



KSH Holdings Limited

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

NEWS RELEASE

KSH HOLDINGS NET PROFIT JUMPS 24.1% TO S\$12.3 MILLION IN 2QFY2014

- *Achieves another strong quarterly profit growth on positive sales from Property Development segment and growth in Construction segment*
- *Construction order book of more than S\$405.0 million as at September 30, 2013, remains healthy*
- *Launched projects are in line with or exceed expectations in terms of sales and selling prices*
- *Proposes interim, tax-exempt dividend of 1.25 cents per ordinary share*
- *Low gearing of 0.07x and healthy cash and cash equivalents of S\$76.2 million*

| S\$'million | 2QFY2014 | 2QFY2013 | % Change | 1HFY2014 | 1HFY2013 | % Change |
|--|-----------------|-----------------|---------------------|-----------------|-----------------|---------------------|
| Revenue | 89.1 | 57.3 | 55.4 | 172.3 | 112.5 | 53.2 |
| Profit from operations before share of results of associates | 5.7 | 9.7 | -40.9 | 10.1 | 13.5 | -25.4 |
| Share of results of associates | 7.6 | 2.1 | 268.1 | 15.4 | 3.4 | 359.4 |
| Profit before taxation | 13.3 | 11.8 | 13.2 | 25.5 | 16.9 | 51.0 |
| Net Profit | 12.3 | 9.9 | 24.1 | 23.8 | 14.4 | 65.5 |

Singapore, November 12, 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 jumped to S\$12.3 million for the second quarter ended September 30, 2013 (2QFY2014), from S\$9.9 million in the previous corresponding period (2QFY2013). This was achieved mainly on the back of an increase in Group revenue and a surge in share of results of associates.

Commented Mr Choo Chee Onn (朱峙安), Executive Chairman and Managing Director of KSH Holdings, Building on the momentum achieved in the previous quarter, KSH has delivered another quarter of growth in 2QFY2014, as both our Construction and Property Development business segments have performed well in the period under review. Notably, the Group won a S\$98.9 million contract to construct a mixed-use development this period. We are also pleased that the joint-venture property development projects that the Group has launched have met or exceeded the Group's expectations in terms of sales volume and selling prices.

Proposed Dividend

In view of the Group's healthy balance sheet as well as the strong financial results, and to reward its shareholders for their continuous support, the Board has decided to declare an interim dividend (one-tier tax exempt) 1.25 cents per ordinary share, payable on or about November 29, 2013. This is equivalent to a dividend payout ratio of 21.78% of the Group's net profit attributable to shareholders for 1HFY2014.

Performance Review

In 2QFY2014, the Group's revenue surged 55.4% to S\$89.1 million from S\$57.3 million in the previous corresponding period. This was mainly due to the Construction segment achieving a 49.1% increase in revenue to S\$76.9 million in 2QFY2014, as well as sales of development property surging 148.6% to S\$10.5 million in 2QFY2014, from S\$4.2 million in 2QFY2013. Separately, Other Income increased 52.1% to S\$1.3 million in 2QFY2014, due to an increase in foreign exchange gain, management fees and interest income from associates.

As a result of the growth in construction activities, operating expenses also rose in line with expectations. Cost of construction increased by S\$36.1 million from S\$43.8 million in 2QFY2013 to S\$79.9 million in 2QFY2014, while personnel expenses increased by S\$0.9 million to S\$3.3 million. However, other operating expenses decreased by 57.9% mainly due to a write back of allowance for anticipated losses of construction projects.

The Group recorded further contributions from property development projects from its joint-venture projects. Shares of results of associates surged 268.1% to S\$7.6 million in 2QFY2014 due to an increase in volume or prices of development property sold.

Overall, KSH's profit before taxation increased 13.2% to S\$13.3 million. With a 43.9% lower tax expense of S\$1.1 million, as compared to S\$1.9 million the previous year, KSH's net profit for 2QFY2014 rose 24.1% to S\$12.3 million.

For the half year ended September 30, 2013 (1HFY2014+), the Group's total revenue increased 53.2% to S\$172.3 million from S\$112.5 million for the corresponding half year ended September 30, 2012 (1HFY2013+). This was mainly due to a 49.4% increase in construction business to S\$148.6 million in 1HFY2014, and a 102.5% increase in sales of development property to S\$20.6 million in 1HFY2014.

As at September 30, 2013, the Group maintained a healthy balance sheet and working capital position, with cash and cash equivalents of S\$76.2 million. The Group's earnings per ordinary share and net asset value per ordinary share stood at 5.69 cents and 48.61 cents respectively, as at September 30, 2013.

Prospects and Growth Plans

According to the Ministry of Trade and Industry (MTI), Singapore's economy grew 5.1% year-on-year in the third quarter of 2013. In the same period, the construction sector grew 3.6%. The Monetary Authority of Singapore (MAS) has indicated its expectation that Singapore's economy would continue to expand for the rest of 2013 and into 2014, although some volatility in growth rates is likely.

Mr Choo commented, "Given Singapore's improving economic conditions, the outlook is promising. KSH has a strong construction order book of more than S\$405.0 million¹ and a strong pipeline of construction projects in both the public and private sectors. Notwithstanding sectoral challenges and competition, KSH's extensive track record of quality and safety will stand the Group in good stead."

In the Property sector, prices and sales volumes of residential property are expected to continue moderating, and KSH will focus on growing our portfolio of public and private sector property development projects in Singapore and the People's Republic of China (PRC) via joint-ventures."

Barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance in FY2014.

¹ As at September 30, 2013

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 over 34 years of experience in the Singapore construction industry and is backed by an impressive track record, both in Public and Private Sector construction projects. In May 2013, KSH won two BCA Construction Excellence Awards for the construction of the Fullerton Bay Hotel and NUS University Town's Educational Resource Centre.

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.

Besides acting as a main contractor for both the Public and Private Construction sectors in Singapore, and for the Private sector in Malaysia and the PRC, KSH is also involved in Property Development and Property Management in Singapore as well as the PRC.

More details can be found at www.kimsengheng.com

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