



## NEWS RELEASE

### KOH BROTHERS ECO POSTS NET PROFIT OF S\$2.2 MILLION ON REVENUE OF S\$209.4 MILLION FOR FY2022

- ***Healthy order book of S\$684.6 million, lifted by ongoing S\$200.7 million MEICA<sup>1</sup> contract from PUB for Tuas Water Reclamation Plant***
- ***Bio-Refinery and Renewable Energy segment sees strong growth momentum***
- ***Balance sheet remains healthy with cash and bank balances of S\$55.2 million***
- ***Proposed final dividend of 0.025 Singapore cent per ordinary share***

**SINGAPORE, 25 January 2023** – SGX Catalist-listed sustainable engineering solutions provider, Koh Brothers Eco Engineering Limited (許兄弟生态工程有限公司) (“**Koh Brothers Eco**”, and together with its subsidiaries, the “**Group**”), today reported its financial performance for the full year ended 31 December 2022 (“**FY2022**”).

The Group reported a 16% growth in revenue to S\$209.4 million for FY2022, backed by growth from both the Engineering and Construction and Bio-Refinery and Renewable Energy segments. Notably, the Bio-Refinery and Renewable Energy segment posted a 62% growth in revenue from the corresponding period.

In line with the improved topline performance backed by more construction activities, gross profit improved 23% to S\$14.5 million in FY2022 as compared to S\$11.8 million for the full year ended 31 December 2021 (“**FY2021**”).

Overall, net profit attributable to equity holders rose 7% to S\$2.2 million in FY2022 as compared to S\$2.0 million in FY2021.

Net asset value per share increased to 5.16 Singapore cents as at 31 December 2022 compared to 5.07 Singapore cents as at 31 December 2021.

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<sup>1</sup> *Mechanical, electrical and instrumentation control and automation works.*

As at 31 December 2022, the Group's order book amounted to S\$684.6 million. Cash and bank balances remained strong at S\$55.2 million while shareholders' equity stood at S\$145.5 million as at 31 December 2022.

Koh Brothers Eco's Chief Executive Officer, Mr. Paul Shin, commented, "Our financial performance is reflective of KBE's resilience and adaptability to the challenging and rapidly changing industry conditions. We are pleased to have achieved a strong order book of S\$684.6 million, backed by projects such as the ongoing MEICA works at Tuas Water Reclamation Plant, which will generate a steady, recurring maintenance income post-completion in 2025. Construction demand remains strong, driven mainly by the public sector. With our strong track record in construction and civil engineering capabilities, we will continue to pursue higher-value projects to support Koh Brothers Eco's long-term growth.

"Notably, our Bio-Refinery and Renewable Energy sector has seen good traction, backed by robust growth of the global palm oil industry and Oiltek's deep engineering expertise and value-add to its customers. With global consumption of oils and fats set to grow in tandem with population growth, we remain confident of the long-term outlook for this segment."

### **Proposed Dividend**

In appreciation of the Group's shareholders' continuous support, the Board has proposed a final dividend of 0.025 Singapore cent per share to be approved by shareholders at the upcoming Annual General Meeting.

## **Outlook & Future Strategies**

Based on advanced estimates from the Ministry of Trade and Industry, Singapore's GDP grew by 2.2 per cent on a year-on-year basis in the fourth quarter of 2022, moderating from the 4.2 per cent growth in the previous quarter. For the whole of 2022, the economy grew by 3.8 per cent, significantly lower than the 7.6 per cent growth in 2021.

For the whole of 2022, the construction sector grew 6.5 per cent. In absolute terms, the value-added of the construction sector remained 19.3 per cent below its pre-pandemic level. The Group expects challenging operating conditions in the construction sector amid rising material and manpower costs; and other macro uncertainties.

The Group will actively monitor the progress and costs of construction projects and continue to tender for construction projects of its expertise, leveraging on its competitive advantages, requisite track record, experience, and capabilities. This will enable the Group to maintain a healthy order book for sustainable growth.

As for the Bio-Refinery and Renewable Energy sector, the Group remains confident of its long-term outlook. With stringent environment regulations and a greater emphasis on the importance of environmental, social, and governance considerations, the Group is optimistic on the continued growth prospect of the renewable energy sector.

Capitalising on the global trend and barring any unforeseen circumstances, the Group will continue to leverage on its capabilities, integrated know-how, and proven track record to secure more projects, especially larger-scale ones, in the Bio-Refinery and Renewable Energy sector in existing and new markets.

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**Note to Media: This media release is to be read in conjunction with the announcement issued on SGXNET on the same date.**

### **About Koh Brothers Eco Engineering Limited**

Listed on the Singapore Exchange (“**SGX**”) in 2006, Koh Brothers Eco Engineering Limited (“**Koh Brothers Eco**”, and together with its subsidiaries, the “**Group**”) is 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 as well as engineering and construction services, specialising in providing building and civil engineering construction and infrastructure works.

Incorporated in Singapore in 1975, Koh Brothers Eco started out by providing EPC services for water and wastewater treatment projects as well as hydro-engineering projects. Its principal market is in Asia with projects from both the public and private sectors.

The Group’s engineering and construction division under Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. (“**KBCE**”), which holds the A1 grade from the Building and Construction Authority (“**BCA**”) for both building and civil engineering categories, possesses capabilities in building and civil engineering construction. The BCA A1 grade allows KBCE to tender for building and civil infrastructure projects of unlimited value. KBCE, which enjoys a long and rich corporate history, has a strong track record ranging from design and build to general construction for residential, commercial and institutional buildings and infrastructure works. KBCE is also a BCA L6 – (ME11) graded contractor which enables it to tender for public mechanical engineering projects of unlimited value.

Over the years, KBCE has participated in projects by various public sector agencies such as the BCA, Housing & Development Board (“**HDB**”), PUB, Singapore’s National Water Agency, Urban Redevelopment Authority (“**URA**”), Land Transport Authority (“**LTA**”) and Changi Airport Group (“**CAG**”).

Some of KBCE's major infrastructure projects include the Punggol Waterway awarded by HDB, the iconic Marina Barrage, Geylang River Make Over, Changi Water Reclamation Plant (Phase 1), and Jurong Water Reclamation Plant by PUB, the Common Service Tunnel by URA, Downtown Line 1 Bugis Station by LTA and the retention pond at Changi Airport by CAG. In addition, through a joint venture with Samsung C&T Corporation, KBCE secured a landmark S\$1.12 billion project from CAG for development works to effect three-runway operations at Changi Airport.

Other landmark building projects by KBCE include Building and Electrical works at Jurong West Neighbourhood 6 Contract; Building works at Chua Chu Kang Neighbourhood 4 Contract awarded by HDB; New Halls of Residence at Nanyang Avenue for Nanyang Technological University and the development of River Valley High School and a hostel at Boon Lay Avenue, both commissioned by the Ministry of Education; Design and Build projects for the Provost & Armour Cluster in Kranji Camp and Keat Hong Camp, both awarded by the Ministry of Defence; and the construction of the Singapore Civil Defence Force Headquarters Complex at Ubi Avenue 4 commissioned by the Ministry of Home Affairs.

The Group's Bio-Refinery and Renewal Energy division under Oiltek International Limited specialises in a full range of conventional edible oil process plants as well as biodiesel, pre-treatment and winter fuel plants. Through its subsidiary, Oiltek Global Energy Sdn. Bhd., it also designs, builds and supplies biogas recovery systems to palm oil mill effluent plants in Malaysia and Indonesia.

*This document has been reviewed by the Company's Sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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