KOH BROTHERS ECO ENGINEERING LIMITED
(Company Registration No. 197500111H)

Unaudited Full Year Financial Statement for the Period Ended 31 December 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) Statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	12 months ended 31/12/2017 S$'000	12 months ended 31/12/2016 S$'000	Increase/ (Decrease) %
Revenue		298,440	202,265	48
Cost of sales		(279,033)	(187,976)	48
Gross profit		19,407	14,289	36
Other income	1	397	766	(48)
Other (losses)/gains - net	2	(1,099)	586	n.m.
Selling and distribution expenses		(666)	(965)	(31)
Administrative expenses		(9,437)	(6,727)	40
Finance expenses		(657)	(290)	127
Share of profit from an associated company (net of tax)		93	22	323
Profit before income tax	3	8,038	7,681	5
Income tax expense	4	(522)	(1,216)	(57)
Profit after income tax		7,516	6,465	16
Other comprehensive income/(loss):				
Currency translation differences arising from consolidation		237	(384)	n.m.
Fair value loss from available-for-sale financial assets		(214)	(441)	(51)
Total comprehensive income		7,539	5,640	34
Profit attributable to:				
Equity holders of the Company		7,045	6,141	15
Non-controlling interests		471	324	45
		7,516	6,465	16
Total comprehensive income attributable to:				
Equity holders of the Company		6,994	5,412	29
Non-controlling interests		545	228	139
		7,539	5,640	34

n.m. – not meaningful

Notes to the Statement of Comprehensive Income (for the Group)

	12 months ended	
	31/12/2017 S$'000	31/12/2016 S$'000
Note 1		
Other income includes the following:		
Rental income	**162**	**162**
Interest income	**216**	**276**
Other income	**19**	**328**
	397	**766**
Note 2		
Other (losses)/gains includes the following:		
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(3)**	**3**
Fair value loss on long term financial assets and financial liabilities	**(96)**	**(308)**
Gain on disposal of property, plant and equipment	**58**	**73**
Net exchange (loss)/gain	**(1,058)**	**818**
	(1,099)	**586**
Note 3		
Profit before income tax is stated after crediting/(charging) the following items:		
Write back/(Allowance) of doubtful trade and non-trade receivables	**97**	**(442)**
Depreciation of property, plant and equipment	**(571)**	**(332)**
Note 4		
Income tax expense includes the following:		
Current income tax		
- in respect of current period	**611**	**1,119**
- under/(over) provision in respect of prior period	**278**	**(419)**
Deferred income tax		
- in respect of current period	**(71)**	**428**
- (over)/under provision in respect of prior period	**(296)**	**88**
	522	**1,216**

The Group's taxation charge for the financial year ended 31 December 2017 is lower than that determined by applying the Singapore income tax rate of 17% to the Group profit before income tax mainly due to utilisation of carry forward tax losses of certain subsidiaries.

1(b)(i) A Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	31/12/2017 S$'000	31/12/2016 S$'000	31/12/2017 S$'000	31/12/2016 S$'000
ASSETS				
CURRENT ASSETS				
Cash and bank balances	24,864	20,460	5,977	164
Trade and other receivables	75,984	87,094	12,090	1,682
Inventories	190	646	-	-
Due from customers on construction contracts	53,440	36,533	-	-
Financial assets, at fair value through profit or loss	37	40	-	-
Available-for-sale financial assets	765	7,529	-	-
	155,280	152,302	18,067	1,846
NON-CURRENT ASSETS				
Trade and other receivables	24,589	15,187	-	-
Investment in an associated company	1,448	1,355	640	640
Investments in subsidiaries	-	-	37,238	36,159
Property, plant and equipment	31,269	28,636	1,623	1,696
Goodwill	6,857	6,857	-	-
	64,163	52,035	39,501	38,495
TOTAL ASSETS	219,443	204,337	57,568	40,341
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	52,143	38,391	52,143	38,391
Other reserves	1,827	(441)	2,482	-
Retained profits	10,524	3,877	1,730	1,091
Currency translation reserve	(2,289)	(2,458)	-	-
	62,205	39,369	56,355	39,482
Non-controlling interests	3,045	3,033	-	-
TOTAL EQUITY	65,250	42,402	56,355	39,482
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	117,406	97,513	1,213	849
Current income tax liabilities	751	680	-	-
Due to customers on contruction contracts	10,555	29,514	-	10
Short term borrowings and finance leases	11,191	16,709	-	-
	139,903	144,416	1,213	859
NON-CURRENT LIABILITIES				
Trade and other payables	11,483	14,829	-	-
Finance leases	2,731	2,237	-	-
Deferred tax liabilities	76	453	-	-
	14,290	17,519	-	-
TOTAL LIABILITIES	154,193	161,935	1,213	859
TOTAL EQUITY AND LIABILITIES	219,443	204,337	57,568	40,341

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

	As at 31/12/2017		As at 31/12/2016	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Amount repayable in one year or less, or on demand	2,391	8,800	1,409	15,300
Amount repayable after one year	2,731	-	2,237	-

Details of any collateral

The Group's secured borrowings are secured by some of the Group's plant and machinery.

1(c) CONSOLIDATED CASH FLOW STATEMENT

	12 months ended	
	31/12/2017 S$'000	31/12/2016 S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after income tax	7,516	6,465
Adjustments for non-cash items:		
Income tax expense	522	1,216
Depreciation of property, plant and equipment	571	332
Fair value loss/(gain) on financial assets at fair value through profit or loss	3	(3)
Fair value loss on long term financial assets and financial liabilities	96	-
Gain on disposal of property, plant and equipment	(58)	(73)
Share of profit from an associated company	(93)	(22)
Interest expense	657	290
Interest income	(216)	(276)
Unrealised foreign exchange loss/(gain)	873	(316)
Operating profit before working capital changes	9,871	7,613
Working capital changes:		
- Receivables	1,384	(45,711)
- Inventories	456	(10)
- Due (to)/from customers on construction contracts	(30,931)	3,668
- Payables	16,255	38,556
Cash (used in)/generated from operations	(2,965)	4,116
Income tax paid	(820)	(1,835)
Interest paid	(635)	(284)
Net cash (used in)/generated from operating activities	(4,420)	1,997
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash acquired	-	1,042
Purchase of property, plant and equipment	(4,385)	(4,033)
Proceeds from disposal of property, plant and equipment	59	85
Proceeds from redemption of available-for-sale financial assets	6,525	-
Interest received	421	276
Net cash generated from/(used in) investing activities	2,620	(2,630)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposit (pledged)/released	(218)	301
Proceeds from issuance of rights cum warrants	16,446	-
Proceeds from exercise of warrants	5	-
Share issuance expenses	(217)	(8)
Proceeds from bank borrowings	2,000	13,500
Repayment of bank borrowings	(8,500)	(7,130)
Payment of finance lease instalments	(2,262)	(975)
Dividends paid to equity holders of the Company	(448)	-
Dividends paid to non-controlling interest	(159)	(399)
Net cash generated from financing activities	6,647	5,289
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,847	4,656
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	19,323	14,609
EFFECTS OF CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS	(661)	58
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	23,509	19,323
Represented by:		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	24,864	20,460
Restricted cash	(1,355)	(1,137)
	23,509	19,323

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Group							
GROUP (S$'000)	**Share Capital**	**Warrants Reserve**	**Other Reserves**	**Retained profits / (Accumulated losses)**	**Currency Translation Reserve**	**TOTAL**	**NON-CONTROLLING INTERESTS**	**TOTAL EQUITY**
Balance as at 01/01/2017	**38,391**	**-**	**(441)**	**3,877**	**(2,458)**	**39,369**	**3,033**	**42,402**
Issuance of rights cum warrants #	**13,964**	**2,482**	**-**	**-**	**-**	**16,446**	**-**	**16,446**
Exercise of warrants	**5**	**-**	**-**	**-**	**-**	**5**	**-**	**5**
Share issuance expenses	**(217)**	**-**	**-**	**-**	**-**	**(217)**	**-**	**(217)**
Profit for the financial year	**-**	**-**	**-**	**7,045**	**-**	**7,045**	**471**	**7,516**
Other comprehensive loss for the financial year	**-**	**-**	**(214)**	**-**	**163**	**(51)**	**74**	**23**
Acquisition of non-controlling interests without a change in control	**-**	**-**	**-**	**50**	**6**	**56**	**(56)**	**-**
Dividend paid	**-**	**-**	**-**	**(448)**	**-**	**(448)**	**(477)**	**(925)**
Balance as at 31/12/2017	**52,143**	**2,482**	**(655)**	**10,524**	**(2,289)**	**62,205**	**3,045**	**65,250**
Balance as at 01/01/2016	**16,476**	**3,112**	**-**	**(2,464)**	**(2,170)**	**14,954**	**3,057**	**18,011**
Issuance of shares *	**19,011**	**-**	**-**	**-**	**-**	**19,011**	**-**	**19,011**
Share issuance expenses	**(8)**	**-**	**-**	**-**	**-**	**(8)**	**-**	**(8)**
Warrants expired	**2,912**	**(3,112)**	**-**	**200**	**-**	**-**	**-**	**-**
Profit for the financial year	**-**	**-**	**-**	**6,141**	**-**	**6,141**	**324**	**6,465**
Other comprehensive loss for the financial year	**-**	**-**	**(441)**	**-**	**(288)**	**(729)**	**(96)**	**(825)**
Dividend paid	**-**	**-**	**-**	**-**	**-**	**-**	**(252)**	**(252)**
Balance as at 31/12/2016	**38,391**	**-**	**(441)**	**3,877**	**(2,458)**	**39,369**	**3,033**	**42,402**

	Attributable to equity holders of the Company			
COMPANY (S$'000)	**Share Capital**	**Warrants Reserve**	**Retained profits / (Accumulated losses)**	**TOTAL**
Balance as at 01/01/2017	**38,391**	**-**	**1,091**	**39,482**
Issuance of rights cum warrants #	**13,964**	**2,482**	**-**	**16,446**
Exercise of warrants	**5**	**-**	**-**	**5**
Share issue expenses	**(217)**	**-**	**-**	**(217)**
Profit for the financial year	**-**	**-**	**1,087**	**1,087**
Dividend paid	**-**	**-**	**(448)**	**(448)**
Balance as at 31/12/2017	**52,143**	**2,482**	**1,730**	**56,355**
Balance as at 01/01/2016	**16,476**	**3,112**	**133**	**19,721**
Issuance of shares *	**19,011**	**-**	**-**	**19,011**
Share issue expenses	**(8)**	**-**	**-**	**(8)**
Warrants expired	**2,912**	**(3,112)**	**200**	**-**
Profit for the financial year	**-**	**-**	**758**	**758**
Balance as at 31/12/2016	**38,391**	**-**	**1,091**	**39,482**

 # The issuance of rights cum warrants was approved by way of the renewal of the Share Issue Mandate at the Annual General Meeting held on 20 April 2017. The share capital increase was effected on 15 November 2017 and 6 December 2017.

*** The issuance of shares was approved at the Extraordinary General Meeting held on 27 April 2016. The share capital increase was effected on 1 July 2016.**

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	No. of shares	
	31/12/2017	31/12/2016
Total number of issued shares	1,046,635,889	747,554,207
Number of shares that may be issued on exercise of warrants	298,961,682	-

Warrants

(a) Pursuant to the proposed renounceable non-underwritten rights cum warrants issue, the Company issued 299,021,682 warrants on 14 November 2017. Each warrant carries the right to subscribe for one (1) ordinary share in the capital of the Company at the exercise price ranging from S$0.09 to S$0.11 per warrant for each ordinary share. Each warrant may be exercised at any time during the period of four (4) years commencing on and including the date of issue of the warrants and expiring on the 4th anniversary of the date of issue of the warrants. 60,000 warrants had been exercised as at 31 December 2017. The remaining 298,961,682 warrants will expire on 11 November 2022.

Shares

(a) Pursuant to the proposed renounceable non-underwritten rights cum warrants issue, the Company issued 299,021,682 rights shares in the capital of the Company on 14 November 2017 at the issue price of S$0.055 for each ordinary share. The new shares rank pari passu in all respects with all other existing shares in issue. Following the completion of the above issuance, the total number of issued shares in the capital of the Company increased from 747,554,207 shares to 1,046,575,889 shares.

On 4 December 2017, the Company issued 60,000 rights shares in the capital of the Company pursuant to the exercise of warrants at a exercise price of S$0.09 per warrant, under the Deed Poll dated 13 October 2017. The new shares rank pari passu in all respects with all other existing shares in issue. Following the completion of the above issuance, the total number of issued shares in the capital of the Company increased from 1,046,575,889 shares to 1,046,635,889 shares.

Save as disclosed above, the Company has no outstanding convertibles and no treasury shares as at 31 December 2017 and 31 December 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	No. of shares	
	31/12/2017	31/12/2016
Total number of issued shares excluding treasury shares	1,046,635,889	747,554,207

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

Not applicable as there were no treasury shares as at the end of the current financial period reported on.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's Auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the current reporting period as those for the audited financial statements for the financial year ended 31 December 2016 except for the adoption of new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2017. The adoption of these new or revised FRS and INT FRS has no significant impact on the Group's consolidated financial statements.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to paragraph 4 above.

6 Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share for the period after deducting provision for preference dividends:

	GROUP	
	12 months ended	
	31/12/2017 S'pore (cent)	31/12/2016 S'pore (cent)
(i) Basic	0.80	0.95
(ii) On a fully diluted basis	0.80	0.95

The basic earning per share is calculated by dividing the net profit attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the current financial period of 884,807,187 ordinary shares (Financial year ended 31 December 2016: 649,498,145 ordinary shares).

Fully diluted earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period after adjusting for the dilutive effect on the exercise of all outstanding warrants.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer as at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	GROUP		COMPANY	
	31/12/2017 S'pore (cents)	31/12/2016 S'pore (cents)	31/12/2017 S'pore (cents)	31/12/2016 S'pore (cents)
Net asset value per ordinary share based on total number of issued shares at the end of period	5.94	5.27	5.38	5.28

The net asset value per ordinary share is computed based on the issued share capital of 1,046,635,889 ordinary shares as at 31 December 2017 (31 December 2016: 747,554,207 ordinary shares).

8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the currency financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flows, working capital, assets or liabilities of the Group during the current financial period reported on.

Review of operating result

The improved financial performance for the financial year ended 31 December 2017 ("FY2017") was largely due to the acquisition of Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd, which was completed on 1 July 2016.

Revenue
The Group's revenue increased by 48% from S$202.3 million for the financial year ended 31 December 2016 ("FY2016") to S$298.4 million in FY2017. The increase of S$96.1 million was mainly due to contribution by the Engineering & Construction Division.

Cost of sales
The Group's cost of sales increased by 48% from S$188.0 million in FY2016 to S$279.0 million in FY2017. The increase of S$91.0 million was mainly from the Engineering & Construction Division.

Gross Profit
In line with higher revenue, the Group's gross profit increased by 36% from S$14.3 million in FY2016 to S$19.4 million in FY2017.

Other income
Other income decreased from S$0.8 million in FY2016 to S$0.4 million in FY2017 mainly due to decrease in sundry income.

Other (losses)/gains - net
Other losses amounted to S$1.1 million in FY2017 compared to other gains of S$0.6 million in FY2016. This was mainly due to net foreign exchange losses arising from trade receivables and bank balances.

Selling and Distribution Expenses

Selling and distribution expenses decreased by S$0.3 million mainly due to lower distribution expenses from the Bio-refining and Bio-energy Division.

Administrative expenses
Administrative expenses increased by 40% from S$6.7 million in FY2016 to S$9.4 million in FY2017 mainly due to higher expenses incurred by the Engineering and Construction Division.

Finance expenses
Finance expenses increased by 127% from S$0.3 million in FY2016 to S$0.7 million in FY2017 mainly due to higher utilisation of bank facilities for working capital purposes.

Profit before income tax
Profit before income tax increased by 5% from S$7.7 million in FY2016 to S$8.0 million in FY2017. This was mainly due to improved contribution from the Engineering and Construction Division.

Review of financial position

The Group's net asset value attributable to shareholders increased from S$39.3 million as at 31 December 2016 to S$62.2 million as at 31 December 2017.

The Group's current assets recorded an increase of S$3.0 million in FY2017 compared to FY2016 mainly due to increase in cash and bank balances of S$4.4 million and an increase in amount due from customers on construction contracts of S$16.9 million, partially offset by the decrease in trade and other receivables of S$11.1 million, a decrease in available-for-sale financial assets of S$6.7 million and a decrease in inventories of S$0.5 million.

The Group's non-current assets recorded an increase of S$12.2 million as at 31 December 2017 compared to 31 December 2016 mainly due to an increase in trade and other receivables of S$9.4 million and an increase in property, plant and equipment of S$2.6 million.

The Group's current liabilities recorded a decrease of S$4.5 million in FY2017 compared to FY2016 mainly due to decrease in amount due to customers on construction contracts of S$18.9 million and a decrease in short term borrowings and finance leases of S$5.5 million, partially offset by the increase in trade and other payables of S$19.9 million.

The Group's non-current liabilities recorded a decrease of S$3.2 million in FY2017 as compared to FY2016 mainly due to lower trade and other payables.

Review of cash flow

The Group's overall net cash inflow of S$4.8 million in FY2017 was mainly due to proceeds from redemption of available-for-sale financial assets from investing activities and proceeds from issuance of rights cum warrants under financing activities, offset by the net cash used in operating activities and repayment of bank borrowings and finance lease instalments under financing activities.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The current announced results are in line with the general prospect commentary previously disclosed in the results announcement for the financial period ended 30 June 2017.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Engineering and Construction Sector

For 2018, the Building and Construction Authority (BCA) announced that total construction demand will be between S$26.0 billion and S$31.0 billion, up from the S$24.5 billion awarded in 2017.

Projected higher construction demand will be mainly due to anticipated increase in public sector construction demand. This public sector projects include North-South Corridor, new MRT works and Deep Tunnel Sewerage (DTSS) phase 2 as well as remaining packages for Runway 3 of Changi Airport.

BCA also projected steady construction demand over the next few years supported by major infrastruction projects which include development of Changi Airport Terminal 5, Cross Island Line, Jurong Regional Line, Rapid Transit System and High Speed Rail.

The construction industry is still challenging because of competition and higher costs, increased regulatory controls and higher emphasis on work safety. As an established building and civil engineering contractor, the projected increase in construction demand will provide good business opportunities for the Group.

Bio-refining and Bio-energy Sector

Our subsidiary, Oiltek Sdn. Bhd. an integrated supplier with process expertise that covers the complete supply chain in the edible oil industry, renewable and bioenergy sector, as well as high value downstream processes, will continue to develop new proprietory technology in the refining process to provide continual innovation to the industry. Oiltek remains optimistic about the long term growth prospects despite the current challenges faced in the commodities industry.

11 Dividend

(a) Current Financial Period Reported On

(i) Any dividend declared for the current financial period reported on?

No.

(ii) Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share	0.10 cent per ordinary share
Dividend Rate (in %)	NA
Par values of shares	NA
Tax rate	Tax exempt (One-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share	0.06 cent per ordinary share
Dividend Rate (in %)	NA
Par values of shares	NA
Tax rate	Tax exempt (One-tier)

(c) Date payable

The proposed dividend will be subject to approval by the shareholders at the forthcoming AGM. The payment date will be announced at a later date.

(d) Books closure date

Notice will be given at a later date on the closure of the Share Transfer Books and Register of Members of the Company to determine members' entitlement to the dividend.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 Interested Person Transaction

The general mandate for interested persons transactions was approved at the Annual General Meeting held on 28 March 2017.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	S$'000	S$'000
Transactions for the Sale of Goods and Services		
KBD Westwood Pte Ltd	-	23,940
Koh Keng Siang	-	1,147
Transactions for the Purchase of Goods and Services		
G & W Ready-Mix Pte Ltd	-	8,109
G & W Precast Pte Ltd	-	603
G & W Industries Pte Ltd	-	166
Hi Con (S) Pte Ltd	-	163
Koh Brothers Group Limited	-	2,389
Koh Brothers Holdings Pte Ltd	-	257

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14 Segmented revenue and results for business segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

GROUP (S$'000)	ENGINEERING & CONSTRUCTION	BIO-REFINING & BIO-ENERGY	TOTAL
2017			
REVENUE			
External sales	277,026	21,414	298,440
Inter-segment	-	-	-
	277,026	21,414	298,440
Elimination			-
			298,440
RESULTS			
Segment results	5,822	2,564	8,386
Share of profit from an associated company	93	-	93
Interest income	138	78	216
Finance expenses	(657)	-	(657)
Income tax expenses			(522)
Profit after income tax			7,516
2016			
REVENUE			
External sales	174,550	27,715	202,265
Inter-segment	-	-	-
	174,550	27,715	202,265
			-
			202,265
RESULTS			
Segment results	3,305	4,368	7,673
Share of profit from an associated company	22	-	22
Interest income	236	40	276
Finance expenses	(290)	-	(290)
Income tax expenses			(1,216)
Profit after income tax			6,465

Revenue by Geographical Segment (S$'000):

	2017	2016
Singapore	277,027	174,584
Malaysia	9,045	7,343
Indonesia	1,933	3,042
The rest of Asia**	7,072	10,297
South America	2,241	55
Africa	934	4,790
Others	188	2,154
	298,440	202,265

****Including Hong Kong, Thailand and Bangladesh.**

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

BY BUSINESS SEGMENT

Engineering and Construction

The segment recorded an increase in revenue of S$102.4 million from S$174.6 million in FY2016 to S$277.0 million in FY2017 as a result of greater construction activity. Segment results improved by S$2.5 million from a profit of S$3.3 million in FY2016 to a profit of S$5.8 million in FY2017.

Bio-Refining and Bio-Energy

The segment revenue decreased by S$6.3 million in FY2017 as compared to FY2016 mainly due to a decline in the global demand for bio-refining and bio-energy products. The lower turnover directly impacted segment results which saw a decline from S$4.4 million in FY2016 to S$2.6 million in FY2017.

BY GEOGRAPHICAL SEGMENT

There was a general increase in revenue in most geographical segments, except for Indonesia, Africa, the rest of Asia and others. The revenue decreased because of lower revenue from the Bio-Refining and Bio-Energy segment.

16 A breakdown of sales.

	S$'000		%
	31/12/2017	31/12/2016	Change
Sales reported for first half year	**120,405**	**20,933**	**475**
Operating profit after tax before deducting non-controlling interests reported for first half year	**2,283**	**595**	**284**
Sales reported for second half year	**178,035**	**181,332**	**(2)**
Operating profit after tax before deducting non-controlling interests reported for second half year	**5,233**	**5,870**	**(11)**

17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	S$'000	
	31/12/2017	31/12/2016
Ordinary-Proposed final	**1,047**	**449**

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any Director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Koh Keng Seng	54	Cousin of Mr Koh Keng Siang	Director of Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd, since 2008. Responsible for management of logistics, workshop, machinery and equipment functions under the Construction Division.	Nil
Tay Juak Chiang	44	Cousin of Mr Koh Keng Siang	Senior Manager, Steel division, since 2012. Responsible for steel fabrication division.	Nil

19 Requirement under Rule 720(1) of the Listing Manual Section B : Rules of Catalist

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix H) under Rule 720(1).

BY ORDER OF THE BOARD

Koh Keng Siang
Chairman

12 February 2018
Singapore

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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