



## KOH BROTHERS ECO ENGINEERING LIMITED

*(Incorporated in Singapore. Registration Number: 197500111H)*

### Condensed Interim Financial Statements for the Six Months Period Ended 30 June 2022

This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the six months period ended 30 June 2022*

	Note	6 months ended 30 June 2022 S\$'000	30 June 2021 S\$'000	Change %
Revenue	4(a)	101,877	109,480	(7)
Cost of sales		(95,449)	(104,013)	(8)
Gross profit		6,428	5,467	18
Other income	5	74	19	289
Other gains - net	5	815	722	13
Expenses				
- Selling and distribution		(180)	(114)	58
- Administrative		(4,484)	(3,342)	34
- Finance		(645)	(767)	(16)
Share of profit/(loss) of associated companies		8	(5)	N.M
Profit before income tax		2,016	1,980	2
Income tax expense	7	(316)	(495)	(36)
<b>Profit after income tax</b>		<b>1,700</b>	<b>1,485</b>	<b>14</b>
<b>Profit attributable to:</b>				
Equity holders of the Company		1,172	1,202	(2)
Non-controlling interests		528	283	87
		<b>1,700</b>	<b>1,485</b>	<b>14</b>
<b>Earnings per share for profit attributable to the equity holders of the Company:</b>				
- Basic earnings per share (in cent)		0.04	0.06	(33)
- Diluted earnings per share (in cent)		0.04	0.06	(33)
<b>Profit after income tax</b>		<b>1,700</b>	<b>1,485</b>	<b>14</b>
<b>Other comprehensive loss:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation		(612)	(175)	250
Fair value loss on debt financial assets, at FVOCI		-	(3)	(N.M.)
<b>Other comprehensive loss, net of tax</b>		<b>(612)</b>	<b>(178)</b>	<b>244</b>
<b>Total comprehensive income</b>		<b>1,088</b>	<b>1,307</b>	<b>(17)</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company		746	1,058	(29)
Non-controlling interests		342	249	37
		<b>1,088</b>	<b>1,307</b>	<b>(17)</b>

**N.M – Not Meaningful**

*The accompanying notes form an integral part of these financial statements.*

**B. CONDENSED INTERIM BALANCE SHEETS – Group and Company**

*As at 30 June 2022*

		Group		Company	
	Note	30 June 2022 S\$'000	31 December 2021 S\$'000	30 June 2022 S\$'000	31 December 2021 S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		57,498	64,825	133	712
Trade and other receivables		33,151	36,275	16,463	17,598
Contract assets		121,410	118,691	-	-
Inventories		285	290	-	-
Financial assets, at FVOCI	9	491	491	-	-
Other assets		4,792	4,799	-	-
		<b>217,627</b>	<b>225,371</b>	<b>16,596</b>	<b>18,310</b>
<b>Non-current assets</b>					
Trade and other receivables		-	-	76,000	76,000
Contract assets		6,256	5,367	-	-
Investments in associated companies		1,236	1,228	640	640
Investments in subsidiaries		-	-	52,535	52,304
Property, plant and equipment	11	42,516	44,578	-	-
Goodwill	10	6,857	6,857	-	-
Deferred tax assets		19	42	-	-
		<b>56,884</b>	<b>58,072</b>	<b>129,175</b>	<b>128,944</b>
<b>Total assets</b>		<b>274,511</b>	<b>283,443</b>	<b>145,771</b>	<b>147,254</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		59,395	50,598	2,128	3,066
Current income tax liabilities		614	328	-	-
Contract liabilities		4,302	5,157	-	-
Bank borrowings and lease liabilities	12	42,164	61,753	-	-
		<b>106,475</b>	<b>117,836</b>	<b>2,128</b>	<b>3,066</b>
<b>Non-current liabilities</b>					
Trade and other payables		8,312	6,943	-	-
Bank borrowings and lease liabilities	12	9,956	12,992	-	-
Deferred tax liabilities		23	475	-	-
		<b>18,291</b>	<b>20,410</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>124,766</b>	<b>138,246</b>	<b>2,128</b>	<b>3,066</b>
<b>NET ASSETS</b>		<b>149,745</b>	<b>145,197</b>	<b>143,643</b>	<b>144,188</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	13	136,361	136,361	136,361	136,361
Warrants reserve		296	296	296	296
Currency translation reserve		(2,697)	(2,672)	-	-
Other reserves		(843)	(843)	17	17
Retained profits		11,723	9,818	6,969	7,514
		<b>144,840</b>	<b>142,960</b>	<b>143,643</b>	<b>144,188</b>
<b>Non-controlling interests</b>		<b>4,905</b>	<b>2,237</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>149,745</b>	<b>145,197</b>	<b>143,643</b>	<b>144,188</b>

*The accompanying notes form an integral part of these financial statements.*

**KOH BROTHERS ECO ENGINEERING LIMITED (Registration No.: 197500111H)**

**C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*For the six months period ended 30 June 2022*

Note	← Attributable to equity holders of the Company →					Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Warrants reserve S\$'000	Currency translation reserve S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total S\$'000	
<b>Balance at 1 January 2022</b>	136,361	296	(2,672)	(843)	9,818	142,960	145,197
Profit for the financial year	-	-	-	-	1,172	1,172	1,700
Other comprehensive loss for the financial period	-	-	(426)	-	-	(426)	(612)
Total comprehensive (loss)/income for the financial period	-	-	(426)	-	1,172	746	1,088
Issuance of shares by a listed subsidiary, net of expenses	-	-	-	-	(294)	(294)	4,740
Dividend paid	-	-	-	-	(704)	(704)	(1,280)
Change in ownership interest in a subsidiary	-	-	401	-	1,731	2,132	-
Total transactions with owners, recognised directly in equity	-	-	401	-	733	1,134	3,460
<b>Balance at 30 June 2022</b>	<b>136,361</b>	<b>296</b>	<b>(2,697)</b>	<b>(843)</b>	<b>11,723</b>	<b>144,840</b>	<b>149,745</b>
<b>Balance at 1 January 2021</b>	96,564	2,812	(2,539)	(853)	7,780	103,764	106,011
Profit for the financial period	-	-	-	-	1,202	1,202	1,485
Other comprehensive loss for the financial period	-	-	(141)	(3)	-	(144)	(178)
Total comprehensive income/(loss) for the financial period	-	-	(141)	(3)	1,202	1,058	1,307
Issuance of shares, net of expenses	36,914	-	-	-	-	36,914	36,914
Exercise of warrants	471	(34)	-	-	-	437	437
Dividend paid	-	-	-	-	-	(324)	(324)
Total transactions with owners, recognised directly in equity	37,385	(34)	-	-	-	37,351	37,027
<b>Balance at 30 June 2021</b>	<b>133,949</b>	<b>2,778</b>	<b>(2,680)</b>	<b>(856)</b>	<b>8,982</b>	<b>142,173</b>	<b>144,345</b>

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**KOH BROTHERS ECO ENGINEERING LIMITED (Registration No.: 197500111H)**

**C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*For the six months period ended 30 June 2022*

<b>COMPANY (S\$'000)</b>	<u>Share capital</u>	<u>Warrants reserves</u>	<u>Other reserves</u>	<u>Retained profits</u>	<u>Total equity</u>
<b>Balance at 1 January 2022</b>	136,361	296	17	7,514	144,188
Profit for the financial period	-	-	-	159	159
Dividend paid	-	-	-	(704)	(704)
<b>Balance at 30 June 2022</b>	<b>136,361</b>	<b>296</b>	<b>17</b>	<b>6,969</b>	<b>143,643</b>
<b>Balance at 1 January 2021</b>	96,564	2,812	9	7,366	106,751
Exercise of warrants	471	(34)	-	-	437
Profit for the financial period	-	-	-	386	386
Issuance of shares, net of expenses	36,914	-	-	-	36,914
<b>Balance at 30 June 2021</b>	<b>133,949</b>	<b>2,778</b>	<b>9</b>	<b>7,752</b>	<b>144,488</b>

*The accompanying notes form an integral part of these financial statements.*

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

*For the six months period ended 30 June 2022*

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit after income tax	1,700	1,485
Adjustments for:		
- Income tax expense	316	495
- Depreciation of property, plant and equipment	2,124	5,803
- Gain on disposal of property, plant and equipment	(223)	(448)
- Share of (profit)/loss of associated companies	(8)	5
- Interest expense	645	767
- Interest income	(74)	(19)
- Unrealised translation loss	(591)	(265)
	<b>3,889</b>	<b>7,823</b>
Changes in working capital:		
- Trade and other receivables	3,126	9,256
- Inventories	5	135
- Contract assets and liabilities	(4,463)	(14,999)
- Trade and other payables	10,437	(19,814)
Cash provided by/(used in) operations	<b>12,994</b>	<b>(17,599)</b>
Income tax paid	<b>(448)</b>	<b>(646)</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>12,546</b>	<b>(18,245)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(98)	(99)
Proceeds from disposal of property, plant and equipment	229	467
Interest received	74	19
<b>Net cash provided by investing activities</b>	<b>205</b>	<b>387</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	5,175	38,070
Share issuance expenses	(435)	(1,156)
Acquisition of additional interest in subsidiaries	(230)	-
Transaction cost relating to acquisition of additional interest in subsidiaries	(1)	-
Proceeds from exercise of warrants	-	437
Repayment of bank borrowings	(19,922)	(10,467)
Principal repayment of lease liabilities	(2,703)	(3,160)
Dividends paid to non-controlling interests	(576)	(324)
Dividends paid to equity holder of the Company	(704)	-
Interest paid	(685)	(687)
<b>Net cash provided by financing activities</b>	<b>(20,081)</b>	<b>22,713</b>
<b>Net change in cash and bank balances</b>	<b>(7,330)</b>	<b>4,855</b>
Beginning of financial period	64,825	56,215
Effect of currency translation on cash and bank balances	3	70
<b>End of financial period</b>	<b>57,498</b>	<b>61,140</b>

*The accompanying notes form an integral part of these financial statements.*

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months period ended 30 June 2022*

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**1. Corporate information**

Koh Brothers Eco Engineering Limited (the “Company” ) is listed on the Singapore Exchange and incorporated and domiciled in Singapore.

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the Group are:

- (a) Building and civil engineering contracting;
- (b) Specialist engineers

**2. Basis of preparation**

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and the Group’s performance since the last audited annual financial statements for the year ended 31 December 2021.

The financial statements are presented in Singapore Dollars, which is the Group’s functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

The accounting policies and method of computations used in the condensed interim financial statements are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out as below:

**2.1 New and amended Standards adopted by the Group**

The Group has adopted the new and revised SFRS(I)s and SFRS(I) Interpretations and amendments to SFRS(I)s that are mandatory for application from 1 January 2022:

- Amendment to SFRS(I) 1-16 *Property, Plant and Equipment: Proceeds before intended use*
- Amendment to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract*

The adoption of the above amendments to SFRS(I)s did not result in material changes to the Group’s accounting policies and has no material effect on the amounts reported for the current financial period.



**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months period ended 30 June 2022*

**2. Basis of preparation (continued)**

**2.1 Use of judgment and estimates**

In the process of applying the Group's accounting policies, there is no instance of application of judgments with significant updates since the audited financial statements as at 31 December 2021 and is expected to have a significant effect on the amounts recognised in the condensed consolidated interim financial statements.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- (a) Estimation of total contract sum and contract costs for construction contracts
- (b) Assessment on impairment of goodwill

**3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

**4. Revenue and segment information**

(a) Disaggregation of revenue

	<b>Group 6 months ended</b>	
	<b>30 June 2022 S\$'000</b>	<b>30 June 2021 S\$'000</b>
<b>Engineering and Construction</b>		
Contract revenue – over time	<b>75,938</b>	94,153
<b>Bio-Refinery and Renewable Energy</b>		
Contract revenue – over time	<b>23,492</b>	13,809
Sales of goods – point in time	<b>2,447</b>	1,518
	<b>25,939</b>	15,327
<b>Total</b>	<b>101,877</b>	109,480

(b) Segment information

The Group considers the business from a business segment perspective. Management manages and monitors the business in two main business segments which are "Engineering and Construction" and "Bio-Refinery and Renewable Energy". The CEO assesses the performance of these business segments based on sales, segment results, segment assets and segment liabilities.

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six months period ended 30 June 2022

The segment information and the reconciliations of segment results to profit before tax and segment assets and liabilities to total assets and liabilities are as follows:

<b>Group (S\$'000)</b>	<b><u>Engineering and Construction</u></b>	<b><u>Bio-Refinery and Renewable Energy</u></b>	<b><u>Total</u></b>
<b>1H2022</b>			
<b>Revenue</b>			
External	75,938	25,939	<u>101,877</u>
<b>Results</b>			
Segment results	242	2,337	2,579
Share of profit of associated companies	8	-	8
Interest income			74
Finance expense			(645)
Income tax expense			<u>(316)</u>
<b>Profit after income tax</b>			<u>1,700</u>
<b>Other information</b>			
Capital expenditure	87	11	98
Depreciation	2,102	21	2,124
<b>Assets</b>			
Segment assets	216,980	18,381	235,361
Investments in associated companies	1,236	-	1,236
Goodwill	-	6,857	6,857
<u>Unallocated assets:</u>			
Short-term bank deposits			30,547
Financial assets, at FVOCI			491
Deferred tax assets			<u>19</u>
<b>Total assets</b>			<u>274,511</u>
<b>Liabilities</b>			
Segment liabilities	55,400	16,609	72,009
<u>Unallocated liabilities:</u>			
Income tax liabilities			614
Deferred tax liabilities			23
Bank borrowings and lease liabilities			<u>52,120</u>
<b>Total liabilities</b>			<u>124,766</u>

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six months period ended 30 June 2022

<b>Group (S\$'000)</b>	<b><u>Engineering and Construction</u></b>	<b><u>Bio-Refinery and Renewable Energy</u></b>	<b><u>Total</u></b>
<b>1H2021</b>			
<b>Revenue</b>			
External	94,153	15,327	109,480
<b>Results</b>			
Segment results	852	1,881	2,733
Share of loss of associated companies	(5)	-	(5)
Interest income			19
Finance expense			(767)
Income tax expense			(495)
<b>Profit after income tax</b>			<u>1,485</u>
<b>Other information</b>			
Capital expenditure	93	6	99
Depreciation	22	5,781	5,803
<b>Assets</b>			
Segment assets	255,789	10,896	266,685
Investments in associated companies	1,064	-	1,064
Goodwill	-	6,857	6,857
<u>Unallocated assets:</u>			
Short-term bank deposits			6,987
Financial assets, at FVOCI			486
Deferred tax assets			5
<b>Total assets</b>			<u>282,084</u>
<b>Liabilities</b>			
Segment liabilities	55,282	10,054	65,336
<u>Unallocated liabilities:</u>			
Income tax liabilities			138
Deferred tax liabilities			565
Bank borrowings and lease liabilities			71,700
<b>Total liabilities</b>			<u>137,739</u>

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months period ended 30 June 2022*

(c) Geographical information

The Group's two business segments operate in six main geographical areas: Singapore, Malaysia, Indonesia, Rest of Asia, South America and Africa.

The following table presents revenue and non-current assets information for the main geographical areas for the financial period ended 30 June 2022 and 30 June 2021.

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Total revenue</b>		
Singapore	75,937	94,293
Malaysia	3,769	7,679
Indonesia	17,056	4,370
Rest of Asia	3,529	1,057
South America	581	475
Africa	1,005	1,606
	<b>101,877</b>	<b>109,480</b>

	<b>Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>30 June</b>
	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Total non-current assets</b>		
Singapore	55,950	62,776
Malaysia	934	972
	<b>56,884</b>	<b>63,748</b>

**5. Other income and other gains – net**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Other income</b>		
Interest income	74	19
<b>Other gains – net</b>		
Gain on disposal of property, plant and equipment	223	448
Net foreign exchange gain	592	274
	<b>815</b>	<b>722</b>

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months period ended 30 June 2022*

**6. Expenses by nature**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Allowance for impairment of trade receivables	46	83
Depreciation of property, plant and equipment	2,124	5,803

**7. Taxation**

The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2022</b>	<b>2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Tax expense attributable to profit is made up of:		
- Current income tax	745	426
- Deferred income tax	84	69
	829	495
Over provision of current income tax in prior financial period	(513)	-
	316	495

**8. Related party transactions**

The Group has transactions with related parties on terms agreed between the parties concerned as shown below:

(a) Sales and purchases of goods and services

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Purchases of goods and services from related corporations	(666)	(276)
Revenue on construction contract from related corporations	3,970	2,419
Rental of office premises from related corporations	(291)	(682)
Rental of factory-cum-office space, dormitory and machinery to related corporations	248	325
Management and support services from the immediate and ultimate holding corporation	(579)	(955)

Related party comprises companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months period ended 30 June 2022*

**9. Fair value measurements**

The following presents the assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted price (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presented the assets measured at fair value:

	Level 1 S\$'000	Total S\$'000
<b>Group</b>		
<b>30 June 2022</b>		
Financial assets, at FVOCI	491	491
<b>31 December 2021</b>		
Financial assets, at FVOCI	491	491

**10. Goodwill**

	<b>Group</b>
	30 June 2022 S\$'000
	31 December 2021 S\$'000
Cost	6,857
	6,857

*Impairment tests for goodwill*

Goodwill arising from acquisition of a subsidiary has been allocated to the cash-generating unit ("CGU") identified as the "Bio-Refinery and Renewable Energy" segment.

The Group tests CGU annually for impairment or more frequently if there are indicators that goodwill might be impaired.

The recoverable amount of the CGU was determined based on value-in-use calculation. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a one-year period.

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the six months period ended 30 June 2022

**11. Property, plant and equipment**

During the 6-month period ended 30 June 2022, the Group acquired assets amounting to S\$98,000 (30 June 2021: S\$99,000), and disposed of assets with net book value amounting to S\$6,000 (30 June 2021: S\$19,000).

**12. Bank borrowing and lease liabilities**

	<b>Group</b>	
	<b>30 June 2022 S\$'000</b>	<b>31 December 2021 S\$'000</b>
<b>Current</b>		
Short-term bank loans payable within one year (unsecured)	<b>33,500</b>	51,000
Term loan payable within one year (unsecured)	<b>3,047</b>	4,852
Lease liabilities payable within one year	<b>5,617</b>	5,901
	<b>42,164</b>	61,753
<b>Non-current</b>		
Term loan payable after one year (unsecured)	<b>2,967</b>	3,584
Lease liabilities payable after one year	<b>6,989</b>	9,408
	<b>9,956</b>	12,992
Total bank borrowings and lease liabilities	<b>52,120</b>	74,745

**13. Share capital**

	<b>No. of ordinary shares</b>		<b>Amount</b>	
	<b>2022 '000</b>	<b>2021 '000</b>	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>
<b>Group and Company</b>				
Balance at 1 January	<b>2,817,832</b>	1,998,897	<b>136,361</b>	96,564
Exercise of warrants	-	8,716	-	475
Issuance of new shares	-	810,000	-	36,910
Balance at 30 June	<b>2,817,832</b>	2,817,613	<b>136,361</b>	133,949

The number of shares that may be issued on conversion of all the outstanding convertibles against the total number of issued shares excluding treasury shares and subsidiary holdings of the Company as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year was as follows:

	<b>No. of warrants</b>	
	<b>2022 '000</b>	<b>2021 '000</b>
As at 1 January	<b>75,777</b>	<b>422,647</b>
Exercise of warrants	-	(8,716)
As at 30 June	<b>75,777</b>	<b>413,931</b>

**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months period ended 30 June 2022*

As at 30 June 2022 and as at 30 June 2021, the Company does not have any treasury shares or subsidiary holdings. There are no sales, transfers, cancellation and/or use of treasury shares or subsidiary holdings as at 30 June 2022 and 30 June 2021.

The number of issued shares excluding treasury shares and subsidiary holdings of the Company as at 30 June 2022 and 30 June 2021 was 2,817,832,062 and 2,817,613,004 respectively.

Warrants

Pursuant to the renounceable non-underwritten rights cum warrants issue announced on 15 May 2017 (the "2017 Rights cum Warrants Issue"), the Company issued 299,021,682 warrants on 14 November 2017. Each warrant carries the right to subscribe for one (1) ordinary share in the capital of the Company at the exercise price ranging from S\$0.09 to S\$0.11 per warrant for each new share depending on the date of exercise. Each warrant may be exercised at any time during the period of four (4) years commencing on and including the date of issue of the warrants and expiring on the 4th anniversary of the date of issue of the warrants. 60,000 warrants were exercised at S\$0.09 per warrant for each new share as at 31 December 2020. The remaining 298,961,682 warrants ("Existing Warrants") have expired on 12 November 2021. As announced by the Company on 13 April 2018, the net proceeds raised from the renounceable non-underwritten rights cum warrants issue have been fully utilised.

Pursuant to the terms and conditions of the deed poll dated 13 October 2017 (the "Deed Poll" relating to the 2017 Rights cum Warrants Issue), the renounceable non-underwritten rights cum warrants issue, as announced by the Company on 29 June 2018 (the "2018 Rights cum Warrants Issue"), constitutes an event giving rise to an adjustment to the exercise price and the number of the Existing Warrants. Accordingly, 39,192,649 adjusted warrants have been issued and allotted on 18 October 2018 (the "Adjustment Warrants"). Following the allotment and issuance of the Adjustment Warrants, the total number of Existing Warrants has increased from 298,961,682 to 338,154,331. Each one Adjustment Warrant carries the right to subscribe for one (1) new ordinary share in the capital of the Company at exercise price ranging from S\$0.08 to S\$0.10. The Warrants have expired on 12 November 2021.

Pursuant to the 2018 Rights cum Warrants Issue, the Company issued 517,492,846 warrants on 26 September 2018. Each warrant carries the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of S\$0.05 per warrant for each new share. Each warrant may be exercised at any time during the period of five (5) years commencing on and including the date of issue of the warrants and expiring on the 5th anniversary of the date of issue of the warrants. 441,715,390 warrants were exercised at S\$0.05 per warrant for each new share as at 30 June 2022. The remaining 75,777,456 warrants will expire on 25 September 2023. On 12 March 2019, the Company announced that the net proceeds raised from the 2018 Rights cum Warrants Issue have been fully utilised.

Performance Share Plan

Pursuant to the Koh Brothers Eco Engineering Limited Performance Share Plan 2017, the Company awarded 1,888,278 new ordinary shares of the Company to its employees on 22 July 2019. Awards comprised (i) 1,388,058 fully paid-up ordinary shares of the Company, free of payment, which vested on 22 July 2019; (ii) 51,260 fully paid-up ordinary shares of the Company, free of payment, which vested on 29 December 2020; (iii) 38,880 ordinary shares of the Company which were forfeited; and (iv) 410,080 fully paid-up ordinary shares of the Company, free of payment, which will be vested in accordance with a vesting schedule that commenced on 22 July 2019 and ending on the ninth anniversary of the date of the grant, subject to certain vesting conditions.



**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months period ended 30 June 2022*

Pursuant to the Koh Brothers Eco Engineering Limited Performance Share Plan 2017, the Company awarded 1,117,282 new ordinary shares of the Company to its employees on 29 December 2020. Awards comprised (i) 328,702 fully paid-up ordinary shares of the Company, free of payment, which vested on 29 December 2020; and (ii) 788,580 fully paid-up ordinary shares of the Company, free of payment, which will be vested in accordance with a vesting schedule that commenced on 29 December 2020 and ending on the ninth anniversary of the date of the grant, subject to certain vesting conditions. On 29 December 2021, 133,102 new shares were vested under the Performance Share Plan 2017.

Issuance of new shares

Pursuant to the completion of the proposed subscription by Penta-Ocean Construction Co., Ltd. ("POC") on 8 June 2021, 810,000,000 new ordinary shares in the capital of the Company (the "Subscription Shares") were allotted and issued to POC in accordance with the terms of the subscription agreement entered into between the Company and POC. Following completion of the proposed subscription, the issued share capital of the Company increased from 2,007,613,004 shares to 2,817,613,004 shares. The Subscription Shares were issued free from all encumbrances and rank *pari passu* in all respects with the issued shares of the Company existing as at the date of completion, except that they will not rank for any dividends, distributions or entitlements the record date for which falls on or before the date of completion.

Save as disclosed above, the Company has no outstanding convertibles and no treasury shares or subsidiary holdings as at 30 June 2022 and 30 June 2021.

**F. OTHER INFORMATION REQUIRED BY LISTING RULE**

**For the six months period ended 30 June 2022**

- 1. Whether the figures have been audited, or reviewed and if so which auditing standard or practice has been followed**

The figures have not been audited or reviewed by the Company's auditors.

- 2. Where the figures have been audited or reviewed, the auditor's report (including any modifications or an emphasis of matter) Where the figures are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) updates on the efforts taken to resolve each outstanding audit issue; and (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable as the figures have not been audited or reviewed nor has the Company received any adverse opinion, qualified opinion or disclaimer of opinion.

- 3. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied**

Refer to note 2 - basis of preparation of the condensed interim consolidated financial statements.

- 4. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Refer to note 2 - basis of preparation of the condensed interim consolidated financial statements.

- 5. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

		<b>Group</b>	
		<b>6 months ended</b>	
		<b>30 June</b>	<b>30 June</b>
		<b>2022</b>	<b>2021</b>
		<b>(cents)</b>	<b>(cents)</b>
(i)	Basic	<b>0.04</b>	0.06
(ii)	On a fully diluted basis	<b>0.04</b>	0.06

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the current financial period of 2,817,832,062 ordinary shares (30 June 2021: 2,101,103,626 ordinary shares).

Diluted and basic earnings per share are the same for the financial period ended 30 June 2022. Warrants are not included in the calculation of diluted earnings per share above because they are antidilutive for the financial period ended 30 June 2022.

Fully diluted earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period after adjusting for the dilutive effect on the exercise of all outstanding warrants for the financial period ended 30 June 2021.

**F. OTHER INFORMATION REQUIRED BY LISTING RULE**

*For the six months period ended 30 June 2022*

6. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer as at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	30 June 2022 (cents)	31 December 2021 (cents)	30 June 2022 (cents)	31 December 2021 (cents)
Net asset value per ordinary share based on existing issued share capital (excluding treasury shares) at the end of the period	<b>5.14</b>	5.07	<b>5.10</b>	5.12

The net asset value per share is calculated based on the issued share capital excluding treasury shares of 2,817,832,062 ordinary shares as at 30 June 2022 (31 December 2021: 2,817,832,062 ordinary shares).

7. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flows, working capital, assets or liabilities of the Group during the current financial period reported on.**

(a) Review of Group Performance

Revenue

The Group's recognised revenue of S\$101.88 million for the financial period ended 30 June 2022 ("1H 2022"), decreased by S\$7.60 million as compared to the corresponding period ended 30 June 2021 ("1H 2021"). This was mainly due to decrease in revenue recognition from the Engineering and Construction division.

Gross profit

The Group's gross profit increased from S\$5.47 million in 1H 2021 to S\$6.43 million in 1H 2022 on the back of improved gross profit margin from certain Engineering and Construction projects which were secured at better margins.

Other gains – net

Other gains increased from S\$0.72 million in 1H 2021 to S\$0.82 million in 1H 2022 mainly due to increase in net foreign exchange gain arising from trade receivables and bank balances under the Bio-Refinery and Renewable Energy division.

Selling and distribution expenses

Selling and distribution expenses showed an increase from S\$114,000 in 1H 2021 to S\$180,000 in 1H 2022. This was mainly due to increase in business travel-related expenses.

**F. OTHER INFORMATION REQUIRED BY LISTING RULE**

*For the six months period ended 30 June 2022*

Administrative expenses

Administrative expenses increased from S\$3.34 million in 1H 2021 to S\$4.48 million in 1H 2022 mainly due to professional fees incurred for the listing of a subsidiary earlier this year and lower Government grant income.

Finance expenses

Finance expenses decreased from S\$0.77 million in 1H 2021 to S\$0.65 million in 1H 2022. This was mainly due to decrease in bank borrowings.

Profit before income tax

Overall, the Group's profit before income tax increased from S\$1.98 million in 1H 2021 to S\$2.02 million in 1H 2022. The Group's net profit attributable to shareholders decreased from S\$1.20 million in 1H 2021 to S\$1.17 million in 1H 2022.

(b) Review of change in working capital, assets and liabilities

The Group's net asset value attributable to shareholders increased from S\$142.96 million as at 31 December 2021 to S\$144.84 million as at 30 June 2022 mainly due to increase in retained profits.

The Group's current assets recorded a decrease of S\$7.74 million mainly due to (i) decrease in cash and bank balances due to repayment of bank borrowings; (ii) decrease in trade and other receivables due to receipts from customers; and (iii) partially offset by the increase in contract assets due to revenue recognition during the period and timing of billing to the customers.

The Group's non-current assets recorded a decrease of S\$1.19 million mainly due to depreciation charge on property, plant and equipment and offset by an increase in contract assets due to increase in retention sums due from customers.

The Group's current liabilities recorded a decrease of S\$11.36 million, mainly due to: (i) decrease in bank borrowings and lease liabilities; (ii) decrease in contract liabilities resulting from revenue recognition upon satisfaction of performance obligation; and (iii) partially offset by increase in trade and other payables. The increase in trade and other payables was mainly due to more construction activities which lead to more purchases of goods and services during the period.

The Group's non-current liabilities showed a decrease of S\$2.12 million mainly due to decrease in bank borrowings and lease liabilities, partially offset by an increase in trade and other payables. The increase in trade and other payables was due to increase in retention sum due to subcontractors.

**F. OTHER INFORMATION REQUIRED BY LISTING RULE**

*For the six months period ended 30 June 2022*

**(c) Review of change in cash flow**

The Group reported a net cash outflow of S\$7.33 million in 1H 2022. This was mainly due to net cash used in financing activities, partially offset by net cash generated from operating activities.

Net cash outflow in financing activities was mainly due to repayment of bank borrowings and lease liabilities, and partially offset by net cash proceeds received from public offering exercise by a listed subsidiary.

**8. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The current announced results are in line with the general prospect commentary previously disclosed in the results announcement for the financial period ended 31 December 2021.

**9. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

**Engineering and Construction Sector**

Based on the advance estimates by the Ministry of Trade and Industry released on 14 July 2022, Singapore GDP grew by 4.8 per cent on a year-on-year basis in the second quarter of 2022, extending the 4.0 per cent growth recorded in the previous quarter. The construction sector grew by 3.8 per cent on a year-on-year basis in the second quarter, faster than the 1.8 per cent growth in the previous quarter. In absolute terms, the value-added of the construction sector remains 23.7 per cent below its pre-pandemic level primarily due to continued labour shortages as the inflow of migrant workers would take time to recover.

The construction sector is expected to remain challenging as the sector continue to face rising construction material costs, high energy costs, high manpower costs as a result of labour shortage as well as higher cost and time resources to make up for lost time in the completion of projects. The Group will continue to actively monitor the progress and costs of the construction project and will also continue to tender for more construction projects where we have the competitive advantage, requisite track record, experience and capabilities. This will help the Group to maintain a healthy order book for sustainable growth.

**Bio-Refinery and Renewable Energy Sector**

Despite the improving COVID-19 situation, the bio-refinery and renewable energy sector currently faces logistic and supply chain disruptions, food, fossil fuel and commodity prices hike as well as severe global inflation. This has caused disruptions and market volatility globally and including the countries where the sector has businesses and operates in. Nonetheless, with proactive planning and management control, projects undertaken by the bio-refinery and renewable energy sector were not materially affected by the above.

The long-term outlook of the bio-refinery sector is positive as the global consumption of oils and fats is growing in tandem with population growth, as seen by strong growth in the food and beverage, oleochemical and biodiesel sectors. This will bring potential benefits as the bio-refinery sector can provide solutions that cater to all types of vegetable oils.

With stronger environmental regulation, greater awareness of the importance of environment, social and governance considerations, the renewable energy sector is

**F. OTHER INFORMATION REQUIRED BY LISTING RULE**

*For the six months period ended 30 June 2022*

optimistic on its continued growth prospects. Capitalising on the macro trend, the Bio-Refinery and Renewable Energy sector will continue to leverage on its capabilities, technology know-how and proven track record to secure more projects and projects of larger scale in existing and new markets and to expand geographical reach to other markets with emerging prospects.

As at 30 June 2022, the Group's order book stood at S\$709.2 million and the Group remains focused on the execution of its order book.

**10. Dividend**

(a) Current Financial Period Reported On:

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable

(d) Book closure date

Not applicable

**11. If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision.**

Not applicable. It is not the practice for the Company to declare half-yearly dividend.

**F. OTHER INFORMATION REQUIRED BY LISTING RULE**

*For the six months period ended 30 June 2022*

**12. Interested Person Transaction**

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		<b>S\$'000</b>	<b>S\$'000</b>
<u>Transactions for the Sale of Goods and Services</u>	Related Companies - By virtue of Koh Brothers Group Limited's shareholdings in Koh Brothers Eco Engineering Limited.		
G & W Precast Pte Ltd		-	177
KBD Holland Pte. Ltd.		-	3,970
<u>Transactions for the Purchase of Goods and Services</u>			
G & W Ready-Mix Pte Ltd		-	412
G & W Precast Pte Ltd		-	254
Koh Brothers Group Limited		-	131
Koh Brothers Holdings Pte Ltd		-	273
Koh Brothers Development Pte Ltd			448

The generate mandate from shareholders for Interested Person Transactions was approved at the Annual General Meeting held on 26 April 2022.

**13. Disclosure on acquisition and realisation of shares pursuant to Rule 706A of the Listing Manual Section B: Rules of Catalyst**

On 20 June 2022, the Company acquired additional 1,000,000 shares issued by a listed subsidiary of the Company, Oiltek International Limited ("OIL"), for a total consideration of S\$230,000 fully settled in cash. It was an off-market transaction on willing-buyer-willing-seller basis, and the consideration for the sale was determined taking into account, *inter alia*, the large size of the block of shares being offered to the Company by the seller. As a result, the Company's shareholding in OIL increased from approximately 67.44% to approximately 68.14%.

**F. OTHER INFORMATION REQUIRED BY LISTING RULE**

*For the six months period ended 30 June 2022*

**14. Use of net proceeds from the issue of the Subscription Shares to POC**

As at the date of this announcement, the utilisation of net proceeds from the subscription shares are as follows:

<b>Use of Net Proceeds</b>	<b>Amount allocated (S\$ million)</b>	<b>Percentage allocated (%)</b>	<b>Amount Utilised (S\$ million)</b>	<b>Amount Unutilised (S\$ million)</b>
Business expansion	11.06	30	-	11.06
General working capital	25.81	70	23.22 <sup>(1)</sup>	2.59
Total	36.87	100	23.22	13.65

**Note:**

(1) *The Company had previously announced on 5 August 2021 that approximately S\$15 million has been utilised for general working capital purposes, comprising S\$10.0 million for the repayment of bank facilities and S\$5.0 million for payment to suppliers and sub-contractors of the Group. The balance of approximately S\$8.22 million which was utilised during the period May 2022 to July 2022 comprises S\$3.50 million for the repayment of bank facilities and S\$4.72 million for payment to suppliers and sub-contractors of the Group.*

The above utilisation of the net proceeds from the issue of the Subscription Shares is consistent with the intended use of the net proceeds as disclosed in the circular dated 15 May 2021.

**15. Requirement under Rule 705(5) of the Listing Manual Section B: Rules of Catalyst**

On behalf of the Board of Directors of the Company, we, Koh Keng Siang and Shin Yong Seub, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the half year ended 30 June 2022 to be false or misleading in any material aspect.

**16. Requirement under Rule 720(1) of the Listing Manual Section B: Rules of Catalyst**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

BY ORDER OF THE BOARD

Koh Keng Siang  
Non-Executive and Non-Independent Chairman

6 August 2022  
Singapore