



## KEONG HONG HOLDINGS LIMITED

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

### FOR IMMEDIATE RELEASE

## KEONG HONG REPORTS NET PROFIT OF S\$6.9 MILLION FOR 1H2018

- Declared an interim dividend of 0.5 Singapore cents per share
- Construction order book of S\$394 million provides revenue visibility till 2021

### FINANCIAL HIGHLIGHTS

S\$'million	1H2018	1H2017	Change (%)
Revenue	71.6	84.2	(15.0)
Gross Profit	13.4	14.7	(8.4)
Gross Profit Margin	18.7%	17.4%	1.3 ppt
Profit Before Tax	7.8	9.1	(14.6)
Profit After Tax	6.9	7.0	(2.1)
<sup>(1)</sup> Basic EPS (cents)	2.88	3.07	(6.2)
<sup>(2)</sup> NAV/Share (cents)	84.74	83.44	1.6

<sup>(1)</sup> Based on weighted average ordinary shares of 232,385,000 (1H2017: 229,198,571)

<sup>(2)</sup> Based on 232.385 million ordinary shares (excluding treasury shares)

**Singapore, 11 May 2018** – 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 net profit after tax of S\$6.9 million and revenue of S\$71.6 million for the six months ended 31 March 2018 (“**1H2018**”). In comparison, the Group registered a net profit of S\$7.0 million and revenue of S\$84.2 million in the previous corresponding period (“**1H2017**”).

The decrease in Group revenue was mainly due to lower recognition of revenue from construction projects in this reporting period as two of the projects, namely Parc Life and Raffles Hospital Extension had largely been completed. The lower revenue was partially offset by revenue contribution from on-going projects such as Seaside Residences and Pullman Maldives Maamutaa Resort.



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In tandem with the decrease in revenue, gross profit for 1H2018 weakened by 8.4% to S\$13.4 million. Despite lower gross profit, gross profit margin improved by 1.3 percentage points to 18.7% in 1H2018.

Net profit after tax decreased 2.1% from S\$7.0 million in 1H2017 to S\$6.9 million in 1H2018.

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

Keong Hong's Chairman and Chief Executive Officer, Mr Ronald Leo (梁定平) said, **"Keong Hong made a good start to 2018 as our building construction segment was awarded a contract for the new National Skin Centre. We have seen a higher share of profits of joint ventures and associates in the second quarter, this is in line with our strategy to grow the contribution from our hotel and property development and investments. We expect to see a healthy contribution from the property development segment as Parc Life has obtained its TOP and Seaside Residences have recorded strong sales since its launch."**

### OUTLOOK AND ORDER BOOK

#### **Building Construction**

Following the completion of Raffles Hospital Extension, the Group has been awarded its second building construction contract in the medical and healthcare sector, namely the erection of part 4-storey and part 10-storey building with two basements for National Skin Centre (NSC) and reconstruction of the existing 5-storey building with basement for National Healthcare Group Offices at 1 Mandalay Road.

As at the end of 31 March 2018, our construction order book stood at S\$394.0 million, providing the Group with a sustainable flow of activities till 2021. The Group will continue to seek building construction opportunities in the commercial, industrial and residential sectors in Singapore to strengthen its construction project pipeline.



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### **Property Development and Investment**

Parc Life Executive Condominium has attained sales of approximately 95.0% to date and has obtained its TOP on 29 March 2018. Seaside Residences Condominium has achieved sales of 80.0% to date.

While the outlook for Singapore property market has improved over the last few months, we remain prudent in land acquisition and will continue to look out for viable property development and investment projects in Singapore and overseas.

### **Hotel Development and Investment**

Mercure Maldives Kooddoo Hotel has performed above our expectations since its opening in September 2017 and the management is cautiously optimistic on its performance in the current financial year.

Construction of Pullman Maldives Maamutaa Resort is progressing in accordance to schedule.

– 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, Vietnam, Japan and Maldives.

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

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 400, Keong Hong has built a strong reputation and track record over the last 30 years for its commitment to quality and service standards.



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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 2018, which can be downloaded via [www.sqx.com](http://www.sqx.com).*