



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\$144.1 MILLION AND NET PROFIT AFTER TAXATION OF \$8.5 MILLION FOR 1HFY2011

- *Proposes interim, tax-exempt dividend of 1.0 cent per ordinary share*
- *Core Construction business reports revenue of S\$141.3 million*
- *Strong balance sheet and working capital position with cash and cash equivalents of S\$69.2 million*
- *Strong order book of over S\$243.0 million as at September 30, 2010*

Singapore, November 8, 2010 – 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 15.4% increase in revenue to S\$144.1 million for the half year ended September 30, 2010 (“1HFY2011”) from S\$124.9 million for the previous corresponding period (“1HFY2010”). The Group recorded a net profit after taxation of S\$8.5 million for 1HFY2011.

As at September 30, 2010, the Group maintained a strong balance sheet and working capital position with approximately S\$69.2 million cash and cash equivalents. To reward its shareholders, the Group has proposed an interim, tax-exempt dividend of 1.0 cent per ordinary share to be paid out in cash on December 8, 2010.

Commented Mr Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings, “I am pleased to report an increase in revenue for the period under review. Construction remains as the core of our business and I am heartened by the strong growth of the civil engineering sector as well as public infrastructure projects. With healthy cash and cash equivalents, KSH is well equipped to secure the opportunities that the sector has to offer.”

Business Review

During the financial period under review, the Group's construction business continued to be the strongest revenue contributor, comprising 98.1% of total Group revenue. Revenue from this core sector increased by S\$19.0 million or approximately 15.5% to S\$141.3 million in 1HFY2011, as compared to S\$122.3 million in 1HFY2010. The increase was mainly due to revenue contributed from new projects and other ongoing projects that have progressed into advanced stages of construction.

Revenue from the Group's Property Development and Management segment made up the remaining 1.9% of total revenue in 1HFY2011 at S\$2.8 million. Rental income from investment properties has increased approximately S\$0.5 million in 1HFY2011 as compared to 1HFY2010, offset by the decrease in rental income from development property of approximately S\$0.3 million in 1HFY2011 as compared to 1HFY2010.

In line with the increase of construction revenue, cost of construction increased by approximately S\$22.3 million or 21.6% from S\$103.3 million in 1HFY2010 to S\$125.6 million in 1HFY2011. Average gross margin of the construction business decreased from 15.6% in 1HFY2010 to 11.1% in 1HFY2011 mainly due to rising cost and lower pricing from the later projects awarded, due to the growing competitiveness of the industry in line with an improved economy.

As a result, the Group reported a profit before taxation of S\$10.2 million in 1HFY2011, a 20.0% decrease from 1HFY2010. Group profit after taxation came in at S\$8.5 million in 1HFY2011 as compared to S\$10.1 million in 1HFY2010.

The Group's borrowings decreased by S\$16.5 million from S\$103.0 million as at March 31, 2010 to S\$86.5 million as at September 30, 2010. This is attributed to the decrease in use of bills payable to banks, and the repayment of finance lease obligations and bank term loans. As at September 30, 2010, the Group maintained a strong balance

sheet and working capital position, with cash and cash equivalents and fixed deposits of S\$69.2 million.

The Group's EPS and net asset value stood at 2.77 and 34.95 Singapore cents respectively, as at September 30, 2010.

Prospects and Growth Plans

The Building and Construction Authority ("BCA") projects construction demand for the year to range between S\$21 billion to S\$27 billion for 2010, and expects a sustained level of demand to continue through to 2012. In line with this, the performance of the construction sector has been steady, registering its ninth quarter of expansion. Supported by public sector projects, activity in the construction sector accelerated in the past three months, expanding by 29.2% after growing 0.5% the quarter before.

Public sector works has experienced a spike in growth, due to public infrastructure projects such as the MRT Downtown Line and Marina Coastal Expressway. Riding on this uptrend, KSH will leverage on its expertise in this area as well as its strong track record, to tender for viable projects in this sector.

Mr Choo commented, "Going forward, backed by construction order books of more than S\$243.0 million as at September 30, 2010, we are cautiously optimistic on the outlook of our core construction business. We will remain focused on our strategy, which is to look out for viable opportunities to tender for construction projects, whilst exercising prudence and being mindful of the possible impacts of the uncertainties in economic conditions and rising costs that may have an effect on the performance of our business."

About KSH Holdings Limited

Listed on the Main Board of SGX-ST on February 8, 2007, KSH is a well-established Construction, Property Development and Property Management group. Incorporated in 1979, the Group has 31 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 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 it to tender for Public Sector projects for values of up to S\$85.0 million.

Recent contracts secured by the Group include a S\$70.6 million contract from Lippo Real Estate for the development of a luxury freehold condominium along Kim Seng Road, Centennia Suites, 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, a S\$36.0 million contract for the construction of Watten Residences and a S\$40.4 million contract from NUS for the construction of a four-storey Education Resource Centre at the NUS University Town.

Besides acting as a 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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