KOH BROTHERS ECO ENGINEERING LIMITED

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NEWS RELEASE

KOH BROTHERS ECO ATTRACTS INVESTOR THROUGH PRIVATE PLACEMENT AT ISSUE PRICE OF S$0.047 PER SHARE

- ***Leading Japanese construction firm, Penta-Ocean Construction Co., Ltd., to subscribe for 810 million new ordinary shares, representing 28.84% of Koh Brothers Eco Engineering Limited's enlarged share capital***[1]
- ***Parent company, Koh Brothers Group Limited, remains fully committed as the largest shareholder of Koh Brothers Eco Engineering Limited, with a shareholding interest of between 54.54% and 54.99% following the completion of the transaction***
- ***Move is in line with the Group's strategy to strengthen financial position and increase capital base, to bid for higher value and more capital-intensive projects***

Singapore, 15 March 2021 – 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**" or the "**Company**", and together with its subsidiaries, the "**Group**"), today announced that the Company has attracted keen interest from an investor, Penta-Ocean Construction Co., Ltd. ("**Penta-Ocean**").

[1] *On the assumption that none of the outstanding warrants issued under Koh Brothers Eco's renounceable non-underwritten rights cum warrants issues announced on 15 May 2017 (the "2017 Warrants") and 26 September 2018 (the "2018 Warrants") are exercised, and that none of the outstanding share awards granted to its employees under Koh Brothers Eco Engineering Limited Performance Share Plan 2017 (the "Shares Awards") are vested, as at the date of completion.*

Penta-Ocean will subscribe for 810 million new ordinary shares of Koh Brothers Eco at the issue price of S$0.047 per share. Following the allotment and issue of new shares, the resulting shareholding percentage of Penta-Ocean in Koh Brothers Eco will range from between 25.06% to 28.84% of the enlarged issued and paid-up share capital of Koh Brothers Eco (depending on whether the outstanding 2017 Warrants and 2018 Warrants issued by Koh Brothers Eco are exercised, and the outstanding Share Awards are vested, as at the date of completion). The net proceeds will amount to approximately S$36.87 million.

Following the issue of new shares, Koh Brothers Eco's parent company, Koh Brothers Group Limited ("**KBGL**"), remains fully committed as the largest shareholder of Koh Brothers Eco, with a shareholding interest of between 54.54% and 54.99% of the enlarged issued and paid-up share capital of Koh Brothers Eco (depending on whether the outstanding 2017 Warrants and 2018 Warrants are exercised, and the Share Awards are vested, as at the date of completion).

Koh Brothers Eco's Non-Executive and Non-Independent Chairman, Mr Francis Koh, commented, "The private placement is in line with Koh Brothers Eco's strategy to strengthen our financial position by increasing our capital base. This will provide the Group with additional resources to bid for more capital-intensive projects and other potential growth opportunities.

"Indeed, 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. We have a strong track record in construction and civil engineering capabilities and will continue to pursue higher-value projects to support Koh Brothers Eco's long-term growth."



One of Koh Brothers Eco's notable projects – the Marina Barrage –
Singapore's first urban freshwater reservoir at 10,000 ha, or one-sixth of Singapore land size, to provide desalinated water

Added Mr Koh, "We warmly welcome Penta-Ocean, a strong investor with a global perspective, to Koh Brothers Eco. We see this strong support as an affirmation and endorsement of our business model and growth strategy. We remain steadfast in our commitment to enhance shareholder value, in preparation for our next phase of growth. Meanwhile, Koh Brothers Eco continues to focus on the smooth execution of the Group's order book of S$676.3 million as at 31 December 2020."

Earlier in September 2017, Koh Brothers Eco, in collaboration with Penta-Ocean, jointly clinched a S$520.0 million contract for the design and construction of the Deep Tunnel Sewerage System ("**DTSS**") Phase 2 project. One of the most prominent infrastructure projects, the DTSS is "a superhighway for used water management", a cost-efficient and sustainable solution to meet Singapore's long-term needs for used water collection, treatment, reclamation and disposal. This Phase 2, which includes deep tunnels extending from the downtown area to the western part of Singapore, the Tuas Water Reclamation Plant and an integrated NEWater factory, commenced in September 2017, and is targeted to complete in 2023.

Established in 1896, Penta-Ocean Construction Co., Ltd. is a leading Japanese construction firm specialising in coastal and waterfront projects, with its broad spectrum of capabilities covering marine civil engineering to land civil engineering, and building construction works. Penta-Ocean is listed on the Tokyo Stock Exchange, with offices in Tokyo, Singapore, Hong Kong, Indonesia, Malaysia, Egypt, Sri Lanka, India, Thailand, Vietnam and Dubai. Penta-Ocean, which celebrates its 57th year of presence in Singapore this year, counts numerous iconic projects as its track record, including civil engineering projects such as the DTSS Phase 2 project, reclamation projects in Jurong and Pasir Panjang and the construction of the Marina Coastal Expressway, as well as building construction projects such as the Esplanade Theatres on the Bay, ION Orchard and Sengkang General Hospital.

The deal is subject to approval from SGX to list the new shares, as well as from KBGL's and Koh Brothers Eco's shareholders at separate EGMs to be convened.

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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 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 its subsidiary, Oiltek Nova Bioenergy 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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