



KOH BROTHERS GROUP LIMITED
(Unique Entity Number: 199400775D)

NEWS RELEASE

KOH BROTHERS RECORDS TURNAROUND TO NET PROFIT OF \$1.7 MILLION IN 2H 2024; AND REPORTS REVENUE OF \$238.4 MILLION FOR FY 2024

- *Net loss attributable to equity holders of the Company narrows to \$5.5 million attributable to lower revenue and completion of certain projects*
- *Balance sheet remains healthy with cash reserves of \$71.1 million and lowered net gearing of 0.37*
- *Focused on the smooth execution of healthy construction order book of \$828.7 million*

Singapore, 24 February 2025 – 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 2024 (“**FY 2024**”).

Mr. Francis Koh (许庆祥), Executive Chairman and Group CEO of Koh Brothers, commented, “With a strong pipeline of construction contracts expected to be awarded in 2025, we will leverage on our strong track record and enhanced capabilities to tap on the increased construction demand this year. Our Group has recently been awarded a few public sector projects, namely from Sport Singapore and LTA. We will leverage on our Group’s wide-ranging work expertise, from piling and ground improvement-related works to the design, construction and related services for the Toa Payoh Integrated Development Site and Multi-Storey Lorong Halus Bus Depot. At the same time, we will ensure the smooth delivery of ongoing projects including Circle Line 6, Deep Tunnel Sewerage System Phase 2 and Tuas Water Reclamation Plant. Together, these have contracts have uplifted our Group’s order book to \$828.7 million, with visibility to 2029.”

“For our real estate development business, we are firmly focused on adopting a prudent approach of seeking unique development opportunities, in partnership with experienced partners.”

Financial Highlights

Revenue declined 21% to \$125.5 million for the half year ended 31 December 2024 (“**2H 2024**”) as compared to \$159.7 for the same corresponding period (“**2H 2023**”), mainly attributable to lower revenue contribution from the Real Estate division due to the completion of a development project in the half-year ended 30 June 2024 (“**1H 2024**”). For FY 2024, revenue moderated 33% to \$238.4 million from \$356.2 million over the same corresponding year (“**FY 2023**”).

Gross profit increased to \$19.3 million in FY 2024 from \$7.5 million in FY 2023. This was mainly due to improved gross profit margin from the Bio-Refinery and Renewable Energy, the Building Materials and the Real Estate divisions.

Other income rose 53% to \$2.1 million in FY 2024 from \$1.4 million in FY 2023, mainly due to an increase in interest income, while other gains grew 474% to \$3.4 million in FY 2024, mainly due to fair value gain on investment properties and net foreign exchange gain arising from trade receivables, bank balances and contract assets.

Share of profit from associated companies and joint ventures increased 92% to \$5.2 million in FY2024 from \$2.7 million in FY 2023, due to higher contribution from joint ventures under the Real Estate division.

Overall, the Group returned to profitability in 2H 2024, recording a net profit attributable to equity holders of \$1.7 million, compared to a net loss attributable to equity holders of \$7.2 million in 1H 2024. For the full year 2024, the Group narrowed its net loss attributable to shareholders of \$5.5 million, down from a net loss attributable to shareholders of \$22.0 million in FY 2023.

Cash and bank balances stood at \$71.1 million, with shareholders' equity at \$259.9 million as at 31 December 2024. The Group's current ratio remains healthy at 1.3x with a lowered net gearing ratio of 0.37 as at 31 December 2024 compared to 0.54 as at 31 December 2023.

Net asset value per share stood at 63.01 Singapore cents as at 31 December 2024, compared to 64.22 Singapore cents as at 31 December 2023.

Outlook and Strategies

The Ministry of Trade and Industry announced on 14 February 2025 that the Singapore economy grew by 4.4% in 2024, faster than the 1.8% growth reported in 2023. Driven by public sector projects, the construction sector expanded by 4.4% y-o-y in the fourth quarter, following the 5.6% growth in the previous quarter.

According to the projection by the Building and Construction Authority Singapore ("**BCA**") on 23 January 2025, total value of construction contracts is expected to range between \$47 billion and \$53 billion in nominal terms in 2025. Normalised to real values, 2025's demand will range between \$35 billion and \$39 billion, which is between 0.3% and 11.7% higher than pre-pandemic levels in 2019. The strong demand is underpinned by the expected award of contracts for several large-scale developments, such as Changi Airport Terminal 5 and the expansion of the Marina Bay Sands Integrated Resort, alongside public housing development and upgrading works.

Other contributors include high-specification industrial buildings, educational developments, healthcare facilities, Mechanical and Engineering contracts for the Cross Island Line and Thomson-East Coast Line extension and infrastructure works for the Woodlands Checkpoint extension and the Tuas Port. BCA expects total construction demand from 2026 to 2029 to reach an average of between \$39 billion and \$46 billion each year.

The Group expects the construction industry to remain challenging amid intensifying competition and rising operational costs. The Group will remain focused on recovering costs associated with variation orders from clients while closely monitoring the progress of ongoing construction projects. Strategically positioned with an established track record and extensive experience, the Group will continue to tender for more construction projects.

On the property development front, latest statistics from the Urban Redevelopment Authority indicated that prices of private residential properties increased by 2.3% in the fourth quarter of 2024, following a 0.7% drop in the previous quarter. For the full year, prices of private residential properties increased by 3.9% in 2024, reflecting a moderation from the increase of 6.8% registered in 2023 and 8.6% in 2022. The Group expects that the private residential market to remain challenging in the high-interest rate environment

Going forward, the Group will adopt a cautious and selective approach to replenish 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 the late 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.

ISSUED ON BEHALF OF	:	Koh Brothers Group Limited
BY	:	CDR 158 Cecil Street #05-01 Singapore 069545
CONTACT	:	Ms Dolores Phua / Ms Louise Lim at telephone
DURING OFFICE HOURS	:	6534-5122
EMAIL	:	kohbrothers@cdrconsultancy.com
