



KSH Holdings Limited

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

HALF YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2007



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2007

1 (a) A income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement	The Group		
	Period ended 30.09.2007	Period ended 30.09.2006	% increase/ (decrease)
	S\$'000	S\$'000	
REVENUES			
Project revenue	77,932	59,749	30
Rental income	1,742	1,734	0
	79,674	61,483	30
Other operating income	1,067	442	141
Cost of construction	(71,979)	(54,928)	31
Personnel expenses	(2,686)	(1,820)	48
Depreciation of property, plant and equipment (PPE)	(257)	(235)	9
Other operating expenses	(1,069)	(1,262)	(15)
Finance costs	(913)	(787)	16
	(76,904)	(59,032)	30
Profit from operations before share of results of associated company	3,837	2,893	33
Share of results of associated company	(12)	576	(102)
Profit before taxation	3,825	3,469	10
Tax expense	(790)	(751)	5
Profit for the period	3,035	2,718	12
Attributable to:			
Equity holders of the Company	2,867	2,421	18
Minority interests	168	297	(43)
	3,035	2,718	12

Notes

The Group's profit before taxation is arrived at after (charging)/crediting the following :-

	The Group		
	Period ended 30.09.2007	Period ended 30.09.2006	% increase/ (decrease)
	S\$'000	S\$'000	
Interest Income	155	83	87
Net gain/(loss) on sale of investment property and PPE (Note A)	405	(8)	<i>nm</i>
Foreign exchange gain	294	118	149
Interest expense	(905)	(729)	24
Profit after taxation but before minority interests as a percentage of turnover	3.81%	4.42%	(14)
Profit after taxation attributable to equity holders of the Company as a percentage of the Group's Issued Capital and Reserves before Minority interests at 30 September 2007 and 30 September 2006	6.23%	6.74%	(8)

nm : Not meaningful

Note A : Net gain/(loss) on sale of investment property and PPE

	30.09.2007 S\$'000	30.09.2006 S\$'000
Net gain/(loss) on sale of PPE	447	(8)
Net loss on sale of investment property	(42)	-
	405	(8)

BALANCE SHEET AS AT SEPTEMBER 2007
1(b)(i) A balance sheet (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	30.09.2007	31.03.2007	30.09.2007	31.03.2007
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	5,510	4,443	-	-
Investment in subsidiaries	-	-	57,516	57,516
Investment in associated company	7,533	7,668	-	-
Investment in joint-venture company	250	-	-	-
Intangible assets	60	-	-	-
Other investments	1	1	-	-
Investment properties	5,000	6,900	-	-
Due from minority shareholders of a subsidiary (non-trade)	2,222	2,205	-	-
Due from joint-venture company	5,825	-	-	-
	26,401	21,217	57,516	57,516
Current assets				
Completed properties held for sale	47,589	47,218	-	-
Consumable stock	17	16	-	-
Trade receivables	28,232	22,825	-	-
Other receivables and deposits	4,570	2,285	66	43
Prepayments	297	304	26	11
Due from subsidiaries (non-trade)	-	-	405	537
Construction work-in-progress in excess of progress billings	21,043	14,458	-	-
Security bonds	2,000	2,000	-	-
Fixed deposits	7,533	12,417	-	8,066
Cash and bank balances	19,697	8,897	193	446
	130,978	110,420	690	9,103
Current liabilities				
Trade payables	12,855	8,040	-	-
Other payables and accruals	47,096	42,176	650	1,608
Due to a subsidiary (non-trade)	-	-	184	1
Due to an associated company (non-trade)	562	571	-	-
Finance lease obligations (current portion)	363	84	-	-
Provision for income tax	1,105	920	-	-
Progress billings in excess of construction work-in-progress	112	-	-	-
Short-term bank loan, secured	-	67	-	-
Bank term loans, secured	8,694	1,978	-	-
Bank overdrafts, secured	1,765	385	-	-
Bills payable to banks, secured	14,244	9,589	-	-
	86,796	63,810	834	1,609
Net current assets/(liabilities)	44,182	46,610	(144)	7,494
Non-current liabilities				
Other payables	100	102	-	-
Due to a subsidiary (non-trade)	-	-	27,594	32,510
Finance lease obligations (non-current portion)	873	234	-	-
Bank term loans, secured	12,913	11,741	-	-
Deferred tax liabilities	2,231	2,217	-	-
	16,117	14,294	27,594	32,510
NET ASSETS	54,466	53,533	29,778	32,500
Equity attributable to equity holders of the Company				
Share capital	21,956	21,956	21,956	21,956
Translation reserve	(209)	(312)	-	-
Accumulated profits/(losses)	24,280	23,616	7,822	10,544
	46,027	45,260	29,778	32,500
Minority interests	8,439	8,273	-	-
Total Equity	54,466	53,533	29,778	32,500

BORROWINGS AND DEBT SECURITIES**1(b)(ii) Aggregate amount of Group's borrowings and debt securities**

Amount repayable in one year or less, or on demand			
As at 30.09.07		As at 31.03.2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
25,066	-	12,103	-

Amount repayable after one year			
As at 30.09.07		As at 31.03.2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
13,786	-	11,975	-

Details of any collateral :

The Group's borrowings are secured by way of :

- 1) Assignment of progress payments from the developer for certain on-going construction projects ;
- 2) Letter of assignment of all progress payments and retention monies due to the Group ;
- 3) Joint and several personal guarantees of the directors of the Company ;
- 4) Corporate guarantee issued by the Company and a subsidiary ;
- 5) First legal mortgage on the investment property and leasehold factory building of a subsidiary ;
- 6) Charge on fixed deposits and security bonds ; and
- 7) First charge over the contract proceeds/project account arising from a construction project financed.

CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2007

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Cash Flow Statement

	The Group	
	30.09.2007	30.09.2006
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before taxation	3,825	3,469
Adjustments for :		
Depreciation of property, plant and equipment	257	235
Net (gain)/loss on sale of investment property and PPE	(405)	8
Interest expense	905	729
Interest income	(155)	(83)
Share of results of associated company	12	(576)
Operating profit before working capital changes	4,439	3,782
Decrease (increase) in :		
Consumable stock	(1)	-
Trade and other receivables and deposits and prepayments	(7,763)	(11,290)
Work-in-progress, net	(6,472)	1,336
Increase (decrease) in :		
Trade and other payables	9,724	6,405
Cash flows (used in) / generated from operations	(73)	233
Income taxes paid	(604)	(762)
Interest income received	155	83
Exchange differences	(132)	5
Net cash flows used in operating activities	(654)	(441)
Cash flows from investing activities		
Purchases of property, plant and equipment (Note B)	(795)	(94)
Purchase of an investment property	-	(377)
Net proceeds on sale of investment property and PPE	2,856	2
Increase in amount due from a joint-venture company	(5,825)	-
Increase in investment in joint-venture company	(250)	-
Net cash flows used in investing activities	(4,014)	(469)
Cash flows from financing activities		
Dividend paid	(2,203)	-
Proceeds from bank loans	9,875	-
Repayment of bank loans	(2,047)	(1,428)
Repayment of short-term bank loans	(67)	-
Proceeds from bills payable to banks	4,654	-
Repayment of bills payable to banks	-	(1,001)
Interest paid	(905)	(729)
Repayment of lease obligations	(102)	(122)
Increase in fixed deposits (pledged)	(3,182)	(51)
Net cash flows generated from / (used in) financing activities	6,023	(3,331)
Net increase in cash and cash equivalents	1,355	(4,241)
Cash and cash equivalents at beginning of financial year	16,577	5,426
Cash and cash equivalents at end of period (Note A)	17,932	1,185

Note A : Cash and cash equivalents at end of period comprise :

	30.09.2007	30.09.2006
	S\$'000	S\$'000
Cash and bank balances	19,697	4,783
Fixed deposits	7,533	3,786
Bank overdrafts, secured	(1,765)	(3,598)
	25,465	4,971
Less : Pledged fixed deposits	(7,533)	(3,786)
Cash and cash equivalents	17,932	1,185

Note B : Purchase of property, plant and equipment

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of S\$1,815,000 (1st half FY2007 : S\$140,000), of which S\$1,020,000 (1st half FY2007 : S\$46,000) was acquired by means of finance lease agreements.

Cash payments of S\$795,000 (1st half FY2007 : S\$94,000) were made to purchase the property, plant and equipment during the period.

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2007

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

THE GROUP	Attributable to equity holders of the Company			Minority interests	Total Equity
	Share capital S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	S\$'000	S\$'000
As at 1 April 2006	15,781	487	17,517	7,990	41,775
Currency translation difference	-	(282)	-	(95)	(377)
Net income recognised directly in equity	-	(282)	-	(95)	(377)
Net profit for the period	-	-	2,421	297	2,718
Total recognised income and the expenses for the period	-	(282)	2,421	202	2,341
As at 30 September 2006	15,781	205	19,938	8,192	44,116
As at 1 April 2007	21,956	(312)	23,616	8,273	53,533
Currency translation difference	-	103	-	(2)	101
Net income and expenses recognised directly in equity	-	103	-	(2)	101
Net profit for the period	-	-	2,867	168	3,035
Total recognised income and the expenses for the period	-	103	2,867	166	3,136
Dividends paid	-	-	(2,203)	-	(2,203)
As at 30 September 2007	21,956	(209)	24,280	8,439	54,466
THE COMPANY					
As at 1 April 2006	15,781	-	(58)	-	15,723
Net loss for the period	-	-	(74)	-	(74)
Total recognised income and expenses for the period	-	-	(74)	-	(74)
As at 30 September 2006	15,781	-	(132)	-	15,649
As at 1 April 2007	21,956	-	10,544	-	32,500
Net loss for the period	-	-	(519)	-	(519)
Total recognised income and expenses for the period	-	-	(519)	-	(519)
Dividends paid	-	-	(2,203)	-	(2,203)
As at 30 September 2007	21,956	-	7,822	-	29,778

SHARE CAPITAL

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issues, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Nil.

AUDIT

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

The figures have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

ACCOUNTING POLICIES

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statement have been applied.

The Group has applied the same accounting policies and methods of computation as in the Group's audited financial statements for the previous year ended 31 March 2007.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

EARNINGS PER SHARE

6 Earnings per ordinary shares of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends :-

	The Group	
	Period ended 30.09.2007	Period ended 30.09.2006
a) Based on weighted average number of ordinary shares on issue (cents)	3.25	3.84
b) On a fully diluted basis	3.25	3.84
Weighted average number of ordinary shares in issue	88,122,500	63,122,500

NET ASSET VALUE PER SHARE

7 Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the :-

(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	as at 30.09.2007	as at 31.03.2007	as at 30.09.2007	as at 31.03.2007
Net asset value per ordinary share (cents)	52.23	51.36	33.79	36.88
Issue share capital at the end of the period	88,122,500	88,122,500	88,122,500	88,122,500

REVIEW OF THE PERFORMANCE OF THE GROUP

- 8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following :-
- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factor ; and
 - b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current period reported on.

Revenues

The Group had recorded revenue of S\$79.7 million in the half year ended 30 September 2007, 89.5% and 8.3% of the Group's revenue was contributed from construction business in Singapore and Malaysia respectively. 2.2% was contributed from property development and property management business in China. The Group's revenue had increased by 30% from S\$61.5 million in the last corresponding period to S\$79.7 million was mainly due to higher contribution from the construction business in Singapore.

Profit before tax

The Group's profit before tax had also increased by 10.3% to S\$3.8 million. Construction business contributed S\$4.4 million to the Group's profit before tax, while the property development and management business contributed S\$0.7 million to the Group's profit before tax. The share of results of associated company has decreased from S\$0.6 million to nil in the half year ended 30 September 2007 as residential project in China undertaken by an associated company had been completed and fully sold as at end of last financial year. The Group's profit before tax contributed from construction business also included the net gain on sale of investment property and PPE of S\$0.4 million.

- 9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There was no forecast or any prospect statement previously disclosed to shareholders.

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group is optimistic on the outlook of the construction industry in Singapore.

Based on the 2nd quarter 2007 review announced by the Building and Construction Authority on 3rd September 2007, the construction demand forecast was revised upwards from between S\$17 billion and S\$19 billion (announced in January 2007), to between S\$19 billion and S\$22 billion.

There were also numerous sizeable projects that the Singapore government had announced since the beginning of the year 2007 that would require construction services till the year 2010.

In line with the industry, the Group has since beginning of year 2007 till today, secured more than S\$390 million of construction contracts in Singapore and continue to negotiate for additional contracts. As at to date, there is a strong order book in hand of more than S\$370 million of construction works to be delivered for the next 2 years.

The Group also noted a general improvement in the gross margin for new construction projects as a result of the increase in construction demand while the number of competitors in the construction industry remains relatively similar.

The Group is of the opinion that there are sufficient resources in term of equipment; human resources and financial to position itself competitively in the promising industry outlook.

DIVIDENDS

11 (a) Current financial period reported on

Any dividend declared for the current financial period reported on ?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year ?

None.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommended for the half year ended 30 September 2007.

SEGMENT INFORMATION

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable

15 A breakdown of sales as follows:-

Not applicable

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous year as follows :

Not applicable

NEGATIVE ASSURANCE

17 Negative assurance confirmation on the half year financial results pursuant to Rule 705(4) of the Listing Manual of SGX-ST.

We, Choo Chee Onn and Lim Kee Seng, being two Directors of KSH Holdings Limited (the "Company"), do hereby confirm on behalf of the Board of Directors of the Company that to the best of our knowledge, nothing has come to its attention which may render the unaudited financials of the Group and Company for the half year ended 30 September 2007 to be false or misleading. A statement signed by the directors is on record.

BY ORDER OF THE BOARD

Choo Chee Onn
Executive Chairman and Managing Director
13 November 2007

The initial public offering of the share of KSH Holdings Limited was sponsored by Westcomb Capital Pte Ltd