NEWS RELEASE

KOH BROTHERS ACHIEVES 41% REVENUE GROWTH TO S$157.9 MILLION; REPORTS NET PROFIT OF S$7.0 MILLION IN 4Q 2016

- ***Balance sheet remains healthy with cash and cash equivalents of S$43.2 million and lower net gearing of 0.37 time***
- ***Proposes final cash dividend of 0.35 Singapore cent per share***

Singapore, February 17, 2017 – 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 a 41% rise in revenue to S$157.9 million for the fourth quarter ended December 31, 2016 (**"4Q 2016"**).

The higher 4Q 2016 revenue compared to S$112.3 million in the equivalent period last year ("**4Q 2015**") was mainly boosted by contributions from the Construction and Building Materials business segment.

Higher fair value gain on an investment property lifted Koh Brothers' 4Q 2016 share of results of joint venture companies to S$12.3 million compared to S$10.1 million in 4Q 2015.

Overall, the Group reported a 7% dip in 4Q 2016 net profit attributable to shareholders of S$7.0 million compared to S$7.6 million a year ago.

Mr. Francis Koh (许庆祥), Managing Director and Group CEO of Koh Brothers, commented, “Amidst macro-economic uncertainties, we are working tirelessly on both the construction and property development fronts to strengthen and replenish our order book and land bank, respectively. We’ll also continue to harness synergies from our Catalist-listed subsidiary, Koh Brothers Eco Engineering, to pursue projects in the growing water and wastewater, and hydro-engineering sectors.”

For the financial year ended December 31, 2016 (“**FY2016**”), Koh Brothers registered a 19% decrease in revenue to S$345.7 million in the absence of significant revenue recognised by the Real Estate division a year ago (“**FY2015**”) that had lifted topline to S$427.3 million. In tandem with the lower revenue, net profit slipped 52% to S$13.3 million from S$27.9 million across the same comparative periods.

As at December 31, 2016, the Group’s balance sheet remains robust with cash and cash equivalents of S$43.2 million and shareholders’ equity of approximately S$264.3 million.

Earnings per share slid to 3.21 Singapore cents in FY2016 compared to 6.69 Singapore cents in FY2015, while net asset value per share as at December 31, 2016 rose to 63.89 Singapore cents from 61.98 Singapore cents a year ago.

The Group’s debt servicing ability with liquidity remains comfortable with a current ratio of 1.5 times. Net gearing ratio lowered to 0.37 time as at December 31, 2016 as compared to 0.62 time as at December 31, 2015.

The Group has proposed a final cash dividend of 0.35 Singapore cent per share for FY2016 to thank shareholders for their support.

Outlook and Strategies

The Ministry of Trade and Industry Singapore ("**MTI**")[1] announced that the Singapore economy grew by 2.0% in 2016, a slight increase from the 1.9% expansion in 2015. The MTI has maintained its 2017 GDP growth forecast at 1% to 3%.

The MTI data also showed a 0.8% expansion in the construction sector for 4Q 2016 on a seasonally-adjusted annualised basis, reversing from a 12.6% decline in the preceding quarter. Overall, the sector contracted 2.8% on a year-on-year basis due to a decrease in private sector construction activities.

On the construction sector's 2017 outlook, the Building and Construction Authority ("**BCA**") expects demand to reach between S$28 billion and S$35 billion, 70% of which are to be derived from the public sector[2].

Mr. Koh said, "There is a healthy pipeline of construction projects in 2017, especially mega infrastructure projects that require deep experience and capabilities in civil engineering – an area of strength for us. We continue to aggressively pursue larger-scale projects to replenish our order book."

On the real estate outlook, the Urban Redevelopment Authority released data[3] that showed a gentler 3.1% decline in 2016 prices, compared to the 3.7% decline in 2015. While prices are showing signs of stabilising, developers have sold 9.4% more homes in 2016 from a year ago, signaling healthy demand.

"We continue to seek opportunities to extend our lifestyle-themed development model both locally and overseas, as well as keep a look out for yield-accretive property investments," added Mr. Koh.

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[1] Ministry of Trade and Industry, February 17, 2017 – MTI maintains 2017 GDP growth forecast at "1.0 to 3.0 per cent"

[2] Building and Construction Authority – Public sector construction demand is expected to increase this year, January 6, 2017

[3] Urban Redevelopment Authority, January 26, 2017 – Release of 4th Quarter 2016 real estate statistics

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.

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