NEWS RELEASE

KOH BROTHERS' NET PROFIT IN 1Q2014 RISES 45% TO S$4.7 MILLION AS SALES FROM REAL ESTATE DIVISION INCREASES

- ***Group sales rises 26% to S$101.2 million in 1Q2014 from S$80.5 million in 1Q2013;***
- ***Achieves higher gross margin and net margin of 14.3% and 4.7% respectively;***
- ***Built a diversified portfolio within a fully integrated system.***

Singapore, May 9, 2014 – Koh Brothers Group Limited ("Koh Brothers" or the "Group"), a well-established construction, property development and specialist engineering solutions provider, today announced that net profit attributable to equity holders of the Company increased 45% to S$4.7 million for the first quarter ended March 31, 2014 ("1Q2014"), from S$3.3 million for the first quarter ended March 31, 2013 ("1Q2013"). This is mainly due to higher profit contributed by the real estate division.

Mr. Francis Koh, Managing Director and Group CEO of Koh Brothers, commented: "We are pleased to have achieved a strong start in FY2014, mainly due to higher revenue and profit contributed by our real estate division in the first quarter. The Group's ability to achieve good performance for our property development business amidst challenging market conditions in the residential property market demonstrates the Group's ability to differentiate our attractively-located residential properties to appeal to homebuyers. As a case in point, our Group's 486-unit Parc Olympia, launched in July 2012, was 100% sold in less than a year.

"Our joint venture in the real estate business also won the mandate to develop an executive condominium site in Westwood Avenue in Jurong West, Singapore in 1Q2014, and we look forward to this development's contribution to our real estate division's performance in due course."

Other Performance Review

In 1Q2014, notwithstanding the higher cost of sales of S$86.7 million as compared to S$69.6 million in the previous corresponding quarter, gross profit grew 32% to S$14.4 million in 1Q2014 from S$10.9 million in 1Q2013. Correspondingly, gross margin grew from 13.6% in 1Q2013 to 14.3% in 1Q2014, in line with higher Group sales.

Overall, the Group's profit attributable to equity holders of the Company was lifted 45% to S$4.7 million in 1Q2014 from S$3.3 million in 1Q2013, and net margin increased to 4.7% from 4.1% accordingly.

As at March 31, 2014, the Group has a net asset value per ordinary share of 50.16 cents and remains in a healthy financial position, with cash and bank balances of S$32.7 million.

Outlook and Strategies

The Building and Construction Authority has estimated construction demand in 2014 to be between S$31 billion and S$38 billion, with public sector demand contributing the bulk of it[1]. Separately, according to flash estimates by the Urban Redevelopment Authority, prices of private residential properties declined by 1.3% in 1Q2014, as various property cooling measures by the government, in particular the total debt servicing ratio, weighed down on the market[2]. Meanwhile, the Singapore Tourism Board has forecast visitor arrivals to grow to between 16.3 million and 16.8 million this year, and tourism receipts to be in the range of S$23.8 billion to S$24.6 billion[3].

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[1] *Source: http://www.bca.gov.sg/Newsroom/pr09012014_BCA.html*
[2] *Source: http://www.ura.gov.sg/uol/media-room/news/2014/apr/pr14-21.aspx*
[3] *Source: 'STB sees up to 16.8m visitor arrivals in 2014', Business Times, March 7, 2014*

Mr. Francis Koh, Managing Director and Group CEO of Koh Brothers, commented: “At Koh Brothers, our key competitive edge is that we have a diversified portfolio within a fully integrated system.

“In our Construction and Building Materials division, the Group has strong capabilities in Building, Infrastructure and more recently, Waste/Water Treatment. This is supported by an integrated supply chain from cement to ready-mix concrete, steel, equipment rental and various types of precast elements and interlocking concrete blocks.

“In Real Estate, we are a themed-and-lifestyle developer, and we are well-known for developing unique Residential projects for which we have attained a number of ‘Firsts’. At the same time, we receive recurring income from Commercial developments including Sun Plaza. Construction of real estate has been largely done in-house given our strong capabilities.

“And in our Leisure and Hospitality division, the Group benefits from a good recurring income, from both Oxford and Alocassia which enjoy high occupancies.

“With our competitive edge, notwithstanding the current market conditions, Koh Brothers is cautiously optimistic of the industry prospects in the construction, property development and hospitality sectors.”

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.

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 Limited, formerly known as Metax Engineering Corporation Ltd.

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.

One of its major projects is the iconic Marina Barrage which was successfully completed in October 2008. In November 2010, the Group announced it was awarded PUB's Geylang River Makeover Project worth S$37.8 million. 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 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 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). Other ongoing projects include the construction of Lincoln Suites – a luxurious condominium project at Khiang Guan Avenue, off Newton Road, in District 11, Geylang River Makeover Project, Changi Airport retention pond and PUB's Jurong Water Reclamation Plant and Parc Olympia at Flora Drive.

Recently completed projects include Punggol Waterway Parts One and Two, the Common Service Tunnel at the Business Financial Centre, Downtown Line 1 Bugis Station, and public housing at Choa Chu Kang.

The Building Materials division also 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 Khiang 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 & Hospitality

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

Environmental Engineering

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

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