



KOH BROTHERS GROUP LIMITED

(Unique Entity Number: 199400775D)

(Incorporated in Singapore)

ENTRY INTO A JOINT VENTURE IN RELATION TO THE REDEVELOPMENT PROJECT AT HOLLAND ROAD

1 Introduction

The board of directors (the "**Board**") of Koh Brothers Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that the Company's wholly owned subsidiary, Changi Properties Pte Ltd ("**CP**"), has entered into a joint venture with FEC Properties Pte Ltd ("**FEC**") to jointly acquire and redevelop the following freehold residential sites through the special purpose entity, FEC Skypark Pte Ltd ("**FECS**"):

- (a) The development known as the "Hollandia" comprised in Lot 2684k of MK 2 (the "**Hollandia Site**") and
- (b) The development known as the "Estoril" comprised in Lot 2666A of MK 2 (the "**Estoril Site**").

FEC has received the Tender Acceptance Letters for the acquisitions of the Hollandia Site and the Estoril Site at the tendered sale price of S\$183,383,800 and S\$223,938,000 respectively. FEC has nominated FECS to acquire the Hollandia Site and the Estoril Site in its place.

FEC and CP have subscribed for shares in FECS. Subsequent to the issuance of the shares in FECS, the shareholdings in FECS between FEC and CP are 80% and 20% respectively.

The subscription of the shares in FECS by CP (the "**Subscription**") is in line with the Group's ordinary course of business. Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited does not apply to the Subscription.

2 Description of Properties

Estoril Site is currently comprised of two blocks of 6-storey residential apartments with a total freehold site area of 7,859.6 sqm. Hollandia Site is currently comprised of a 6-storey block with a total freehold site area of 4,970.8 sqm. Both are prominently located along Holland Road and are adjacent to each other.

FECS intends to redevelop the Estoril Site and the Hollandia Site into a single residential project with a combined gross floor area of approximately 22,500 sqm.

3 Total Land Acquisition Cost

The total land acquisition cost of both the Hollandia Site and the Estoril Site (the “**Total Land Acquisition Cost**”) is approximately S\$407,321,800. FECS intends to fund the Total Land Acquisition Cost and the redevelopment of the two sites through equity injections and borrowings.

4 Investment Cost

The Group’s 20% stake in the Total Land Acquisition Cost is approximately S\$81,464,360. The Group will fund its investment in FECS by internal resources and external borrowings.

5 Rationale for the Acquisition

The Company believes that the Subscription will allow the Group to expand its development portfolio in Singapore.

6 Financial Effects

The Subscription is not expected to have a material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 31 December 2018.

7 Interests of Directors and Controlling Shareholders

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Subscription, save for their shareholdings in the Company.

By order of the Board

Koh Keng Siang
Managing Director & Group CEO

28 April 2018