NEWS RELEASE

KOH BROTHERS 9M 2015 REVENUE GROWS TO S$315.0 MILLION; REPORTS 9M 2015 NET PROFIT OF S$20.3 MILLION

- ***Order book remains strong at S$632.0 million lifted by recent contract secured from Changi Airport Group***
- ***Net gearing remains low at 0.89 times***

Singapore, November 11, 2015 – 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 revenue for the three-month period ("3Q 2015") and nine-month period ("9M 2015") ended September 30, 2015, grew 13% and 8% to S$93.1 million and S$315.0 million, respectively.

Mr. Francis Koh ("许庆祥"), Managing Director and Group CEO of Koh Brothers, commented: "Despite rising construction and development costs coupled with the current slowdown in the property market, we are pleased to have sustained our growth as we continue to leverage on our competitive strengths and comprehensive suite of capabilities to remain resilient.

"Apart from our continuous efforts to prudently tender for construction projects and seek and participate in land sales, we are proactively implementing innovative measures to enhance productivity to improve efficiency. We are also constantly re-evaluating our business strategies to sharpen our competitive edge so as to stay ahead of the curve and drive sustainable growth especially in this challenging market."

Performance Review

Increased sales from the Real Estate and Construction segments lifted the Group's 9M 2015 revenue to S$315.0 million, from S$292.9 million reported a year ago. However, the Group reported a 10% slip in 9M 2015 gross profit to S$43.2 million due to lower profit margins.

The Group's share of profit from joint ventures in 9M 2015 reported a profit of S$3.0 million, reversing from a loss of S$3.2 million a year ago, mainly due to a fair value gain from investment property offset by initial setup cost for a residential project.

Overall, Koh Brothers' 9M 2015 net profit after tax slipped slightly by 2% to S$22.4 million from S$22.8 million in 9M 2014, while its 9M 2015 net profit attributable to shareholders ("net profit") decreased 13% to S$20.3 million from S$23.3 million a year ago.

As at September 30, 2015, the Group's balance sheet remains robust with cash and cash equivalents of S$34.7 million and shareholders' equity of approximately S$249.5 million.

While earnings per share slid slightly to 4.87 Singapore cents, net asset value per share as at September 30, 2015 rose to 60.12 Singapore cents. The Group's debt servicing ability with liquidity remains comfortable with a current ratio of 2.4 times and net gearing ratio of 0.89 times.

Outlook and Strategies

Although latest statistics from the Ministry of Trade and Industry ("MTI") showed that the construction sector expanded at a slower rate of 1.6% in 3Q 2015 compared to a growth of 2.0% in 2Q 2015[1], the Building and Construction Authority still expects construction demand in 2015 to remain strong at between S$29.0 billion and S$36.0 billion, forecasting public demand to reach between S$18.0 billion to S$21.0 billion, outstripping private demand[2].

"Although the construction industry is expected to remain challenging, we're cautiously optimistic on our ability to seize viable opportunities such as that of our recent S$1.12 billion contract win from Changi Airport Group with our joint venture partner, Samsung C&T Corporation. Armed with our strong fundamentals, BCA A1 Grade and robust track record accumulated over the past five decades, we hope to be able to work with such reputable partners and undertake mega-projects of similar scale," commented Mr. Koh.

The Group had announced on October 29, 2015 that it has secured a S$1.12 billion project from Changi Airport Group for the development of a three-runway system at Changi Airport by the early 2020s through an integrated joint venture with Samsung C&T Corporation, of which Koh Brothers has a 30% equity stake. The project marks the largest contract Koh Brothers had secured to-date and lifted the Group's construction order book to S$632.0 million.

Commenting on Singapore's property market outlook, Mr. Koh said, "We expect residential prices to moderate further as it is unlikely for property cooling measures to ease in the near-term. While the local property market continues to be lukewarm in the short-term, we will continue to aggressively push sales of our remaining units,

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[1] *Ministry of Trade and Industry, October 14, 2015 – https://www.mti.gov.sg/NewsRoom/SiteAssets/Pages/Singapore%E2%80%99s-GDP-Growth-Moderated-in-the-Third-Quarter-of-2015/Press%20Release%20on%20Advance%20GDP%20Estimates%20for%203Q15.pdf*

[2] *Building and Construction Authority, January 8, 2015 – http://www.bca.gov.sg/Newsroom/pr08012015_BCA.HTML*

while seeking opportunities to strengthen our recurring income streams so as to ensure our sustainable growth and enhance shareholder value."

Statistics released by the Urban Redevelopment Authority in October 2015 showed a 1.3% decrease in private residential property prices in 3Q2015, marking the eighth consecutive quarter of price decline[3].

On the outlook for Singapore's tourism industry, the Singapore Tourism Board remains optimistic and maintains its forecast for visitor arrivals to grow between zero and 3% this year[4], although tourism spend in the first half of this year was 12% lower year-on-year and visitor arrivals dipped slightly by 0.6% for the first eight months of 2015[5].

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, and Malaysia.

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.

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[3] *Urban Redevelopment Agency, October 23, 2015 – https://www.ura.gov.sg/uol/media-room/news/2015/oct/pr15-50.aspx*

[4] *Channel NewsAsia, May 26, 2015 – http://www.channelnewsasia.com/news/singapore/singapore-visitor/1870910.html*

[5] *Business Times, October 30, 2015 – http://www.businesstimes.com.sg/government-economy/visitor-spending-down-12-in-first-half-as-arrivals-drop*

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

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

In 2013, the Group also broadened its reach into the environmental engineering sector, with a strategic acquisition of 41% stake in SGX Catalist-listed Koh Brothers Eco Engineering Ltd (formerly known as Metax Engineering Corporation Ltd).

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