



KOH BROTHERS TO TAP ON CONSTRUCTION EXPERTISE AND IN-HOUSE PRECAST CAPABILITIES FOR NEW EXECUTIVE CONDOMINIUM JOINT VENTURE PROJECT AT JURONG WEST FOR S\$126.5 MILLION

- *Construction of 9 blocks with 480 residential units, 1 block of MCSP, common basement carparks, landscape deck and communal facilities at Westwood Avenue, Jurong West;*
- *To tap on construction expertise and in-house precast capabilities to fulfil the Government's requirements for Prefabricated Bathroom Units (PBUs) and other prefab and precast components;*
- *Targeting to achieve a Buildability Score of 88 points for this Design and Build project.*

Singapore, June 17, 2014 – Koh Brothers Group Limited (***“Koh Brothers”, and together with its subsidiaries, the “Group”***), a well-established construction, property development and specialist engineering solutions provider, today announced that it will be tapping on its construction expertise and in-house precast capabilities for the new executive condominium at Jurong West, a design and build project. Koh Brothers was awarded the construction contract, worth approximately S\$126.5 million, by KBD Westwood Pte Ltd, a Koh Brothers' Joint Venture Company.

Mr Francis Koh, Managing Director and Group CEO of Koh Brothers said: “In line with the Singapore Government’s plans to boost Singapore’s construction sector productivity, Koh Brothers will be tapping on our established construction expertise and in-house precast capabilities to smoothly and successfully construct an outstanding development that will have Prefabricated Bathroom Units, and other prefab and precast components. The Group will also be working closely with the architects to achieve a targeted Buildability Score of 88 points for this design and build project. Through the integration of our in-house capabilities in our core Construction & Building Materials and Real Estate businesses, we will be able to effectively harness synergies, thereby containing construction costs, increase our productivity quotient and achieve better margins overall.”

The Singapore Government announced that developers will be required to use Prefabricated Bathroom Units for all residential government land sales in the second half of 2014¹. The Government had also set a minimum percentage of prefab level for industrial Government Land Sales sites¹. Related to these, the Building and Construction Authority will be gradually raising the minimum constructability scores to promote easier-to-build building designs and labour-efficient construction methods, to achieve manpower savings².

The Urban Redevelopment Authority also noted that higher buildability standards, including prefabrication, will not only significantly improve construction productivity, it will also reduce noise and dust during construction. To encourage construction productivity, developers who make the extra effort to strive for higher buildability can apply for bonus balcony Gross Floor Area of between 3% to 10%³.

¹ *‘New Measures for developers to drive construction productivity improvements’, Building and Construction Authority, March 10, 2014*

² *‘Measures to boost Singapore’s Construction sector productivity’, Channel NewsAsia, March 10, 2014*

³ *‘Revision to the Balcony Bonus Gross Floor Area Scheme for Private Non-Landed Residential Developments to Promote Higher Construction Productivity’, Urban Redevelopment Authority, September 2, 2013*

Mr Francis Koh said: “Koh Brothers is cognizant that with the push towards use of PBUs, precast and prefab components, challenges such as the transportation of large prefab units to worksites, and the availability of precast supply, would consequently arise. However, the use of productive technologies will lead to cost savings and in addition to that, more balcony GFA for developers. With our strong construction expertise, in-house precast, ready-mix concrete and building materials capabilities, we believe that Koh Brothers is poised and ready to meet our Government’s requirements for our development projects, and also meet the rising demand for precast components of the industry in the near future and in the long term.”

For Koh Brothers’ Construction & Building Materials division, Koh Brothers operates three precast plants in Singapore and one precast plant in Senai within Iskandar, Malaysia. The four precast plants have a total land area of 96,000 m² and a total annual production capacity of 150,000 m³. The division operates Singapore’s only Cement Grinding Plant, with the capability to grind up to 1800 tons of OPC/ggbs per day. The division also operates a fully automated plant with the capacity to produce up to 25,000 m² of paving blocks per month. The Building Materials division provides total ready-mix concrete solutions which include cement, ready-mix concrete, equipment rental and various types of products such as pre-cast elements and interlocking concrete blocks. With these capabilities, Koh Brothers has constructed various projects over the years – from public housing, industrial factories, schools, office and commercial buildings to condominium projects.

Construction of this executive condominium in Jurong West, Singapore, will commence on 15 June 2014 and is expected to be completed by 14 June 2017. Works under the contract include the construction, completion and maintenance of six 12/14-storey blocks, two 14-storey blocks and one 13/14-storey block comprising 480 apartment units, ranging from two-bedrooms to five-bedrooms, one multi-storey carpark, common basement carparks, landscape deck and communal facilities.

Koh Brothers does not expect this S\$126.5 million construction project to have a material impact on the Group's financial performance for the year ending December 31, 2014.

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.

More recently, in February 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) ("Koh Eco").

Through its majority stake in Koh Eco, the Group is able to offer EPC services for water and wastewater treatment and hydroengineering projects. With over 35 years of EPC experience, Koh Eco has been involved in many public and private sector projects in Singapore, Indonesia, Malaysia, Thailand, the Philippines and India. In 2008, Koh Eco extended their EPC business into the palm oil refining industry with the acquisition of WS Bioengineering Pte. Ltd. ("WS Bio"), whose principal business is the engineering and construction of biofuel and palm oil refining facilities.

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.

Recent major projects that have been successfully completed are the iconic Marina Barrage in 2008; Punggol Waterway Parts One and Two in 2011; Downtown Line 1 Bugis Station in 2013; makeover of Geylang River in 2014 and Lincoln Suites – a luxurious condominium project at Kiang Guan Avenue, off Newton Road, in District 11. This division had also completed the construction of the Common Service Tunnel at the Business Financial Centre and public housing at Choa Chu Kang.

This division was awarded many projects too, of which construction is currently ongoing. In April 2012, Koh Brothers, through a joint venture, was awarded a S\$54.6 million contract by national water agency, PUB, for the construction of a used water lift station at PUB's Jurong Water Reclamation Plant. In November 2012, Koh Brothers secured a S\$30.9 million contract from Changi Airport Group for a proposed retention pond at Changi Airport. In 2012, Koh Brothers also began the construction of Parc Olympia. In February 2013, Koh Brothers secured a S\$99.8 million contract from the PUB, Singapore's national water agency to carry out improvement works to the existing trapezoidal canal and crossings at the Bukit Timah First Diversion Canal (Bukit Timah Road to Holland Green). In February 2014, Koh Brothers also won a construction contract worth S\$98.0 million to build HDB BTO Project in Yishun.

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 Kiang 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, received its TOP in June 2011.

Parc Olympia, a sporting themed condominium, was launched in Flora Drive in July 2012. The 99-year, 486-unit development offers over 60,000 sq ft of wide-range sporting area and facilities, with special facilities including a synthetic jogging track, a rockclimbing wall, an air-conditioned badminton court, a skate park and even a putting green for golf-lovers.

Other completed projects include:

- The highly successful Sun Plaza, located next to Sembawang MRT station, which introduced a sunflower 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 and Hospitality

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

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