



KSH Holdings Limited

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

NEWS RELEASE

KSH HOLDINGS' EARNINGS UP 50.3% TO S\$33.5 MILLION IN 9MFY2014

- **Group Revenue of S\$265.5 million in 9MFY2014 surpasses 9MFY2013's by 61.2%, driven by growth across all three business segments**
- **Share of results of associates surges 148.5% to S\$20.1 million in 9MFY2014**
- **Strong cash and cash equivalents of S\$144.6 million**
- **Healthy construction order book of more than S\$385.0 million¹**

S\$'million	9MFY2014	9MFY2013	% Change	3QFY2014	3QFY2013	% Change
Revenue	265.5	164.7	61.2	93.2	52.2	78.4
Profit from operations before share of results of associates	16.5	17.7	-7.1	6.4	4.2	51.8
Share of results of associates	20.1	8.1	148.5	4.7	4.7	-1.3
Net Profit attributable to Owners of the Company	33.5	22.3	50.3	9.9	8.1	22.0

Singapore, February 11, 2014 – 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 for the nine months ended December 31, 2013 (“**9MFY2014**”) has increased 50.3% to S\$33.5 million. In the same period, Group Revenue also rose by 61.2% to S\$265.5 million, as the Group achieved higher revenue from all its three business segments.

¹ As at December 31, 2013

Mr Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings, commented “I am pleased with our financial performance, notably the strong topline for 9MFY2014, which has surpassed the topline for 9MFY2013. This attests to our strong expertise in our core construction business, which has positioned us well in tenders. Additionally, we also continue to share the success of our joint-venture property development projects. Apart from these, our acute understanding of property development and property management in Singapore, China and Malaysia has allowed us to identify and seize suitable opportunities.

“KSH’s strong fundamentals and proven ability to deliver what we commit to has paved the way for a successful inaugural issue of the S\$75.0 million 5.25% Fixed Rate Notes in November 2013, as part of our S\$300.0 million multicurrency Medium Term Note Programme. Along with strong cash and cash equivalents of S\$144.6 million at hand, the Group has harnessed strong financial flexibility to pursue our regional expansion plans in Asia.

”We are pleased to have made our maiden entry into property development in Malaysia with the acquisition of freehold land which we intend to develop into a mixed development. Given our successful track record in Singapore, we are ready to look into geographical diversification into overseas markets to bring value to shareholders.”

In line with the Group’s strategy to further expand its regional presence, a 40% owned associated company of the Group had entered into a Sales and Purchase Agreement on January 15, 2014 to acquire 26 plots of freehold land measuring approximately 679,460 square feet in Klang, Negeri Selangor in Malaysia. The site may potentially be developed into a mixed development, and form part of a proposed business park, which is expected to be developed as an all-inclusive business enclave with a unique mix of residential and commercial space.

Performance Review

In 9MFY2014, the 61.2% increase in Group Revenue was due to an increase in revenue from all three business segments. Revenue from the Construction segment grew 55.4% to S\$230.6 million in 9MFY2014 from the previous corresponding period (“9MFY2013”). Sales of Development property surged 144.7% to S\$30.2 million, and revenue from property management segment also grew 16.8% to S\$4.7 million during the period under review.

Operating expenses rose in line with the increase in Group Revenue. Cost of construction increased by S\$106.2 million to S\$239.2 million, as the construction and development property business also rose in the nine months period under review. Finance costs increased by S\$0.6 million to S\$1.8 million due to an increase in borrowings and interest rates. However, with a decrease in provision of the Group’s workforce’s bonuses, personnel expenses decreased by S\$1.5 million to S\$8.1 million in 9MFY2014. Other operating expenses decreased by S\$2.0 million to S\$3.1 million in 9MFY2014, mainly due to a write back of allowance for anticipated losses of construction projects, which has been realised as cost of construction in the nine months period under review.

Separately, share of results of associates surged 148.5% from S\$8.1 million in 9MFY2013 to S\$20.1 million in 9MFY2014, as the property development projects by the Group’s joint ventures continued to progress. Other Income also rose 35.9% to S\$4.6 million mainly due to the increase in foreign exchange gain, management fees and interest income from associates.

Given the above, the Group’s net profit attributable to shareholders rose 50.3% to S\$33.5 million in 9MFY2014.

As at December 31, 2013, the Group has a healthy balance sheet and working capital position, with fixed deposits, cash and cash equivalents of S\$144.6 million, and a net debt-to-equity ratio of 0.04 times. Cumulatively, the Group's earnings per share and net asset value stood at 8.08 cents and 49.99 cents respectively, as at December 31, 2013².

For the third quarter ended December 31, 2013 ("**3QFY2014**"), the Group achieved earnings of S\$9.9 million on the back of a 78.4% rise in revenue to S\$93.2 million in 3QFY2014, as the Group achieved higher sales from all its three business segments.

Prospects and Growth Plans

Singapore, with its strong fundamentals, is expected to benefit from the economic recovery in the United States, Europe and China in 2014³. Construction demand in the year 2014 is expected to be between S\$31.0 billion and S\$38.0 billion, due to the expansion of public sector demand as well as stronger institutional and civil engineering construction works⁴.

Mr Choo concluded, "Notwithstanding the tightening of manpower policies in Singapore, which continues to add cost pressures, there are still opportunities in Singapore's construction and property sectors. As KSH continues to prudently manage our costs, we will also focus on expanding our regional presence. As we navigate forward, we will look for opportunities to grow our portfolio of public and private sector property development projects in Singapore, Malaysia and the People's Republic of China. "

Barring unforeseen circumstances, the Group expects to remain profitable in FY2014.

² Based on issued shares of 414,353,307 shares

³ Ministry of Trade and Industry of Singapore

⁴ Building and Construction Authority, Singapore

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. 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, KSH is also involved in Property Development and Property Management in Singapore as well as the People’s of Republic of China.

More details can be found at www.kimsengheng.com

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