



KSH Holdings Limited

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

NEWS RELEASE

KSH HOLDINGS ANNOUNCES ROBUST SET OF RESULTS FOR 1HFY2009

- *Revenue increases 125% to S\$179.5 million*
- *Net Profit after Tax and MI jumps 298% to S\$12.1 million*
- *Earnings Per Share (EPS) increases 110.2% to 6.83 cents*
- *Strong balance sheet and working capital position with Cash and Cash Equivalents of S\$54.1 million*
- *Strong Order Books of more than S\$565 million*
 - o *Unfulfilled contract value for all existing contracts on hand expected to be completed by December 2010*

Singapore, November 10, 2008 – 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 healthy set of results for the half year ended September 30, 2008 (“1HFY2009”). Net profit (after tax and minority interest) jumped 298% to S\$12.1 million, on the back of a 125% increase in revenue to S\$179.5 million for 1HFY2009.

Mr Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings, commented, “Our robust set of numbers not only testifies to continued growth in our bottom line, but also to the sustainability of our business amidst an uncertain global economy. Our strong order books of more than S\$565 million, as well as healthy working capital position with cash and cash equivalents of S\$54.1 million, are assurances that we continue to be resilient as we brace ourselves for the challenges ahead. We will continue to be prudent in all our endeavours going forward.”

Operationally, the Group registered a 122% increase in total operating expenses amounting to S\$171.0 million. This was due mainly to rising costs of construction, which rose from S\$72.0 million in 1HFY2008 to S\$161.4 million in 1HFY2009. Finance costs increased from S\$0.9 million in 1HFY2008 to S\$2.6 million in 1HFY2009, and depreciation of property, plant and equipment rose from S\$0.3 million to S\$0.7 million in the same corresponding period. Personnel expenses also increased to S\$4.4 million in 1HFY2009 from S\$2.7 million the previous financial year, and other operating expenses increased to S\$1.7 million in 1HFY2009 from S\$1.1 million in 1HFY2008.

As at September 30, 2008, the Group maintained a strong balance sheet and working capital position with approximately S\$54.1 million cash and cash equivalents. Net gearing ratio decreased from 0.50 as at March 31, 2008 to 0.41 as at September 30, 2008. Earnings per share rose 110.2% to 6.83 cents as at September 30, 2008.

To reward its shareholders, the Group has declared an interim, tax-exempt dividend of 1.5 cents per ordinary share to be paid in cash.

BUSINESS REVIEW

During the financial year in review, the Group's Construction business in Singapore continued to be its strongest revenue contributor in 1HFY2009.

Construction

Revenue from the Group's Construction business segment in Singapore contributed 99.1% to total Group revenue at S\$179.5 million in 1HFY2009. This is a 125% increase in revenue contribution from 1HFY2008 at S\$79.7 million.

Construction business in Singapore contributed S\$12.1 million to the Group's pre-tax profit as compared to S\$4.4 million in 1HFY2008, registering an increase of 175%.

The gross profit margin of the Construction segment in 1HFY2009 also improved to 9.2% from 7.6% in the previous corresponding period.

"We have a good track record of completed construction projects, both in the public and private sectors. We have also maintained a good mix of projects across various industries, covering the residential, commercial, industrial, and institutional segments. Our diversity and flexibility have always been our strengths, and have ensured our resilience, no matter the state of the economy. We will continue to be vigilant while tendering for new construction projects," added Mr Choo.

Property Development and Management

Revenue from the Group's property development and management segment in 1HFY2009 made up 0.9% of total revenue at S\$1.6 million. This was from rental income of completed properties held for sale in China.

PROSPECTS AND GROWTH PLANS

Moving ahead, the Group is cautiously optimistic on the outlook of its construction business. The Building and Construction Authority ("BCA") had revised its construction forecast in 2008 and anticipates demand for construction to reach between S\$27 billion and S\$32 billion. In view of the current global economic crisis and technical recession in Singapore, the Group expects demand for construction to decline going forward.

Backed by construction order books of more than S\$565 million in Singapore, the Group remains cautious on the possible impacts that the economic conditions may have on the performance of the Group for the next 12 months.

About KSH Holdings Limited

KSH Holdings is a well-established construction, property development and property management group with over 28 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 an 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^o 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.

Westcomb Capital Pte Ltd was the Manager and Westcomb Securities Pte Ltd was the Underwriter and Placement Agent (collectively known as “Westcomb”) for the

Company's initial public offering. The Manager, Underwriter and Placement Agent assume no responsibility for the contents of this announcement.

November 10, 2008