded a net profit after tax of S$1.1 million in FY2024, as compared to a net loss after tax of S$51.2 million in FY2023.

As at 30 September 2024, the Group cash and cash equivalents stood at S$20.8 million as compared to S$14.6 million in FY2023.

The Group recorded positive net cash generated from operating activities of S$8.8 million in FY2024, driven by changes in working capital including increase in contract liabilities and trade and other payables.

Net cash generated from investing activities amounted S$14.1 million in FY2024 due mainly to repayment of loan from a joint venture.

Net cash used in financing activities amounted to S$17.0 million in FY2024, primarily due to repayment of bank borrowings.

The Group recorded earnings per share of 0.5 cents and a net asset value per share of 23.6 cents.

Keong Hong's Chairman and Chief Executive Officer, Mr Ronald Leo (梁定平) said, **"Keong Hong has made remarkable progress in our financial performance in the past year, having narrowed our losses in the construction sector and restructured our loans to improve liquidity. With the completion of several challenging projects which had been impacted by the COVID-19 pandemic, the Group returned to the black in FY2024. We are grateful for the shareholders' continued support during these challenging times and we look forward to a steady recovery in 2025."**

DIVIDEND

The Board of Directors is not proposing any dividends for the financial year FY2024 considering the Group's financial performance, and taking into consideration the Group's overall financial position, working capital requirements and future investment needs. This is in line with our commitments to ensure financial robustness and the long-term sustainable growth of the Group.

OUTLOOK

Building Construction

The Group's current project pipeline consists of Sky Eden @ Bedok, Solitaire on Cecil and Tengah Plantation. The construction order book as at 30 September 2024 stood at approximately S$368 million, with residential projects forming 49% of the portfolio and commercial projects making up the remainder.

Additions and alterations work to the existing Grand Hyatt Hotel Singapore has been progressing well and we expect to complete the entire project in the second quarter of 2025. TOP for Phase 1 and Phase 2 has been obtained in April and July 2024 respectively.

The Building and Construction Authority (BCA) projects the total construction demand to range between S$47 billion and S$53 billion in 2025[1]. The strong demand is underpinned by the expected

[1] Building and Construction Authority, "Construction Demand To Remain Strong For 2025," 23 January 2025.

award of contracts for several large-scale developments, such as Changi Airport Terminal 5 and the expansion of the Marina Bay Sands Integrated Resort, alongside public housing development and upgrading works. Other contributors include high-specification industrial buildings, educational developments, healthcare facilities, Mechanical and Engineering contracts for the Thomson-East Coast Line Extension and Cross Island Line, and infrastructure works for the Woodlands Checkpoint extension and the Tuas Port. Over the medium-term, BCA expects the total construction demand to reach an average of between S$39 billion and S$46 billion per year from 2026 to 2029.

In light of the opportunities in both public and private sector construction, we will continue to seek new projects with attractive returns, given our strong track record in the sector.

Property Development and Investment

Recent data have indicated that the property sector is beginning to moderate slightly after reaching frenzied levels in recent years. Private housing pricing increased by 2.3% in the fourth quarter of 2024, with an increase of 3.9% for the whole of 2024. This represents a moderation from the increase of 6.8% in 2023 and 8.6% in 2022. The effects of increased Additional Buyer's Stamp Duty (ABSD) rates, higher borrowing costs and uncertain economic growth have turned buyer sentiment cautious. Prices of private residential properties decreased marginally by 0.7% in the third quarter of 2024, reversing the 0.9% increase in the previous quarter[2].

Despite the relatively muted property market as compared with recent years, in land-scarce Singapore with limited supply of prime locations, property development projects which afford healthy investment returns will always be in demand. While there are no plans for land acquisition in the immediate future, it remains a sector that is of particular interest and importance to the Group. As such, we will continue to be on alert for opportunities which afford an attractive return on investment.

[2] URA releases flash estimate of 4th Quarter 2024 private residential property price index, 2 January 2025.

Hotel Development and Investment

The Maldives has reached a historical milestone in its tourism sector with the arrival of the two millionth tourists in 2024. This was 8.9 % higher than the previous year, with an average duration of stay of 7.7 days. The top five visitor generating markets for 2024 were China, Russia, United Kingdom, Germany and Italy[3].

The combined average occupancy of Mercure Maldives Kooddoo Hotel and Pullman Maldives Maamutaa Resort for 2024 was 62.5%, higher than the industry average of 59.1%.

Nevertheless, high operating costs impacted the profitability of our investment, with the Group registering a share of losses in our two hotel investments. We are working closely with the hotel operator, Accor on improving the performance of these two properties.

– End –

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 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.

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 40 years for its commitment to quality and service standards.

For more information, please visit www.keonghong.com.

For media enquiries, please contact:

Ann Chan
29 Communications LLP
Mobile: (65) 9669 4816
Email: ann@29communications.com.sg

Lim Siew Yin
29 Communications LLP
Mobile: (65) 9858 4673
Email: siewyin@29communications.com.sg

This press release should be read in conjunction with Keong Hong's financial announcement filings with the Singapore Exchange on 28 January 2025, which can be downloaded via www.sgx.com.

[3] Ministry of Tourism, Republic of Maldives.