**KOH BROTHERS ECO ENGINEERING LIMITED**
(formerly known as Metax Engineering Corporation Limited)
(the "Company")
(Unique Entity Number: 197500111H)

## USE OF NET PROCEEDS

*Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Company's circular to shareholders dated 24 January 2013 (the "**Circular**").*

The Board of Directors ("**Board")** of Koh Brothers Eco Engineering Limited (the "**Company**") wishes to update on the utilisation of net proceeds from the allotment and issue of Subscription Shares to Koh Brothers Group Limited on 28 February 2013. As of today, the net proceeds have been utilised as follows:-

| **Proceeds from the Proposed Subscription** | **Original allocation of proceeds** | **Revised allocation [1] of proceeds** | **Amount utilised [2] as at the date of this announcement** |
|---|---|---|---|
| | **S$'000** | **S$'000** | **S$'000** |
| **(a) Business growth and investment opportunities** | 1,984 | - | - |
| **(b) Repayment of the Shareholders' loans** Repayment of the Shareholders' loans were based on the restructuring agreements | 3,724 | 3,724 | 3,724 |
| **(c) General working capital purposes** General working capital relates primarily to general and administrative expenses. | 2,227 | 4,211 | 4,211 |
| **Total** | 7,935 | 7,935 | 7,935 |

Notes:

1.As stated in the Company's announcement dated 2 September 2014, the revised allocation of proceeds was due to additional working capital requirements of the Group, including financing of new and existing projects.

2.A breakdown of the amount utilised for (c) general working capital purposes is as follows:

| | S$'000 |
|---|---|
| Staff cost | 1,107 |
| Repayment of loan and interest | 1,921 |
| Other operating expenses | 1,183 |
| | 4,211 |

The Board wishes to announce that the Company has fully utilised all the net proceeds from the allotment and issue of Subscription Shares to Koh Brothers Group Limited on 28 February 2013.

By Order of the Board
Koh Keng Siang
Chairman
14 August 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Singapore Exchange*

*Securities Trading Limited (the "**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the Exchange and the Exchange 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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