



NEWS RELEASE

KOH BROTHERS ECO RECORDS A NET PROFIT OF S\$1.2 MILLION ON REVENUE OF S\$101.9 MILLION FOR 1H2022

- *Recently commenced the S\$200.7 million contract with PUB, to provide industrial liquids treatment work for world's largest ceramic membrane bioreactor project at the Tuas Water Reclamation Plant*
- *Healthy order book uplift of S\$709.2 million, with a focus on the smooth execution of projects*
- *Balance sheet remains healthy with cash and bank balances of S\$57.5 million*

SINGAPORE, 6 August 2022 – 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 half year ended 30 June 2022 (“**1H2022**”).

The Group reported a revenue of S\$101.9 million for 1H2022, a decrease of 7% from S\$109.5 million a year ago (“**1H2021**”) mainly due to lower revenue from the Engineering and Construction division.

Gross profit improved 18% to S\$6.4 million in 1H2022 as compared to S\$5.5 million in 1H2021. This was largely attributable to an improved gross margin of 6.3%, up from 5.0% over the same period.

Overall, net profit attributable to equity holders held steady at S\$1.2 million in 1H2022 as compared to 1H2021.

Net asset value per share increased to 5.14 Singapore cents as at 30 June 2022 compared to 5.07 Singapore cents as at 31 December 2021.

As at 30 June 2022, the Group's order book amounted to S\$709.2 million. Cash and bank balances remained strong at S\$57.5 million while shareholders' equity stood at S\$144.8 million as at 30 June 2022.

Koh Brothers Eco's Chief Executive Officer, Mr. Paul Shin, commented, "We remain focused on the smooth execution of all our ongoing projects. Our strong order book is boosted by the S\$200.7 million contract secured from PUB in October 2021, to carry out mechanical, electrical and instrumentation control and automation works ("MEICA") for the Industrial Liquids Module 1 at Tuas Water Reclamation Plant. Of note, we have implemented the cutting-edge ceramic membrane technology to treat industrial used water for this project. We are confident that this will pave the way for us to secure more MEICA projects in the future.

"Looking ahead, we will continue to focus on higher value projects by leveraging on our strong expertise, and embracing technology and innovation to enhance our competitive edge as we position ourselves to tap on opportunities in the public sector."

Outlook & Future Strategies

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 at 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, with rising construction material and high energy costs, as well as higher manpower costs due to labour shortage as well as increased cost and time resources to make up for lost time in the completion of projects.

With stronger environmental regulation, greater awareness of the importance of environment, social and governance considerations, the Group remains optimistic of the growth prospects of the renewable energy sector. 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.

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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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