



KSH HOLDINGS LIMITED

FY2015 Results Presentation

June 2, 2015

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PRESENTATION OUTLINE

- 1 Corporate Overview**

- 2 Results Highlights**

- 3 Recent Developments**

- 4 Pipeline & Portfolio**

- 5 Outlook & Strategies**

- 6 Investment Merits**





CORPORATE OVERVIEW

CORPORATE OVERVIEW

- **A well-established Construction, Property Development and Property Management group**
- **Incorporated in 1979 and listed on the SGX Mainboard since February 8, 2007**

Construction

- Over 35 years of established track record across various sectors including residential, commercial, industrial, hotels, institutions, infrastructure, etc
- BCA A1 Grade (CW01 – General Building): Ability to tender for public construction projects of unlimited value
- BCA A2 Grade (CW02 – civil engineering): Ability to tender for public projects for values up to S\$90M
- Projects performed well in CONQUAS, a standard assessment system on the quality of building projects
- Won BCA Construction Excellence Awards for the construction of including Fullerton Bay Hotel, NUS University Town's Educational Resource Centre and Madison Residences
- Entered property development

Real Estate

- Property development and management businesses
- Multiple successful property development projects in Singapore since 2008
- Established footprint in the People's Republic of China ("PRC") since 1997

GEOGRAPHICAL FOOTPRINT

London, U.K.

- First entered U.K. property market in 2015 with consortium of investors to acquire freehold property to be redeveloped into service apartments

Singapore

- A main contractor for both public and private construction sector, landmark projects include:
 - Far East Square
 - Fullerton Bay Hotel
 - Residential developments, Ardmore Tree, Centennia Suiites and The Boutiq
 - KAP & KAP residences
 - The NEWest
 - Singapore Chinese Cultural Centre
 - NUS University Town Education Resource Centre and residential colleges – The Cinnamon & The Tembusu
- Developed many successful projects such as:
 - Sky Green (Residential)
 - NEWest (Mixed-use)
 - KAP & KAP residences
 - Commercial developments – Hexacube & Trio

UK

PRC

MALAYSIA

SINGAPORE

Malaysia

- A main contractor for the private Sector

AUSTRALIA

PRC

- Entered Property Development and Property Management in PRC in 2001
- Construction project in Beijing to erect 3 blocks of 11-13 storey residential building with office and commercial units as well as 2 levels of basement for Liang Jing Ming Ju Phase Four – Sequoia Mansion (景观明居四期- 红衫公馆)
- Development of satellite city nearby Beijing earmarked by government for development – Gaobeidian New Town (高碑店新城上东新区) – together with partners
- Developed mixed-use development, Tianjin Riverfront Square (天星河畔广场)

Brisbane, Australia

- Entered Australia property market with consortium of investors to co-develop a mixed-use asset in popular tourist hotspot, Fortitude valley, Brisbane, Australia





FY2015 RESULT HIGHLIGHTS

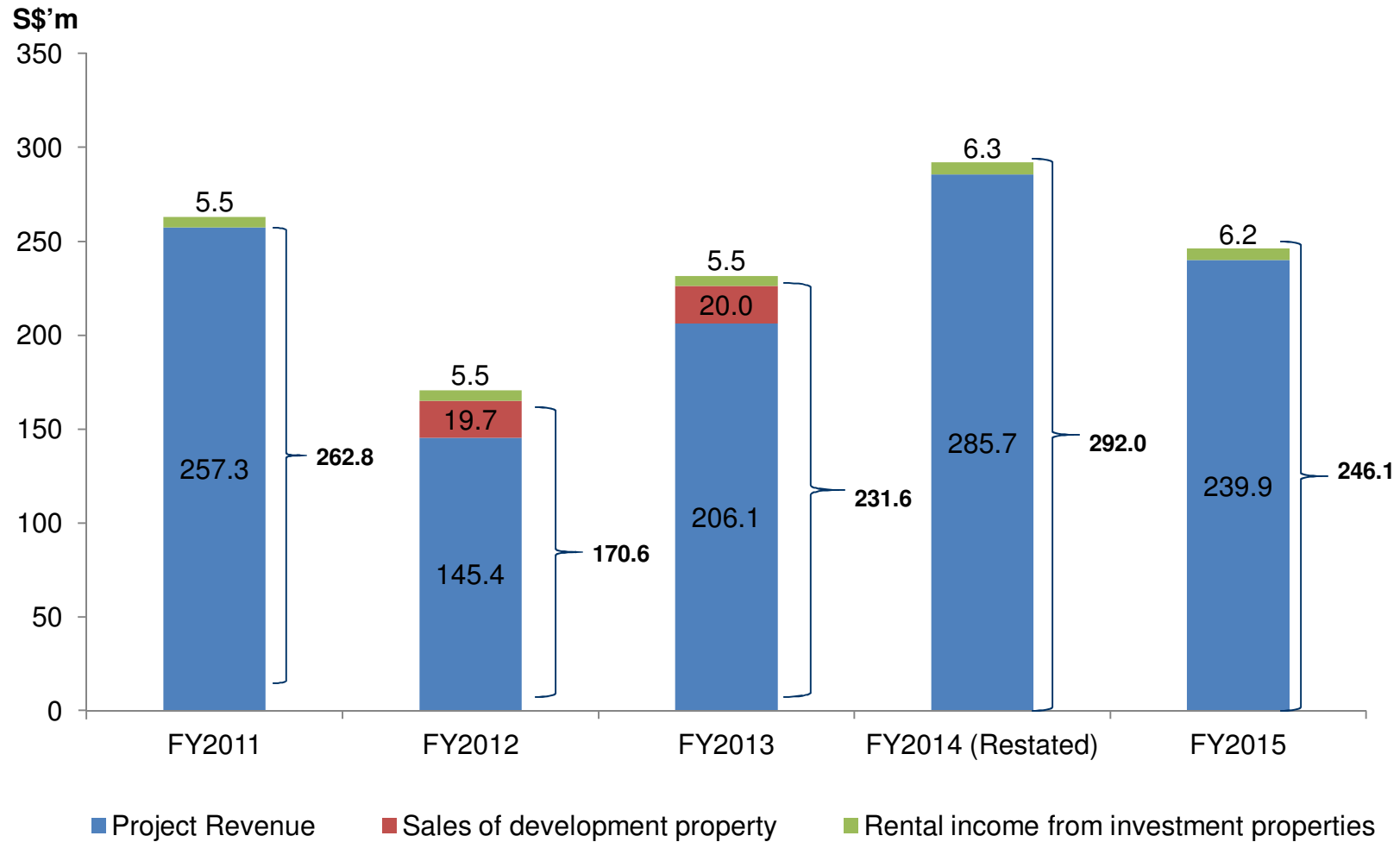
RESULTS OVERVIEW

- FY2015 revenue lowered 15.7% to S\$246.1 million from S\$292.0 million in FY2014 due to lower construction revenue amidst challenging environment and Singapore property market slowdown
- Net profit dipped marginally by 6.9% to S\$41.7 million from S\$44.8 million last year
- FY2015 net profit margin rises to 16.9% from 15.3% in FY2014
- 38.6% growth in FY2015 Other Operating Income to S\$13.0 million from S\$9.4 million last year
- Proposed Final Dividend of 1.50 SGD cents per ordinary share bringing total dividend in FY2015 to 2.75 SGD cents per ordinary share
- Healthy balance sheet with low net gearing at 0.004 time and cash and cash equivalents of S\$95.1 million
- Construction order book remains strong at more than S\$420 million



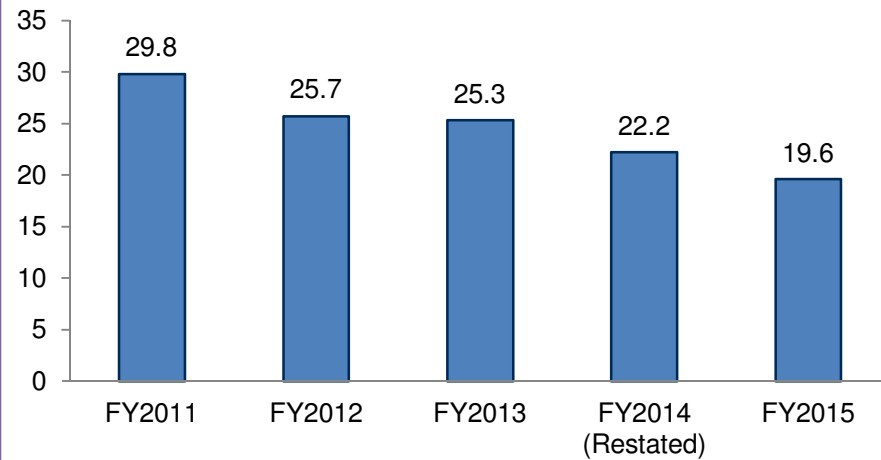
RESULTS HIGHLIGHTS

REVENUE HIGHLIGHTS

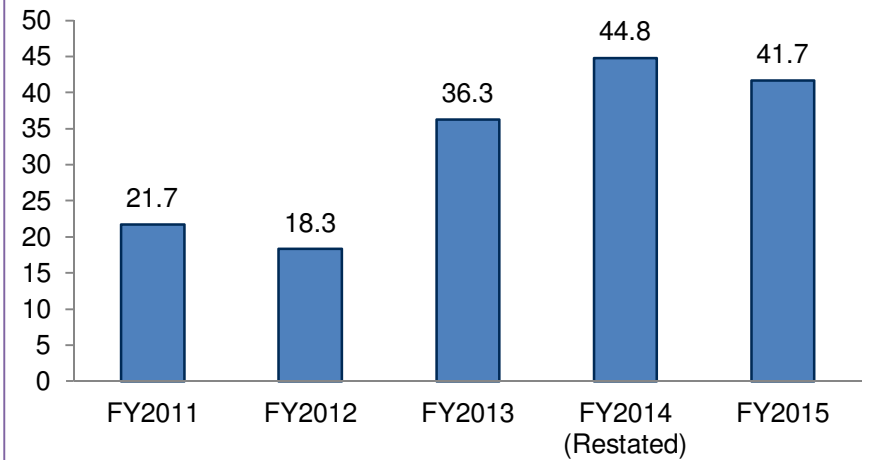


EARNINGS HIGHLIGHTS

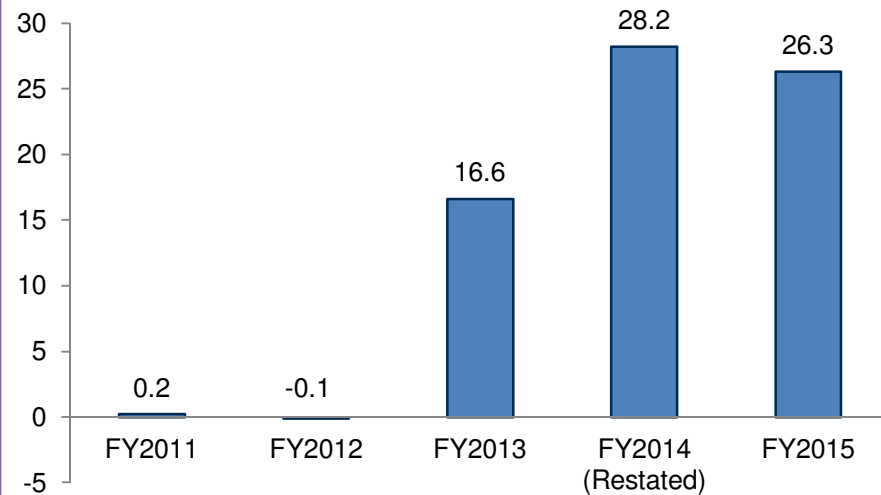
Profit from operations before share of results of associates and joint venture (S\$m)



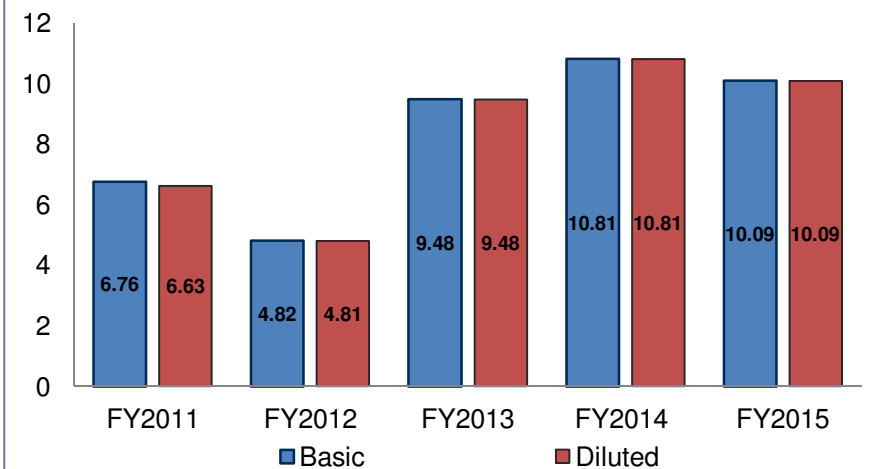
Profit Attributable to Shareholders (S\$m)



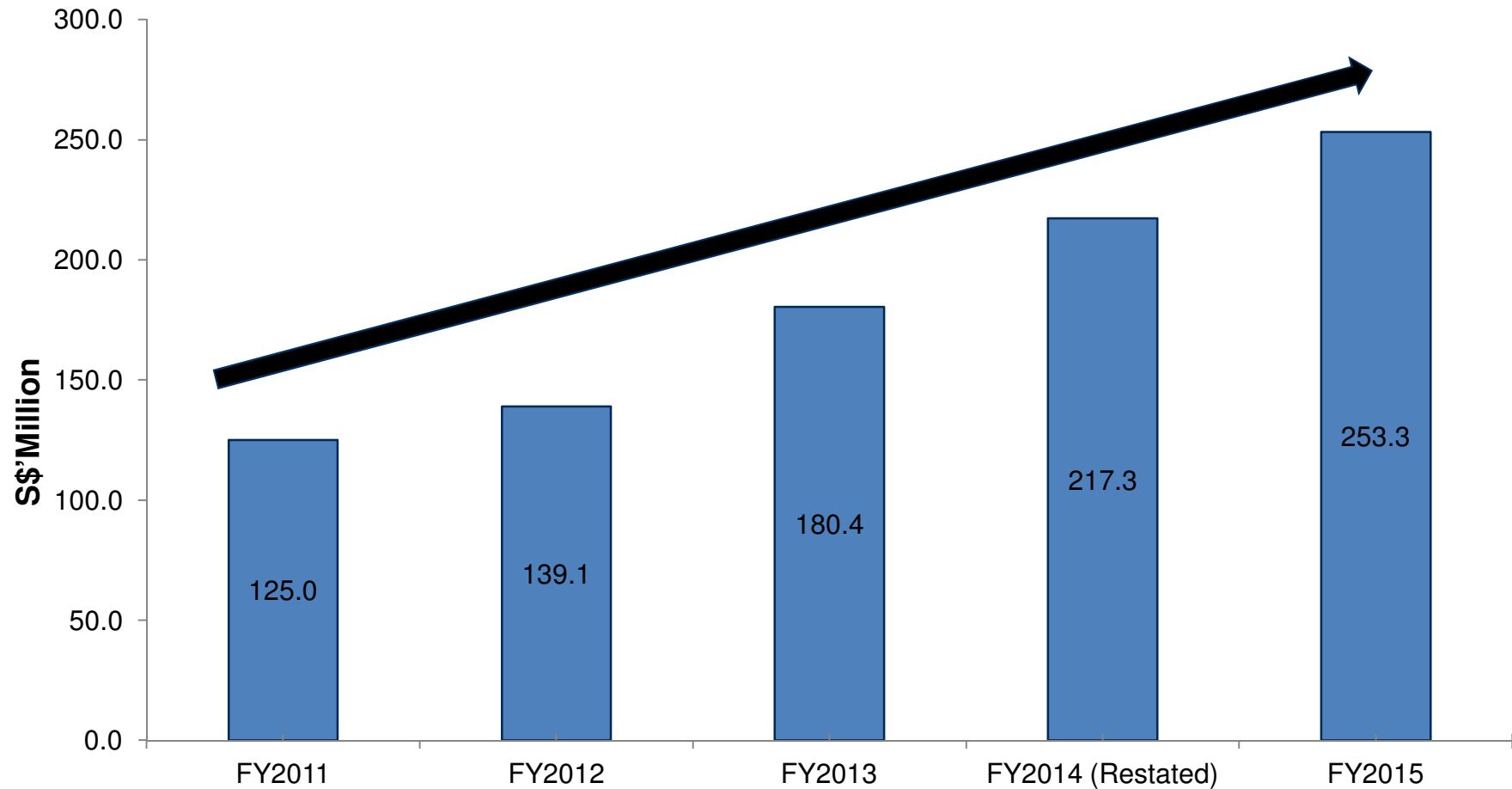
Share of results of associates and joint venture (S\$m)



Earning Per Share (Singapore Cents)



NET TANGIBLE ASSETS



- **Net Tangible Assets increased to S\$253.3 million as at March 31, 2015**



HEALTHY BALANCE SHEET

S\$'M	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014 (Restated)	March 31, 2015
Current Assets	191.4	142.8	163.5	186.0	152.6
Current Liabilities	144.5	107.0	130.8	124.0	111.8
Net Current Assets	46.9	35.8	32.7	62.0	40.8
Total Assets	359.7	332.3	392.2	474.6	500.1
Total Liabilities	215.6	172.0	189.9	235.8	223.1
Net Tangible Assets	125.0	139.1	180.4	217.3	253.3



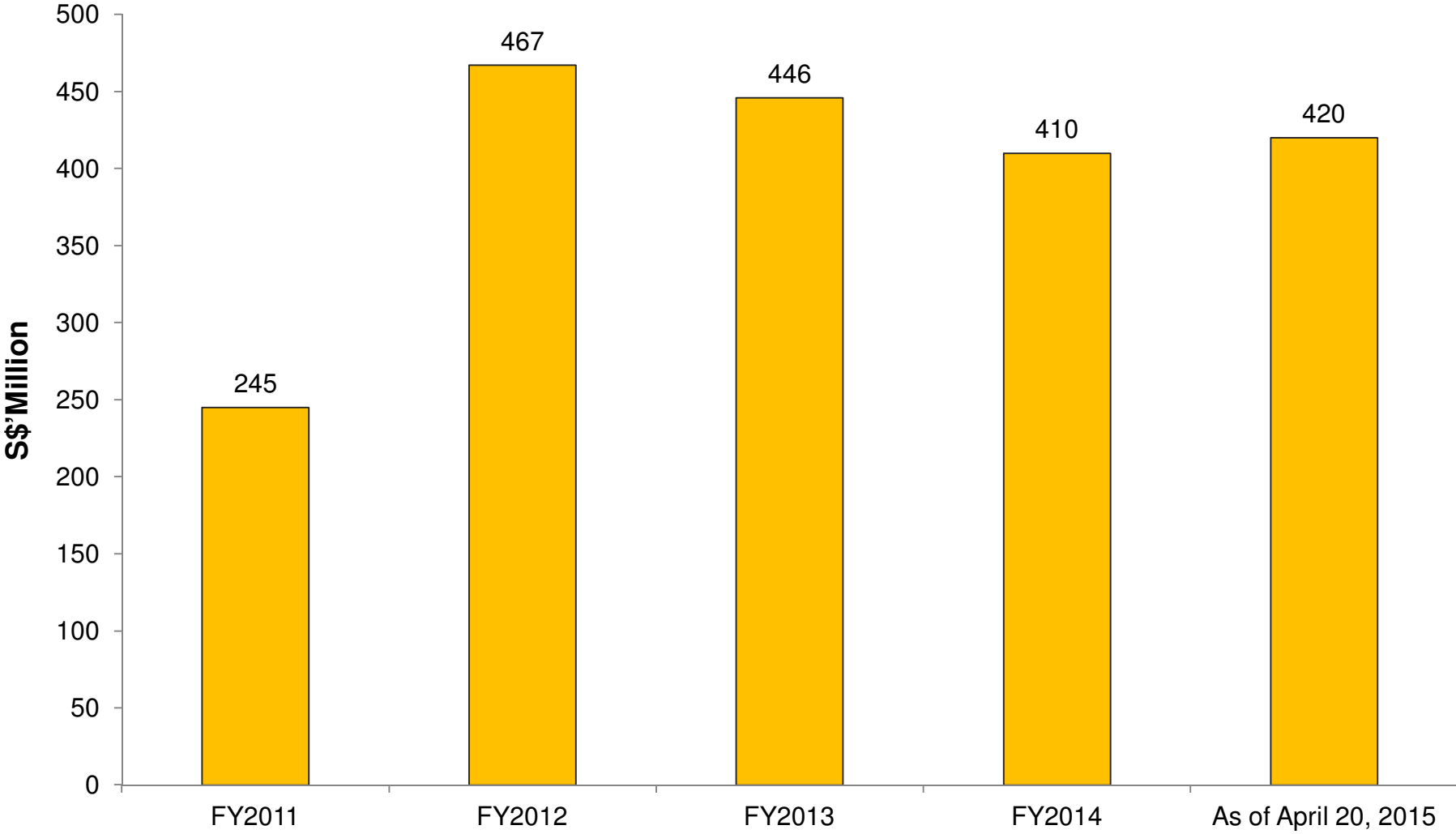
HEALTHY DEBT COVERAGE & LOW GEARING

S\$'M	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014 (Restated)	March 31, 2015
Total Borrowing & Debts	94.5	75.5	87.9	118.4	96.2
Total Cash & Cash Equivalents	91.5	57.5	81.4	138.5	95.1
Net Borrowing & Debt	3.0	18.0	6.5	(20.1)	1.1
Net Debt to Equity	0.02	0.13	0.04	(0.09)	0.004

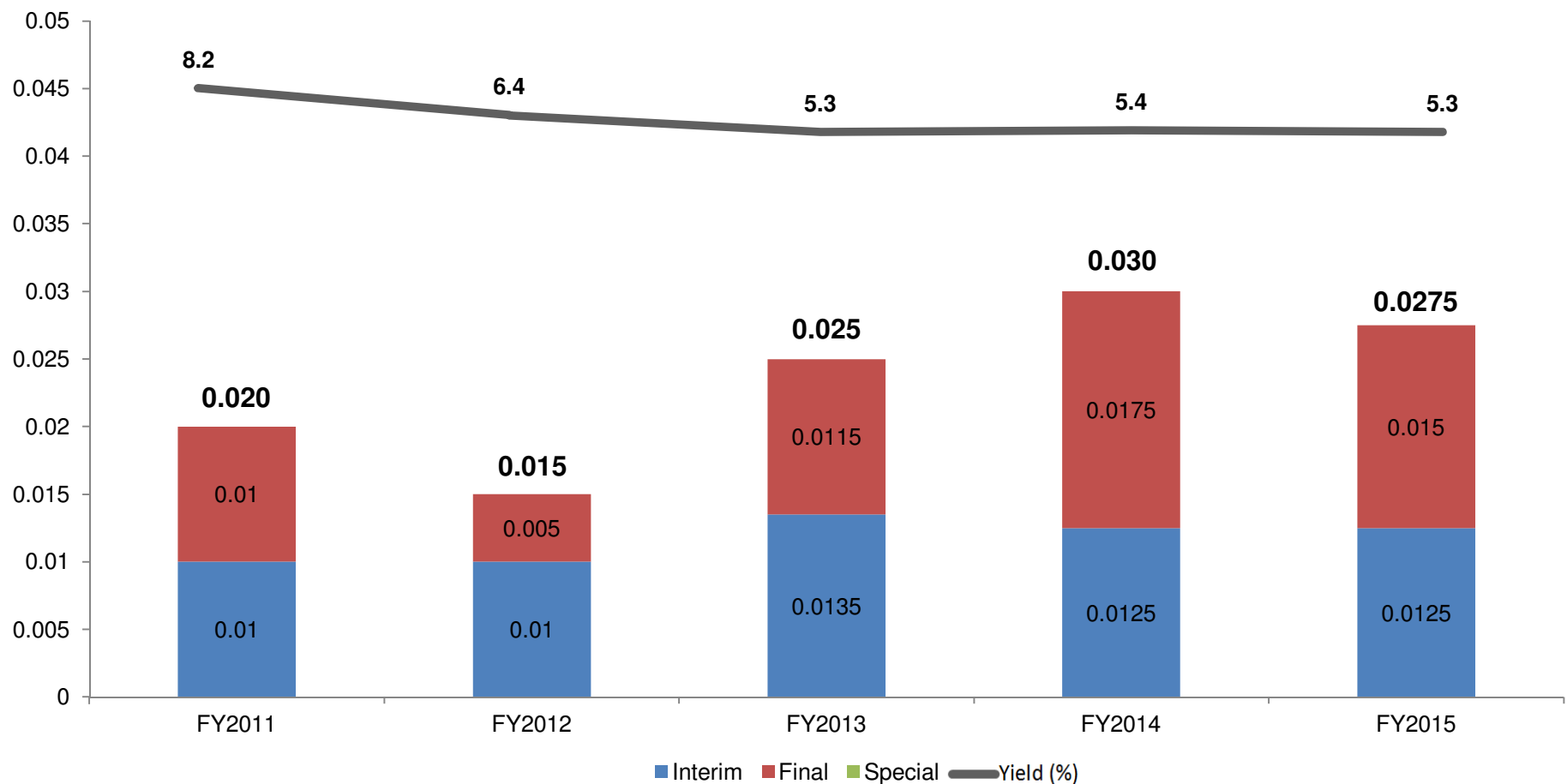
- High cash & cash equivalents of S\$95.1 million
- Low gearing of 0.004 time



CONSTRUCTION ORDER BOOK



DIVIDENDS



Proposed Final Dividend of 1.50 SGD cents per ordinary share, bringing total dividend to 2.75 SGD cents per ordinary share, equivalent to a yield of 5.3%, as at May 29, 2015



RECENT DEVELOPMENTS

RECENT CORPORATE DEVELOPMENTS

**Apr 20,
2015**

Awarded S\$33.2M construction contract to build 3-storey sports centre for repeat customer, NUS

- Construction has started in Apr, 2015 and is targeted to complete within 25 months
- Expected to contribute to Group revenue from FY2016 to FY2018

**Apr 8,
2015**

Maiden entry into U.K. property market: JV acquisition of freehold property for ~S\$31M

- 25,700 sq ft; currently houses 42 hotel units (KSH stake: 10%)
- 2 minutes walk from Hammersmith Underground Station in London
- Plans to redevelop property into serviced apartments for recurring income

**Feb 16,
2015**

Awarded S\$78.2M contract to construct the new 11-storey Singapore Chinese Cultural Centre at Shenton Way

- Construction has started in Mar, 2015 and is targeted to complete within 89 weeks
- Expected to contribute revenue to the Group until FY2017





PIPELINE & PORTFOLIO

ONGOING CONSTRUCTION PROJECTS

Project Name	Value (S\$'Million)	Project Type
Q bay Residences	142.28	Residential
Ayer Rajah Avenue	61.71	Industrial
NEWest Development @ West Coast Way	98.94	Mixed Development
United World College	42.50	Institution
KAP & KAP Residences	76.89	Mixed Development
Community Building at Bedok North Street 1	142.83	Integrated Complex
Singapore Chinese Cultural Centre	78.20	Institution
Sport Centre Building at National University of Singapore	37.00	Institution

PROPERTY DEVELOPMENT

Singapore Project Pipeline

Property Name	Location	Tenure	Estimated Net saleable area (sq m)	Number of Residential Units*	Group's Stake
Whitley Road	Whitley Road	Freehold	2,108	11	30%
Fernvale	Land Parcel A & B at Fernvale Road	Leasehold	Parcel A: 49,811 Parcel B: 52,242	Parcel A: 700 Parcel B: 700 & Childcare centre	20%



PROPERTY INVESTMENT

Singapore Prudential Tower



- KSH stake: 28%
- 30-storey Grade A landmark office tower
- strata-titled office development strategically located at the junction of Cecil Street and Church Street in the heart of Singapore's business and financial district, easily accessible from Raffles Place MRT Interchange and Telok Ayer MRT Stations
- Joint venture partners: Lian Beng Group, KOP Properties and Centurion Global
- Net Lettable Area: 21,433 sqm

PRC Tianjin Tianxing Riverfront Square

- KSH stake: 69%
- 36-storey Retail and Office Complex located at heart of business district of Tianjin, PRC
- Office units ~40%-sold; remaining units and shopping podium leased out with average occupancy above 90%
- Total Lettable Area: 37,033 sqm
- Tenure: ~50 years from Nov 29, 1993
- Latest Valuation: S\$115.1 million



PROPERTY DEVELOPMENT

Overseas Projects



Property Name	Location	Tenure	Approximate/ Estimated Net saleable area (sq m)	Number of Residential Units*	Number of Shop Units*	Group's Stake	TOP
Liang Jing Ming Ju 4 th Phase	Beijing	Residential: 70 years from 15 Jan 2003 Commercial: 40 years from 15 Jan 2003	39,470	3,734	50	45%	Dec 2015



PROPERTY DEVELOPMENT



Name of Development	Lincoln Suites
Type	Residential
Location	Novena
Tenure	Freehold
GFA (sq m)	15,603
Residential Units	175
Group's Stake	25%
TOP	April 2014



Name of Development	Cityscape@ Farrer Park
Type	Residential
Location	Mergui Road
Tenure	Freehold
GFA (sq m)	23,547
Residential Units	250 units
Group's Stake	35%
TOP	October 2014



Name of Development	The Boutiq
Type	Residential
Location	125 Killiney Road
Tenure	Freehold
GFA (sq m)	10,397
Residential Units	130 units
Group's Stake	35%
TOP	October 2014



PROPERTY DEVELOPMENT



Name of Development	Rezi 26
Type	Residential
Location	Lorong 26, Geylang
Tenure	Freehold
GFA (sq m)	6,925
Residential Units	106
Group's Stake	45%
Target Completion Date	Dec 2015



Name of Development	The Palacio
Type	Residential
Location	Lorong M, Telok Kurau Road
Tenure	Freehold
GFA (sq m)	4,152
Residential Units	21
Group's Stake	32%
Target Completion Date	Dec 2015



Name of Development	Sky Green
Type	Residential
Location	MacPherson Road
Tenure	Freehold
GFA (sq m)	13,907
Residential Units	176
Group's Stake	25%
Target Completion Date	Dec 2016

PROPERTY DEVELOPMENT



Name of Development	NEWest
Type	Mixed Residential and Commercial
Location	West Coast Way
Tenure	956 years from 27 May 1928
GFA (sq m)	25,148
Shop Units	141
Residential Units	136
Group's Stake	12.25%
Target Completion Date	Dec 2018



Name of Development	KAP/KAP Residences
Type	Mixed Residential and Commercial
Location	King Albert Park
Tenure	Freehold
GFA (sq m)	17,178
Shop Units	107
Residential Units	142
Group's Stake	12.6%
Target Completion Date	Dec 2018



Name of Development	FloraVille, Flora Vista & Floraview
Type	Mixed Residential and Commercial
Location	Yio Chu Kang
Tenure	Freehold
GFA (sq m)	12,434
Shop Units	28
Residential Units	140
Group's Stake	12.25%
Target Completion Date	Dec 2018

PROPERTY DEVELOPMENT



Name of Development	Rezi 3TWO
Type	Residential
Location	Lorong 32, Geylang
Tenure	Freehold
GFA (sq m)	3,456
Shop Units	-
Residential Units	65
Group's Stake	45%
Target Completion Date	Dec 2017



Name of Development	Trio
Type	Commercial
Location	Sam Leong Road
Tenure	Freehold
GFA (sq m)	3,445
Shop Units	43
Residential Units	-
Group's Stake	35%
Target Completion Date	June 2019



Name of Development	Hexacube
Type	Commercial
Location	AIA Changi Road
Tenure	Freehold
GFA (sq m)	5,036
Shop Units	73
Residential Units	-
Group's Stake	30%
Target Completion Date	7 June 2019



OUTLOOK & STRATEGIES

INDUSTRY OUTLOOK



- Latest URA statistics showed
 - 1% decrease in private residential property prices in the first quarter of 2015
 - Overall 0.9% slip in private residential property prices
- There are still opportunities for well-placed and well-priced developments although Singapore's residential property market remains subdued
- Office property demand for prime grade office space remains positive with healthy business formations and positive economic growth in Singapore, although rental rate growth has moderated in the first quarter of 2015
- BCA expects 2015 construction demand to remain strong
 - Forecasted to be between S\$29 billion to S\$36 billion
- Public sector demand to stabilise overall construction prospects
 - Buoyed by increase in public housing and infrastructure works
 - To partially cushion anticipated slowdown from private sector due to global uncertainties and uneven growth across economies



STRATEGIES & OPPORTUNITIES



PROPERTY DEVELOPMENT

1. Continue to prudently seek opportunities in Singapore while deepening existing footprint in overseas markets (e.g. PRC)
2. Pursue overseas projects with reputable partners that has extensive local knowledge, network and expertise, e.g:
 - Liang Jing Ming Ju Phase 4 to complete and commence sale in FY2016
 - Gaobeidian New Town Shandong New Area
3. Expand geographical footprint in new markets with favourable property market cycle together with JV partners (E.g. Australia, U.K.)



CONSTRUCTION

1. Continue to aggressively tender for public and private projects with emphasis on the former
2. Capitalise on Group's strong track record and BCA A1 grade to tender for public projects of unlimited value, riding on government impetus
3. Leverage on the Group's healthy balance sheet and low receivables risk as competitive advantage





INVESTMENT MERITS

INVESTMENT MERITS

Committed and experienced management team and support staff

- Each Executive Directors has at least 40 years of experience in the construction industry
- Management team is supported by a pool of long serving and committed staff including engineers, quantity surveyors and site coordinators.

Established and proven track record and reputation

- Achieved high quality standards for construction projects
- Received several awards and certifications including International Organization for Standardisation (“ISO”) certifications

Cost competitive

- Continuing relationships with pool of sub-contractors and suppliers allows KSH to obtain better credit terms , keeping costs low

Ability to leverage on construction experience to enhance property development business in Singapore and PRC

- Synergistic effects of property development business and construction business
- Able to offer value-added services when carrying on property development work based on construction experience

Strong working relationships with joint venture partners and business network

- Established a wide network of contacts in the PRC since entering the market in 1997
- Participated in successive series of joint venture development projects in Singapore since 2008
- Extensive experience in construction industry



THANK YOU
