CIRCULAR DATED 12 APRIL 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the contents of this Circular (as defined herein) or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Koh Brothers Eco Engineering Limited (the "**Company**") held through The Central Depository (Pte) Limited (the "**CDP**"), you need not forward this Circular with the Notice of EGM (as defined herein) and the enclosed Proxy Form (as defined herein) to the purchaser or transferee, as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the enclosed Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular with the Notice of EGM and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

*This Circular has been reviewed by the Company's continuing sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"). This Circular 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 Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Mr. Ng Joo Khin, at Tel. (65) 63893000 and jookhin.ng@morganlewis.com.*

This Circular has been made available at the Company's website at the URL http://www.kohbrotherseco.com/html/ir_annual.php and is also available on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements. A printed copy of this Circular (together with the Notice of EGM and the enclosed Proxy Form) will NOT be despatched to the shareholders of the Company ("**Shareholders**").

To minimise physical interactions and COVID-19 transmission risks, Shareholders will not be able to attend the extraordinary general meeting (the "EGM") in person. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. A Shareholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Shareholder wishes to exercise his/her/its voting rights at the EGM. Alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching or listening to the EGM proceedings through a "live" webcast comprising both video (audiovisual) and audio feeds; (b) submitting questions in advance of the EGM; and/or (c) appointing the Chairman of the EGM as his/her/its proxy to vote on the resolution tabled at the EGM.

Please refer to section 8 of this Circular for further information, including the steps to be taken by Shareholders to participate at the EGM.

KOH BROTHERS
ECO ENGINEERING LIMITED
(Company Registration Number: 197500111H)
(Incorporated in Singapore on 20 January 1975)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED SPIN-OFF BY THE COMPANY OF ITS BIO-REFINERY AND RENEWABLE ENERGY BUSINESS VIA THE PROPOSED LISTING OF THE SPIN-OFF GROUP, INCLUDING OILTEK SDN. BHD. AND ITS SUBSIDIARIES, ON THE CATALIST BOARD OF THE SGX-ST

Important Dates and Times:

Last date and time for lodgment of Proxy Form	:	24 April 2021 at 11.00 a.m.
Date and time of Extraordinary General Meeting	:	27 April 2021 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and by electronic means)
Place of Extraordinary General Meeting	:	The Extraordinary General Meeting will be held by way of electronic means (via live audio-visual webcast or live audio-only livestream)

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DEFINITIONS

In this Circular and the Appendices hereto, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

"**ACE Market**"	:	ACE Market of Bursa Malaysia Securities Berhad of Malaysia
"**Annual General Meeting**"	:	The annual general meeting of the Company to be convened and held by electronic means on 27 April 2021 at 10.00 a.m.
"**Bio-Refinery and Renewable Energy Business**"	:	Has the meaning ascribed to it in Section 2.2.1(b) of this Circular
"**Board**"	:	The board of Directors of the Company as at the date of this Circular
"**Catalist Board**"	:	The SGX-ST sponsor-supervised listing platform
"**Catalist Rules**"	:	Section B: Rules of Catalist of the listing manual of the SGX-ST, as amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 12 April 2021
"**Companies Act**"	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"**Company**"	:	Koh Brothers Eco Engineering Limited
"**Constitution**"	:	The constitution of the Company, as amended, modified or supplemented from time to time
"**CPF**"	:	The Central Provident Fund
"**CPF Agent Banks**"	:	Banks approved by CPF to be the agent banks for CPF investors
"**Director(s)**"	:	The director(s) of the Company as at the date of this Circular
"**EGM**"	:	The extraordinary general meeting of the Company to be convened and held by way of electronic means on 27 April 2021 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting), notice of which is set out on pages N-1 to N-3 of this Circular
"**Engineering and Construction Business**"	:	Has the meaning ascribed to it in Section 2.2.1(a) of this Circular
"**First No Objection Decision**"	:	Has the meaning ascribed to it in Section 2.1.1 of this Circular
"**FY**"	:	The financial year ended 31 December
"**Group**"	:	The Company and its subsidiaries, collectively
"**Initial Pre-Clearance Letter**"	:	Has the meaning ascribed to it in Section 2.1.1 of this Circular
"**IPO Price**"	:	The price per Oiltek International Share at which the relevant Oiltek International Shares will be offered to the public in connection with the Proposed Listing
"**KBCE**"	:	Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd.

"**KBG**"	:	Koh Brothers Group Limited
"**Latest Practicable Date**"	:	7 April 2021, being the latest practicable date prior to the finalisation and release of this Circular
"**LPS**"	:	Loss per Share
"**MAS**"	:	Monetary Authority of Singapore
"**Metax**"	:	Metax Eco Solutions Pte. Ltd.
"**New KBE Group**"	:	The Group excluding the Spin-Off Group
"**Notice of EGM**"	:	The notice of the EGM which is set out on pages N-1 to N-3 of this Circular
"**NTA**"	:	Net tangible assets
"**Offer Document**"	:	Has the meaning ascribed to it in Section 2.8(b) of this Circular
"**Oiltek**"	:	Oiltek Sdn. Bhd., incorporated in Malaysia on 1 December 1980 and which is a majority-owned indirect subsidiary of the Company
"**Oiltek Global**"	:	Oiltek Global Pte. Ltd., incorporated in Singapore as a wholly-owned subsidiary of Oiltek on 1 March 2021
"**Oiltek Global Energy**"	:	Oiltek Global Energy Sdn. Bhd. (formerly known as Oiltek Nova Bioenergy Sdn. Bhd.), incorporated in Malaysia on 25 June 2010 and which is a wholly-owned subsidiary of Oiltek
"**Oiltek International**"	:	Oiltek International Pte. Ltd., incorporated in Singapore as a wholly-owned subsidiary of the Company on 19 March 2021, and which is intended to be the holding company and listing entity of the Spin-Off Group for the purposes of the Proposed Listing
"**Oiltek International Board**"	:	The proposed board of directors of Oiltek International
"**Oiltek International Shares**"	:	Ordinary shares in the capital of Oiltek International
"**Ordinary Resolution**"	:	The ordinary resolution set out in this Circular and in the Notice of EGM
"**OSPL**"	:	Oiltek (S) Pte. Ltd.
"**Profitability Requirement**"	:	Has the meaning ascribed to it in Section 2.1.2 of this Circular
"**Promoter**"	:	Means: (a) controlling shareholders and their associates; and (b) executive directors with an interest in 5.0% or more of the issued share capital excluding subsidiary holdings at the time of listing
"**Proposed Listing**"	:	Has the meaning ascribed to it in Section 1.1 of this Circular
"**Proposed Reorganisation**"	:	Has the meaning ascribed to it in Section 1.1 of this Circular

"**Proposed Spin-Off**"	:	The proposed spin-off of the Spin-Off Group via the Proposed Listing
"**Proxy Form**"	:	The proxy form in respect of the EGM which is set out on pages P-1 to P-2 of this Circular
"**Second No Objection Decision**"	:	Has the meaning ascribed to it in Section 2.1.2 of this Circular
"**SFA**"	:	Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Persons who are registered holders of Shares in the Register of Members of the Company except where the registered holder is CDP, the term "**Shareholders**" shall, where the context admits, mean the Depositors in the Depository Register maintained by CDP and into whose securities accounts those Shares are credited
"**Shares**"	:	Ordinary shares in the capital of the Company
"**Spin-Off Group**"	:	Oiltek International, Oiltek, Oiltek Global and Oiltek Global Energy
"**Spin-Off Guidance**"	:	The spin-off guidance provided by the SGX-ST in its announcements dated 3 February 2010 and 24 February 2011
"**Sponsor**"	:	Stamford Corporate Services Pte. Ltd.
"**SRS**"	:	Supplementary Retirement Scheme
"**SRS Operators**"	:	Agent banks approved by CPF under the Supplementary Retirement Scheme
"**Substantial Shareholder**"	:	A Shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the Company and the total votes attached to that share, or those shares, is not less than 5.0% of the total votes attached to all voting shares (excluding treasury shares) in the Company
"**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time

Currencies, units and others

"**RM**"	:	Malaysian ringgit, being the lawful currency of Malaysia
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
"**%**" or "**per cent.**"	:	Per cent or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA. The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa.* References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA or the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date respectively, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancy in the figures included in this Circular, the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, express consent has not been obtained from the relevant source(s) for the inclusion of such information. Whilst reasonable care has been taken to ensure that the relevant information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context, the accuracy of such information has not been independently verified.

Morgan Lewis Stamford LLC has been appointed as the legal adviser to the Company as to Singapore law in relation to this Circular.

KOH BROTHERS ECO ENGINEERING LIMITED

(Company Registration Number: 197500111H)
(Incorporated in Singapore on 20 January 1975)

Directors:
Mr. Koh Keng Siang (Non-Executive and Non-Independent Chairman)
Mr. Shin Yong Seub (Executive Director and Chief Executive Officer)
Mr. Koh Choon Leng (Independent Director)
Mr. Tan Hwa Peng (Independent Director)
Mr. Lee Sok Khian John (Non-Executive and Non-Independent Director)

Registered Office:
11 Lorong Pendek
Koh Brothers Building
Singapore 348639

Date: 12 April 2021

To: The Shareholders of the Company

Dear Sir/Madam

THE PROPOSED SPIN-OFF BY THE COMPANY OF ITS BIO-REFINERY AND RENEWABLE ENERGY BUSINESS VIA THE PROPOSED LISTING OF THE SPIN-OFF GROUP, INCLUDING OILTEK SDN. BHD. AND ITS SUBSIDIARIES, ON THE CATALIST BOARD OF THE SGX-ST.

1. INTRODUCTION

1.1. Background

The Company had, in its announcement dated 23 January 2020, announced its intention in relation to a proposed spin-off of its majority-owned indirect subsidiary, Oiltek and its wholly-owned subsidiary, Oiltek Global Energy (formerly known as Oiltek Nova Bioenergy Sdn. Bhd.) via a proposed listing on either the ACE Market or the Catalist Board. It was subsequently decided that the proposed listing of the Spin-Off Group[1] would be on the Catalist Board (the "**Proposed Listing**").

As the Spin-Off Group has been structured and operated as a standalone business unit within the Group, no major restructuring exercise will be necessary in order to consolidate the Spin-Off Group for the Proposed Spin-Off and the Proposed Listing. However, in connection with, and prior to the Proposed Listing, the Company will undertake a reorganisation of the Spin-Off Group, whereby Oiltek International, a holding company newly incorporated as a wholly-owned subsidiary of the Company, will acquire 100.0% of Oiltek, Oiltek Global and Oiltek Global Energy directly (the "**Proposed Reorganisation**"). Oiltek International will serve as the listing entity of the Spin-Off Group for the purposes of the Proposed Listing.

Immediately upon completion of the Proposed Reorganisation of the Spin-Off Group, it is expected that the Company will hold approximately 80.0% of the issued and paid-up share capital of Oiltek International. Oiltek International will subsequently issue such number of new Oiltek International Shares to achieve a public float of not less than 15.0% of its enlarged issued share capital immediately after the Proposed Listing to meet the requirements for a listing on the Catalist Board. As at the Latest Practicable Date, the terms of the Proposed Reorganisation have not been finalised. The Company will update Shareholders on any material developments relating to the Proposed Reorganisation as and when such material developments occur.

Please refer to Section 2 for further information on the Proposed Spin-Off and the Proposed Listing.

1.2. Purpose of this Circular

[1] Subsequent to the Company's announcement dated 23 January 2020, in addition to Oiltek and Oiltek Global Energy, the Spin-Off Group now also includes Oiltek Global and Oiltek International which were newly incorporated for the purposes of the Proposed Listing and operations in Singapore.

The Directors are convening an EGM to be held electronically on 27 April 2021 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and by electronic means) to seek Shareholders' approval for the Proposed Spin-Off via the Proposed Listing on the Catalist Board.

The purpose of this Circular is to provide Shareholders with information relating to, the rationale for, the benefits of and the financial effects of, the Proposed Spin-Off and the Proposed Listing for which Shareholders' approval will be sought at the EGM. Shareholders' approval for the Proposed Spin-Off and the Proposed Listing shall be sought by way of Ordinary Resolution.

1.3. Cautionary Statement

The Proposed Spin-Off and the Proposed Listing are subject to, among other things, requisite approvals from all relevant regulatory authorities, including the SGX-ST, market conditions prevailing at the relevant time and Shareholders' approval for the Proposed Spin-Off and the Proposed Listing set out in the Notice of EGM. The Board wishes to caution Shareholders that there is no certainty or assurance as at the date of this Circular that the relevant approvals will be obtained and that the Proposed Spin-Off and the Proposed Listing will eventually materialise.

This Circular does not constitute, and is not intended to be, an offer or an initial public offering or a notice, circular or advertisement calling or drawing attention to an offer or an initial public offering to the public to subscribe for and/or purchase any shares or a statement intended to induce any person to apply for any shares in the Proposed Listing.

This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholder to whom this Circular is despatched to, or disseminated, as the case may be, by the Company) or for any other purpose.

Whilst the information and terms set out in this Circular relating to the Proposed Listing referred to in this Circular are, to the best knowledge and belief of the Directors having made due and careful enquiries, true and accurate as at the Latest Practicable Date, such information or terms may be subject to further amendments or modifications pending finalisation of the same prior to the issue of the Offer Document to be issued in connection with the Proposed Listing.

As the Proposed Listing is still at its initial stage of preparation as at the Latest Practicable Date, any indicative IPO Price, percentage of dilution and the number of Oiltek International Shares to be issued as stated in this Circular in relation to the Proposed Listing is strictly for illustration purposes only and should not be taken to be in any way as a statement or indication of the expected, forecast or actual IPO Price and the percentage of dilution.

These details will be determined by the Directors and/or the directors of Oiltek International, in due course, in consultation with the Company's advisers for the Proposed Listing, closer to the date of the Proposed Listing through a book-building process, after taking into consideration, *inter alia*, the pro forma financial statements (if any) of the Spin-Off Group, the valuation of the Oiltek International Shares, the size of the Proposed Listing, the level of investors' interest and the then prevailing market conditions. Accordingly, there is no assurance that the actual IPO Price and the percentage of dilution will not vary from the illustration used in this Circular.

The Company reserves the right to determine the offer structure for the Proposed Listing, through its majority stake in the Spin-Off Group. Should the percentage reduction of the Company's shareholding interest in Oiltek International (as the holding entity of the Spin-Off Group (assuming that the Proposed Reorganisation of the Spin-Off Group has been completed)) pursuant to the Proposed Listing constitute a dilution exceeding 20.0% within the meaning of Catalist Rule 805(2)(b), the Company will seek Shareholders' approval at a separate extraordinary general meeting to be convened. The Company will make an announcement at the appropriate stage *via* SGXNET when the relevant details of the proposed dilution of equity interest in Oiltek International, are finalised and published.

Further, the Company reserves the right to not proceed with the Proposed Spin-Off and the Proposed Listing if, after assessing various factors, including the prevailing general economic and capital market conditions and any other relevant factors, the Company does not consider the Proposed Spin-Off and the Proposed Listing to be in the best interests of the Company and/or if the requisite approval(s) required for the Proposed Spin-Off and the Proposed Listing have not been or cannot practicably be obtained. The Company will make the relevant announcements as and when required and as and when material developments arise in respect of the Proposed Spin-Off and the Proposed Listing.

Certain descriptions and disclosures (including but not limited to the financial information) in respect of the Spin-Off Group and its business have been included in this Circular. If and when the Offer Document is issued by Oiltek International, it should be noted that the information in relation to Oiltek International and the Spin-Off Group and its business set out in the Offer Document will be more comprehensive than that set out in this Circular, as it will be prepared in compliance with the Catalist Rules and the SFA, and will contain prescribed information and presentation of information, and may also take into account comments from the SGX-ST and further developments following the Latest Practicable Date.

Shareholders are advised to refrain from taking any action in respect of their Shares which may be prejudicial to their interests and to exercise caution when dealing with the Shares. In the event that the Shareholders and potential investors wish to deal in the Shares, they should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

2. THE PROPOSED SPIN-OFF AND THE PROPOSED LISTING

2.1. Pre-Clearance with the SGX-ST

2.1.1. Initial Pre-Clearance and First No Objection Decision

As announced on 23 January 2020, the Company had submitted an initial pre-clearance letter to the SGX-ST via its Sponsor (the "**Initial Pre-Clearance Letter**") regarding the Proposed Spin-Off and the Proposed Listing of the Spin-Off Group[2] on either the ACE Market or the Catalist Board. Pursuant to the Initial Pre-Clearance Letter, the SGX-ST had advised the Company that subject to certain conditions, which were stated in the announcement on 23 January 2020, it had no objections (the "**First No Objection Decision**") to the Proposed Spin-Off.

2.1.2. Update to the Initial Pre-Clearance and Second No Objection Decision

Subsequently, in October 2020, SAC Capital Private Limited (as the appointed financial adviser to the Company for the Proposed Spin-Off) and the Company submitted an update letter to the SGX-ST via its Sponsor, updating the SGX-ST regarding the Board's decision to list the Spin-Off Group on the Catalist Board and to seek a waiver from the requirement for the Company to comply with the Spin-Off Guidance which requires the remaining businesses of the Group after the Proposed Spin-Off to remain profitable (the "**Profitability Requirement**").

Pursuant to the update letter, the SGX-ST had advised the Company that based on the Company's submissions and representations, it had no objections (the "**Second No Objection Decision**") to the Proposed Spin-Off and the change of listing venue to the Catalist Board, subject to the following conditions:

(i) compliance with the SGX-ST's listing rules;

(ii) Shareholders' approval for the Proposed Spin-Off being obtained at an extraordinary general meeting to be convened; and

[2] See footnote above.

(iii) disclosure in the circular to Shareholders in connection with the Proposed Spin-Off, the basis for the Board's assessment that the Proposed Spin-Off and the Proposed Listing would bring about benefits to the Shareholders.

The SGX-ST reserves the right to vary, amend or withdraw the Second No Objection Decision as it deems fit, and the Second No Objection Decision is subject to changes in the SGX-ST's policies.

2.1.3. Preparatory work for the Proposed Spin-Off and the Proposed Listing

Since the Company's receipt of the Second No Objection Decision, preparatory work for the Proposed Spin-Off and the Proposed Listing has commenced. As at the Latest Practicable Date, Oiltek has appointed SAC Capital Private Limited as the issue manager and sponsor in respect of the Proposed Listing of the Spin-Off Group, and is preparing an application to the SGX-ST for, *inter alia*, the dealing in and quotation of the existing and new Oiltek International Shares that may be allotted and issued pursuant to the Proposed Listing on the Catalist Board.

2.2. Information on the Group

2.2.1. Business segments, assets and operational profile

As at the Latest Practicable Date, the Company, through its subsidiaries, is engaged in two main business segments:

(a) The Engineering and Construction Segment: Engineering, procurement and construction services, specialising in providing building and civil engineering construction, infrastructure works, water and wastewater treatment as well as hydro-engineering projects (the "**Engineering and Construction Business**"); and

(b) The Bio-Refinery and Renewable Energy Segment: Services for edible oil industries including the engineering, procurement, construction and commissioning of edible oil refining plants, turnkey outside-system-battery-limits infrastructure engineering, downstream high value niche processes and products, and specialty products; services for renewable energy industries including the designing, building and supplying of multi-feedstock biodiesel, winter fuel, and palm oil mill effluent biogas recovery plants, and turnkey outside-system-battery-limits infrastructure engineering; and specialty chemical product trading, and engineering component sales and agency (the "**Bio-Refinery and Renewable Energy Business**").

The assets owned by the Engineering and Construction Business and the Bio-Refinery and Renewable Energy Business are differentiated. In particular, the New KBE Group owns assets such as plant and machinery which are required for its business operations in the Engineering and Construction Business and majority of such assets are operational equipment required for the provision of construction services, such as crawler cranes diaphragm wall machines, tipper trucks, excavators and factories for the fabrication of steel products such as H beams and sheet piles. On the other hand, the Spin-Off Group is relatively asset light as the Bio-Refinery and Renewable Energy Business focuses on the supply and provision of engineering design, and the commissioning of oil extraction equipment and plants. Most of the assets owned are therefore office equipment, furniture and fittings, office premises and premises used for warehousing and intellectual property rights.

The table below sets out the value of the properties and assets owned by the New KBE Group and the Spin-Off Group for FY2020, FY2019 and FY2018:

	FY2020 (Audited)			FY2019 (Audited)			FY2018 (Audited)		
	New KBE Group	Spin-Off Group	Total	New KBE Group	Spin-Off Group	Total	New KBE Group	Spin-Off Group	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Leasehold Properties	12,311	915	13,226	13,141	932	14,073	13,971	945	14,916
Plant and Equipment	43,424	89	43,513	57,168	124	57,292	25,745	193	25,938
Other Non-Current Assets	11,795	11	11,806	11,408	52	11,460	25,144	52	25,196
Other Current Assets	187,970	21,214	209,184	207,345	24,672	232,017	161,608	22,439	184,047
TOTAL ASSETS	**255,500**	**22,229**	**277,729**	**289,062**	**25,780**	**314,842**	**226,468**	**23,629**	**250,097**
As a percentage of the Total Assets	***92.0%***	***8.0%***	***100.0%***	***91.8%***	***8.2%***	***100.0%***	***90.6%***	***9.4%***	***100.0%***

The New KBE Group and the Spin-Off Group have different business risk profiles which arise from, *inter alia*, the different operating margins of the New KBE Group and the Spin-Off Group, and the difference in nature of the business contracts. For example, payments under the business contracts for the Bio-Refinery and Renewable Energy Business are primarily based on the achieving of milestones, in that payment is only made upon achieving certain milestones stipulated in the contract (for example, upon the shipment or despatch of equipment, confirmation of plant performance and plant hand over) and that part performance of such milestones will not result in any entitlement to be paid. Payments under business contracts for the Engineering and Construction Business are primarily based on the stages of progress of the works, in that payment is received on a monthly basis, upon the assessment that works have progressed. Further, whilst it is common industry practice for clients to provide letters of credit to secure the payment of milestones in the Bio-Refinery and Renewable Energy Business, such practice is not common in the Engineering and Construction Business.

The profile of the clients of the two segments differ as well. Whilst the clients of the Engineering and Construction Business are primarily the Singapore Government or related state-owned entities, the clients of the Bio-Refinery and Renewable Energy Business are mostly privately-owned entities situated outside of Singapore, with only some clients being governments or state-owned entities.

2.2.2. Geographical segments

The geographical scope of the business of the Spin-Off Group is distinct from that of the New KBE Group. While the Engineering and Construction Business caters to projects primarily in Singapore, the Bio-Refinery and Renewable Energy Business caters to markets beyond Singapore where there is greater demand for such services. In particular, as Oiltek is in the principal business of engineering, procuring, constructing and commissioning facilities to refine palm oil, it caters to countries with palm diesel and biodiesel plants, such as Malaysia, Indonesia, and Africa.

A breakdown in the revenue of the Group by geographical regions for FY2020, FY2019, FY2018 is set out below:

Revenue by Geographical location	FY2020 (Audited)			FY2019 (Audited)			FY2018 (Audited)		
	New KBE Group	Spin-Off Group	Total	New KBE Group	Spin-Off Group	Total	New KBE Group	Spin-Off Group	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Singapore	153,517	1,037	154,554	263,464	219	263,683	301,515	-	301,515
Malaysia	-	6,823	6,823	420	5,979	6,399	-	8,471	8,471
Indonesia	-	3,353	3,353	-	3,215	3,215	-	5,709	5,709
The rest of Asia	-	5,023	5,023	-	2,683	2,683	-	6,218	6,218
South America	-	514	514	-	652	652	-	357	357
Africa	-	11,997	11,997	-	13,991	13,991	-	6,280	6,280
Others	-	-	-	-	-	-	-	265	265
	153,517	**28,747**	**182,264**	**263,884**	**26,739**	**290,623**	**301,515**	**27,300**	**328,815**
As a percentage of the Total Revenue	***84.2%***	***15.8%***	***100.0%***	***90.8%***	***9.2%***	***100.0%***	***91.7%***	***8.3%***	***100.0%***

In the past three financial years, close to 100.0% of the revenue generated by the New KBE Group is from Singapore, whereas the revenue generated by the Spin-Off Group during the same period is spread across Malaysia, Indonesia, the rest of Asia, Africa and other countries, with little or no revenue being generated from Singapore. This demonstrates the geographical segregation of the businesses of the New KBE Group and the Spin-Off Group, arising from the differentiation in their business operations and clientele.

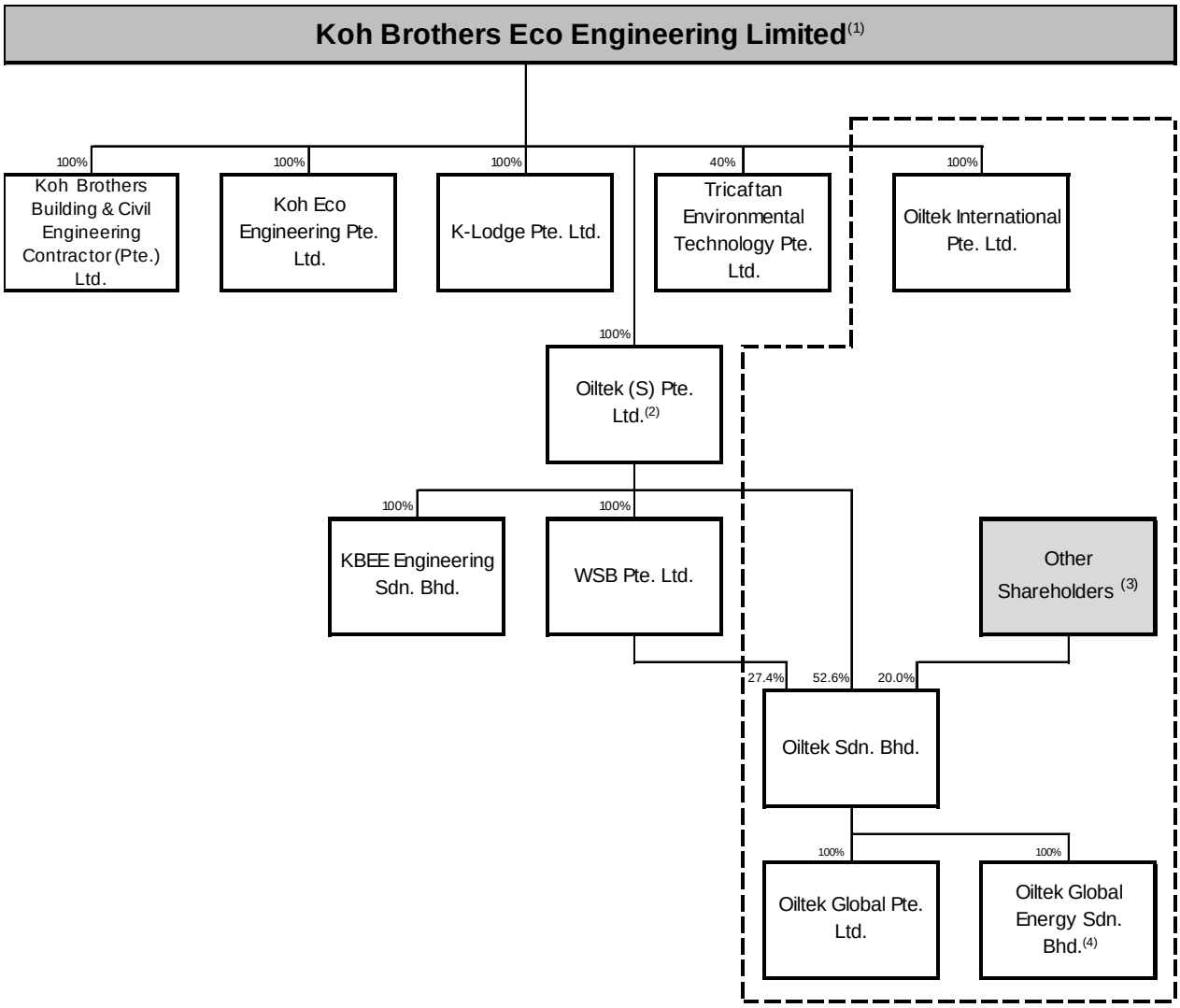
Please also refer to Section 2.5.2 of the Circular for further pro forma financial information on the businesses of the New KBE Group and the Spin-Off Group.

Shareholders are to note that all of the pro forma financial information of the business of the New KBE Group and the Spin-Off Group set out above is purely for illustrative purposes only. As the Company will hold a majority interest in the Spin-Off Group upon completion of the Proposed Spin-Off and the Proposed Listing, Oiltek International and its subsidiaries will continue to be subsidiaries of the Company and the Company will continue to consolidate the financial results of the Spin-Off Group. Shareholders are also to note the cautionary statements as set out in Section 1.3 of this Circular.

2.2.3. Group structure

The group structures of the Group (a) as at the Latest Practicable Date; (b) following completion of the Proposed Reorganisation; and (c) following completion of the Proposed Spin-Off and the Proposed Listing are set out below:

(a) As at the Latest Practicable Date



Notes:

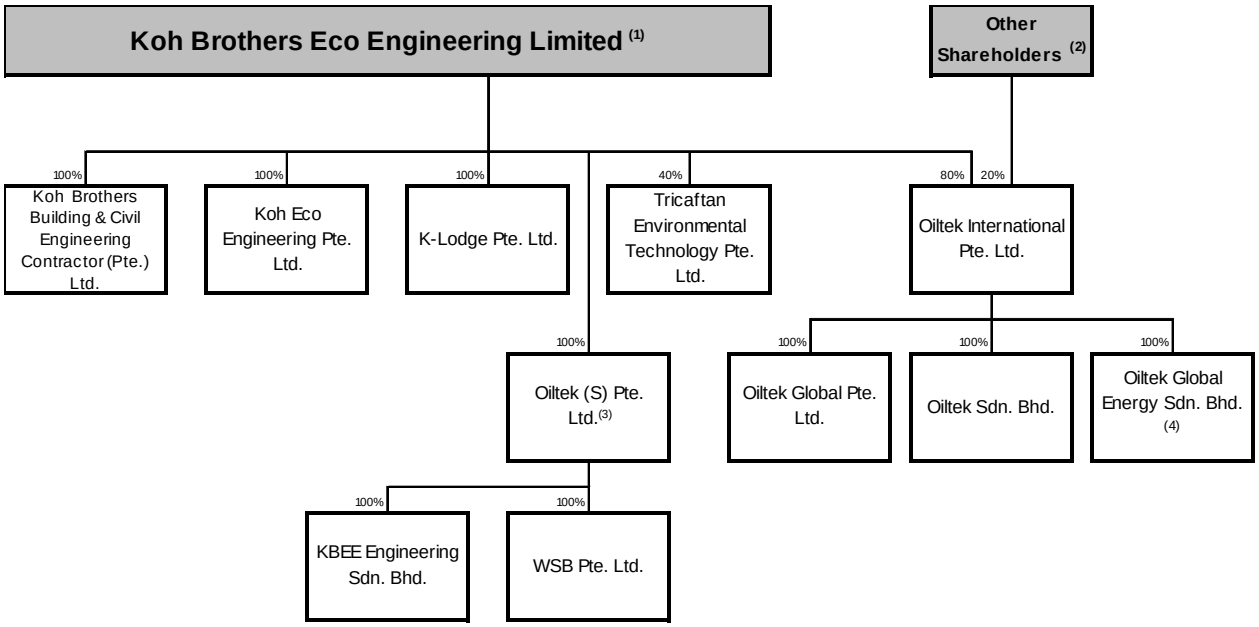
(1) As announced on 10 February 2021, Metax Eco Solutions Pte. Ltd. ("**Metax**"), an indirect wholly-owned subsidiary of the Company, has resolved to be liquidated and has initiated a members' voluntary liquidation process. Metax has a wholly-owned subsidiary, MetEco Solutions Sdn. Bhd.

(2) Oiltek (S) Pte. Ltd. will be renamed following the Proposed Spin-Off and the Proposed Listing, to avoid confusion with the Spin-Off Group.

(3) The remaining shareholders in Oiltek are Mr. Yong Khai Weng, who is the existing Managing Director of Oiltek, Mr. Ma Ong Kee, and Mr. Tan Hun Tee, who have approximately 7.5%, approximately 5.0% and approximately 7.5% interest in Oiltek respectively. As at the Latest Practicable Date, each of Mr. Yong Khai Weng, Mr. Ma Ong Kee and Mr. Tan Hun Tee are interested in not more than 5% of the total issued shares in the capital of KBE, and each of Mr. Ma Ong Kee and Mr. Tan Hun Tee are interested in not more than 5% of the total outstanding warrants issued by KBE. As at the Latest Practicable Date, save for their respective shareholding and warrant holding interests in Oiltek and KBE, as applicable, and Mr. Yong Khai Weng's position as the Managing Director of Oiltek and his proposed position as a director of Oiltek International, Mr. Yong Khai Weng, Mr. Ma Ong Kee and Mr. Tan Hun Tee are unrelated third parties to (i) the Group; (ii) the proposed directors of Oiltek International; and (iii) the directors and substantial shareholders of KBE.

(4) Formerly known as Oiltek Nova Bioenergy Sdn. Bhd.

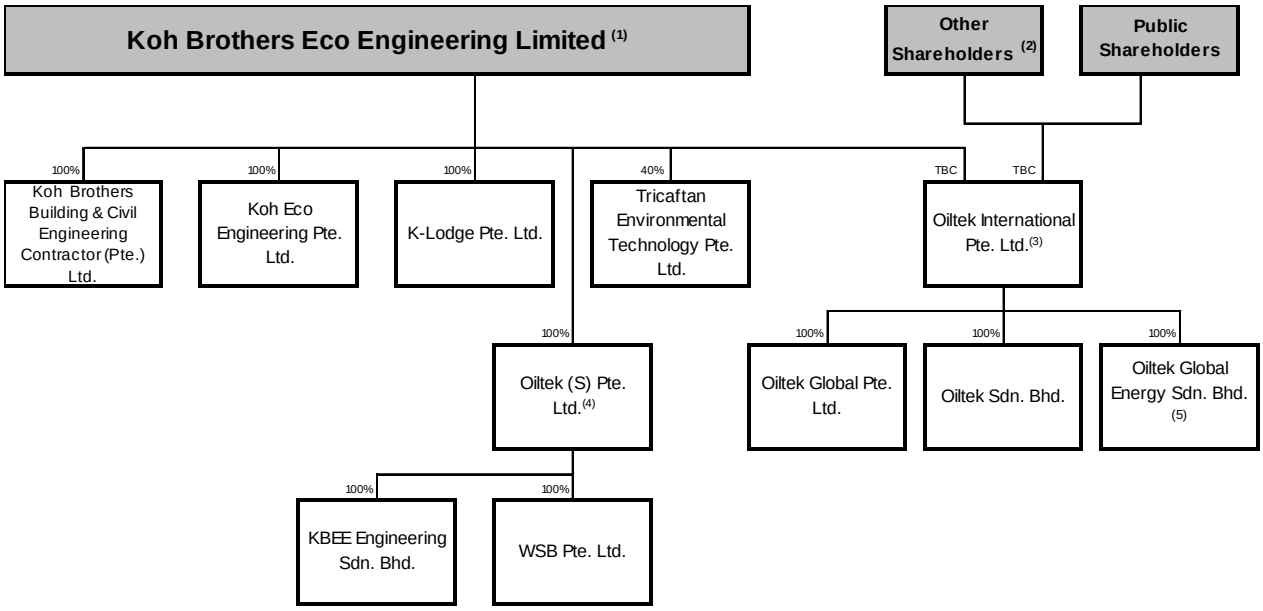
(b) Following completion of the Proposed Reorganisation



Notes:

(1) As announced on 10 February 2021, Metax, an indirect wholly-owned subsidiary of the Company, has resolved to be liquidated and has initiated a members' voluntary liquidation process. Metax has a wholly-owned subsidiary, MetEco Solutions Sdn. Bhd.
(2) Being Mr. Yong Khai Weng, Mr. Ma Ong Kee, and Mr. Tan Hun Tee.
(3) Oiltek (S) Pte. Ltd. will be renamed following the Proposed Spin-Off and the Proposed Listing, to avoid confusion with the Spin-Off Group.
(4) Formerly known as Oiltek Nova Bioenergy Sdn. Bhd.

(c) Following completion of the Proposed Spin-Off and the Proposed Listing



Notes:

(1) As announced on 10 February 2021, Metax, an indirect wholly-owned subsidiary of the Company, has resolved to be liquidated and has initiated a members' voluntary liquidation process. Metax has a wholly-owned subsidiary, MetEco Solutions Sdn. Bhd.

(2) Being Mr. Yong Khai Weng, Mr. Ma Ong Kee, and Mr. Tan Hun Tee.
(3) As at the Latest Practicable Date, as the Proposed Listing is still at its initial stage of preparation, the exact shareholding structure of Oiltek International has yet to be confirmed and will be determined in due course in consultation with the Company's advisers for the Proposed Listing, closer to the date of the Proposed Listing through a book-building process, taking into consideration the amount to be raised, which will be dependent upon, *inter alia*, the pro forma financial statements (if any) of the Spin-Off Group, the valuation of the Oiltek International Shares, the size of the Proposed Listing, the level of investors' interest and the then prevailing market conditions. It is the intention of the Company to hold a majority stake of not less than 51.0% in the Spin-Off Group immediately upon completion of the Proposed Spin-Off and the Proposed Listing.
(4) Oiltek (S) Pte. Ltd. will be renamed following the Proposed Spin-Off and the Proposed Listing, to avoid confusion with the Spin-Off Group.
(5) Formerly known as Oiltek Nova Bioenergy Sdn. Bhd.

2.3. Information on the Spin-Off Group

As at the Latest Practicable Date, and prior to the Proposed Reorganisation of the Spin-Off Group, Oiltek is the holding company of the Spin-Off Group and has an issued and paid-up share capital of RM2,481,556 comprising 2,481,556 ordinary shares. Oiltek has been an indirect subsidiary of the Company since March 2008, by virtue of the Company's 100.0% direct shareholding in OSPL and 100.0% indirect shareholding in WSB Pte. Ltd., a wholly-owned subsidiary of OSPL. As at the Latest Practicable Date, the Company's effective shareholding in Oiltek amounted to approximately 80.0%. The remaining shareholding of approximately 20.0% of Oiltek is being held by other individual shareholders[3]. As at the Latest Practicable Date, Oiltek has no outstanding instruments convertible into, rights to subscribe for, or options in respect of its shares.

The Spin-Off Group is engaged in the Bio-Refinery and Renewable Energy Business of the Group, which encompasses the provision of services for edible oil industries including the engineering, procurement, construction and commissioning of edible oil refining plants, turnkey outside-system-battery-limits infrastructure engineering, downstream high value niche processes and products, and specialty products; the provision of services for renewable energy industries including the designing, building and supplying of multi-feedstock biodiesel, winter fuel, and palm oil mill effluent biogas recovery plants, and turnkey outside-system-battery-limits infrastructure engineering; and specialty chemical product trading, and engineering component sales and agency.

Shareholders are also to note the cautionary statements as set out in Section 1.3 of this Circular.

2.4. Proposed Management and Directors of the Spin-Off Group

2.4.1. Management of the Spin-Off Group

Following the Proposed Spin-Off and the Proposed Listing, it is the intention of the Company that the Spin-Off Group will be managed by a management team that is separate and independent from the management team of the New KBE Group with separate operational, financial and accounting teams and workforce.

The existing key management of the Bio-Refinery and Renewable Energy Business of the Group will continue to be the key management for the Spin-Off Group.

2.4.2. Board composition of the Spin-Off Group

It is currently envisaged that the Oiltek International Board will comprise a total of six directors, being one executive director, two non-executive directors and three independent non-executive directors, satisfying the requirements under the Catalist Rules and the Code of Corporate Governance 2018.

To facilitate effective management of the Spin-Off Group, it is proposed for:

[3] Being Mr. Yong Khai Weng, Mr. Ma Ong Kee, and Mr. Tan Hun Tee.

(a) Mr. Yong Khai Weng to be appointed as the executive director and chief executive officer of Oiltek International, whose actions will be reported to and monitored by the Oiltek International Board; and

(b) all of the non-executive directors and independent directors to be nominated by Oiltek International.

2.4.3. Proposed management and board composition of the New KBE Group and the Spin-Off Group

In order to mitigate any potential conflict of interests, no director or executive officer shall hold executive roles in both the New KBE Group and the Spin-Off Group.

To the best knowledge and belief of the Directors, as at the Latest Practicable Date, there will not be any changes to the Board and management team of the Company following the Proposed Spin-Off and the Proposed Listing.

The Board and the management team of the Company are as follows:

Position	Before the Proposed Spin-Off and the Proposed Listing	After the Proposed Spin-Off and the Proposed Listing
Board of Directors		
Non-Executive and Non-Independent Chairman	Mr. Koh Keng Siang	Mr. Koh Keng Siang
Executive Director and Chief Executive Officer	Mr. Shin Yong Seub	Mr. Shin Yong Seub
Independent Director	Mr. Koh Choon Leng	Mr. Koh Choon Leng
Independent Director	Mr. Tan Hwa Peng	Mr. Tan Hwa Peng
Non-Executive and Non-Independent Director	Mr. Lee Sok Khian John	Mr. Lee Sok Khian John
Other management		
Chief Operating Officer, Construction	Mr. Ong Ai Bin	Mr. Ong Ai Bin
Executive Director, Construction	Mr. Goh Poh Khim	Mr. Goh Poh Khim
Executive Director, Construction	Mr. Ong Kien Soo	Mr. Ong Kien Soo
Executive Director, Construction	Mr. Koh Keng Seng	Mr. Koh Keng Seng
Financial Controller	Mr. Chua Thiam Siew, Johnson	Mr. Chua Thiam Siew, Johnson

The Oiltek International Board and the management team of Oiltek International are envisaged to be as follows:

Position	Before the Proposed Spin-Off and the Proposed Listing	After the Proposed Spin-Off and the Proposed Listing
Board of directors		
Executive Director and Chief Executive Officer	-	Mr. Yong Khai Weng
Non-Executive Director	-	To be appointed
Non-Executive Director	-	To be appointed
Independent Director	-	To be appointed
Independent Director	-	To be appointed
Independent Director	-	To be appointed
Other management[4]		
Financial Controller	-	Mr. Goh Chee Yong
Head of Technical	-	Mr. Yap Ping Sing
Head of Operations	-	Mr. Tai Cheng Huat
Head of Marketing and Sales	-	Ms. Cheng Cia Cia

It should be noted that the final number and compositions of the various board of directors and management team of the Spin-Off Group as described above are subject to, among other things, further deliberations with the professionals, the approval of the SGX-ST, as well as compliance with the Catalist Rules and the Code of Corporate Governance 2018, and may be subject to further change.

As at the Latest Practicable Date, (a) the business of the Spin-Off Group; and (b) the business of the New KBE Group, are currently (i) managed by separate management, operational and accounting teams, which maintain separate accounting records for each group; and (ii) operated independently of each other, with clear delineation of business. Accordingly, the businesses and assets of the Spin-Off Group and the New KBE Group are clearly differentiated with a segregation of their management, operational and financial aspects.

2.5. Rationale for and Benefits of the Proposed Spin-Off and the Proposed Listing

The basis for the Board's assessment that the Proposed Spin-Off and the Proposed Listing would bring benefits to the Shareholders is as follows:

2.5.1. Capitalising on growth potential of the Bio-Refinery and Renewable Energy Business

The Board is of the view that the Bio-Refinery and Renewable Energy Business has considerable growth potential as palm oil production continues to grow steadily throughout the world, and the global palm oil production is anticipated to reach 98.82 million metric tons in 2024, growing at a compound annual growth rate of 5.9% for the period spanning from

[4] The management team of Oiltek International will also be responsible for the oversight of the entire Spin-Off Group, including each of the subsidiaries.

2019 to 2024[5]. The average palm oil price is expected to increase to about 744 nominal USD per metric ton by 2025[6]. This bodes well for the Spin-Off Group's bio-refinery segment, as palm oil production companies continue to build a wide range of downstream palm edible oil and downstream processes for new plants or the expand new mills and refineries. The Spin-Off Group's renewable energy segment provides multi-feedstock biodiesel, and biogas or methane recovery systems, which further processes palm oil mill effluent to form biogas, allowing the form of waste (palm oil mill effluent) to be processed into energy (biogas). Biogas is a form of renewable energy, which can power both the mill and the biogas recovery systems. Growing regulations in the palm oil industry has increased the demand for biogas capture. As an example, all new mills and all existing mills which apply for throughput expansion in Malaysia are required to install full biogas capture or methane avoidance facilities. This mandatory requirement has been effective since 1 January 2014[7].

Furthermore, over the last three financial years, the Board notes that there has been a gradual shift in the revenue base of the Spin-Off Group to Indonesia and many other countries in Asia and Africa. Currently, the Spin-Off Group has presence in 34 countries across Malaysia, Indonesia, Thailand, Africa, Central America, Latin America and the rest of Asia, and the Spin-Off Group intends to continue to expand and diversify its revenue base in the international markets.

Based on the above, the Board is of the view that (a) the Spin-Off Group is in a prime position to capitalise on such growth as the Proposed Listing is expected to enhance the reputation and credit worthiness of the Spin-Off Group, particularly in dealing with customers, suppliers, bankers, partners and potential investors; and (b) capitalising on the strong performance of the Bio-Refinery and Renewable Energy Business via the Proposed Spin-Off and the Proposed Listing would be in the best interests of the Company and its Shareholders as any potential benefits from the growth of the Bio-Refinery and Renewable Energy Business will continue to flow to the Shareholders ultimately through its majority shareholding interest in the Spin-Off Group.

2.5.2. <u>Efficient allocation of capital and resources while still participating in the growth of the businesses of the Spin-Off Group</u>

The Spin-Off Group has in recent years experienced growth in its profitability. Based on the audited consolidated financial statements of the Group for the past three financial years ended 31 December, the breakdown of the Group's financial performance to the New KBE Group and the Spin-Off Group is as follows:

	FY2020 (Audited)			FY2019 (Audited)			FY2018 (Audited)		
	New KBE Group	Spin-Off Group	Total	New KBE Group	Spin-Off Group	Total	New KBE Group	Spin-Off Group	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue	153,517	28,747	**182,264**	263,884	26,739	**290,623**	301,515	27,300	**328,815**
As a percentage	*84.2%*	*15.8%*	***100.0%***	*90.8%*	*9.2%*	***100.0%***	*91.7%*	*8.3%*	***100.0%***
Net asset value	92,578	13,433	**106,011**	94,340	12,641	**106,981**	78,734	14,741	**93,475**

[5] This information was extracted from the internet publication entitled "Global Palm Oil Market Share, Growth, Competitive Situation and Forecast Analysis till 2024" of the Express Wire at https://www.theexpresswire.com/pressrelease/Global-Palm-Oil-Market-Share-Growth-Competitive-Situation-and-Forecast-Analysis-till-2024_12567387.

[6] This information was obtained from data published on the website of Statista at https://www.statista.com/statistics/613471/palm-oil-production-volume-worldwide/#statisticContainer.

[7] This information was extracted from the internet publication entitled "APEC Extended Producer Responsibility in Circular Economy Plastic Conference" of the Asia-Pacific Economic Cooperation at http://mddb.apec.org/Documents/2020/PPSTI/PPSTI1/20_ppsti1_031.pdf.

	FY2020 (Audited)			FY2019 (Audited)			FY2018 (Audited)		
	New KBE Group	**Spin-Off Group**	**Total**	**New KBE Group**	**Spin-Off Group**	**Total**	**New KBE Group**	**Spin-Off Group**	**Total**
As a percentage	*87.3%*	*12.7%*	***100.0%***	*88.2%*	*11.8%*	***100%***	*84.2%*	*15.8%*	***100.0%***
(Loss) / Profit before tax [(1)]	(15,374) [(2)]	5,160	**(10,214)**	3,309	3,616	**6,925**	3,928	1,759	**5,687**
As a percentage	*150.5%*	*(50.5)%*	***100.0%***	*47.8%*	*52.2%*	***100.0%***	*69.1%*	*30.9%*	***100.0%***
(Loss) / Profit after tax[(1)]	(15,014) [(2)]	4,045	**(10,969)**	3,309	2,868	**6,177**	*3,483*	1,123	**4,606**
As a percentage	*136.9%*	*(36.9)%*	***100.0%***	*53.6%*	*46.4%*	***100.0%***	*75.6%*	*24.4%*	***100.0%***
Cash and bank balances	39,335	16,880	**56,215**	30,537	16,669	**47,206**	10,969	9,584	**20,553**
As a percentage	*70.0%*	*30.0%*	***100.0%***	*64.7%*	*35.3%*	***100%***	*53.4%*	*46.6%*	***100.0%***
Net working capital	53,196	12,430	**65,626**	42,287	11,556	**53,853**	20,808	13,551	**34,359**
As a percentage	*81.1%*	*18.9%*	***100.0%***	*78.5%*	*21.5%*	***100.0%***	*60.6%*	*39.4%*	***100.0%***

Notes:

(1) Adjustments were made to exclude exceptional or non-recurring income and extraordinary items in FY2018. No adjustments were made to exclude exceptional or non-recurring income and extraordinary items in FY2019 and FY2020 as there were no such items.

(2) As set out in Section 2.1.2 of this Circular, the Company consulted the SGX-ST in October 2020 as it was unable to meet the Profitability Requirement set out in the Spin-Off Guidance. Due to the circuit breaker period announced in 2020 and the spike in the COVID-19 infection rate among foreign workers in dormitories, the Group's construction projects faced delays in project schedules, increased project costs and disruption in project management. Notwithstanding the halt in construction activities, the Engineering and Construction Business continued to incur certain operating expenses which included manpower and related expenses, site overheads and maintenance, and safety and security expenses. The Engineering and Construction Business also faced a loss of productivity as additional safety and control measures had to be fulfilled for every construction project before work could be resumed on site. Based on the Company's submissions, the SGX-ST confirmed that it had no objections to the Proposed Spin-Off in the Second No Objection Decision.

Shareholders are to note that all of the pro forma financial information of the business of the New KBE Group and the Spin-Off Group set out above is purely for illustrative purposes only. As the Company will hold a majority interest in the Spin-Off Group upon completion of the Proposed Spin-Off and the Proposed Listing, Oiltek International and its subsidiaries will continue to be subsidiaries of the Company and the Company will continue to consolidate the financial results of the Spin-Off Group. Shareholders are also to note the cautionary statements as set out in Section 1.3 of this Circular.

The Spin-Off Group is in a good position to enhance its growth. In order to realise opportunities, it may require further capital and therefore the Proposed Spin-Off and the Proposed Listing will allow the Spin-Off Group to raise new funds from the market and obtain new bank borrowings independently from the Company to fund its continual operational growth and new business expansion. This independent and direct access to capital will

allow the Spin-Off Group to augment its financial position via an equity injection, while reducing the Company's exposure to the financial risks of the Spin-Off Group. Due to the many growth opportunities identified in very different business segments, the Directors are of the view that raising equity or tapping into the debt capital markets separately will enable both the Spin-Off Group and the New KBE Group to maximise their respective growth trajectories, allowing each of them to maximise market opportunities, profits and shareholder value.

With a stronger equity capital base from funds raised from the Proposed Listing, the Spin-Off Group will have greater debt capacity to fund its operations and growth and to secure its own independent source of funding. Additionally, the Proposed Spin-Off and the Proposed Listing will enable the Group to unlock and increase value for Shareholders by increasing the overall financial capacity and flexibility of the Group to strengthen the continued growth of the New KBE Group. The New KBE Group will not be required to fund the expansion of the Spin-Off Group, thus allowing the New KBE Group to concentrate its resources on expanding its other businesses that are not under the Spin-Off Group and to pursue new opportunities.

As at 31 December 2020, the Group has net borrowings amounting to approximately S$29.1 million. Based on the shareholders' equity of approximately S$103.8 million, the Group's net gearing ratio is 0.28 times. Based on the assumptions set out in Section 4.1 of the Circular, the Proposed Listing is expected to improve the Group's net gearing ratio from 0.28 times to 0.22 times, arising from the new funds raised by the Spin-Off Group pursuant to the Proposed Spin-Off and the Proposed Listing.

In addition, the Company has provided corporate guarantees of approximately RM15.5 million as at the Latest Practicable Date in respect of the Spin-Off Group's obligations under certain banking and trade facilities granted to the Spin-Off Group. Upon the completion of the Proposed Spin-Off and the Proposed Listing, the Company intends to request for the release and discharge of the corporate guarantees provided by the Company and substitute them with that from the Spin-Off Group.

Following the Proposed Spin-Off and the Proposed Listing, the New KBE Group will continue to retain the opportunity to participate in any potential upside from the Spin-Off Group's business as a majority shareholder of Oiltek International. Benefits from the Spin-Off Group's business will continue to flow to the Shareholders through their indirect majority shareholding interest in Oiltek International. Shareholders and new investors will also benefit from the Proposed Spin-Off and the Proposed Listing as they will have the flexibility to invest in the shares of either or both listed entities, in accordance with, *inter alia*, their personal preferences and risk appetites.

2.5.3. Focusing of management's attention and better accountability

Upon completion of the Proposed Spin-Off, the management teams of the New KBE Group and the Spin-Off Group will be separate as demonstrated in Section 2.4 of this Circular. This will allow the senior management personnel of each group to focus their attention on their assigned business segments and deliver the best possible value to the respective shareholders. The New KBE Group and the Spin-Off Group are, and will be, managed by separate operational and finance teams, hence improving corporate visibility, management control and accountability, and enhancing performance measurement. Such segregation will also allow each group to maintain the confidentiality of corporate data and other sensitive information.

Additionally, the Group envisages that it will be better positioned to attract top talent from relevant fields to join the Spin-Off Group in senior management positions and also as board members which will enhance the leadership team in the Spin-Off Group upon completion of the Proposed Listing. The Company also envisages that the Proposed Listing will better incentivise the employees of the Spin-Off Group.

2.5.4. Create a more reflective and accurate valuation of the businesses of the New KBE Group and the Spin-Off Group

As the Spin-Off Group has been managed within the Group's business segments as a single listed entity, banks and other financial institutions tend to view the Group as one entity with indistinguishable business segments, notwithstanding their clearly distinctive businesses and assets.

In particular, the Group is principally engaged in two main business segments which are separate and distinct from each other:

(a) Engineering and Construction Business; and

(b) Bio-Refinery and Renewable Energy Business.

After the Proposed Spin-Off, the New KBE Group, will continue to be engaged in the Engineering and Construction Business, and the Spin-Off Group will be engaged in the Bio-Refinery and Renewable Energy Business. A description of each business segment is set out in Section 2.2 of this Circular.

Separating the Spin-Off Group from the Group will enable Shareholders and potential investors to evaluate the Spin-Off Group and the New KBE Group independently based on their respective performance and growth potential. This will allow for valuations that are more reflective of the underlying value and growth potential of the businesses of the New KBE Group and the Spin-Off Group respectively. Shareholders and new investors of both the Post Spin-Off and the Spin-Off Group will also be able to appraise the value of the respective underlying businesses and assets more distinctly.

2.5.5. Maintaining the current listing structure is detrimental to the Shareholders

Under the current structure of the Group, any funding required for the Spin-Off Group will have to be borne by the Group. In the absence of equity fund raising by the Spin-Off Group via the Proposed Spin-Off and the Proposed Listing, the Group will have to take on further debt financing or raise funds through other means to fund the development and expansion needs of the Spin-Off Group. The taking on of further debt financing increases the leverage of the Group and its risk profile to Shareholders.

It is envisaged that the Proposed Spin-Off and the Proposed Listing will raise funds from other public investors who may better value the Spin-Off Group's businesses.

2.6. Information on the Proposed Listing

While the Company's indirect shareholding interest in Oiltek International will be diluted pursuant to the Proposed Listing, the Company intends to hold not less than 51.0% of the issued share capital of Oiltek International and for Oiltek International to remain as a subsidiary of the Company immediately after the completion of the Proposed Listing.

The actual level of the dilution of the Company's shareholding interest in the issued share capital of Oiltek International pursuant to the Proposed Listing will depend on, among other things, the IPO Price and the total number of Oiltek International Shares issued in connection with the Proposed Listing. As at the Latest Practicable Date, the offer structure has not been finalised and the IPO Price, the number of Oiltek International Shares to be issued and the amount of proceeds to be raised from the Proposed Listing have not been determined, and will be subject to, among other things, the market conditions prevailing at the time of the Proposed Listing.

While the offer structure for the Proposed Listing has not yet been determined, as a demonstration of its commitment to the Spin-Off Group and the Proposed Listing, the Company has no intention of selling vendor shares in connection with the Proposed Listing as at the Latest Practicable Date.

As the Proposed Listing is still at its initial stage of preparation as at the Latest Practicable Date, the amount of proceeds to be raised by Oiltek International has not been ascertained at this stage. The amount to be raised will be dependent upon, *inter alia*, the pro forma financial statements (if any) of the Spin-Off Group, the valuation of the Oiltek International Shares, the size of the Proposed Listing, the level of investors' interest and the then prevailing market conditions. As at the Latest Practicable Date, there are no plans for any specific use of the proceeds raised by Oiltek International from the issue of new Oiltek International Shares pursuant to the Proposed Listing other than for the working capital for future growth and expansion of the Spin-Off Group. Details on the proposed use of the proceeds raised by Oiltek International will be contained in the Offer Document to be issued in connection with the Proposed Listing.

Please refer to Section 4 of this Circular for the illustrative pro forma financial effects of the Proposed Spin-Off and the Proposed Listing.

2.7. Catalist Rules

Pursuant to the Catalist Rules, a listing applicant (excluding a mineral, oil and gas company) seeking admission to the Catalist Board need not meet any minimum operating track record, profit or share capital requirement. Separately, Chapter 4 of the Catalist Rules and the Spin-Off Guidance sets out the requirements and procedures for the spin-off and admission process to the Catalist Board. Amongst others, the following will apply to the Company in relation to the Proposed Spin-Off and the Proposed Listing:

2.7.1. Moratorium on Oiltek International Shares

Pursuant to Catalist Rules 420 and 422, as a Promoter, the Company's entire shareholdings in Oiltek International immediately after the Proposed Spin-Off and the Proposed Listing shall be subject to a moratorium for at least six months after the Proposed Listing, and no less than 50.0% of its original shareholdings (adjusted for any bonus issue or subdivision) for the next six months. In the case of investors who acquired their securities in Oiltek International, and who made payment for their acquisition, less than 12 months prior to the date of the Proposed Listing, a proportion of their shareholdings in Oiltek International will be subject to a moratorium for 12 months after the Proposed Listing.

2.7.2. Compliance with Catalist Rule 406(7)

Catalist Rule 406(7) prescribes that a subsidiary or parent company of an existing listed issuer will not normally be suitable for listing if the assets and operations of the listing applicant are substantially the same as those of the listed issuer. As disclosed in Section 2.1.1 of this Circular, the Board sought, in its Initial Pre-Clearance Letter, the concurrence of the SGX-ST that the Proposed Spin-Off and the Proposed Listing would not amount to a chain listing in contravention Catalist Rule 406(7). Pursuant to the First No Objection Decision, the SGX-ST had, subject to certain conditions, no objections to the Proposed Spin-Off.

2.7.3. Compliance with the Profitability Requirement in the Spin-Off Guidance

Pursuant to the Spin-Off Guidance, in considering a spin-off of an existing business for a separate listing, the SGX-ST considers, amongst others, whether the remaining businesses of the listed entities after the spin-off are viable and profitable. Notwithstanding that the Group reported losses after tax of approximately S$11.0 million based on the audited consolidated financial statements of the Group for FY2020, the Company had sought from the SGX-ST a waiver from the Profitability Requirement and the SGX-ST had advised the Company that based on the Company's submissions and representations, it had no objections to the Proposed Spin-Off.

The Company will continue to comply with the Spin-Off Guidance, save for the Profitability Requirement, in particular (a) the businesses and assets of the Spin-Off Group and the New

KBE Group are clearly differentiated and managed independently as set out in Sections 2.4 and 2.5.3 of this Circular; (b) the New KBE Group after the Proposed Spin-Off and the Proposed Listing will remain viable and will continue to comply with the Catalist Rules relating to admission to the Catalist Board; and (c) the Board has considered the interests of the Shareholders and are of the view that there are tangible economic benefits to Shareholders arising from the Proposed Spin-Off and that maintaining the current listing structure would be detrimental to Shareholders, as set out in Section 2.5.5 of this Circular.

2.8. Material Conditions for the Proposed Spin-Off and the Proposed Listing on the Catalist Board

The Proposed Spin-Off and the Proposed Listing shall only take effect upon, among other things, the satisfaction of the following conditions:

(a) Shareholders' approval for the Proposed Spin-Off and the Proposed Listing being obtained at the EGM;

(b) the lodgment with and registration by the SGX-ST acting as agent on behalf of the MAS of Oiltek International's offer document for the Proposed Listing (the "**Offer Document**") in compliance with all applicable laws and regulations;

(c) the receipt of the listing and quotation notice from the SGX-ST in connection with the admission of Oiltek International to the Catalist Board, the listing of and quotation for the Oiltek International Shares on the Catalist Board and the listing and quotation notice not being subsequently terminated or revoked prior to the commencement of dealings in Oiltek International Shares on the Catalist Board;

(d) the compliance by Oiltek International, to the satisfaction of the SGX-ST, with all conditions imposed by the SGX-ST in relation to the Proposed Listing (if any), where such conditions are required to be complied by the time of the Proposed Listing;

(e) the underwriting agreement and all other relevant agreements in connection with the Proposed Listing being entered into by the underwriter(s), Oiltek International and all other relevant persons (as may be applicable) and the terms of the Proposed Listing, including but not limited to the IPO Price, being on terms acceptable to and agreed by*, inter alia*, the Company; and

(f) such other regulatory or other approvals, confirmations or consents as may be required or advisable in connection with the Proposed Listing being obtained on terms acceptable to the Company and Oiltek International and the same remaining in full force and effect.

The Company will make the relevant announcement(s) in due course via SGXNET at the appropriate stage regarding any material developments or updates in relation to the Proposed Spin-Off and the Proposed Listing, including any approvals of the SGX-ST in connection with the Proposed Spin-Off and the Proposed Listing.

The Company wishes to highlight that there can be no assurance that approval for the Proposed Listing will be granted by the SGX-ST, or the Proposed Listing can materialise, or otherwise proceed in a timely fashion. In the event that any of the foregoing is not achieved or fulfilled, the Company will not be able to proceed with the Proposed Listing.

3. DILUTION OF EQUITY INTEREST IN OILTEK INTERNATIONAL

3.1. Catalist Rule 805(2)

Under Catalist Rule 406(1), the Proposed Listing is required to meet a minimum public float of 15.0% and at least 200 public shareholders. This requirement can be met, amongst others, by the allotment and issuance of new Oiltek International Shares by Oiltek International and/or the sale of vendor shares by all or any of the existing shareholders of Oiltek International. As at the Latest Practicable Date, the Company has no intention to sell any vendor shares in connection with the Proposed Listing. To the extent that new Oiltek International Shares are to be issued in connection with the Proposed

Listing, the share capital of Oiltek International will be enlarged, and accordingly, the Proposed Spin-Off and the Proposed Listing will result in a dilution of the Company's shareholding interest in Oiltek International due to the issue of new Oiltek International Shares in connection with the Proposed Listing. Shareholders should note that the actual level of the dilution of the Company's shareholding interest in the issued share capital of Oiltek International pursuant to the Proposed Listing will depend on, among other things, the IPO Price and the total number of Oiltek International Shares issued in connection with the Proposed Listing.

Catalist Rule 805(2)(b) requires an issuer to obtain the prior approval of shareholders in general meeting if a principal subsidiary issues shares or convertible securities or options that will or may result in a percentage reduction of 20.0% or more of the issuer's equity interest in the principal subsidiary. The Catalist Rules defines a principal subsidiary as "*a subsidiary whose latest audited consolidated pre-tax profits (including discontinued operations that have not been disposed and excluding the non-controlling interests relating to that subsidiary) as compared with the latest audited pre-tax profits of the group (including discontinued operations that have not been disposed and excluding non-controlling interests relating to that subsidiary) accounts for 20.0% or more of such pre-tax profits of the group. In determining profits, exceptional and extraordinary items are to be excluded*."

The audited consolidated pre-tax profit of the Spin-Off Group (excluding non-controlling interests) for FY2020 was approximately S$5.2 million whilst the audited consolidated pre-tax loss of the Group (excluding non-controlling interests) for FY2020 was approximately S$11.2 million. Accordingly on an absolute basis, pre-tax profit of Oiltek International, as the holding entity of the Spin-Off Group (assuming that the Proposed Reorganisation of the Spin-Off Group has been completed), accounted for 45.9% of the Group's pre-tax loss for FY2020 and hence is considered a principal subsidiary of the Company.

As at the Latest Practicable Date, there is no intention of dilution in the Company's shareholding of Oiltek International which may result in a percentage reduction of 20.0% or more of the Company's equity interest in Oiltek International (as the holding entity of the Spin-Off Group (assuming that the Proposed Reorganisation of the Spin-Off Group has been completed)). The Company reserves the right to determine the offer structure for the Proposed Listing, through its majority stake in the Spin-Off Group.

In the event that there is a proposed issuance of shares in the share capital of Oiltek International resulting in a percentage reduction of 20.0% or more of the Company's equity interest in Oiltek International (as the holding entity of the Spin-Off Group (assuming that the Proposed Reorganisation of the Spin-Off Group has been completed)) in connection with the Proposed Listing, the Company will seek all necessary Shareholders' approvals at a separate extraordinary general meeting to be convened.

3.2. Rule 14 of the Take-over Code

Shareholders should note that under Rule 14 of the Take-over Code, except with the consent of the Securities Industry Council ("**SIC**"), where:

(a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or

(b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights in a company and such person, or any person acting in concert with him, acquires in any period of six months additional shares carrying more than 1.0% of the voting rights,

such person shall extend immediately an offer to the holders of any class of shares in the capital of the company which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In the event that the Company's shareholding interest in Oiltek International is reduced to between 30.0% and not more than 50.0% after completion of the Proposed Listing, and following which the Company and its concert parties increases their aggregate shareholdings in Oiltek International by 1.0% or more within a period of six months, they will incur an obligation to make a mandatory general offer for Oiltek International under Rule 14 of the Take-over Code unless such obligation to make a mandatory general offer for Oiltek International is waived by the SIC.

As at the Latest Practicable Date, it is the intention of the Company to hold a majority stake of not less than 51.0% in the Spin-Off Group immediately upon completion of the Proposed Spin-Off and the Proposed Listing.

4. FINANCIAL EFFECTS OF THE PROPOSED SPIN-OFF AND THE PROPOSED LISTING

4.1. Bases and Assumptions

The *pro forma* financial effects of the Proposed Spin-Off and the Proposed Listing are presented for illustration only and are not intended to reflect the actual future financial situation of the Company after the completion of the Proposed Spin-Off and the Proposed Listing. These illustrative pro forma financial effects have been computed based on the Group's (a) audited consolidated financial statements for FY2020; and (b) audited consolidated financial statements of the Spin-Off Group for FY2020, as well as the following key assumptions:

(a) the Proposed Spin-Off and the Proposed Listing had been completed, in respect of the profit and loss statement on 1 January 2020, and in respect of the balance sheet as at 31 December 2020;

(b) Oiltek International will issue such number of new shares equivalent to 15.0% of the enlarged issued share capital of Oiltek International;

(c) the Proposed Listing will raise estimated gross proceeds of approximately S$5.4 million;

(d) the indicative market capitalisation of the Spin-Off Group will be S$36.0 million at the point of completion of the Proposed Listing;

(e) the expenses in connection with the Proposed Spin-Off and the Proposed Listing are negligible; and

(f) no adjustments have been made in respect of the deployment of the net proceeds from the Proposed Listing.

Shareholders are to note that the assumptions set out above have been made purely for the purposes of calculating the financial effects of the Proposed Spin-Off and the Proposed Listing and are subject to change. As at the Latest Practicable Date, the offer structure and amount of proceeds to be raised from the Proposed Listing have not been finalised. The amount of proceeds to be raised in connection with the Proposed Listing will be dependent on, among other things, the IPO Price and the total number of new Oiltek International Shares to be issued in connection with the Proposed Listing. The Company reserves the right to determine the offer structure for the Proposed Listing. Shareholders are also to note the cautionary statements as set out in Section 1.3 of this Circular.

4.2. Share Capital

As no new Shares will be issued by the Company in connection with the Proposed Spin-Off and the Proposed Listing, the Proposed Spin-Off and the Proposed Listing will have no impact on the Company's issued share capital.

4.3. NTA per Share

Assuming that the Proposed Spin-Off and the Proposed Listing had been completed on 31 December 2020, the effect of the Proposed Spin-Off and the Proposed Listing on the Group's NTA per Share as at 31 December 2020 will be as follows:

	Before the Proposed Spin-Off and the Proposed Listing	After the Proposed Spin-Off and the Proposed Listing
NTA[(1)] attributable to Shareholders (S$'000)	96,907	98,587
Number of Shares[(2)]	1,998,896,805	1,998,896,805
NTA per Share (cents)	4.85	4.93

Notes:

(1) NTA means total assets less the sum of total liabilities, non-controlling interests and intangible assets (net of non-controlling interests).
(2) The number of Shares excludes treasury shares and outstanding warrants in issue during the period.

4.4. LPS

Assuming that the Proposed Spin-Off and the Proposed Listing had been completed on 1 January 2020, the effect of the Proposed Spin-Off and the Proposed Listing on the Group's LPS for FY2020 will be as follows:

	Before the Proposed Spin-Off and the Proposed Listing	After the Proposed Spin-Off and the Proposed Listing
Loss attributable to Shareholders (S$'000)	11,779	12,265
Weighted average number of Shares[(1)]	1,979,513,992	1,979,513,992
LPS (cents)	0.60	0.62

Note:

(1) The weighted average number of Shares calculated is computed based on the weighted average number of ordinary shares (excluding treasury shares and outstanding warrants) in issue during the period.

4.5. Gearing

The financial effects of the Proposed Spin-Off and the Proposed Listing on the Group's gearing as at 31 December 2020 will be as follows:

	Before the Proposed Spin-Off and the Proposed Listing	After the Proposed Spin-Off and the Proposed Listing
Net borrowings[(1)] (S$'000)	29,112	23,712
Shareholders' equity (S$'000)	103,764	105,444

	Before the Proposed Spin-Off and the Proposed Listing	After the Proposed Spin-Off and the Proposed Listing
Net gearing (times)	0.28	0.22

Note:

(1) Net borrowings is calculated based on total borrowings and total lease liabilities less cash and bank balances.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares, based on the register of Directors' interests in Shares and Substantial Shareholders' interests in Shares respectively, as at the Latest Practicable Date, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%(1)	Number of Shares	%(1)
Directors				
Koh Keng Siang (2)	13,120,000	0.66	1,544,629,607 (2)	77.27
Shin Yong Seub	1,590,970	0.08	-	-
Koh Choon Leng	-	-	-	-
Tan Hwa Peng	-	-	-	-
Lee Sok Khian John	-	-	-	-
Substantial Shareholders (other than Directors)				
Koh Brothers Group Limited	1,544,627,607	77.27	-	-

Notes:

(1) Based on 1,998,896,805 shares as at the Latest Practicable Date.
(2) Koh Keng Siang is deemed interested in (i) 2,000 shares held by his spouse; and (ii) 1,544,627,607 shares held by KBG.

Save for their respective interests in the Shares as disclosed above, none of the Directors or Substantial Shareholders or their respective associates, has any interest, direct or indirect, in the Proposed Spin-Off and the Proposed Listing.

6. DIRECTORS' RECOMMENDATIONS

Having reviewed, *inter alia,* the rationale for and the tangible benefits of the Proposed Spin-Off and the Proposed Listing, the Directors are of the view that the Proposed Spin-Off and the Proposed Listing are in the best interests of the Company, and they recommend that Shareholders vote in favour of the Ordinary Resolution set out in the Notice of EGM.

The Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio, should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held by way of electronic means on 27 April 2021 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and by electronic means) for the purpose of considering and, if thought fit, passing with or without modification, the Ordinary Resolution set out in the Notice of EGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

To minimise physical interactions and COVID-19 transmission risks, the Extraordinary General Meeting is being convened, and will be held, by electronic means and therefore Shareholders will NOT be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM through a "live" webcast or "live" audio feed as set out below:

8.1. Pre-Registration

Shareholders will be able to observe and/or listen to the EGM proceedings through a live audiovisual webcast via their mobile phones, tablets or computers or through a live audio-only stream via telephone, submit questions in advance of the EGM and vote by appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Shareholders must pre-register at the pre-registration website at https://complete-corp.com/koh-brothers-eco-agm-egm from now till **11.00 a.m. on 24 April 2021** to enable the Company to verify their status as Shareholders.

Following the verification, authenticated shareholders will receive an email before the EGM. The email will contain password details as well as the link to access the live audio-visual webcast, and a toll-free telephone number, meeting ID and password to access the live audio-only stream of the EGM proceedings. Shareholders who do not receive an email, but have registered by **11.00 a.m. on 24 April 2021** should contact the Company via email at kohbrotherseco-egm@complete-corp.com.

8.2. Submit Questions in Advance

Shareholders will not be able to ask questions at the EGM live during the webcast or audio-stream, and therefore it is important for shareholders to preregister and submit their questions in advance of the EGM.

Shareholders can submit questions related to the Ordinary Resolution to the Chairman of the EGM, in advance of the EGM, in the following manner:

(a) **Via pre-registration website**. Shareholders who pre-register to observe and/or listen to the EGM proceedings may submit their questions via the pre-registration website at the URL https://complete-corp.com/koh-brothers-eco-agm-egm;

(b) **Via email**. Shareholders may submit their questions via email to kohbrotherseco-egm@complete-corp.com; or

(c) **By post**. Shareholders may submit their questions by post to the registered office of the Company, at 11 Lorong Pendek, Koh Brothers Building, Singapore 348639, for the attention of the Company Secretary.

When sending in questions via email or by post, please also provide the following details: (a) full name; (b) address; and (c) manner in which Shares are held (e.g. via CDP, CPF or SRS).

All questions must be submitted by **11.00 a.m. on 24 April 2021**. The Company will endeavour to address substantial and relevant questions received from Shareholders during the EGM through live audio-visual webcast and live audio-only stream. Responses to substantial and relevant questions

which are not addressed during the EGM will be published on the Company's corporate website and on SGXNet prior to the EGM.

Minutes of the EGM will be published on the Company's corporate website and on SGXNet, and the minutes will include the responses to substantial and relevant questions from Shareholders which are addressed during the EGM.

8.3. Submit Proxy Forms to Vote

Shareholders (whether individual or corporate) who pre-register to observe and/or listen to the EGM proceedings and wish to vote on the resolution to be tabled at the EGM must appoint the Chairman of the EGM as their proxy to attend, speak and vote on their behalf at the EGM, in accordance with the instructions on the Proxy Form.

Where Shareholders (whether individual or corporate) appoint the Chairman of the EGM as their proxy, they must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

Proxy Forms must be submitted in the following manner:

(a) if submitted by post, be lodged with the Company at the registered office of the Company, at 11 Lorong Pendek, Koh Brothers Building, Singapore 348639, for the attention of the Company Secretary; or

(b) if submitted electronically, be submitted via email to the Company at kohbrotherseco-egm@complete-corp.com,

in either case, by **11.00 a.m. on 24 April 2021**.

A Shareholder who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed Proxy Forms by post, Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

CPF or SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 16 April 2021**.

Pursuant to Section 81SJ of the SFA, an entitled Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP, as at 72 hours before the time fixed for the EGM.

9. CONSENTS

SAC Capital Private Limited, as the financial adviser to the Company in respect of the Proposed Spin-Off, has given and has not withdrawn its written consent to the issue of this Circular and the inclusion of its name and to act in such capacity in relation to this Circular.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Spin-Off and the Proposed Listing, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which will make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's registered office at 11 Lorong Pendek, Koh Brothers Building, Singapore 348639 from the date of this Circular up to and including the date of the EGM:

(a) the Constitution; and

(b) the annual report of the Company for FY2020, FY2019 and FY2018; and

(c) the letter of consent referred to in Section 9 of this Circular.

Shareholders who wish to inspect these documents at the registered office of the Company are required to contact the Company at (65) 6289 8889 to make an appointment in advance. The Company will arrange a date when each Shareholder can visit the registered office to inspect the documents accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

Yours faithfully

For and on behalf of the Board

KOH BROTHERS ECO ENGINEERING LIMITED

Koh Keng Siang
Non-Executive Director and Non-Independent Chairman

KOH BROTHERS ECO ENGINEERING LIMITED

(Unique Entity Number: 197500111H)
(Incorporated in the Republic of Singapore)

*Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as ascribed to them in the circular dated 12 April 2021 issued by the Company (the "**Circular**").*

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the Shareholders of Koh Brothers Eco Engineering Limited (the "**Company**" and together with its subsidiaries the "**Group**") will be held by way of electronic means on 27 April 2021 at 11.00 a.m. or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and by electronic means) for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution:

ORDINARY RESOLUTION

THE PROPOSED SPIN-OFF AND THE PROPOSED LISTING

That:

(a) approval be and is hereby given for the Company to carry out and implement the Proposed Spin-Off and the Proposed Listing, as well as any other transactions contemplated thereunder; and

(b) the Directors and/or each of them be and are hereby authorised to do all acts and things (including executing such documents as may be required) as they or each of them deem desirable, necessary or expedient to give effect to the matters referred to in the above paragraph of this ordinary resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

BY ORDER OF THE BOARD

Koh Keng Siang
Non-Executive and Non-Independent Chairman
12 April 2021

Notes:

1. This Extraordinary General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's website at the URL http://www.kohbrotherseco.com/html/ir_annual.php. This Notice will also be made available on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to attendance at the Extraordinary General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Extraordinary General Meeting in advance of the Extraordinary General Meeting, addressing of substantial and relevant questions at the Extraordinary General Meeting and voting by appointing the Chairman of the Extraordinary General Meeting as proxy at the Extraordinary General Meeting, are set out in section 8 of the Circular. The Circular may be accessed at the Company's website at the URL http://www.kohbrotherseco.com/html/ir_annual.php and will also be made available on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements.

3. **To minimise physical interactions and COVID-19 transmission risks, the Extraordinary General Meeting is being convened, and will be held, by electronic means and therefore a member will not be able to attend the Extraordinary General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Extraordinary General Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting if such member wishes to exercise his/her/its voting rights at the Extraordinary General Meeting.** Printed copies of the Circular, Notice of Extraordinary General Meeting, and accompanying proxy form for the Extraordinary General Meeting will not be sent to members. Instead, the proxy form may be accessed at the Company's website at the URL http://www.kohbrotherseco.com/html/ir_annual.php and will also be made available on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements.

   Where a member (whether individual or corporate) appoints the Chairman of the Extraordinary General Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Extraordinary General Meeting as proxy for that resolution will be treated as invalid.

   CPF or SRS investors who wish to appoint the Chairman of the Extraordinary General Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 April 2021.

4. The Chairman of the Extraordinary General Meeting, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the Extraordinary General Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the registered office of the Company, at 11 Lorong Pendek, Koh Brothers Building, Singapore 348639, for the attention of the Company Secretary; or

   (b) if submitted electronically, be submitted via email to the Company at kohbrotherseco-agm@complete-corp.com,

   in either case not less than 72 hours before the time appointed for holding the Extraordinary General Meeting.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Extraordinary General Meeting as proxy to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (and/or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Extraordinary General Meeting as proxy for the Extraordinary General Meeting

(including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

PROXY FORM

KOH BROTHERS
ECO ENGINEERING LIMITED

KOH BROTHERS ECO ENGINEERING LIMITED

(Unique Entity Number: 197500111H)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT:

1. The Extraordinary General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of Extraordinary General Meeting and this Proxy Form will not be sent to members. Instead, the Notice of Extraordinary General Meeting and this Proxy Form will be sent to members by electronic means via publication on the Company's website at the URL http://www.kohbrotherseco.com/html/ir_annual.php. The Notice of Extraordinary General Meeting and this Proxy Form will also be made available on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to attendance at the Extraordinary General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Extraordinary General Meeting in advance of the Extraordinary General Meeting, addressing of substantial and relevant questions at the Extraordinary General Meeting and voting by appointing the Chairman of the Extraordinary General Meeting as proxy at the Extraordinary General Meeting, are set out in section 8 of the circular dated 12 April 2021 issued by the Company. The circular may be accessed at the Company's website at the URL https://complete-corp.com/koh-brothers-eco-agm-egm, and will also be made available on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements.
3. **To minimise physical interactions and COVID-19 transmission risks, the Extraordinary General Meeting is being convened, and will be held, by electronic means and therefore a member will not be able to attend the Extraordinary General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Extraordinary General Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting if such member wishes to exercise his/her/its voting rights at the Extraordinary General Meeting.**
4. CPF/SRS investors who wish to appoint the Chairman of the Extraordinary General Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 April 2021.
5. By submitting an instrument appointing the Chairman of the Extraordinary General Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 12 April 2021.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting.**

I/We _____(Name)_____
_____(NRIC/Passport/Cp Reg No.) of _____
_____(Address)
being a member/members of Koh Brothers Eco Engineering Limited (the "**Company**") hereby appoint hereby appoint the Chairman of the Extraordinary General Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company (the "**Meeting**") to be convened and held by way of electronic means on 27 April 2021 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and by electronic means) and at any adjournment thereof in the following manner:

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution to be proposed at the Meeting, please indicate with a "✓" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "✓" in the "Abstain" box provided in respect of a resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. ***In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.****)*

ORDINARY RESOLUTION	**FOR**	**AGAINST**	**ABSTAIN**
To approve the Proposed Spin-Off via the Proposed Listing			

Dated this _____ day of _____ 2021.

Total number of shares held

_____ _____
Signature(s) or Common Seal of Member(s) Date

(Please read notes overleaf before completing this form.)

Notes:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.

2. **To minimise physical interactions and COVID-19 transmission risks, the Extraordinary General Meeting is being convened, and will be held, by electronic means and therefore a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.** This proxy form may be accessed at the Company's website at the URL http://www.kohbrotherseco.com/html/ir_annual.php, and will also be made available on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 April 2021.

3. The Chairman of the Meeting, as proxy, need not be a member of the **Company**.

4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the registered office of the Company, at 11 Lorong Pendek, Koh Brothers Building, Singapore 348639, for the attention of the Company Secretary; or

   (b) if submitted electronically, be submitted via email to the Company at kohbrotherseco-agm@complete-corp.com,

   in either case not less than 72 hours before the time appointed for holding the Meeting.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing the Chairman of the Meeting as proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged or submitted if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.