



KSH Holdings Limited

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

NEWS RELEASE

KSH HOLDINGS' NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS SURGES APPROXIMATELY 66% TO S\$4.3 MILLION IN 1QFY2013

- ***Healthy construction order book of S\$416.0 million as at June 30, 2012***
- ***Healthy balance sheet with low gearing of 0.17x and cash and cash equivalents and fixed deposits of S\$53.3 million***

Singapore, August 13, 2012 – KSH Holdings Limited (“KSH Holdings” or the “Group”) (“KSH控股有限公司”), a well established construction, property development and property management group, today announced a 66.0% or approximately S\$1.7 million surge in net profit attributable to shareholders to S\$4.3 million for the three months period ended June 30, 2012 (“1QFY2013”) from S\$2.6 million for the corresponding period ended June 30, 2011 (“1QFY2012”). This was achieved on a 35.3% increase in Group revenue to S\$55.2 million in 1QFY2013, from S\$40.8 million in 1QFY2012.

Commented Mr Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings, “We are pleased with this quarter’s results and we view the enhanced growth as the fruit of an ongoing rebalancing of our portfolio between construction and property development. In construction business, we have a good mix of projects in both public and private sectors and in property development, we are pleased that property sales from the launched projects have started to contribute to the Group’s financial performance this quarter.”

Performance Review

Group revenue increased 35.3% from S\$40.8 million in 1QFY2012 to S\$55.2 million in 1QFY2013 largely due to an increase in construction business and sales from development property. Construction revenue increased 21.5% from S\$39.4 million in 1QFY2012 to S\$47.9 million in 1QFY2013, contributing 87% to Group revenue, and remains as the Group's stronger topline contributor in 1QFY2013.

Revenue from property developments amounted to S\$6.0 million as compared to nil in the past corresponding period, contributing 11% to Group revenue. The Property management segment contributed the remaining S\$1.3 million to Group revenue in 1QFY2013.

Cost of construction arising from construction business and development property increased from S\$33.3 million in 1QFY2012 to S\$48.1 million in 1QFY2013, and significantly contributed to an increase in operating expenses from S\$37.0 million in 1QFY2012 to S\$52.8 million in 1QFY2013. Separately, other operating expenses increased to S\$1.9 million in 1QFY2013 mainly due to provision for anticipated losses of construction projects and an increase in sales tax.

Other operating income increased to S\$1.5 million in 1QFY2013 largely due to a gain from sale of investment property in People's Republic of China ("PRC") amounting to S\$0.8 million in 1QFY2013 and an increase in interest income from associates of S\$0.2 million.

Shares of results of associates turnaround to S\$1.3 million in 1QFY2013 from a loss of S\$0.8 million in 1QFY2012 due to contribution from development property projects of associates.

Overall, the Group's profit attributable to shareholders increased from S\$2.6 million in 1QFY2012 to S\$4.3 million in 1QFY2013.

As at June 30, 2012, the Group maintained a healthy balance sheet and working capital position, with low gearing of 0.17x and with cash and cash equivalents and fixed deposits of S\$53.3 million.

The Group's earnings per share and net asset value stood at 1.23 SGD cents and 40.23 SGD cents respectively, as at June 30, 2012.

Prospects and Growth Plans

The pace of the global economy's recovery is dragged by the eurozone debt crisis, uncertainties over the fiscal outlook of the United States and the economic slowdown in PRC and India. Invariably, these events have also affected Singapore's economy. Based on an announcement by Ministry of Trade and Industry ("MTI") on 10 August 2012, Singapore's economy grew by 2.0% on a year-on-year basis in the second quarter of 2012, compared to 1.5% in the preceding quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 0.7%, reversing the 9.5% growth in the previous quarter. Singapore's GDP growth forecast for 2012 has been narrowed from 1.0%-3.0% to 1.5% to 2.5%.

Mr Choo commented, "In addition to macro uncertainties, the construction sector remains affected by price swings in materials, rising costs and shortage of labour and equipment. However, we have a good order book of approximately S\$416.0 million comprising construction projects from both public and private sectors."

The Construction sector in Singapore grew by 5.3% on a year-on-year basis, compared to 6.9% in the preceding quarter and the annualised growth in the sector decelerated on a quarter-on-quarter basis from 27.9% to 0.9% largely due to a slowdown in construction activities in the institutional and others segments.

Mr Choo commented, "With the Group's solid track record of construction projects in both public and private sectors, long-standing partnerships with our business partners and resilient fundamentals, the Group is well-positioned to navigate the uncertain environment and seize suitable opportunities."

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 33 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.

The Group had recently been awarded a contract worth S\$53.3 million for the construction of The Boutiq, a freehold development located just off the prime Orchard Road shopping belt on Killiney Road. Other on-going construction projects carried out by the Group include a contract worth S\$110.28 million for the construction of Seastrand – a condominium development, a contract worth S\$49.9 million for the proposed additions and alterations to the existing Mount Alvernia Hospital, a contract worth S\$138.4 million for the construction of Eight Courtyards condominium, a contract worth S\$78.7 million for the construction of Ardmore Three condominium, a S\$70.6 million contract to construct Centennia Suites condominium and a S\$49.1 million contract from the Ministry of Education, Singapore for the construction of 2 new primary schools.

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 in PRC.

More details can be found at www.kimsengheng.com.

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