



**KOH BROTHERS GROUP
LIMITED**

(Unique Entity No. 199400775D)
(Incorporated in the Republic of Singapore)



**KOH BROTHERS ECO
ENGINEERING LIMITED**

(Unique Entity No. 197500111H)
(Incorporated in the Republic of Singapore)

NEWS RELEASE

KOH BROTHERS GROUP TO INJECT CONSTRUCTION ARM INTO KOH BROTHERS ECO ENGINEERING FOR S\$19.0 MILLION

- *Restructuring exercise to streamline Koh Brothers Group's businesses and reap synergies with subsidiary company Koh Brothers Eco Engineering to tap opportunities in the water and wastewater treatment and hydro-engineering sectors*
- *Koh Brothers Group to focus on property development, building materials as well as leisure and hospitality businesses with a view to expand regionally*
- *Koh Brothers Eco Engineering, with broadened capabilities, is well positioned to tender for projects in the hydro-engineering and construction sectors*

Singapore, January 7, 2016 – Well-established construction, property development and specialist engineering solutions provider Koh Brothers Group Limited (“**KBG**”, or 許兄弟有限公司), and its SGX Catalist-listed subsidiary¹, Koh Brothers Eco Engineering Limited (“**KB Eco**”), jointly announced today their proposal for KB Eco to acquire a KBG subsidiary involved in building and civil engineering construction for S\$19.0 million (the “**Proposed Acquisition**”).

¹ *KB Eco is accounted as a subsidiary of KBG. As at the date hereof, KBG holds approximately 41.0% of the total issued shares in KB Eco.*



**KOH BROTHERS GROUP
LIMITED**

(Unique Entity No. 199400775D)
(Incorporated in the Republic of Singapore)



**KOH BROTHERS ECO
ENGINEERING LIMITED**

(Unique Entity No. 197500111H)
(Incorporated in the Republic of Singapore)

Environmental and sustainable engineering solutions provider, KB Eco, will acquire the entire issued and paid-up share capital of Koh Brothers Building & Civil Engineering (Pte.) Ltd. (“**KBCE**”) from Construction Consortium Pte. Ltd. (the “**Vendor**”), a wholly-owned subsidiary of KBG.

KBCE is engaged in the business of building and civil engineering construction, ranging from design and build to general construction for residential, commercial and institutional buildings, as well as infrastructure works.

The acquisition consideration of S\$19.0 million will be fully satisfied through the allotment and issuance of 369,145,631 new KB Eco shares to the Vendor (and/or its designated nominees) at 5.15 Singapore cents each. The Proposed Acquisition is subject to the receipt of a whitewash waiver from the Securities Industry Council of Singapore and the approval of independent KB Eco shareholders at an extraordinary general meeting to be convened.

On the Proposed Acquisition, Mr. Francis Koh (许庆祥), KBG’s Managing Director and Group CEO and Non-Executive Chairman of KB Eco, said: “Having identified emerging opportunities in the water and wastewater treatment and hydro-engineering sectors arising from an increased emphasis on water as a resource, KBG acquired a stake in KB Eco in 2013. We soon recognised that restructuring the two entities will enable both KBCE and KB Eco to enhance operational efficiencies and cost savings, while reaping business synergies to sharpen the enlarged KB Eco’s competitive edge.



**KOH BROTHERS GROUP
LIMITED**

(Unique Entity No. 199400775D)
(Incorporated in the Republic of Singapore)



**KOH BROTHERS ECO
ENGINEERING LIMITED**

(Unique Entity No. 197500111H)
(Incorporated in the Republic of Singapore)

Since KBG acquired a stake in KB Eco, KB Eco's financials have turned profitable through the optimisation of its processes and business strategies. We believe it is now the right time for the Proposed Acquisition to bring both KBG and KB Eco to the next level of growth."

Depending on the conversion of the outstanding warrants carrying the right to subscribe for KB Eco shares, which were issued to KBG and Mr. Lee Thiam Seng ("Mr. Lee"), an unrelated third party, pursuant to subscription agreements entered into in 2012 in connection with KBG's acquisition of a stake in KB Eco, KBG's resulting stake in KB Eco – and effective stake in its construction business, KBCE – may range from 70.1% (if none of the warrants is exercised) to 72.3% should all of the warrants held by KBG and Mr. Lee be exercised.

Following the Proposed Acquisition, KBG will retain full control of its Building Materials business in addition to businesses under its two other core pillars – Real Estate and Leisure and Hospitality.

"Having streamlined KBG's businesses, the KBG management will focus its efforts in creating more unique lifestyle-themed developments that have so far been well-received by the market. While we prudently seek new sites in Singapore to replenish our land bank, we are also looking to enter new geographical markets to diversify our real estate portfolio.



**KOH BROTHERS GROUP
LIMITED**

(Unique Entity No. 199400775D)
(Incorporated in the Republic of Singapore)



**KOH BROTHERS ECO
ENGINEERING LIMITED**

(Unique Entity No. 197500111H)
(Incorporated in the Republic of Singapore)

“KBG’s Building Materials business will continue to provide high-quality products and services, supported by 11 batching plants and a precast plant in Iskandar, Malaysia. As with the culture in KBG, the Building Materials business is committed to drive greater productivity and margin efficiency through the adoption of technology. Coupled with the authorities’ productivity push within the construction industry and greater awareness of sustainable technology, we believe this segment is well-poised for growth.

“In the meantime, we continue to earn healthy recurring income from our Real Estate and Leisure and Hospitality businesses through our strategically-located Alocassia Apartments and Oxford Hotel as well as our newly-refurbished suburban mall, Sun Plaza. We will continue to source for such value-accretive assets to strengthen our recurring income streams,” said Mr. Francis Koh.

KB Eco had previously collaborated with KBCE on several projects with the most iconic being Marina Barrage where its expertise in environmental engineering complemented KBCE’s civil engineering capabilities. Other joint projects include Punggol Waterway and the construction of a used water lift station at the Public Utilities Board’s Jurong Water Reclamation Plant.

On the enlarged KB Eco’s future strategies, Mr. Francis Koh commented, “This move will sharpen KB Eco’s niche within both the hydro-engineering sector as well as the challenging construction sector both locally and regionally. KB Eco’s newly-acquired civil engineering capabilities open up new doors, such as the capability to build plants and facilities for the hydro-engineering sector – to provide the ‘hardware’ apart from its existing suite of engineering solutions, or the ‘software’.



**KOH BROTHERS GROUP
LIMITED**

(Unique Entity No. 199400775D)
(Incorporated in the Republic of Singapore)



**KOH BROTHERS ECO
ENGINEERING LIMITED**

(Unique Entity No. 197500111H)
(Incorporated in the Republic of Singapore)

“This positions KB Eco to fill a gap in the growing environment and water industry which has been identified as a key growth area by the government to position Singapore as a Global Hydrohub². Hence, we believe the Proposed Acquisition will place KB Eco well on its way to capitalise on the large emerging opportunities within the industry.”



**KOH BROTHERS GROUP
LIMITED**

(Unique Entity No. 199400775D)
(Incorporated in the Republic of Singapore)



**KOH BROTHERS ECO
ENGINEERING LIMITED**

(Unique Entity No. 197500111H)
(Incorporated in the Republic of Singapore)

About Koh Brothers Group Limited

Listed on Main Board of the SGX-ST in August 1994, Koh Brothers Group Limited (“**KBG**”, 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 (“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.

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.

In 2013, the Group also broadened its reach into the environmental engineering sector, with a strategic acquisition of a 41.0% stake in SGX Catalist Board-listed Koh Brothers Eco Engineering Limited (formerly known as Metax Engineering Corporation Limited).

² <https://www.edb.gov.sg/content/edb/en/industries/industries/environment-and-water.html>



**KOH BROTHERS GROUP
LIMITED**

(Unique Entity No. 199400775D)
(Incorporated in the Republic of Singapore)



**KOH BROTHERS ECO
ENGINEERING LIMITED**

(Unique Entity No. 197500111H)
(Incorporated in the Republic of Singapore)

About Koh Brothers Eco Engineering Limited

Listed on the Catalist Board of the SGX-ST in 2006, Koh Brothers Eco Engineering Limited (“KB Eco”) is today a sustainable engineering solutions group that provides engineering, procurement and construction (“EPC”) services for water and wastewater treatment, hydroengineering, bio-refinery and bio-energy projects. Incorporated in Singapore in 1975, KB Eco started out by providing EPC services for water and wastewater treatment projects as well as hydro-engineering projects in Singapore. Today, its principal market is in Asia with projects from both the public and private sectors. Its bio-refinery and bio-energy division under Oiltek Sdn. Bhd. specialises in a full range of conventional edible oil process plants as well as biodiesel, pre-treatment and winter fuel plants. Through its joint venture company, Oiltek Nova Bioenergy Sdn. Bhd., it also designs, builds and supplies biogas recovery systems to palm oil mill effluent plants in Malaysia and Indonesia.



**KOH BROTHERS GROUP
LIMITED**

(Unique Entity No. 199400775D)
(Incorporated in the Republic of Singapore)



**KOH BROTHERS ECO
ENGINEERING LIMITED**

(Unique Entity No. 197500111H)
(Incorporated in the Republic of Singapore)

ISSUED ON BEHALF OF : Koh Brothers Group Limited & Koh Brothers Eco
Engineering Limited

BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd
55 Market Street
#02-01
SINGAPORE 048941

CONTACT : Ms Dolores Phua / Ms Amelia Lee
at telephone

DURING OFFICE HOURS : 6534-5122 (Office)

AFTER OFFICE HOURS : 9750-8237 / 9781-3518 (Handphone)

EMAIL : dolores.phua@citigatedrimage.com /
amelia.lee@citigatedrimage.com

002/16/001/KBGL

January 7, 2016

This press release has been prepared by KB Eco and its contents have been reviewed by KB Eco's Sponsor, Stamford Corporate Services Pte Ltd, for compliance (strictly from the perspective of KB Eco only) with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). KB Eco's Sponsor has not independently verified the contents of this press release. This press release has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this press release including the correctness of any of the statements or opinions made or reports contained in this press release. The contact person for the Sponsor is Mr. Ng Joo Khin: Telephone number: 6389 3000 Email: jookhin.ng@morganlewis.com