

**INCREASE IN NUMBER OF SHARES HELD IN A SUBSIDIARY**

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The board of directors (the “**Board**”) of the Company (and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 23 August 2018 and 27 September 2018 and the announcements by Koh Brothers Eco Engineering Limited (“**KBEEL**”) dated 29 June 2018, 23 August 2018, 3 September 2018, 21 September 2018 and 26 September 2018 in relation to the allotment and issue of the Rights Share and the Warrants (collectively, the “**Announcements**”). Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning as ascribed to them in the Announcements.

The Board wishes to announce that the Company has exercised 233,000,000 Warrants at the exercise price of S\$0.05 per Warrant for a total cash consideration of S\$11,650,000 (the “**Warrants Exercise**”). Following the allotment and issuance of the KBEEL Shares pursuant to the Warrants Exercise, the Company’s shareholding interest in KBEEL has increased from 1,311,627,607 to 1,544,627,607 KBEEL Shares, representing an increase from approximately 74.35% to approximately 77.29% of KBEEL’s issued share capital as at the date of this announcement.

Subsequent to the Warrants Exercise, the number of issued Shares of KBEEL has increased from 1,764,128,735 to 1,998,516,843 Shares (the “**KBEEL Capital Increase**”).

The KBEEL Capital Increase is not expected to have any material impact on the earnings per share and net tangible assets per share of the Group for the current financial year ending 31 December 2020.

Save for their respective shareholdings in the Company and in KBEEL, none of the Directors or controlling shareholders of the Company, and their respective associates, has any interest, direct or indirect in the KBEEL Capital Increase.

By Order of the Board

Koh Keng Siang  
Managing Director and Group CEO  
29 January 2020