KOH BROTHERS ECO ENGINEERING LIMITED

11 Lorong Pendek, Koh Brothers Building, Singapore 348639
Tel: (65) 6845 7204 Fax: (65) 6443 2487

NEWS RELEASE

KOH BROTHERS ECO POSTS REVENUE OF S$52.8 MILLION FOR 1Q2018

- **Strong construction order book of S$915.9 million as at 31 March 2018, boosted by Group's share of three major contracts secured over the last eight months, amounting to S$599.4 million**
- **Maintains healthy balance sheet with cash and cash equivalents of S$19.1 million and low net gearing of 0.23 time**
- **Continues to capitalise on expanded capabilities to secure opportunities arising from the improving industry outlook, driven by demand from the public sector**

SINGAPORE, 15 May 2018 – SGX Catalist-listed sustainable engineering solutions provider, Koh Brothers Eco Engineering Limited ("**Koh Brothers Eco**", 許兄弟生态工程有限公司, and together with its subsidiaries, the "**Group**"), reported revenue of S$52.8 million for the three months ended 31 March 2018 ("1Q2018"), against S$70.6 million in the previous corresponding quarter ("1Q2017").

The Group's lower revenue was mainly due to a decline in revenue contribution from the Engineering and Construction division following the completion of certain projects at the end of last year. In line with the lower revenue, the Group recorded net profit attributable to shareholders of S$0.4 million as compared to S$1.4 million in 1Q2017.

Koh Brothers Eco's Chairman, Mr. Francis Koh (许庆祥), said, "As at the end of March 2018, the Group's construction order book stood at a high of S$915.9 million. Over the past eight months, we have secured three major projects – the Woodlands Health Campus (S$192.0 million), Deep Tunnel Sewerage System Phase 2 (S$182.0 million) and Circle Line 6 (S$225.4 million). Our share of these contracts amounted to a total of S$599.4 million, thus reflecting our commitment and competitive edge to capture opportunities amid a challenging operating environment.

“Moving forward, as we deliver the projects under our construction order book progressively, we will remain vigilant in managing costs and yet adhering to safety practices and standards.”

In 1Q2018, the Group’s earnings per share came to 0.03 Singapore cent compared to 0.16 Singapore cent in 1Q2017. Net asset value per share increased from 5.94 Singapore cents as at 31 December 2017 to 6.02 Singapore cents as at 31 March 2018.

The Group’s balance sheet remains robust with cash and bank balances of S$19.1 million and low net gearing of 0.23 time as at 31 March 2018.

Outlook & Future Strategies

Koh Brothers Eco’s Chief Executive Officer, Mr Paul Shin (申龙燮), said, “In view of the improving outlook in the construction industry, driven by the public sector, we will continue to capitalise on our recently acquired construction and civil engineering capabilities together with our water treatment competencies to seize opportunities to boost our order book further.”

In January 2018, the Building and Construction Authority projected construction demand to reach between S$26 billion and S$31 billion in 2018, with 60% of the projects to be derived from the public sector[1]. The pipeline of projects include additional major contracts for infrastructure projects like the North-South Corridor, new MRT works and DTSS Phase 2 as well as the remaining package for Runway 3 by Changi Airport Group[1].

Based on advanced estimates announced by the Ministry of Trade and Industry on 13 April this year, the construction sector contracted by 4.4 per cent on a year-on-year basis in the first quarter of 2018, extending the 5.0 per cent decline in the previous quarter. The weak performance of the sector was due to lower construction activity level in both the private and public sectors. However, on a quarter-on-quarter seasonally-adjusted annualised basis, the construction sector grew by 4.1 per cent, a reversal from the 0.2 per cent decline in the preceding quarter.

Separately, the Group's subsidiary, Oiltek Sdn. Bhd. ("Oiltek"), held under the bio-refinery and bio-energy division, stays optimistic about the long term prospects of the commodities industry despite the current challenges in the sector. Moving forward, Oiltek will continue to develop new and innovative proprietary technology in the oil refining process that will sharpen its competitive edge to secure growth opportunities.

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.

[1] *Public sector construction demand is expected to strengthen this year – Building and Construction Authority, 11 January 2018*

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. Today, Koh Brothers Eco is also a Building and Construction Authority ("**BCA**") L6 – (ME11) graded contractor and it can tender for public mechanical engineering projects of unlimited value. 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 BCA A1 grade 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.

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 press release 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 press release.*

This press release has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this press release including the correctness of any of the statements or opinions made or reports contained in this press release.

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

ISSUED ON BEHALF OF	:	Koh Brothers Eco Engineering Limited
BY	:	Citigate Dewe Rogerson Singapore Pte Ltd 55 Market Street #02-01 SINGAPORE 048941
CONTACT	:	Ms Dolores Phua / Ms Carol Chong at telephone
DURING OFFICE HOURS	:	6534-5122 (Office)
EMAIL	:	dolores.phua@citigatedewerogerson.com carol.chong@citigatedewerogerson.com

15 May 2018