DMG & Partners SECURITIES

Initial Coverage

Private Circulation Only

CONSTRUCTION

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KSH HOLDINGS

(SGX Research Incentive Scheme)

NEUTRAL	**Initiate**
Price	**S$0.115**
Target	**S$0.11**

Growing order books may be a challenge

Stock Profile/Statistics

Bloomberg Ticker	KSHH SP
STI	1,673.14
Issued Share Capital (m)	176.2
Market Cap (S$m)	20.3
52 week H L Price (S$)	0.41 | 0.08
Average Volume (3m) '000	33
YTD Returns (%)	-23.3%
Net gearing (x)	Net cash
Altman Z-score	2.25
Beta	1.17
ROCE/WACC	4.94
Book Value/share (S$)	0.50

Major Shareholders

Choo Chee Onn	21.83%
Tok Cheng Hoe	16.66%
Lim Kee Seng	16.66%
Kwok Ngat Khow	16.66%

Share Performance (%)

Month	Absolute	Relative
1m	-4.17%	-9.07%
3m	-11.54%	-6.03%
6m	-42.50%	-13.43%
12m	-68.92%	-24.55%

6-month Share Price

KSH Holdings Ltd's (KSH) services include general construction, developing and managing properties in Singapore, Malaysia and China.

Long and established history. KSH has close to 30 years of history, with a strong track record, having been involved in numerous projects across multiple segments for both private and public sectors.

Clean balance sheet. With cash holdings of S$65.6m as at end Sept 08 (including fixed deposits) and debt of S$64m (including the convertible notes), KSH would have sufficient cash on hand to continue working on the projects even if there were delays in payments by clients. It will also be able to pay a premium to hire another sub-contractor to ensure timely project delivery should its sub-contractors be unable to complete the specified jobs.

Strong order books. KSH has an order book of around S$420m as at Mar 09, with the unfulfilled contract value for existing contracts on hand scheduled to be completed by Dec 2010. This lends some visibility to its earnings.

Higher risk of receivables turning "bad". With all of KSH's projects currently arising from the private sector, there is a likelihood that there would be an increase in bad debts. However, risks of the above is minimised as its clients are the more established developers like Ho Bee Group, Lippo and Keppel Land.

Private property market facing downturn, revaluation losses a possibility. With the sales in the private property market slowing down, KSH would not be developing its two property projects – at Mergui Road (Mergui) and Lincoln Lodge. There is also a possibility of re-valuation losses for these two projects.

Neutral, fair value of S$0.11. Factoring in the weak sentiment in the property market and negative YoY growth in the construction sector, our estimates for revenue and earnings in FY09 are S$329.1m and S$16.3m respectively. In line with KSH's construction peers, we are valuing KSH at 3x forward earnings. We derive a target price of S$0.11 and initiate coverage with a NEUTRAL call.

FYE Mar (S$m)	FY06	FY07	FY08	FY09F	FY10F
Turnover	118.0	133.3	182.0	329.1	314.2
Net Profit	5.3	6.1	31.4	16.3	14.7
% chg YoY	7.2%	14.9%	414.8%	-48.0%	-10.2%
EPS (in S¢)	8.4	9.2	17.8	9.3	3.8
DPS (S¢)	6.2	2.5	1.1	1.5	1.0
Div Yield (%)	53.8%	21.7%	9.6%	13.0%	8.7%
ROE (%)	15.7%	15.4%	52.5%	19.7%	14.0%
ROA (%)	5.4%	5.3%	17.4%	6.3%	5.1%
P/E (x)	1.4	1.3	0.6	1.2	3.0
P/B (x)	0.2	0.2	0.3	0.2	0.4

Source: Company and DMG estimates

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History

KSH Holdings Limited (KSH) is an established construction, property development, and property management group, with operations in Singapore, Malaysia and the PRC. Established in 1979, it has close to 30 years of experience in the Singapore construction industry.

Its current businesses in Singapore and Malaysia consist mainly of construction services. Its projects include the private sector in Malaysia and both the private and public sectors in Singapore. In the PRC, its focus is on property development and management. KSH has recently been involved with property development in Singapore through a joint venture. Their clients include property developers, land owners and governmental bodies.

Business Operations

Construction in Singapore and Malaysia:

KSH is a main contractor in construction projects for private and public customers in Singapore and for private customers in Malaysia. It is registered with an A1 grading with the Building and Construction Authority (BCA) in Singapore and is able to tender for public sector construction projects of unlimited project value. In Malaysia, it possesses a G7 grading with the Construction Industry Development Board (CIDB) and is able to tender for construction projects of unlimited project value.

Construction cycle typically takes place in the following order: sourcing for business opportunities; contract review, evaluation, tender preparation and submission of tenders; award of contracts; assembling of the project team; formulation of the project execution plan; appointment of sub-contractors and suppliers; construction process management; completion and handover; maintenance after handover.

Some of its latest completed projects include the Singapore Air Traffic Control Centre and Montview condominium in Singapore.

Property Development in Singapore:

Management decided to take a cautious approach to property development as it was relatively new to that segment of business. KSH has two property projects on hand – a freehold site at Mergui Road and Lincoln Lodge (located at Khiang Guan, off Newton Road). The Mergui project is a joint venture with Multi Wealth (Singapore) Pte. Ltd (a wholly owned subsidiary of Bursa Malaysia-listed company, IOI Properties Berhad) and LBH Pte. Ltd, with KSH taking a 35% stake in it. The property was acquired in Nov 07 at a cost of S$120m. The Lincoln Lodge project is also a joint venture with Koh Brothers Group, Heeton Holdings and Lian Beng Group. All four parties have an equal stake of 25% in the project. The property was acquired in Jun 07 at a cost of S$243m. Both projects would not be developed so soon, taking into account the weak sentiment in the property market currently. Instead, the whole existing complex have been rented out on a short term lease.

Property Development in the PRC:

Property development work in the PRC includes identifying opportunities for investment and sourcing for potential land use rights for acquisition and development. The projects are undertaken through joint ventures with the local firms there.

KSH's property development process in the PRC is as follows: site identification phase; feasibility study and financial analysis phase; land use right acquisition phase; design and project planning phase; construction phase; marketing phase.

KSH has currently two property developments in the PRC: Tianxing Riverfront Square in Tianjin and Liang Jing Ming Ju (Phase Four) in Beijing. The latter is a residential project and KSH is currently in the process of resettling some of the residents affected by the

project development. Once that is completed, the relevant government approvals to commence construction would be sought.

Figure 1: Corporate Structure

Source: Company

OUTLOOK FOR CONSTRUCTION SECTOR

Construction demand slows once again. Following a prolonged downturn in the construction industry in Singapore, demand has been growing since 2004/2005 (refer to Figure 2 below), with the BCA indicating preliminary construction demand for 2008 at a record S$34.6b, up from 2007's S$24.5b.

Figure 2: Total Projects Awarded by Value

Source: BCA and DMG compilation

Preliminary figures for 2008 actual construction demand indicates that out of the total S$34.6b, public sector constituted S$14.5b, while the private sector constituted S$20.1b. Private sector was driving construction demand last year, but the public sector is expected to take the lead in the next couple of years. According to BCA, private construction demand in 2009 is estimated to be S$5b to S$9b, out of the total S$22b to S$28b estimated. This is a sharp YoY decline of 55 - 75%. On the other hand, public sector's construction demand is to take up 60 - 86% of 2009's total construction demand, an increase of 17-31%.

The reversal in trend is in view of the private sector slowing down significantly as a result of the recession. The Ministry of Trade and Industry (MTI) in Jan 09 guided a 2009 GDP growth forecast of between -2% and -5% (we are forecasting -7.2% for FY09). In addition, while the construction industry has grown 20.3% YoY in 2008, signs that the economic downturn has taken its toll are visible. The sector's YoY growth rate has declined from 26% in 3Q08 to 18.5% in 4Q08, indicating that while it is still in an expansionary mode, the growth in the sector is slowing down quickly. We are expecting construction demand to decline 10.4% (on a YoY basis) in 2009 (refer to Figure 3).

Figure 3: Singapore GDP Growth by Sectors (YoY% Change)

	2004	2005	2006	2007	2008	**2009F**	**2010F**
	Percentage Change Over Corresponding Period Of Previous Year						
GDP AT 2000 MARKET PRICES	9.0	7.3	8.4	7.8	1.1	-7.2	1.2
Goods Producing Industries	10.5	8.0	10.7	7.2	-1.0	-13.6	-0.3
Manufacturing	13.9	9.5	11.9	5.9	-4.1	-15.1	1.8
Construction	-5.5	0.7	3.6	18.2	20.3	-10.4	-14.1
Services Producing Industries	8.1	7.0	7.7	8.1	4.7	-3.7	2.4
Wholesale & Retail Trade	17.6	9.8	10.3	7.4	2.6	-7.2	1.4
Transport & Storage	10.7	5.8	6.1	5.0	3.1	-3.7	1.2
Hotels & Restaurants	11.5	7.6	7.4	4.9	1.2	-6.2	3.3
Information & Communications	6.9	5.3	6.6	6.5	7.2	2.4	5.5
Financial Services	4.4	8.4	11.7	15.7	5.5	-6.3	1.8
Business Services	2.1	6.0	5.3	9.1	7.4	-0.7	4.0

Source: MTI & DMG estimates

Government bringing forward deferred projects. In view of the recession, the government has announced that 2009's budget would be an "expansionary one", with the government spending more while collecting less. The government would boost infrastructure spending as one of the measures used to stimulate the economy, announcing the bringing forward of S$1.3b of projects in 2009 (part of the S$4.7b worth of projects deferred previously). For Budget 2009, S$4b would be spent over the next five years on healthcare infrastructure like the building of new community hospitals, redevelopment of older hospitals, medical centres and a new hospital in the west. In a recent news report, Senior Minister of State for National Development Grace Fu said that 2009 spending included construction of a new cruise liner terminal, new roads and parks, upgrading of schools, sports facilities and pubic housing estates. An estimated S$18b to S$20b would be spent on infrastructure projects. According to the same report, Ms. Fu also highlighted that the government would continue to invest S$15b to S$17b each year in 2010 and 2011, for building and infrastructure projects.

Raw material costs easing off from highs. Construction costs rose significantly from 2005-07 on the back of surging commodity prices and strong construction activity. However, with demand waning in the past few quarters, costs have slumped and will likely continue to ease or stabilise. BCA's preliminary figures as at 3 Mar 09 for current market prices for materials delivered to site are as follows:

- 20mm high tensile steel bars have slumped 50.4% from S$1,702.82/tonne in Aug 08 (preliminary values) to S$845/tonne in Feb 09 (-19.9% from Dec 07's price, which was at $1,054.58/tonne).

- Cement in bulk (ordinary Portland cement) has also dropped 5.8% from S$126.30/tonne in Sep 08 to S$119/tonne in Feb 09 (but still +3.1% from Dec 07's pricing at S$115.40/tonne).

- Ready mixed concrete's prices (Grade 35 Pump) have dipped 6.3% from S$127/cubic metre in Dec 07 to S$119/ cubic metre in Feb 09.

In addition, labour supply has continued to remain tight in this construction boom, contributing to higher wage costs. In view of the above, we believe that companies which:

- can continue to keep a tight rein on their costs,
- possess a strong track record in the public sector's construction activities (enabling them to continue to grow/ maintain their order books despite the economic slowdown),
- possess a strong balance sheet and
- keep receivables risk at a minimium (by selecting credit worthy customers);

would give investors some visibility to their earnings in an environment with weakening construction demand and enable them to survive this downturn.

SWOT ANALYSIS

Strengths

Established business. KSH is an established company with close to 30 years of history. Since incorporation, management has steered KSH through numerous cycles in the construction industry and we believe past experiences would put it in good stead to face the present challenges. It also has a strong track record, having been involved in numerous projects across multiple segments for both private and public sectors, including residential, commercial, industrial, power plants, hospitals, hotels and school campuses. Figures 4 and 5 below shows KSH's major clients and completed projects, both in the public and private sectors.

Figure 4: Completed Projects

Public Sector Projects Completed
The Frontier Community Place
Choa Chu Kang Sports Complex
Nanyang Polytechnic
Tanah Merah Ferry Terminal

Private Sector Projects Completed
The Coast
The Berth By The Cove
The Spectrum
Montview
Mustafa Shopping Centre extension
Restoration of Far East Square

Source: Company

Figure 5: Major Clients

Major Customers from Public Sector
CAAS
Ministry of Home Affairs
SAFRA
Ministry of Education

Major Customers from Private Sector
Ho Bee Group
Lippo Marina Collection Pte Ltd
Keppel Land Realty Pte Ltd
Sino Land Limited
SUTL

Source: Company

Clean balance sheet. With cash holdings of S$65.6m as at end Sept 08 (including fixed deposits) and debt of S$63.968m (including the convertible notes), KSH would have sufficient cash on hand to continue working on the projects even if there were delays in payments by clients. It will also be able to pay a premium to hire another sub-contractor to ensure timely project delivery should its sub-contractors be unable to complete the specified jobs.

Strong order books. KSH has an order book of approximately S$420m as at Mar 09, with the unfulfilled contract value for existing contracts on hand scheduled to be completed by Dec 2010. This lends some visibility to its earnings.

Posses A1 classification for general building. An A1 license holder allows the holder to bid for government projects of unlimited value. KSH has an A1 license for CW01 for general building - a testimony to its financial stability and technical expertise. Only 37 companies possess this class of license, down markedly from the 100+ companies during the 1997 crisis. We view this consolidation of the construction industry as positive for the "survivors".

Considerable experience in property development in the PRC. KSH has a presence in the PRC since 1997, where it is principally engaged in property development and property management. We believe this enables KSH to have a wide network of contacts and establish strong working relationships with their joint venture partners and other business contacts. At the same time, we believe KSH is able to accumulate considerable experience and understanding of the property development industry in the PRC.

Weakness

Singapore private property market facing downturn, revaluation losses a possibility. With the sales in the private property market slowing down, KSH would not be developing its two property projects – at Mergui Road and Lincoln Lodge. The complexes are rented out on short term lease. Management would monitor the property market and develop or launch the projects when market sentiment improves.

In addition, with the downturn in the property market, selling prices of private properties have come off. As such, there is a possibility of re-valuation losses for KSH's properties, namely Lincoln Lodge and at Mergui Road. We estimate that the breakeven for Lincoln Lodge and Mergui is around S$1,900/psf and S$850/psf respectively, both of which are above the current selling prices in their respective vicinities.

Higher risk of receivables turning "bad". With 100% of KSH's projects are currently arising from the private sector, there is a likelihood that there would be an increase in bad debts. However, management has been selective in its counterparty exposure – a significant proportion of KSH's clients are with the more established developers like Ho Bee Group, Lippo and Keppel Land.

Potential dilution from convertible notes and warrants. In 2007, KSH had issued S$25m of 1% convertible notes due Oct 2011 with a yield to maturity of 4.5%. The conversion price is S$0.556. Approximately S$5m of the notes have been bought back by KSH. With the share price around S$0.115 currently, we do not foresee note holders converting their holdings into equity. The latter may, however, exercise the put option for KSH to redeem the notes in Oct 09. We do not see this potential redemption as an issue as the company is in a net cash position.

However, the company has decided to be cautious in the current tight credit environment and boost up its cash balance further, through the issuance of 209,858,445 warrants with one warrant carrying the right to subscribe for one new ordinary share at an exercise price of S$0.10 per new share.

Opportunities

"Holding power" for its property segment. The historically strong demand for freehold and/or prime property in land scarce Singapore during boom times and KSH's strong financial standing attributes to the company making a decision to hold off developing/ launching the two projects. Having such developments on hand may assist KSH in participating early in the recovery.

Public sector demand to hold up; deferred govt project resurfacing. KSH's track record in infrastructure/ building projects by the government would put KSH in good stead in this recession as we believe construction demand for the public sector would still hold up as discussed in the "Industry Outlook" section. Moreover, with the S$4.7b worth of deferred government projects being rolled-out to help stimulate the economy, KSH may be able to secure some sizable projects, thereby beefing up its order books.

Threats

Reliant on labour laws in S'pore and abroad. The construction industry is highly labour intensive. As the pool of local workers employed in the construction industry in Singapore is scarce and the cost of local labour is high, KSH and its subcontractors rely heavily on foreign labour for all its construction projects. Any changes in the policies of the foreign workers' countries of origin may affect the supply of foreign labour and cause disruptions to the company's operations which may result in a delay in the completion of its projects. Any shortage in the supply of foreign workers or increase in levy for foreign workers (if imposed by the Ministry of Manpower), or any restriction on the number of foreign workers that KSH can employ for a project could affect KSH's operations and accordingly its business and financial performance.

Affected by PRC government's property regulations and policies. Any changes in government legislation, regulations or policies affecting the construction industry or the property market (such as changes in the foreign exchange regulations, taxation and import and export restrictions) in the PRC including any measures to discourage speculation in the PRC property market could adversely affect KSH's business operations and/or have a negative effect on the demand for its construction services. The compliance with such government legislation, regulations or policies may also increase its costs and any significant increase in compliance costs arising from such government legislation, regulations or policies may adversely affect its results of operations.

Susceptible to fluctuations in foreign exchange rates. KSH's revenue is denominated in S$, RM and RMB. To the extent that its sales and purchases are not made in the same currency, it may be exposed to significant fluctuations in exchange rates. KSH may also face foreign exchange risk if there are significant fluctuations in currency exchange rates between the time of its purchases and payment in foreign currencies and the time of sales and receipts in foreign currencies. In addition, KSH is also subjected to translation risks as its consolidated financial statements are denominated in S$ while the financial statements of our foreign subsidiaries are prepared in RMB, RM and HK$. Any significant fluctuation of the S$ against the respective foreign currencies may adversely affect KSH's results of operations. At present, KSH does not have any formal policy for hedging against foreign exchange exposure.

VALUATION / RECOMMENDATION

In view of the weak sentiment in the property market, we are not forecasting any contribution arising from sales of its property projects to KSH's top and bottom lines for FY09 and FY10. As such, we have assumed that KSH's share of profit or loss from its joint ventures and associates to remain negligible for both FY09 and FY10.

For KSH's construction segment, management has guided that revenues would be between S$300-330m per year for FY09 and FY10, in view of the current projects they have on hand. KSH's current order books stands strong at approximately S$420m (as at Mar 09), with the unfulfilled contract value for existing contracts on hand scheduled to be completed by Dec 2010.

Taking into account the above, we are estimating revenue and earnings to be S$329.1m and S$16.3m respectively in FY09 and S$314.2m (top line) and S$14.7m (PATMI) for FY10. We have estimated a 52% YoY decline in FY09. This is attributable to the high base in FY08 arising from gains on fair value adjustment of investment properties totaling S$43.5m. Stripping out the fair value gains, PBT would be S$10.8m (versus S$54.3m). Using the adjusted PATMI for FY08, this implies YoY PATMI growth doubling for FY09.

In line with KSH's construction peers (refer to Figure 6), we are valuing the company at 3x FY10 estimated earnings, which gives us a target price of S$0.11. Initiate coverage with NEUTRAL.

Figure 6: Peer comparison

	Last Close Price	Mkt Cap (in S$m)	FY09 PER (x)	FY10 PER (x)	P/B (x)	Gross Margin (%)	Net Profit Margin (%)	ROE (%)
KSH Hldgs Ltd	**0.115**	**20.3**	**1.2**	**1.3**	**0.3**	**10.4**	**17.3**	**19.6**
CSC Hldgs	0.080	98.0	2.1	2.7	0.6	20.2	8.9	25.6
Hor Kew Corp Ltd	0.045	28.8	0.0	0.0	0.4	19.9	7.1	0.0
Lian Beng Grp Ltd	0.120	63.6	2.4	2.3	0.6	15.0	6.1	19.6
Chip Eng Seng	0.170	113.5	0.0	0.0	0.6	4.0	12.4	0.0
Koh Brothers Grp Ltd	0.135	64.7	0.0	0.0	0.4	10.7	12.8	0.0
Lum Chang Hldgs Ltd	0.145	54.7	0.0	0.0	0.5	7.4	7.6	0.0
OKP Hldgs Ltd	0.295	44.2	0.0	0.0	1.1	20.9	9.3	0.0
Top Global Ltd	0.005	4.7	0.0	0.0	0.4	0.8	-87.2	0.0
United Fiber System Ltd	0.020	52.5	0.0	0.0	0.2	2.2	-64.3	0.0
Wee Hur Hldgs Ltd	0.195	62.6	5.6	4.5	1.6	12.1	6.3	25.3
Yoma Strategic Hldgs Ltd	0.110	53.7	0.0	0.0	0.4	0.0	168.1	0.0
Tee Int'l Ltd	0.200	28.0	4.0	2.1	1.2	22.1	8.4	0.0
BBR Hldgs (S) Ltd	0.040	61.6	8.0	0.0	1.3	6.1	1.4	12.1
PSL Hldgs Ltd	0.140	19.3	0.0	0.0	0.9	24.4	15.7	0.0
Average	**0.12**	**51.3**	**3.9**	**2.6**	**0.7**	**12.6**	**8.7**	**6.8**

Source: Bloomberg

FINANCIAL STATEMENTS

Income Statement

Year Ended Mar (S$m)	FY06	FY07	FY08	FY09F	FY10F
Revenue	118.0	133.3	182.0	329.1	314.2
Cost of sales	(107.2)	(120.2)	(163.1)	(295.0)	(281.5)
Other income	2.3	4.2	49.3	1.5	3.0
Operating expenses	(6.3)	(7.6)	(9.9)	(10.0)	(10.0)
Other credits / (charges)	1.5	0.2	(0.5)	(0.0)	(0.0)
Finance costs (net)	(1.3)	(1.7)	(3.5)	(5.3)	(5.8)
Profit before tax	7.0	8.2	54.3	20.3	19.8
Tax	(1.3)	(1.6)	(12.6)	(4.1)	(4.0)
Profit including minority interest	5.7	6.6	41.7	16.2	15.9
Minority interest	0.4	0.5	10.3	(0.1)	1.2
Profit attributable to equity holders	5.3	6.1	31.4	16.3	14.7

Balance Sheet

Year Ended Mar (S$m)	FY06	FY07	FY08	FY09F	FY10F
Cash	10.5	21.3	30.6	77.4	86.6
Other current assets	69.7	84.2	47.2	52.4	48.1
Fixed assets	4.2	4.4	11.5	12.6	13.8
Non-current assets	13.3	21.6	139.7	143.4	143.2
Total assets	97.7	131.6	229.0	285.8	291.7
Current liabilities (excl. debt)	29.7	50.1	53.0	85.0	83.1
Debt	24.7	24.6	57.1	67.2	49.1
Other long term liabilities	1.5	3.4	26.1	23.7	21.5
Total liabilities	55.9	78.1	136.1	175.9	153.8
Shareholders equity	33.8	45.3	74.3	91.5	118.3
Minority interest	8.0	8.3	18.6	18.5	19.7
Total equity	41.8	53.5	92.8	109.9	137.9
Total equity and liabilities	97.7	131.6	229.0	285.8	291.7

Source: Company and DMG estimates

Cash Flow Statement

Year Ended Mar (S$m)	FY06	FY07	FY08	FY09F	FY10F
Operating cash flow before working capital changes	6.2	7.0	11.6	24.8	22.4
Working capital changes	1.6	0.2	(1.3)	21.2	4.0
Other operating cashflow	(0.8)	(0.5)	(0.7)	2.9	(5.2)
Net cash from operations	7.0	6.7	9.5	49.0	21.2
Net cash from investing activities	(1.7)	(0.6)	(33.1)	(3.9)	(0.6)
Net change in debt	(0.9)	1.2	(12.7)	13.0	0.8
Other financing cashflow	0.1	3.9	41.8	(14.4)	(12.2)
Net cash from financing activities	(0.8)	5.1	29.2	(1.4)	(11.3)
Net incr. in cash/cash equivalents	4.5	11.2	5.6	43.6	9.2
Cash at beginning of year	0.9	5.4	16.6	22.2	65.8
Cash at end of year*	5.4	16.6	22.2	65.8	75.0

* includes pledged deposits

Source: Company and DMG estimates

Mr Choo Chee Onn, *Executive Chairman and Managing Director*
Mr Choo is one of the founders of KSH. He plays a vital role in charting the corporate direction of the company and is responsible for the overall management, strategic planning and business development of KSH. He oversees all key aspects of KSH's operations, including the tendering process of the construction projects and is responsible for identifying and securing new projects for KSH. In addition, he also oversees KSH's overseas investments and operations, particularly its property development business in the PRC. Mr Choo has more than 30 years of experience in the construction and property development businesses. As one of KSH's founders, he contributed significantly to the early stages of the Group's development and has been instrumental in the development of KSH and its expansion into the PRC.

Mr Tok Cheng Hoe, *Executive Director and Project Director*
Mr Tok is one of the founders of KSH. He is responsible for the management of KSH's construction projects and oversees the entire execution of its construction projects. His responsibilities include liaising with suppliers, sub-contractors and consultants in relation to project matters, attending site meetings, liaising with the relevant authorities in relation to the construction projects, ensuring that each project is completed within the specified time and that project costs are kept within budget. He also oversees the procurement of sub-contractors and suppliers for KSH's various projects and developments. In addition, he also ensures that the company's relationship with its clients is maintained.

Mr Lim Kee Seng, *Executive Director and Project and Procurement Director*
Mr Lim is one of the founders of KSH with over 30 years of experience in the construction and construction-related businesses, including property development. He oversees the operations of the Procurement Department which include approving the purchase of all project work materials and services, conducting periodic evaluations of and selecting competent suppliers and sub-contractors for the projects, approving the procurement of all required construction plant, machinery and equipment and overseeing the maintenance of the plant and equipment. As the head of the Procurement Department, he also liaises with the sub-contractors and suppliers for its various projects and developments.

Mr Kwok Ngat Khow, *Executive Director and Project Director*.
Mr Kwok is extensively involved in the project management aspect of the business. He oversees the entire execution of the construction projects and his responsibilities include liaising with suppliers, consultants and sub-contractors in relation to project matters, attending site meetings, liaising with relevant authorities in relation to the construction projects, ensuring that each project is completed within the specified time and that project costs are kept within budget. He also oversees the procurement of sub-contractors and suppliers for KSH's various projects and developments. He has more than 35 years of experience in construction and construction-related businesses, including property development.

Mr Lim Yeow Hua @ Lim You Qin, *Lead Independent Director*
Mr Lim is the founder and a director of Asia Pacific Business Consultants Pte. Ltd. He has more than 20 years of experience in the tax, financial services and investment banking industries. Mr Lim holds a Bachelor's Degree in Accountancy and a Master's Degree in Business Administration from the National University of Singapore. He is a Fellow of the Institute of Certified Public Accountants of Singapore.

Mr Lai Meng Seng, *Independent Director*
Mr Lai has more than 36 years of experience in the quantity surveying field. He has a Diploma in Building from the Singapore Polytechnic and a Diploma in Quantity Surveying from the Royal Melbourne Institute of Technology. He is a member of the Singapore Institute of Surveyors and Valuers and a Fellow of the Australian Institute of Quantity Surveyors.

Mr Khua Kian Kheng Ivan, *Independent Director*
Mr Khua is the General Manager of Hock Leong Enterprises Pte Ltd, an oil and gas related servicing company where his responsibilities include overseeing the company's financial, administrative, human resource and business development aspects. He used to worked as

a Research Officer in Rider Hunt Levett as a & Bailey, RHLB Terotech Pte Ltd. He holds a Diploma in Building (with Merit) from the Singapore Polytechnic and a Bachelor's degree in Building Construction Management (First Class Honours) from the University of New South Wales, Australia. He is a member of the Singapore Institute of Arbitrators and an associate of the Singapore Institute of Building.

Mr Tang Hay Ming, *Chief Financial Officer*
Mr Tang is responsible for the Group's finance, accounting and reporting functions and oversees the overall financial risk management of KSH. He has more than 10 years of experience in auditing, accounting, taxation and financial management. He holds a Bachelor of Accountancy degree from the Nanyang Technological University, a Graduate Diploma in Business Administration from the Singapore Institute of Management and a Master of Business Administration degree from the University of Adelaide, Australia. He is a member of the Institute of Certified Public Accountants of Singapore.

DMG & Partners Research Guide to Investment Ratings

Buy: Share price may exceed 10% over the next 12 months

Trading Buy: Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain

Neutral: Share price may fall within the range of +/- 10% over the next 12 months

Take Profit: Target price has been attained. Look to accumulate at lower levels

Sell: Share price may fall by more than 10% over the next 12 months

Not Rated: Stock is not within regular research coverage

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