

CIRCULAR DATED 30 JUNE 2011

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt about its contents or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares ("**Shares**") in the capital of KSH Holdings Limited (the "**Company**"), you should forward this Circular, the Notice of Extraordinary General Meeting and the enclosed Proxy Form immediately to the purchaser or transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



KSH HOLDINGS LIMITED

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

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED SHARE PURCHASE MANDATE; AND**
- (2) THE PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION BY THE ADDITION OF ARTICLE 129A FOR THE PURPOSES OF IMPLEMENTING A PROPOSED SCRIP DIVIDEND SCHEME.**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	20 July 2011 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	22 July 2011 at 10.30 a.m., or immediately after the conclusion of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place
Place of Extraordinary General Meeting	:	60 Eu Tong Sen Street, Furama City Centre, Ballroom 2, Level 5, Singapore 059804

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

“AGM”	:	The annual general meeting of our Shareholders
“Approval Date”	:	The date of the EGM at which the Resolutions are approved
“Articles” or “Articles of Association”	:	The Articles of Association of our Company, as amended, supplemented or modified from time to time
“Board”	:	The Board of Directors of our Company as at the date of this Circular
“Books Closure Date”	:	With respect to a Qualifying Dividend, the date and time to be determined by the Directors on which the Register of Members and the transfer books of the Company will be closed for the purpose of determining the entitlements of Shareholders to that Qualifying Dividend
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 30 June 2011
“Code”	:	The Singapore Code of Corporate Governance, as amended or modified from time to time
“Companies Act”	:	The Companies Act (Cap. 50) of Singapore, as amended or modified from time to time
“Company”	:	KSH Holdings Limited
“Directors”	:	The directors of our Company, including alternate directors of our Company (if any), as at the date of this Circular, and “Director” means any one of them
“Dividend”	:	A dividend (including any interim, final, special or other dividend) to be paid on the issued ordinary shares of the Company as resolved or proposed by the Directors or by the Company in general meeting
“EGM”	:	The extraordinary general meeting of our Company to be held on 22 July 2011 at 10.30 a.m. or immediately after the conclusion of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place, notice of which is set out in the Notice of EGM on page 30 of this Circular
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	23 June 2011, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended or modified from time to time

“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Memorandum”	:	The Memorandum of Association of our Company
“New Shares”	:	The new Shares which may be issued by the Company for the purposes of, in connection with or where contemplated, by the Scrip Dividend Scheme
“NTA”	:	Net tangible assets
“Overseas Members”	:	Shareholders with registered addresses outside Singapore as at the relevant Books Closure Date for a Dividend and who have not provided to the Company or (as the case may be) CDP, not later than five (5) Market Days (or such other cut-off date as the Directors may determine) prior to the relevant Books Closure Date with addresses in Singapore for the service of notices and documents
“Price Determination Period”	:	The period commencing on the day on which the Shares are first quoted ex-dividend on the SGX-ST after the announcement of the relevant Qualifying Dividend and ending on the Books Closure Date in respect of such Qualifying Dividend, or such other period as the Directors may determine
“Qualifying Dividend”	:	A Dividend to which the Scrip Dividend Scheme applies, as determined by the Directors
“Resolution(s)”	:	The resolution(s) as set out in the Notice of EGM on page 30 of this Circular, and each a Resolution
“Securities Account”	:	Securities account maintained by Depositors with CDP but not including securities sub-accounts maintained with a Depository Agent
“Scrip Dividend Scheme”	:	KSH Holdings Limited Scrip Dividend Scheme
“SGX-ST” or “Exchange”	:	The Singapore Exchange Securities Trading Limited
“Share”	:	An ordinary share in the capital of our Company
“Share Purchase Mandate”	:	The general mandate to authorise the Directors to purchase Shares representing up to a maximum of ten per cent. (10%) of the issued Shares as at the date on which the resolution authorising the same is passed, at any price up to but not exceeding the Maximum Price, in accordance with the Articles, the Companies Act and the Listing Manual
“Shareholders” or “Members”	:	Registered holders of our Shares in the Register of Members, or where CDP is the registered holder of Shares, the term “Shareholders” or “Members” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
“SIC”	:	Securities Industry Council

- “Substantial Shareholders”** : The term “Substantial Shareholder” shall have the same meaning ascribed to it in Sections 81(1) and 81(2) of the Companies Act
- “Take-over Code”** : Singapore Code on Take-overs and Mergers including all practice notes, rules and guidelines thereunder, as may be amended or modified from time to time
- “%” or “per cent.”** : Percentage or per centum
- “S\$”** : The lawful currency of the Republic of Singapore

The words “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act. The term “subsidiary” has the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

Words importing persons shall, where applicable, include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Listing Manual or any relevant laws of the Republic of Singapore or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the Listing Manual or any relevant laws of the Republic of Singapore or statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore time.

All discrepancies in the tables included in this Circular between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

KSH HOLDINGS LIMITED

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

Directors:

Choo Chee Onn (Executive Chairman and Managing Director)
Lim Kee Seng (Executive Director)
Tok Cheng Hoe (Executive Director)
Kwok Ngat Khow (Executive Director)
Lim Yeow Hua @ Lim You Qin (Independent Director)
Lai Meng Seng (Independent Director)
Khua Kian Kheng Ivan (Independent Director)

Registered Office:

36 Senoko Road
Singapore 758108

Date: 30 June 2011

To: The Shareholders of KSH Holdings Limited

Dear Sir/Madam

1. INTRODUCTION

The Board proposes to convene an EGM:

- (a) to seek Shareholders' approval for the proposed Share Purchase Mandate; and
- (b) to seek Shareholders' approval for the proposed amendment to the Articles of Association by the addition of Article 129A.

The purpose of this Circular is to provide Shareholders with information in respect of the proposed Share Purchase Mandate, the proposed amendment to the Articles of Association by the addition of Article 129A and the Scrip Dividend Scheme.

2. THE PROPOSED SHARE PURCHASE MANDATE

2.1 Introduction

The Company's share capital presently comprises only one class of shares, namely, the Shares.

As at the Latest Practicable Date, the Company has an issued share capital of 343,023,468 Shares and a market capitalisation of S\$84,040,750.

Under the Companies Act, companies are allowed to purchase their own ordinary shares, stocks and preference shares in the manner set out in the Companies Act if their articles of association expressly permit them to do so, provided that any such purchase is made in accordance with and in the manner prescribed by the Listing Manual and such other laws and regulations as may for the time being be applicable.

Approval is being sought from Shareholders at the EGM for the adoption of a general share purchase mandate for the purchase by the Company of its issued Shares. Accordingly, a resolution will be proposed as an ordinary resolution pursuant to which the Share Purchase Mandate will be given to authorise the Directors to purchase or otherwise acquire Shares on behalf of the Company.

If the proposed resolution for the adoption of a Share Purchase Mandate is approved by the Shareholders at the EGM, the Share Purchase Mandate shall take effect from the date of the EGM and continue in force until the conclusion of the next AGM or such date as the next AGM is required by law to be held, whichever is the earlier, unless prior thereto, share purchases are carried out to the full extent mandated or the Share Purchase Mandate is revoked or varied by the Company in general meeting.

2.2 Authority and limits of the Share Purchase Mandate

Only Shares which are issued and fully paid may be purchased or acquired by the Company. The proposed Share Purchase Mandate will authorise the Directors to purchase Shares either through market purchases (“**Market Purchases**”) or off-market purchases on an equal access scheme (“**Off-Market Purchases**”) of up to a maximum of ten per cent. (10%) of the total number of Shares (excluding any Shares held as treasury shares) as at the date on which the resolution authorising the same is passed in accordance with the Companies Act, the Articles, the Listing Manual and such other laws and regulations as may for the time being be applicable. The purchase price (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees) to be paid for the Shares shall be determined by the Directors, provided that such price must not exceed the maximum price (“**Maximum Price**”) as set out below:-

- (a) in the case of Market Purchases, five per cent. (5%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Market Purchase was made by the Company, which is deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days; and
- (b) in the case of Off-Market Purchases, twenty per cent. (20%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme.

The authority conferred on the Directors by the proposed Share Purchase Mandate shall continue in force until the next AGM, or the time the next AGM is required by law to be held, unless prior thereto, share purchases are carried out to the full extent mandated or the Share Purchase Mandate is revoked or varied by the Company in general meeting.

For illustration purposes, the total number of issued Shares as at the Latest Practicable Date is 343,023,468 Shares and the exercise in full of the Share Purchase Mandate would result in the purchase of up to 34,302,346 Shares.

2.3 Treasury Shares

Maximum Holdings

According to the Companies Act, the Shares purchased by the Company may be cancelled or held as treasury shares. The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares (including the treasury shares).

Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings, and no dividend nor any other distribution of the Company’s assets may be made to the Company, in respect of treasury shares. However, the allotment of Shares as fully paid bonus Shares in respect of treasury shares is allowed. The subdivision or consolidation of any treasury shares into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation remains unchanged.

Disposal and Cancellation

The Company shall make periodic announcements containing the following information in the event of any sale, transfer, cancellation and/or use of treasury shares:

- (a) the date of the sale, transfer, cancellation and/or use;
- (b) the purpose of such sale, transfer, cancellation and/or use;
- (c) the number of treasury shares sold, transferred, cancelled and/or used;
- (d) the number of treasury shares before and after such sale, transfer, cancellation and/or use;

- (e) the percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/ or use; and
- (f) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.4 Rationale for the proposed Share Purchase Mandate

The proposed Share Purchase Mandate will give the Directors the flexibility to purchase Shares when circumstances permit, with the objective of enhancing the earnings per share and/or net asset value per share of the Group. Such flexibility will also allow the Directors to better manage the Company's capital structure, dividend payout and cash reserves, and to return surplus cash over and above its capital requirements in an expedient and cost-effective manner.

The proposed Share Purchase Mandate will further give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued. The proposed Share Purchase Mandate will thus provide the Company with an efficient mechanism to enhance returns to Shareholders when circumstances permit. Share purchases will only be effected when the Directors are of the view that such Share purchases will benefit the Company and its Shareholders.

2.5 Source of funds

The Company may only apply funds for the purchase of Shares as provided in the Articles and in accordance with the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST. The Company intends to use its internal sources of funds or external borrowings or a combination of both to finance its purchase or acquisition of Shares.

Any purchase or acquisition of Shares may be made only if the Company is solvent and out of the Company's capital and/or profits. It is an offence for a director or a manager of a company to approve or authorise the purchase or acquisition of shares, knowing that the company is not solvent. For this purpose, pursuant to the Companies Act, a company is solvent if:-

- (a) the company is able to pay its debts in full as they fall due in the normal course of business at the time of payment for the purchase of shares, as well as during the period of twelve (12) months after the purchase; and
- (b) the value of the company's assets, at the time of the purchase and after such purchase, is not less than the value of its liabilities (including contingent liabilities), having regard to the most recent financial statements of the company and all other circumstances that the directors or managers of the company know or ought to know affect or may affect such values.

The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would materially affect the working capital requirements of the Company and the Group.

2.6 Financial impact

Under the Companies Act, the Company may choose to hold the purchased Shares as treasury shares or to cancel them. The Articles prescribe that the Company may deal with the purchased Shares in such manner as may be permitted by, and in accordance with, the Companies Act. Accordingly, the Company has the discretion to hold the purchased Shares as treasury shares or to cancel them.

Where the Company holds the purchased Shares as treasury shares, the Company may deal with such treasury shares in such manner as may be permitted by and in accordance with the Companies Act. The Company however cannot exercise any right in respect of the treasury shares, i.e. the Company will have no right to vote or attend at meetings and the treasury shares will be treated as having no voting rights, and no dividend or distribution of the Company's assets may be made to the Company in respect of the treasury shares.

Where the purchased Shares are cancelled, a reduction by the total amount of the purchase price paid by the Company for the Shares cancelled will be made to:-

- (a) the share capital of the Company where the Shares were purchased out of the capital of the Company;
- (b) the profits of the Company where the Shares were purchased out of the profits of the Company; or
- (c) the share capital and profits of the Company proportionately where the Shares were purchased out of both the capital and profits of the Company.

Accordingly, the NTA of the Company and the Group will be reduced by the dollar value of the Shares purchased (whether the purchased Shares are cancelled or held as treasury shares).

The consideration to be paid by the Company for the purchase or acquisition of Shares (including brokerage, commissions, stamp duties, goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. The financial impact of the Company and the Group arising from purchase or acquisition of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time. It is therefore not possible to realistically calculate or quantify the impact at this point of time.

Based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date, in the case of Market Purchases by the Company and assuming that the Company purchases the 34,302,346 Shares at the Maximum Price of S\$0.255 per Share (being the price equivalent to five per cent. (5%) above the average closing market prices of the Shares for the five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 34,302,346 Shares (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees) is approximately S\$8,747,098.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the 34,302,346 Shares at the Maximum Price of S\$0.290 per Share (being the price equivalent to twenty per cent. (20%) above the average closing market prices of the Shares over the five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 34,302,346 Shares (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees) is approximately S\$9,947,680.

For illustration purposes only, on the basis of the assumptions set out above, the financial impact of the acquisition of the 34,302,346 Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 March 2011 is set out below:-

Market Purchases

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
Shareholders' Funds	124,587	115,840	60,188	51,441
Net Tangible Assets	143,790	135,043	60,188	51,441
Current Assets	191,410	182,663	393	393
Current Liabilities	144,482	144,482	19,839	28,586

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
Total Borrowings	94,466	94,466	20,430	29,177
Number of Shares	342,119,468	307,817,122	342,119,468	307,817,122
Financial Ratios				
Net Tangible Assets per Share (Singapore Cents)	42.03	43.87	17.59	16.71
Earnings per Share (Singapore Cents)	6.31	7.01	5.65	6.28
Gearing (%)	75.82%	81.55%	33.94%	56.72%
Current Ratio (times)	1.32	1.26	0.02	0.01

Off-Market Purchases

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
Shareholders' Funds	124,587	114,639	60,188	50,240
Net Tangible Assets	143,790	133,842	60,188	50,240
Current Assets	191,410	181,462	393	393
Current Liabilities	144,482	144,482	19,839	29,787
Total Borrowings	94,466	94,466	20,430	30,378
Number of Shares	342,119,468	307,817,122	342,119,468	307,817,122
Financial Ratios				
Net Tangible Assets per Share (Singapore Cents)	42.03	43.48	17.59	16.32
Earnings per Share (Singapore Cents)	6.31	7.01	5.65	6.28
Gearing (%)	75.82%	82.40%	33.94%	60.46%
Current Ratio (times)	1.32	1.26	0.02	0.01

Shareholders should note that the financial effects set out above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical audited numbers for the financial year ended 31 March 2011, and is not necessarily reflective of future financial performance of the Company and the Group. Although the Share Purchase Mandate would authorise the Company to purchase up to ten per cent. (10%) of the Company's Shares (excluding any Shares held as treasury shares), the Company may not necessarily purchase all ten per cent. (10%) of the Shares in full.

As illustrated above, a purchase of a maximum of 34,302,346 Shares will result in a reduction of the NTA and a deterioration of the debt to equity ratios of the Company and the Group, while the earnings per share of the Company and the Group will be enhanced.

The Directors emphasise that they do not propose to exercise the Share Purchase Mandate to the extent that it will have an adverse material impact on the gearing of the Group. The Directors will be prudent in exercising the Share Purchase Mandate and will only exercise the Share Purchase Mandate to such extent which they believe will be beneficial to the Group and its Shareholders from time to time giving consideration to the prevailing market conditions, the financial position of the Group and other relevant factors.

Section 10J of the Income Tax Act (Chapter 134) stipulates that when a company purchases or acquires its own shares from a shareholder using funds other than contributed capital of the company, the payment by the company shall be deemed to be a dividend paid by the company to the shareholder.

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional adviser.

2.7 Take-Over Code implications arising from share purchases

Pursuant to Rule 14 of the Take-over Code, save where exempted by the SIC, a person is obliged to make a mandatory offer if:-

- (a) such person acquires shares which (taken together with shares held or acquired by persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of a company; or
- (b) such person who, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights and that person (or any person acting in concert with him) acquires in any period of six (6) months additional shares carrying more than one per cent. (1%) of the voting rights.

In addition to such person, each of the principal members of the group of persons acting in concert with him may also incur the obligation to extend a mandatory offer.

Persons acting in concert comprise individuals or companies who pursuant to an agreement or understanding (whether formal or informal) cooperate through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will be presumed to be acting in concert, namely:-

- (a) a company with any of its directors; and
- (b) a company, its parent company, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with one another. For this purpose, ownership or control of at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of a company will be regarded as the test of associated company status.

According to Appendix 2 of the Take-over Code, the resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following the purchase of Shares by the Company pursuant to the Share Purchase Mandate, will be treated as an acquisition for the purposes of the Take-over Code. Consequently, depending on the number of Shares purchased by the Company and the total number of Shares issued by the Company at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

However, a Shareholder not acting in concert with the Directors will not be required to make an offer under Rule 14 if, as a result of the Company buying back its own Shares, the voting rights of such Shareholder will increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder will increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that (unless exempted):-

- (a) Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties increase to thirty per cent. (30%) or more; or if the voting rights of such Directors and their concert parties fall between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties increase by more than one per cent. (1%) in any period of six (6) months; and
- (b) a Shareholder acting in concert with the Directors will incur an obligation to make a take-over offer after a share purchase if, *inter alia*, their voting rights increase to thirty per cent. (30%) or more as a result of share purchases by the Company and they acquire any ordinary shares between the date of the notice of resolution to authorise the Share Purchase Mandate and the date on which the next AGM is held or is required to be held, or if they already hold between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights and as a result of a share purchase by the Company their voting rights increase by more than 1 per cent. (1%) in any period of six (6) months and they acquire ordinary shares between the date of the notice of resolution to authorise the Share Purchase Mandate and the date on which the next AGM is held or is required to be held.

Shareholders are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity as to whether they would incur an obligation to make a take-over offer as a result of any purchase or acquisition of Shares pursuant to the Share Purchase Mandate.

2.8 Directors' and Substantial Shareholders' interests

Directors' interests

The shareholdings of the Directors, as extracted from the Register of Directors' Shareholdings, as at the Latest Practicable Date are as follows:-

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Ordinary Shares	% ⁽¹⁾	No. of Ordinary Shares	% ⁽¹⁾	No. of Ordinary Shares	% ⁽¹⁾
Choo Chee Onn	69,762,512	20.34	–	–	69,762,512	20.34
Tok Cheng Hoe	53,722,496	15.66	–	–	53,722,496	15.66
Lim Kee Seng	53,722,496	15.66	–	–	53,722,496	15.66
Kwok Ngat Khow	53,722,496	15.66	–	–	53,722,496	15.66
Lim Yeow Hua @ Lim You Qin	200,000	0.06	–	–	200,000	0.06
Lai Meng Seng	300,000	0.09	–	–	300,000	0.09
Khua Kian Kheng Ivan	200,000	0.06	–	–	200,000	0.06

Note:

(1) Based on 343,023,468 issued Ordinary Shares as at the Latest Practicable Date.

Substantial Shareholders' interests

The shareholdings of the Substantial Shareholders, as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date are as follows:-

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Ordinary Shares	% ⁽¹⁾	No. of Ordinary Shares	% ⁽¹⁾	No. of Ordinary Shares	% ⁽¹⁾
Choo Chee Onn	69,762,512	20.34	–	–	69,762,512	20.34
Tok Cheng Hoe	53,722,796	15.66	–	–	53,722,496	15.66
Lim Kee Seng	53,722,496	15.66	–	–	53,722,496	15.66
Kwok Ngat Khow	53,722,796	15.66	–	–	53,722,496	15.66

Note:

(1) Based on 343,023,468 issued Ordinary Shares as at the Latest Practicable Date.

2.9 Listing status

The Directors will use their best efforts to ensure that the Company does not effect a purchase of Shares if the purchase of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company. Under Rule 723 of the Listing Manual, a company should ensure that at least ten per cent. (10%) of a class of its listed securities is at all times held by the public (as defined in the Listing Manual).

As at the Latest Practicable Date, approximately 32.47% of the total number of Shares (excluding treasury shares) is held by the public. Before deciding to effect a purchase of Shares, the Directors will ensure that, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

3. THE PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION BY THE ADDITION OF ARTICLE 129A

The Company proposes to adopt the Scrip Dividend Scheme, details of which are set out in Section 4 below. To facilitate the implementation of the Scrip Dividend Scheme by the Directors, a new Article 129A is proposed to be inserted in the Articles of Association, to enable Shareholders to elect to receive New Shares credited as fully paid in lieu of part only or all of the cash amount of a Qualifying Dividend in accordance with the Scrip Dividend Scheme of the Company.

The text of the new Article 129A is set out in Appendix A-1 of this Circular. The proposed addition of Article 129A to the Articles of Association is subject to Shareholder's approval by Special Resolution.

4. THE SCRIP DIVIDEND SCHEME

4.1 Introduction

To facilitate the implementation of the Scrip Dividend Scheme by the Directors, it is proposed that a new Article 129A be added to, *inter alia*, enable Shareholders to elect to receive Dividend Shares credited as fully paid in lieu of part only or all of the whole cash amount of a Qualifying Dividend, in accordance with the Scrip Dividend Scheme. The new Article 129A is set out in Appendix A-1 of this Circular. The Scrip Dividend Scheme Statement is set out in Appendix A-2 of this Circular.

Pursuant to the amendments to Rule 862 of the Listing Manual which became effective as at 1 January 2011, an announcement must be made by an issuer if it wishes to implement a scrip dividend scheme which enables shareholders to receive dividends by cash in lieu of shares and the approval of shareholders will not be required. The Company has, on 24 May 2011, released the relevant announcement on the SGXNET.

4.2 Rationale for the Scrip Dividend Scheme

The Scrip Dividend Scheme, if and when adopted, will provide an opportunity for Shareholders to elect to receive Dividends in the form of Shares, credited as fully paid-up instead of cash. It will enable Shareholders to participate in the equity capital of the Company without incurring brokerage fees, stamp duty and other related costs. The Company will also benefit from the participation by Shareholders in the Scrip Dividend Scheme as, to the extent that Shareholders elect to receive Dividend in the form of Shares, the cash which would otherwise be payable by way of cash dividend may be retained to fund the growth and expansion of the Group. The issue of Shares in lieu of a cash Dividend under the Scrip Dividend Scheme will also enlarge the Company's share capital base and the retention of cash will strengthen its working capital position.

4.3 Election to receive Dividends in the form of Shares in lieu of cash

Under the Scrip Dividend Scheme, whenever a Dividend has been declared and the Directors have determined that the Scrip Dividend Scheme is applicable to the Dividend, each Shareholder has the following options in respect of his entitlement to the Dividend:

- (a) elect to receive his entitlement to the Dividend in cash;
- (b) elect for an allotment of New Shares (credited as fully paid-up) in lieu of the cash amount of his entitlement to the Dividend; or
- (c) elect to receive the Dividend in cash in relation to a portion of his existing Shares held and the balance in the form of New Shares, credited as fully paid-up.

An announcement will be made by the Company as soon as practicable following the determination by the Directors that the Scrip Dividend Scheme is to apply to a particular Dividend, and in any event, by no later than the Market Day immediately following the Dividend Books Closure Date for the Dividend. Shareholders may only participate in respect of their shareholdings as at the Dividend Books Closure Date for any Qualifying Dividend.

The Company will, at its discretion, send to a Shareholder one or more notices of election (each, a “**Notice of Election**”) in relation to all the Shares held by him. A Shareholder may elect to receive New Shares in respect of part only or all of his entitlement to the Qualifying Dividend to which each Notice of Election relates.

A Shareholder may also make a permanent election to receive New Shares in respect of his entitlement to all future Qualifying Dividends to which each Notice of Election relates. For the avoidance of doubt, a Shareholder may not make a permanent election to participate in respect of part only of his holdings of Shares to which each Notice of Election relates for all future Qualifying Dividends. When a permanent election has been made, the participating Shareholder may, by giving the appropriate notice, cancel his participation and withdraw from the Scrip Dividend Scheme at any time. The cancellation of a permanent election by a Shareholder would not preclude him from making a fresh permanent election, should he wish to do so, at a later time.

A Shareholder receiving two or more Notices of Election may elect to receive New Shares in respect of part only or all of his entitlement to which one Notice of Election relates and decline to receive New Shares in respect of his entitlement to which any other Notice of Election relates. A Shareholder receiving two or more Notices of Election and wishing to receive New Shares in respect of all of his entitlement to the Qualifying Dividend in respect of all of his holding of Shares must complete all Notices of Election to the Company and/or CDP, as the case may be.

4.4 New Shares allotted under the Scrip Dividend Scheme

For the purpose of calculating the number of New Shares to be allotted to the Shareholders, the issue price of a New Share shall not be set at more than ten per cent. (10%) discount to, nor shall it exceed the average of the last dealt prices of a Share on the SGX-ST for each of the Market Days during the Price Determination Period. In the event that there is no trading in the Shares during the Price Determination Period, the issue price of a New Share shall not exceed the average of the last dealt prices of a Share on the SGX-ST for each of the Market Days during a period of five (5) Market Days immediately preceding the Price Determination Period.

Accordingly, where the Directors have resolved that the Scrip Dividend Scheme applied to a particular Dividend, it will not be possible until after the close of business on the relevant Dividend Books Closure Date to determine the exact number of New Shares to which Shareholders electing to receive New Shares will be entitled. An announcement will be made setting out the issue price of a New Share to be used in the calculation of Shareholders’ entitlements to the New Shares in respect of such Dividend. In addition, Notices of Election will be sent to Shareholders after the Dividend Books Closure Date. A further announcement will be made on the last day (which will be a date fixed by the Directors) on which Shareholders will be entitled to make their election of the above alternatives, in respect of such Qualifying Dividend. The New Shares to be issued pursuant to the Scrip Dividend Scheme will rank *pari passu* in all respects with the existing Shares then in issue save only as regards to participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distribution, bonuses or rights paid, made, declared or announced prior to, or contemporaneous with, the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

4.5 Fractional entitlements

Fractional entitlements to New Shares will be rounded to the nearest whole number or otherwise dealt with in such manner as the Directors may deem fit in the interests of the Company as may be acceptable to the SGX-ST.

4.6 Odd lots

The Company’s shares are currently traded in board lots of 1,000 shares. A Shareholder who elects to receive New Shares in lieu of cash amount of the Qualifying Dividend may receive such New Shares in odd lots. Shareholders who receive odd lots of New Shares and who wish to trade such odd lots on the SGX-ST should do so on the Unit Share Market, which allows trading of odd lots with a minimum of one (1) share.

4.7 Qualifying Dividend received in cash if no election

Shareholders will receive the Qualifying Dividend in cash if they do not elect to participate in the Scrip Dividend Scheme.

Shareholders need not take any action if they wish to receive their entitlement to the Qualifying Dividend in cash.

4.8 Availability of the Scrip Dividend Scheme

Notwithstanding a determination by the Directors that the Scrip Dividend Scheme shall apply to any Dividend, if before the allotment and issue of New Shares in respect of such Dividend, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Scrip Dividend Scheme in respect of such Dividend, the Directors may, at their absolute discretion and as they may deem fit in the interests of the Company and without assigning any reason thereof, cancel the application of the Scrip Dividend Scheme to the Dividend. In such event, the Dividend shall be paid in cash to Shareholders in the ordinary manner.

4.9 Eligibility

All Shareholders including Directors, Substantial Shareholders and other interested persons of the Company who hold Shares, are eligible to participate in the Scrip Dividend Scheme, subject to the restrictions on Overseas Members (as elaborated in Section 4.10 of this Circular) and except that participation in the Scrip Dividend Scheme shall not be available to such Shareholders or class of Shareholders, as the Directors may in their discretion determine, and further subject to the requirement that such participation by a Shareholder will not result in a breach of any other restriction on such Shareholder's holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or prescribed in the Memorandum or the Articles of Association.

4.10 Overseas members

The offer of the Scrip Dividend Scheme may be prohibited or restricted (either absolutely or unless various requirements are complied with) in certain jurisdictions under the relevant securities laws. For practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Shareholders may have their registered addresses, the Scrip Dividend Scheme may, at the discretion of the Directors, not be offered to Overseas Members. No Overseas Members shall have any claims whatsoever against the Company as a result of the Scrip Dividend Scheme not being offered or made available to such Overseas Members. If the Directors have decided to offer the Scrip Dividend Scheme to Overseas Members, and Overseas Members who wish to be eligible to participate in the Scrip Dividend Scheme should provide an address in Singapore for the service of notices and documents by notifying the Company or, if the Overseas Member is a Depositor, the CDP, at 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807 (or any such address as may be announced by the Company from time to time) not later than five (5) Market Days prior to the Dividend Books Closure Date. Depositors should note that all correspondence and notices will be sent to their last registered address with CDP.

4.11 Obligation to extend take-over offer

Shareholders should note that pursuant to Rule 14 of the Take-over Code, they may be under an obligation to make a mandatory offer. Please refer to Section 2.7 above for a summary of the relevant provisions of the Take-over Code.

4.12 Listing on the SGX-ST

The SGX-ST had approved in-principle the listing and quotation of the New Shares on 16 June 2011, subject to the following conditions:

- (a) Compliance with the SGX-ST's listing requirements;
- (b) A valid general share issue mandate being available and sufficient for the proposed issue of the New Shares; and

- (c) A written confirmation that the Scrip Dividend Scheme complies with Rules 862 and 863 of the Listing Manual.

The written confirmation referred to in (c) above had been submitted to the SGX-ST on 24 May 2011 as part of the Company's additional listing application for the New Shares.

Such approval in-principle is not to be taken as an indication of the merits of the New Shares, the Scrip Dividend Scheme, the Company and/or its subsidiaries. It is expected that share certificates will be posted at the risk of those entitled or, as the case may be, the New Shares will be credited to the relevant Securities Accounts of Depositors, on or about the payment date for the Dividend, which shall be a date no less than 30 Market Days but no more than 35 Market Days after the Dividend Books Closure Date for that Dividend.

4.13 Taxation

The Company takes no responsibility for the taxation liabilities of Shareholders who choose to participate in the Scrip Dividend Scheme or the tax consequences of any election made by the Shareholders. As individual circumstances and laws may vary considerably, specific tax advice should be obtained by Shareholders if they are in doubt or if they otherwise require. The Company accepts no responsibility for the correctness or accuracy of any information as to tax liability contained in the Scrip Dividend Scheme Statement set out in Appendix A-2 to this Circular.

4.14 Modification and termination of the Scrip Dividend Scheme

The Scrip Dividend Scheme may be modified or terminated by the Directors as they deem fit upon giving notice in writing to all Shareholders, except that no material modifications shall be made without the prior approval of the SGX-ST. In the case of a modification, the Scrip Dividend Scheme will continue as modified in relation to each Shareholder who has made a permanent election under the Scrip Dividend Scheme unless and until the Company, or as the case may be, CDP (where the Shareholder is a Depositor) receives a notice of cancellation in respect of a Notice of Election submitted by the Shareholder or his permanent election otherwise ceases to have effect as provided in paragraph 4.13 of the Scrip Dividend Scheme Statement set out in Appendix A-2 of this Circular.

4.15 Underwriting and other arrangements by the Company

Under paragraph 4.17 of the Scrip Dividend Scheme Statement, the Company may, on such terms and conditions as the Directors in their absolute discretion deem fit and in accordance with the rules of the Listing Manual, enter into arrangements, transactions, agreements and deeds relating to or in connection with the Scrip Dividend Scheme including any placement, underwriting or other arrangements with one or more underwriters or other parties (the "**Placee(s)**") with respect to any Shares (the "**Relevant Shares**") not issued to or taken up by Shareholders who do not elect to receive Shares in respect of a Qualifying Dividend and/or which relate to Overseas Members had they been eligible to participate and for this purpose, the Relevant Shares will be issued at a price not less than the issue price of the New Shares and on such other terms and conditions as the Directors deem fit.

This would enable the Company to retain funds, which would otherwise be payable to the Shareholders pursuant to such Dividend and for the growth and expansion of the Group. The Placee(s) will be selected by the Audit Committee of the Company, comprised entirely of independent Directors not interested in the placement, underwriting or other arrangements described above, based on selection criteria that would include, *inter alia*:

- (i) the commitment and/or availability to take up 100% of the New Shares not taken up by Shareholders (other than New Shares attributable to any Shareholder(s) who may have confirmed or indicated that they will elect to receive New Shares in respect of the Qualifying Dividend);
- (ii) the quantum of any fee or commission to be charged;
- (iii) the financial ability of the Placee(s);

- (iv) the potential availability of the Placee(s) to underwrite any future Relevant Shares;
- (v) the issue price at which the Relevant Shares will be taken up; and
- (vi) legal fees.

In order for the Audit Committee to select the most appropriate Placee(s), it is envisaged that the Company may consider placing out the Relevant Shares to Directors and/or Substantial Shareholders. Please refer to Section 2.8 above for the shareholdings of the Substantial Shareholders as at the Latest Practicable Date.

5. DIRECTORS' RECOMMENDATION

5.1 The proposed Share Purchase Mandate

The Directors are of the opinion that the proposed Share Purchase Mandate is in the interests of the Company and recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed Share Purchase Mandate as set out in the Notice of EGM.

5.2 The proposed amendment to the Articles of Association by the addition of Article 129A

The Directors are of the opinion that the proposed amendment to the Articles of Association by the proposed addition of Article 129A, so as to facilitate the adoption and implementation of the Scrip Dividend Scheme is in the interests of our Company. Accordingly, the Board recommends that Shareholders vote in favour of the special resolution relating to the proposed amendment to the Articles of Association by the proposed addition of Article 129A as set out in the Notice of EGM.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 30 of this Circular, will be held at 60 Eu Tong Sen Street, Furama City Centre, Ballroom 2, Level 5, Singapore 059804 on 22 July 2011 at 10.30 a.m., or immediately after the conclusion of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place for the purpose of considering and, if thought fit, passing, with or without modifications, the resolutions set out in the Notice of EGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not less than 48 hours before the time fixed for the EGM. The completion and lodgement of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the EGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors. The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Share Purchase Mandate, the proposed amendment to the Articles of Association by the addition of Article 129A, the Scrip Dividend Scheme and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information contained in this Circular has been extracted from published or otherwise publicly available sources, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Circular in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Our Memorandum and Articles and Annual Report for the year ended 31 March 2011 may be inspected at the registered office of our Company during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to and including the date of the EGM.

Yours faithfully
for and on behalf of the Board of Directors
KSH HOLDINGS LIMITED

Choo Chee Onn
Executive Chairman and Managing Director

APPENDIX A-1: THE PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION BY THE ADDITION OF ARTICLE 129A

The proposed new Article 129A to be added to our Articles of Association is set out below.

- “129A. (A) Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:
- (i) the basis of any such allotment shall be determined by the Directors;
 - (ii) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article 129A;
 - (iii) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of the election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
 - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the “Elected Ordinary Shares”) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the Elected Ordinary Shares on the basis of allotment determined as aforesaid and for such purpose (notwithstanding any provision of the Articles to the contrary), the Directors shall be empowered to do all things necessary and convenient for the purpose of implementing the aforesaid including, without limitation, the making of each necessary allotment of shares and of each necessary appropriation, capitalisation, application, payment and distribution of funds which may be lawfully appropriated, capitalised, applied, paid or distributed for the purpose of the allotment and without prejudice to the generality of the foregoing the Directors may (a) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis, or (b) apply the sum which would otherwise have been payable in cash to the holders of Elected Ordinary Shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis.

- (B) (i) The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Article 129A shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
- (ii) The Directors may do all acts and things considered necessary or expedient to give effect to any appropriation, capitalisation, application, payment and distribution of funds pursuant to the provisions of paragraph (A) of this Article 129A, with full power to make such provisions as they think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the Members) and to authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such appropriation, capitalisation, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- (C) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article 129A, determine that the rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of this Article 129A shall be read and construed to such determination.
- (D) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article 129A, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.
- (E) Notwithstanding the foregoing provisions of this Article 129A, if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Article 129A in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interest of the Company, cancel the proposed application of paragraph (A) of this Article 129A."

APPENDIX A-2: SCRIP DIVIDEND SCHEME STATEMENT

KSH HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 9 March 2006)

(Company Registration Number: 200603337G)

(the “**Company**”)

1. SCRIP DIVIDEND SCHEME STATEMENT

The Scrip Dividend Scheme Statement (the “**Statement**”) contains the terms and conditions of the KSH Holdings Limited Scrip Dividend Scheme (the “**Scrip Dividend Scheme**”) under which persons registered in the Register of Members of KSH Holdings Limited (the “**Company**”), or, as the case may be, the Depository Register (as defined below), as the holders of fully paid Shares in the Company (the “**Shareholders**”), may elect and receive fully paid new Shares (the “**New Shares**”) in the Capital of the Company in lieu of part only or all of the cash amount of any dividend (including any interim, final, special or other dividend) (the “**Dividend**”) which is declared on the Shares held by them (after the deduction of any applicable income tax).

2. SUMMARY OF THE MAIN FEATURES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme provides Members with the option to elect to receive New Shares in lieu of part only or all of the cash amount of any dividend or distribution (including any interim, final, special or other dividend or distribution) (the “**Dividend**”) declared on their holding of Shares (after the deduction of any applicable income tax).

Under the present law in Singapore, there are no brokerages, stamp duty or other transaction costs payable on New Shares allotted and issued under the Scrip Dividend Scheme.

All Members are eligible to participate in the Scrip Dividend Scheme subject to the restrictions on Overseas Members (as defined below), more particularly described below.

Members may elect to participate in respect of part only or all of their holding of Shares to which each Notice of Election (as defined below) relates in respect of any Qualifying Dividend (as defined below) and may also make a permanent election to participate in respect of all their holding of Shares to which each Notice of Election relates for all future Qualifying Dividends. For the avoidance of doubt, a Shareholder may only make a permanent election to receive Shares in respect of all and not only part of his entitlement to future Qualifying Dividends.

Members receiving more than one Notice of Election may elect to participate in respect of their holding of Shares to which one Notice of Election relates and elect not to participate in respect of their holding of Shares to which any other Notice of Election relates. Where a permanent election has been made, participating Members may cancel their participation and withdraw from the Scrip Dividend Scheme at any time, subject to giving appropriate notice in accordance with paragraph 4.13 of this Statement.

The Directors of the Company (the “**Directors**”) may, in their absolute discretion, determine that the Scrip Dividend Scheme will apply to any particular Dividend. An announcement will be made by the Company as soon as practicable following the determination by the Directors that the Scrip Dividend Scheme is to apply to a particular Dividend, and in any event, by no later than the next Market Day (as defined below) immediately following the Books Closure Date (as defined below) in respect of the particular Dividend. Unless the Directors have determined that the Scrip Dividend Scheme will apply to any particular Dividend, the Dividend concerned will be paid in cash to the Members in the usual manner.

New Shares allotted and issued under the Scrip Dividend Scheme will rank *pari passu* in all respects with the Shares then in issue save only as regards participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

Members participating in the Scrip Dividend Scheme will receive, at or about each Dividend payment date, statements setting out, *inter alia*, the number of New Shares allotted to them under the Scrip Dividend Scheme.

3. HOW TO PARTICIPATE

Participation in the Scrip Dividend Scheme is optional.

A Member wishing to receive New Shares in respect of any Qualifying Dividend or to make a permanent election to receive New Shares in respect of all (and not part only) of his future Qualifying Dividends to which a Notice of Election received by him relates should complete the Notice of Election and return it to the Company at the address indicated on the Notice of Election or, if the Member is a Depositor (as defined below), to CDP. A Member receiving more than one Notice of Election and wishing to receive New Shares in respect of all of his entitlement to the Qualifying Dividend in respect of all of his holding of Shares or to make a permanent election to receive New Shares in respect of all future Qualifying Dividends must complete all Notices of Election received by him and return the completed Notices of Election to the Company and/or CDP, as the case may be.

To be effective in respect of any Qualifying Dividend to which a Notice of Election relates, such duly completed Notice of Election must be received by the Company or (as the case may be) CDP no later than the date to be specified by the Directors in respect of that Qualifying Dividend.

4. TERMS AND CONDITIONS OF THE SCRIP DIVIDEND SCHEME

4.1 Establishment

The Scrip Dividend Scheme has been established by the Directors of the Company.

4.2 Terms and Conditions

In these Terms and Conditions:

“**Act**” shall mean the Companies Act, Chapter 50 of Singapore;

“**Articles**” shall mean the Articles of Association of the Company, as amended, supplemented or modified from time to time;

“**Books Closure Date**” shall mean the date to be determined by the Directors on which the Register of Members of the Company will be closed for the purpose of determining the entitlements of Members to a Dividend and is the day immediately preceding the first day of the Books Closure Period;

“**Books Closure Period**” shall mean the period to be determined by the Directors during which the Register of Members of the Company will be closed for the purpose of determining the entitlements of Members to a Dividend;

“**CDP**” shall mean The Central Depository (Pte) Limited and the terms “Depositor”, “Depository Agent” and “Depository Register” shall have the respective meanings ascribed to them in the Act;

“**Market Day**” shall mean a day on which the SGX-ST is open for trading in securities;

“**Overseas Members**” shall mean Members with registered addresses outside Singapore and who have not provided to the Company or (as the case may be) CDP, not later than five (5) Market Days prior to the Books Closure Date, addresses in Singapore for the service of notices and documents;

“**Qualifying Dividend**” shall mean a Dividend to which the Scrip Dividend Scheme applies, as determined by the Directors;

“**Shares**” shall mean ordinary shares in the capital of the Company;

“**SGX-ST**” shall mean Singapore Exchange Securities Trading Limited;

“**Take-over Code**” shall mean the Singapore Code on Take-overs and Mergers, including all practice notes, rules, and guidelines thereunder, as may be amended from time to time;

“**S\$**” shall mean the lawful currency of the Republic of Singapore; and

“**%**” or “**per cent.**” shall mean percentage or per centum.

4.3 Eligibility

All Members are eligible to participate in the Scrip Dividend Scheme, subject to the restrictions on Overseas Members, more particularly described below, and further subject to the requirement that such participation by the Member will not result in a breach of any other restriction on such Member’s holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or by the Articles.

4.4 Members Resident Outside Singapore

For practical reasons and to avoid any violation of the securities laws applicable outside Singapore where Members may have their registered addresses, the Directors may in their absolute discretion decide that Overseas Members shall not be eligible to participate in the Scrip Dividend Scheme. No Overseas Member shall have any claims whatsoever against the Company as a result of the Scrip Dividend Scheme not applying to such Overseas Member. Overseas Members who receive or come to have in their possession this Statement and/or a Notice of Election may not treat the same as an invitation to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Scrip Dividend Scheme as may be applicable to them. Overseas Members who wish to be eligible to participate in the Scrip Dividend Scheme should provide an address in Singapore for the service of notices and documents by notifying the Company, c/o The Share Registrar, Boardroom Corporate & Advisory Service Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 (or such other address as may be announced by the Company from time to time) or, if the Overseas Member is a Depositor, CDP at 4 Shenton Way #02-01, SGX Centre 2, Singapore 068807 (or such other address as may be announced by the Company from time to time) no later than five (5) Market Days prior to the Books Closure Date. Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP.

4.5 Level of Participation

A Member may elect to participate in the Scrip Dividend Scheme (the “**Participating Member**”) in respect of part only or all of his holding of Shares as at each Books Closure Date to which each Notice of Election received by him relates for a Qualifying Dividend (the “**Participating Shares**”).

4.6 Permanent Election

Any permanent election to participate in the Scrip Dividend Scheme is personal to the Participating Member. A Member may make a permanent election in the manner set out below for participation in respect of all (and not part only) of his future Qualifying Dividends, and where a permanent election in respect of all (and not part only) of his holding of Shares to which a Notice of Election relates has been made, unless and until a notice of cancellation, in such form as the Directors may approve (the “**Notice of Cancellation**”), in relation to such Notice of Election is received by the Company or (as the case may be) CDP as provided below, the permanent election shall be effective for all future Qualifying Dividends in respect of such Notice of Election. A notice of cancellation of participation in the Scrip Dividend Scheme in any other form will not be accepted by the Company or (as the case may be) CDP.

4.7 Notice of Election to Participate

The Company will, at its discretion, send to each Member one or more notices of election (in such form as the Directors may approve) (the “**Notice of Election**”). To be effective in respect of any Qualifying Dividend (unless a permanent election has already been made), a Notice of Election must be received by the Company or, in the case of a Notice of Election being submitted by a Member who is a Depositor, by CDP, by the date to be specified by the Directors in respect of that Qualifying Dividend. A Member receiving two or more Notices of Election and wishing to receive New Shares in respect of all of his entitlement to the Qualifying Dividend in respect of

all his holding of Shares must complete all the Notices of Election received by him and return the completed Notices of Election to the Company and/or CDP, as the case may be. A Notice of Election to participate in the Scrip Dividend Scheme in any other form will not be accepted by the Company or (as the case may be) CDP.

If a Notice of Election in relation to a permanent election is received after the date specified by the Directors for any particular Qualifying Dividend, the Notice of Election will not be effective for that Qualifying Dividend, but will be effective for all future Qualifying Dividends in respect of such Notice of Election. A Notice of Election (other than in relation to a permanent election) in respect of any Qualifying Dividend shall not, upon its receipt by the Company or (as the case may be) CDP, be withdrawn or cancelled.

A permanent election made in the Notice of Election will remain in force until cancelled in the manner provided below or until it becomes ineffective as provided in these Terms and Conditions. A Member receiving more than one Notice of Election and wishing to make a permanent election in respect of all his holding of Shares must complete all Notices of Election received by him and return the Notices of Election to the Company and/or CDP, as the case may be.

4.8 Extent of Application of Scrip Dividend Scheme to each Dividend

The Directors may determine, in their absolute discretion, in respect of any Dividend, whether the Scrip Dividend Scheme shall apply to such Dividend. If, in their absolute discretion, the Directors have not determined that the Scrip Dividend Scheme is to apply to a particular Dividend, such Dividend shall be paid in cash to Members notwithstanding their elections under the Scrip Dividend Scheme.

4.9 Share Entitlement

By electing to participate in the Scrip Dividend Scheme in respect of any Notice of Election received by him, a Member elects in respect of any Qualifying Dividend (after the deduction of any applicable income tax) to which such Notice of Election relates to receive New Shares in lieu of part only or all of the cash amount of the Qualifying Dividend.

In respect of any Qualifying Dividend, the number of New Shares to be allotted and issued to the Participating Member electing to receive New Shares in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{S \times D}{V}$$

Where:

- N = is the number of New Shares to be allotted and issued as fully paid to the Participating Member in respect of such Notice of Election.
- S = is the number of Participating Shares held by the Participating Shareholder as of the Books Closure Date to which such Notice of Election relates.
- D = is the Qualifying Dividend per Share (after deduction of any applicable income tax) to which such Notice of Election relates.

V = is the issue price of a Share, which shall for the purpose of calculating the number of New Shares to be allotted and issued as fully paid to Participating Members, pursuant to the Scrip Dividend Scheme, be an amount in Singapore dollars determined by the Directors (the “**Relevant Amount**”), which Relevant Amount shall not be set at more than ten per cent. (10%) discount to the average of the last dealt price of a Share on the SGX-ST for each of the Market Days during the period commencing on the day on which the Shares are first quoted ex-dividend on the SGX-ST after the announcement of the Dividend and ending on the Books Closure Date (the “**Price Determination Period**”). In the event that there is no trading in the Shares during the Price Determination Period, the issue price of a new Share shall not exceed the average of the last dealt prices of a Share on the SGX-ST for each of the Market Days during a period of five (5) Market Days immediately preceding the Price Determination Period.

The Directors shall have full power to make such provisions as they think fit where the number of New Shares calculated in accordance with the above formula becomes attributable in fractions, including provisions whereby fractional entitlements are rounded up to the nearest whole number or otherwise dealt with in such manner as they may deem fit in the interests of the Company and which is/are acceptable to the SGX-ST.

4.10 Terms of Allotment

All New Shares allotted under the Scrip Dividend Scheme will be allotted as fully-paid.

All such New Shares shall rank *pari passu* in all respects with all existing Shares then in issue save only as regards participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

Participating Members who are Depositors and who have supplied their CDP account numbers in the Notice of Election will have the New Shares credited to their securities accounts maintained with CDP. In other cases, certificates for the New Shares will be dispatched to Members, at their risk, at their registered addresses in Singapore.

4.11 Statement to Participants

The Company will send to each Participating Member on or about each payment date for the Dividend which shall be a date not less than 30 Market Days but not more than 35 Market Days after the Books Closure Date for that Dividend, or such other period as the Directors may decide, a statement detailing, *inter alia*:

- (a) the number of the Participating Shares held by the Participating Member as at the relevant Books Closure Date; and
- (b) the number of New Shares to be allotted to the Participating Member under the Scrip Dividend Scheme.

4.12 Cost to the Participants

Under the present law in Singapore, brokerage or other transaction costs and Singapore stamp duty will not be payable by Participating Members on New Shares allotted under the Scrip Dividend Scheme.

4.13 Cancellation of Participation

A Participating Member may at any time cancel his permanent election to participate in the Scrip Dividend Scheme in relation to any Notice of Election by completing and returning to the Company or (as the case may be) CDP, a Notice of Cancellation in such form as the Directors may approve (a notice of cancellation of participation in the Scrip Dividend Scheme in any other form will not be accepted by the Company or, as the case may be, CDP) in relation to such Notice of Election.

To be effective in respect of any Qualifying Dividend, the Notice of Cancellation must be received by the Company or, as the case may be, CDP, by the date to be specified by the Directors for that Qualifying Dividend, failing which the Notice of Cancellation will not be effective for that Qualifying Dividend but will be effective for all future Qualifying Dividends in respect of such Notice of Election.

If a Participating Member gives notice to the Company or, if that Member is a Depositor, to CDP, of a change of his registered address for the service of notices and documents from an address within Singapore to an address outside Singapore, he shall thereupon be considered an Overseas Member. Any permanent election to participate in the Scrip Dividend Scheme by such Participating Member shall be deemed to have been cancelled by him upon receipt by the Company or (as the case may be) CDP, of such change of address notification.

If a Participating Member, who is an individual, dies, any permanent election to participate in the Scrip Dividend Scheme by that Member will cease upon receipt by the Company or, if that Member is a Depositor, by CDP, of notice of the death acceptable to the Company or, as the case may be, CDP, or at such later date as the Directors in their discretion, upon request from the personal representative(s) of the deceased Participating Member, may determine. If the personal representative(s) of the deceased Member wish(es) to participate in the Scrip Dividend Scheme in respect of any Qualifying Dividend or in respect of all future Qualifying Dividends in relation to the Shares forming part of the estate of the deceased Member, the relevant Notices of Election must be submitted by such personal representative(s) in accordance with these Terms and Conditions.

If a Participating Member becomes bankrupt or, in the case where the Participating Member is a company, is wound up, any permanent election to participate in the Scrip Dividend Scheme by that Member will cease upon receipt by the Company or, if that Member is a Depositor, by CDP, of notice of the bankruptcy or, as the case may be, the winding up.

4.14 Cancellation of Application of the Scrip Dividend Scheme

Notwithstanding any provision in these Terms and Conditions, if at any time after the Directors have determined that the Scrip Dividend Scheme shall apply to any particular Dividend and before the allotment and issue of New Shares in respect of that Dividend, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Scrip Dividend Scheme in respect of such Dividend, the Directors may, at their absolute discretion and as they may deem fit in the interests of the Company and without assigning any reason thereof, cancel the application of the Scrip Dividend Scheme to the Dividend. In such event, the Dividend shall be paid in cash to Members in the usual manner.

4.15 Modification and Termination of the Scrip Dividend Scheme

The Scrip Dividend Scheme may be modified or terminated at any time by the Directors as they deem fit on giving notice in writing to all Members, except that no material modifications shall be made without the prior written approval of the SGX-ST.

In the case of a modification, the Scrip Dividend Scheme will continue as modified in relation to each Member who has made a permanent election under the Scrip Dividend Scheme unless and until the Company or, if the Member is a Depositor, CDP, receives a notice of cancellation in respect of a Notice of Election submitted by such Participating Member, from the Participating Member.

4.16 General Administration of the Scrip Dividend Scheme

- (i) While Shares which a Participating Shareholder has nominated as participating in the Scrip Dividend Scheme are subject to a charge or lien in favour of the Company, they shall unless:
 - a. otherwise provided in the terms and conditions of issue thereof; or
 - b. the Directors otherwise determine,

be treated as if the relevant Participating Shareholder had, in relation to such Shares, not elected to so participate.

- (ii) The Directors may implement the Scrip Dividend Scheme in the manner they deem fit. The Directors have the power to:
 - a. determine procedures, rules and regulations for administration of the Scrip Dividend Scheme consistent with these Terms and Conditions;
 - b. settle in such manner as they think fit any difficulty, anomaly or dispute (including relating to the interpretation of any provision, regulation or procedure or as to any rights under the Scrip Dividend Scheme) which may arise in connection with the Scrip Dividend Scheme, whether generally or in relation to any Participating Shareholder or any Shares and the determination of the Directors will be conclusive and binding on all Shareholders and other persons to whom the determination relates;
 - c. delegate to any one or more persons, for such period and on such conditions as the Directors may determine, the exercise of any of their powers or discretions under or in respect of the Scrip Dividend Scheme and references to a decision, opinion or determination of the Directors include a reference to the decision, opinion or determination of the person or persons to whom the Directors have delegated their authority for the purposes of administering the Scrip Dividend Scheme; and
 - d. waive strict compliance by the Company or any Shareholder with any of these Terms and Conditions.

4.17 Arrangements by the Company

The Company may, on such terms and conditions as the Directors in their absolute discretion deem fit, enter into arrangements, transactions, agreements and deeds relating to or in connection with the Scrip Dividend Scheme including any underwriting or other arrangement with any party with respect to any Shares (the “**Relevant Shares**”) not issued to or taken up by Shareholders who do not elect to receive Shares in respect of a Qualifying Dividend and/ or which relate to Foreign Shareholders had they been eligible to participate and for this purpose, the Relevant Shares may be issued, on such terms and conditions as the Directors deem fit, to one or more underwriters or other parties (the “**Placee(s)**”).

Such arrangements entered into by the Company would enable it to retain funds, which would otherwise be payable to the Shareholders pursuant to such Qualifying Dividend, and also contribute to the growth and expansion of the Group. The Placee(s) will be selected by the Audit Committee of the Company, comprised entirely of independent Directors not interested in the placement, underwriting or other arrangements described above, based on selection criteria that would include, *inter alia*:

- (i) the commitment and/ or availability to take up 100% of the New Shares not taken up by Shareholders (other than New Shares attributable to any Shareholder(s) who may have confirmed or indicated that they will elect to receive New Shares in respect of the Qualifying Dividend);
- (ii) the quantum of any fee or commission to be charged;
- (iii) the financial ability of the Placee(s);
- (iv) the potential availability of the Placee(s) to underwrite any future Relevant Shares;
- (v) the issue price at which the Relevant Shares will be taken up; and
- (vi) legal fees.

In order for the Audit Committee to select the most appropriate Placee(s), it is envisaged that the Company may consider placing out the Relevant Shares to Directors and/ or Substantial Shareholders.

4.18 Exclusion of Third Party Rights

A person who is not a party to these Terms and Conditions has no right under the Contracts (Right of Third Parties) Act, Chapter 53B of Singapore to enforce against the Company any of these Terms and Conditions.

5. APPLICATION FOR LISTING ON THE SGX-ST

The Company shall make the necessary application(s) for the listing of the Shares to be issued for the purposes of, in connection with or where contemplated by the Scrip Dividend Scheme. Any approval in-principle of the SGX-ST for listing of such Shares is not to taken as an indication of the merits of the Scrip Dividend Scheme, the Shares, the Company or its subsidiaries.

6. TAXATION

The Company takes no responsibility for the taxation liabilities of Participating Members or the tax consequences of any election made by Members. As individual circumstances and laws vary considerably, specific taxation advice should be obtained by Members if required.

The Company takes no responsibility for the correctness or accuracy of any information as to taxation liability set out in this Statement.

As a general indication, however, it is understood that as at the date of this Circular, under tax legislation in Singapore, a Member's Singapore tax liability in relation to the Dividends received will not alter, nor is there any tax advantage to be gained, by reason of having elected to participate in the Scrip Dividend Scheme.

7. INCOME TAX

The Company will deduct all income tax required to be deducted from the Qualifying Dividends in accordance with applicable law. Certificates of income deductions will be sent to Participating Members in the usual manner.

8. OTHER ITEMS

The New Shares are offered on the terms and conditions set out in this Statement and in the applicable provisions of the Articles. There are no other terms other than those implied by law or set out in publicly registered documents.

9. ENQUIRIES

Enquiries about any aspect of the Scrip Dividend Scheme should be directed to:

KSH Holdings Limited
36 Senoko Road
Singapore 758108

10. LIABILITY OF THE COMPANY

Notwithstanding anything herein, neither the Company nor any officer, agent or representative of the Company shall under any circumstances be liable or responsible to any Participating Shareholders for any loss, damage, cost or expense (collectively, "**Loss**") or alleged Loss in connection with or as a result, directly or indirectly, of the establishment or operation of the Scrip Dividend Scheme or participation in the Scrip Dividend Scheme, including any delay in allotting or issuing any Shares or applying for their listing. No representation or warranty is given in respect of any Shares, the Company or its subsidiaries or associates company or that listing approval for the Shares will be obtained.

NOTICE OF EXTRAORDINARY GENERAL MEETING

KSH HOLDINGS LIMITED

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

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of KSH Holdings Limited (“the **Company**”) will be held at 60 Eu Tong Sen Street, Furama City Centre, Ballroom 2, Level 5, Singapore 059804 on 22 July 2011 at 10.30 a.m., or immediately after the conclusion of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place, for the purpose of considering and, if thought fit, passing, with or without amendments, the following Resolutions, of which Resolution 1 will be proposed as a Ordinary Resolution and Resolution 2 will be proposed as a Special Resolution:

RESOLUTION 1: ORDINARY RESOLUTION

THE PROPOSED SHARE PURCHASE MANDATE

That the Directors of the Company be and are hereby authorised to make purchases (whether by way of market purchases or off-market purchases on an equal access scheme) from time to time of up to ten per cent. (10%) of the total number of ordinary shares in the capital of the Company (excluding any ordinary shares held as treasury shares) as at the date of this Resolution at any price up to but not exceeding the Maximum Price as defined in the Company’s circular to shareholders of the Company dated 30 June 2011 (the “**Circular**”), and this mandate shall continue in force until the date on which the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier, unless prior thereto, share purchases are carried out to the full extent mandated or the Share Purchase Mandate is revoked or varied by the Company in general meeting.

RESOLUTION 2: SPECIAL RESOLUTION

THE PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION BY THE ADDITION OF ARTICLE 129A

That the Articles of Association of the Company be and are hereby amended in the manner described in Appendix A-1 of the Circular.

By Order of the Board

Tang Hay Ming Tony
Stella Chan Ah Chit
Company Secretaries

30 June 2011

IMPORTANT: PLEASE READ NOTES

Notes:

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting (“the **EGM**”) is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Company’s registered office at 36 Senoko Road Singapore 758108 not less than 48 hours before the time fixed for the EGM.
2. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised. Where the instrument appointing a proxy is signed by an attorney, the letter or power of attorney or a duly certified copy of the same (unless previously registered with the Company) must be lodged with the instrument appointing a proxy.
3. A Depositor’s name must appear on the Depository Register maintained by The Central Depository (Pte) Limited 48 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

KSH HOLDINGS LIMITED

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

IMPORTANT

1. For investors who have used their CPF monies to buy Shares in the capital of KSH Holdings Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

PROXY FORM FOR EXTRAORDINARY GENERAL MEETING

I/We, _____ (Name)

of _____ (Address)

being a member/members of KSH HOLDINGS LIMITED (the "Company") hereby appoint:-

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)

and/or failing him/them, the Chairman of the Extraordinary General Meeting ("EGM") as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the EGM of the Company to be held at 60 Eu Tong Sen Street, Furama City Centre, Ballroom 2, Level 5, Singapore 059804 on 22 July 2011 at 10.30 a.m., or immediately after the conclusion of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the ordinary and special resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the EGM.

	For	Against
Ordinary Resolution:- (1) To approve the proposed Share Purchase Mandate		
Special Resolution:- (2) To approve the proposed amendment to the Articles of Association by the addition of Article 129A		

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the Ordinary Resolutions as set out in the Notice of Extraordinary General Meeting.)

Signed this _____ day of _____ 2011

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)/Common Seal of
Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF



NOTES:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 36 Senoko Road Singapore 758108 not less than 48 hours before the time set for the meeting.
4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.
6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.