



KSH Holdings Limited

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

NEWS RELEASE

KSH HOLDINGS ACHIEVES 57% INCREASE IN NET PROFIT TO S\$8.2 MILLION FOR 3QFY2011

Singapore, February 10, 2011 – **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 57% increase in net profit to S\$8.2 million for the third quarter ended December 31, 2010 (“3QFY2011”) from S\$5.2 million in the previous corresponding period ended December 31, 2009 (“3QFY2010”). Profit before tax increased by 41% from S\$6.3 million in 3QFY2010 to S\$8.9 million in 3QFY2011.

Mr Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings commented, “I am pleased to report an increase in net profit for this financial period. This serves as a testament to the confidence our business associates have in our quality of work and well-rounded portfolio of projects. Coupled with Singapore’s strong economic fundamentals and positive outlook for the construction sector, we will continue to ride on the opportunities that will help our Group to further grow and expand.”

Business Review

During the financial period under review, Group revenue decreased by 24% from S\$82.5 million in 3QFY2010 to S\$62.7 million in 3QFY2011. The decrease was mainly due to the decrease in revenue from the Group’s core construction business. In line with this, cost of construction decreased by approximately S\$24.0 million or 33% from S\$72.5 million in 3QFY2010 to S\$48.5 million in 3QFY2011.

The Group's Property Development and Management segment registered revenue of S\$1.4 million. Rental income from investment properties increased by approximately S\$0.2 million in 3QFY2011 as compared to 3QFY2010.

Group profit before tax increased by 41% or S\$2.6 million to S\$8.9 million in 3QFY2011. In line with the increase, Group net profit after tax surged by 57% from S\$5.2 million in 3QFY2010 to S\$8.2 million in 3QFY2011.

For the nine months ended December 31, 2010 ("9MFY2011"), the Group posted total revenue of S\$206.8 million. Profit before tax increased marginally to S\$19.2 million in 9MFY2011 from S\$19.1 million in the previous corresponding period ended December 31, 2009 ("9MFY2010"). As a result, the Group recorded a 9% increase in net profit after tax from S\$15.3 million in 9MFY2010 to S\$16.7 million in 9MFY2011.

As at December 31, 2010, the Group maintained a strong balance sheet and working capital position, with cash and cash equivalents and fixed deposits of S\$89.9 million.

Prospects and Growth Plans

The Building and Construction Authority ("BCA") projects construction demand for 2011 to reach between S\$22 billion and S\$28 billion, reflecting a sustained workload from the previous year's steady growth in total construction demand on the back of strong economic fundamentals. The outlook of the construction industry remains positive over the medium-term view of expected continual demand from the private sector, as well as the anticipated strong expansion in the public sector demand.

Mr Choo commented, "Leveraging on our experience and robust track record of both public and private sector projects, we will be on the lookout for growth opportunities in both of these segments. We expect more tendering opportunities for government projects ahead as the public sector is anticipated to remain as a key driver to propel industry demand with major infrastructure developments such as new MRT lines to be implemented over the next decade."

“Going forward, we are cautiously optimistic on the outlook of our core construction business. We will remain focused on our strategy, which is to look out for viable opportunities to tender for construction projects, whilst exercising prudence and being mindful of the possible impacts of the uncertainties in economic conditions that may have an effect on the performance of our business.”

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 32 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 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.

Ongoing construction projects carried out by the Group include a S\$70.6 million contract from Lippo Real Estate for the development of a luxury freehold condominium along Kim Seng Road, Centennia Suites, 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\$40.4 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).

More details can be found at www.kimsengheng.com

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