



KSH Holdings Limited

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

NEWS RELEASE

KSH ACHIEVES 11.6% GROWTH IN NET PROFIT TO S\$4.4 MILLION ON 58.2% REVENUE GROWTH TO S\$35.2 MILLION FOR 2QFY2019

- *Revenue boosted by improved construction revenue*
- *Order book lifted to over S\$553.0 million¹ with the award of three contracts this quarter, to be progressively recognised up to FY2022*
- *Three newly launched property developments were well-received by the market with more than 1,600 units sold to-date²*
- *Expanded recurring income stream with portfolio of overseas hospitality assets in Japan and the United Kingdom*

Singapore, 14 November 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 a 58.2% growth in revenue to S\$35.2 million for the financial quarter ended 30 September 2018 (“**2QFY2019**”), mainly boosted by improved construction revenue.

Mr Choo Chee Onn (朱峙安), Executive Chairman and Managing Director of KSH Holdings, said, “It has been an eventful financial quarter with our sustained performance amidst a challenging business environment, built upon our established track record in construction, property development and property investment, across geographies and industries. We will continue to maintain a long-term view on business and sustainable growth going forward, while ensuring financial prudence and operational efficiency.”

¹ As at 30 September 2018

² As at 14 November 2018

Financial Review

KSH achieved a significant 58.2% revenue growth to S\$35.2 million in 2QFY2019, compared to S\$22.3 million in 2QFY2018. This was mainly due to a 62.7% or S\$13.0 million increase in construction revenue to S\$33.8 million during the quarter under review, compared to S\$20.8 million in the same corresponding period a year ago. Rental income from investment properties remains relatively steady at S\$1.5 million this quarter.

Other operating income rose 22.1% to S\$2.6 million in 2QFY2019 compared to S\$2.1 million in 2QFY2018, mainly due to interest income from loans to associates and joint ventures.

Share of results of joint ventures grew by 21.5% to S\$3.5 million in 2QFY2019 mainly due to an increase in profit recognised from the residential development project – High Park Residences – as the construction progressed, offset by expenses incurred for Park Colonial launched in July 2018.

The loss from share of results of associates decreased by S\$0.9 million during the quarter due to the gain from disposal of subsidiaries by an associated company, which held strata units in Prudential Tower. The gain was offset by expenses incurred from Affinity@ Serangoon and Riverfront Residences, launched in June and July 2018 respectively.

On the whole, KSH reported a net profit attributable to owners of company of S\$4.4 million in 2QFY2019, an 11.6% increase from 2QFY2018.

The Group's balance sheet and working capital position remained healthy with fixed deposits, as well as cash and bank balances of S\$89.7 million as at 30 September 2018.

The Group's fully-diluted earnings per share for 2QFY2019 was 77 Singapore cents while the net asset value per share as at 30 September 2018 was 59 Singapore cents.

For the six-month financial period ended 30 September 2018 (“**1HFY2019**”), KSH reported a 42.5% increase in total revenue to S\$76.1 million, compared to S\$53.4 million in the same period last year (“**1HFY2018**”) mainly due to an increase in construction revenue. Net profit attributable to owners of company increased by 2.2% to S\$10.4 million in 1HFY2019, compared to S\$10.1 million in 1HFY2018.

Prospects and Outlook

Construction

Despite weakness in the construction sector, the contraction is expected to bottom out in view of improved construction demand since September 2017. According to the Building and Construction Authority (“**BCA**”), total construction demand increased by 14.8% year-on-year to S\$5.6 billion in 2Q2018, supported by more construction orders for both public and private residential developments, and public civil engineering works.

BCA remains optimistic on pipeline demand, with public sector construction demand projected to maintain at the earlier forecast of S\$16.0 billion to S\$19.0 billion, underpinned by higher construction demand for institutional and other building developments, and civil engineering works. Likewise, private sector construction demand is forecasted to reach between S\$10.0 billion and S\$12.0 billion, supported by redevelopment of en-bloc sale sites transacted before the recent property cooling measures.

On 24 August 2018, KSH announced that it has secured a S\$266.3 million contract to build nine 17-storey apartment blocks at Riverfront Residences, which is 35%-owned by the Group, expected to complete in 2022. Together with the S\$53.8 million and S\$28.0 million construction contracts awarded on 2 August 2018 and 10 August 2018 respectively, KSH’s order book is lifted to more than S\$553.0 million as at 30 September 2018, to be progressively recognised up to FY2022.

Property Development & Investment – Singapore

The Urban Redevelopment Authority (“**URA**”) announced that private residential property prices edged up 0.5% this quarter, a sharp fall from the 3.4% price rise in the previous quarter, due to property cooling measures from July this year. During the quarter, developer’s sales jumped 27.3% quarter-to-quarter, to 3,012 private homes from 2,366 units sold in the previous quarter.

Together with its partners, KSH has launched three pipeline projects for sale this financial year – Affinity at Serangoon (formerly “Serangoon Ville”) in June 2018; Riverfront Residences (formerly “Rio Casa”) and Park Colonial at Woodleigh Lane adjacent to the up-and-coming Bidadari New Town in early July 2018. Overall, these projects have achieved 18.4%, 49.5% and 62.5% units sold respectively, based on options signed by buyers, achieving prices within expectation.

On 20 September 2018, KSH announced the completion of the sale of seven strata office units at the Grade A Prudential Tower in prime Raffles Place that is valued at approximately S\$130.1 million. The sale is expected to contribute positively to the results of the current financial year ending 31 March 2019 (“**FY2019**”).

Property Development & Investment – Overseas

KSH has made steady progress overseas this quarter, with the expansion of its hospitality portfolio in Japan and the United Kingdom (“**UK**”).

On 13 August 2018, the Group announced the joint acquisition of Smile Hotel Asakusa in Tokyo, Japan, together with its partner Heeton Holdings Limited (“**Heeton**”), with an effective interest of 30% and 70% respectively.

Separately in the UK, KSH further expanded its footprint in October 2018, with the joint acquisition of Hotel Indigo Glasgow in Glasgow, Scotland, alongside its partners — Heeton and Lian Beng Group Ltd (“**Lian Beng**”). The consortium is led by Heeton, which holds an effective interest of 60% while KSH and Lian Beng have effective interests of 20% each.

The Group currently has eleven hotel properties investments overseas, of which seven are in operation and generating recurring income.

Mr Choo commented, “We are heartened and encouraged by the positive progress made both in Singapore and overseas. Despite the tightening of the cooling measures locally, the three new property developments launched were well-received by the market, having sold more than 1,600 units to-date³.”

“Abroad, we have expanded our recurring income stream through the expansion of a portfolio of hospitality assets. We have made a joint acquisition of Smile Hotel Asakusa in Tokyo, Japan, and broadened our reach beyond England with the acquisition of Hotel Indigo Glasgow in Glasgow, Scotland.”

“The Group also demonstrated great synergies between the property development and construction pillars within our diversified business model, playing a dual-role as both joint-developer and contractor, taking lead in the construction of Riverfront Residences. Moving forward, we will continue to strive to raise productivity through technology adoption and innovative measures, while streamlining operation processes to reduce expenses, and continue to explore yield-accretive investment opportunities to bolster our recurring income stream.”

Barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance for FY2019.

³ As at 14 November 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 Singapore Pte Ltd 55 Market Street #02-01 Singapore 048941
CONTACT	:	Ms Dolores Phua / Ms Samantha Koh at telephone
DURING OFFICE HOURS	:	6534-5122
EMAIL	:	dolores.phua@citigatedewerogerson.com samantha.koh@citigatedewerogerson.com
