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

NEWS RELEASE

KSH'S FY2020 NET ATTRIBUTABLE PROFIT MORE THAN DOUBLES TO S$15.6 MILLION

- ***Over S$466.0 million of the Group's attributable share of progress billings to be recognised as sales revenue from property development projects***
- ***More than 2,700 units sold with positive margins by end FY2020 for four property developments in Singapore***
- ***Strong order book of more than S$472.0 million as at 31 March 2020 consisting of both public and private sector projects***
- ***Proposes final dividend of 1.20 SGD cents to reward shareholders, bringing FY2020 total dividend to 2.20 SGD cents***

Singapore, 30 July 2020 – Well-established construction, property development and property investment group, KSH Holdings Limited ("**KSH**", 金成兴控股有限公司, or the "**Group**"), announced a 104.8% increase in net profit attributable to Owners of the Company to S$15.6 million for the financial year ended 31 March 2020 ("**FY2020**") from S$7.6 million a year ago ("**FY2019**"). Total revenue increased by 13.1% to S$226.1 million in FY2020, as compared to S$200.0 million in FY2019.

Mr Choo Chee Onn (朱峙安), Executive Chairman and Managing Director of KSH Holdings, said, "The Group is heartened to report a credible set of results, having achieved good growth momentum amidst this challenging time. Our groundwork laid in the past has built a stable foundation for our business to tide through this period of unprecedented economic crisis, precipitated by the COVID-19 pandemic."

“As at end of FY2020, we see a strong pipeline of more than S$466.0 million of attributable share of progress billings to be recognised as sales revenue for our property development projects, which have been fully or substantially sold to-date. At the same time, we will continue to work on improving operational capabilities as we ready ourselves for the construction sector’s recovery, underpinned by our healthy order book of more than S$472.0 million as at 31 March 2020, consisting of both public and private sector projects.”

Financial Review

In FY2020, KSH achieved a total revenue of S$226.1 million, an increase of S$26.1 million or 13.1% from S$200.0 million in FY2019. The revenue increase was mainly attributable to the Group’s revenue from construction business – the Group’s main revenue driver – by S$26.5 million from S$194.3 million in FY2019 to S$220.8 million in FY2020. This was partially mitigated by a decrease in rental income mainly from investment properties in Tianjin, the People’s Republic of China (“**PRC**”).

Other income decreased by S$0.8 million to S$11.5 million in FY2020, mainly due to the decrease in gain on fair value adjustments of investment properties of S$1.2 million.

Share of results of associates and joint ventures achieved a profit of S$7.8 million in FY2020, compared to a loss of S$9.4 million in FY2019. This was mainly due to the contribution by the sales and the progress in construction from the residential development projects in Singapore – Affinity@Serangoon, Riverfront Residence and Park Colonial.

Correspondingly, the Group achieved a significant 104.8% increase in net profit attributable to Owners of the Company to S$15.6 million in FY2020, as compared to S$7.6 million in FY2019.

The Group continues to maintain a strong balance sheet and working capital position with fixed deposits, cash and bank balances of more than S$130.3 million as at 31 March 2020.

The Group's fully diluted earnings per share in FY2020 has increased to 2.77 Singapore cents as compared to 1.34 Singapore cents in FY2019 and the net asset value per share as at 31 March 2020 was 58.15 Singapore cents.

Proposed Dividend

Notwithstanding the challenging economic outlook, KSH will be proposing a final cash dividend of 1.20 Singapore cents per ordinary share to thank shareholders for their continuous support. This is in line with the Group's improvement in results and commitment to enhance shareholder value.

Coupled with the interim cash dividend of 1.00 Singapore cent per share distributed earlier in the financial year, this brings the total dividend declared for FY2020 to 2.20 Singapore cents per share.

Impact of COVID-19

The Group has seen some impact on its business to-date, with the government's response affecting general activity levels within the community, the economy and the operations of our business, both local and overseas. This includes impact on the Group's construction business in terms of raw material supply and manpower, the progress of construction schedule and cost of operation, as well as property sales and rental for the Group's property development and investment business.

Due to the fluidity of the situation, the scale and duration of the COVID-19 development remains uncertain, which may in turn impact the future earnings, cash flow and financial condition of the Group. As such, it is not practicable to provide a quantitative or qualitative estimate of the potential impact of the COVID-19 on the Group, nor the government's efforts to combat the pandemic to support businesses.

Mr Choo commented, “The Group remains supported by our solid cash balance and financial position as we continue to reinforce cost control and cash flow management. Notwithstanding the COVID-19 challenges, the Group maintains a long-term view on our business, supported by our strong fundamentals, track record and business network for long term, sustainable growth. We will continue to keep a close eye on ongoing developments, while staying agile and adapt accordingly to new situations.”

The Building and Construction Authority has announced a new S$1.36 billion Construction Support Package to firms in the construction sector to cope with the impact of COVID-19 and to aid the resumption of work quickly and safely. In particular, the Government will provide additional funding to help construction companies offset the cost of requirements to develop safe distancing measures to meet sectoral requirements.

One component of the Construction Support Package is the S$525.8 million Construction Restart Booster, which aims to help construction firms mitigate additional compliance costs in procuring additional material/equipment to comply with COVID-19 Safe Worksite requirements.[1] The Group will utilise these aids as much as possible to defray costs incurred due to the COVID-19 pandemic.

Prospects and Outlook

The global economy took a toll following the onset of the COVID-19 pandemic – an unprecedented human crisis with severe health and socio-economic consequences. Economic activities of countries worldwide have experienced a sharp economic decline following the COVID-19 disruption, and Singapore is no exception.

The Singapore government announced the implementation of the Circuit Breaker (“**CB**”) measures from 7 April to 1 June 2020, in a bid to slow the spread of COVID-19. Consequentially, this led to the suspension of non-essential services and closure of most workplace premises.

[1] *Building and Construction Authority – $1.36b Construction Support Package to help firms resume work quickly and safely – 27 June 2020*

Together with weak external demand amidst a global economic downturn precipitated by the COVID-19 pandemic, Singapore entered into a technical recession, with its GDP having contracted by 12.6% year-on-year ("**y-o-y**") in the second quarter of 2020 based on advance estimates by the Ministry of Trade and Industry ("**MTI**").[2] Taking into account the significant deterioration in the external economic environment, the deterioration in the external demand outlook for Singapore as well as the expected economic impact of the CB measures, the MTI has downgraded its gross domestic product ("**GDP**") growth forecast for the Singapore economy to "-7.0% to -4.0%", from "-4.0% to -1.0%" in 2020.[3]

Construction

The construction sector was similarly impacted by the CB measures, which led to the closure of construction sites and stoppage of most construction activities during the period. Movement restrictions were placed at foreign worker dormitories as a result of additional measures to curb the spread of COVID-19, resulting in manpower disruptions.

As a result, construction demand contracted by 54.7% y-o-y in the second quarter of 2020 ("**2Q2020**"), a significant drop from the 1.1% decline in the previous quarter, according to statistics from the MTI.[1]

The Group's construction order book remains healthy at more than S$472.0 million as at 31 March 2020. As of to-date, all construction sites in Singapore under the Group have received approval to restart work. Five of the Group's construction projects in Singapore have commenced small scale physical works on-site. Most sites are expected to commence work immediately after all workers are given the necessary clearance to work on-site.

---

[2] *Ministry of Trade and Industry Singapore – Singapore's GDP Contracted by 12.6 Per Cent in the Second Quarter of 2020.– 14 July 2020*

[3] *Ministry of Trade and Industry Singapore – MTI Downgrades 2020 GDP Growth Forecast to "-7.0 to -4.0 Per Cent" – 26 May 2020*

Property Development

According to real estate statistics from the Urban Redevelopment Authority, prices of private residential properties increased by 0.3% in 2Q2020, compared with the 1.0% decrease in the previous quarter. The number of private new homes sold in Singapore in 2Q2020 fell 20.3% to 1,713 units from 2,149 units in the previous quarter. Overall, total sales volume fell by 37.6% in 2Q2020 to 2,664 units, marking the third consecutive quarterly decline since third quarter 2019 when 5,763 units were sold.[4]

To mitigate the impact of COVID-19 on the property sector, the Ministry of National Development announced the extension of Project Completion Period (PCP) and the extension of time in relation to the remission of Additional Buyer's Stamp Duty (ABSD) for housing developers by six months.[5]

Despite difficult market sentiments, the Group's four property developments – Affinity@Serangoon, Riverfront Residences, Park Colonial and Rezi 24 have sold more than 2,700 units with positive margins as at end of FY2020.

The sale and construction for the 812 residential units of the Phase 1 of Stage 1 of the residential development project, Sino-Singapore Health City (中新健康城) in Gaobeidian, PRC, is currently in progress. The launch has been well-received by the market, having sold approximately 261 units to-date with an average selling price expected to earn a positive profit margin.

Property Investment

In terms of property investment, the Group continues to maintain good occupancy rates for its property investments in Singapore and overseas, generating recurring income.

---

[4] *Urban Redevelopment Authority – Release of 2nd Quarter 2020 real estate statistics – 24 July 2020*

[5] *Ministry of National Development – Temporary Relief Measures for Property Sector due to Coronavirus Disease 2019 (COVID-19) Pandemic – 6 May 2020*

In view of the on-going pandemic and barring unforeseen circumstances, the Group remains cautious on the outlook of its performance for the financial year ending 31 March 2021.

About KSH Holdings Limited

KSH Holdings Limited ("**KSH**", 金成兴控股有限公司**,** or the "**Group**") 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 S$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 NUS University Sports Centre and Heartbeat@Bedok, KSH received two BCA Construction Excellence Awards in the year 2019.

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 the Asia-Pacific and Europe regions.

ISSUED ON BEHALF OF	:	KSH Holdings Limited
BY	:	Dewe Rogerson Singapore Pte Ltd
		105 Cecil Street
		#09-01 The Octagon
		Singapore 069534
CONTACT	:	Ms Dolores Phua / Ms Samantha Koh
		at telephone
DURING OFFICE HOURS	:	6589-2383 / 6589-2378
EMAIL	:	dolores.phua@citigatedewerogerson.com
		samantha.koh@citigatedewerogerson.com