NEWS RELEASE

KOH BROTHERS' NET PROFIT RISES 12% TO S$3.4 MILLION IN Q1FY2011

Singapore, May 11, 2011 – Koh Brothers Group Limited ("Koh Brothers" or the "Group"), a well-established construction, property development and specialist engineering solutions provider, today announced a 12% increase in net profit attributable to shareholders ("Net Profit") to S$3.4 million for the three months ended March 31, 2011 ("Q1FY2011"), compared to S$3.0 million in the previous corresponding period ("Q1FY2010"), notwithstanding a 3% decline in revenue to S$82.4 million over the same period.

The Group's profit before tax rose 14% to S$4.3 million compared to S$3.7 million a year ago.

Mr Francis Koh, Managing Director and Group CEO of Koh Brothers said, "Our results continue to show our resilience in the industry. FY2010 was an exciting year for the Construction sector due to an increase in public sector projects. Last November, we were awarded with the PUB Geylang River project. With our strong track record in flood alleviation and drainage projects, we are delighted to be awarded this project which clearly recognises our unparalleled track record in this specialised area.

"Moving forward, we expect demand for construction, especially from the public sector, to continue to remain strong. With our strong financial position and our A1 grading by the Building and Construction Authority ("BCA"), we are well positioned to seize more opportunities and will exercise caution and prudence in tendering for these projects."

The Group also announced earnings per share of 0.70 cent per share, up 11% from 0.63 cent a share in Q1FY2010, and has healthy cash and bank balances of S$79.6 million as at March 31, 2011.

Outlook

Construction and Building Materials

According to the BCA, construction demand in 2011 is projected to be between S$22 billion and S$28 billion. Demand will come from projects from public institutions and as well as infrastructure projects. This will fare well for the Group's Construction and Building Materials division. However, tender pricings are expected to remain competitive.

On the private sector front, the Group expects demand to be optimistic. Just before the close of the first quarter for FY2011, Koh Brothers announced the award of a new contract worth S$63.15 million from Phileap Pte Ltd, for the construction of Lincoln Suites – a luxurious condominium project at Khiang Guan Avenue, off Newton Road, in District 11. With the award of this project, the Group's contracts in hand now stand at approximately S$336 million as at March 31, 2011.

Mr Koh added, "This latest win is a testament to our Group's strength in the Construction and Building Materials division. Over the years, Koh Brothers as a brand name has become synonymous with iconic infrastructure projects such as the Marina Barrage, with a proven track record and established reputation for quality. It is on this note that we commence our 46th year of operations and will strive to uphold the good name of our company."

Real Estate

For the property division, the latest round of cooling measures by the Government is expected to cause buying sentiment to remain cautious. Nevertheless, the Group expects the underlying market condition to remain stable.

Leisure & Hospitality

For the hotels division, visitor arrivals to Singapore registered positive growth in 2010. This has helped hotels to improve their occupancy and room rates. In line with that, the Group is optimistic that this trend will continue in 2011.

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About Koh Brothers Group Limited

Listed on SGX Mainboard in August 1994, Koh Brothers 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 ("BCA"). 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.

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

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

Construction and Building Materials

This division leads in providing a complete and diverse range of infrastructure project management, products, services and solutions for the construction industry. Current projects include the Downtown Line 1 Bugis Station, Punggol Waterway Parts One and Two, the Common Service Tunnel at the Business Financial Centre, and public housing at Choa Chu Kang. The Group recently announced it was awarded PUB's Geylang River Makeover Project on November 2010, worth S$37.78 million.

The iconic Marina Barrage was successfully completed in October 2008.

The Building Materials division provides total ready-mix concrete solutions to the construction industry. The supply chain includes cement, ready-mix concrete, equipment rental and various types of products such as pre-cast elements and interlocking concrete blocks.

Real Estate

The Group's Real Estate division provides quality property developments with specialised themes at choice locations. Koh Brothers Development Pte Ltd ("KBD"), established in 1993, a wholly-owned subsidiary of Koh Brothers Group, is our flagship company for the Group's Real Estate division.

KBD is noted for its 'lifestyle-and-theme' developments. For example, its Starville project was the first to introduce a star-gazing observatory, complete with an astronomy theme. Launched in June 2003, this project is a joint venture between KBD and AIG Lengkong Investment Limited, a member of American International Group Inc. Earlier projects include The Montana, in which KBD became the first developer to introduce state-of-the-art home automation features, broadband cable and an infinity pool. The Montana, launched in November 1999, is a 108-unit luxury freehold apartment located off River Valley Road. In October 2006, it also launched its four-units-only luxurious, freehold bungalow project, "Bungalows @ Caldecott", uniquely designed with a number of firsts in Singapore such as bathrooms studded with Swarovski wall crystals, Avant-Garde sanitary fittings incorporating luxury brand names like Visentin, and a specially-designed Water Conservation System.

In April 2006, it announced the acquisition of Hilton Tower, located in the prime freehold Leonie Hill area, for S$79.2 million together with Heeton Land Pte Ltd. It is now the site for the premium condominium, The Lumos.

In June 2007, Koh Brothers Group Limited, Heeton Holdings Ltd, KSH Holdings Limited and Lian Beng Group Ltd formed a consortium with equal shares each and were successfully awarded the prime Lincoln Lodge site at 1/3 Khiang Guan Avenue, off Newton Road in District 11. The site has been redeveloped to the luxurious condominium project, Lincoln Suites, which features sky-high elevated gyms, wireless multi – room music systems and thematic communal dining facilities. Lincoln Suites was launched in October 2009.

Fiorenza, another prized freehold development by KBD, was launched in April 2009. Inspired by the passionate Italian culture with its bold artistic tastes, unrestrained luxury and a free-spirited lifestyle, this Avant-Garde development, located at Florence Road, is expected to receive its TOP by December 2012.

Other completed projects include:

- The highly successful Sun Plaza, located next to Sembawang MRT station, which introduced a sun flower theme. The residential block in Sun Plaza has been fully sold and the retail mall is currently held as an investment with high occupancy;
- The Capri, an 18-unit residential development, is situated along the prime Stevens Road; and
- The Sierra, an 18-storey residential development comprising 60 units located in the established and popular enclave of Mount Sinai.

Leisure & Hospitality

This division provides ‘no-frills’ hospitality services through its Oxford Hotel brand name with more than 130 hotel rooms.

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