



KSH Holdings Limited

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

NEWS RELEASE

KSH HOLDINGS ACHIEVES RECORD NET PROFIT IN FY2010

- 34.6% increase in FY2010 net profit to S\$18.3 million
- Average gross margin of core Construction segment up at 12.8% in FY2010
- Strong order book of over S\$314.0 million as at March 31, 2010
- Healthy balance sheet with cash and cash equivalents and fixed deposits of S\$94.2 million
- Proposes final dividend of 1.0 cent per share

S\$'m	FY2010	FY2009	% Change
Revenue	290.9	328.8	(11.5)
Profit before tax	23.0	17.3	32.9
Net Profit (Before MI) Attributable to Shareholders	18.0	14.0	28.6
EPS (Basic)(Singapore cents)*	7.05	7.95	(11.3)
NAV per share (Singapore cents)	36.88	51.38	(28.2)

**EPS per share was computed based on the weighted average number of shares of 176,245,000 in FY2009 and 255,073,635 in FY2010*

Singapore, May 24, 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 34.6% jump in net profit to S\$18.3 million for the full year ended March 31, 2010 (“FY2010”) on revenue of S\$290.9 million.

The net profit represents a record achieved for the Group since its listing in February 2007.

For FY2010, with a lower cost of construction and an improvement in average gross margin in the Group's core Construction business to 11.7% from 9.1% in the same corresponding period, the Group achieved an increase of S\$3.8 million in margin contribution to the Group's profit from operations despite a 11.5% decline in revenue to S\$290.9 million.

Commented Mr Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings, “We are pleased to have achieved a record in our bottomline, buoyed by the pickup in the global economy and construction sector. We will strive on to strengthen our business in the construction sector, leveraging on our strong track record in both the public and private sectors.”

Performance Review

During the financial year in review, the Group's Construction business in Singapore continued to be its strongest revenue contributor in FY2010. At S\$285.4 million, it accounts for 98.1% of total Group revenue.

Revenue from the Group's other business division, the Property Development and Management segment, made up 1.9% of total revenue in FY2010 at S\$5.5 million.

Arising from the completion of several projects during the period, FY2010 revenue from the Construction business decreased by 11.9% or S\$38.6 million from S\$324.0 million for the full year ended March 31, 2009 (“FY2009”) to S\$285.4 million in FY2010. The decrease was partially offset by the increase in revenue from four new projects commencing in FY2010 and other on-going projects on hand that were progressing into more advanced stages of construction. These on-going projects contributed S\$115.9 million more revenue registered in FY2010 than in FY2009. Revenue recognised for construction projects previously carried out in Malaysia has decreased by approximately S\$1.6 million from S\$2.3 million in FY2009 to S\$0.7 million in FY2010.

With the improvement in average gross margin due to higher levels of productivity and efficiency in procurement arrangements, the Construction business registered S\$3.8 million or 12.9% increase in margin contribution to the Group's profit before tax in FY2010 in comparison to FY2009.

Mr Choo 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 over S\$314.0 million as at March 31, 2010."

The Group's Property Development and Management segment experienced a turnaround to register a profit before tax of S\$2.0 million. This segment registered S\$0.7 million increase in rental income from investment properties and development property in FY2010 as compared to FY2009.

Geographically, KSH continues to derive the bulk of its revenue from its operations in Singapore. In FY2010, Singapore contributed \$285.6 million, making up 98.1% of total sales. Malaysia contributed S\$0.7 million, making up 0.2% of total revenue; while China contributed S\$4.6 million, accounting for 1.7% of total revenue.

As at March 31, 2010, the Group maintained a strong balance sheet and working capital position with approximately S\$94.2 million cash and cash equivalents.

The Group's EPS and net asset value per share stood at 7.05 and 36.88 cents respectively, as at March 31, 2010.

Proposed Final Dividend

To reward its loyal shareholders, the Group has proposed a final, tax-exempt dividend of 1.0 cent per ordinary share to be paid in cash.

Prospects and Growth Plans

The Building and Construction Authority (“BCA”) projects Singapore’s construction demand for 2010 to reach between S\$21 billion and S\$27 billion, and between S\$18 billion and S\$25 billion for 2011 and 2012 respectively.

Whilst remaining prudent, the Group, backed by construction order books of approximately S\$314.0 million in Singapore, is cautiously optimistic on the outlook of its construction business and expects to see a sustained level of construction demand over the next two to three years.

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. The Group has noted that the public sector is likely to make up 65.0% of total construction demand this year, mostly from areas like civil engineering and public residential building, both of which KSH has expertise in.

The Group will capitalise on these opportunities and further build on its strong track record in both the public and private sectors to maintain a good mix of projects in these sectors for resilient growth in the business. At the same time, the Group will continue to carefully monitor market conditions while tendering for new construction projects.

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 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 it to tender for Public Sector projects for values of up to S\$85.0 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\$36.0 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 at the NUS University Town.

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 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

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May 24, 2010