



KOH BROTHERS GROUP LIMITED
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NEWS RELEASE

KOH BROTHERS REVENUE UP 1% TO S\$356.2 MILLION FOR FY 2023

- *Revenue growth primarily driven by Real Estate division*
- *Exercise prudence in cost management in pursuit of higher value construction projects*
- *Focused on the smooth execution of healthy construction order book of S\$583.3 million*
- *Balance sheet remains healthy with S\$95.8 million in cash and bank balances*

Singapore, 9 February 2024 – 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 2023 (“**FY 2023**”).

Mr. Francis Koh (许庆祥), Executive Chairman and Group CEO of Koh Brothers, commented, “For our Construction and Building Materials division, we have several ongoing projects including Circle Line 6, Deep Tunnel Sewerage System, Tuas Water Reclamation Plant and Kallang Integrated Development. We will be focused on the smooth completion of these projects to better manage the higher material, manpower and subcontractor costs.”

“Looking ahead, we will navigate the challenging environment by exercising prudent cost management and leveraging our strong track record, and strategic partnerships, to tender for higher value construction projects. With a healthy order book, backed by a strong potential pipeline of projects in both the private and public sectors according to the BCA, we remain cautiously optimistic of opportunities for growth.”

“For our real estate development business, we will work with strategic partners for value added projects, presenting opportunities for growth. In light of market conditions, we will continue to take a cautious approach and be selective in replenishing our land bank.”

Financial Highlights

Revenue declined 18.0% to S\$159.7 million for the half year ended 31 December 2023 (“**2H 2023**”) as compared to S\$194.2 million for the same corresponding period (“**2H 2022**”), mainly due to lower revenue contribution from the Construction and Building Materials segment. For FY 2023, revenue rose 1% to S\$356.2 million, from S\$353.1 million over the same corresponding year (“**FY 2022**”).

Gross profit declined 71% to S\$7.5 million in FY 2023 from S\$26.0 million in FY 2022, attributed to finalisation of construction projects and prolonged construction period for certain projects, resulting in higher material, manpower and subcontractor costs. Other gains declined 96% to S\$0.60 million in FY 2023, mainly due to absence of fair value gain on investment properties and lower gain recognised from disposal of properties, plant and equipment.

Share of profit from associated companies and joint ventures increased 67% to S\$2.7 million in FY 2023 from S\$1.6 million a year ago due to fair value gain on investment property.

The Group recorded a net loss attributable to shareholders of S\$22.0 million in FY 2023, as compared to a net profit attributable to shareholders of S\$6.0 million in FY 2022.

Cash and bank balances rose to S\$95.8 million while shareholders’ equity stood at S\$264.9 million as at 31 December 2023. The Group’s current ratio remains healthy at 1.3x with net gearing ratio of 0.54 as at 31 December 2023.

Net asset value per share was 64.22 Singapore cents as at 31 December 2023 compared to 70.04 Singapore cents as at 31 December 2022.

Outlook and Strategies

Based on advance estimates from the Ministry of Trade and Industry announcement on 2 January 2024, the Singapore economy grew by 2.8% on a year-on-year basis in the fourth quarter of 2023, faster than the 1.0% growth in the previous quarter. For the whole of 2023, the economy grew by 1.2%, moderating from the 3.6% growth in 2022.

According to the projection by the Building and Construction Authority Singapore ("**BCA**") on 15 January 2024, total construction demand in 2024 is projected to be between S\$32 billion and S\$38 billion, with the public sector contributing about 55% of the total demand. The public sector is expected to drive total construction demand in 2024, reaching between S\$18 billion and S\$21 billion, mainly from public housing and infrastructure projects. In addition, BCA expects a steady improvement over the medium term with projection of construction demand to reach between S\$31 billion and S\$38 billion per year from 2025 to 2028.

The Group expects the construction industry to remain challenging with an increasingly competitive environment, high interest rates, energy, material, manpower and operating costs. The Group will continue to focus on recovering the cost of performing the variation orders from customers while closely monitoring the progress and costs for ongoing construction projects as well as leveraging on its track record, experience and capabilities to tender for more construction projects.

On the property development front, latest statistics from the Urban Redevelopment Authority indicated that for the whole of 2023, prices of private residential properties increased by 6.8%, moderating from the 8.6% increase in 2022. Amidst an environment marked by inflation and higher borrowing cost coupled with the impact of government adjusted cooling measures introduced in April 2023, the Group expects the private residential market to remain challenging.

Going forward, the Group will continue to exercise caution and be selective in replenishing 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.

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