



## **KSH Holdings Limited**

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

### **NEWS RELEASE**

#### **KSH HOLDINGS' 9MFY2010 NET PROFIT SURGES 55% TO S\$15.3 MILLION**

- Achieves turnaround in net profit to S\$5.2 million for 3QFY2010
- Average gross margin of core Construction segment up at 13.6% and 10.6% in 9MFY2010 and 3QFY2010 respectively
- Strong order book of approximately S\$390 million
- Healthy balance sheet with cash and cash equivalents of S\$59.9 million

**Singapore, February 8, 2010 – 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 55% surge in net profit to S\$15.3 million for the nine months ended December 31, 2009 (“9MFY2010”) on revenue of S\$207.4 million.

For 3QFY2010, it achieved a turnaround in net profit after tax to S\$5.2 million, from a loss of S\$0.9 million in the same corresponding period. This was achieved on the back of S\$82.5 million in revenue for 3QFY2010.

For 9MFY2010, with a lower cost of construction and an improvement in average gross margin in the Group’s core Construction business to 13.6% from 8.2% in the same corresponding period, the Group achieved an increase of S\$6.2 million in margin contribution to the Group’s profit from operations despite a marginal decline in revenue. For 3QFY2010, average gross margin was up at 10.6% from 5.9% in 3QFY2009.

## **BUSINESS REVIEW**

During the financial year in review, the Group's Construction business in Singapore continued to be its strongest revenue contributor in both 9MFY2010 and 3QFY2010.

### **Construction**

Arising from the completion of several projects during the period, 3QFY2010 revenue amounted to S\$82.5 million with contribution from a new project and other ongoing projects that are progressing into more advanced stages of construction.

With the improvement in average gross margin, the Construction business has seen an increase of S\$3.6 million in margin contribution to the Group's profit from operations in 3QFY2010.

Mr Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings, commented, “As the economy picks up, we have sought to strike a balance between prudent cost control measures and exploring new and viable construction projects. With this careful and well-calculated strategy, our core Construction business has continued to register good average gross margin improvement. The business continues to be robust, backed by strong existing order books of approximately S\$390 million.”

“Singapore's construction sector experienced strong double-digit growth for the third consecutive year, achieving a record level of on-site construction output of about S\$30 billion in 2009, driven by strong construction demand in the preceding two years. We have noted too that the public sector is likely to make up 65% of total construction demand this year, mostly from projects such as transport and civil-engineering sectors, both of which KSH Holdings has expertise in.

“We will capitalise on this opportunity and further build on our strong track record in both the public and private sectors to maintain a good mix of projects in these sectors for resilient growth in our business. At the same time, we will continue to carefully monitor market conditions while tendering for new construction projects.”

### **Property Development and Management**

This segment registered a marginal S\$0.3 million decrease in rental income from investment properties and development property in 3QFY2010 as compared to the same corresponding period.

As at December 31, 2009, the Group maintained a strong balance sheet and working capital position with approximately S\$59.9 million cash and cash equivalents.

### **PROSPECTS AND GROWTH PLANS**

Based on media reports from Building and Construction Authority (“BCA”) on January 13, 2010, Singapore’s construction demand for year 2010 is projected to reach between S\$21 billion and S\$27 billion.

Whilst remaining cautious, the Group, backed by construction order books of approximately S\$390 million, in Singapore expects to improve profitability for the current financial year, barring unforeseen circumstances.



## **About KSH Holdings Limited**

KSH is a well-established Construction, Property Development and Property Management group. Incorporated in 1979, the Group has 31 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 the Group to tender for Public Sector projects for values of up to S\$85 million.

Contracts secured by the Group during the year 2009, include a S\$83.4 million contract from the National University of Singapore (“NUS”) for the construction of two blocks of residential colleges and five blocks of common facility buildings for the NUS University Town, a S\$36 million contract for the construction of Watten Residences and a S\$40.3 million contract from NUS for the construction of a four-storey Education Resource Centre (“ERC”) at the NUS University Town.

Besides acting as 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 the PRC as well as in Singapore (via a joint venture). The Group currently has completed two property developments in the PRC – Tianxing Riverfront Square in Tianjin (currently held as an investment property), and Liang Jing Ming Ju in Beijing, which are developed by its associated company, JHTD. The Group also has a property management arm, TTX Property Management, which manages Tianxing Riverfront Square.

More details can be found at [www.kimsengheng.com](http://www.kimsengheng.com)

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