



KSH Holdings Limited

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

NEWS RELEASE

KSH HOLDINGS' EARNINGS SURGE OVER 179.0% TO HIT S\$8.1 MILLION IN 3QFY2013 AND 108.3% TO HIT S\$22.3 MILLION IN 9MFY2013

- *Property Development division continues to achieve third consecutive quarter of strong growth, boosting bottomline*
- *Strong construction order book of approximately S\$461.0 million as at January 31, 2013*
- *Low gearing of 0.23x and healthy fixed deposits, cash and cash equivalents of S\$66.7 million*

S\$'million	3QFY2012	3QFY2013	% Change	9MFY2012	9MFY2013	% Change
Revenue	30.5	52.2	71.4	125.6	164.7	31.1
Profit before taxation	4.3	8.9	108.5	14.5	25.8	78.7
Profit after taxation	3.1	8.3	166.2	11.1	22.7	103.6
Net Profit attributable to Owners of the Company	2.9	8.1	179.0	10.7	22.3	108.3

Singapore, February 7, 2013 – KSH Holdings Limited (“KSH Holdings” or the “Group”) (“金成兴控股有限公司”), a well-established construction, property development and property management group, today announced that its earnings surged over 179.0% to S\$8.1 million on the back of a 71.4% rise in revenue to S\$52.2 million for the third quarter ended December 31, 2012 (“3QFY2013”). With the strong performance of 3QFY2013, the Group’s net profit attributable to shareholders increased by 108.3% to S\$22.3 million for the nine months period ended December 31, 2012 (“9MFY2013”).

Commented Mr Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings, “I am pleased to report a sterling set of results in 3QFY2013 driven by a third consecutive quarter of strong contribution from property development, which boosted both our top and bottomline. We continued to experience stronger than expected performance from property development projects with reputable joint-venture partners, such as The Boutiq, Cityscape@Farrer Park and Rezi 26, which contributed significantly to this quarter’s results.”

“At the same time, our core Construction business also experienced an increase in revenue with ongoing residential projects such as Eight Courtyards, Ardmore Three, Centennia Suites and Seastrand, as well as the additions and alteration work at Mount Alvernia Hospital.”

Performance Review

The Group’s strong 71.4% increase in revenue to S\$52.2 million in 3QFY2013 was mainly driven to a 67.8% rise in revenue from construction business, from S\$29.1 million in 3QFY2012 to S\$48.9 million in 3QFY2013. KSH’s Construction segment contributed 93.5% of the Group’s revenue in the quarter under review; and the remaining 6.5% or S\$3.4 million was contributed by sales of development property and rental income from investment properties.

With the increase in revenue from construction and property development business, cost of construction was correspondingly up 87.6% or S\$19.1 million, from S\$21.9 million in 3QFY2012 to S\$41.0 million in 3QFY2013. Personnel expenses increased 142.8% from S\$2.2 million in 3QFY2012 to S\$5.3 million in 3QFY2013. Other operating expenses decreased by 18.4% to S\$1.8 million in 3QFY2013 mainly due to decrease in provision made for anticipated losses on construction projects as compared to 3QFY2012. Finance cost had increased slightly due to an increase in gearing. There was no significant variation in depreciation expenses.

Property development once again boosted the Group's bottomline – share of results of associates jumped by S\$5.2 million from a loss of S\$0.5 million in 3QFY2012 to a profit of S\$4.7 million in 3QFY2013. This was mainly due to contribution from property development projects, with significant increase in sales and higher recognition of profits in development property projects arising from progress in construction status. This more than mitigated the marginal decline in other income by S\$0.4 million to S\$1.0 million in 3QFY2013, mainly due to a decrease in other income from investment property in the PRC.

Given the above, profit before taxation increased 108.5% from S\$4.3 million in 3QFY2012 to S\$8.9 million in 3QFY2013. Correspondingly, the Group's net profit attributable to shareholders also rose by 179.0% from S\$2.9 million in 3QFY2012 to S\$8.1 million in 3QFY2013.

For 9MFY2013, the Group's total revenue increased 31.1% to S\$164.7 million from S\$125.6 million in 9MFY2012. This was mainly due to the increase in revenue from the construction business to S\$148.3 million in 9MFY2013, which more than offset a decline in sales of development property of S\$7.4 million to S\$12.3 million in 9MFY2013. Thus, net profit attributable to shareholders jumped 108.3% from S\$10.7 million in 9MFY2012 to S\$22.3 million in 9MFY2013, with an increase in both profit from operations and share of results of associates.

As at December 31, 2012, the Group maintained a healthy balance sheet and working capital position, with fixed deposits, cash and cash equivalents of S\$66.7 million. The Group's earnings per share and net asset value stood at 6.1 cents and 39.9 cents respectively, as at December 31, 2012.

Prospects and Growth Plans

Construction demand in the year 2013 is expected to be between S\$26 billion and S\$32 billion according to recently released BCA forecasts, buoyed by public sector demand, with stronger public housing and infrastructure works.

Mr Choo commented, "We have remained resilient given our long track record in Construction. Notwithstanding general macro uncertainties, we have recently been awarded with a new construction project, Q Bay Residences and attained a strong construction order book of approximately S\$461.0 million as at January 31, 2013. We will continue to prudently manage our costs, cognizant of a rising operational cost environment. Whilst paying greater emphasis on public sector construction activities in Singapore, we will also look at opportunities to grow our portfolio of private sector property development projects in Singapore as well as both the public and private sectors in the PRC.

"In Property Development, our recently launched projects were well received in general, with sales either in line with or better than expectations. Rezi 26, Lincoln Suites, The Boutiq and Cityscape@Farrer Park have progressed well in construction and contributed to net profit for 9MFY2013. Profit recognition for Sky Green at Macpherson and Palacio, 96% and 71% sold respectively, is expected to kick in during FY2014. We shall continue to exercise prudence in the evaluation of each opportunity before embarking on any new acquisition or investment, namely with reputable JV partners, in development property projects."

Barring unforeseen circumstances, the Group expects to remain profitable in FY2013.

About KSH Holdings Limited

Listed on the Main Board of SGX-ST on February 8, 2007, KSH is a well-established Construction, Property Development and Property Management group. Incorporated in 1979, the Group has more than 33 years of experience in the Singapore construction industry and is backed by an impressive track record, both in Public and Private Sector construction projects. The Group is registered with the Building and Construction Authority (“BCA”) with an A1 grading under the category CW01 for general building, which is currently the highest grade for contractors’ registration in this category, and allows the Group to tender for Public Sector construction projects of unlimited value. The Group is also registered with an A2 grading under BCA’s CW02 category for civil engineering, which allows it to tender for Public Sector projects for values of up to S\$85.0 million.

The Group has in hand a contract worth S\$142.3 million for the construction of Q Bay Residences, a private condominium in Tampines. Other on-going construction projects carried out by the Group include a contract worth S\$138.4 million for the construction of Eight Courtyards condominium; a contract worth S\$78.7 million for the construction of Ardmore Three condominium; a S\$70.6 million contract to construct Centennia Suites condominium; a S\$53.3 million contract for the construction of The Boutiq, a freehold development located just off the prime Orchard Road shopping belt on Killiney Road; a contract worth S\$110.3 million for the construction of Seastrand condominium; and a contract worth S\$49.9 million for the proposed additions and alterations to the existing Mount Alvernia Hospital.

Besides acting as a main contractor for both the Public and Private Construction sectors in Singapore, and for the Private sector in Malaysia, KSH is also involved in Property Development and Property Management in Singapore as well as in the PRC. Property Development projects in Singapore includes Lincoln Suites at Novena; The Boutiq at Killiney Road; Cityscape@Farrer Park; Rezi 26 at Lor 26 Geylang; The Palacio at Lorang M Telok Kurau and the recently launched Sky Green at Macpherson Road.

More details can be found at www.kimsengheng.com.

ISSUED ON BEHALF OF : KSH Holdings Limited
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd
1 Raffles Place
#26-02 One Raffles Place
Singapore 048616
CONTACT : Ms Dolores Phua / Ms Pearl Lam
at telephone
DURING OFFICE HOURS : 6534-5122 (Office)
AFTER OFFICE HOURS : 9750-8237 / 9781-3518 (Handphone)
EMAIL : dolores.phua@citigatedrimage.com /
pearl.lam@citigatedrimage.com

011/13/002/KSH

February 7, 2013