

General Announcement::ACQUISITION OF A PROPERTY IN SOUTH KOREA

Issuer & Securities

Issuer/ Manager	KOH BROTHERS GROUP LIMITED
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
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Submitted By (Co./ Ind. Name)	Koh Keng Siang
Designation	Managing Director & Group CEO
Description (Please provide a detailed description of the event in the box below)	Please refer to the attachment.
Attachments	<p> KBGL - Gangnam NR.pdf</p> <p>Total size =510K</p>

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NEWS RELEASE

KOH BROTHERS MAKES FIRST ENTRY INTO KOREA – ACQUIRES PRIME MIXED-USE ASSET FOR REDEVELOPMENT IN GANGNAM-GU, SEOUL

- *Freehold property in the heart of Seoul's CBD acquired for KRW95.8 billion (~S\$119 million) through a 45%-owned JV*
- *Proposed to be redeveloped into a 18-storey mixed-use development consisting 380 upscale residential units and retail space*



225-6 Nonhyeon-dong, Gangnam-gu – a highly coveted residential address along the main commercial belt of the Gangnam district, within 500m radius of several MTR stations

Singapore, May 19, 2017 – Koh Brothers Group Limited (“**Koh Brothers**”, 許兄弟有限公司, or the “**Group**”), a well-established construction, property development and specialist engineering solutions provider, announced its maiden entry into the Korean real estate market, jointly acquiring a freehold site in the heart of the famed Gangnam-gu district for KRW95.8 billion (~S\$119.0 million).

The existing building purchased from the YMCA has a gross floor area of 17,798.5 square metres (“**sqm**”) and sits on a land area of 4,610.9 sqm. The asset was acquired through a 45%-owned joint venture (“**JV**”).

Mr. Francis Koh (许庆祥), Managing Director and Group CEO of Koh Brothers, commented, “Having established a strong niche in themed lifestyle developments in Singapore, we are pleased to have captured a rare opportunity to export our proven model overseas and diversify our asset portfolio.

“We see a great opportunity to enhance the yield of a prime asset in Seoul’s central business district, with the commercial units to provide a stable source of recurring income. We look forward to working closely with our partners to maximise the project’s potential.”

The JV plans to redevelop the YMCA building into an 18-storey (including 5-storey basement) mixed-use development consisting 380 high-end residential units and 2,700 square metres of retail space. The property is strategically located along the main commercial belt in Gangnam, surrounded by MTR stations within a 500-metre radius.

“We have identified, and seek to address, a demand gap for centrally-located and compact residential units for single professionals, double-income families without kids, and real estate investors. We are excited at the prospect of creating a unique and clearly-differentiated product, like we’ve successfully done so in Singapore, for the Korean upscale market,” added Mr. Koh.

Redevelopment is expected to commence in 2Q2018 and complete in 2020.

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 Mr. Koh Tiat Meng. Today, Koh Brothers has more than 40 subsidiaries, joint venture companies and associated companies spread over Singapore, the PRC, Indonesia, and Malaysia.

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 single-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 water and wastewater treatment, hydro-engineering, 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, and hydro-engineering sectors.

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