



# **KSH HOLDINGS LIMITED**

FY2024 Results & Corporate Presentation  
31 May 2024

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# PRESENTATION OUTLINE

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





# 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 40 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 assessment system on the quality of building projects
- Won several BCA Construction Excellence Awards for the construction projects including Fullerton Bay Hotel, NUS University Town's Educational Resource well in CONQUAS, a standard Centre, and Madison Residences. Received the BCA Construction Excellence Award (Excellence) for NUS University Sports Centre and Construction Excellence Award (Merit) for Heartbeat@ Bedok

## Property Development

- Development projects spans across various real estate sectors including residential, commercial, hospitality, and mixed-use developments in Singapore
- Development in Beijing, PRC on residential development – 靓景明居. Sequoia Mansion (红衫公馆)
- Development in Gaobeidian, PRC.
  - Sino-Singapore Health City (中新健康城 . 中新悦朗)
  - Zhong Xin Yue Shang (中新悦上)

## Property Investment

- 69% of Tianjin Tianxing Riverfront Square (天星河畔广场) in Tianjin, PRC
- Investments of hotel properties overseas

# GEOGRAPHICAL FOOTPRINT

**UK**

- **England:** Mixed used development in Central Leeds (including Hampton by Hilton); LUMA Concept Hotel; IBIS Gloucester Hotel; Holiday Inn Express Manchester City Centre; Crown Plaza London Kensington, Day Inns Liverpool, DoubleTree by Hilton London Kensington and Heeton Concept Hotel City Centre Liverpool
- **Scotland:** Hotel Indigo Glasgow

**Japan**

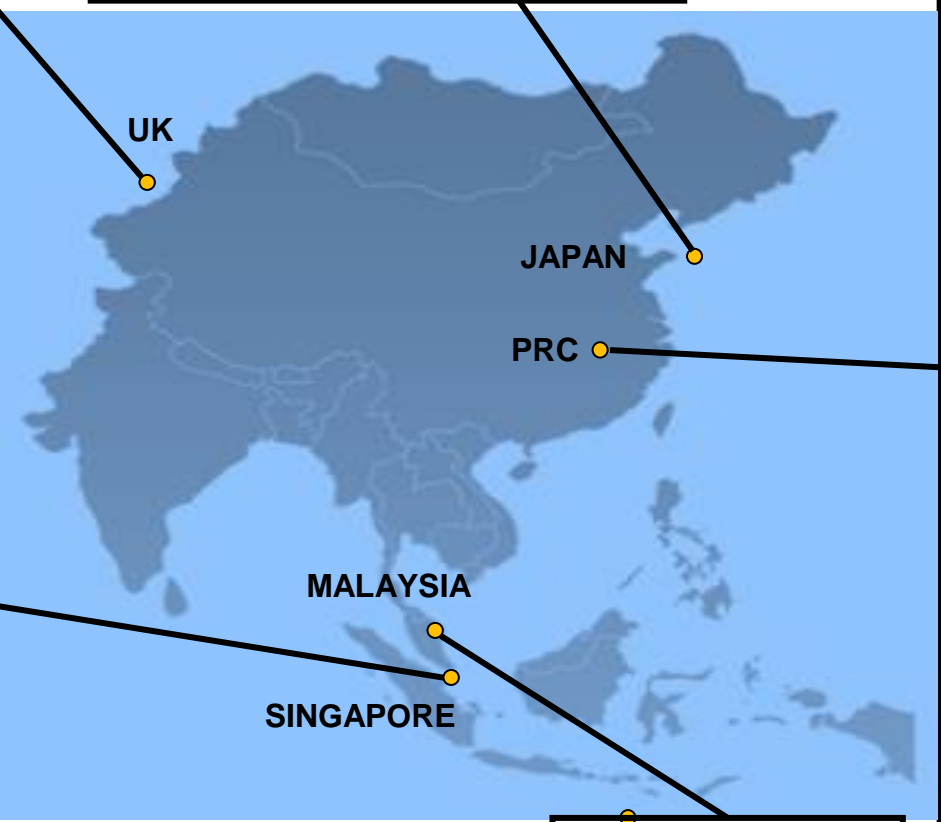
- Expanded footprint with investment in 2 hotels in **Hokkaido** (Super Hotel Sapporo) and **Tokyo** (Smile Hotel Asakusa)

**PRC**

- Amassed strong network and market knowledge since entry in 2001
- **Tianjin:** Mixed-use development, Tianjin Riverfront Square (天津河畔广场) that contributes healthy recurring income
- **Beijing:** Mixed-development, Liang Jing Ming Ju- Sequoia Mansion (观景明居四期- 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. The Phase 1 of Stage 1 of residential project in Gaobeidian (中新健康城·中新悦朗) with 83% of completed units sold

**Singapore**

- A main contractor for both public and private construction sectors
- Strong construction track record of projects across residential, commercial, hospitality, mixed-used development, institutional sectors, including Fullerton Bay Hotel, One°15 Marina Club, Suntec City, Bedok Integrated Complex, Singapore Chinese Cultural Centre, amongst others
- Successfully executed many residential, commercial and mixed-use development projects
- Existing ongoing developments include – Affinity@Serangoon, Riverfront Residences, Park Colonial and Rezi 24



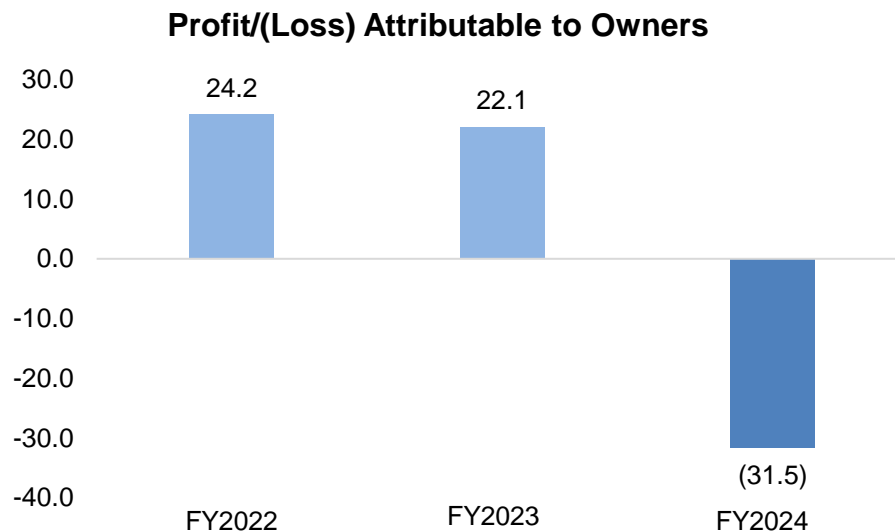
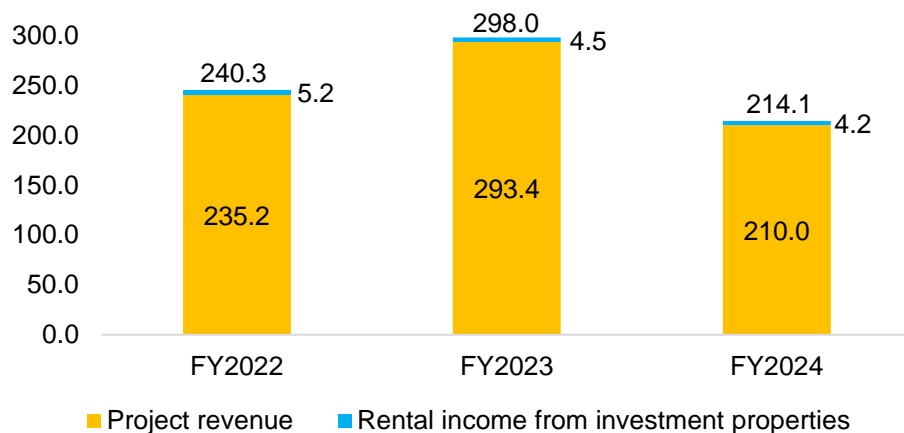
**Malaysia**

- A main contractor for the private sector



# FINANCIAL HIGHLIGHTS

# FINANCIAL HIGHLIGHTS



- Revenue decreased by 28.2% to S\$214.1 million in FY2024, primarily attributable to lower construction revenue. Rental income from investment properties decreased mainly due to the translation of contributions from the PRC at a weaker foreign exchange translation rate
- The Group recorded a net loss attributable to Owners of the Company of S\$31.5 million in FY2024, compared to a net profit attributable to Owners of the Company of S\$22.1 million in FY2023
- FY2024 reported a loss from operations before share of results of associates and joint ventures of S\$33.3 million as compared to a profit of S\$3.5 million in FY2023
- Share of results of associates and joint ventures incurred a loss of S\$5.3 million in FY2024 from a profit of S\$20.3 million in FY2023



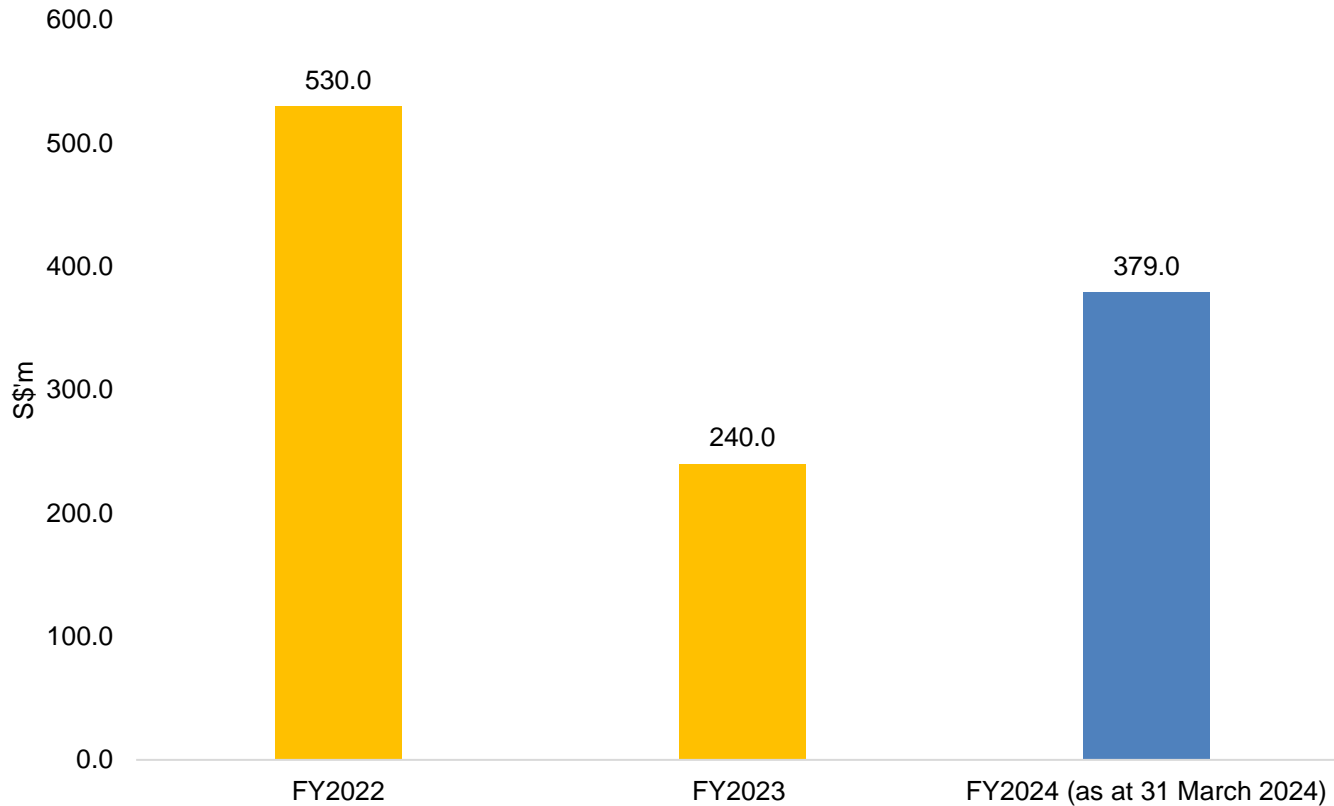


# FINANCIAL HIGHLIGHTS

	Construction S\$'000	Property Development and Investment S\$'000	Corporate & Others S\$'000	Eliminations S\$'000	Total S\$'000
<b>Revenue</b>	209,911	4,580	-	(417)	214,074
<b>Cost</b>	(230,550)				(230,550)
<b>Interest income</b>	495	29	17,994	(8,896)	9,622
<b>Finance costs</b>	(2,143)	(1)	(14,580)	8,896	(7,828)
<b>Depreciation of property, plant and equipment</b>	(1,941)	(13)	-	-	(1,954)
<b>Share of results of associates and joint ventures</b>	-	(5,304)	-	-	(5,304)
<b>Other non-cash items:</b>					-
- Write-back of provision for onerous contract	157	-	-	-	157
- Impairment losses on financial assets	-	(1,102)	-	-	(1,102)
- Loss on fair value adjustments of investment properties	-	(4,231)	-	-	(4,231)
- Fair value loss on quoted debt instruments	-	-	267	-	267
<b>Loss Before Taxation &amp; Non-controlling Interests</b>	<b>(29,796)</b>	<b>(8,524)</b>	<b>(326)</b>	<b>-</b>	<b>(38,646)</b>



# HEALTHY CONSTRUCTION ORDER BOOK

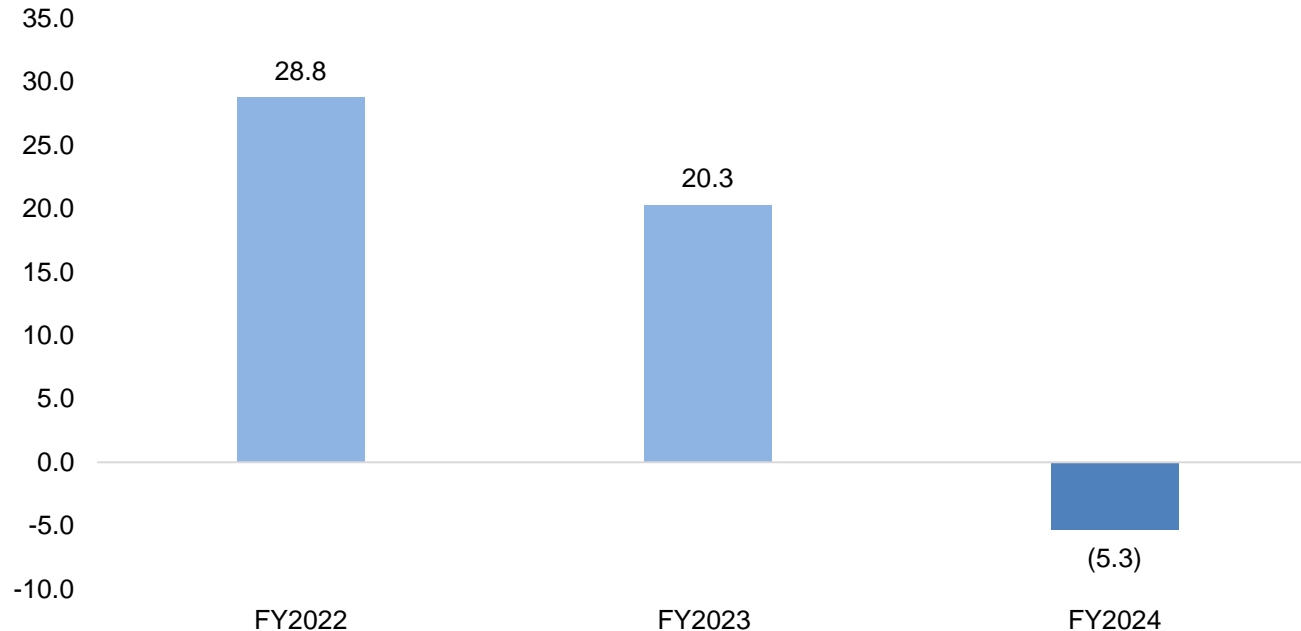


- Construction order book more than S\$379 million as at FY2024
- Currently working on several tenders to replenish to a higher amount



# EARNINGS

## Share of Results of Associates and Joint Ventures (S\$'m)



- Share of results of associates and joint ventures incurred a loss of S\$5.3 million in FY2024
- This is mainly attributable to an absence of contribution from property development projects
- Four new property development projects in Singapore under associates and joint venture companies have not started to recognise revenue as at FY2024. The losses sustained by these associates and joint ventures for the projects, primarily stemmed from pre-launch expenses, finance costs, sales and marketing expenses, and other operating costs that need to be recognised before the commencement of sale and construction



# HEALTHY BALANCE SHEET

S\$'m	31 Mar 2022	31 Mar 2023	31 Mar 2024
<b>Total Assets</b>	622.6	709.2	576.9
<b>Total Liabilities</b>	262.4	345.4	259.9
<b>Net Tangible Assets (Attributable to Shareholders)</b>	336.3	338.2	293.4
<b>NAV Per Share (Cents)*</b>	59.70	60.02	52.6

*\*NTA Per Share was computed based on 557,716,245 shares as at 31 March 2024  
(563,396,245 shares for 31 March 2022 and 31 March 2023)*

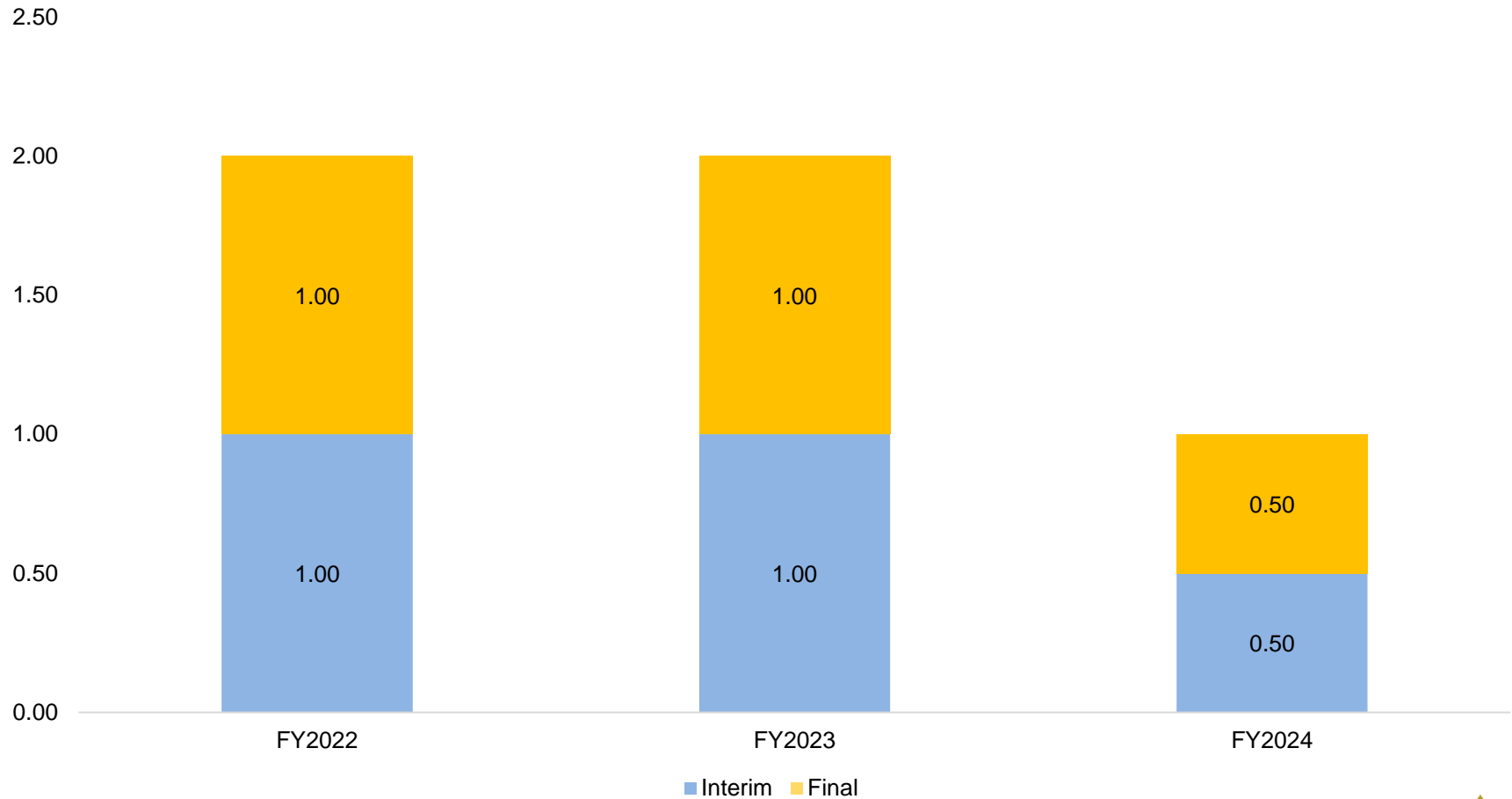


# HEALTHY DEBT COVERAGE & LOW GEARING

S\$m	31 Mar 2022	31 Mar 2023	31 Mar 2024
Loan & Borrowings	119.9	205.6	133.6
Fixed Deposit, Cash & Bank Balances	143.1	120.8	134.6
Net (Debt)/Cash	23.2	(84.8)	1.0
Gearing (Loan & Borrowings/ Net Assets)	0.33	0.57	0.42

# DIVIDENDS

## TOTAL DIVIDENDS:



# SHARE PRICE PERFORMANCE

## Key Data

<b>Share Price</b>	S\$0.240
<b>Market Capitalisation</b>	S\$133.9 million
<b>Shares Outstanding</b>	557.7 million
<b>52-week Range</b>	High: S\$0.340 (13 July 2023) Low: S\$0.225 (26 December 2023)

Source: Bloomberg; 30 May 2024





# CONSTRUCTION



# CONSTRUCTION



- Construction business has been impacted by the aftermath of the pandemic, but is supported by strong underlying fundamentals
- Exercise prudence and financial discipline to navigate the multitude of challenges, including heightened recession risk in major economies and Singapore, supply chain disruptions, impacts of climate change, labour shortages, continued exposure to foreign currencies risks, high interest rates, inflationary pressures, higher material costs, higher operational and compliance costs, and escalated manpower costs
- Order book more than \$379.0 million with a ratio of 17 : 83 in terms of private and public projects
- Currently working on several tenders to replenish order book to a higher amount



# PROPERTY DEVELOPMENT

# PROPERTY DEVELOPMENT

## Singapore

- The Group is currently participating in four joint ventures for proposed residential and mixed redevelopments in Singapore – **The Arcady at Boon Keng, Peace Centre/Peace Mansion, sora at Yuan Ching Road in district 22 and Bagnall Haus at 811 Upper East Coast**

## People's Republic of China (“PRC”)

- Amid the on-going property crisis and adversities in PRC, the Group has investments in two projects with on-going residential development in Gaobeidian, Singapore Sino Health City – Zhong Xin Yue Lang (中新健康城 - 中新悦朗) (“ZXYL”) and Zhong Xin Yue Shang (中新悦上) (“ZSYS”) with equity stake of 22.5% and 33.75% respectively
- Signs of stabilisation and recovery following the resumption of construction activity post-pandemic and recent government supportive measures. Sale of further completed units after FY2024 in our development projects in PRC are expected to contribute positively to the Group's performance



# PROPERTY DEVELOPMENT

The Construction and sale status of the projects in Gaobeidian, PRC as at end FY2024 are as follows:

	ZXYL Phase 1	ZXYL Phase 2	ZXYS Phase 1	ZXYS Phase 2
<b>Construction Status</b>	Completed	Commenced. Target completion in FY2025	Completed	204 units completed  1,011 units commenced and target completion in FY2025
<b>Sale Status</b>	83% of 812 completed units sold	28% of 746 launched units sold	97% of 1,011 completed units sold	81% of the completed 204 units sold

Zhong Xin Yue Lang (中新健康城 - 中新悦朗) ("ZXYL")

Zhong Xin Yue Shang (中新悦上) ("ZXYS")



# PROPERTY DEVELOPMENT

Singapore

## The Arcady At Boon Keng



<b>Group's Stake</b>	49%
<b>Tenure</b>	Freehold
<b>Location</b>	2 St Barnabas Lane D12 – Balestier/Toa Payoh
<b>Facilities</b>	<ul style="list-style-type: none"><li>• an urban oasis garden where every single day is filled with the joys of nature</li><li>• An architectural masterpiece harmoniously integrated with wonderful botanicals and a full range of family-oriented indulgences, inspired by mountainside living</li><li>• 172 units</li></ul>
<b>Status</b>	<ul style="list-style-type: none"><li>• Launched in January 2024</li></ul>

# PROPERTY DEVELOPMENT

*Singapore*

**sora**



Group's Stake

20%

Type

Private Residential (Condominium)

Location

72-78 Yuan Ching Road

Tenure

99-year leasehold

Units

440



# PROPERTY DEVELOPMENT

*Singapore*

## One Sophia/The Collective at One Sophia



<b>Group's Stake</b>	10%
<b>Type</b>	Mixed-use development (Residential & Commercial)
<b>Location</b>	1 Sophia Road
<b>Tenure</b>	99-year leasehold

# PROPERTY DEVELOPMENT

*Singapore*

## Bagnall Haus

<b>Group's Stake</b>	12%
<b>Address</b>	811 Upper East Coast Road, Singapore
<b>Type</b>	113 unit residential development
<b>Tenure</b>	Freehold





**PROPERTY INVESTMENT**

# PROPERTY INVESTMENT (HOTELS)



Starting to see some recovery on occupancy and average daily room rate as international borders open up gradually

Currently 9 hotel properties are in operation\* and generating recurring income

Project Name	Location	Status
Heeton Concept Hotel Luma Hammersmith	Glenthorne Road, London, England, UK	In Operation
IBIS Gloucester Hotel	Gloucester, Gloucestershire, England, UK	
Holiday Inn Express Manchester	Manchester City, England, UK	
Hotel Indigo Glasgow	Glasgow, Scotland, UK	
DoubleTree by Hilton Kensington	London, England, UK	
Hampton by Hilton Leeds	Leeds, England, UK	
Heeton Concept Hotel Liverpool	Liverpool, England, UK	
Smile Hotel Asakusa	Tokyo, Japan	
Super Hotel Sapporo – Susukino	Chuo, Hokkaido, Japan	
Hotel Resort at Paro, Bhutan	Paro district, Bhutan	Development in Progress
Hotel at Gaobeidian, People’s Republic of China	Gaobeidian, People’s Republic of China	

# 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>	Approximately 77.0% (As at 31 March 2024)



# OUTLOOK & STRATEGIES

# BUSINESS OUTLOOK

## Construction Sector

- According to Ministry of Trade and Industry ("**MTI**"), the construction sector expanded by 4.3%<sup>1</sup> in the first quarter of 2024, extending the 5.2% growth in the last quarter of 2023
- The Building and Construction Authority ("**BCA**") announced construction contracts between S\$32 billion and S\$38 billion will be awarded in 2024. The public sector will contribute 55% of the total demand while the private sector will account for the remaining 45%<sup>2</sup>
- Heightened recession risk in major economies and Singapore, supply chain disruptions, impacts of climate change, labour shortages, foreign currencies risks, high interest rates, inflationary pressures, higher material costs, higher operational and compliance costs, and escalated manpower costs continue to dampen outlook

*Sources:*

<sup>1</sup> Ministry of Trade and Industry Singapore, *MTI Maintains 2024 GDP Growth Forecast at "1.0 to 3.0 Per Cent" – May 2024*

<sup>2</sup> Building and Construction Authority, *Steady Demand for the Construction Sector Projected for 2024 – January 2024*



# BUSINESS OUTLOOK

## Real Estate Sector

### Singapore

- Figures released by the Urban Redevelopment Authority ("**URA**") showed that private home prices rose at a slower pace of 1.4% in the first quarter of 2024, down from the 2.8% increase in the previous quarter. This marks the slowest quarterly gain since the third quarter of 2021<sup>3</sup>
- URA also disclosed that developers launched 1,304 uncompleted private residential units, excluding executive condominiums, for sale in this year's first quarter, compared to the 1,060 in the previous quarter

### PRC

- Slow Sale due to the property market downturn since 2022
- Signs of stabilisation and recovery following the resumption of construction activity post-pandemic and recent government supportive measures
- While PRC may face headwinds in its economic recovery in the near term, the country has strong long-term prospects

Sources:

<sup>3</sup> Urban Redevelopment Authority, Release of 1st Quarter 2024 real estate statistics – April 2024



# STRATEGIES & OPPORTUNITIES



## Construction

1. Continue to 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 gearing to capitalise on business opportunities



## 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. Continues to review and streamline its portfolio to rationalise its investment strategy
2. Continue to seek investment opportunities in hotel properties overseas together with JV partners
3. Expand geographical footprint in new markets with favourable property market cycle together with JV partners



# 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; Diversified businesses**

- Diversified businesses – construction, property development and property investment across Asia-pacific and the UK
- 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
- Commitment to drive productivity and efficiency through technology, innovation, as well as through a new fabrication plant and equipment

## **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 wide network of contacts in the PRC
- Participated in successive series of joint venture development projects in Singapore since 2008
- Extensive experience in construction industry



**THANK YOU**