KOH BROTHERS ECO ENGINEERING LIMITED
(Company Registration No. 197500111H)
11 Lorong Pendek, Koh Brothers Building, Singapore 348639
Tel: (65) 6845 7204 Fax: (65) 6443 2487

MEDIA RELEASE

Koh Brothers Eco FY2015 Net Profit rose 392.0% to S$2.1 million

- **Revenue in FY2015 remained stable at S$44.8 million, a 1.0% increase from FY2014**
- **Gross profit rose by 38.0% to S$7.7 million**

FINANCIAL HIGHLIGHTS			
In SGD million except otherwise stated	**FY2015**	**FY2014**	**Change**
Revenue	**44.8**	**44.4**	**1.0%**
Gross Profit	**7.7**	**5.6**	**38.0%**
Net Profit after income tax	**2.9**	**1.1**	**164.0%**
Net Profit attributable to equity holders	**2.1**	**0.4**	**392.0%**

SINGAPORE, 17 February 2016 – SGX-Catalist listed sustainable engineering solutions provider Koh Brothers Eco Engineering Limited ("Koh Brothers Eco", "许兄弟生态工程有限公司" or the "Company" and together with its subsidiaries, the "Group"), is pleased to announce a 392.0% increase in its net profit attributable to equity holders to S$2.1 million for its financial year ended 31 December 2015 ("FY2015").

Strong FY2015 results

An increase in revenue contribution from the Group's Water and Waste-Water Treatment business division mainly caused the Group's revenue to increase by 1.0% to S$44.8 million in FY2015 from S$44.4 million in the financial year ended 31 December 2014 ("FY2014").

In terms of profitability, an increase in profit margin from the Bio-refinery and Bio-energy business division led to a 38.0% increase in overall gross profit to S$7.7 million in FY2015 from S$5.6 million in FY2014.

The Group also benefitted from other gains of S$2.2 million and a decrease of finance expenses by 46.0% to S$0.09 million in FY2015. This was offset by selling and distribution expenses increasing by S$1.1 million in FY2015.

As a result of the above, the Group's net profit after tax rose 164% to S$2.9 million in FY2015 from S$1.1 million in FY2014, whereas net profit attributable to equity holders rose by 392.0% to S$2.1 million from S$0.4 million over the same period. On a fully diluted basis, the Group's earnings per share rose to 0.36 Singapore cents for FY2015 compared to 0.1 Singapore cents for FY2014.

Mr Francis Koh ("许庆祥"), Chairman of Koh Brothers Eco commented: ***"The Group has attained encouraging results for FY2015 despite challenging market conditions. The Group is now on a steady growth path due to our strategy of acquiring maintenance contracts to generate recurrent income. We still continue to leverage on our strong engineering capabilities to tender for larger projects and see positive signs with the increase in the number of public sector projects coming on stream,"***

Financial Position

The Group's net asset value increased to S$15.0 million as at 31 December 2015, from S$14.2 million as at 31 December 2014 which translates to net asset value per share of 3.95 Singapore cents and 3.74 Singapore cents respectively.

Cash and cash equivalents stood at S$16 million as 31 December 2015, bolstered by an overall net cash inflow of S$7.7 million from net cash generated by operating activities. This puts the Group in a strong financial position to seek out more business opportunities.

Outlook

<u>Water and Wastewater Treatment and Hydro-Engineering Sector</u>

Singapore's construction contracts for the built environment sector in 2016 is expected to reach between S$27 billion to S$34 billion according to Singapore's Building & Construction Authority. Out of this, 65% of total construction demand will be for public sector projects which will create a sustained pipeline of public sector projects amounting to approximately S$18 billion to S$22 billion. The proposed S$19 million acquisition of Koh Brothers Building & Civil

Engineering (Pte.) Ltd. ("KBCE") that is subject to shareholders' approval, will also allow the Group, with its broadened capabilities, to tap on more opportunities in the water and wastewater treatment and hydro-engineering sectors.

Bio-refining and Bio-energy Sector

The Group's subsidiary Oiltek Sdn Bhd ("Oiltek"), is an integrated supplier with process expertise that covers the complete supply for the edible oil industry and renewable and bioenergy sector. With a strong track record that covers 26 countries in the global market, Oiltek is able to capitalise on a diversified revenue across different geographies. As such, despite market uncertainties, the Group remains cautiously confident regarding Oiltek's performance and its outlook of the market in the coming year.

"We are eyeing a slice of the S$18 billion to S$22 billion public sector project pie especially for our water and waste treatment business division as the majority of projects undertaken are usually from the public sector. We remain cautiously confident about our businesses," Mr Koh concluded.

-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 Eco") today is a sustainable engineering solutions Group that provides engineering, procurement and construction ("EPC") services for water & wastewater treatment, hydro-engineering, bio-refinery and bio-energy projects.

Incorporated in Singapore in 1975, Koh Eco started out by providing EPC services for water & wastewater treatment projects as well as hydro-engineering projects and, today, its principal market is in Asia with projects from both the public and private sectors.

Its bio-refinery and bio-energy division under Oiltek Sdn. Bhd. specialises in a full range of conventional edible oil process plants as well as biodiesel, pre-treatment and winter fuel plants. Through a joint venture company, Oiltek Nova Bioenergy Sdn. Bhd., it also designs, builds and supplies biogas recovery systems to palm oil mill effluent plants in Malaysia and Indonesia.
For media inquiries, please contact:

Issued on behalf of	:	**Koh Brothers Eco Engineering Limited**
By	:	Cogent Communications Pte Ltd 100 Beach Road, #32-02/03 Shaw Tower, Singapore 189702
Contact	:	Ms Emily Choo / Ms Jessica Teh Sze Shi / Mr Gerald Woon

Email / DID / Mobile	:	emily@cogentcomms.com / (65) 6704 9278 / (65) 9734 6565 szeshi@cogentcomms.com / (65) 6704 9277 / (65) 9237 8654 woon@cogentcomms.com / (65) 6704 9268 / (65) 9694 8364

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The contact person for the Sponsor is Mr Ng Joo Khin:
Telephone number: 6389 3000 Email: jookhin.ng@morganlewis.com.sg