



## **KSH Holdings Limited**

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

### **NEWS RELEASE**

#### **KSH HOLDINGS ACHIEVES S\$20.4 MILLION IN NET PROFIT ON REVENUE OF S\$170.6 MILLION IN FY2012**

- ***Strong order book of approximately S\$467.0 million***
- ***Proposes final dividend of 0.5 cent per share, bringing total dividend to 1.5 cents per share in FY2012***
- ***Proposes 1 bonus share credited as fully paid, for every 10 existing shares in the capital of the Company***

**Singapore, May 25, 2012** – 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 net profit of S\$20.4 million on revenue of S\$170.6 million, for the full year ended March 31, 2012 (“FY2012”).

Commented Mr Choo Chee Onn (“朱時安”), Executive Chairman and Managing Director of KSH Holdings, “The Group remained profitable in FY2012 notwithstanding a challenging period. We continued to rebalance our portfolio, with good results seen in our Property Development and Management segment. Through strategic consortiums and joint ventures, the Group is redeveloping properties such as Hong Leong Garden Shopping Centre, Seletar Garden and 11 King Albert Park. As for our construction segment, going forward, we will continue to have a balanced portfolio that comprises public and private sector projects and work towards improving productivity with cost-effective measures.

“To reward our loyal shareholders, apart from the interim dividend, the Board of Directors is declaring a one-tier tax exempt final dividend of 0.5 cent per share, bringing total dividends declared to 1.5 cents per share.”

The Board of Directors has also proposed a bonus issue to their shareholders on the basis of 1 bonus share credited as fully paid for every 10 existing shares in the Company. The proposed bonus issue, which would provide greater liquidity for the Group's shareholders, will be issued pursuant to the share issue mandate approved by shareholders of the Company at the 5<sup>th</sup> Annual General Meeting of the Company held on 22 July 2011.

Further details of the Proposed Bonus Issue will be provided in a separate announcement to be released by the Company in due course.

### **Performance Review**

Group Revenue decreased 35.1% from S\$262.8 million for the full year ended March 31, 2011 ("FY2011") to S\$170.6 million in FY2012, largely due to a 43.5% decrease in revenue from the Construction business segment from S\$257.3 million in FY2011 to S\$145.4 million in FY2012.

The Construction business segment has accounted for 85.2% of the Group Revenue in FY2012 while the revenue from Group's Property Development and Management segment of S\$25.3 million has accounted for a significantly larger portion in the Group Revenue of 14.8% in FY2012 as compared to 2.1% in FY2011.

Geographically, the bulk of KSH's revenue continued to be derived from its operations in Singapore. In FY2012, Singapore contributed S\$165.2 million, making up 96.8% of total sales, while the People's Republic of China ("PRC") contributed S\$5.5 million, accounting for 3.2% of total revenue.

Cost of sales decreased by 36.7% from S\$221.0 million in FY2011 to S\$140.0 million in FY2012 mainly due to decrease in cost of construction business, offset by increase in cost recognised from sale of development property. Overall, operating expenses also decreased 17.0% from S\$18.0 million in FY2011 to S\$15.0 million in FY2012.

Given the above, net profit decreased 11.2% from S\$23.0 million in FY2011 to S\$20.4 million in FY2012. This was mitigated by a 65.8% increase in other income from S\$6.0 million in FY2011 to S\$9.9 million in FY2012 mainly due to increase in gain of fair value adjustments of investment properties and interest income.

The Group's borrowings and debt securities decreased from S\$94.5 million in FY2011 to S\$75.5 million in FY2012 and gearing remains low at 0.12 times.

Earnings per share ("EPS") and net asset value per share stood at 5.30 cents and 39.71 cents respectively, as at March 31, 2012. EPS was computed based on the weighted average number of shares of 344,918,792 in FY2012.

### **Prospects and Growth Plans**

The Ministry of Trade and Industry expects Singapore's GDP to grow between 1% to 3% this year. Singapore's economy grew by 1.6% on a year-on-year basis in the first quarter of 2012. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy had expanded by 10%. However, authorities remain cautious about Singapore's growth outlook arising from uncertainty in the Eurozone, fragility in recovery of United States economy and lacklustre growth of exports in Asia.

The construction sector grew by 7.7% on a year-on-year basis, an improvement from the 2.9% growth in the preceding quarter. On a sequential basis, the sector rebounded by an annualised rate of 32.1%, largely due to increase in construction activities in the residential and institutional building segments. However, tender prices are likely to remain competitive and a backdrop of an anticipated softening in private sector construction demand remains.

Mr Choo commented, "We are keeping watch on the market landscape and we are cautiously optimistic on the outlook of our construction business. Notwithstanding the inflationary pressures on global construction materials and rising labour costs, our strong existing order books of approximately S\$467.0 million as at May 2012 will bolster the Group against the softening in the global economy."

## **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 33 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.

The Group had recently been awarded a letter of intent worth S\$53.3 million for the construction of The Boutiq at Killiney. Prior to that, the Group had secured a sizeable contract worth S\$110.28 million from a joint venture between a Far East Organization company and a Frasers Centrepoint Limited subsidiary for the construction of Seastrand – a condominium development. On-going construction projects carried out by the Group include a contract worth S\$49.9 million for the proposed additions and alterations to the existing Mount Alvernia Hospital, a contract worth S\$138.4 million for the construction of Eight Courtyards from a joint venture between Frasers Centrepoint and Far East Organisation, a contract worth S\$78.7 million from a Wheelock Properties subsidiary for the construction of Ardmore Three, a S\$49.1 million contract from the Ministry of Education, Singapore for the construction of 2 new primary schools and a S\$70.6 million contract to construct a luxury freehold condominium, Centennia Suites along Kim Seng Road.

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 PRC as well as in Singapore (via joint ventures).

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

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