



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\$6.7 MILLION ON REVENUE OF S\$62.7 MILLION IN 2QFY2015

- *Proposes interim one-tier tax exempt dividend of 1.25 Singapore cents per ordinary share;*
- *Healthy construction order book of more than S\$426 million as at September 30, 2014:*
 - o *Expected to contribute to Group's performance over next two years;*
- *Associated company completes acquisition of Prudential Tower with consortium:*
 - o *Group prudently on lookout for good opportunities within core business segments;*
- *Healthy balance sheet with cash and cash equivalents of S\$65.3 million.*

Singapore, November 13, 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\$6.7 million and Group revenue of S\$62.7 million, which comprises construction project revenue and rental income from investment properties, in the second quarter ended September 30, 2014 (“2QFY2015”).

The Group achieved project revenue of S\$61.2 million from construction projects in 2QFY2015 as compared to S\$76.9 million in the previous corresponding quarter (“2QFY2014”). Rental income from investment properties stood at S\$1.5 million as compared to S\$1.6 million over the same period. In addition, share of results of associates also contributed S\$5.6 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, “We have remained resilient notwithstanding challenging market conditions. In Construction, we have proven expertise covering a broad spectrum of projects in both the public and private sectors.

“In Property Development, beyond Singapore, we have an early mover advantage in the PRC, having entered this vast market way back in 1993. More recently, through JVs with reputable partners, we’ve also moved into Australia and Malaysia. In terms of our property portfolio, we have also moved beyond the residential segment to include mixed and commercial properties.

“In addition, for Property Investment, as part of our ongoing rebalancing and diversification strategy, we will look to increase recurring income from this segment. We have successfully done so for commercial properties in both Singapore and China, through our interests in Prudential Tower and Tianxing Riverfront Square in Tianjin.

“Looking ahead, we continue to be on the lookout for good acquisition and investment opportunities in both Singapore and the region for better earnings spread, to enhance value for all our loyal shareholders.”

In Construction, in 2QFY2015, KSH clinched a S\$147.8 million public sector project for the design, construction, completion and maintenance of an integrated Community Building. In Property Development and Investment, KSH teamed up with both Heeton and Lian Beng in August this year to co-develop a A\$150 million mixed-use asset in Fortitude Valley, Brisbane, Australia. In addition, KSH, together with joint venture partners, successfully completed the acquisition of Prudential Tower in September this year. The Group also acquired two plots of land parcels A & B at Fernvale Road for a proposed condominium development project.

Proposed Dividend

To reward its shareholders for their continuous support, the Board has decided to declare an interim dividend (one-tier tax exempt) 1.25 Singapore cents per ordinary share, payable on or about December 8, 2014. This is equivalent to a dividend payout ratio of 31.6% of the Group's net profit attributable to shareholders for 1HFY2015.

Performance Review

In line with the decrease in construction revenue in 2QFY2015, cost of construction decreased by S\$13.9 million or 20.1% to S\$55.3 million from S\$69.2 million over the same period of 2QFY2014.

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 Boutiq, Sky Green, Rezi 26, Palacio, NeWest, KAP Residences and etc. The Group's launched commercial and office properties have also achieved sales volumes and prices that are within expectations. As there were lesser sales and lower percentage of completion recognition recorded in 2QFY2015 as compared to 2QFY2014, share of results of associates was approximately S\$2.3 million lower at S\$5.6 million in the quarter under review.

Overall, the Group achieved net profit attributable to owners of the company of S\$6.7 million in 2QFY2015 as compared to S\$12.2 million in 2QFY2014.

As at September 30, 2014, the Group maintained a healthy balance sheet and working capital position, with cash and cash equivalents of S\$65.3 million. The Group's earnings per share and net asset value per share stood at 3.95 Singapore cents and 54.88 Singapore cents respectively.

Prospects and Growth Plans

Despite macro economic uncertainties, the forecasted pace of growth for Singapore's economy is expected to be between 2.5% to 3.5% for 2014. Based on advance estimates released by Ministry of Trade and Industry, the construction sector grew by 1.4% in the third quarter of 2014 on a year-on-year basis, compared with the 4.1% growth in the previous quarter. As for latest statistics released by Urban Redevelopment Authority ("URA") on October 24, 2014, prices of private residential properties decreased by 0.7% in the third quarter of 2014, following the 1.0% decline in the previous quarter. This is the fourth continuous quarter of price decline.

However, in the office property market, demand for prime grade office space remains positive. According to URA, prices of office space increased by 1.6% in the third quarter of 2014, whilst rental prices rose 2.6% over the same period.

Mr Choo Chee Onn added, "We are pleased with the recent completion of acquisition of Prudential Tower, together with our JV Partners. We have a good tenant mix at Prudential Tower and this Grade A building enjoys close to full occupancy and continues to generate good recurring rental income given its prime location. With a limited pipeline of new premium Grade A office supply coming on stream, we are confident of continued interest in Prudential Tower, for purchase or rental alike.

“As we navigate through these challenging times, our Group will prudently be on the lookout for opportunities to achieve a good portfolio spread within our core business segments, across the region.”

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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