



NEWS RELEASE

KOH BROTHERS' REVENUE UP 39% TO S\$350.7 MILLION FOR FY 2022

- ***Driven mainly by growth in all business segments***
 - ***Increased construction activities post-pandemic***
 - ***Sales of Van Holland and JV property development project – hyll on Holland – progress well***
- ***Low net gearing of 0.7x and cash and bank balances of S\$82.4 million to support future growth***
- ***Strong construction order book of S\$684.6 million to be progressively recognised***
- ***Proposed final dividend of 0.20 Singapore cent per ordinary share***

Singapore, 25 January 2023 – 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**”), today announced its financial results for the full year ended 31 December 2022 (“**FY 2022**”).

Mr. Francis Koh (许庆祥), Managing Director and Group CEO of Koh Brothers, commented, “We have seen another set of resilient financial performance, with improvements across all business pillars - Construction and Building Materials, Real Estate and Leisure and Hospitality divisions.

“For our Construction and Building Materials division, with gradual reopening, we see good opportunities to tap on both the public and private sectors and will continue to prudently manage costs and leverage on our technology strong track record to tender for higher value and more construction projects as demand for construction projects picks up.”

“As for our real estate development business, we are pleased that both Van Holland and our JV project – hyll on Holland – are progressing well with active marketing. We remain steadfast in prudently looking for opportunities to develop unique projects.”

Financial Highlights

Revenue increased 72% to S\$191.8 million for the half year ended 31 December 2022 (“**2H 2022**”) as compared to S\$111.7 million for the same corresponding period (“**2H 2021**”), mainly due to higher revenue recognition from all business segments – the Construction and Building Materials, Real Estate and Leisure and Hospitality divisions. For FY 2022, revenue rose 39% to S\$350.7 million, from S\$252.6 million over the same corresponding year (“**FY 2021**”).

For FY 2022, the Group reported a 21% increase in gross profit to S\$26.0 million from S\$21.6 million in FY 2021, largely due to an improved gross margin from the Construction and Building Materials division. The Group posted a 74% increase in other gains to S\$15.0 million in FY 2022, mainly due to higher gain recognised from the disposal of property, plant and equipment.

Share of profit from associated companies and joint ventures declined 46% to S\$1.6 million in FY 2022 from S\$3.0 million a year ago due to lower contribution from an investment property resulting from higher borrowing costs.

The Group recorded a net profit attributable to shareholders of S\$6.0 million in FY 2022, declining 13% from S\$6.9 million in FY 2021.

Cash and bank balances as at 31 December 2022 rose to S\$82.4 million while shareholders’ equity stood at S\$288.9 million. The Group’s current ratio remains healthy at 1.3x with net gearing ratio of 0.7x as at 31 December 2022.

Net asset value per share was 70.04 Singapore cents as at 31 December 2022 compared to 69.61 Singapore cents as at 31 December 2021.

Proposed Dividend

To thank shareholders for their continuous support, the Board has proposed a final dividend of 0.20 Singapore cent per share to be approved by shareholders at the forthcoming Annual General Meeting.

Outlook and Strategies

Based on advance estimates from the Ministry of Trade and Industry announcement on 3 January 2023, the Singapore economy grew by 2.2% on a year-on-year basis in the fourth quarter of 2022, moderating from the 4.2% growth in the previous quarter. For the whole of 2022, the economy grew by 3.8%, slower than the 7.6% growth in 2021.

According to the Building and Construction Authority Singapore (“BCA”), the value of construction contracts to be awarded in 2023 is projected to range between S\$27 billion and S\$32 billion. The public sector is expected to contribute about 60% of the total construction demand, between S\$16 billion and S\$19 billion. Industrial and institutional building construction is expected to contribute strongly to public sector demand, with more projects for the construction of water treatment plants, educational buildings and community clubs. Civil engineering construction demand is anticipated to stay firm with continued support from MRT line construction and other infrastructure works.

The Group expects the construction industry to remain challenging with an increasingly competitive environment, supply chain disruptions, manpower shortage, and higher energy and construction materials costs. The Group will continue to seek sustainable growth, leveraging on its requisite track record, experience and capabilities.

On the property development front, for the whole of 2022, prices increased by 8.4%, compared to the 10.6% increase in 2021; and sales transaction volume fell by about 36% compared to 2021. The moderation in price increase came on the back of a

decline in private housing sales. Sales transaction volume fell by about 60% on a year-on-year basis in the fourth quarter of 2022.

With the higher borrowing cost and the impact of government cooling measures introduced in 2022, the Group expects the private residential market to remain challenging. Going forward, the Group will remain cautious and selective in replenishing its land bank.

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About Koh Brothers Group Limited

Listed on SGX Mainboard 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, Koh Brothers has more than 40 subsidiaries, joint venture companies and associated companies spread over Singapore, the PRC, Indonesia, Malaysia and South Korea.

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

Koh Brothers’ 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 largest shareholder of SGX Catalist-listed Koh Brothers Eco Engineering Ltd (“**Koh Brothers Eco**”), a sustainable engineering solutions group that provides engineering, procurement and construction (“**EPC**”) services for infrastructure, water and wastewater treatment, building, bio-refinery and bio-energy projects. Through Koh Brothers Eco, the combined Group is able to reap synergies to offer turnkey engineering solutions and tap opportunities in the water and wastewater treatment sector.

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