



KSH Holdings Limited

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

NEWS RELEASE

KSH ACHIEVES 14.6% INCREASE IN NET PROFIT TO S\$11.4 MILLION IN 3QFY2015

- ***Share of results of associates and joint ventures up 44.6% to S\$6.9 million***
- ***Healthy construction order book of more than S\$336 million***
- ***Healthy balance sheet with low net gearing at 0.1 time and cash and cash equivalents of S\$71.4 million***

Singapore, February 11, 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 a 14.6% increase in net profit attributable to owners of the company to S\$11.4 million for the third quarter ended December 31, 2014 (“3QFY2015”).

Notably, net profit was buoyed by higher share of results of associated companies, an increase in other operating income and lower expenses overall.

Commented Mr. Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH Holdings, “The broadening of our income stream through strategic consortiums and joint ventures for our Property Development and Management segment has weathered us well amidst macro uncertainties. We will stay focused on asset and geographical rebalancing to navigate well, working closely with experienced and reputable partners. Where there are opportunities beyond our existing markets – the PRC, Australia and Malaysia – our strategy of maintaining a good balance of residential, mixed and commercial properties prevails.

“At the same time, we will look at increasing our recurring income stream from our Property Investment segment for commercial properties in both Singapore and China, through our interests in Prudential Tower and Tianxing Riverfront Square in Tianjin. We are delighted to have completed the acquisition of 92.8% interest in Prudential Tower through our associated company. Demand for prime grade office space remains positive and our joint investment in this Grade A office building will continue to contribute to our performance.

“In Construction, we have a strong track record covering a broad spectrum of projects in both the public and private sectors. The public sector construction demand in Singapore is expected to remain strong and we will place greater emphasis on this segment whilst raising productivity through technology adoption, innovative measures and training.

“We are confident that we are on track to deliver value to shareholders.”

Performance Review

The Group recorded revenue of S\$59.7 million for 3QFY2015, a 28.6% decline from S\$83.6 million in the third quarter ended December 31, 2013 (“3QFY2014”). The Group reported project revenue of S\$58.2 million from construction projects in 3QFY2015 as compared to S\$82.0 million in 3QFY2014. Rental income from investment properties held steady at S\$1.6 million over the same period.

Share of results of associates increased 44.6% to S\$6.9 million in 3QFY2015, from S\$4.8 million in 3QFY2014. S\$3.5 million of the increase was attributable to a higher percentage of completion resulting in an increase in profit recognition from ongoing development projects. Additional contribution from new joint venture investment in Prudential Tower also resulted in another increase of S\$1.4 million. These increases were mitigated by a S\$2.8 million decrease due to both lesser sales and percentage of completion resulting in a decrease in profit recognition from completed development projects. Other income rose 94.4% to S\$2.9 million from S\$1.5 million mainly due to an increase in interest income.

Most of the Group's existing residential and mixed development properties launched have been completely or substantially sold at prices which are within or better than expectations. These include Sky Green, Palacio, NeWest and KAP & KAP Residences.

Overall, expenses decreased by 28.0% to S\$56.8 million in 3QFY2015, from S\$78.8 million in 3QFY2014 mainly due to lower cost of construction, in line with the decline in revenue, as well as lower personnel expenses.

Correspondingly, the Group achieved net profit attributable to owners of the company of S\$11.4 million in 3QFY2015 as compared to S\$9.9 million in 3QFY2014.

As at December 31, 2014, the Group maintained a healthy balance sheet and working capital position, with low net gearing of 0.1 time and cash and cash equivalents of S\$71.4 million. The Group's earnings per share and net asset value per share stood at 6.71 Singapore cents and 57.15 Singapore cents respectively.

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 to S\$36 billion. Strong public sector demand will be providing substantial stability to the overall construction demand by partially cushioning the anticipated slowdown in the private sector building demand.

As for latest statistics released by Urban Redevelopment Authority on January 2, 2015, prices of private residential properties decreased by 1.0% in the 4th quarter of 2014, higher than the 0.7% decline in the previous quarter, representing a fifth continuous quarter of price decline. Overall, private residential property prices have fallen 4%.

Outlook for the office property market remained resilient as the demand for prime grade office space remains positive.

Mr. Choo Chee Onn added, “For our core Construction segment, there are bright spots particularly in the public sector. Over the medium term, despite the fact that the private sector construction outlook remains cloudy, the Government’s endeavour to develop various infrastructures for the long-term needs and competitive advantage of Singapore’s economy will continue to benefit the construction sector.

“We have a healthy order book of over S\$336 million. Whilst we place a greater focus on the public sector, we will be on the lookout for private sector projects and work towards improving productivity with cost-effective measures to better cope with cost increases and the tightening of manpower supply.

“We have a well-balanced Construction and Property portfolio and coupled with a sound growth strategy, we are confident that we will be able to ride out the volatilities well.”

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 residential, mixed and commercial projects geographically diversified across Southeast Asia and Asia Pacific regions.

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