



## **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 30 JULY 2021**

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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 2021 (the “**Annual Report**”);
- (b) the notice of annual general meeting (“**AGM**”) issued on 15 July 2021 informing shareholders that the Company’s AGM will be held by way of electronic means on Friday, 30 July 2021 at 9.30 a.m; and
- (c) the accompanying announcement issued by the Company on 15 July 2021 setting out, *inter alia*, the alternative arrangements relating to attendance at the AGM via electronic means.

The Company would like to thank shareholders for submitting their questions in advance of our 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  
29 July 2021

## ANNEX A

### RESPONSES TO QUESTIONS FROM SHAREHOLDERS

#### A. CONSTRUCTION

1. Referring to page 140 of the AR, segment information note 39, our construction business suffered a loss of S\$1.115m before taxation in FY2021 versus a gain of S\$11.3m in FY2020. Will our construction business be profitable and meet the schedule for delivery of construction projects for the coming financial year, FY2022 as a result of the cost increase due to the Covid-19 Pandemic? Please provide an update on the Group's construction projects.

Company's Response:

Although impacted by the ongoing pandemic, our construction business segment is currently expected to be profitable and able to meet the schedule for delivery, with extension of time granted by our clients, barring unforeseen circumstances and uncertainties of ongoing pandemic and economic outlook, both domestically and globally.

As at today's date, all construction sites for the Group's ongoing projects have commenced work and are in progress.

2. Referring to page 9 of the AR, in the PRC, our 69%-owned investment property, Tianjin Tianxing Riverfront Square continues to contribute positively to the Group with a resilient occupancy of approximately 67%. What is the current occupancy rate of this PRC investment property? Is the company satisfied with the current occupancy rate of the investment property and what is the company going to do to further improve the occupancy rate of the investment property?

Company's Response:

Tianjin Tianxing Riverfront Square currently enjoys an occupancy rate of approximately 78%.

We will continue to improve further on the occupancy rate by upgrading the hardware of the property and by stepping up our marketing efforts through our sales office in Tianjin to bring the average occupancy rate back to the pre-pandemic level. We will also tighten cost controls in our operation to increase the returns of this investment property.

3. Referring to page 9 of the AR, "In the PRC, our residential development project, Sino-Singapore Health City (中新健康城) in Gaobeidian, PRC, has sold more than 530 units to date, and is expected to earn a positive profit margin. We expect the units sold from Gaobeidian project to contribute positively to our results in the upcoming financial year FY2022 when construction is completed."

- i) May the company update shareholders on the latest number of units sold to-date and the average selling price for the phase 1 development? Is there any cap on the selling price imposed by the Chinese authority there? If yes, what is the cap?
- ii) How many phases are there in the GaoBeiDian development projects? Please provide the number of units we are expecting to launch in each phase and the estimated timeline.
- iii) May the company update on the construction status of the Gaobeidian Project? Is it on schedule and when will the construction of phase 1 be completed?

Company's Response:

As reported by our associated company carrying out the project, over 570 units have been sold for Phase 1 of the project, with an average selling price of approximately RMB 7,600 per sqm. The PRC government has approved the controlled selling price for the project with a cap of not more than RMB 8,000 per sqm.

As an update on the other phases, the number of units to be launched and the estimated timeline in each phase will be announced when the marketing plan has been finalised.

Construction of the existing launched Phase 1 is currently in progress, with approximately 80% of the construction completed to date. Construction is expected to be completed in FY2022, barring unforeseen circumstances and uncertainties of the ongoing pandemic.

4. Referring to page 8 of the AR of the chairman statement "Most of the property developments launched prior to the current financial year have been either fully or substantially sold. This translates into more than S\$416.0 million of attributable share of progress billings to be progressively recognised as sales revenue, which will contribute to the Group's financial results after FY2021." May the company provide a estimated timeline in FY on the breakdown of revenue recognition of our share of process billings of S\$416 million for the property development.

Company's Response:

The said S\$416 million of our share of process billings for the property development is expected to be recognised progressively over FY2022 and FY2024, barring unforeseen circumstances and uncertainties of the ongoing pandemic.

5. **The Construction segment suffered a loss (at PBT level) in the preceding financial year (2021); and margins were eroding previously. Since the company has substantial part of its construction order book at Fixed Price contracts fixed pre-Covid 19, can the increasing operational costs post Covid be expected to yield satisfactory margins?**

Company's Response:

Notwithstanding the expected increase in operational costs, construction projects are expected to yield positive margins, barring unforeseen circumstances and uncertainties of the ongoing pandemic. The Group will focus on ensuring the smooth operational progress of the Group's ongoing projects, and at the same time, tighten cost controls. The Group will also continue to tap onto the available Government construction support packages, to help alleviate the impact from the ongoing COVID-19 pandemic.

6. **All the Executive Directors of KSH are aged 70+ and this does raise the issue of succession planning; in an industry that requires strong network, experience and local knowledge to succeed. While we wish them well, we would like to know if the Nominating Committee has succession planning as a long-term priority?**

Company's Response:

The Company's succession planning is well in progress. Our Executive Directors have varying expertise and work experience to provide a broader perspective on the Group's activities and contribute their valuable experiences and professional judgments accordingly. Additionally, the Executive Directors are well-supported by a team of experienced professionals from various business units on areas such as strategic decisions and operations.

7. **For your hotels in UK and Japan, are they generating positive cash flows? During this pandemic time, what is the occupancy rate like? Who is staying at the hotels? Local tourists or used for quarantine like in Singapore?**

Company's Response:

As with the hospitality industry globally, international travel restrictions due to the ongoing pandemic have adversely impacted the hotel businesses and the Group's hotels are unable to generate positive cash flows under the current situation.

As reported by the associated companies holding these hotels, occupancy rates currently range from approximately 29.0% to 79.0% on average. Most of the guests in the hotels were local tourists and business travellers. No hotel is used specifically for quarantine purposes.