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

Unaudited Half Year Financial Statement for the Period Ended 30 June 2015

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

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

	Note	6 months ended		Increase/ (Decrease)
		30/06/2015 S$'000	30/06/2014 S$'000	%
Sales		27,015	19,323	40
Cost of sales		(22,140)	(16,678)	33
Gross profit		4,875	2,645	84
Other income	1	136	135	1
Other gains/(losses),net	2	470	(251)	n.m.
Selling and distribution expenses		(1,107)	(142)	680
Administrative expenses		(2,226)	(1,849)	20
Finance expenses		(46)	(117)	(61)
Share of profit from an associated company (net of tax)		-	21	n.m.
Profit before income tax	3	2,102	442	376
Income tax expense	4	(632)	(160)	295
Profit after income tax		1,470	282	421
Other comprehensive (loss)/income:				
Currency translation difference arising from consolidation		(762)	118	n.m.
Total comprehensive income		708	400	77
Profit attributable to:				
Equity holders of the Company		974	98	894
Non-controlling interests		496	184	170
		1,470	282	421
Total comprehensive income attributable to:				
Equity holders of the Company		372	231	61
Non-controlling interests		336	169	99
		708	400	77

n.m. – not meaningful

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

	6 months ended	
	30/06/2015 S$'000	30/06/2014 S$'000
Note 1		
Other income include the following:		
Rental income	81	73
Interest income	25	26
Other income	30	36
	136	135
Note 2		
Other gains/(losses) include the following:		
Net foreign exchange gain/(loss)	470	(251)
	470	(251)
Note 3		
Profit before income tax is stated after charging the following items:		
Allowance for /(write-back of allowance for) impairment on trade receivables	950	(75)
Allowance made for foreseeable losses on projects	82	382
Depreciation of property, plant and equipment	79	78
Note 4		
Income tax expense includes the following:		
Current income tax		
- in respect of current period	631	156
- under provision in respect of prior period	1	4
	632	160

The Group's taxation charge for the period ended 30 June 2015 is higher than that determined by applying the Singapore income tax rate of 17% to the Group profit before income tax mainly due to losses of certain subsidiaries being unable to be offset against the profits of other subsidiaries and higher income tax rate for foreign subsidiaries.

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

	GROUP		COMPANY	
	30/06/2015 S$'000	31/12/2014 S$'000	30/06/2015 S$'000	31/12/2014 S$'000
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	14,911	10,011	1,141	2,104
Trade and other receivables	17,897	20,335	3,894	2,912
Due from customers on construction contracts	1,068	234	-	82
Inventories	309	329	-	-
	34,185	30,909	5,035	5,098
NON-CURRENT ASSETS				
Associated company	1,489	1,489	640	640
Subsidiaries	-	-	16,668	16,810
Goodwill	6,857	6,857	-	-
Property, plant and equipment	3,088	3,211	1,825	1,841
Deferred tax assets	437	463	-	-
	11,871	12,020	19,133	19,291
TOTAL ASSETS	46,056	42,929	24,168	24,389
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	16,476	30,003	16,476	30,003
Warrants reserve	3,112	3,112	3,112	3,112
(Accumulated losses)/retained profits	(3,576)	(18,077)	48	(13,527)
Currency translation reserve	(1,483)	(881)	-	-
	14,529	14,157	19,636	19,588
Non-controlling interests	3,084	2,748	-	-
TOTAL EQUITY	17,613	16,905	19,636	19,588
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	24,902	22,571	4,529	4,801
Due to customers on contruction contracts	822	1,133	3	-
Borrowings	1,854	1,800	-	-
Current income tax liabilities	865	520	-	-
	28,443	26,024	4,532	4,801
TOTAL LIABILITIES	28,443	26,024	4,532	4,801
TOTAL EQUITY AND LIABILITIES	46,056	42,929	24,168	24,389

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

	As at 30/06/2015		As at 31/12/2014	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Amount repayable in one year or less, or on demand	-	1,854	-	1,800
Amount repayable after one year	-	-	-	-

1(c) CONSOLIDATED CASH FLOW STATEMENT

	6 months ended	
	30/06/2015 S$'000	30/06/2014 S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	2,102	442
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	79	78
Share of profit from an associated company	-	(21)
Interest expense	46	58
Interest income	(25)	(26)
Unrealised foreign exchange (gain)/loss	(430)	58
Operating profit before working capital changes	1,772	589
Working capital changes:		
- Receivables	2,533	(3,021)
- Inventories	20	6
- Due from/(to) customers on construction contracts	(1,146)	5,088
- Payables	3,198	(1,482)
Cash generated from operations	6,377	1,180
Income tax paid	(233)	(281)
Net cash generated from operating activities	6,144	899
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(31)	(28)
Interest received	25	26
Net cash used in investing activities	(6)	(2)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposit release	2,066	(209)
Interest paid	(42)	(51)
Proceeds from bank borrowings	54	-
Repayment of bank borrowings	-	(251)
Repayment of amounts owing to shareholders	(871)	(1,007)
Net cash generated from/(used in) financing activities	1,207	(1,518)
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,345	(621)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	6,317	10,372
EFFECTS OF CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS	(286)	51
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	13,376	9,802
Represented by:		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	14,911	13,522
Restricted cash	(1,535)	(3,720)
	13,376	9,802

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

GROUP (S$'000)	Attributable to equity holders of the Group					NON-CONTROLLING INTERESTS	TOTAL EQUITY
	Share Capital	Warrants Reserve	Accumulated Losses	Currency Translation Reserve	TOTAL		
Balance as at 01/01/2015	30,003	3,112	(18,077)	(881)	14,157	2,748	16,905
Share capital reduction	(13,527)	-	13,527	-	-	-	-
Other comprehensive loss for the period	-	-	-	(602)	(602)	(160)	(762)
Profit for the period	-	-	974	-	974	496	1,470
Balance as at 30/06/2015	16,476	3,112	(3,576)	(1,483)	14,529	3,084	17,613
Balance as at 01/01/2014	30,003	3,112	(18,501)	(739)	13,875	2,136	16,011
Other comprehensive income for the period	-	-	-	133	133	(15)	118
Profit for the period	-	-	98	-	98	184	282
Balance as at 30/06/2014	30,003	3,112	(18,403)	(606)	14,106	2,305	16,411

COMPANY (S$'000)	Attributable to equity holders of the Company			
	Share Capital	Warrants Reserve	Retained profits/ (accumulated Losses)	TOTAL
Balance as at 01/01/2015	30,003	3,112	(13,527)	19,588
Share capital reduction	(13,527)	-	13,527	-
Profit for the period	-	-	48	48
Balance as at 30/06/2015	16,476	3,112	48	19,636
Balance as at 01/01/2014	30,003	3,112	(12,991)	20,124
Loss for the period	-	-	(641)	(641)
Balance as at 30/06/2014	30,003	3,112	(13,632)	19,483

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

	No. of shares	
	30/06/2015	31/12/2014
Total number of issued shares	378,408,576	378,408,576
Number of shares that may be issued on exercise of warrants	205,000,000	205,000,000

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

	No. of shares	
	30/06/2015	31/12/2014
Total number of issued shares excluding treasury shares	378,408,576	378,408,576

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

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

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial information for the current reporting period as that of the audited financial statements as at 31 December 2014. The adoption of the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2015 has no material impact to the Group.

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

Please refer to paragraph 4.

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

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

	GROUP	
	6 months ended	
	30/06/2015 S'pore (cent)	30/06/2014 S'pore (cent)
(i) Basic earnings per shares	0.26	0.03
(ii) On a fully diluted basis	0.17	0.02

The basic earning per share is calculated by dividing the net profit attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the current financial period of 378,408,576 ordinary shares (30 June 2014: 378,408,576 ordinary shares).

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

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

	GROUP		COMPANY	
	30/06/2015 S'pore (cents)	31/12/2014 S'pore (cents)	30/06/2015 S'pore (cents)	31/12/2014 S'pore (cents)
Net asset value per ordinary share based on number of issued shares at the end of period	3.84	3.74	5.19	5.18

The net asset value per ordinary share is computed based on the issued share capital of 378,408,576 ordinary shares as at 30 June 2015 (31 December 2014: 378,408,576 ordinary shares).

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

Review of operating result

Revenue
The Group's revenue increased by 40% from S$19.3 million for the half year ended 30 June 2014 ("HY2014") to S$27.0 million for the half year ended 30 June 2015 ("HY2015"). This was mainly derived from an improvement in the performance of the Bio-Refinery and Bio-Energy sector.

Gross Profit
Gross profit increased by 84% in HY2015 from S$2.6 million to S$4.9 million. The improvement was mainly due to higher contributions from the Bio-Refinery and Bio-Energy sector.

Other gains/(losses), net
Other gains in HY2015 was S$0.5 million as compared to a loss of S$0.3 million. This was mainly due to foreign exchange gain on receivables denominated in US dollars.

Selling and Distribution Expenses

Selling and distribution expenses increased by 680% in HY2015 mainly due to the allowance made for doubtful trade receivables.

Administrative expenses
Administrative expenses increased by 20% in HY2015 mainly due to an increase in legal and professional fees.

Finance expenses
Finance expenses decreased by 61% in HY2015 mainly due to full repayment of a shareholder's loan.

Profit Before Income Tax

The Group's profit before income tax increased by 376% from S$0.4 million in HY2014 to S$2.1 million in HY2015. This was mainly due to higher revenue and gross profit recognised, which was offset by the allowance made for doubtful trade receivables.

Profit attributable to equity holders of the Company

The Group's profit attributable to equity holders of the Company increased by 894% from S$0.1 million in HY2014 to S$1.0 million in HY2015. This was mainly contributed by the Bio-refinery and Bio-Energy sector.

Review of financial position

The Group's net asset value increased from S$14.2 million as at 31 December 2014 to S$14.5 million as at 30 June 2015.

The Group's current assets recorded an increase of S$3.3 million at 30 June 2015 as compared to 31 December 2014 mainly due to an increase in cash and cash equivalents of S$4.9 million and amounts due from customers on construction contracts of S$0.8 million, which was offset by decrease in trade and other receivables of S$2.4 million.

The Group's current liabilities increased by S$2.4 million at 30 June 2015 as compared to 31 December 2014 mainly due to an increase in trade and other payables.

Review of cash flow

The Group generated overall net cash inflow of S$7.3 million in HY2015 mainly due to net cash generated from operating activities.

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

Not applicable as no forecast or prospect statement has been previously disclosed to shareholders.

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

The Building and Construction Authority of Singapore has forecasted the construction demand for 2015 to be between S$29 billion to S$36 billion. However, we expect the market condition to be challenging given the keen market competition and tight labour market.

11 Dividend

(a) Current Financial Period Reported On

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

No.

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

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the period ended 30 June 2015.

13 Interested person transactions

The Company has obtained an IPT mandate from shareholders for transactions with Koh Brothers Group Limited and its subsidiaries and associated companies on 29 April 2015.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year/period under review (excluding transactions less than $100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920) $'000	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd	-	388

14 Requirement under Rule 705(5) of the Listing Manual Section B: Rules of Catalist

We, Koh Keng Siang and Koh Choon Leng, being Directors of Koh Brothers Eco Engineering Limited (the "Company"), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to our attention which may render the financial statements for the half year ended 30 June 2015 to be false or misleading in any material aspect.

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Company's Sponsor has not independently verified the contents of this announcement.

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

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