



KSH Holdings Limited

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

NEWS RELEASE

KSH ACHIEVES NET PROFIT OF S\$9.6 MILLION ON REVENUE OF S\$62.5 MILLION IN 1QFY2015

- *Group revenue comprises project revenue of S\$60.9 million from construction projects and higher rental income from investment properties;*
- *Share of results of associates amounted to S\$6.9 million;*
- *Strong construction order book of more than S\$490 million as at 31 July 2014, is expected to contribute to Group's performance over next two years;*
- *Healthy balance sheet with low gearing of 0.02 times, and cash and cash equivalents of S\$104.5 million.*

Singapore, August 12, 2014 – **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 attributable to owners of the company of S\$9.6 million and Group revenue of S\$62.5 million, which comprises project revenue and rental income from investment properties, in the first quarter ended June 30, 2014 (“1QFY2015”).

The Group achieved project revenue of S\$60.9 million from construction projects in 1QFY2015 as compared to S\$71.7 million in the previous corresponding quarter (“1QFY2014”). Rental income from investment properties steadily grew 4.2% to S\$1.6 million in 1QFY2015 from S\$1.5 million in 1QFY2014. In addition to these, Share of results of associates also contributed S\$6.9 million to the Group's results in the period under review.

Commented Mr Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings, “I am pleased that the Group has achieved a net profit of S\$9.7 million, notwithstanding the slowdown in private sector construction activities¹ in the quarter under review. Having anticipated this, the Group positioned itself for opportunities beyond the private sector and made good progress – our construction order book of more than S\$490 million and strong fundamentals reflect clearly of our agility in seizing growth wherever opportunities present itself.”

Over the last few weeks and in 1QFY2015, KSH clinched a S\$147.8 million public sector project for the design, construction, completion and maintenance of an integrated Community Building. Together with joint venture partners, KSH successfully acquired Prudential Tower, from which recurring rental income can be derived, and also acquired two plots of land parcels A & B at Fernvale Road for the proposed condominiums development project.

Performance Review

In line with the decrease in construction revenue in 1QFY2015, cost of construction decreased by S\$12.5 million or 18.7% to S\$54.3 million from S\$66.8 million over the same period of 1QFY2014.

Other operating expenses decreased by S\$0.5 million or 30.6% to S\$1.3 million in 1QFY2015 from S\$1.8 million in 1QFY2014, mainly due to a decrease in unrealised exchange loss and lower building maintenance expenses for investment properties.

¹http://www.mti.gov.sg/ResearchRoom/SiteAssets/Pages/Economic-Survey-of-Singapore-Second-Quarter-2014/PR_2Q14.pdf

Most of the Group's existing residential properties launched have been completely or substantially sold at prices which are within or better than expectations. These include Lincoln Suites, Cityscape @ Farrer Park, The Boutique, Sky Green, Rezi 26, Palacio, NeWest, KAP Residences and etc. The launched commercial properties have also achieved sales volumes and prices that are either better or within expectations. As there were lesser sales and lower percentage of completion recognition recorded in 1QFY2015 as compared to 1QFY2014, share of results of associates was approximately S\$1 million lower at S\$6.9 million in the quarter under review.

Overall, the Group achieved net profit attributable to owners of the company of S\$9.6 million in 1QFY2015 as compared to S\$11.4 million in 1QFY2014.

As at June 30, 2014, the Group maintained a healthy balance sheet and working capital position, with low gearing of 0.02 times and with cash and cash equivalents of S\$104.5 million. The Group's earnings per share and net asset value per share stood at 2.32 SGD cents and 54.64 SGD cents respectively.

Prospects and Growth Plans

The forecasted pace of growth for Singapore's economy for the year 2014 has been narrowed from 2-4% to 2.5-3.5%. Government statistics showed that the Construction sector grew at a slower pace of 4.4% on a year-on-year basis in the second quarter of 2014, compared with the 6.4% growth in the previous quarter. Private condominium transactions in Singapore decreased in the first half of 2014 as compared to 2013, and prices declining by 3.3% over the last three quarters. However, in the office property market, there is still strong demand.

Mr Choo commented, "As we continue to monitor our operating environment, we will also stay focused on our construction business in Singapore and at the same time, maintain our strength in property development via joint ventures and explore overseas opportunities in the Southeast Asia and Asia Pacific regions, particularly in China."

Overall, the Group is cautiously optimistic about the outlook of its performance in FY2015.

About KSH Holdings Limited

KSH Holdings Limited (“KSH Holdings” or the “Group”) (“金成兴控股有限公司”) is a well-established Construction, Property Development and Property Investment group that was incorporated in 1979 and listed on the Mainboard of SGX-ST on February 8, 2007.

KSH is an A1-graded contractor under BCA CW01, with the ability to tender for Public Sector construction projects of unlimited value, and is a main contractor for both public and private sectors in Singapore. KSH also has an A2 grading under BCA’s CW02 category for civil engineering, which allows KSH to tender for Public Sector projects for values of up to \$85 million.

KSH has a proven capability of handling construction projects across a broad spectrum of industries and its projects have performed well in CONQUAS, a standard assessment system on the quality of building projects. For the construction of Fullerton Bay Hotel and NUS University Town’s Education Resource Centre, KSH had received two BCA Construction Excellence Awards in May 2013.

Since listing, KSH had broadened its business portfolio and grown its geographical presence. Beyond its core construction business, the Group is also actively engaged in property development and investment with projects geographically diversified across Southeast Asia and Asia Pacific regions.

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