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

NEWS RELEASE

KSH REPORTS FY2015 NET PROFIT OF S$41.7 MILLION ON S$246.1 MILLION REVENUE

- ***Construction order book remains strong at more than S$420.0 million***
- ***Healthy balance sheet with low net gearing at 0.004 time and cash and cash equivalents of S$95.1 million***
- ***Proposed final cash dividend of 1.50 Singapore cents per ordinary share, bringing total dividend distributed for FY2015 to 2.75 Singapore cents per share***

Singapore, May 29, 2015 **– KSH Holdings Limited** ("KSH 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 revenue of S$246.1 million and net profit attributable to owners of the company ("net profit") of S$41.7 million for the year ended March 31, 2015 ("FY2015").

Lower construction revenue was cited as the main reason for the 15.7% slip in revenue from S$292.0 million a year ago ("FY2014"), mitigated by a credible 38.6% rise in Other Operating Income to S$13.0 million in FY2015 from S$9.4 million lifted by interest income of S$7.3 million. Overall, net profit dipped marginally by 7.0% from S$44.8 million last year.

Commented Mr. Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings, “The construction business has been operating in a challenging environment amidst rising costs, while the property development business in Singapore was impacted by the slowdown brought about by several rounds of cooling measures. Through strategic consortiums and joint ventures, we continue to build new recurring income streams to diversify our portfolio and capitalise on opportunities amidst macro uncertainties.”

“We remain focused on asset and geographical rebalancing, keeping an eye on viable opportunities within the region – in the People’s Republic of China (“PRC”), Australia and Malaysia – with construction of the residential development project Liang Jing Ming Ju Phase 4 – Sequoia Mansion (靓景明居四期 – 红衫公馆) in Beijing, PRC, progressing on schedule and expected to complete in FY2016.”

“Together with a consortium of investors, we’ve also recently taken a first step in entering the U.K. real estate market to acquire a freehold property on Glenthorne Road, London, which is strategically located within 2 minutes’ walk from Hammersmith Underground Station. We intend to redevelop the property into a serviced-apartment building of about 85 rooms, which will create a recurring rental income stream in time to come. This will be a good addition to our Property Investment portfolio, where we receive a steady income stream through our interests in Prudential Tower in Singapore and Tianxing Riverfront Square in Tianjin, PRC.”

Performance Review

The Group recorded a lower construction revenue of S$239.9 million in FY2015, a 16.0% drop from S$285.7 million last year, while rental income dipped slightly by 1.8% to S$6.2 million from S$6.3 million in FY2014, contributing to an overall 15.7% drop in FY2015 revenue.

Share of results of associates and joint ventures decreased 6.7% to S$26.3 million in FY2015 from S$28.2 million in FY2014 resulting from lower sales and percentage of completion recognised on the Singapore development projects during the year under review. The decrease was however mitigated by an increase in project recognition from ongoing development projects and additional contribution from our new joint venture investment in Prudential Tower.

In tandem with the lower revenue and slower construction business, FY2015 expenses decreased 14.2% to S$239.5 million from S$279.2 million in FY2014, while tax expense decreased 13.4% to S$3.8 million from S$4.4 million in FY2014.

In view of the above, the Group reported a 7.0% decrease in FY2015 net profit to S$41.7 million from S$44.8 million in FY2014.

As at March 31, 2015, the Group maintained a healthy balance sheet and working capital position, with low net gearing at 0.004 time and cash and cash equivalents of S$95.1 million. The Group's earnings per share and net asset value per share stood at 10.09 Singapore cents and 61.37 Singapore cents, respectively.

The Group has proposed a final cash dividend of 1.50 cents per share, on top of an interim cash dividend of 1.25 cents per share distributed earlier this year.

Prospects and Growth Plans

Based on statistics released by the Singapore Building and Construction Authority in January 2015, total estimated construction demand this year remains strong at between S$29 billion and S$36 billion. Strong public sector demand will provide substantial stability to the overall construction prospects by partially cushioning the anticipated slowdown from the private sector. In addition, the Ministry of Trade and Industry Singapore (MTI) reported a 3.1% expansion in the construction sector on a year-on-year basis in the first quarter of 2015, up from a 0.7% growth in the preceding quarter.

On the private residential property sector, latest statistics released by the Urban Redevelopment Authority on April 24, 2015 showed prices of private residential properties decreased by 1.0% in the first quarter of 2015, representing a sixth consecutive quarter of price decline. Overall, private residential property prices have fallen 0.9%.

Mr. Choo Chee Onn added, "We are pleased that despite a lukewarm residential sector, most of our residential and mixed-use development properties have either been completely or substantially sold at prices within or above expectations, and will continue to contribute to the Group's performance progressively. Our 28%-held joint venture investment in Grade-A office building in Raffles Place, the Prudential Tower, has almost full occupancy and a good tenant mix. We believe with its strategic location, it will continue to contribute positive results to the Group."

"We have a strong order book of over S$420.0 million[1] and leveraging on our strong construction track record and BCA A1 grade that allows us to tender for public sector construction projects of unlimited value, we will continue to tender for both public and private projects – such as the S$33.2 million NUS Sports Centre project win in April 2015 – and ride on the public construction sector growth this year where demand is expected to remain strong as the Government aims to develop various infrastructures."

[1] *As at April 20, 2015*

"In view of the continual tightening of manpower supply and the Government's call for higher productivity through various grants, we continue to strive towards higher adoption of technology, innovation and workers' training, which will in turn improve internal efficiencies and enhance shareholder value."

Barring unforeseen circumstances, the Group is cautiously optimistic about the outlook of its performance in FY2016.

About KSH Holdings Limited

KSH Holdings Limited ("**KSH**" or the "**Group**") ("**金成兴控股有限公司**") is a well-established Construction, Property Development and Property Investment group incorporated in 1979 and listed on the Mainboard of the SGX-ST since 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 $90 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 residential, mixed and commercial projects geographically diversified across Southeast Asia and Asia Pacific regions.

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