



## **KSH Holdings Limited**

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

### **NEWS RELEASE**

#### **KSH HOLDINGS REPORTS 16% GROWTH IN NET PROFIT**

- Revenue climbs 13.0% to S\$133.3 million, driven mainly by the construction segment in Singapore and Malaysia
- Strong order book of over S\$330 million and is expected to contribute beyond Financial Year ending 31 March 2009
- Group to continue to ride on growing construction spending in Singapore

#### **FY2007 Financial Highlights**

- ***Strong balance sheet and working capital position with Cash and Cash Equivalents of S\$16.6 million***
- ***Proposes a first and final tax exempt (1-tier) dividend of 2.5 cents per ordinary share***

*“We are delighted to report a good growth in our bottom line, driven by the good performance of our construction segment in both Singapore and Malaysia; and property development in China. Our strong order book of over S\$330 million is testimony to the strength of our business model and our ability to identify and capitalize on the vibrant opportunities in Singapore and the region,” said Mr Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings.*

*Singapore, May 25, 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 financial year ended 31 March 2007 (“FY”) 2007. The Group’s net profit rose to S\$6.6 million in FY2007, up 16% from S\$5.7 million in FY2006.

This was achieved on the back of a 13.0% jump in revenue to S\$133.3 million in FY2007 from S\$118.0 million in FY2006, driven mainly by the Group’s construction segment in both Singapore and Malaysia. Profit Before Interest & Tax (“PBIT”) from the Group’s construction segment has increased by S\$4.1 million from S\$3.4 million to S\$7.5 million which included a S\$2.5 million gain on fair value adjustment of two investment properties. Excluding this gain on fair value adjustment, the Group’s construction segment would have recorded a 47.1% increase in PBIT from FY2006 to FY2007.

Operationally, the Group registered a 13.0% increase in total operating expenses. Total operating expenses amounted to S\$128.9 million contributed mainly by the increase in cost of sales of development properties. Cost of sales of development properties increased by S\$4.3 million from S\$0.8 million in FY2006 to S\$5.1 million in FY2007 due to the recognition of sale for the Group’s development property, Tianxing Riverfront Square in Tianjin, China. There was also an increase in personnel expenses of S\$1.6 million from S\$3.6 million in FY2006 to S\$5.2 million in FY2007.

The share of results of associated companies decreased from S\$1.5 million to S\$0.2 million in FY2007 as the Group’s residential project in China had been completed and almost fully sold as at end of FY2006.

As at 31 March 2007, the Group maintained a strong balance sheet and working capital position with approximately S\$16.6 million cash and cash equivalents.

## **SEGMENTAL REVIEW**

The Group achieved revenue growth in both its business segments – Construction in Singapore and Malaysia as well as Property Development and Management in China. Its core business – Construction in Singapore - continued to be the Group's strongest revenue contributor.

### **Construction**

The revenue of the Group's construction segment increased approximately 9.8% to S\$124.3 million in FY2007 from S\$113.2 million in FY2006 due to the higher number and average contract value of projects carried out, resulting in a higher volume of work done during FY2007 as compared to FY2006.

Revenue from construction segment in Singapore contributed 72.0% of the Group's total revenue in FY2007 whilst revenue from construction in Malaysia made up 21.3% of the Group's total revenue in FY2007.

In terms of PBIT contribution, PBIT from the construction segment increased by 119.0% to S\$7.5 million in FY2007 from S\$3.4 million in FY2006. Without taking into account the S\$2.5 million gain on fair value adjustment of two investment properties, the increase of PBIT by the construction segment would be S\$1.6 million or 47.1% from FY2006 to FY2007.

### **Property Development and Management**

Revenue from the Group's property development and management segment surged 89.6% to approximately S\$9.0 million in FY2007 with the higher revenue from sale units in a development property, Tianjin Tian Xing Riverfront Square in Tianjin, China.

This segment contributed 6.8% to the Group's total revenue in FY2007 and accounted for S\$2.2 million of the Group's PBIT in FY2007.

## Prospects and Growth Plans

The Group will continue to explore opportunities as part of its ongoing shift towards higher value contracts for its construction segment in both the private and public sectors.

“The overall business sentiments in the construction industry remain positive, underpinned by the strong growth in the private residential, commercial and industrial segments as well as large scale projects such as the two integrated resorts (the “IR”). We will continue to leverage on this positive outlook and participate for more building construction tenders in Singapore,” commented Mr Choo.

Additionally, the Group observes strong potential for growth in Malaysia and China and will continue to expand its presence there with the aim of tapping into these fast growing markets.

In conclusion, Mr Choo added : “We are pleased to propose a final ***tax exempt (1-tier) dividend of 2.5 cents per ordinary share*** to reward our shareholders for their confidence and support.

“Our order book of over S\$330 million is a new high and is expected to contribute beyond our Financial Year ending 31 March 2009. Barring unforeseen circumstances and given our healthy order book and the buoyant construction market, with demand likely to reach between S\$17.0 billion and S\$19.0 billion in 2007, the highest since 1997’s peak of S\$24 billion\*, we remain optimistic about our performance for FY2008.”

The Group recently secured five contracts with a combined value of S\$157.1 million for the construction of Tampines Central 1 shopping centre, Tan Chong & Sons Motor Co Sdn Bhd’s warehouse and office in Malaysia, two clean and light industrial developments the Ho Bee Group and one housing development by Brisbane Development Pte. Ltd.

\* Source : BCA website

## **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 China. 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 The Coast, The Berth By The Cove, 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 China since 1997, where it is principally engaged in property development and property management. It has developed two properties in the China, 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..

The Group recorded a revenue of S\$52.6 million in FY2004, S\$91.6 million in FY2005 and S\$118.0 million in FY2006. Profit for the year attributable to equity holders of the

Company was S\$4.6 million in FY2004, and increased to S\$4.9 million in FY2005, and approximately S\$5.3 million in FY2006.

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ISSUED ON BEHALF OF	:	KSH Holdings Limited
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd 1 Raffles Place #26-02 OUB Centre SINGAPORE 048616
CONTACT	:	Ms Dolores Phua / Mr Kevin Lim at telephone
DURING OFFICE HOURS	:	6534-5122 (Office)
AFTER OFFICE HOURS	:	9750-8237 / 9154-3765 (Handphone)
EMAIL	:	<a href="mailto:dolores.phua@citigatedrimage.com">dolores.phua@citigatedrimage.com</a> <a href="mailto:kevin.lim@citigatedrimage.com">kevin.lim@citigatedrimage.com</a>

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May 25, 2007