NEWS RELEASE

KOH BROTHERS REPORTS REVENUE OF S$187.8 MILLION AND NET PROFIT OF S$6.3 MILLION FOR 9M 2016

- ***Strong order book of S$541.3 million***
- ***Balance sheet remains healthy with cash and cash equivalents of S$50.6 million and lower net gearing of 0.37 time***

Singapore, November 8, 2016 – Well-established construction, property development and specialist engineering solutions provider Koh Brothers Group Limited ("**Koh Brothers**",許兄弟有限公司, or the "**Group**"), announced today its net profit of S$6.3 million on S$187.8 million revenue for the nine-month financial period ended September 30, 2016 (**"9M 2016"**).

The 9M 2016 revenue was a 40% slip from S$315.0 million recorded in the same corresponding period last year ("**9M 2015**"), due to lower revenue contribution from the Real Estate division in 9M 2016.

Coupled with a 15% decrease in other income on lower interest income earned, and a 72% decrease in the Group's share of results of joint venture companies to S$0.8 million in 9M 2016 in the absence of a fair value gain on an investment property following an asset enhancement exercise recorded a year ago, the Group's net profit slipped 69% from S$20.3 million in 9M 2015.

Mr. Francis Koh (许庆祥), Managing Director and Group CEO of Koh Brothers, commented: “To remain resilient amidst challenging macro conditions, we will stay focused on prudent cost management and a proactive implementation of innovative measures and building technologies to sharpen our competitive edge. Our integrated business has enhanced our self-reliance and productivity and we will continue to tap on our enhanced operational synergies and combined technical capabilities to achieve sustainable growth.”

For the three-month period ended September 30, 2016, the Group reported lower revenue of S$63.7 million compared to S$93.1 million a year ago. Accordingly, net profit slipped to S$0.3 million from S$5.0 million across the same comparative periods.

As at September 30, 2016, the Group’s balance sheet remains robust with cash and cash equivalents of S$50.6 million and shareholders’ equity of approximately S$259.9 million.

While earnings per share slid to 1.52 Singapore cents, net asset value per share as at September 30, 2016 rose to 62.80 Singapore cents. The Group’s debt servicing ability with liquidity remains comfortable with a current ratio of 1.7 times. Net gearing ratio lowered to 0.37 time as at September 30, 2016 as compared to 0.62 time as at December 31, 2015 with repayment of bank borrowings.

Outlook and Strategies

Latest statistics from the Ministry of Trade and Industry showed that the construction sector expanded at a slower rate of 2.5% in 3Q 2016 compared to a growth of 2.6% in 2Q 2016 due mainly to slower private sector construction activities.

The Building and Construction Authority expects construction demand in 2016 to reach between S$27.0 billion and S$32.0 billion. Public demand accounted for 67.6% of total construction demand as at August 2016[1].

“Tapping on our enhanced integrated capabilities and robust track record, we hope to undertake larger projects within the public sector. We will actively tender for upcoming major infrastructure projects as we work towards building up our order book, which currently remains strong at S$541.3 million,” commented Mr. Koh.

Latest flash estimates released by the Urban Redevelopment Authority showed a 1.5% decrease in private residential property prices in 3Q 2016, as compared to a 0.4% decline in the previous quarter[2].

Commenting on the Group’s strategy in property development, Mr. Koh said, “We have over the years established ourselves as an innovative lifestyle-themed developer, having executed many exciting new-to-market concepts. Moving forward, we’ll continue to build upon our strength in creating fresh new-to-market concepts for upcoming developments to differentiate our projects from the crowded and competitive marketplace.”

[1] Building and Construction Authority – Forecast and Actual Construction Demand, August 11, 2016
[2] Urban Redevelopment Authority – Release of 3rd quarter 2016 real estate statistics, October 28, 2016

About Koh Brothers Group Limited

Listed on Main Board of the SGX-ST in August 1994, Koh Brothers Group Limited ("**Koh Brothers**", or together with its subsidiaries, the "**Group**") is a well-established construction, property development and specialist engineering solutions provider, which was started as a sole proprietorship in 1966 by Mr. Koh Tiat Meng. Today, the Group has more than 40 subsidiaries, joint venture companies and associated companies spread over Singapore, PRC, Indonesia, and Malaysia.

Over the years, the Group has undertaken numerous construction and infrastructure projects with its A1 grading by the Building and Construction Authority. It is currently the highest grade for contractors' registration in this category, and allows the Group to tender for public sector construction projects of unlimited value. In addition, the Group has developed a name for itself as a niche real estate developer, with an established reputation for quality and innovation.

The Group's diversified businesses present them with multiple revenue streams from three core areas:

- Construction and Building Materials;
- Real Estate; and
- Leisure and Hospitality.

The Group is also the single largest shareholder of SGX Catalist-listed Koh Brothers Eco Engineering Limited ("**Koh Brothers Eco**"), a sustainable engineering solutions group that provides engineering, procurement and construction services for water and wastewater treatment, hydro-engineering, bio-refinery and bio-energy projects.

Following a restructuring exercise that combines the capabilities of Koh Brothers Eco with the Group's previously-owned civil engineering construction arm, Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. ("**KBCE**"), through its shareholdings in Koh Brothers Eco, Koh Brothers can reap synergies and sharpen its competitive edge to offer turnkey engineering solutions and tap opportunities in the water, wastewater treatment and hydro-engineering sectors.

ISSUED ON BEHALF OF	:	Koh Brothers Group Limited
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd
		55 Market Street
		#02-01
		SINGAPORE 048941
CONTACT	:	Ms Dolores Phua / Ms Amelia Lee
		at telephone
DURING OFFICE HOURS	:	6534-5122 (Office)
AFTER OFFICE HOURS	:	9750-8237 / 9008-6114 (Handphone)
EMAIL	:	dolores.phua@citigatedrimage.com
		amelia.lee@citigatedrimage.com

November 8, 2016