



# **KSH HOLDINGS LIMITED**

Roadshow Presentation  
July 21, 2015

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# PRESENTATION OUTLINE

- 1 Corporate Overview**

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- 2 Financial Highlights**

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- 3 Construction**

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- 4 Property Development & Investment**

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- 5 Outlook & Strategies**

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- 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 36 years of established track record across various sectors including residential, commercial, industrial, hotels, institutions, infrastructure, etc
- Strong order book, balance sheet; low gearing and receivables risk
- 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\$85M
- 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

## 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 1993
- First foray into U.K. and Australian markets in 2015 with consortium of investors

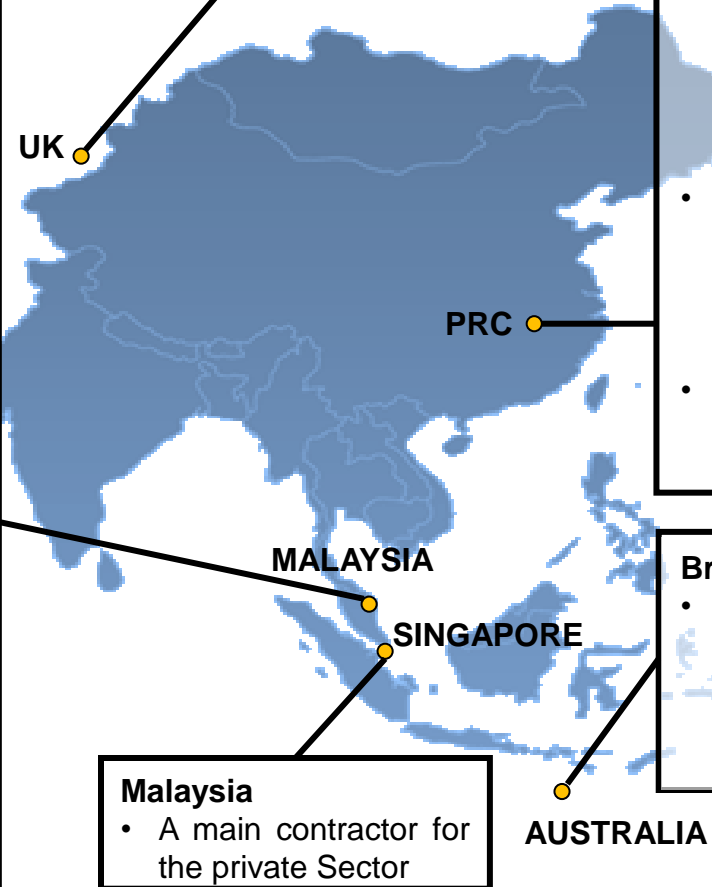
# GEOGRAPHICAL FOOTPRINT

**London, U.K.**

- First entered U.K. property market in 2015 with consortium of investors to acquire freehold property in London and prominent site in Leeds

**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



**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)

**Malaysia**

- A main contractor for the private Sector

**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

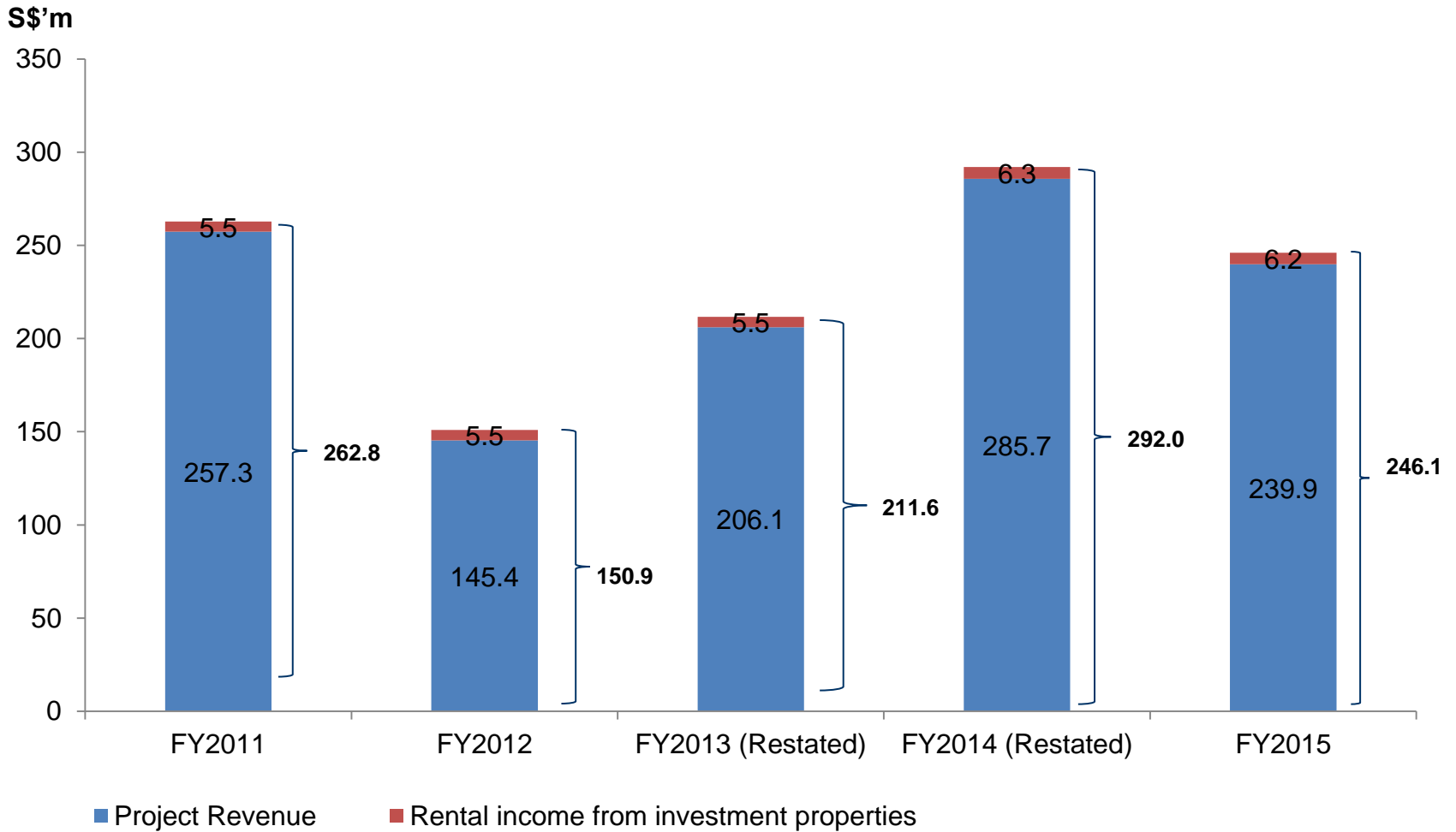




# FINANCIAL HIGHLIGHTS

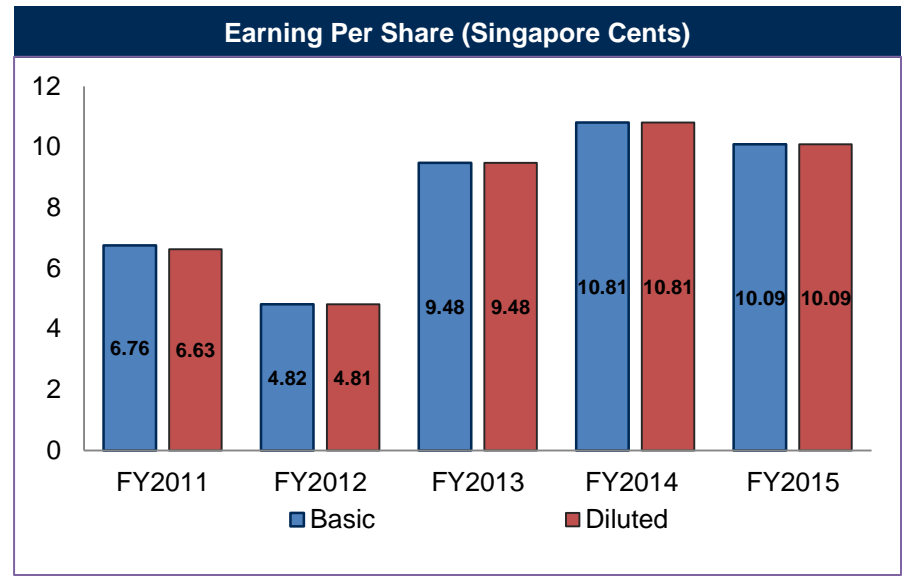
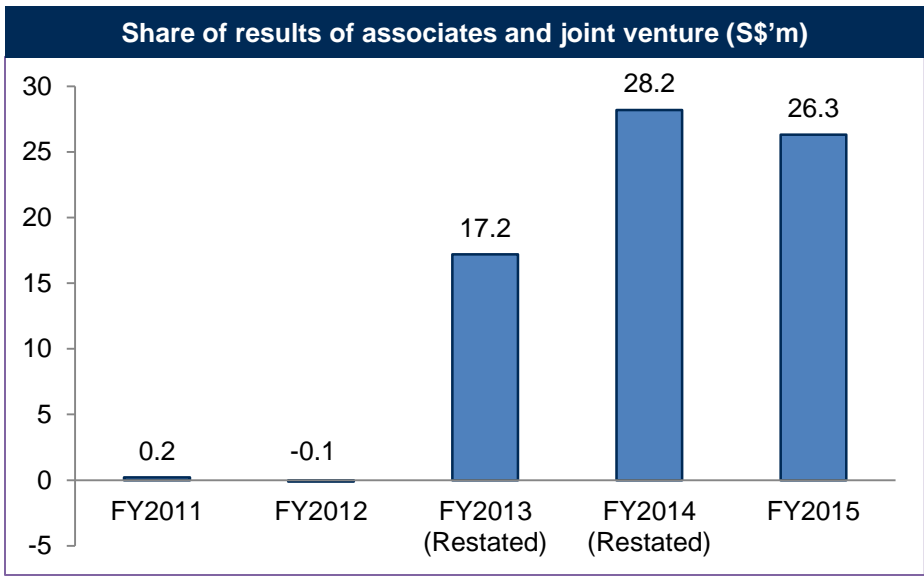
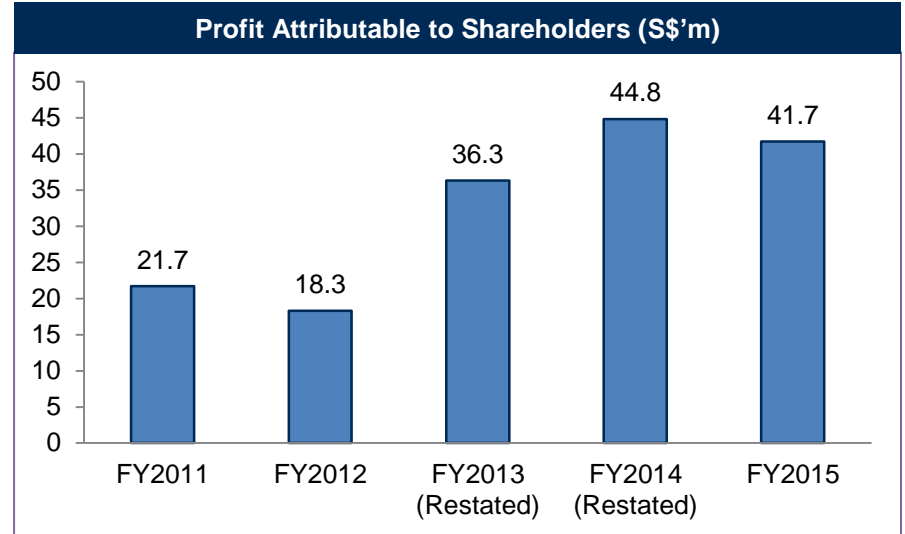
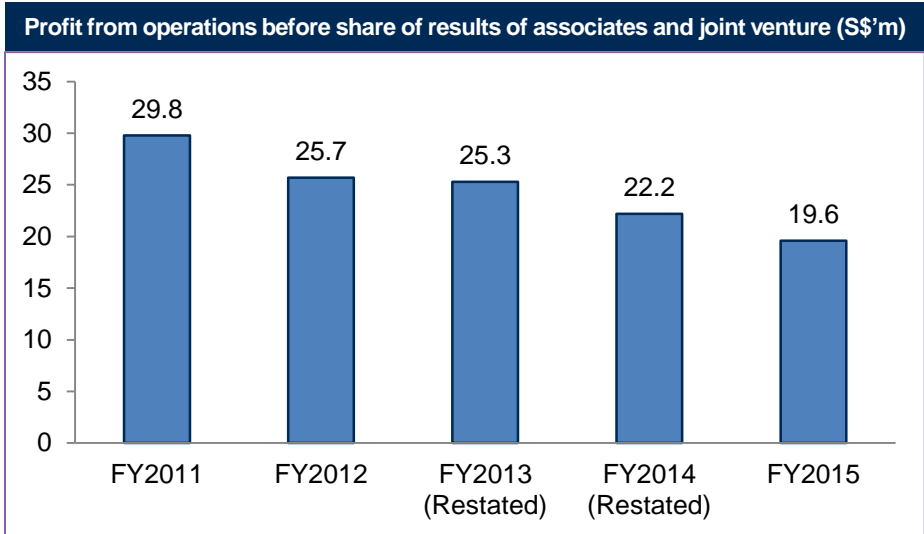
# REVENUE HIGHLIGHTS

## REVENUE HIGHLIGHTS





# EARNINGS HIGHLIGHTS



# HEALTHY BALANCE SHEET

	March 31, 2011	March 31, 2012	March 31, 2013 (Restated)	March 31, 2014 (Restated)	March 31, 2015
<b>Current Assets (S\$'M)</b>	191.4	142.8	111.4	186.0	152.6
<b>Current Liabilities (S\$'M)</b>	144.5	107.0	128.9	124.0	111.8
<b>Net Current Assets / (Liabilities) (S\$'M)</b>	46.9	35.8	(17.5)	62.0	40.8
<b>Total Assets (S\$'M)</b>	359.7	332.3	362.7	474.6	500.1
<b>Total Liabilities (S\$'M)</b>	215.6	172.0	160.4	235.8	223.1
<b>Net Tangible Assets (Attributable to Shareholders) (S\$'M)</b>	125.0	139.1	180.4	217.3	253.3
<b>NTA Per Share (Cents)</b>	36.5	39.7	43.5	52.4	61.4



# HEALTHY DEBT COVERAGE & LOW GEARING

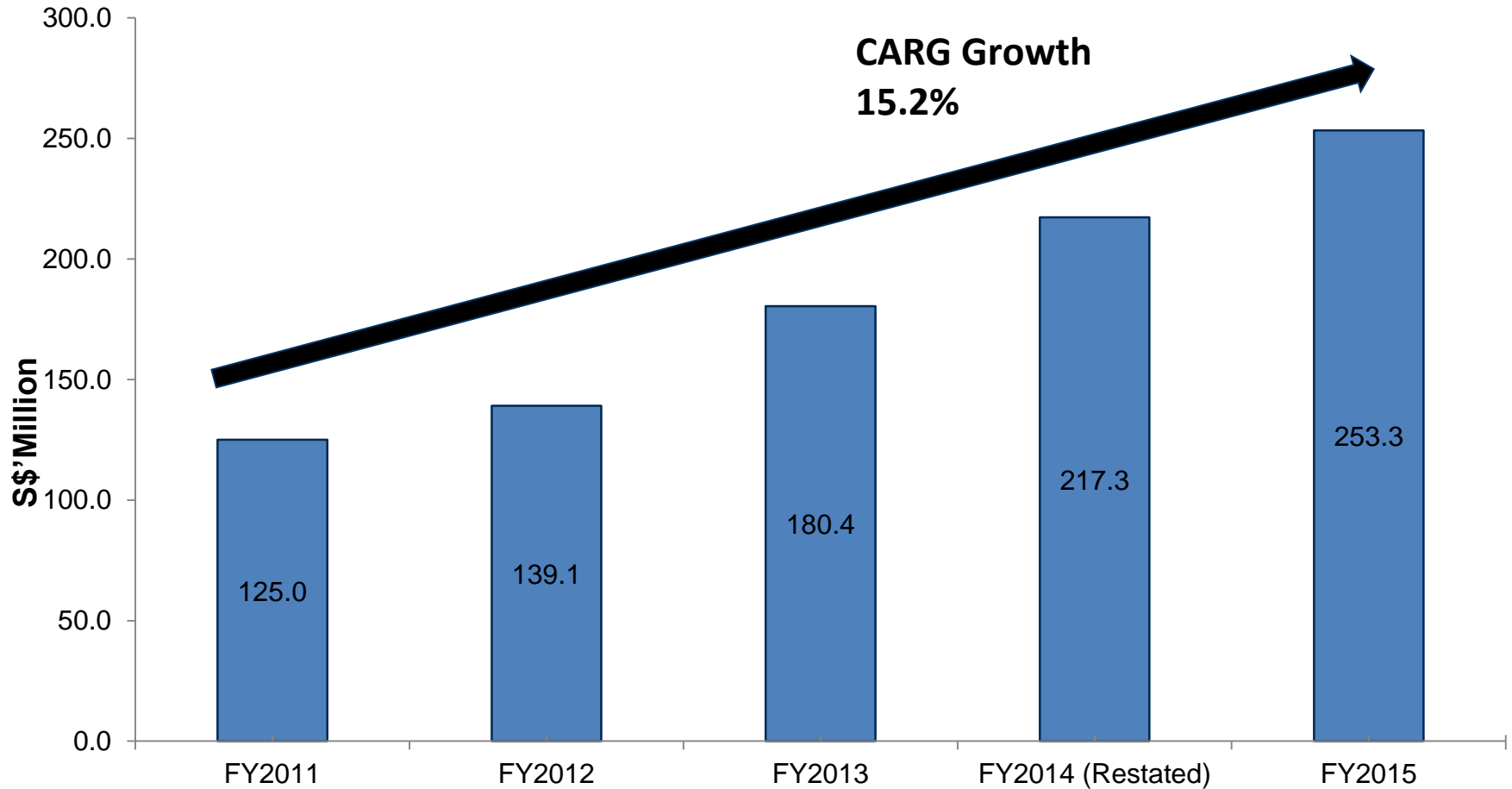
S\$'M	March 31, 2011	March 31, 2012	March 31, 2013 (Restated)	March 31, 2014 (Restated)	March 31, 2015
<b>Total Borrowing &amp; Debts</b>	94.5	75.5	60.3	118.4	96.2
<b>Total Cash &amp; Cash Equivalents</b>	91.5	57.5	72.8	138.5	95.1
<b>Net Borrowing &amp; Debt</b>	3.0	18.0	(12.5)	(20.1)	1.1
<b>Net Debt to Equity</b>	0.02	0.13	(0.07)	(0.09)	0.004

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





# NET TANGIBLE ASSETS



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



# SHARE PRICE PERFORMANCE

## KSH 5-YEAR SHARE PRICE CHART



Source: Bloomberg; July 20, 2015



# SHARE PRICE PERFORMANCE

## Key Data

<b>Share price</b>	S\$0.515
<b>Market Capitalisation</b>	S\$212.5 million
<b>Shares Outstanding</b>	412.7 million
<b>52-week range</b>	High: S\$0.565 Low: S\$0.495
<b>P/E (times)</b>	5.1

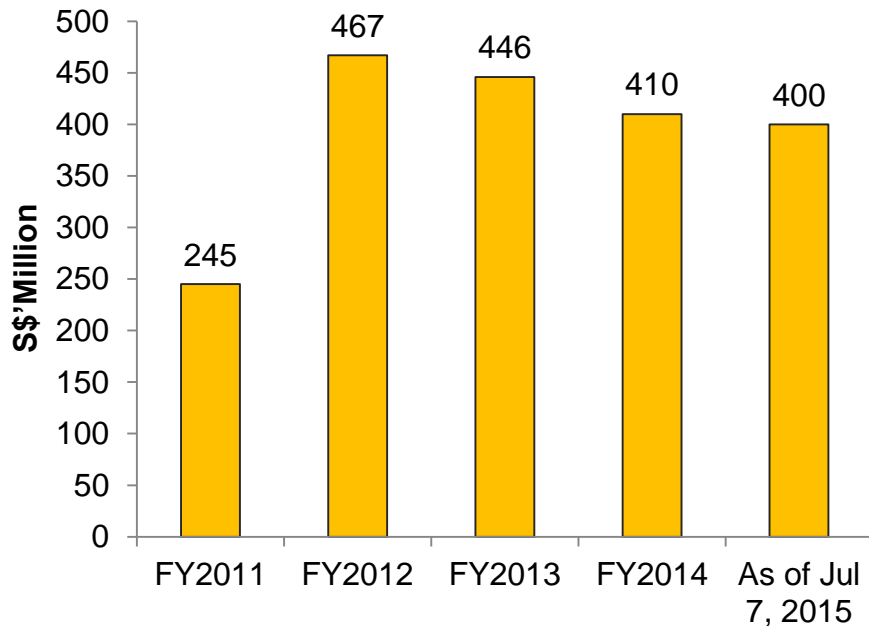
*Source: Bloomberg; July 20, 2015*



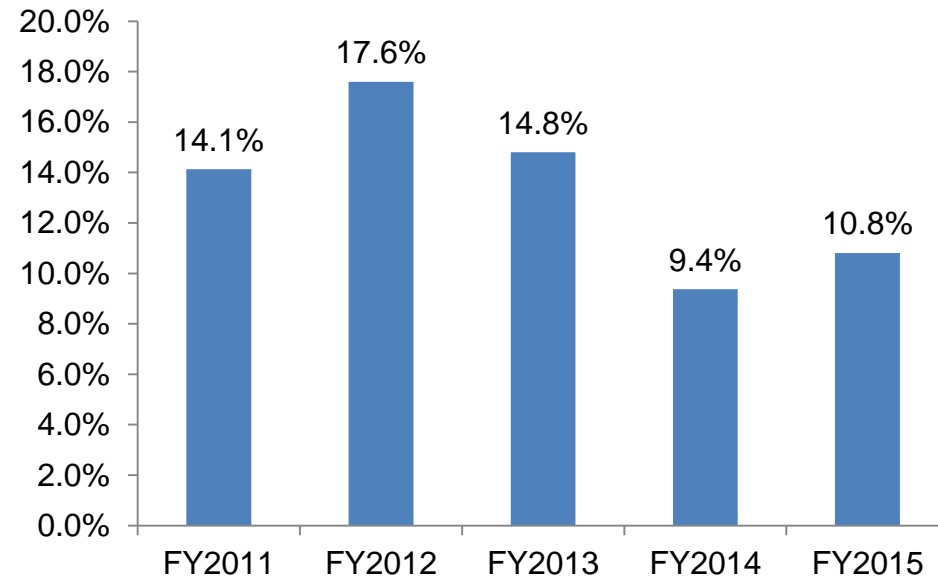


# STRONG CONSTRUCTION PERFORMANCE

## Construction Order Book

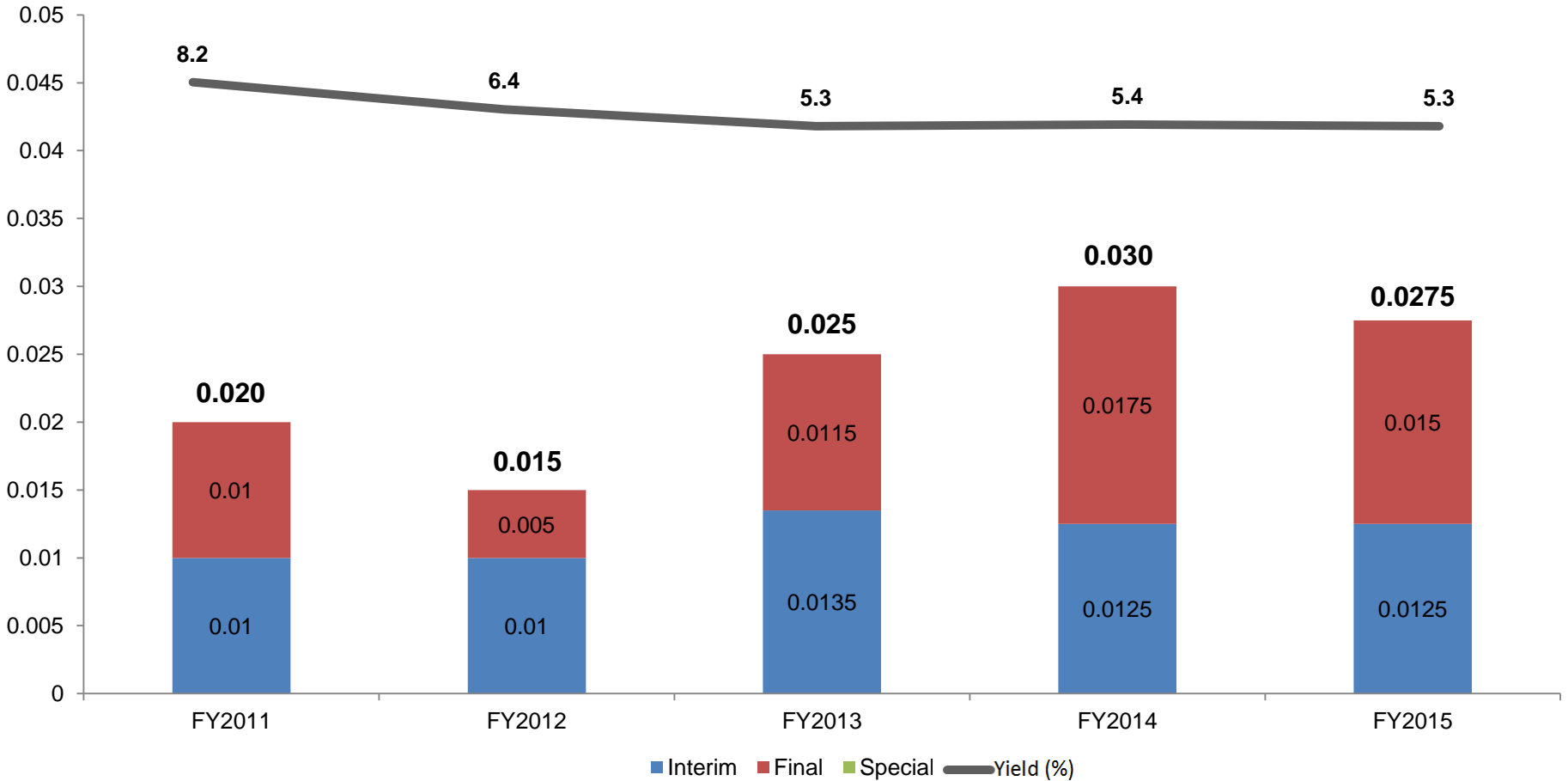


## Construction Gross Margin



- Order book remains strong at S\$400.0 million as at July 7, 2015
- Healthy construction gross margins due to prudent project selection and tender
- Gross profit from construction in FY2015 amounted to more than S\$25.9 million
- Ease of capital access due to healthy balance sheet and strong credit history and low receivables risks

# 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**

**The interim and proposed final dividend of S\$11.4 million in total will amount to 27.3% of Net Profit After Tax attributable to Shareholders in FY2015**



**CONSTRUCTION**



# ONGOING CONSTRUCTION PROJECTS

(With Order Book More than SGD400 Million as at 7 July 2015)



Project Name	Contract Value (S\$'m)	Project Type
Q bay Residences	142.28	Residential
NEWest Development	98.94	Mixed Development
United World College	42.50	Institution
KAP & KAP Residences	76.89	Mixed Development
Community Building at Bedok North	147.83	Integrated Complex
Singapore Chinese Cultural Centre	78.24	Institution
Sport Centre Building at the National University of Singapore	33.25	Institution
Public construction project of a steel structure, electrical intake station and ancillary works	34.80	Public

# CONSTRUCTION TRACK RECORD

*Past Five Years*



Public Projects	Education Institutions	Hospitals	Private/Listed Companies
<ul style="list-style-type: none"><li>• Public project of a steel structure, electrical intake station and ancillary works</li><li>• JTC project – District Cooling System Plant at Stars Avenue</li><li>• Bedok Integrated Complex</li><li>• Singapore Chinese Cultural Centre</li></ul>	<ul style="list-style-type: none"><li>• Punggol View Primary School</li><li>• Springdale Primary School</li><li>• United World College (UWCSEA)</li><li>• NUS Univeristy Sports Centre</li></ul>	<ul style="list-style-type: none"><li>• A&amp;A for Mount Alvernia Hospital</li></ul>	<ul style="list-style-type: none"><li>• Eight Courtyards</li><li>• The Boutiq</li><li>• Seastrand</li><li>• Ardmore Three</li><li>• Q Bay Residences</li><li>• NEWest</li><li>• KAP &amp; KAP Residences</li></ul>





# **PROPERTY DEVELOPMENT & INVESTMENT**

# PROPERTY DEVELOPMENT PORTFOLIO



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



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



<b>Name of Development</b>	The Boutiq
<b>Type</b>	Residential
<b>Location</b>	145 Killiney Road
<b>Tenure</b>	Freehold
<b>GFA (sq m)</b>	10,397
<b>Residential Units</b>	130 units
<b>Group's Stake</b>	35%
<b>TOP</b>	October 2014



# PROPERTY DEVELOPMENT PORTFOLIO



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



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



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



# PROPERTY DEVELOPMENT PORTFOLIO



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



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



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

# PROPERTY DEVELOPMENT PORTFOLIO



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



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



<b>Name of Development</b>	Hexacube
<b>Type</b>	Commercial
<b>Location</b>	160 Changi Road
<b>Tenure</b>	Freehold
<b>GFA (sq m)</b>	5,036
<b>Shop Units</b>	73
<b>Residential Units</b>	-
<b>Group's Stake</b>	30%
<b>Target Completion Date</b>	June 2019

# SALES STATUS OVERVIEW

*Most units sold at or above expected prices*

	Total Units Launched	Total Units Sold	% Sold
<b>Residential</b>	1,341	1,186	88.4
<b>Commercial</b>	355	251	70.7
<b>Office</b>	37	29	78.4
<b>Total</b>	1,733	1,461	84.3

*Note: the above launched units exclude High Park Residences which was recently launched in July 2015*





# PROPERTY DEVELOPMENT (SINGAPORE)

## High Park Residences

- Soft launch on July 3, 2015
- Sold over 1,112 units or 79.5% of all units over the first weekend

<b>Group's Stake</b>	20%
<b>Location</b>	Fernvale Road
<b>Tenure</b>	99-year leasehold
<b>Number of Residential Units</b>	1,390 residential units and 9 commercial units including a childcare centre



# PROPERTY DEVELOPMENT PIPELINE (SINGAPORE)

## *Whitley Road*

- Strategically located in prime District 11 nearby Novena Square and United Square shopping malls, Thomson Medical Centre and several top schools

<b>Group's Stake</b>	30%
<b>Location</b>	Whitley Road
<b>Tenure</b>	Freehold
<b>Number of Residential Units</b>	1 Bungalow and 8 Semi-Detached Houses





# PROPERTY DEVELOPMENT (PRC)

## Sequoia Mansions (Liang Jing Ming Ju) – Phase 4

<b>Group's Stake</b>	45%
<b>Location</b>	Beijing, TongZhou
<b>Estimated Net saleable area (sqm)</b>	Approximately 40,000 sqm
<b>Number of Units</b>	<b>Residential: 373</b> <b>Retail: 26</b> <b>Offices: 27</b> <b>Basement storage unit: 7</b>
<b>Units Sold (%)</b>	<b>Residential: More than 90%</b>  <i>Retail/Offices not released for sale yet</i>
<b>Expected TOP</b>	Before end-Dec 2015



### 北京市政府料明年东迁通州

上周末闭幕的中共北京市委全会提出，将通州升级为北京市行政副中心，并确立要在2017年取得明显成效。这一举措意味着北京市政府部分功能将东迁，政府官员将不再固定在市中心。

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盛传一时的“北京市政府将东迁通州”传闻可能明年成真。上周末闭幕的中共北京市委全会提出，将通州升级为北京市行政副中心，并确立要在2017年取得明显成效。这一举措意味着北京市政府部分功能将东迁，政府官员将不再固定在市中心。

北京市委全会表决通过了《中共北京市委北京市人民政府关于贯彻〈京津冀协同发展规划纲要〉的意见》（简称《意见》），加快建设北京市行政副中心，并把人口控制目标定在2300万。官方数据显示，截至2014年，北京市人口为2150万。

市政府指出，人口管控和将服务功能疏散到郊区或邻近，是官方为解决严重交通拥堵和空气污染而提出的举措。

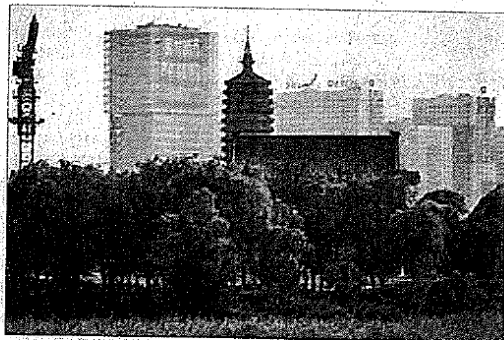
京津冀（北京、天津、河北）

协同发展被视为中国国家主席习近平“一号工程”。由于三地整合牵涉到庞大的利益纠葛、规划发展的博弈，这10年来推进工作一波多折，直到去年习近平表达了对整合的高度重视才打破僵局。官方还特别设立京津冀协同发展领导小组，由中共政治局常委、国务院副总理张高丽出任组长。

通州建设北京市行政副中心的传闻已久，如今尘埃落定。分析认为，如果目标如期实现，这将是京津冀协同发展的一项成果。

北京市政府新闻稿也指出，有序地疏散北京非首都功能是推进京津冀协同发展战略的重中之重。过去一年，市中心的多个批发市场已被关闭或迁移。首都也加快推进产业迁移的工作，并对流动人口的登记采取更加严格的态度。

新华社的几组数据说明，北京市正经历数十年来最为剧烈的一次格局变动。据报道，2014年北京市关闭退出一般制造业和污染企业392家，搭建30个产业疏解合作平



北京市东南部的通州区将升级为北京行政副中心，带动当地部分楼盘价格近期上涨。（互联网）

台，推进产业转移疏解项目53个，拆除中心城商品交易市场36个。西直河石材市场、动批市场等具标志性意义的产业已陆续搬迁。

此外，一些中心城区内的教育、医疗等公共服务也陆续迁出市中心，包括位于二环的天坛医院将整体搬迁至丰台，而位于河北燕郊的燕达医院与北京天坛医院签署协议共建京东地区最大的脑科中心；中央民族大学、北京中医药大学等都在北京西南方的良乡镇建设本科新校区，北京化工大学选址秦

皇岛建设新校区。

学者专家认为建设行政副中心，疏解非首都功能，将有助于北京落实京津冀协同发展规划，解决首都大城市病。

新华社引述中国城市规划学会华南城市规划设计院院长胡刚分析，将政府的部分行政功能从过度拥挤的中心城区疏解，不仅能够通过资源和服务的流动，带动近郊新的副中心建设；同时，在涉及巨大利益调整的疏解问题上，政府率先带头，也给央企和非事业单位表率作用。

### 市政府将搬迁 通州楼价暴涨

在北京市政府将搬迁通州成为社会热点话题后，中国媒体报道，近期通州不少楼盘单价暴涨，二手房从原来的每平米2万5000元（人民币，下同，约5555新元）左右涨至三万元以上。不过，受访的通州居民和房地产专家则指出，通州房地产价格上涨的空间其实并不大。

据《证券日报》报道，该报记者本月初在通州多地实地调查，发现通州运河核心区二手房涨幅最大，个别成交房源较年初总价上涨50万元，多个二手房楼盘单价直逼每平米三万元。

该报道指出，通州运河岸边的京贸国际城小区，在6月份以后，签约价多在每平米2万5000元，但最新成交的一套房源来看，6月份成交量为17套，环比上月涨70%，同比去年上涨325%；成交均价为2万3617元，环比上月上涨1.01%，同比去年上涨3.79%。

北京市证实将加快通州建设市政府行政副中心后，新华社报道，有媒体前天致电通州和毗邻的河北燕郊，大厂多个售楼处，均被告知目前“预售暂停”，还表示开发商在研究售价涨幅。

不过，我爱我家副总裁胡景晖昨天向本报分析，通州的新房和二手房的库存很充足，没有供应问题。至于通州将发展为副中心、北京市政府东迁等消息更多是预期心理，还有待成为现实。再加上周边对接的河北燕郊、香河等地区房价仅通州的一半，通州的房地产其实也面对周边的竞争，其上涨空间不会太大。

至于媒体报道通州房价猛涨，胡景晖认为，这些属于个案或者部分楼盘，也不排除是开发商在造势。他指出，通州新房房价今年一度上涨到每平米平均2万4500元，7月份下调到平均2万2000；至于二手房今年一直在每平米2万1500上下波动。

10年前迁居通州的居民刘一石受访时指出，通州的交通、医疗设施、社区服务还有待加强，和毗邻的地区相比，通州房价已相当高，再涨的空间其实不大。

他举例，在上下半的尖峰时间，往返于市中心和通州的地铁车厢非常拥挤，有时等了六趟车也未必挤得上。

刘一石认为，建设市政府行政副中心的消息对通州居民最直接的影响，在于地方设施服务有望得到提升和加强。

# PROPERTY DEVELOPMENT PIPELINE (PRC)

## Sequoia Mansions (Liang Jing Ming Ju) – Phase 4

**“...the rumours have already boosted the district’s housing market, with figures showing transaction prices of commercial buildings in Tongzhou rising by 1.6% month on month.”**



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ASIA PACIFIC

### Tongzhou housing market booms after rumours of Beijing municipal govt relocation

Beijing's Tongzhou district reported an increase in value of its commercial buildings, following rumours that Beijing may move its municipal government agencies to the area.

By Jeremy Koh, Channel NewsAsia  
POSTED: 03 Jul 2015 21:51 UPDATED: 03 Jul 2015 22:10

THE WALL STREET JOURNAL. CHINA

3:26 pm HKT  
Jul 13, 2015 ENVIRONMENT & HEALTH

### Rockin' the Suburbs: Beijing City Government to Move Away from City Center

**“...rumors about the Beijing government’s move to Tongzhou have already driven up property prices in the area, with CCTV reporting... that property prices in the district have risen 20%...”**





# PROPERTY DEVELOPMENT PIPELINE (PRC)

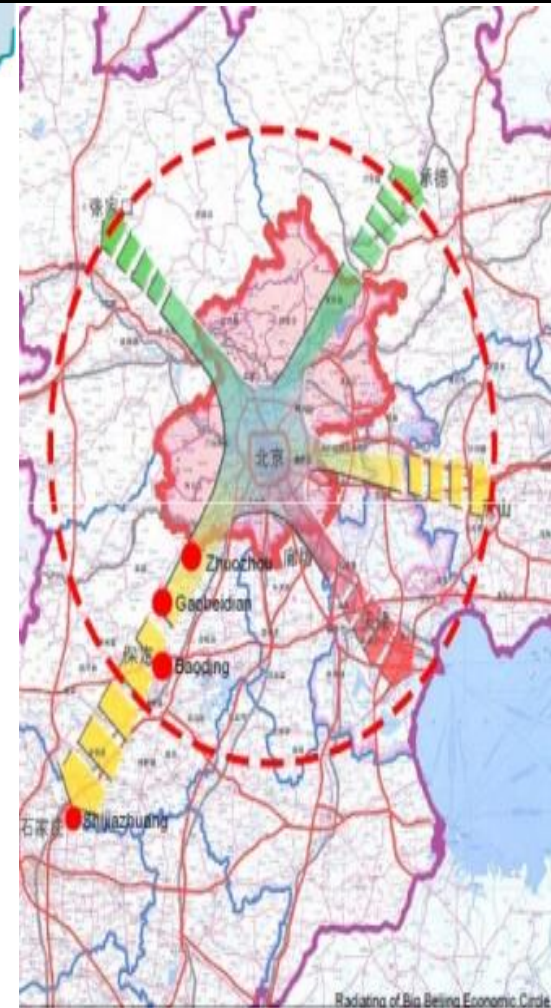
## Gaobeidian Project



<b>Group's Stake</b>	22.5%
<b>Location</b>	Gaobeidian (82 km from Beijing)
<b>Total Land Size</b>	533.3 Hectares (8,000 mu)
<b>Project Brief</b>	<p>Sino-Singapore Health City</p> <p>Township Development with 50,000 households</p> <ul style="list-style-type: none"><li>• Stage 1: Mountain Climbing Training Centre &amp; Outdoor Sports Centre Township</li><li>• Stage 2: Green Health Food Safety Testing Centre Township</li></ul>

# PROPERTY DEVELOPMENT PIPELINE (PRC)

## Gaobeidian Project – Sino-Singapore Health City



### Strategic Location:

- One of the satellite cities surrounding Beijing earmarked by the government for development as part of decentralisation strategy
- Situated next to the Beijing-Shijiazhuang Expressway and the Beijing-Shijiazhuang High-speed Rail passenger line, 82 km from Beijing City (19 minutes to Beijing by high-speed rail)
- 68km North of Baoding of Hebei Province – designated to be secondary capital of PRC, taking over part of the administrative function of Beijing
- Surrounded by rich agriculture production zones that supply to large domestic population





# PROPERTY DEVELOPMENT PIPELINE (PRC)

## Gaobeidian Project – Sino-Singapore Health City







# PROPERTY DEVELOPMENT PIPELINE (PRC)

## *Gaobeidian Project – Sino-Singapore Health City: Stage 1 Development*

### Mountain Climbing Training Centre & Outdoor Sports Centre Township

#### China Mountain Climbing Training Centre

- Approved key project by the Hebei Province Government in collaboration with PRC national sports Bureau to promote mountain climbing training in the region
  - Area size: 1.97 million sqm (2,964 mu)
  - One-stop hub to provide full suite of mountain climbing services ranging from training, professional certification to niche sports healthcare
  - Features world's tallest man-made rock-climbing wall sitting on a total site size 30,000 sqm boasting 18 climbing routes and 20 competition / training routes.
  - Hosting of national and World Competitions
  - Equip with World-class extreme sports facilities such as rock-climbing; skating; skateboarding; river trekking; bungee; base jumping, etc
  - Expected to appeal to tourists, sports broadcasters, rock climbing and other outdoor sport lovers with performances, sports commercial fairs, etc



# PROPERTY DEVELOPMENT PIPELINE (PRC)

## *Gaobeidian Project – Sino-Singapore Health City: Stage 1 Development*

### Mountain Climbing Training Centre & Outdoor Sports Centre Township

- **Outdoor Sports Development and Manufacturing Centre**
  - Area size: 266,000 sqm (400 mu)
  - Sport gears and accessories research and development centre with warehousing; production; wholesale and retail centre
- **Development of Residential Community**
  - Residential development for 18,000 households
  - With F&B; entertainment; retail; health-care; child-care; elder-care; education; and other infrastructure facilities

**Construction of the Development for Stage 1 - Phase 1 targeted to begin before end-2015**





# PROPERTY DEVELOPMENT PIPELINE (PRC)

## *Gaobeidian Project – Sino-Singapore Health City: Stage 2 Development*



### **Green Health Food Safety Testing Centre**

- To develop a food safety testing centre with advice from Agri-Food & Veterinary Authority of Singapore for food supplies from neighbouring agriculture zones to support domestic food demand
- The biggest food wholesale distribution centre in PRC with 5,000 mu (3.3 million sqm) in area and working population of 300,000 has already been completed and in operation situated near to the project site
- Estimated residential development to support community of approximately 30,000 household in the region





# PROPERTY DEVELOPMENT PIPELINE (UK)

## Investment in Leeds

- KSH owns 15% stake in consortium led by Heeton Group; other JV partners include Lian Beng and Ryobi Kiso
- 2.45 acres or 106,722 sq ft land site located in Central Leeds nearby central railway station that connects the city to London and other parts of UK
  - Approved to build over 1 million sq ft of mixed-use developments
  - Long-term project to be executed in phases
- Leeds City Region is the largest city outside London poised to benefit from various government economic impetus such as:
  - New high speed train for better connectivity to London;
  - Plans to double the number of homes by 2021;
  - Targeted economic output of £12.2 billion and 112,000 additional jobs by 2021



# PROPERTY DEVELOPMENT PIPELINE (UK)

## Investment in Glenthorne Road, London

- KSH owns 10% stake in consortium led by Heeton Group; other JV partners include Lian Beng and Ryobi Kiso
- Maiden investment in UK real estate market to acquire a property along Glenthorne Road, London for approx. S\$31 million (£14.85 million)
  - Freehold land 2 minutes walk away from Hammersmith Underground Station
  - Gross internal area of about 24,700 sq ft
  - Currently has 42 operational hotel units
- Consortium plans to redevelop property into a service-apartments of about 85 rooms, generating recurring rental income



# PROPERTY DEVELOPMENT PIPELINE (AUSTRALIA)

## Investment in Fortitude Valley, Brisbane

- KSH owns 4.95% stake in the residential development JV project – maiden investment in Australia real estate market
- Mixed development in Fortitude Valley, 1km away from Brisbane's CBD; 150m away from Brunswick Central Railway Station and 50m away from tourist hotspots (e.g. Chinatown / Brunswick Street Malls)
  - Acquisition cost: A\$150 million
  - One of the tallest developments in the vicinity with panoramic views of the CBD
- Proposed residential development consists two towers built over two phases
  - Phase 1: 30-stories; 187 units
  - Phase 2: 23-stories; 137 units





# PROPERTY INVESTMENT (SINGAPORE)

## *Prudential Tower*



- KSH stake: 28%
- 30-storey Grade A landmark office tower with almost full occupancy
- 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
- Contributing positively to KSH since FY2015 with profit from sales disposal and recurring rental income



# PROPERTY INVESTMENT (China)

## *Tiangjin Tianxing Riverfront Square (天津天星)*

- 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%; contributes positive recurring rental income to the Group's performance
- Total Lettable Area: 37,033 sqm
- Tenure: ~50 years from Nov 29, 1993
- Latest Valuation: S\$115.6 million

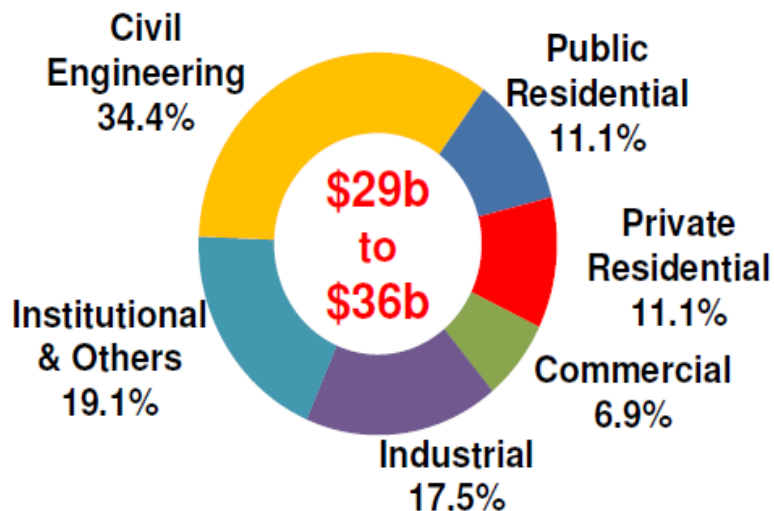
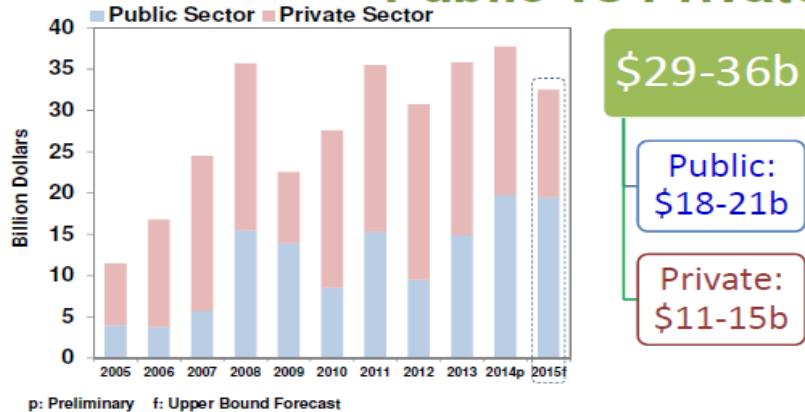




# **OUTLOOK & STRATEGIES**

# POSITIVE CONSTRUCTION OUTLOOK

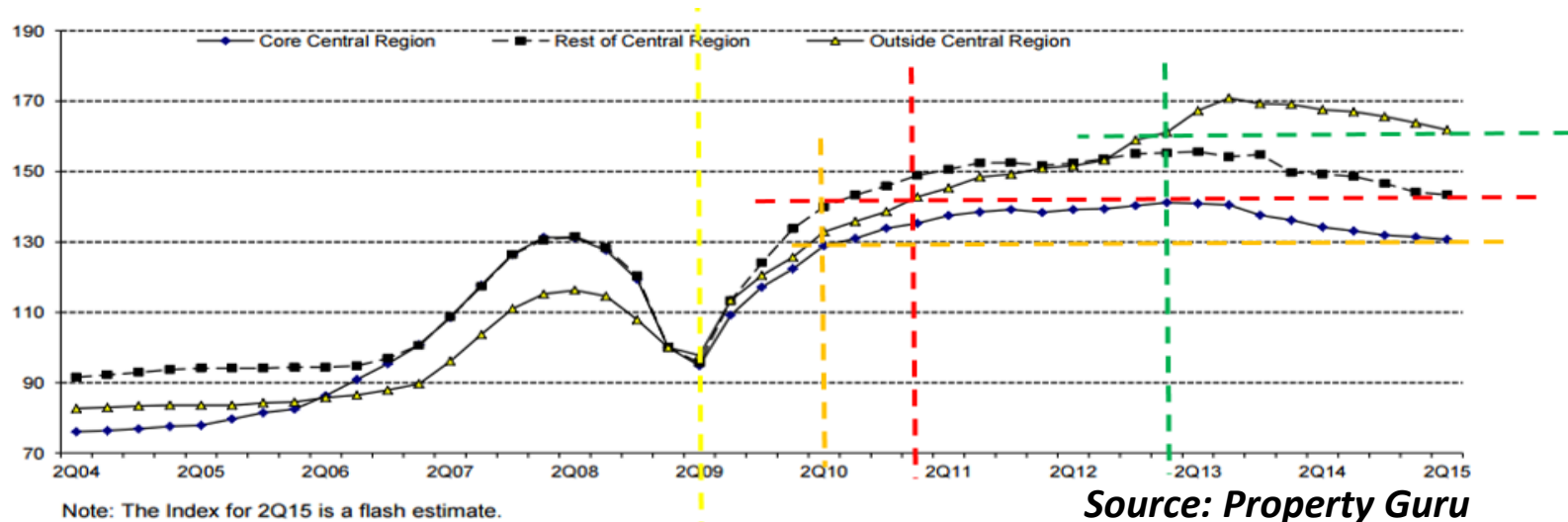
## 2015 Construction Demand Public vs Private



- 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
  - Growth drivers expected to be institutional & other building developments and civil engineering works
  - To partially cushion anticipated slowdown from private sector due to global uncertainties and uneven growth across economies
  - Estimated builder's work of S\$19.4 billion to S\$23.4 billion. Of which S\$18.0 billion to S\$21.0 billion from private sector and S\$1 billion to S\$15.0 billion from public sector



# PROPERTY OUTLOOK



- Latest URA Q2 2015 flash estimates showed:
  - Overall 0.9% decrease in residential property prices in 2Q2015 compared to 1% decrease in Q12015
  - 7<sup>th</sup> consecutive quarter of price decrease
- 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

# 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. Australia, U.K.)
3. Expand geographical footprint in new markets with favourable property market cycle together with JV partners (e.g. Indonesia)



## CONSTRUCTION

1. Continue to aggressively tender for public and private projects with emphasis on the former while protecting margins
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**