



# **KSH HOLDINGS LIMITED**

Corporate Presentation  
22 November 2018

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# PRESENTATION OUTLINE

- 1. Corporate Overview**
- 2. Financial Highlights**
- 3. Construction**
- 4. Property Development**
- 5. Property Investment**
- 6. Outlook & Strategies**





# CORPORATE OVERVIEW

# CORPORATE OVERVIEW

- A well-established construction, property development and property investment group
- Incorporated in 1979 and listed on the SGX Mainboard since 8 February 2007

## Construction

- Over 39 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 Fullerton Bay Hotel, NUS University Town's Educational Resource Centre and Madison Residences

## Property Development

- 18 development projects of residential, mixed development, office and commercial launched in Singapore with a total of 6,525 units and area of 5.53 million sqft for the last 10 years
- Successful development in Beijing, PRC on residential development - 靓景明居. First 3 phases fully sold and 4<sup>th</sup> phase Sequoia Mansion (红衫公馆) almost fully sold
- Township development in Gaobeidian, PRC

## Property Investment

- 69% of Tianjin Tianxing Riverfront Square (天星河畔广场) in Tianjin, PRC
- 4 high-end luxurious residential units in Singapore
- 11 investments of hotel property overseas currently, of which seven are in operation
- Plan to increase investment in hotel properties

# GEOGRAPHICAL FOOTPRINT

**UK**

- **England:** Mixed used development in Central Leeds (including Hampton by Hilton); IBIS Bradford Hotel; LUMA Concept Hotel; IBIS Gloucester Hotel; Holiday Inn Express Manchester City Centre
- **Scotland:** Hotel Indigo Glasgow

**Japan**

- Expanded footprint with investment in 2 hotels in **Hokkaido** (Super Hotel Sapporo) and **Tokyo** (Smile Hotel Asakusa)

**PRC**

- Amassed strong network and market knowledge since entry in 2001
- **Tianjin:** Mixed-use development, Tianjin Riverfront Square (天星河畔广场) that contributes healthy recurring income
- **Beijing:** Mixed-development, Liang Jing Ming Ju– Sequoia Mansion (靓景明居四期- 红衫公馆)
- **Gaobeidian:** Co-developing large-scale township project, Gaobeidian New Town (高碑店新城上东新区), a satellite city near Beijing earmarked by government for development

**Singapore**

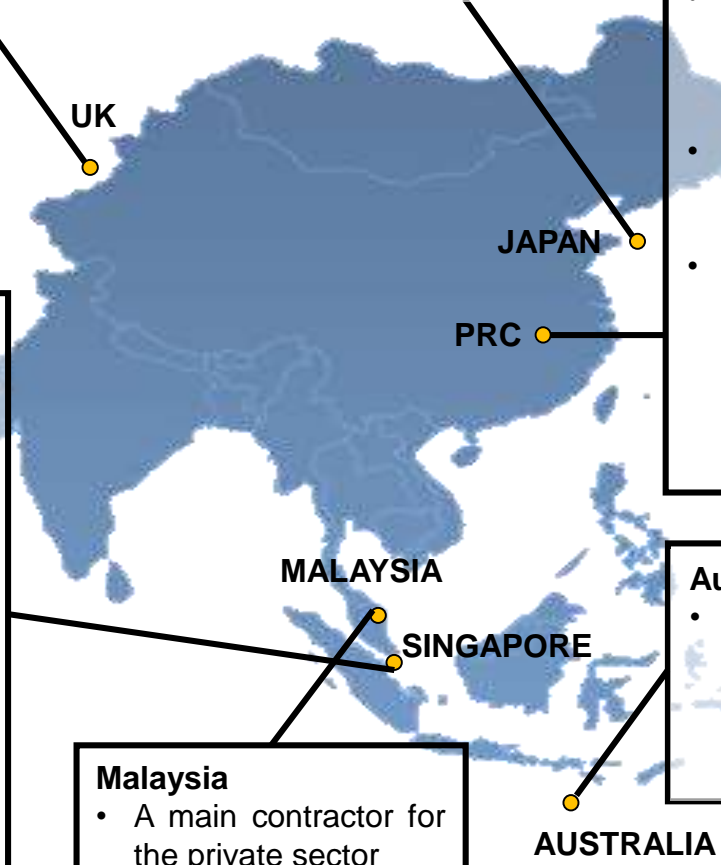
- A main contractor for both public and private construction sectors
- Strong construction track record of projects across residential, commercial, mixed-development, institutional sectors, including Fullerton Bay Hotel, One°15 Marina Club, Suntec City, Bedok Integrated Complex, Singapore Chinese Cultural Centre, amongst others
- Developed many successful residential, commercial and mixed-use projects such as NEWest, KAP & KAP residences, Hexacube & Trio

**Malaysia**

- A main contractor for the private sector

**Australia**

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

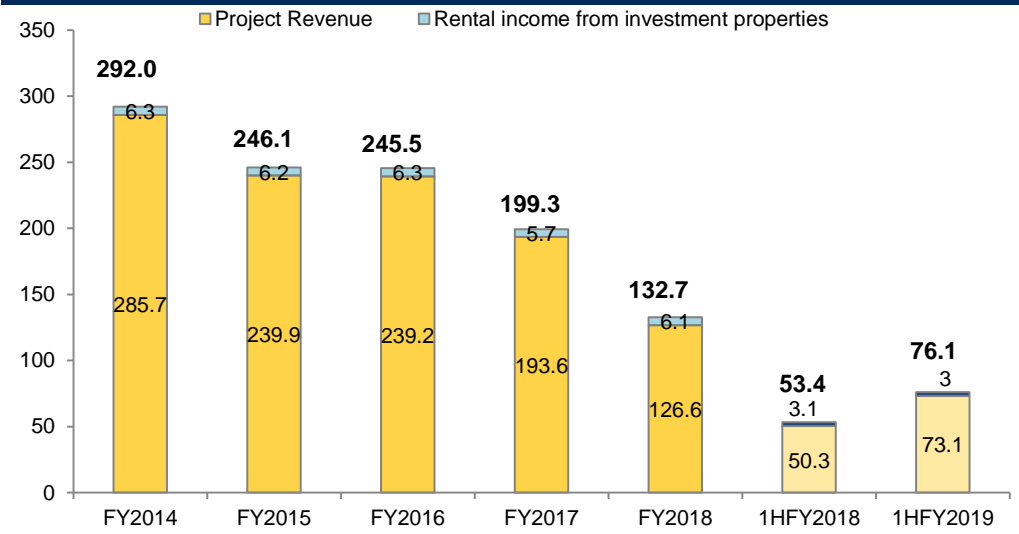




# FINANCIAL HIGHLIGHTS

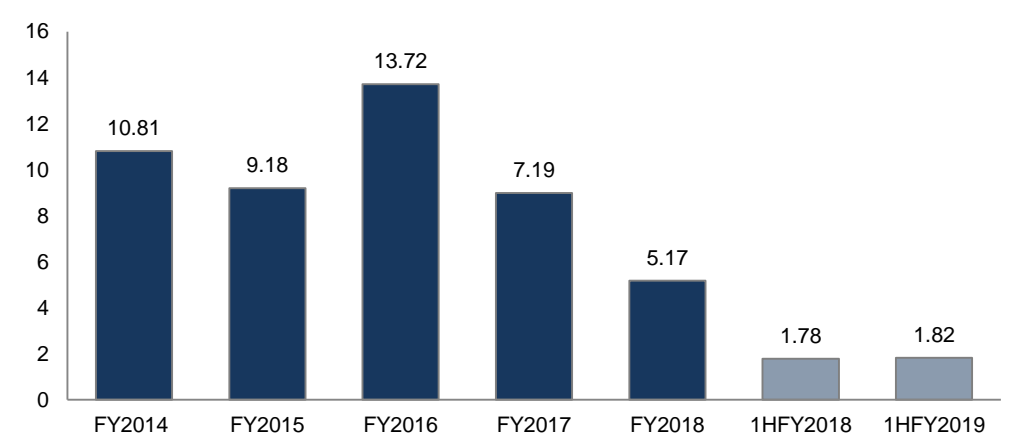
# FINANCIAL HIGHLIGHTS

## Group Revenue (S\$m)



- 1HFY2019 revenue recorded a 42.5% increase mainly due to a 45.4% increase in revenue from construction business to S\$73.1 million for the 1st half of Financial Year 2019 (“1HFY2019”)
- Other income increased by S\$0.8 million to S\$5.2 million in 1HFY2019 mainly due to increase in interest income from loans to associates and joint ventures

## Earnings Per Share (SGD Cents)

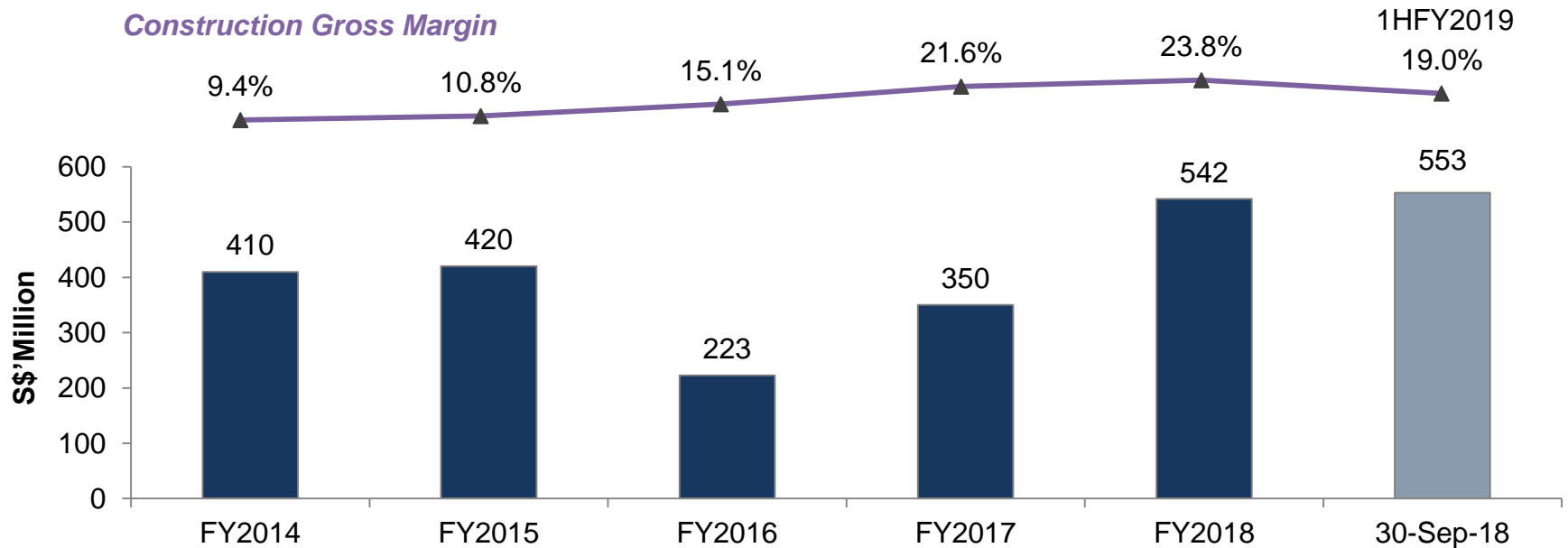


- A higher net profit excluding non-controlling interests of S\$10.4 million was registered in 1HFY2019, as compared to S\$10.1 million in the 1st half of Financial Year 2018 (“1HFY2018”)





# HEALTHY CONSTRUCTION ORDER BOOK

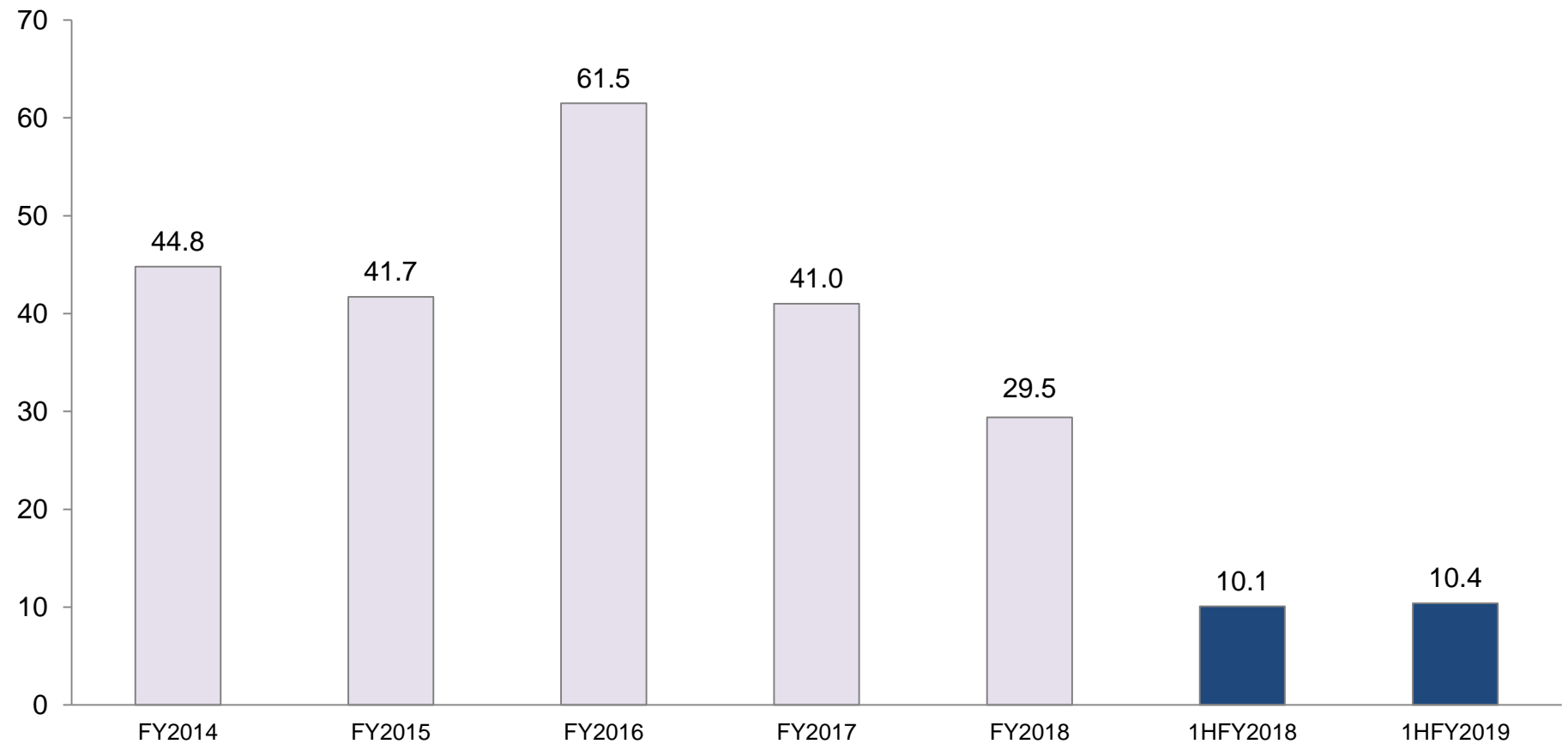


- Order book remains healthy at over S\$553 million as at 30 September 2018
- Construction gross margin remains impressive at 19.0% for 1HFY2019
- A good mix of public and private projects in the existing order book



# EARNINGS HIGHLIGHTS

## Profit Attributable to Shareholders (S\$m)



# HEALTHY BALANCE SHEET

S\$'m	31 Mar 2015	31 Mar 2016	31 Mar 2017	31 Mar 2018	30 Sep 2018
<b>Total Assets</b>	500.1	600.4	515.7	579.5	<b>589.7</b>
<b>Total Liabilities</b>	223.1	284.9	174.1	218.1	<b>230.8</b>
<b>Net Tangible Assets (Attributable to Shareholders)</b>	253.3	293.3	319.5	338.8	<b>336.3</b>
<b>NTA Per Share (Cents)</b>	55.79	65.44	70.1	59.33	<b>59.04</b>
<b>NTA CAGR (%) (Compounded Annual Growth Rate)</b>	10.18%				



# TOTAL ASSETS

	<b>Construction</b> <b>(S\$'m)</b>	<b>Property Development</b> <b>(S\$'m)</b>	<b>Property Investment</b> <b>(S\$'m)</b>	<b>Total</b> <b>(S\$'m)</b>
<b>Singapore</b>	191	211	16	<b>418</b>
<b>PRC</b>	6	28	110	<b>144</b>
<b>Other Overseas</b>	-	-	28	<b>28</b>
<b>Total</b>	197	239	154	<b>590</b>



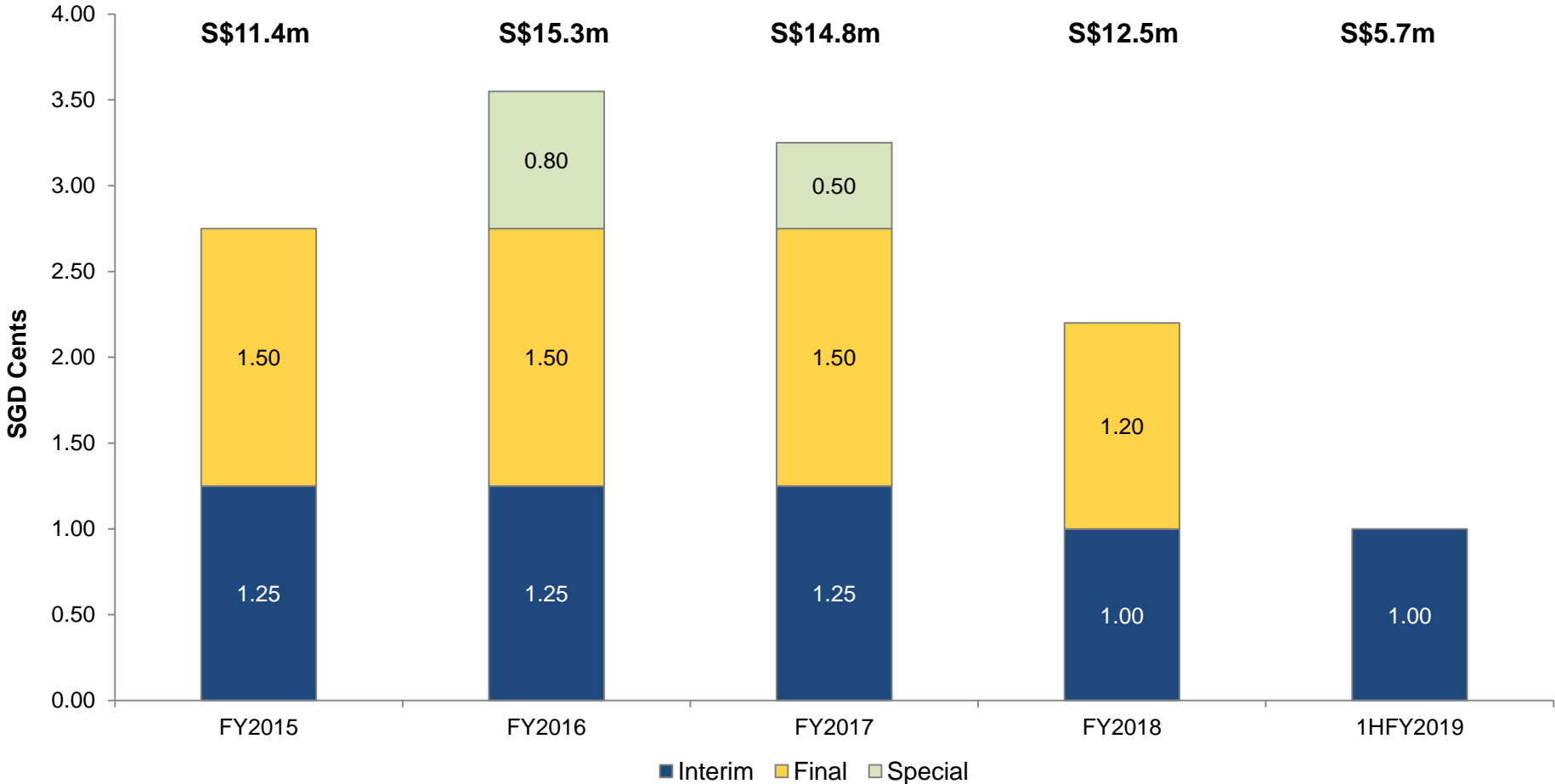
# HEALTHY DEBT COVERAGE & LOW GEARING

S\$m	31 Mar 2015	31 Mar 2016	31 Mar 2017	31 Mar 2018	30 Sep 2018
<b>Total Borrowing &amp; Debts</b>	96.2	139.6	66.7	122.9	<b>141.7</b>
<b>Fixed Deposit, Cash &amp; Bank Balances</b>	95.1	193.0	145.9	76.2	<b>89.7</b>
<b>Net Cash (Debt)</b>	(1.1)	53.4	79.2	(46.7)	<b>(52.0)</b>
<b>Net Cash (Debt) to Equity</b>	(0.004)	0.18	0.25	(0.14)	<b>(0.15)</b>
<b>Debt to Total Assets</b>	0.19	0.23	0.13	0.21	<b>0.24</b>



# DIVIDENDS

## Total Dividends:





# CONSTRUCTION



# CONSTRUCTION



- Order book remains healthy at S\$553 million as at 30 September 2018
- Maintain good mix of private and public sector projects at approximately 64% and 36% respectively

Project Name	Project Type	Sector
Riverfront Residences	Residential	Private
4-Storey Building With Basement Car Park	Institutional	Public
5-Storey Integrated Development With Car Park	Institutional	Public
Park Place Residences	Residential	Private
Research Building at National University of Singapore	Institutional	Public
Cable Entry Shaft	Civil Engineering	Public
Bus Interchange	Infrastructure	Public
Neighbourhood Police Post	Institutional	Public





**PROPERTY DEVELOPMENT**

# PROPERTY DEVELOPMENT

- 18 development projects (residential, mixed development, office and commercial) launched in Singapore for the last 10 years. This includes the three residential projects launched recently – Affinity @Serangoon, Riverfront Residences and Park Colonial

Total units launched for sale in Singapore

- 6,525 units
- Total saleable area: 5.53 million sq ft

Total units sold in Singapore  
(as at 30 September 2018)

- 4,528 units
- Total area: 3.81 million sq ft

- Most of the property developments launched prior to the current financial year FY2019 have been either fully sold or substantially sold
- The residential units of Sequoia Mansion launched in People's Republic of China are almost fully sold
- Attributable share of progress billings amounting to S\$441.2 million as at 30 September 2018



# SALES STATUS OVERVIEW

- Three newly launched property developments were well-received by the market
- Sale status as at 30 September 2018 based on Options signed by buyers are as follows:

	Total Units	% Units Sold	Group Stake	Group's Attributable Share of Total Units	Group's Average Units Sold
Affinity @ Serangoon	1,057	18%	7.5 %	79	50%
Riverfront Residences	1,478	50%	35.0 %	517	
Park Colonial	805	63%	20.0 %	161	
<b>Total</b>	<b>3,340</b>			<b>757</b>	

- More than 1,600 units sold for the 3 projects above as at 14 November 2018



# PROPERTY DEVELOPMENT

*Singapore – Recent Launch*

## AFFINITY @ SERANGOON



### Location

- 99-year residential development
- Situated at Serangoon Avenue, a serene enclave that's just minutes away from various amenities and recreational facilities

### Facilities

- Sits on a massive 296,913 sq ft piece of land with a plot ratio of 2.8
- Houses 1,052 residential units and five retail shops
- Units include 1- to 4- bedrooms and townhouses

### Status

- Launched in June 2018



# AFFINITY @ SERANGOON

*Sales launch in June 2018*

*Buyers balloting for units*



# PROPERTY DEVELOPMENT

*Singapore – Recent Launch*

## RIVERFRONT RESIDENCES



### Location

- 99-year leasehold project
- Located at Hougang Avenue 7, near several shopping malls such as Hougang Mall, Heartland Mall and Hougang 1

### Facilities

- Comprises a total of 1,472 units. It offers a plethora of choices from 1- to 5-bedroom units, including strata terraces
- Situated on the Rio Casa site, a former HUDC estate, residents of Riverfront Residences can look forward to having an extensive variety of full condo facilities to suit their every need due to its relatively large land area

### Status

- Launched in July 2018



# RIVERFRONT RESIDENCES

*Sales launch in July 2018*



Singapore

**Panic buying at showflats after new cooling measures**



*.....Over 7000 visited  
Riverfront residences*

*Crowds braved the rain for the opening of Riverfront Residences over the weekend.*

More than 7,000 people visited the **Riverfront Residences** showflat, a 1,472-unit residential project with six retail shops in Hougang Avenue 7, after it opened for preview over the weekend (23 - 24 June).

# PROPERTY DEVELOPMENT PORTFOLIO

*Singapore – Recent Launch*

## PARK COLONIAL



### Location

- 99-year leasehold high rise luxury condominium. Located behind Avon Park, along Upper Serangoon Road/Woodleigh Lane and near to Woodleigh MRT station along the North East Line

### Facilities

- With a total of about 734 units, the development is situated within the Bidadari URA Masterplan estate
- Residents can expect a wide variety of entertainment, F&B options and excellent public transport connectivity

### Status

- Launched in July 2018



# PARK COLONIAL

*Sales launch in July 2018*

*..... very warm response at the sales launch*

## Cooling measures no barrier to good buys

Well-located and well-priced properties like Park Colonial represent great value with room for potential capital appreciation



# PROPERTY DEVELOPMENT

*Project To Be Launched*

## REZI 24



<b>Group's Stake</b>	48%
<b>Tenure</b>	Freehold
<b>Location</b>	31-51 (odd) Lorong 24, Geylang
<b>Expected Launch</b>	2019
<b>Expected Completion</b>	~2022
<b>No. of Units</b> <i>(Estimated, subject to finalisation)</i>	~110
<b>Project Brief</b>	<ul style="list-style-type: none"><li>• Proposed block of 8-storey residential flats</li><li>• Featured facilities include sky garden, swimming pool and multi-storey carpark, subject to necessary approvals from relevant authorities</li><li>• An abundance of urban amenities within the easy reach</li></ul>

# PROPERTY DEVELOPMENT PORTFOLIO (PRC)

*People's Republic of China*

## GAOBEIDIAN PROJECT – SINO-SINGAPORE HEALTH CITY

<b>Group's Stake</b>	22.5%	
<b>Location</b>	Gaobeidian (82 km from Beijing), the PRC	
<b>Total Land Size</b>	533.3 Hectares (8,000 mu)	
<b>Project Brief</b>	<p><b>Township Development with 50,000 households</b></p> <ul style="list-style-type: none"><li>• <b>Stage 1: Mountain Climbing Training Centre &amp; Outdoor Sports Centre Township</b><ul style="list-style-type: none"><li>○ Area size: 1.97 million sqm (2,956 mu)</li><li>○ Phase 1:<ol style="list-style-type: none"><li>I. Target to develop approximately 5,540 high-end and mass-market residential units with saleable area of 615,527 sqm</li><li>II. Target to develop commercial development of approximately 27,500 sqm in saleable area</li></ol></li><li>○ 1<sup>st</sup> batch of residential units under Phase 1 will be launched at a desirable timing when there is better market clarity on the development of current US-China trade war</li></ul></li><li>• <b>Stage 2: Green Health Food Safety Testing Centre Township</b></li></ul>	

# PROPERTY DEVELOPMENT PORTFOLIO (PRC)

*People's Republic of China*

## GAOBEIDIAN PROJECT – SINO-SINGAPORE HEALTH CITY



### Location:

- Near the recently announced Xiongan New Special Economic Zone, Gaobeidian is 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 INVESTMENT**

# PROPERTY INVESTMENTS OVERVIEW



The Group has 11 investments of hotel property overseas currently, of which seven are in operation and generating recurring income

Project Name	Location	Status
LUMA Concept Hotel	Glenthorne Road, London, England, UK	In Operation
IBIS Gloucester Hotel	Gloucester, Gloucestershire, England, UK	
IBIS Bradford Hotel	Bradford, West Yorkshire, England, UK	
Holiday Inn Express Manchester City Centre	Manchester City, England, UK	
Hotel Indigo Glasgow	Glasgow, Scotland, UK	
Smile Hotel Asakusa	Tokyo, Japan	
Super Hotel Sapporo	Chuo, Hokkaido, Japan	
Hampton by Hilton	Leeds, England, UK	In Progress
Day Inns Liverpool	Liverpool, England, UK	
Dry Bar Boutique Hotel	Manchester City, England, UK	
Wickham	Wickham, Fortitude Valley, Brisbane, Australia	

# PROPERTY INVESTMENTS (JAPAN)



## Super Hotel Sapporo

<b>Group's Stake</b>	10%
<b>Location</b>	Chuo, Hokkaido, Japan
<b>No. of Rooms</b>	164 rooms; 66 residential units; 4 retail units

- 15-storey, 164-room hotel building and 14-storey residential building
- Well-located within the entertainment and shopping district in the Chuo ward, near to Sapporo City's CBD
- Walking distance to subway stations, two stops away from the main transit hub, Sapporo Station



## Smile Hotel Asakusa

<b>Group's Stake</b>	30%
<b>Location</b>	Tokyo, Japan
<b>No. of Rooms</b>	96

- 96-bedroom hotel strategically located in a bustling district popular with tourists and locals for numerous Shinto festivals
- Close to Asakusa metro/train station

# PROPERTY INVESTMENTS (UK)



## LUMA Concept Hotel

<b>Group's Stake</b>	10%
<b>Location</b>	Glenthorne Road, London, England
<b>No. of Rooms</b>	89

- Located in Hammersmith within a short walk of Hammersmith Apollo
- Within 3 km of Westfield London Shopping Centre, near to Natural History Museum and Craven Cottage Stadium
- This 89-room, 3-star hotel welcomes guests with conveniences like free breakfast, free in-room WiFi, and dry cleaning/laundry services



## IBIS Hotel Gloucester

<b>Group's Stake</b>	15%
<b>Location</b>	Gloucester, England
<b>No. of Rooms</b>	127

- 127-room hotel east of Gloucester's urban centre
- Two hours' drive from London City and an hour away from the popular Bicester Shopping Outlet
- Near to the headquarters of several major British businesses – well positioned to benefit from year round corporate patronage



## IBIS Budget Bradford

<b>Group's Stake</b>	15%
<b>Location</b>	Bradford, West Yorkshire, England
<b>No. of Rooms</b>	86

- 86-room hotel close to Bradford's city centre
- 49 miles away from Manchester, commonly regarded as the capital of North England
- 20-minute drive away from the international airport
- Bradford poised to benefit from an urban regeneration programme that is expected to raise visitors interest significantly



# PROPERTY INVESTMENTS (UK)



## Holiday Inn Express Manchester City Centre

**Group's Stake** 30%

**Location** Manchester City, England

**No. of Rooms** 147

- 12-storey, 147-room hotel in Manchester, a global art and cultural city
- The hotel is strategically-located nearby renowned shopping street and railway station for easy connection to Greater Manchester and UK
- Poised to attract both leisure and business travelers



## Hotel Indigo Glasgow

**Group's Stake** 20%

**Location** Glasgow, Scotland

**No. of Rooms** 94

- 5-storey, 94-room hotel that is well placed for Glasgow's CBD, tourist attractions and premium shopping districts and a short 15-minute drive away from the airport
- It is a few minutes' walk away from the Glasgow Central station and the various underground stations connecting its location to the rest of the city

# PROPERTY INVESTMENTS (UK)



## Dry Bar Boutique Hotel

**Group's Stake**

17.5%

**Location**

Manchester City, England

- An entertainment venue in Manchester City, to be redeveloped into a boutique hotel
- Four-storey terraced building with one basement level, and a total gross internal floor area of approximately 20,713 sq ft
- Planning permission was granted in 2015 to convert the upper floors of the building into a stylish new hotel



## Hampton by Hilton

**Group's Stake**

17.5%

**Location**

Leeds, England

- Construction commenced in 2016 to build a 192-bedroom hotel, the first of a series of development projects planned for the site
- An agreement has been entered with international hotel chain Hilton to operate this hotel under the brand's new-generation limited service badge, Hampton by Hilton
- The hotel is part of the first phase of a new, landmark regeneration project being developed by the consortium that is currently under construction. Operations are expected to commence in late-2019

# PROPERTY INVESTMENT (CHINA)



<b>Name of Project</b>	Tianjin Tianxing Riverfront Square (天星河畔广场)
<b>Group's Stake</b>	69%
<b>Location</b>	Tianjin, the PRC
<b>Total Lettable Area</b>	37,033 sqm
<b>Tenure</b>	~50 years from 29 November 1993
<b>Occupancy</b>	80% (As at 30 September 2018)





# OUTLOOK & STRATEGIES

# HEALTHY BUSINESS OUTLOOK

- According to the forecast and actual construction demand data released by BCA in November 2018, the total value of construction projects up to September 2018 reached S\$20.9 billion
- Public sector construction demand projected to maintain at the earlier forecast of S\$16.0 billion to S\$19.0 billion
- Private sector construction demand is forecasted to reach between S\$10.0 billion and S\$12.0 billion
- Prices of private residential properties increased by 0.5% in 3rd Quarter 2018, compared with 3.4% increase in the previous quarter
- Developers sold 3,012 private residential units (excluding ECs) in 3rd Quarter 2018, compared with 2,366 units sold the previous quarter



Sources:

*"Forecast and actual construction demand (to date)" – Building and Construction Authority, 12 November 2018*

*"Release of 3rd Quarter 2018 real estate statistics" – Urban Redevelopment Authority, 26 October 2018*



# STRATEGIES & OPPORTUNITIES



## 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



## PROPERTY DEVELOPMENT

1. Continue to prudently seek opportunities in Singapore while deepening existing footprint in overseas markets
2. Pursue overseas projects with reputable partners with extensive local knowledge, network and expertise
3. Expand geographical footprint in new markets with favourable property market cycle together with JV partners



## PROPERTY INVESTMENT

1. Continue to seek investment opportunities in hotel properties overseas together with JV partners
2. Expand geographical footprint in new markets with favourable property market cycle together with JV partners





**THANK YOU**