



## **NEWS RELEASE**

### **KOH BROTHERS ECO POSTS REVENUE OF S\$90.1 MILLION FOR 1H2023**

- ***Healthy order book of S\$650.7 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 tap on positive long-term outlook of global consumption of oils and fats to secure larger scale projects in existing and new markets***
- ***Balance sheet remains healthy with cash and bank balances of S\$57.5 million***

**SINGAPORE, 5 August 2023** – 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 2023 (“**1H2023**”).

The Group reported a 12% decline in revenue to S\$90.1 million for 1H2023, due mainly to lower revenue recognised from both the Engineering and Construction and the Bio-Refinery and Renewable segments. Revenue from the Engineering and Construction segment was reduced as certain projects were near completion.

In line with the lower revenue, and additionally, settlement of final project account and lower gross profit contribution in the Engineering and Construction segment during 1H2023, the Group recorded a gross loss of S\$3.2 million in 1H2023 as compared to a gross profit of S\$6.4 million for the half year ended 30 June 2022 (“**1H2022**”).

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

Overall, the Group reported a net loss attributable to equity holders of S\$9.6 million in 1H2023 as compared to net profit attributable to equity holders of S\$1.2 million in 1H2022.

Net asset value per share decreased to 4.78 Singapore cents as at 30 June 2023 as compared to 5.16 Singapore cents as at 31 December 2022.

As at 30 June 2023, the Group's order book amounted to S\$650.7 million. Cash and bank balances remained strong at S\$57.5 million while shareholders' equity stood at S\$134.7 million as at 30 June 2023.

Koh Brothers Eco's Chief Executive Officer, Mr. Paul Shin, commented, "The Group will remain focused on the smooth execution, progress and costs of our ongoing construction projects. At the same time, tapping on the strong construction demand in the public sector, we will also continue to tender for more construction projects where we have a competitive advantage, requisite track record, experience and capabilities.

The long-term outlook of the bio-refinery sector remains positive as the global consumption of oils and fats continues to grow, in tandem with population growth. Capitalising on the positive industry trend, our Bio-Refinery and Renewable Energy segment will continue to leverage on its capabilities, technology know-how and proven track record to secure more projects and projects of larger scale in both existing and new markets."

## **Outlook & Future Strategies**

Based on the advance estimates from the Ministry of Trade and Industry released on 14 July 2023, Singapore's GDP grew by 0.7 per cent on a year-on-year basis in the second quarter of 2023, faster than the 0.4 per cent growth recorded in the previous quarter. The construction sector grew by 6.6 per cent on a year-on-year basis in the second quarter, extending the 6.9 per cent growth in the first quarter.

The construction sector is projected to improve due to the steady level of construction demand as projected by the Building and Construction Authority. Despite the growth, the Group encounters challenges with elevated energy cost, manpower cost, material cost and financing cost as compared to pre-pandemic times. In addition, the Group is actively focusing on recovering from customers the cost of performing the variation orders for its projects. The Group will continue to monitor the progress and costs of construction projects as well as to tender for the projects by leveraging on its competitive advantage, requisite track record, experience and capabilities.

Regarding the Bio-Refinery and Renewable Energy segment, the Group remains optimistic of its long-term prospects alongside the growing global consumption of oils and fats in tandem with population growth. With stringent environment regulations and the significance of environmental, social, and governance considerations, the Group is optimistic about the continued growth prospects of the renewable energy sector.

Capitalising on the macro trend, the Group will continue to leverage on its capabilities, technology know-how and proven track record to secure more projects, including projects of large scale in existing and new markets and to expand its geographical presence into 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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