



## **KSH Holdings Limited**

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

### **NEWS RELEASE**

#### **KSH ACHIEVES 12.9% GROWTH IN NET PROFIT TO S\$10.3 MILLION ON S\$43.0 MILLION REVENUE IN 3QFY2018**

- ***Order book remains strong at S\$587.0 million***
- ***S\$104.4 million of attributable share of progress billings to be progressively recognised***
- ***Strong fixed deposits, cash and bank balances of S\$91.4 million***

**Singapore, February 9, 2018** – 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 that its revenue and net profit for the third quarter ended December 31, 2017 (“**3QFY2018**”) rose 19.7% and 12.9% to S\$43.0 million and S\$10.3 million, respectively.

Mr Choo Chee Onn (朱峙安), Executive Chairman and Managing Director of KSH, said, “We are pleased to report resilient performance this quarter, as we remain focused on the execution of our current projects and upcoming property launches to capitalise on the recovery of the property market. Alongside our partners, we continue to take a prudent stance on accumulating attractive sites both in Singapore and abroad to ensure sustainable long term growth. Concurrently, we continue to selectively tender for strategic construction projects that offers healthy margins to strengthen our order book.”

## Financial Review

Revenue of S\$43.0 million achieved in 3QFY2018 was a 19.7% rise from S\$35.9 million in the equivalent quarter a year ago ("**3QFY2017**"). The higher topline achieved was buoyed by a 20.3% increase in construction revenue and a 3.6% growth in rental income.

As a result of effective project management, construction margins remained strong at 22.6%, a slight drop compared to 23.1% recorded a year ago. As at December 31, 2017, KSH's order book remains strong at S\$587.0 million.

Correspondingly, mainly in line with the revenue growth, KSH recorded a 53.9% rise in profit from operations before share of associates and joint ventures of S\$7.8 million, compared to S\$5.0 million in 3QFY2017.

With year-on-year decline in sales and percentage of completion revenue recognised on development projects in Singapore, share of results of associates decreased 89.4% in 3QFY2018 to S\$0.1 million; while share of results of joint ventures dipped 7.2% to S\$3.8 million.

In view of the above, KSH achieved net profit attributable to owners of the company of S\$10.3 million for the financial period under review, a 12.9% increase from the S\$9.1 million reported in 3QFY2017.

The Group's balance sheet and working capital position remain strong with fixed deposits, cash and bank balances of S\$91.4 million as at December 31, 2017.

KSH's earnings per share increased to 1.80 Singapore cents in 3QFY2018 from 1.60 Singapore cents in 3QFY2017. Net asset value of the Group excluding non-controlling interests increased from S\$320.7 million as at March 31, 2017 to S\$327.7 million as at December 31, 2017. The net asset value per share was 57.52 Singapore cents as at December 31, 2017.

## Prospects and Outlook

### Construction

Advance estimates from the Ministry of Trade and Industry (“**MTI**”) showed that the Singapore economy grew 3.1% year-on-year (“**y-o-y**”) in the fourth quarter of 2017. For 2017, the economy grew by 3.5%, in line with earlier forecasts of 3.0% to 3.5%<sup>1</sup>.

The construction sector contracted 8.5% in 4Q2017 on a y-o-y basis, continuing the 7.7% decline in 3Q2017, weighed down by continued weakness in the private sector<sup>1</sup>.

The Building and Construction Authority (“**BCA**”) had projected the total value of construction contracts to be awarded this year to reach between \$26.0 billion and \$31.0 billion, with 60% of the projects coming from the public sector, amounting to between \$16 billion to \$19 billion<sup>2</sup>. The BCA also expects public construction demand to be led by civil engineering projects.

KSH had in 3QFY2018 been awarded a new civil engineering project, commenting on this, Mr Choo said, “This is a strategic contract win for us, proving that our decision to expand our civil engineering business is a step in the right direction. We will continue to pursue such projects that will broaden our track record and deepen our expertise in civil engineering.”

“With a healthy pipeline of major public projects, we remain optimistic of the outlook of the construction sector. We have most recently clinched new public construction contracts in December 2017 and January 2018. This is a great way to conclude 2017 and start the new year in 2018 as we look forward to further growth opportunities.”

---

<sup>1</sup> Ministry of Trade and Industry Singapore, 2 January 2018 – Singapore’s GDP Grew by 3.1 Per Cent in the Fourth Quarter of 2017

<sup>2</sup> Building and Construction Authority, January 11, 2018 – Public Sector construction demand is expected to strengthen this year

In response to expectations for construction costs to continue escalating, KSH intends to tap on government grants to adopt advanced systems, technologies and equipment to enhance productivity and efficiencies, thereby protecting margin efficiencies.

“With our A1 grade, we are able to participate in tenders of any size, widening the opportunities we could capture, alongside our comprehensive suite of capabilities, strong balance sheet for financial flexibility, high productivity, and proven track record of private and public projects,” added Mr Choo.

### Property Development & Investment

For the private residential property segment, the Urban Redevelopment Authority’s (“URA”)<sup>3</sup> 4Q2017 real estate statistics reflected a 0.8% increase in private residential property prices, following the 0.7% growth in the preceding quarter. For the whole of 2017, prices rose by 1.1% compared to the 3.1% decline in the previous year.

According to URA, developers sold 10,566 units last year, a 32.5% increase compared to 7,972 units sold in 2016<sup>3</sup>. The number of units sold also outweighs the 6,020 units launched in 2017.

Poised to take advantage of this turnaround, KSH currently counts the development sites of Serangoon Ville, Woodleigh Lane that is adjacent to the up-and-coming Bidadari New Town and Rio Casa in Hougang as the latest additions to its land bank.

The Group has locked-in approximately S\$104.4 million of attributable share of progress billings that will be progressively recognised as sales revenue, having sold about 96.1% of its launched units for sale.

---

<sup>3</sup> Urban Redevelopment Authority, January 26, 2018 – Release of 4<sup>th</sup> Quarter 2017 real estate statistics

The URA data<sup>4</sup> also showed a 2.7% increase in prices of office space in 4Q2017, exceeding the 0.4% growth in 3Q2017 while rentals grew 2.6% during the quarter, continuing the 2.4% increase in 3Q2017. For the whole of 2017, prices of office space decreased at a gentler rate of 2.4% compared to the 2.8% decline in 2016 while rentals rose 0.4%, reversing from the 8.2% decline in 2016.

KSH's investment in grade A office building, Prudential Tower, continues to contribute healthy recurring income to the Group, and is well positioned and located to capitalise on the expected upturn of the office market.

In China, the consortium continues to monitor market conditions as it awaits necessary approvals to launch Phase 1 of its Gaobeidian township project for sale. Gaobeidian and its vicinity has seen a surge in property prices recently due mainly to the announcement of the new Xiongan special economic zone.

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.

---

<sup>4</sup> Urban Redevelopment Authority, January 26, 2018 – Release of 4<sup>th</sup> Quarter 2017 real estate statistics

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 Singapore Pte Ltd 55 Market Street #02-01 Singapore 048941
CONTACT	:	Ms Dolores Phua / Ms Amelia Lee at telephone
DURING OFFICE HOURS	:	6534-5122
EMAIL	:	<a href="mailto:dolores.phua@citigatedewerogerson.com">dolores.phua@citigatedewerogerson.com</a> <a href="mailto:amelia.lee@citigatedewerogerson.com">amelia.lee@citigatedewerogerson.com</a>

---