



## **KSH Holdings Limited**

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

### **NEWS RELEASE**

#### **KSH ACHIEVES NET PROFIT OF S\$41.0 MILLION FOR FY2017; PROPOSES BONUS SHARE ISSUE**

- ***Final and special cash dividend of 1.5 SGD cents and 0.5 SGD cent***
- ***Proposes 1-for-4 bonus share issue***
- ***Construction order book remains healthy at over S\$340 million***
- ***Balance sheet remains strong with fixed deposits, cash and bank balances of S\$145.9 million***

**Singapore, May 26, 2017** – Well-established construction, property development and property management group, KSH Holdings Limited (“**KSH**”, 金成兴控股有限公司, or the “**Group**”), announced today revenue of S\$199.3 million and net profit of S\$41.0 million for the financial year ended March 31, 2017 (“**FY2017**”).

Mr Choo Chee Onn (朱峙安), Executive Chairman and Managing Director of KSH Holdings, said, “We are pleased to report a set of resilient results and healthy margins against the challenging operating environment. This lends credence to our ability to select and execute strategic projects, which is only possible through our solid fundamentals – strong balance sheet, comprehensive suite of capabilities, established track record and network.”

“On construction, our efforts to boost productivity and efficiency is reflective in our FY2017 numbers. We’ll continue to employ innovation and automation for greater margin efficiency as we seek high-yield projects to replenish our order book. For the property segment, we look forward to the impending sales launch of our Gaobeidian township project in the PRC to capitalise on rising real estate prices boosted by the favourable announcement of the new Xiongan special economic zone. Meanwhile, our property investments continue to provide a steady stream of recurring income as we work closely with our partners to execute other ongoing development projects.”

## Financial Review

The Group reported FY2017 revenue of S\$199.3 million, an 18.8% dip from \$245.5 million a year ago (“**FY2016**”), mainly due to a 19.1% decline in contribution from the construction segment. Notwithstanding the lower construction revenue, gross profit margin for the segment improved to 21.5% in FY2017 from 15.1% in FY2016.

Due to an overall decline in expenses, KSH’s profits from operations increased 78.7% to S\$32.7 million in FY2017 compared to S\$18.3 million last year.

KSH recorded lower share of results of associated companies of S\$8.5 million in FY2017, with decrease of S\$12.2 million in share of profit recognised from Sequoia Mansion compared to FY2016. The lower contribution from associates was also due to preliminary costs incurred on the Gaobeidian project in the PRC of S\$3.9 million, a S\$3.6 million provision for impairment loss on unsold properties provided by associated companies for financial prudence, and a decrease in sales and percentage-of-completion recognition on Singapore development projects.

Share of results of joint ventures rose to S\$5.7 million on profit recognised from the well-received High Park Residences project, offset by S\$1.4 million provision on impairment loss on unsold properties of a joint venture company in Singapore.

In view of the above, KSH reported FY2017 net profit attributable to owners of the company (“**net profit**”) of S\$41.0 million, a 33.4% decline from S\$61.5 million in FY2016.

KSH’s balance sheet and working capital position remains strong with fixed deposits, cash and bank balances of S\$145.9 million as at March 31, 2017.

The Group’s fully-diluted earnings per share decreased to 8.99 Singapore cents in FY2017 from 13.72 Singapore cents in FY2016 while net asset value per share increased to 70.37 Singapore cents as at March 31, 2017 from 65.44 Singapore cents as at March 31, 2016.

## **Proposed Final Dividend & Bonus Issue**

To thank shareholders for their support, the Group has proposed final and special cash dividends of 1.5 SGD cents and 0.5 SGD cent per share, respectively, bringing the total dividends declared in FY2017 to 3.25 cents per share.

KSH has also proposed to issue one bonus share for every 4 existing shares. The bonus issue is subject to approval from the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing and quotation of the Bonus Shares on the Official List of the SGX-ST.

## **Prospects and Outlook**

On the construction sector, the Building and Construction Authority of Singapore (“**BCA**”) had projected demand to reach between S\$28 billion and S\$35 billion in 2017, 70% of which are to be derived from the public sector.

Advanced estimates from the Ministry of Trade and Industry Singapore (“**MTI**”)<sup>1</sup> also showed a 1.1% contraction in the construction sector year-on-year in 1Q2017, sustaining the 2.8% decline in the preceding quarter due mainly to a slowdown in private sector construction activities. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector grew 5.4%, compared to a 0.8% growth in 4Q 2016.

“Our order book remains healthy at S\$340 million, as at March 31, 2017. Although the operating environment remains challenging, we believe our requisite credentials and track record in public construction projects, and close relationships with strategic customers in the private space will allow us to remain resilient,” added Mr Choo.

The Group had in March 2017 clinched a S\$145.7 million contract from National University of Singapore (“**NUS**”), to erect a research building comprising 16 floors and a basement. KSH is concurrently serving a term contract with NUS for addition and alteration works.

---

<sup>1</sup> Ministry of Trade and Industry, April 13, 2017 – [Singapore's GDP grew by 2.5 per cent in the first quarter of 2017](#)

On Singapore's real estate outlook, latest statistics from the Urban Redevelopment Authority ("URA") showed that developers sold 1,555 private homes in April 2017, double that of the 750 units sold in April 2016, signalling healthy demand from the market<sup>2</sup>. The URA's 1Q 2017 real estate statistics also showed a gentler 0.4% decline in private residential property prices, compared to the 0.5% dip in 4Q 2016<sup>3</sup>.

Meanwhile, prices and rentals of office space continue its decline in 1Q2017, decreasing 4.0% and 3.4%, respectively, compared to the 0.6% and 1.8% decline in 4Q2016, due mainly to oncoming pipeline supply.

The Group had recently announced in April 2017 that the consortium of investors for its investment in Prudential Tower has sold a further 8 strata-titled office units. Including this latest sale, approximately 97.5% of the Grade-A office building has been sold. KSH's share of profits from the latest sale is expected to be recognised in the next financial year ending March 31, 2018.

As at March 31, 2017, the Group launched 15 projects and sold approximately 95.8% of its launched units. This translates into S\$163.2 million of attributable share of progress billings to be progressively recognised.

Together with its partners, the Group is also progressively executing its ongoing development projects. In Singapore, it has soft launched 121 Collection on Whitley – freehold housing in prime District 11 and targets to launch its Geylang project in FY2018. Recently, the Group has also announced the acquisition of Rio Casa at Hougang with site area of approximately 36,811.1 square metres for redevelopment by its 35%-owned associated company.

In the PRC, the Group is awaiting necessary approvals to launch Phase 1 of its Gaobeidian project for sale this year to capitalise on a recent surge in prices due mainly to the announcement of the new Xiongan special economic zone<sup>4</sup>.

---

<sup>2</sup> *Business Times*, May 16, 2017 – [April new home sales more than double year-ago showing: URA](#)

<sup>3</sup> *Urban Redevelopment Authority*, January 26, 2017 – *Release of 4<sup>th</sup> Quarter 2016 real estate statistics*

<sup>4</sup> *Straits Times*, April 3, 2017 – [Xiongan is China's new special economic zone](#)

In the United Kingdom, the Group's 10%-owned LUMA CONCEPT HOTEL in London has commenced operations following a recent facelift. The hotel is expected to contribute positive recurring profit to KSH going forward. KSH and its partners have also recently entered into a franchise agreement with international hotel operator Hilton for its 192-bedroom hotel in Leeds, part of the first phase of a new landmark regeneration project developed by the consortium.

Barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance for the financial year ending March 31, 2018.

### **About KSH Holdings Limited**

KSH Holdings Limited (“**KSH**”, 金成兴控股有限公司, or the “**Group**”) is a well-established Construction, Property Development and Property Investment group incorporated in 1979 and listed on the Mainboard of the SGX-ST since February 8, 2007.

KSH is an A1-graded contractor under BCA CW01, with the ability to tender for Public Sector construction projects of unlimited value, and is a main contractor for both public and private sectors in Singapore. KSH also has an A2 grading under BCA's CW02 category for civil engineering, which allows KSH to tender for Public Sector projects for values of up to S\$85 million.

KSH has a proven capability of handling construction projects across a broad spectrum of industries and its projects have performed well in CONQUAS, a standard assessment system on the quality of building projects. For the construction of Fullerton Bay Hotel and NUS University Town's Education Resource Centre, KSH had received two BCA Construction Excellence Awards in May 2013.

Since listing, KSH had broadened its business portfolio and grown its geographical presence. Beyond its core construction business, the Group is also actively engaged in property development and investment with residential, mixed and commercial projects geographically diversified across the Asia-Pacific and Europe regions.

---

ISSUED ON BEHALF OF : KSH Holdings Limited  
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd  
55 Market Street  
#02-01  
Singapore 048941  
CONTACT : Ms Dolores Phua  
at telephone  
DURING OFFICE HOURS : 6534-5122  
EMAIL : [dolores.phua@citigatedrimage.com](mailto:dolores.phua@citigatedrimage.com)

---

May 26, 2017