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

NEWS RELEASE

KSH ACHIEVES 57.9% GROWTH IN REVENUE TO S$141.6 MILLION FOR 9MFY2019

- ***Strong order book of approximately S$490.0 million as at 31 December 2018, to be progressively recognised up to FY2022***
- ***More than S$439.0 million of attributable share of progress billings to be recognised as sales revenue from property development projects[1]***
- ***More than 1,700 units sold to-date for the three newly launched property developments***
- ***Fixed deposits, cash and bank balances of approximately S$109.1 million as at 31 December 2018***

Singapore, 14 February 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 today a 57.9% growth in revenue to S$141.6 million for the nine months ended 31 December 2018 ("**9MFY2019**"), mainly boosted by higher construction revenue.

Mr Choo Chee Onn (朱峙安), Executive Chairman and Managing Director of KSH Holdings, said, "The Group has shown resilience despite the tough business environment, having secured good projects across all business segments as we continue to maintain a forward and long-term view on our business development and growth. With a robust sum of approximately S$929.0 million in the pipeline, backed by a strong construction order book and attributable share of progress billings to be recognised as sales revenue from the property development projects[1], KSH remains optimistic as we welcome both opportunities and impending challenges in the upcoming new year."

[1] *Held by associates and joint ventures under the Group.*

Financial Review

KSH achieved a 57.9% revenue growth to S$141.6 million in 9MFY2019, compared to S$89.7 million in 9MFY2018. The higher topline achieved was mainly buoyed by a 61.2% increase in construction revenue.

Other operating income rose 12.4% to S$8.0 million in 9MFY2019 compared to S$7.2 million in 9MFY2018, mainly due to increase in interest income.

Share of results of joint ventures decreased by a marginal 0.5% to S$8.4 million in 9MFY2019 mainly due to expenses incurred for Park Colonial launched in July 2018.

The loss from share of results of associates increased by S$0.6 million during the period under review mainly due to the increase in expenses incurred from Affinity@Serangoon and Riverfront Residences which were launched in June 2018 and July 2018 respectively.

Overall, KSH reported a net profit attributable to owners of company of S$16.4 million in 9MFY2019.

The Group's balance sheet and working capital position remained healthy with fixed deposits, as well as cash and bank balances of approximately S$109.1 million as at 31 December 2018.

The Group's fully-diluted earnings per share for 9MFY2019 was 1.07 Singapore cents while the net asset value per share as at 31 December 2018 was 59.02 Singapore cents.

For the three-month financial period ended 31 December 2018 ("**3QFY2019**"), KSH reported a 80.6% increase in total revenue to S$65.5 million, compared to S$36.3 million in the same period last year ("**3QFY2018**") mainly due to a 84.1% increase in construction revenue. Net profit attributable to owners of company decreased by 35.8% to S$6.1 million in 3QFY2019.

Prospects and Outlook

Construction

Construction demand is expected to remain strong this year, due to sustained demand for public sector contracts, as the industry continues to recover from a challenging three-year spell.

According to the Building and Construction Authority ("**BCA**"), the total construction demand is expected to be between S$27.0 billion and S$32.0 billion in 2019, comparable to the estimated total of S$30.5 billion in contracts awarded last year.

Public construction demand is expected to be between S$16.5 billion and S$19.5 billion in 2019, about 60% of projected demand for the year.[2]

With this in view, KSH remains cautiously optimistic of its construction outlook, backed by its steady pipeline of projects. This includes the S$266.3 million Riverfront Residences construction contract, as well as the S$53.8 million and S$28.9 million construction contracts awarded in August last year.

"With several good construction projects on hand, our order book adds up to a healthy S$490.0 million, as at 31 December 2018, to be progressively recognised up to FY2022. We believe our requisite credentials and track record, coupled with our careful selection of projects will allow us to remain resilient as we strive to optimise construction margins," added Mr Choo.

The Group will continue to capitalise on its strong construction track record and expertise, while leveraging on its healthy balance sheet and low receivables risk to seize opportunities in both the public and private sector, with emphasis on the former while protecting margins.

[2] *Building and Construction Authority, 14 January 2019 – Singapore's total construction demand to remain strong this year*

Property Development

The Singapore real estate sector saw an increase in private home prices by 7.9% for the whole of 2018, compared with the 1.1% increase in 2017 according to data from the Urban Redevelopment Authority ("**URA**"). However, growth had slowed down moderately following the property cooling regulations in July 2018, as private home prices saw a 0.1% decrease in 4Q2018, as compared to the 0.5% increase in the previous quarter.[3]

Despite the macroeconomic concerns, the Group saw steady progress in the sales of its three recently-launched pipeline residential projects, Affinity@Serangoon, Riverfront Residences and Park Colonial in FY2019. Situated in choice locations with easy access to nearby amenities and great connectivity, the projects were well-received by the market, with an overall sale of more than 1,700 units to-date[4], achieving prices within expectation.

Mr Choo commented, "Notwithstanding the relatively subdued Singapore property market, we believe that our ideal locations and product differentiation will continue to attract interested buyers. Currently, we have about S$439.0 million of attributable share of progress billings to be recognised as sales revenue from the property development projects held by associates and joint ventures under the Group. We will continue to keep a close eye on the market and remain focused on driving sales for the existing projects, while navigating through the cyclical challenges."

[3] Urban Redevelopment Authority, 25 January 2019 – Release of 4th Quarter 2018 real estate statistics
[4] As at 14 February 2019

Property Investment

On the property investment front, KSH continues to seek suitable investment opportunities together with reputable JV companies, expanding its geographical footprint in new markets with favourable property market cycle.

The investment properties held by the Group in Singapore and overseas have maintained good occupancy and shall continue to generate recurring income.

KSH has also stepped foot into Bhutan recently in December, having completed the purchase of shares in Dawa Hospitality Private Limited ("**DHPL**"), a company incorporated in Bhutan, with the principal activities of property development, investment holding and hospitality in Bhutan.

Barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance for FY2019.

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 8 February 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.

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