



KSH Holdings Limited

(Company Registration Number: 200603337G)
(Incorporated in the Republic of Singapore on 9 March 2006)

NEWS RELEASE

KSH HOLDINGS REPORTS REVENUE OF S\$124.9 MILLION AND NET PROFIT AFTER TAX OF S\$10.1 MILLION FOR 1HFY2010

- *Proposed interim, tax-exempt dividend of 1.0 cent per ordinary share*
- *Excluding fair value adjustment and imputed interest on convertible notes, adjusted Profit before Tax increases by S\$3.1 million to S\$14.1 million as compared to S\$11.0 million in the same corresponding period last year*
- *Average gross margin of core Construction segment up from 9.3% to 15.5%*
- *Strong balance sheet and working capital position with Cash and Cash Equivalents of S\$48.6 million*
- *Low net gearing ratio of 0.52 times as at September 30, 2009*
- *Strong Order Books of approximately S\$383 million*
 - *Unfulfilled contract value for all existing contracts on hand expected to be substantially completed by March 2010*

Singapore, November 5, 2009 – KSH Holdings Limited (“KSH Holdings” or the “Group”) (“KSH 控股有限公司”), a well-established construction, property development and property management group, today announced a revenue of S\$124.9 million and net profit after tax of S\$10.1 million for the half year ended September 30, 2009 (“1HFY2010”).

As at September 30, 2009, the Group maintained a strong balance sheet and working capital position with approximately S\$48.6 million cash and cash equivalents. Net gearing ratio remains low at 0.52 times as at September 30, 2009.

To reward its shareholders, the Group has proposed an interim, tax-exempt dividend of 1.0 cent per ordinary share to be paid in cash on December 8, 2009.

BUSINESS REVIEW

During the financial year in review, the Group's Construction business in Singapore continued to be its strongest revenue contributor in 1HFY2010.

Construction

Arising from the completion of several projects during the period, 1HFY2010 revenue amounted to S\$122.3 million with contribution from a new project and other ongoing projects that are progressing into more advanced stages of construction.

The average gross margin of the Construction segment improved from 9.3% in 1HFY2009 to 15.5% in 1HFY2010 mainly due to higher productivity and more efficient procurement arrangement. With the improvement in average gross margin, Construction business has increased its contribution to the Group's profit from operation by S\$2.5 million from S\$16.5 million in 1HFY2009 to 19.0 million in 1HFY2010.

Mr Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings, commented, “Despite a very challenging year amidst the economic downturn, our prudent cost control measures have paid off, with our core Construction business registering good average gross margin improvement.

“Our Construction business continues to be robust, backed by strong existing order books of approximately S\$383 million, with approximately 21% coming from the public sector. We will further build on our strong track record in both the public and private sectors to maintain a good mix of projects in these sectors for resilient growth in our business. At the same time, we will continue to be vigilant of market conditions while tendering for new construction projects.”

Property Development and Management

This segment registered a S\$0.8 million increase in rental income from investment properties and development property in 1HFY2010 as compared to the same corresponding period.

PROSPECTS AND GROWTH PLANS

According to the Second Quarter Review 2009 published by The Building and Construction Authority (“BCA”) dated August 27, 2009, the construction sector expanded by 18.6% year-on-year in the second quarter, driven by steady growth of both public and private construction activities. Compared to the previous quarter, demand from both public and private sectors have improved. As for the Property segment, the Group also noted the continual positive market sentiment of the residential property market in Singapore since the first quarter of 2009.

Whilst remaining cautious, the Group, backed by construction order books of approximately S\$383 million, in Singapore expects to remain profitable for the current financial year, barring unforeseen circumstances.

About KSH Holdings Limited

KSH is a well-established Construction, Property Development and Property Management group. Incorporated in 1979, the Group has 30 years of experience in the Singapore construction industry and is backed by an impressive track record, both in Public and Private Sector construction projects. The Group is registered with the Building and Construction Authority (“BCA”) with an A1 grading under the category CW01 for general building, which is currently the highest grade for contractors’ registration in this category, and allows the Group to tender for Public Sector construction projects of unlimited value. The Group is also registered with an A2 grading under BCA’s CW02 category for civil engineering which allows the Group to tender for Public Sector projects for values of up to S\$85 million.

Contracts secured by the Group during the year include a S\$83.4 million contract from the National University of Singapore (“NUS”) for the construction of two blocks of residential colleges and five blocks of common facility buildings for the NUS University Town and a S\$36 million contract for the construction of Watten Residences.

Besides acting as main contractor for both the Public and Private Construction sectors in Singapore, and for the Private sector in Malaysia, KSH is also involved in Property Development and Property Management in the PRC as well as in Singapore (via a joint venture). The Group currently has completed two property developments in the PRC – Tianxing Riverfront Square in Tianjin (currently held as an investment property), and Liang Jing Ming Ju in Beijing, which are developed by its associated company, JHTD. The Group also has a property management arm, TTX Property Management, which manages Tianxing Riverfront Square.

More details can be found at www.kimsengheng.com

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139/09/005/KSH

November 5, 2009