



NEWS RELEASE

KOH BROTHERS ECO POSTS REVENUE OF S\$180.6 MILLION FOR FY2021

- ***Recovery to S\$2.0 million net profit attributable to shareholders from S\$11.8 million loss in FY2020***
- ***Good momentum, with order book boosted to S\$775.0 million¹, from S\$676.3 million²***
- ***Focused on smooth execution of projects, including the S\$200.7 million PUB contract to provide industrial liquids treatment works for Tuas Water Reclamation plant***
- ***Balance sheet remains healthy with cash and bank balances of S\$64.8 million and a lowered net gearing of 0.07x¹ from 0.27x²***
- ***Proposed final dividend of 0.025 Singapore cent per ordinary share***

SINGAPORE, 29 January 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 second half-year (“**2H2021**”) and full-year (“**FY2021**”) ended 31 December 2021.

The Group’s revenue held relatively steady at S\$180.6 million for FY2021, a marginal decrease of 1% from S\$182.3 million a year ago (“**FY2020**”), notwithstanding adverse impact mainly from the ongoing COVID-19 pandemic.

Koh Brothers Eco’s Chief Executive Officer, Mr. Paul Shin, commented, “We are encouraged by the gradual recovery seen in FY2021, with good momentum, having recently secured a S\$200.7 million contract from PUB, for works at the Industrial Liquids Module 1 at Tuas Water Reclamation Plant, thereby lifting our order book to S\$775.0 million.

¹ As at 31 December 2021.

² As at 31 December 2020.

“Looking ahead, we also remain focused on executing and delivering our ongoing projects including Tuas Water Reclamation Plant, Deep Tunnel Sewerage System Phase 2 and MRT Circle Line 6, with precision and excellence. The spin-off of our Bio-Refinery and Renewable Energy business for the proposed listing on the Catalist board of the SGX is also underway.”

Financial Review

With the gradual resumption of construction activities in FY2021, the Group’s financial performance improved as compared to the previous financial year.

Share of profit of associated companies recovered to a gain of S\$159,000 in FY2021, from a loss of S\$1.1 million. Other income and other gains declined by 92% and 21% respectively. Finance expenses decreased by 28% due to decrease in bank borrowings and interest rates.

Overall, Koh Brothers Eco achieved a net profit attributable to equity holders of S\$2.0 million in FY2021 compared to a net loss attributable to equity holders of S\$11.8 million in FY2020.

As at 31 December 2021, cash and bank balances remained healthy at S\$64.8 million with a low net gearing ratio of 0.07x, while shareholders’ equity stood at S\$143.0 million.

Net asset value per share decreased to 5.07 Singapore cents as at 31 December 2021 compared to 5.19 Singapore cents as at 31 December 2020.

Added Mr. Shin, “We will continue to navigate prudently as the construction industry continues to be challenged by the Omicron variant, and we remain cautious of the unpredictable loom of the pandemic, in addition to rising business costs.

“Moving ahead, we will continue to exercise prudent cash and capital management, and focus on raising productivity through innovation to ensure business resilience. We will continue to push boundaries of Koh Brothers Eco’s suite of capabilities to leverage on the growth in public sector construction activities in Singapore. With the hard work that has gone into strengthening our track record and enhancing our engineering capabilities, we are confident of our position to capitalise on quality and high-value opportunities to create sustainable growth and value for our stakeholders.”

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 advance estimates by the Ministry of Trade and Industry released on 3 January 2022, Singapore’s economy for the whole of 2021 grew by 7.2%, while the construction sector grew by 2.0% on a year-on-year basis in the fourth quarter of 2021³. However, the value-added of the sector remained 26.0% below its pre-COVID level, as activity at construction worksites continued to be weighed down by labour shortages due to border restrictions on the entry of migrant workers.

The Building and Construction Authority Singapore has projected the total construction demand in 2022 to range between S\$27.0 billion and S\$32.0 billion, and the public sector is expected to lead the demand⁴. Besides public residential developments, public sector construction demand over the medium term will continue to be supported by large infrastructure and institutional projects such as Cross Island MRT Line (Phase 2 and 3), the Downtown Line Extension to Sungei Kadut, and the Deep Tunnel Sewerage System Phase 2.

³ MTI, *Singapore’s GDP Grew by 5.9 Per Cent in the Fourth Quarter of 2021 and by 7.2 Per Cent in 2021, January 3, 2022.*

⁴ BCA, *Standard Construction Demand in 2022 supported by Public Sector Projects, January 26, 2022.*

However, with the emergence of the Omicron Variant, the construction sector is set to remain challenging in the face of rising material costs and labour costs, as well as higher resources needed to comply with COVID-19 safe management measures, while making up for lost time in the completion of projects. Nonetheless, the Group will continue to bid for more construction projects that is aligned to its competitive advantage, track record, experience and capabilities, to maintain a strong order book for sustainable growth.

Meanwhile, the Group remains confident about the long-term outlook of the Bio-Refinery and Renewable Energy segment which is growing in tandem with the rising world population. The Group will continue to leverage on its capabilities, technology know-how and strong track record to secure new projects in existing markets as well as new markets with emerging prospects. In addition, with the shift in focus on environmental sustainability, the Group will also increase its focus on the renewable energy sector and provide more support and solutions to the sustainability efforts of its existing customers and markets.

- End -

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 Renewable Energy division under Oiltek International Ltd 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.

The contact person for the Sponsor is Mr Ng Joo Khin:

Telephone number: 6389 3000 Email: jookhin.ng@morganlewis.com

ISSUED ON BEHALF OF : Koh Brothers Eco Engineering Limited
BY : Citigate Dewe Rogerson Singapore Pte Ltd
105 Cecil Street
#09-01 The Octagon
SINGAPORE 069534
CONTACT : Ms Dolores Phua / Ms Samantha Lee
at telephone
DURING OFFICE HOURS : 6534-5122
EMAIL : KohECO@citigatedewerogerson.com
