



KSH Holdings Limited

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

NEWS RELEASE

KSH DELIVERS STRONG 98.3% EARNINGS GROWTH TO S\$36.3 MILLION IN FY2013

- *Property Development projects boost bottomline in FY2013*
- *Construction order book lifted to approximately S\$446.0 million as at April 30, 2013 by recent project wins*
 - o *Recent project wins: Q Bay Residences condominium; JTC District Cooling System building; and a mixed development project in Beijing, PRC*
- *Low gearing of 0.12x and healthy fixed deposits, cash and cash equivalents of S\$81.4 million*
- *Proposes final dividend of 1.15 cents per share, bringing total dividend payout to 2.5 cents per share in FY2013*

S\$'million	FY2013	FY2012	% Change
Revenue	231.6	170.6	35.8
Profit before taxation	42.0	25.6	63.9
Share of results from associates	16.6	(0.1)	nm
Net Profit attributable to Owners of the Company	36.3	18.3	98.3

Singapore, May 27, 2013 – KSH Holdings Limited (%SH Holdings+or the %Group+) (%金成兴控股有限公司+), a well-established construction, property development and property management group, today announced that its net profit attributable to shareholders almost doubled to S\$36.3 million for the year ended March 31, 2013 (%FY2013+) and net profit grew 84.6% to S\$37.6 million. This was achieved on the back of a 41.8% rise in project revenue to S\$206.1 million and increase in share of results of associates of S\$16.7 million for FY2013.

Commented Mr Choo Chee Onn (%朱峙安+), Executive Chairman and Managing Director of KSH Holdings, %FY2013 has been an eventful year that saw KSH achieve several milestones as we strategically rebalanced our portfolio between construction and property development, the fruition of which is clearly seen in our strong results performance. In FY2013, the Group's bottomline was driven by higher profits recognition from several of our joint-venture property development projects, as well as an increase in revenue from our construction business.+

%SH has also made progress in our plans to diversify the Group's geographical presence. In March 2013, we raised net proceeds of S\$13.8 million from our placement, in which a large proportion is earmarked to support the Group's operations and expansion plans in Singapore, Southeast Asia and PeoplesqRepublic of China. I am pleased that following the placement, KSH won our first construction project in Beijing for a mixed property development project comprising condominiums, office and commercial units.

%Separately, we are also very proud to have been awarded the BCA Construction Excellence Awards for two of our construction projects in Singapore, the Fullerton Bay Hotel and NUS University Town's Educational Resource Centre. These wins add to our established track record and position us attractively in project tenders.+

%In celebration of KSH's achievements in FY2013, we would also like to reward our loyal shareholders with a final dividend of 1.15 cents per share, which would bring the total dividend payout for FY2013 to 2.5 cents per share.+

Performance Review

In the year under review, the Group's revenue increased 35.8% to S\$231.6 million in FY2013 from S\$170.6 million in the previous corresponding financial year (FY2012), largely due to an increase in revenue from the construction business.

KSH's Construction segment contributed 89.1% or S\$206.3 million of the Group's revenue and the remaining 10.9% or S\$25.3 million was contributed by sales of development property and rental income from investment properties.

Operating expenses increased 38.8% to S\$214.9 million in FY2013 from S\$154.8 million in FY2012. In line with the increase in construction business, cost of construction increased 38.6% to S\$194.0 million from S\$140.0 million in FY2012. Personnel expenses increased 76.6% from S\$6.1 million in FY2012 to S\$10.7 million in FY2013.

Other operating expenses increased by S\$1.3 million from S\$5.5 million in FY2012 to S\$6.8 million in FY2013 mainly due to increase in provision made for anticipated losses on construction projects in addition to increase in sales tax from sale of investment properties in People's Republic of China (PRC) and increase in building maintenance cost. There was no significant variation in depreciation expenses.

Property development significantly lifted the Group's bottomline in FY2013, with the turnaround in the share of results of associates from a S\$0.1 million loss in FY2012 to a profit amounting to S\$16.6 million in FY2013. This was mainly due to contribution from launched property development projects which had significant increases in sales and higher recognition on percentage of construction completion.

Given the above, net profit rose 84.6% from S\$20.4 million in FY2012 to S\$37.6 million in FY2013 and profit attributable to shareholders almost doubled from S\$18.3 million in FY2012 to S\$36.3 million in FY2013.

As at March 31, 2013, the Group had a low gearing of 0.12x and a healthy balance sheet and working capital position, with fixed deposits, cash and cash equivalents of S\$81.4 million. The Group's earnings per share and net asset value stood at 9.8 cents and 43.6 cents respectively, as at March 31, 2013.

Prospects and Growth Plans

According to the Ministry of Trade and Industry of Singapore (MTI), Singapore's construction sector continues to provide support to growth of the Singapore economy. The sector expanded 7.3% on a year-on-year basis in 1st Quarter 2013 and grew by an annualised rate of 16.5% due to a strong rebound in private sector building activities.

Mr Choo commented, "The construction industry in Singapore is not without challenges and there has been some impact from the shortage of labour and equipment, rising competition, uncertainties in material prices and rising costs of operation. Notwithstanding these challenges, KSH has been awarded with contract wins amounting to approximately S\$234.4 million to date in 2013. They are for the construction of the Q Bay Residences condominium; building for JTC's cooling water system at Ayer Rajah, and mixed development project in Beijing, PRC. With these projects, our construction order book to-date stands strongly at approximately S\$446.0 million as at April 30, 2013. Moving forward, we shall continue to look at construction jobs not only in the public and private sectors in Singapore, but also in Southeast Asia and the PRC."

According to Urban Redevelopment Authority (URA) statistics, the property market in Singapore continues to perform positively although the rate of increase in prices of private residential properties has moderated to 0.6% in 1st quarter 2013.

We are glad that the sales at our Property Development projects launched in FY2013 were in line with or better than our expectations. With the increase in sales and progress in construction, our Property Development projects have contributed to the strong growth in the Group's bottomline in FY2013. As scheduled, we have also launched projects recently which were well received by the market, and will contribute to our future earnings. In view of uncertainties in the macro-economy as well as the property market, we shall continue to exercise prudence in the evaluation of each opportunity before embarking on any new acquisition or investment, mainly with reputable JV partners, in development property projects.

Barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance in FY2014.

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 over 34 years of experience in the Singapore construction industry and is backed by an impressive track record, both in Public and Private Sector construction projects. In May 2013, KSH won two BCA Construction Excellence Awards for the construction of the Fullerton Bay Hotel and NUS University Town's Educational Resource Centre.

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.

Besides acting as a main contractor for both the Public and Private Construction sectors in Singapore, and for the Private sector in Malaysia and the Peoples Republic of China (PRC) KSH is also involved in Property Development and Property Management in Singapore as well as the PRC.

As of April 30, 2013, KSH has a strong order book of approximately S\$446.0 million.

More details can be found at www.kimsengheng.com

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