



## NEWS RELEASE

### KOH BROTHERS ECO POSTS 16% DECLINE IN REVENUE TO S\$177.0 MILLION FOR FY2023

- *Reports net loss attributable to equity holders of S\$15.2 million mainly due to lower contribution from the Group's Engineering and Construction segment, finalisation of construction projects and increased costs for prolonged construction projects*
- *Healthy order book of S\$583.3 million, supported by ongoing S\$200.7 million MEICA<sup>1</sup> contract from PUB for Tuas Water Reclamation Plant*
- *Bio-Refinery and Renewable Energy to leverage on capabilities, integrated technology know-how and proven track record to secure more projects and projects to expand geographical reach*
- *Balance sheet remains healthy with an increase in cash and bank balances to S\$76.3 million*

**SINGAPORE, 9 February 2024** – 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 2023 (“**FY2023**”).

The Group reported a 16% decline in revenue to S\$177.0 million for FY2023, due mainly to lower revenue recognised from the Engineering and Construction segment as certain projects are nearing completion. This is partially offset by higher revenue from the Bio-Refinery and Renewable Energy segment, buoyed by growing demand for edible and non-edible oils and fats, especially vegetable oils.

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

In line with the lower revenue and lower gross profit due to finalisation of construction projects and prolonged construction periods for certain Engineering and Construction projects during FY2023 which resulted in higher project costs, the Group recorded a lower gross profit of S\$0.7 million in FY2023 as compared to a gross profit of S\$14.5 million for the year ended 31 December 2022 (“**FY2022**”).

Overall, the Group reported a net loss attributable to equity holders of S\$15.2 million in FY2023 as compared to net profit attributable to equity holders of S\$2.2 million in FY2022.

Net asset value per share decreased to 4.58 Singapore cents as at 31 December 2023 as compared to 5.16 Singapore cents as at 31 December 2022.

As at 31 December 2023, the Group’s order book amounted to S\$583.3 million. Cash and bank balances remained strong, increasing to S\$76.3 million from S\$55.2 million as at 31 December 2022, while shareholders’ equity stood at S\$128.9 million as at 31 December 2023.

Koh Brothers Eco’s Chief Executive Officer, Mr. Paul Shin, commented, “We will continue to harness operating synergies and economies of scale to manage rising costs, and sharpen the Group’s competitive edge amidst a challenging operating environment. At the same time, we will continue to explore collaboration opportunities with strategic partners to potentially tender for more projects.

“As for our Bio-Refinery and Renewable Energy segment, we will continue to tap on the favourable long-term outlook of the bio-refinery sector to secure more projects and projects of larger scale in both existing and new markets, leveraging on our capabilities, technology know-how and proven track record.”

## **Outlook & Future Strategies**

Based on the advance estimates by Ministry of Trade and Industry released on 2 January 2024, the Singapore economy grew by 2.8 per cent on a year-on-year basis in the fourth quarter of 2023, faster than the 1.0 per cent growth in the previous quarter. For the whole of 2023, the economy grew by 1.2 per cent, moderating from the 3.6 per cent growth in 2022.

Based on projections from the Building and Construction Authority (“**BCA**”), total construction demand for 2024 is expected to range between S\$32 billion and S\$38 billion. The public sector is expected to drive total construction demand in 2024, reaching between S\$18 billion and S\$21 billion, mainly from public housing and infrastructure projects. Construction demand is also expected to steadily improve over the medium term and is projected to reach between S\$31 billion and S\$38 billion per year from 2025 to 2028.

Despite the construction growth, the Group expects ongoing challenges amid rising material and manpower costs. The Group will continue to monitor the progress and costs of the construction projects while pursuing construction projects supported by its competitive advantage, requisite track record, experience and capabilities.

With regards to the Bio-Refinery and Renewable Energy segment, the Group remains confident on the long-term outlook in view of the growing consumption demand of oils and fats in tandem with population growth which corresponds to increased demand for edible and non-edible oils and fats, especially vegetable oils. Capitalising on the macro trend, the Bio-Refinery and Renewable Energy segment will continue to leverage on its capabilities, integrated 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.*

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

*Telephone number: 6389 3000 Email: [jookhin.ng@morganlewis.com](mailto:jookhin.ng@morganlewis.com)*

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ISSUED ON BEHALF OF : Koh Brothers Eco Engineering Limited  
BY : Citigate Dewe Rogerson Singapore Pte Ltd  
158 Cecil Street  
#05-01  
SINGAPORE 069545  
CONTACT : Ms Dolores Phua / Ms Louise Lim  
at telephone  
DURING OFFICE HOURS : 6534-5122  
EMAIL : [KohECO@citigatedewerogerson.com](mailto:KohECO@citigatedewerogerson.com)

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