



KSH Holdings Limited

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

NEWS RELEASE

KSH HOLDINGS REPORTS NET PROFIT FOR 3QFY2012 AND 9MFY2012

- **Net profit of S\$3.1 million for 3QFY2012 and S\$11.1 million for 9MFY2012**
- **Healthy order book of approximately S\$506.0 million with projects from both public and private sectors**

Singapore, February 13, 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\$3.1 million for the third quarter ended December 31, 2011 (“3QFY2012”) on revenue of S\$30.5 million in 3QFY2012.

Mr Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings commented, “I am pleased to report a profitable quarter notwithstanding the challenging climate for the construction and property industry. The Group is strengthened by resilient fundamentals and a balanced portfolio of construction and property projects in both public and private sectors. Our management team comprising industry veterans will steer the Group well in these tough circumstances.”

Business Review

During the financial period under review, Group revenue decreased by 51.4% from S\$62.7 million in 3QFY2011 to S\$30.5 million in 3QFY2012, mainly due to a drop in revenue from the construction business from S\$61.3 million in 3QFY2011 to S\$29.1 million in 3QFY2012.

In line with lowered revenue from construction business, cost of sales dropped by approximately 54.9% from S\$48.5 million in 3QFY2011 to S\$21.9 million in 3QFY2012. Personnel expenses were 38.4% lower from S\$3.6 million in 3QFY2011 to S\$2.2 million in 3QFY2012 due to decrease in provision for bonuses.

Other operating expenses rose from S\$1.0 million in 3QFY2011 to S\$2.2 million in 3QFY2012 due to increase in provision for anticipated losses on construction projects. Expenses relating to selling and marketing activities for launches of development property projects, led to an approximately S\$0.5 million loss from share of results of associates.

Overall, the Group's profit before tax decreased by 52.0% from S\$8.9 million in 3QFY2011 to S\$4.3 million in 3QFY2012 and the Group net profit after tax declined 62.0% from S\$8.2 million in 3QFY2011 to S\$3.1 million in 3QFY2012.

For the nine months ended December 31, 2011 ("9MFY2012"), the Group posted profit before tax of S\$14.5 million and net profit after tax of S\$11.1 million on Group revenue of S\$125.6 million.

As at December 31, 2011, the Group maintained a strong balance sheet and working capital position, with cash and cash equivalents of S\$58.3 million.

Prospects and Growth Plans

The Building and Construction Authority ("BCA") projects construction demand for 2012 to reach between S\$21.0 billion and S\$27.0 billion, against a backdrop of rising construction costs, competitive tender prices and anticipated softening in private sector construction demand. Despite a likely moderation in private sector construction demand, the outlook of the construction industry remains positive due to the continued strong public sector construction demand particularly from public housing, institutional building and civil engineering projects.

Mr Choo commented, “We expect more tendering opportunities in 2012 for government projects such as public housing, university campuses, industrial estates and hospitals. Our solid track record of projects in both public and private sectors, positions us in good stead to compete for suitable opportunities that will arise in both the construction and property sectors.

“Going forward, we remain cautiously optimistic on the outlook of our core construction business. We will prudently select viable opportunities to tender for construction projects, keeping in mind the possible impact from the uncertainties in economic conditions that may have an effect on the performance of our business.”

The Group has a healthy order book on construction projects of approximately S\$506.0 million with projects from both public and private sectors.

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.

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 Singapore as well as the People’s Republic of China (“PRC”).

More details can be found at www.kimsengheng.com

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