



KSH Holdings Limited

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

NEWS RELEASE

KSH ACHIEVES RECORD EARNINGS OF S\$44.5 MILLION IN FY2014

- **Revenue increases 40.1% to S\$324.5 million in FY2014**
 - o **Lifted by higher construction revenue and sales of development property in Singapore and PRC**
- **Share of results of associates up 66.2% to S\$27.7 million in FY2014**
- **Low gearing of 0.01 times**
- **Strong construction order book of more than S\$410.0 million¹**
- **Proposes Final Dividend of 1.75 SGD cents per ordinary share bringing total dividend in FY2014 to 3.0 SGD cents per ordinary share, equivalent to a yield of 5.4%²**

S\$'million	FY2014	FY2013	% Change
Revenue	324.5	231.6	40.1
Profit from operations before share of results of associates	22.7	25.3	10.3
Share of results of associates	27.7	16.6	66.2
Net Profit attributable to Owners of the Company	44.5	36.3	22.8

Singapore, May 26, 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 net profit attributable to shareholders rose 22.8% to a record high of S\$44.5 million for the year ended March 31, 2014 (“FY2014”). This was achieved on the back of higher construction revenue, and sales of development property in Singapore and the People’s Republic of China.

¹ As at March 31, 2014

² Based on closing share price on May 23, 2014

Mr Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings, commented “Through the ongoing rebalancing and diversification of our business portfolio in terms of geographies as well as types of construction and property development and management projects, coupled with steady progress in our regional expansion plans, FY2014 has panned out to be strong year for KSH.

“I am pleased that through joint ventures with reputable business partners, KSH has entered the property development business in Malaysia in January 2014, through the acquisition of 26 plots of freehold land measuring approximately 679,460 square feet in Klang, Negeri Selangor in Malaysia. Earlier in May, KSH has also entered into another joint venture to acquire Prudential Tower, an attractive Grade A office building in the Raffles Place precinct. Through joint ventures in the People’s Republic of China as well as Cambodia, KSH is also looking at other overseas opportunities. Early this year, we launched Liang Jin Ming Ju Phase 4 – Sequoia Mansion (红杉公馆), our property development project in Beijing and received good response, which further boosted our confidence in our investments overseas.

“Our core construction business in Singapore remains strong, with a construction order book of more than S\$410.0 million as at March 31, 2014 which will contribute to the Group’s financial performance over the next two years.”

In February 2014, KSH won a S\$76.9 million contract to build a mixed-use development at King Albert Park – KAP and KAP Residences. In December 2013, KSH was awarded a S\$42.5 million contract by United World College of South East Asia for the construction of an additional block at their existing campus in Dover Road. In August 2013, KSH also won a S\$98.94 million contract to build a mixed-use development, NeWest at West Coast Drive.

“To share our joy of achieving a strong year with our faithful shareholders, we are pleased to propose a final dividend of 1.75 SGD cents per ordinary share. Together with our interim dividend of 1.25 SGD cents per ordinary share, our total dividend in FY2014 amounts to 3.0 SGD cents per ordinary share, the highest since our listing, which is equivalent to a dividend yield of 5.4%.³”

Performance Review

In FY2014, the Group’s revenue jumped 40.1% to S\$324.5 million from S\$231.6 million in the previous corresponding year (“FY2013”), lifted by higher construction revenue and sales of development properties in Singapore and PRC.

Revenue from the Construction segment grew from S\$206.1 million in FY2013 to S\$285.7 million, equivalent to 88.0% of Group Revenue in FY2014. Revenue from the Property development and management segment grew from S\$25.4 million in FY2013 to S\$38.8 million, contributing 12.0% to Group Revenue in FY2014.

Other income increased by S\$0.9 million from S\$8.6 million in FY2013 to S\$9.5 million in FY2014, mainly due to the increase in foreign exchange gain, increase in management fees from associates and interest income.

Operating expenses rose from S\$208.1 million in FY2013 to S\$304.9 million in FY2014, due to higher costs of construction and finance costs, which was offset partially by lower personnel expenses. Construction costs rose in line with the increase in Group revenue. Finance costs also increased due to interest on term notes issued during FY2014 and an increase in interest rates.

Other operating expenses dropped 6.4% from S\$6.8 million in FY2013 to S\$6.4 million in FY2014 mainly due to decrease in provision for anticipated losses on construction projects; decrease in loss on sale of plant and equipment; decrease in sales tax and decrease in printing expenses.

³ Based on closing share price on May 23, 2014

Share of results of associates increased to S\$27.7 million in FY2014, mainly due to the contribution from property development projects in Singapore.

As a result of the above, the Group achieved a 22.8% increase in net profit attributable to shareholders from S\$36.3 million in FY2013 to S\$44.5 million in FY2014.

As at March 31, 2014, the Group has a healthy balance sheet and working capital position, with fixed deposits, cash and cash equivalents of S\$142.4 million, and a net debt-to-equity ratio of 0.01 times. Cumulatively, the Group's earnings per share and net asset value stood at 10.75 SGD cents and 52.37 SGD cents respectively.

Prospects and Growth Plans

The Ministry of Trade and Industry has forecasted that the global economy is expected to improve modestly in 2014, supported by a sustained recovery in United States of America ("USA") and Eurozone economies. MTI also expects that the Singapore economy will record a 2% to 4% growth in 2014.

According to the Building and Construction Authority ("BCA"), construction demand in the year 2014 is expected to be between S\$31.0 billion and S\$38.0 billion, buoyed by public sector demand, as well as stronger institutional and civil engineering construction works. Private sector construction may moderate to S\$12.0 and S\$16.0 billion in 2014 due to current market volatility amid the Government's property cooling measures, the substantial supply of completed housing units coming on-stream over the next few years, and the scaling back of new Government land sales for the first half of 2014.

According to Urban Redevelopment Authority ("URA") statistics, prices of private residential properties decreased by 1.3% in 1st quarter 2014. Demand for private residential properties and prices have continued to moderate on the back of the various cooling measures.

Mr Choo concluded, “I am pleased that the launched property development projects under the Group have so far either met or exceeded expectations in both sales volumes and prices. KSH will also prudently manage our construction costs. Notwithstanding industry challenges, we will continue to stay focus on construction business in Singapore, maintaining our strength in property development and explore overseas opportunities.”

Barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance in FY2015.

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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