



KSH Holdings Limited

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

NEWS RELEASE

KSH ANNOUNCES 231.4% RISE IN NET PROFIT TO S\$6.0 MILLION IN 2QFY2020

- ***Share of results of associates and joint ventures increases substantially to S\$5.3 million***
- ***Order book remains healthy at more than S\$351.4 million as at 30 September 2019***
- ***More than 2,550 units sold to-date with positive margins for four property developments in Singapore, namely Affinity@Serangoon, Riverfront Residences, Park Colonial and Rezi 24***
- ***Proposes interim cash dividend of 1.00 Singapore cent per share***

Singapore, 11 November 2019 – Well-established construction, property development and property management group, KSH Holdings Limited (“**KSH**”, 金成兴控股有限公司, or the “**Group**”), announced a 231.4% increase in net profit attributable to Owners of the Company to S\$6.0 million on the back of a 66.9% increase in revenue to S\$58.8 million for the three months ended 30 September 2019 (“**2QFY2020**”).

Mr Choo Chee Onn (朱峙安), Executive Chairman and Managing Director of KSH Holdings, said, “Notwithstanding the uncertainties and challenges in the global and domestic economy, we are encouraged by the Group’s commendable set of results this quarter, having achieved strong revenue growth and an improvement in share of results of associates and joint ventures, resulting in a significant bottom-line growth.”

“We are starting to reap the fruits of our labour, having sown the seeds of growth over the past quarters as we focused on the execution of our various joint development projects with our strategic JV partners. We continue to maintain a long-term view on our business, with our strong order book of more than S\$351.4 million and our robust pipeline of more than S\$482.0 million attributable share of progress billings from property development projects, to be recognised as sales revenue by associates and joint ventures as at end of September 2019.”

Financial Review

KSH achieved a total revenue of S\$58.8 million in 2QFY2020, a 66.9% increase from S\$35.2 million reported a year ago (“**2QFY2019**”). This was mainly due to the increase in revenue from construction business – the Group’s main revenue driver – by 69.6% from S\$33.8 million in 2QFY2019 to S\$57.3 million in 2QFY2020.

Other income increased by 12.4% to S\$2.9 million in 2QFY2020, mainly due to the increase in interest income from loans to associates and joint ventures.

Share of results of associates and joint ventures increased substantially to S\$5.3 million in 2QFY2020, from S\$0.9 million in 2QFY2019, mainly contributed by the sales and progress in construction from the residential development projects in Singapore – Affinity@Serangoon, Riverfront Residence and Park Colonial.

Correspondingly, the Group achieved a significant 231.4% increase in net profit attributable to Owners of the Company to S\$6.0 million in 2QFY2020, as compared to S\$1.8 million in 2QFY2019.

The Group continued to maintain a strong balance sheet and working capital position with fixed deposits, cash and bank balances of S\$73.6 million as at 30 September 2019.

The Group’s fully diluted earnings per share in 2QFY2020 has increased to 1.05 Singapore cents as compared to 0.32 Singapore cent in 2QFY2019 and the net asset value per share as at 30 September 2019 was 57.61 Singapore cents.

For the six months ended 30 September 2019 (“**1HFY2020**”), KSH achieved a 66.4% increase in total revenue to S\$126.6 million from S\$76.1 million a year ago (“**1HFY2019**”). Net profit attributable to owners of the Company recorded a 51.6% increase to S\$11.1 million in 1HFY2020 as compared to S\$7.3 million in 1HFY2019.

In line with the Group’s improvement in results and commitment to enhance shareholder value, KSH has proposed an interim cash dividend of 1.00 Singapore cent per share.

Prospects and Outlook

Singapore’s economy continues to face headwinds on the back of less favourable global environment with prolonged period of heightened uncertainty. Based on advance estimates from the Ministry of Trade and Industry (“**MTI**”), the Singapore economy grew 0.1% on a year-on-year (“**y-o-y**”) basis in the third quarter of 2019, maintaining the same pace of growth as the previous quarter. On a quarter-on-quarter (“**q-o-q**”) seasonally adjusted annualised basis, the economy expanded by 0.6%, a turnaround from the 2.7% contraction in the preceding quarter.¹

Construction

The construction demand remains steady, having grown by 2.7% on a y-o-y basis in the third quarter of 2019, extending the 2.8% expansion in the previous quarter. Growth in the sector was supported by pickup in both public and private sector construction activities. On a q-o-q seasonally adjusted annualised basis, the sector contracted by 1.1%, a slower pace of decline as compared to the 5.3% contraction in the second quarter.¹

¹ Ministry of Trade and Industry Singapore – Singapore’s GDP Grew by 0.1 Per Cent in the Third Quarter of 2019 – 14 October 2019

Property Development

Singapore's private property market is in good health, with the highest number of new homes sold in a single quarter in more than six years. According to the Urban Redevelopment Authority's latest statistics, prices of private residential properties increased by 1.3% in the second quarter of 2019, compared with the 1.5% increase in the previous quarter.

Developers launched 3,628 uncompleted private residential units (excluding executive condominium) for sale in the third quarter of 2019, compared with 2,502 units in the previous quarter. A total of 3,281 private residential units (excluding ECs) were sold this quarter, compared with the 2,350 units sold in the previous quarter.²

Mr Choo commented, "The Singapore property market is showing healthy growth and this is reflected in the sales of our four residential development projects – Affinity@Serangoon, Riverfront Residences, Park Colonial and Rezi 24. To-date, we have sold more than 2,550 units with positive margins based on options issued.

"With our robust cash balance and working capital position, backed by our solid track record and BCA A1 grade in the construction business, we will ready ourselves to navigate through challenges and opportunities in the second half of the financial year. We will also look for ways to boost our recurring income streams for sustainable growth."

The Group's 22.5%-owned associated company, Gaobeidian City KAP Real Estate Development Co., Ltd (高碑店阿尔伯特园房地产开发有限公司), has recently launched 216 residential units in the Phase 1 of Stage 1 of the residential development project, Sino-Singapore Health City (中新健康城) in Gaobeidian, PRC. The launch has been well received by the market, with an average selling price expected to earn a positive profit margin.

² Urban Redevelopment Authority – Release of 3rd Quarter 2019 real estate statistics – 25 October 2019

Property Investment

KSH's property investments in Singapore and abroad have continuously maintained good occupancies and will continue to generate recurring income. The Group will continue to seek out yield-accretive opportunities for investment, in partnership with experienced and strategic JV partners, to increase its foothold in geographies with positive market cycles.

Barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance for the financial year ending 31 March 2020.

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 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 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	:	6534-5122
EMAIL	:	dolores.phua@citigatedewerogerson.com samantha.koh@citigatedewerogerson.com
