



KSH Holdings Limited

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

NEWS RELEASE

KSH HOLDINGS NET PROFIT SURGES 157.0% TO S\$11.5 MILLION IN 1QFY2014

- *Share of results of associated companies from property development surges six times from S\$1.3 million in 1QFY2013 to S\$7.8 million in 1QFY2014*
- *Healthy construction order book of more than S\$402 million as at June 30, 2013*
- *Healthy balance sheet with low gearing of 0.03x*
- *Cash and cash equivalents and fixed deposits of S\$86.8 million*

S\$'million	1QFY2014	1QFY2013	% Change
Group Revenue	83.3	55.2	50.9
Share of results of associated companies	7.8	1.3	504.7
Profit before taxation	12.2	5.1	137.8
Net Profit after taxation	11.5	4.5	157.0
Net Profit Attributable to Owners	11.4	4.3	164.7

Singapore, August 12, 2013 – **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 that net profit after taxation in the first quarter ended June 30, 2013 (“1QFY2014”) surged 157.0% to S\$11.5 million from S\$4.5 million in the previous corresponding period ended June 30, 2012 (“1QFY2013”).

This was achieved mainly on the back of a 50.9% increase in Group revenue to S\$83.3 million in 1QFY2014, from S\$55.2 million in 1QFY2013; and a surge in share of results of associated companies from S\$1.3 million in 1QFY2013 to S\$7.8 million in 1QFY2014.

Commented Mr Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings, “We are pleased to have achieved a whopping growth in our bottomline for 1QFY2014. This alludes in part to the significant growth in share of results of associated companies, from our Property Development business. At the same time, our Construction business, which we have a strong track record in, also remains strong. The positive synergy between property development and construction places KSH in an attractive value-adding position when capitalising on opportunities in local and overseas markets for both construction and property development sectors.”

Performance Review

Group revenue increased 50.9% from S\$55.2 million in 1QFY2013 to S\$83.3 million in 1QFY2014 largely due to an increase in Construction projects.

Revenue from the Construction segment increased 49.6% from S\$47.9 million in 1QFY2013 to S\$71.7 million in 1QFY2014, contributing 86.1% to Group revenue, and remained as the Group’s strongest topline contributor in 1QFY2014. Sales from Development Property segment and Rental Income contributed 12.1% and 1.8% respectively to Group revenue.

Cost of construction arising from construction and property development projects increased from S\$48.1 million in 1QFY2013 to S\$77.1 million in 1QFY2014, and significantly contributed to the increase in operating expenses, which rose from S\$52.8 million in 1QFY2013 to S\$80.7 million in 1QFY2014.

Other operating income increased by S\$0.3 million from S\$1.5 million in 1QFY2013 to S\$1.8 million in 1QFY2014, largely due to an increase in foreign exchange gains and interest income from associated companies, after offset by the decrease in gain on sale of investment property.

Share of results of associates increased by S\$6.5 million from S\$1.3 million in 1QFY2013 to a profit of S\$7.8 million in 1QFY2014 mainly due to the strong contribution from the development property projects in Singapore.

Given the above and excluding non-controlling interest, net profit after taxation attributable to owners of the Company more than doubled from S\$4.3 million to S\$11.4 million.

As at June 30, 2013, the Group maintained a healthy balance sheet and working capital position, with low gearing of 0.03x and with cash and cash equivalents and fixed deposits of S\$86.8 million. The Group's earnings per share and net asset value stood at 2.76 SGD cents and 46.90 SGD cents respectively.

Prospects and Growth Plans

According to the Ministry of Trade and Industry of Singapore ("MTI"), Singapore's economy grew by 3.8% in the second quarter of 2013 and is expected to grow by 2.5% - 3.5% in 2013.

According to the MTI, the construction sector grew by 5.1% in the second quarter of 2013 and expanded by an annualised rate of 11.2%. Separately, statistics released by the Urban Redevelopment Authority showed that prices of private residential properties increased by 1.0% in second quarter 2013, compared with 0.6% price growth recorded in first quarter 2013.

Mr Choo commented, "Amid uncertainties of the global economy and the resulting challenges ahead, we are confident about the longer-term prospects for construction and property development business in Singapore and the People's Republic of China. To-date, the property development projects, that the Group has launched, have so far been able to either meet or exceed our expectations in both sales volumes and prices. In addition, we have a strong construction order book of more than S\$402.0 million as at 30 June 2013, and intend to continue tendering for projects, giving greater attention to public sector construction 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 People's Republic of China ("PRC") KSH is also involved in Property Development and Property Management in Singapore as well as the PRC.

More details can be found at www.kimsengheng.com

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