



Registration No. 197302030N

FOR IMMEDIATE RELEASE

KIAN HO POSTS FY11 NET PROFIT OF \$2.4 M

SINGAPORE, 23 February 2012 – Stockist, distributor and retailer of bearings and seals products, **Kian Ho Bearings Ltd**, has posted a net profit attributable to shareholders of \$2.4 million for the full year ended 31 December 2011 (FY11), compared to \$6.3 million a year ago (FY10). This was on the back of an 8% decline in revenue to \$93.8 million from \$101.7 million in FY10. The results reflect the Group’s resilience as it dealt with business disruption arising from a series of unexpected challenges throughout the year.

The Group was faced with weaker demand for its products overall, as the uncertainties in Europe continued to dampen market sentiment. Along with this, the cyclical downturn in the semiconductor Original Equipment Manufacturers (“OEM”) segment in the second half of the year also resulted in slower sales volume in Singapore, Malaysia and Taiwan. This was compounded by business disruptions following the Japan tsunami and earthquake in the country in March, and the flooding situation in Thailand in October.

Against this backdrop, gross profit margin recorded a decline to 21% from 23% due to increase in suppliers’ pricing and competitive market conditions during the year.

Commenting on the Group’s FY11 performance, Managing Director Mr Teo Teng Beng said, “Through prudent cost management and a disciplined approach towards our trading activities, we have managed to reap a fair return under relatively trying conditions.”

Dividend

In line with its dividend policy of a minimum payout of 1.0 cent per share, or a payout ratio of 30% of net profit after tax, Kian Ho is declaring a first and final cash tax-exempt dividend of 1.0 cent per share for the financial year, which represents a payout ratio of about 96%.

Outlook

The Group expects operating conditions to remain challenging in the year ahead. Economic uncertainties arising from Europe are likely to continue to affect business sentiments in Asia, and cap market demand.



Registration No. 197302030N

FOR IMMEDIATE RELEASE

In the face of these anticipated challenges, the Group is adopting a prudent business strategy going forward. To position itself competitively for the long-haul, it will continue to build upon its regional and domestic presence, by developing its regional sales network while strengthening its relationships with customers in existing markets. It will also keep a lookout for new and exciting opportunities that will enable it to achieve long-term growth.

About Kian Ho Bearings Ltd

Kian Ho Bearings Ltd (K22.SI / KH SP) is one of the largest professional stockist, distributor and retailer of bearings and seals products in the region. With more than 50 years of track record and heritage, Kian Ho has built up a comprehensive product range of more than 35,000 product types across various brands. With its extensive presence in South East Asia, Greater China, and Australia, the Group caters to the needs of resellers and OEM customers globally. For more information, please visit <http://www.kianho.com.sg>

For media enquiries, please contact **Ark Advisors:**

Ms Alvina Tan

DID: +65 6338 8081

H/P: +65 9787 7267

Email: alvina.tan@arkadvisors.com.sg

Ms June Yong

DID: +65 6338 8082

H/P: +65 9007 0007

Email: june.yong@arkadvisors.com.sg