



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

## **NEWS RELEASE**

### **KSH HOLDINGS REPORTS 30% GROWTH IN REVENUE FOR 1HFY2008**

- **Revenue surges 30% to S\$79.7 million on strong construction segment**
- **Net profit up 12% to S\$3.0 million**
- **Order book at record high of over S\$370.0 million**
- **To ride on promising industry outlook**
- **Strong balance sheet and working capital position with Cash and Cash Equivalents of S\$17.9 million**

*Singapore, November 13, 2007* – 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 good set of results for the six months ended 30 September 2007 (“1HFY2008”).

Riding on the back of its strong construction segment in Singapore, the Group achieved a 30% jump in revenue to S\$79.7 million in 1HFY2008 from S\$61.5 million in 1HFY2007. Net Profit rose to S\$3.0 million in 1HFY2008, up 12% from S\$2.7 million in the previous corresponding period.

Profit before tax (“PBT”) increased 10.3% to S\$3.8 million, driven mainly by the Group’s construction business, which included the net gain on sale of investment properties and Property, Plant and Equipment (“PPE”) of S\$0.4 million.

Share of results by an associated company decreased from S\$0.6 million to nil in 1HFY2008, as the Group's residential project in China undertaken by the associated company had been completed and fully sold at the end of FY2007.

Operationally, the Group registered a 30.0% increase in total operating expenses amounting to S\$76.9 million. This was contributed mainly by cost of construction, which rose from S\$54.9 million in 1HFY2007 to S\$72.0 million in 1HFY2008 due to the Group's acquisition of property, plant and equipment. Personnel expenses rose slightly to S\$2.7 million from S\$1.8 million in the corresponding period.

As at 30 September 2007, the Group maintained a strong balance sheet and working capital position with approximately S\$17.9 million cash and cash equivalents.

## **SEGMENTAL REVIEW**

The Group's core business – Construction in Singapore - continued to be KSH's strongest revenue contributor in 1HFY2008.

### **Construction**

Revenue from construction segment in Singapore contributed 89.5%, whilst revenue from construction in Malaysia made up 8.3% of the Group's total revenue in 1HFY2008.

In terms of PBT, the construction segment accounted for S\$4.4 million in 1HFY2008.

## **Property Development and Management**

Revenue from the property development and management segment in the PRC contributed 2.2% of total revenue and S\$0.7 million of the Group's PBT in 1HFY2008.

## **PROSPECTS AND GROWTH PLANS**

Moving ahead, the Group is optimistic on the outlook of the construction industry in Singapore, with construction demand expected to reach between S\$19.0 billion and S\$22.0 billion according to a Building and Construction Authority forecast in September 2007, an upward revision from its forecast of S\$17.0 billion and S\$19.0 billion in January 2007.

Commented Mr. Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings: “Riding on the recent boom of the construction sector in Singapore, boosted by numerous sizeable projects announced by the Singapore government since the beginning of 2007, we expect to see sustained strong demand for construction services into the year 2010.”

In line with the industry, KSH has secured over S\$390 million worth of construction contracts in Singapore since the beginning of 2007, including a sizeable contract for the construction of the prestigious luxury Clifford Hotel at Marina Bay.

The Group has also noted a general improvement in gross margins for new construction projects, brought about by increased construction demand with the number of competitors remaining relatively stable.

“With a record high order book of more than S\$370 million deliverable over the next two years, supported by sufficient equipment, personnel and financial resources, KSH will continue to leverage on the promising industry outlook to actively negotiate for more lucrative construction contracts to improve our financial performance”, added Mr. Choo.

### **About KSH Holdings Limited**

KSH Holdings is a well-established construction, property development and property management group with over 27 years of experience in the construction industry. Its principal activities are construction in Singapore and Malaysia, and property development and property management in the PRC and Singapore. The Group acts as main contractors in construction projects in both the public and private sectors in Singapore, and in the private sector in Malaysia. Its wholly-owned subsidiary, Kim Seng Heng Engineering Construction (Pte) Ltd, is currently registered with the Building and Construction Authority (“BCA”) with a A1 grading under the category CW01 for general building, which is currently the highest grade for contractors’ registration in this category, and allows it to tender for public sector construction projects of unlimited value.

Some of the Group’s notable private sector construction projects in Singapore include One<sup>o</sup> 15 Marina Club, The Coast and The Berth By The Cove, at Sentosa; and others like The Spectrum, Montview, the Mustafa Shopping Centre extension and the restoration of Far East Square. Its public sector portfolio includes The Frontier Community Place, Choa Chu Kang Sports Complex, Nanyang Polytechnic and Tanah Merah Ferry Terminal. The Group entered the construction industry in Malaysia in June 2006 and secured a S\$32 million contract that same month for the construction of an assembly plant in Selangor.

The Group has an established presence in the PRC since 1997, where it is principally engaged in property development and property management. It has developed two properties in the PRC, being Tianxing Riverfront Square in Tianjin, which was developed by its subsidiary, Tianjin Tianxing Real Estate Development Co., Ltd. and managed by its property management arm, Tianjin Tianxing Property Management Co., Ltd., and Liang Jing Ming Ju in Beijing, which was developed by its associated company, Beijing Jin Hua Tong Da Real Estate Development Co., Ltd.

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