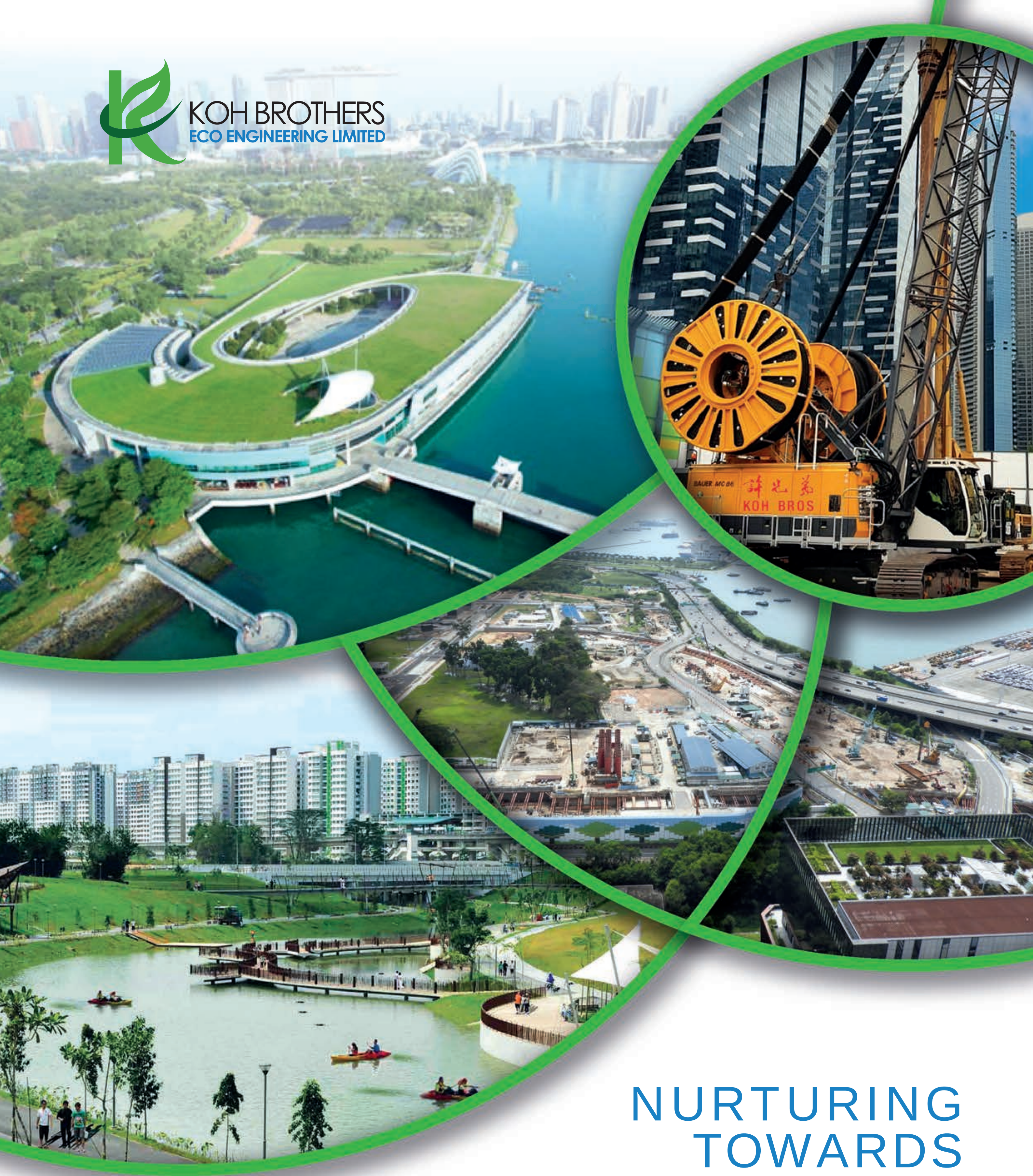
KOH BROTHERS
ECO ENGINEERING LIMITED



NURTURING TOWARDS A SUSTAINABLE FUTURE

ANNUAL REPORT 2022

CONTENTS

CORPORATE PROFILE

Listed on the Singapore Exchange Limited ("SGX") in 2006, Koh Brothers Eco Engineering Limited ("KBE" or "the Company", and together with its subsidiaries "the Group") is a sustainable engineering solutions group that provides engineering, procurement and construction ("EPC") services for infrastructure, water and wastewater treatment, building, bio-refinery and renewable energy projects.

Incorporated in Singapore in 1975, KBE started out by providing EPC services for water and wastewater treatment projects as well as hydro-engineering projects, before expanding into providing EPC services for bio-refinery and renewable energy projects. In 2016, KBE undertook the injection of construction and civil engineering business into the Group with the acquisition of Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. This integration of synergistic businesses along the value chain has substantially increased our revenue and has aided the Group in the securing of significant construction contracts.

The Singapore Building and Construction Authority ("BCA") has awarded us a Class A1 grading for construction and civil engineering projects and ME11 Grade L6 for mechanical engineering projects, allowing us to tender projects of unlimited value in their respective categories.

Our Bio-Refinery and Renewable Energy business is undertaken by our Catalist-listed subsidiary, Oiltek International Limited ("Oiltek"). Oiltek is an established integrated process technology and renewable energy solutions provider in the vegetable oil industry. We provide solutions that cater to all types of vegetable oil including palm oil, soyabean oil and rapeseed oil, which are some of the major agricultural commodities in the world. With over 40 years of industry experience and our in-house proprietary process technology and know-how, Oiltek provides reliable, innovative, diversified and comprehensive range of process and engineering solutions for use across different sectors of the vegetable oil industry value chain worldwide.

OUR BUSINESS

Since our incorporation in 1975, **KOH BROTHERS ECO ENGINEERING LIMITED** has expanded beyond providing EPC services for water and wastewater treatment and hydro-engineering projects and now provides EPC services for bio-refinery and renewable energy projects and for construction and civil engineering projects.

OUR BUSINESS

ENGINEERING AND CONSTRUCTION

With the acquisition of Koh Brothers Building & Civ il Engineering Contractor (Pte.) Ltd. ("KBCE") in 2016, the Group successfully expanded its operations to include EPC services for construction and civil engineering projects. The acquisition of KBCE represents a vertical integration of synergistic businesses that will offer a more compelling value proposition to clients and improve the Company's competitive advantages.

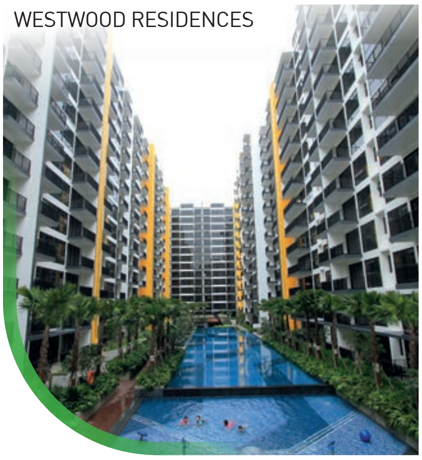
Since 1983, KBCE has completed many major construction projects such as the Marina Barrage, Changi Water Treatment Plants, Downtown Line 1 Bugis MRT Station, Common Services Tunnel at Marina South, HDB Projects at Jurong West, Choa Chu Kang, Yishun and many drainage projects such as Punggol Waterway, Bukit Timah First Diversion Canal, Geylang River Makeover and Improvement to Kallang River.

As a testament to the quality of services provided, KBCE has won many accolades, including the prestigious Superior Achievement Award at the American Academy of Environmental Engineers Annual Award for its work on the Marina Barrage and International Safety Award Winner 2021 (Best in Country Award) for the Deep Tunnel Sewerage System Phase 2 Project.

In recent years, KBCE has carried out notable construction and civil engineering works and other water, drainage and tunnelling related projects such as Singapore Changi Airport Runway 3 (Package 1), MRT Circle Line 6, Marina East Desalination Plant, Deep Tunnel Sewerage System in Tuas and Influent Pumping Stations at Tuas Water Reclamation Plant. KBCE also secured a contract from national water agency PUB to carry out mechanical, electrical and instrumentation control and automation works for the industrial liquids at Tuas Water Reclamation Plant.

With our expanding track record, and with our A1 grading in construction and civil engineering and our ME11 L6 grading for mechanical engineering, our Engineering and Construction division is poised to scale new heights.

WESTWOOD RESIDENCES



D-WALL MACHINE

MRT CIRCLE LINE 6

OUR BUSINESS

BIO-REFINERY AND RENEWABLE ENERGY

Our Catalist-listed subsidiary, Oiltek is an integrated engineering, procurement, design, construction and commission company providing a comprehensive range of solutions for the edible oil, non-edible oil, downstream and the renewable energy sectors, covering the services and products required for the vertical integration supply chain, across all types of vegetable oil. We have successfully designed, built and commissioned over 570 plants in more than 30 countries across five continents.

Oiltek provides services for the edible and non-edible oil industries including engineering, procurement, construction and commissioning ("EPCC") of edible and non-edible oil refining plants, downstream speciality products and processing plants, upgrading and retrofitting of existing facilities and turnkey outside-battery-limits infrastructure engineering. Oiltek also provides services for renewable energy industries including EPCC of multi-feedstock biodiesel, enzymatic biodiesel, winter fuel, palm oil mill effluent biogas methane recovery plants as well as other services including engineering component sales, agency and distributorship, and speciality chemical product trading.

Oiltek will continue to leverage on its capabilities, technology know-how and proven track record to secure more projects of a larger scale in existing and new markets, with a particular focus on the renewable energy sector.

GROUP STRUCTURE

KOH BROTHERS
ECO ENGINEERING LIMITED

ENGINEERING AND CONSTRUCTION

Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd

Koh Eco Engineering Pte Ltd

BIO-REFINERY AND RENEWABLE ENERGY

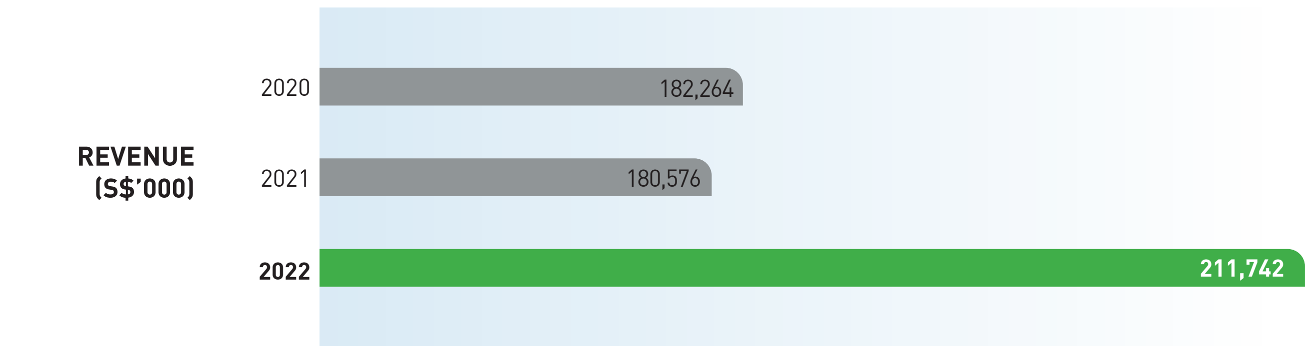
Oiltek International Limited

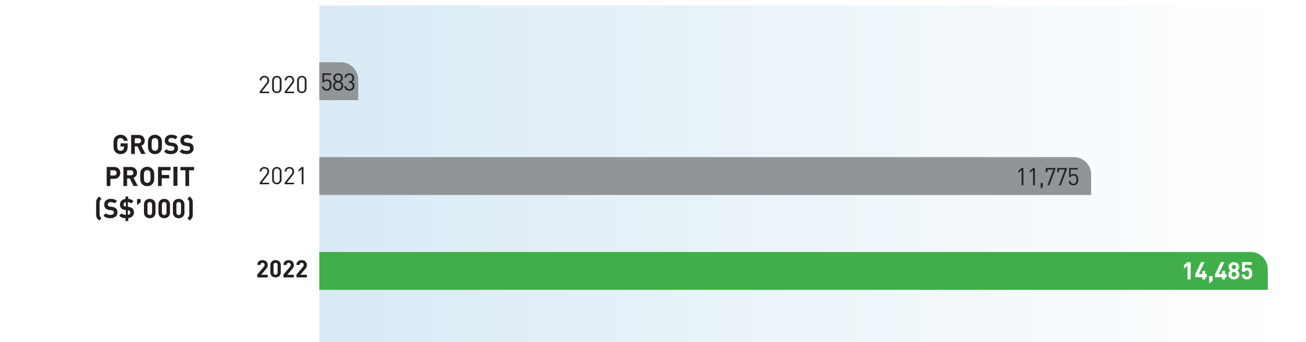
Oiltek Sdn Bhd

Note: This list is not exhaustive.

FINANCIAL HIGHLIGHTS

	FY2020 S$'000	FY2021 S$'000	**FY2022 S$'000**
Balance Sheet Highlights			
Shareholders' funds	103,764	142,960	**145,516**
Cash and bank balances	56,215	64,825	**55,173**
Net current assets	65,626	107,535	**81,486**
Number of shares ('000)	1,998,897	2,817,832	**2,817,932**
Key Financial Ratios			
Net asset value per share (in cents)	5.19	5.07	**5.16**
Net gearing (times)	0.28	0.07	**0.03**
(Loss)/ earnings per share (in cent)	(0.60)	0.08	**0.08**
Dividend per share (in cent)	-	0.025	**0.025**





STATEMENT BY CHAIRMAN AND CEO

"Despite the challenging and rapid-changing industry conditions, our resilience and adaptability together with our capabilities and strong track record will enable the group to continue our pursuit of long-term growth"

LEFT
Koh Keng Siang (Francis)
Non-Executive and Non-Independent Chairman

RIGHT
Shin Yong Seub (Paul)
Executive Director and Chief Executive Officer

Dear Shareholders,

In 2022, the Singapore Government implemented various measures to ease COVID-19 restrictions, resulting in a gradual recovery of the economy. Despite these positive developments, the Group faces a challenging operating environment due to ongoing uncertainty stemming from the increase in interest rates, significant inflationary pressures and geopolitical tensions.

The Ministry of Trade and Industry announced on 13 February 2023 that the Singapore economy expanded by 3.6% in 2022, moderating from the 8.9% growth in 2021. The construction sector, supported by public and private sector construction works, posted a growth of 6.7%, lower than the 20.5% expansion in 2021.

However, rising cost of financing resulting from interest rate hikes, and increasing material and manpower costs that are caused by the inflationary pressures and geopolitical tensions have created significant challenges for the construction industry.

In this challenging operating environment, it is expected that the construction sector's output will be adversely affected. Nonetheless, we remain steadfast in our commitment to delivering the highest standards of quality, safety, and sustainability across all our operations. Furthermore, we implement a rigorous monitoring process to track the progress and costs of our construction projects, thereby identifying areas for improvement and capitalising on opportunities that align with our expertise, competitive advantages, track record, experience, and capabilities. This is also aimed at enabling the Group to maintain a healthy order book for sustainable growth.

OUR FINANCIALS

For the financial year ended 31 December 2022 ("FY2022"), the Group's revenue saw a 17% increase to S$211.7 million backed by growth from both the Engineering and Construction and Bio-Refinery and Renewable Energy segments. Notably, the Bio-Refinery and Renewable Energy segment recorded a 62% growth in revenue from the corresponding period.

In line with the improved topline performance backed by more construction activities, gross profit improved 23% to S$14.5 million in FY2022 as compared to S$11.8 million for the financial year ended 31 December 2021 ("FY2021").

Overall, net profit attributable to equity holders rose 7% to S$2.2 million in FY2022 as compared to S$2.0 million in FY2021.

Net asset value per share increased to 5.16 Singapore cents as 31 December 2022 compared to 5.07 Singapore cents as at 31 December 2021. As at 31 December 2022, cash and bank balances remained strong at S$55.2 million while shareholders' equity stood at S$145.5 million.

Following the successful allotment of the Subscription Shares as per the share subscription agreement between the Company and Penta-Ocean Construction Co., Ltd. dated 15 March 2021, part of the proceeds has been utilised in accordance with the intended use of the net proceeds. The Company has utilised S$6.15 million for the acquisition of technology and equipment used in the Group's mechanical, electrical and instrumentation control and automation works. The Company has also utilised approximately S$23.22 million for general working capital purposes. Following the disbursements, the balance of the net proceeds is S$7.5 million.

STATEMENT BY CHAIRMAN AND CEO

OPERATING ACTIVITIES AND PLANS FOR GROWTH

Engineering and Construction Division

Even as the construction sector saw a gradual increase in activities, FY2022 continued to be a challenging year for the Engineering and Construction division ("Division"). The on-going geopolitical tension of Russia-Ukraine conflict, higher interest rate environment, and increased inflationary pressures have dampened the outlook of a full recovery. The Division continues to face higher material, manpower and energy costs from supply chain disruptions and labour shortage.

Despite no major projects secured in FY2022, the Division continues to sharpen other aspects of the business; including actively monitoring the progress and cost of construction for ongoing projects; seizing opportunities and tendering for upcoming constructions projects where we have competitive advantage, requisite track record, experience and capabilities. This will enable the Group to maintain a healthy order book for sustainable growth.

In a media release on 12 January 2023, the Building and Construction Authority Singapore estimated the total construction demand for 2023 (the value of construction contracts to be awarded) to range between S$27 billion and S$32 billion. The public sector is expected to contribute about 60% of the total construction demand between S$16 billion and S$19 billion - backed by a strong pipeline of public housing projects amid Housing Development Board's ramping up Build-To-Order flats supply. Furthermore, civil and mechanical engineering projects including the construction of water treatment plants, educational institutions, community clubs, and MRT lines, and other infrastructure works are expected to increase the construction demand.

Bio-Refinery and Renewable Energy Division

Even as the world gradually recovers from the impact of COVID-19 pandemic since early 2022, the Bio-Refinery and Renewable Energy division has not been spared from the impact of logistic and supply chain disruptions; fuel, material, food and commodity price hikes; as well as global inflation and interest rate hikes. All these have resulted in disruptions including foreign currency restrictions and market volatility particularly in countries where our Bio-Refinery and Renewable Energy division operates in. Nonetheless, our projects were not materially affected by the impact due to timely and effective management control.

The Group remains confident about the long-term outlook of the Bio-Refinery and Renewable Energy division as the global consumption of oils and fats grows in tandem with population growth, as seen from the strong growth in the food and beverage and biodiesel divisions. With stringent environmental regulations and a greater emphasis on the importance of environmental, social, and governance ("ESG") considerations, the Group is optimistic on the continued growth prospect of the renewable energy sector.

Capitalising on this global trend and barring any unforeseen circumstances, the Bio-Refinery and Renewable Energy division will continue to leverage on its capabilities, integrated technology know-how, and proven track record to secure more projects including projects of a larger scale in existing and new markets and to expand its geographical reach to other markets with emerging prospects.

As at 31 December 2022, the Group's order book stood at S$684.6 million. The Group remains focused on the execution of its order book.

ACHIEVE SUSTAINABLE GROWTH

Despite operating in a challenging landscape, we remain fully committed to upholding the highest standards of safety, quality, productivity, and sustainability across all our operations. As ESG issues continue to gain prominence, construction and engineering companies recognise the importance of incorporating sustainable practices in their businesses to address issues related to ESG. To this end, the Group has integrated ESG practices into our corporate and individual goals and ensured board oversight of our ESG strategy.

By incorporating sustainability into our strategic decisions and business plans, we aim to enhance our organisational model, navigate ESG risks and opportunities, and create long-term value for our stakeholders. Our unwavering dedication to ESG principles is a testament to our commitment to building a better future for ourselves and the stakeholders we serve.

OUTLOOK

Moving forward, we expect business operations to remain challenging. While global inflation is expected to fall in 2023, the International Monetary Fund also projected global growth to fall from an estimated 3.4% in 2022 to 2.9% in 2023. The Group also expects challenging operating conditions in the construction sector to persist amid rising material and manpower costs; and other macro uncertainties. As such, the Group is cautiously optimistic of the business outlook.

PROPOSED DIVIDEND

In appreciation of the Group's shareholders' continuous support, the Board has proposed a final dividend of 0.025 Singapore cent per share to be approved by shareholders at the upcoming Annual General Meeting.

APPRECIATION

The Group's success is possible only with the strong culture of teamwork. On behalf of the Company, we would like to extend our heartfelt gratitude to our management and staff for their efforts in securing the success of the Group.

We would also like to extend our utmost appreciation to our clients, business associates, consultants, and shareholders for their steadfast belief in the Group over the years. With the continued support, we will reach greater heights.

Koh Keng Siang (Francis)
Non-Executive and
Non-Independent Chairman

Shin Yong Seub (Paul)
Executive Director and
Chief Executive Officer

BOARD OF DIRECTORS

KOH KENG SIANG (FRANCIS)
Non-Executive and Non-Independent Chairman

Mr Francis Koh is the Non-Executive and Non-Independent Chairman of Koh Brothers Eco Engineering Limited. He was appointed a Director on 28 February 2013 and was last re-elected on 25 June 2020. He is the Chairman of the Executive Committee. He is also a member of the Nominating Committee, Remuneration Committee and the Audit and Risk Committee.

Mr Koh is the Managing Director and Group Chief Executive Officer of Koh Brothers Group Limited ("KBGL") and Non-Executive Director of Oiltek International Limited. He has been with KBGL since 1987 and has held various positions in administration, finance and project management. He was the main driving force behind the expansion of KBGL's business into Real Estate and Leisure & Hospitality. He is credited with spearheading KBGL to establish its brand name in Singapore as a builder of quality homes.

Mr Koh holds a Master of Business Administration from the National University of Singapore and a Bachelor of Engineering (Honours) from the University of Birmingham. He was conferred the Best Executive Award 1997-1998 by His Excellency, the State Minister of Industry and Trade of the Republic of Indonesia, Mr Ir T Airwibowo. He was also conferred the Promising SME 500 (Distinguished Business Leader of the Year) in 2014 and was named the Real Estate Personality of the year 2016. Mr Koh is a counsel member of the Teochew Federation Council and Honorary Chairman of the Singapore Khoh Clan Association.

SHIN YONG SEUB (PAUL)
Executive Director and Chief Executive Officer

Mr Paul Shin is an Executive Director and Chief Executive Officer of Koh Brothers Eco Engineering Limited. He was appointed a Director on 1 June 2016 and was re-elected on 27 April 2021. He is also a member of the Executive Committee.

Mr Shin has over 30 years of professional experience in the building and construction industry. Prior to joining the Group, he was the Head of South East Asia for Samsung C&T Corporation where he completed notable infrastructure and building projects in Singapore and various Asian countries including Malaysia, Hong Kong, Indonesia and Vietnam. Mr Shin is also the Chairman of The Korean Chamber of Commerce in Singapore.

Mr Shin holds a Bachelor of Arts degree in International Business from Hankuk University of Foreign Studies in Korea, a Bachelor of Arts in Middle East Politics & Economics from King Saud University, and a Master's degree in International Business Administration from Korea University.

LEE SOK KHIAN JOHN
Non-Executive and Non-Independent Director

Mr John Lee is a Non-Executive and Non-Independent Director of Koh Brothers Eco Engineering Limited. He was appointed a Director on 1 September 2017 and was last re-elected on 27 April 2021.

Mr Lee is currently an Executive Director of Koh Brothers Group Limited ("KBGL"). Prior to his appointment as a Director of KBGL, he was the Chief Financial Officer and Company Secretary of KBGL. He has extensive experience in management, corporate, accounting and finance functions in various industries and listed companies.

Mr Lee is a Fellow of the Institute of Singapore Chartered Accountants and the Association of Chartered Certified Accountants. He is also an Associate of the Chartered Institute of Management Accountants and the Chartered Secretaries Institute of Singapore.

BOARD OF DIRECTORS

HIDAKA OSAMU
Non-Executive and
Non-Independent Director

Mr Hidaka Osamu is a Non-Executive and Non-Independent Director of Koh Brothers Eco Engineering Limited. He was appointed a Director on 1 September 2021 and was last re-elected on 26 April 2022.

Mr Hidaka has over 30 years of experience in civil engineering. Starting as a Civil Engineer with Penta-Ocean Construction Co., Ltd. ("Penta-Ocean") in 1988, Mr Hidaka has held various positions within Penta-Ocean before being promoted to his current position, Member of the Board, Managing Executive Officer of Penta-Ocean and Head of International Civil Engineering Divisions Group, an international business unit of Penta-Ocean.

Mr Hidaka graduated from Osaka University with a Bachelor of Civil Engineering. He is also a certified 1st Class Civil Engineering Execution Managing Engineer with the Ministry of Construction, now known as the Ministry of Land, Infrastructure, Transport and Tourism, Japan.

CHOO BOON LAI JEFFREY
Non-Executive and
Independent Director

Mr Jeffrey Choo is an Independent Director of Koh Brothers Eco Engineering Limited. He was appointed a Director on 25 January 2022 and was last re-elected on 26 April 2022. He is a member of the Nominating Committee.

Mr Choo is the founder and Group Managing Director of A I Associates Pte Ltd for the past 19 years. Headquartered in Singapore with offices located in Kuala Lumpur, Jakarta, Phnom Penh, Ho Chi Minh, Yangon, Shanghai and Beijing, A I Associates specialises in interior design and build business, dealing with projects in commercial offices, hospitality, food & beverages and building upgrades.

Mr Choo graduated from Temasek Polytechnic with a Diploma in Interior Architecture and Design (Merit) in 1995.

KOH CHOON LENG (JEFFREY)
Non-Executive and
Independent Director

Mr Jeffrey Koh is an Independent Director of Koh Brothers Eco Engineering Limited. He was appointed a Director on 28 February 2013 and was last re-elected on 26 April 2022. He is the Chairman of the Audit and Risk Committee and a member of the Remuneration Committee.

Mr Koh has over 30 years of professional experience in mechanical engineering, building service design, implementation, documentation and project administration. In 1987, he was appointed as the Managing Director of HPS Engineering (S) Pte. Ltd. which provides mechanical and electrical engineering consultancy services to institution, industrial and commercial building projects. He is currently the Managing Director of E+HPS Pte. Ltd., an international total turnkey design and build facilities engineering company.

Mr Koh graduated from Singapore Polytechnic with a Diploma in Mechanical Engineering in 1981.

BOARD OF DIRECTORS

MOH WUNG HEE
Non-Executive and Independent Director

Mr Moh Wung Hee is an Independent Director of Koh Brothers Eco Engineering Limited. He was appointed a Director on 25 January 2022 and was last re-elected on 26 April 2022. He is a member of the Audit and Risk Committee.

Mr Moh has over 40 years of experience in urban development and infrastructure engineering. From 2009 to 2019, he was Senior Vice President in Ascendas-Singbridge where he played leading roles in urban development projects in China and India such as the China-Singapore Guangzhou Knowledge City. Prior to that, he held senior professional leadership positions in the Ministry of the Environment till his retirement in 2009 from the PUB, where he held the position of Director of Best Sourcing, responsible for implementing PUB's development projects, including stormwater and flood control, used water, water supply, water recycling and desalination. He was awarded the Public Service Medal (Silver) in 2005.

Mr Moh holds a Bachelor of Engineering (First Class Honours), Master of Science (Construction Engineering) and Graduate Certificate of International Arbitration from the National University of Singapore. He also has a post-graduate Diploma in Hydraulic Engineering from the International Institute for Hydraulic and Environmental Engineering of Netherlands and Certificate of International Executive Programme from INSEAD. He is a Fellow of Institution of Engineers Singapore, Institution of Civil Engineers UK, Singapore Institute of Arbitrators and Chartered Institute of Arbitrators.

TAN HWA PENG
Non-Executive and Independent Director

Mr Tan Hwa Peng is an Independent Director of Koh Brothers Eco Engineering Limited. He was appointed a Director on 21 February 2012 and was last re-elected on 26 April 2022. He is the Chairman of the Remuneration Committee and a member of the Audit and Risk Committee.

Mr Tan has more than 35 years of experience in the building and civil engineering construction industry in Singapore. He was an Executive Director of Koh Brothers Group Limited ("KBGL") since its public listing in 1995 till his retirement in 2005. During his tenure at KBGL, he was in charge of its construction division. Prior to the listing of KBGL, he was instrumental in helping the construction division grow from a drainage contractor to one of the largest building and civil engineering companies in Singapore.

Mr Tan graduated from the University of Malaya with a Bachelor of Civil Engineering. He worked in the Civil Service in Singapore from 1972 till 1979 and served in various ministries. He was promoted from Pupil Engineer in the Ministry of National Development to Higher Executive Engineer in the Ministry of Environment.

YEO SOON KEONG
Non-Executive and Independent Director

Mr Yeo Soon Keong is an Independent Director of Koh Brothers Eco Engineering Limited. He was appointed a Director on 25 January 2022 and was last re-elected on 26 April 2022. He is the Chairman of the Nominating Committee.

Mr Yeo graduated from the University of Nottingham with a Bachelor of Law with Honours and was admitted to the Bar of England and Wales as a member of Gray's Inn. Admitted to the Singapore Bar in 1991, he started his legal career with Murphy & Dunbar and became a partner in YPMP Law Corporation in 1993. In 2008, he joined SK Legal LLC as a partner before joining Quahe Woo & Palmer LLC as a Director in 2011. Mr Yeo also holds a Master of International Business from the University of Wollongong.

Mr Yeo is the Honorary Legal Advisor to the South Korean Embassy in Singapore, an associate lecturer at the Singapore University of Social Sciences (SUSS) and at SIM. Mr Yeo volunteers at the Singapore Legal Aid Bureau and the Criminal Legal Aid Scheme. He is also a volunteer lawyer at the Punggol North Constituency.

SENIOR MANAGEMENT

Choo Siew Meng

Deputy Chairman
(Koh Brothers Eco Engineering Limited)

Mr Choo Siew Meng was appointed as Executive Director (Construction) in December 2017 and was promoted to Deputy Chairman in 2022. He has more than 45 years' experience in the construction industry including a stint as a Civil Engineer with the Housing & Development Board from 1973 to 1977.

He has been with Koh Brothers Group for 20 years where he was responsible for the overall performance of the Construction division. Mr Choo has in-depth knowledge and experience in building projects as well as highly specialised civil engineering and infrastructural projects such as the Marina Barrage, Tuas Drydock, Changi Water Reclamation Plant and the Common Services Tunnel (Marina South).

Mr Choo holds a Bachelor of Engineering from the University of Singapore.

Ong Ai Bin

Chief Operating Officer
(Engineering and Construction)

Mr Ong Ai Bin joined Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd as Chief Operating Officer in April 2020 and is responsible for overseeing all of its construction projects. He has more than 30 years experience in the construction industry.

Prior to joining Koh Brothers, Mr Ong was with a major construction group where his last position was Executive General Manager. He is also a senior member of the Institution of Engineers Singapore.

Mr Ong holds a Master of Science in Technology Management and a Bachelor of Engineering (Civil) from the National University of Singapore.

Goh Poh Khim

Executive Director
(Engineering and Construction)

Mr Goh Poh Khim joined the Group's Construction division in 2002 as Assistant General Manager (Projects) and was promoted to his current position in 2008 overseeing all building related projects. He was involved in some of the Group's prestigious projects such as the Marina Barrage. He has more than 35 years project management experience in the construction industry and has previously held senior positions in various construction companies.

Mr Goh holds a Bachelor in Business from the Royal Melbourne Institute of Technology and an Executive Master of Business Administration from the National University of Singapore.

Ong Kien Soo

Executive Director
(Engineering and Construction)

Mr Ong Kien Soo joined the Group's Construction division as Contracts Manager in 2010 and was promoted to his current position in 2016. Mr Ong is responsible for overseeing the overall operations of the Contracts department. His portfolio includes contract administration and tendering. He has more than 40 years' experience in the construction industry and has previously held senior positions in various construction companies.

Mr Ong holds a Bachelor of Applied Science in Construction Management and Economics from Curtin University.

Koh Keng Seng

Executive Director
(Engineering and Construction)

Mr Koh Keng Seng joined the Group in 1992 and has grown with the Construction division. He heads the Machinery, Equipment and Logistics department of the Construction division. He has more than 40 years' experience in the construction industry and is involved in various projects under the Group's Construction division.

Johnson Tang Fook Cheong

Chief Executive Officer (MEICA)

Mr Johnson Tang is the Chief Executive Officer of the MEICA division and is responsible for strategy and operations in the water, medical waste treatment and renewable energy sectors. Mr Tang has more than 30 years experience in environmental engineering solutions and project management in the region. Before joining the Group, he was the Chief Executive Officer in a Mechanical and Engineering Company.

Mr Tang holds a Master of Business Administration from the University of Hull.

Yong Khai Weng (Henry)

Chief Executive Officer
(Bio-Refinery and Renewal Energy)

Mr Henry Yong is the CEO of Oiltek International Limited, a subsidiary of the Company. He oversees the Group's operations in the Bio-Refinery and Renewal Energy Engineering division. He has more than 20 years' experience in the palm oil industry covering a wide horizon of areas including palm oil refining, biofuels and the whole vertical downstream integration. Mr Yong is also involved in corporate and operational management, project sales and marketing, strategy and planning, process design and management, research and process development as well as key client portfolio management.

Mr Yong graduated from the University of Malaya with a Bachelor in Chemical Engineering with First Class Honours.

Chua Thiam Siew, Johnson

Financial Controller

Mr Johnson Chua rejoined the Company in September 2017 as Financial Controller and is responsible for all aspects of the Group's financial activities including treasury, accounting, taxation, budgetary controls, systems and processes. He has more than 30 years experience in finance and accounting related matters in the public accounting, construction, real estate and hospitality sectors.

Mr Chua holds a Master of Business Administration from Southern Cross University and a Master of Accounting from Curtin University. He is an associate member of CPA Australia.

Therese Ng Chew Hwee

Company Secretary

Ms Therese Ng rejoined the Company in June 2020 as the Company Secretary. She is responsible for the Group's corporate secretarial and compliance functions. She has more than 15 years experience in corporate secretarial and related compliance matters.

Ms Ng holds a Master of Science in Finance, Accounting and Management from University of Bradford. She is also an Associate of the Chartered Secretaries Institute of Singapore.

SUSTAINABILITY REPORT

BOARD STATEMENT

Koh Brothers Eco Engineering Limited ("KBE" or the "Company", and together with its subsidiaries, the "Group"), is pleased to present its sustainability report for the financial year ended 31 December 2022. This report demonstrates our continuing commitment towards building a more sustainable future, as global and national calls for combating climate change have been increasing with urgency.

Being in the construction sector, we understand the impact that our operations have on the environment and recognise that it is our responsibility to incorporate sustainable practices into our corporate strategy and daily operations.

Against the backdrop of the ongoing debacles across financial sectors that have cast a shadow and pose uncertainty to the global economy, KBE remains committed to deliver the best value to our stakeholders in a sustainable manner, while navigating today's challenging operating environment. With the continued support of our stakeholders, KBE has adapted to the evolving business landscape by adjusting our ways of working to ensure business sustainability, and also supporting the well-being of our employees and local communities.

With the recent SGX announcements on the requirements for internal review over sustainability reporting and mandatory climate reporting for our industry, we endeavour to strengthen the integration of sustainability into the heart of our business by aligning our business strategy with the interests of our stakeholders, while managing the impacts we have on the environment and society. The Group considers sustainability issues as part of our strategic intent and continues to focus on setting up a strategic direction towards sustainable consumption of environmental resources, diverse and inclusive workplace, fair employment practices, as well as the health and safety of our employees.

The board of directors of KBE ("the Board") oversees the management and monitoring of the material factors discussed in this report and continue to be supported by management in integrating sustainability considerations into business decisions. As discharged by the Board, management from across the Group is responsible for determining ESG issues that are material to the Group, managing and reporting KBE's ESG performance.

The Board thanks its various stakeholders for being part of our sustainability journey and looks forward to a continued partnership as we strive towards responsible corporate citizenship.

Board of Directors
Koh Brothers Eco Engineering Limited

ABOUT THIS REPORT

REPORTING PERIOD AND SCOPE

This report addresses KBE's sustainability practices and performance around its material economic, environment, social and governance ("EESG") factors for the period of 1 January to 31 December 2022 ("FY2022"). The scope of the report covers KBE's main operating activities under two business divisions, the Engineering and Construction and Bio-Refinery and Renewable Energy.

REPORTING FRAMEWORK

This report has been prepared in accordance with the requirements of SGX-ST Listing Rules 711A and 711B, and with reference to the Global Reporting Initiative ("GRI") Standards 2021. The GRI Standards were selected as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures.

We understand that making climate-related disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") is also an important step in our growth and development and we take it very seriously. However, for the financial year ended 31 December 2022, the Group was focused on conducting a study with our subcontractors to understand their approach to preserving the ecosystem. On top of that, our customers' opinions are invaluable in shaping our future actions. Therefore, for the financial year ending 31 December 2023, the Group will focus on seeking their thoughts on climate-related risks and opportunities in regard to our industry. The subcontractors' and customers' input will help us gather the right resources and ensure adequate preparation such that we are able to make the relevant climate-related disclosures in the annual report for the financial year ending 31 December 2023 in a meaningful manner.

The accuracy and veracity of the information presented in this report has been reported in good faith and to the best of our knowledge. While the information provided has been ensured by internal monitoring and verification, this report has not been externally assured. We have conducted an internal review of our sustainability management process.

FEEDBACK

We value and welcome all feedback from stakeholders as they are integral to the continuous improvement of our sustainability practices and reporting.

Please send all comments and suggestions to our Investor Relations Consultants, Citigate Dewe Rogerson Singapore Pte Ltd.

SUSTAINABILITY REPORT

MANAGING SUSTAINABILITY

SUSTAINABILITY APPROACH

Plan and Scope → Stakeholder Engagement → Materiality Assessment → Data Collection → Disclose Performance

STAKEHOLDER ENGAGEMENT

We understand that stakeholders play a critical role in determining a business' long-term viability and we have identified our key stakeholders as groups or individuals who impact our strategy the most or are directly impacted by it.

We actively engage our key stakeholders on a consistent basis to understand their needs and expectations and strive to respond to their concerns in a timely manner. Thus, it is always our priority to maintain open lines of communication with our stakeholders.

Key Stakeholders	Engagement Methods	Key Concerns	Our Responses
Government / Regulators	• Participation in government initiatives and policy working groups	• Occupational health and safety • Regulatory compliance	• We work closely with government agencies and regulators to elevate industry standards for sustainable practices as well as health and safety standards.
Employees	• Annual performance appraisals • Staff orientation for new employees • Regular sessions with the Project Heads and/or Heads of Departments to address the training needs of staff • Ad-hoc gatherings	• Employment • Remuneration • Benefits • Career Progression • Training and education	• Our employees are our most important asset and we ensure that they are equipped with the relevant skills to navigate a fast-changing global landscape.
Investors	• Annual General Meetings • Annual reports • Notices, Circulars, and Announcements	• Voting rights • Financial results • Key information	• We strongly emphasise corporate governance and sustainability and continue to build investors trust and confidence through open dialogue with shareholders.
Customers	• Websites • Face-to-face meetings • Electronic medium	• Service quality • Project completion • Price	• We are committed to delivering the highest standards of quality, safety and sustainability across all our businesses.
Contractors	• Periodic meetings • Contractor/supplier evaluation exercises • Electronic medium	• Projects volume • Prompt payments	• We constantly review and monitor the performance of our subcontractors and suppliers which are governed by our standard operating procedures and improve efficiency throughout the supply chain.
Media	• Media announcements	• Financial Results • Environmental news • Community impact	• We are committed to deliver clear and timely communication of the company's financial and operating information to ensure transparency.

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

We believe that material issues have a direct or indirect impact on our ability to create, preserve or deplete the economic, environmental and social value for ourselves, our stakeholders and the society at large. A materiality assessment allows us to identify aspects most relevant to us, which aids in defining our sustainability goals and their alignment with our business aspirations.

In September 2017, the Company conducted an inaugural 3-step materiality assessment in line with the Materiality Principle of the GRI Standards. The process is described as follows:

STEP 1: IDENTIFICATION
Identified potential material EESG factors

STEP 2: PRIORITISATION
Prioritised material EESG factors based on management team discussion

STEP 3: VALIDATION
Validated material EESG factors by the Board

In the process of identifying the material EESG factors, the Company considered the following:

- Global and local emerging sustainability trends;
- Main topics and future challenges for the construction sector, as identified by peers; and
- Insights gained from regular interactions with internal and external stakeholders.

In 2022, we re-validated the material EESG factors identified in 2017 and added more material factors in our sustainability reporting. Taking into consideration our business operations, the new sustainability landscape and stakeholders' needs and expectations, the current EESG factors were deemed to be relevant and material to KBE. The Company will regularly review and assess these material EESG factors to ensure their relevance.

Our assessment yielded ten material EESG factors as shown in the following table.

Sustainability Focus Area	Material EESG Factors
Economic	Economic performance
	Anti-corruption
Environmental	Energy Consumption
	Water Consumption
	Waste Generation
Social	Employment
	Diversity and Equal Opportunity
	Occupational Health and Safety
	Training and Education
Governance	Compliance with Laws and Regulations

KEY PERFORMANCE AT A GLANCE

Indicators	2021	2022	Sustainability Performance
Economic Performance Refer to the 2022 Annual Report pages 45 to 49 for financial statements that provides more information on the Group's economic performance for the financial year ended 31 December 2022.			
Anti-corruption Confirmed incidents of corruption and actions taken	Nil	Nil	Achieved
Energy Total energy consumed (kWh)	213,285	486,720	Not achieved - Due to the gradual resumption of construction activities in FY2022
Total energy intensity (kWh/m^2)	31.06	55.90	
Water Total water consumed (m^3)	309,472	201,469	Achieved.
Total water intensity (m^3/m^2)	1.37	0.84	Achieved.
Waste Total Waste Generated (tonnes)	1,619	1,914	Not achieved - Due to the gradual resumption of construction activities in FY2022
Employment Total number of employees	301	313	Achieved – Maintained the number of employees
Diversity and Equal Opportunity Employee Gender distribution:			
Male	79.07%	74.76%	Achieved
Female	20.93%	25.24%	Achieved
Occupational Health and Safety Number of workplace fatalities	Nil	Nil	Achieved
Workplace injuries rate	34.12	48.33	Achieved
Training and Education Total Training Hours	3,495	3,058	Conducted regular training for employees
Average Training Hours per employee	7.09	6.15	
Compliance with Laws and Regulations Total reported incidents of non-compliance	Nil	Nil	Achieved

SUSTAINABILITY REPORT

ECONOMIC

ECONOMIC PERFORMANCE

For detailed financial results, business review and performance, please refer to the following sections in our 2022 Annual Report:

- Our Business, pages 2 – 4
- Financial Highlights, page 5
- Financial Statements, pages 45 – 49

ANTI-CORRUPTION

We are committed to creating a better and fairer world for everyone. We recognise that corruption is an issue that may affect our business. At Koh Brothers Eco Engineering Limited, we have a zero-tolerance policy towards corruption, fraud and bribery. We have put in place measures to help prevent, detect and investigate any of such activity through our whistle-blowing policy.

Employees may, in confidence, raise or report genuine concerns about possible improprieties in matters of business activities, financial reporting or other matters they may encounter without fear of retaliatory action to the Audit and Risk Committee ("ARC"). We are committed to ensure anonymity and protection of the whistle-blower against detrimental or unfair treatment. Only the Independent Directors of the ARC of the Company have been appointed to review and carry out investigations on all such complaints and/or concerns raised.

We are also dedicated to working with our business partners, suppliers and contractors to ensure that they adhere to the same high standards of integrity and ethics that we strive for. We believe that helping to create an environment where everyone can benefit from fair and ethical business practices aligned with our general sustainability direction.

* In FY2022, we have zero confirmed incidents of corruption reported to the management (FY2021: nil).
* We target to have zero confirmed incidents of corruption reported to the management.

ENVIRONMENT

ENERGY

We are committed to making sure our operations are as energy efficient and sustainable as possible. We believe that by taking steps to reduce energy consumption, we can positively impact our environment and help create a healthier future for our stakeholders.

We are continuously exploring new ways to reduce our energy consumption. This includes investigating new technologies and working with sustainability experts to ensure that we are compliant and conduct business responsibly. KBE aspires to help others decrease resources use through promoting green buildings in line with the Singapore Green Building Masterplan.

Measures implemented by the Group as of date include the following:

- Regular maintenance of equipment and facilities to ensure optimal energy efficiency;
- Provision of high-efficiency systems such as lifts with variable voltage frequency and sleep mode features; and
- Installation of energy-efficient light fittings and motion sensors at common staircases and toilets.

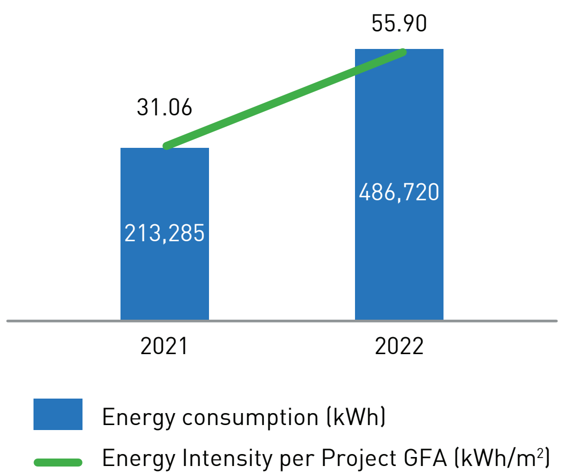
We also understand that measures must be identified and taken on a firm-wide level to improve our energy consumption performance. We have continued to make efforts in conserving our resources and managing our consumptions so that KBE can optimise its utilities and emissions performance. We are proud of the steps we have taken so far, and we strive to continue and improve our efforts to manage energy consumption more efficiently.

Through our Bio-Refinery and Renewal Energy division, we are able to generate biogas. Biogas can be used in thermal and electricity generation for industrial and commercial purposes that pose as a sustainable alternative to boiler fuel.

CHANGES TO ENERGY MEASUREMENT METHOD

Our energy consumption is dependent on type, size, construction stage, construction activity and whether the project is a building or civil engineering project. In this year, KBE noted that the energy measurements previously would not allow for accurate comparisons in the future. In order to address this issue, we have decided to adopt a new approach this year. For our energy measurements, we solely account for buildings works and exclude civil works this year.

ENERGY CONSUMPTION AND INTENSITY



* In FY2022, our total energy consumption was 486,720 kWh (FY2021: 213,285 kWh), and our energy intensity per Project Gross Floor area ("GFA") was 55.90 kWh/m^2 (FY2021: 31.06 kWh/m^2).
* We target to reduce our energy intensity per Project GFA up to 2% in FY2023.

SUSTAINABILITY REPORT

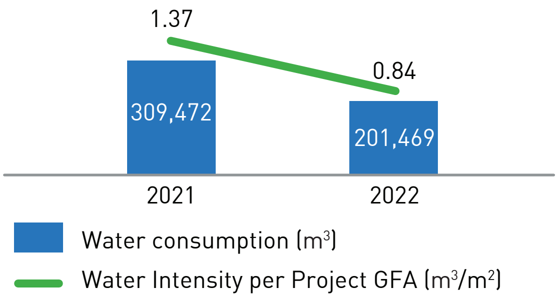
WATER

At KBE, we are firmly committed to managing our water consumption responsibly and sustainably. As a company, we understand the importance of conserving water as a valuable resource, especially in light of the increasing impact of climate change. Our commitment to reducing our water consumption applies to our construction work. We make sure that we use NEWater instead of PUB domestic water for construction works e.g. cleaning of sites.

Our commitment to managing water consumption is an integral part of our sustainability efforts. To manage KBE's environmental performance holistically and systematically, we also maintain the ISO 14001:2015 certification for environmental management systems. This certification helps map out a framework that we can adhere to set up an effective environmental management system, demonstrating our commitment to improving and reducing our environmental impact. As we continue to implement strategies and techniques, we look forward to seeing more positive impact to the environment.

Our water consumption is dependent on type, size, construction stage, construction activity and whether the project is a building or civil engineering project. Furthermore, annual consumption trends may not be entirely comparable as water consumption tends to be higher during the middle stages of a project.

WATER CONSUMPTION AND INTENSITY



* In FY2022, our total water consumption was 201,469 m^3 (FY2021: 309,472 m^3) and our water intensity per Project GFA is 0.84 m^3/m^2 (FY2021: 1.37 m^3/m^2).

* We target to maintain the same level of our water intensity per GFA in 2023.

WASTE

KBE understands that it is important to account for waste we generate on an annual basis to track our performance and improve our sustainability management. As part of our commitment to sustainability, we have been diligently tracking and monitoring our waste generation which is largely dependent on the level of construction activities. Accounting for waste generation shows an extent to which we manage waste-related impacts. We are committed to manage our waste generation well, providing regular updates and reduce the negative impacts from our waste generation.

* In FY2022, KBE total waste generation was 1,914 tonnes, as there was an increased of work volume (FY2021: 1,619 tonnes).

* Assuming the same level of activities, we target to maintain the same level of waste generation for FY2023.

SOCIAL

KBE is committed to creating a sustainable future that respects and protects human rights within our operations. We are committed to upholding the fundamental principles of human rights based on the United Nations Guiding Principles on Business and Human Rights. We take steps to ensure that our practices and policies are respectful to the rights of every individual we conduct business with.
In particular, we are committed to:

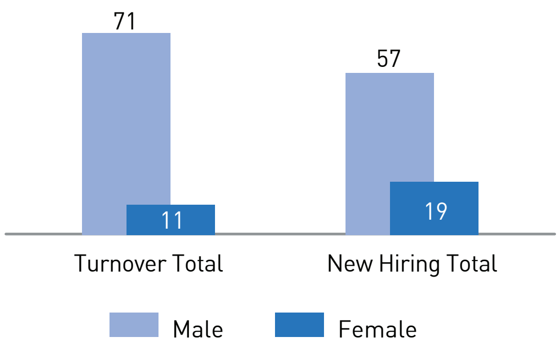
- Adhering to the Employment Laws and Regulations in the countries we operate in;
- Upholding labour rights, such as the rights to safe and fair working conditions;
- Promoting diversity and equal opportunities and non-discrimination in our workplace; and
- Ensuring respects to the local communities by adhering to the applicable laws and regulations.

EMPLOYMENT

We recognise the key role that employees play in the success of our business. Therefore, KBE remains committed to support and develop our employees wherever possible. We hope to create an environment where employees share the same values with the Group. KBE offers highly competitive salaries, training programmes, and excellent growth and development opportunities — all to create a compelling and rewarding work environment. Notwithstanding this, we have to acknowledge the current tight labour market and the difficulty in employing and retaining employees especially in the construction industry.

Another key to retaining employees is to provide them with an engaging and fulfilling career by helping them discover and achieve their full potential. The Group provides academic and professional courses for job enhancement or job requirements, including job rotations, which allows employees to gain different skill sets and deepen their understanding of KBE's operations. We also reviews each employee's development plans during the annual performance appraisal to ensure that their training needs and goals are addressed. KBE's total workforce was 313 compared to 301 in FY2021.

EMPLOYMENT FY2022



* In FY2022, KBE total turnover rate was 26.20%.

* We target to maintain the same level of turnover rate for FY2023

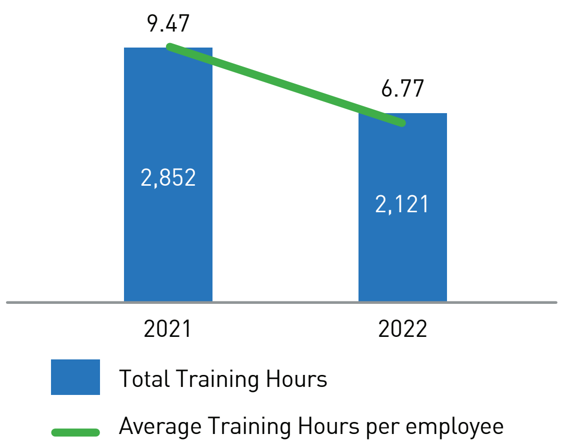
SUSTAINABILITY REPORT

TRAINING AND EDUCATION

We understand that value creation and sustainability are critical issues facing businesses today, and that is why we encourage training and education for our employees to equip them with the necessary skills and knowledge to promote business improvement and sustainability in all areas of our operations.

In FY2022, the Board has attended a comprehensive sustainability training. The training was aimed at equipping our Board members with the knowledge and skills necessary to integrate the sustainability principles into our business operations. We believe sustainability principles will guide us in our journey to manage sustainability issues. We remain committed to sustainability and will continue to invest in training and educational programmes that enhance our capacity to create long-term value for all stakeholders.

TRAINING AND EDUCATION ACTIVITY



* In FY2022, KBE's employees total training hours was 2,121 (FY2021: 2,852) and the average training hours per employee was 6.77. The training hours were lower than last year as some programmes were not moderated by MOM certified trainers and hence, excluded from the calculation (FY2021: 9.47).
* We target to increase the average training hours per employee by 10% in FY2023.

DIVERSITY AND EQUAL OPPORTUNITY

Diversity is essential to building a dynamic, engaging, and productive workforce for our Group. We do not tolerate any discrimination on the grounds of gender, age, racial origin, religious affiliation, disability or marital status. We adopt a fair employment policy that provides everyone with equal opportunities free from discrimination. All employees are evaluated based on their merits and have an equal opportunity to be trained, promoted, selected for posts, and to have their employments terminated fairly.

Recognising that we operate in a male-dominated industry, we have highlighted the importance of monitoring gender diversity and will continue to explore opportunities to improve inclusivity and gender diversity among our workforce. In addition, we believe that understanding our employees' needs is crucial to retaining employees, and thus deploy an "open-door" policy to encourage communication between management and employees.

2021 Performance	2022 Performance
Gender Distribution • Male : 79.07% • Female: 20.93%	Gender Distribution • Male : 74.76% • Female: 25.24%

* In the forthcoming year, we aim to continue achieving gender distribution ratio of 70% to 80% for male employees and 20% to 30% for female employees.

Board Diversity

Our commitment to Board diversity enables us to leverage unique perspectives of each Board member in order to make well-rounded decisions and foster a culture of inclusions. We believe that by having a diverse Board of Directors, we are creating an environment where everyone can contribute their ideas and perspectives, leading to improved business performance. We also understand that strong Board diversity can help create better relationships with our stakeholders and help us better understand their needs.

OCCUPATIONAL HEALTH AND SAFETY

Safeguarding our employees' health and safety is of utmost importance to us and is integral to ensuring smooth operations. We believe that work progress cannot be achieved at the expense of health and safety, hence the tone of defining employees' health and safety is crucial in fostering a safe and effective working environment. Maintaining a safe working environment is also the responsibility of all employees and management across the organisation.

We have established Health and Safety Policies. Our Construction subsidiary has fortnightly meetings to discuss health and safety issues and incidents and evaluate the sufficiency of health and safety initiatives. A Health and Safety Forum is also held quarterly, where the Management of the Construction division will discuss health and safety issues with its Health, Safety, and Environment ("HSE") division.

With the establishment of the Management HSE Committee, monthly site visits and inspections are conducted, and thereafter committee meetings are held to discuss the health and safety issues. Our Construction division has set aside a health and safety budget dedicated to implementing health and safety improvement initiatives. Procedures are also in place to award workers, supervisors and subcontractors for safety-conscious behaviours to incentivise and nurture the safety culture, such as the monthly Best Safety Conscious Supervisor and Worker awards.

SUSTAINABILITY REPORT

ACTIVITY 2 - SAFETY TIMEOUT

ACTIVITY 3 - CRIME PREVENTION BRIEFING

At the project level, health and safety risks and impacts are assessed for all projects, opportunities for improvement in the different project life cycle stages are identified, such as during project plan development, project execution and project handover. At weekly project meetings, health and safety issues are discussed and messages from the meetings are cascaded to all supervisors and workers every morning before starting work. A group chat has also been formed to facilitate real-time safety updates and incident reporting between the management and project teams.

At the site level, a safety manager conducts spot checks to ensure that assets and equipment including elevators, escalators and stairwells are well-maintained at worksites, ensuring that all necessary safety equipment are in place. 24/7 security guards are also hired to conduct daily rounds and spot checks. Periodic meetings are conducted with project consultants to highlight any health and safety-related matters. If any safety incident were reported by employees or visitors, the safety managers are responsible for conducting timely investigation and execution of preventive and corrective actions. We have a group of appointed clinics to provide readily available medical and healthcare services to employees and workers when required.

To supplement regular reviews of health and safety issues at various levels, we provide regular trainings to educate employees on the potential occupational health risks and safety hazards, as well as the proper precautions to take. Each of our projects has a training plan and various HSE trainings are conducted monthly. Employees are also required to complete a HSE induction programme at the Koh Brothers Building and Civil Engineering Contractor (Pte.) Ltd. ("KBCE") Training Centre.

* In FY2022, there was zero fatalities (FY2021: nil fatalities).
* In FY2023, we aim to maintain zero workplace fatalities. Assuming the same level of activities, we aim to reduce the recordable injuries by 5% in 2023.

LOCAL COMMUNITIES

As a socially responsible corporation, KBE is dedicated to being a force which brings positive impacts to the local communities it operates in. Giving back to the society that has supported the growth of KBE is at the core of our values. KBE contributes and reaches out to the society through corporate social responsibility ("CSR") initiatives, which includes corporate philanthropy, volunteerism, environment and corporate sponsorship. During the year, our employees have been actively involved in food distribution to needy families.

At our Group, we understand the importance of collaboration and knowledge sharing within our industry. We are proud to participate in local industry associations as part of our efforts to further value creation and sustainability. By joining industry associations as a member, we are able to use the knowledge and resources gained to continuously improve our business operations. We believe that this commitment will enable us to stay ahead of the competition and better serve our clients. The Koh Brothers Group companies are members of the following associations:

1. Ready-Mixed Concrete Association of Singapore
2. Prefabrication Association of Singapore
3. Tunnelling & Underground Construction Society Singapore
4. Singapore Contractors Association
5. Real Estate Developers' Association of Singapore
6. Serviced Apartments Association

ACTIVITY 4 - STAFF WELFARE DAY

SUSTAINABILITY REPORT

ACTIVITY 5 – ATTENDING TO STAFF WELL BEING

GOVERNANCE

COMPLIANCE WITH LAWS AND REGULATIONS

We recognise the importance of taking proactive measures to ensure that our employees understand and adhere to the applicable laws and regulations. We will ensure that all employees are informed about the ethical standards to which we hold ourselves and are properly trained on applicable laws, regulations and policies. We have implemented internal policies and procedures designed to prevent incidents that could negatively affect our Group and its stakeholders.

We believe that the trust of our stakeholders is essential for our success. We are committed to providing clear and timely communication regarding any issues that may arise. We also encourage open dialogue and feedback our practices, and we take all concerns seriously.

In relation to KBE's environmental performance, we maintain the ISO 14001:2015 certification for environmental management systems. This certification helps map out a framework that we can adhere to set up an effective environmental management system, demonstrating our commitment to improving and reducing our environmental impact. Going forward, we will continue to conform for all external audits conducted for the aforementioned management system.

As mentioned in our corporate governance report, the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company. Directors have been appointed based on their calibre, expertise and experience. Board members comprise business leaders and professionals with finance, legal and industry knowledge. The Board, in concurrence with the Nominating Committee ("NC"), is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. In this regard, the NC considered, amongst others, the skills, knowledge and experience required of the Board, in light of:

a) the geographical spread and diversity of the Group's business;
b) the strategic direction and progress of the Group;
c) the current composition of the Board; and
d) the need for independence.

Our corporate governance report also discusses the procedures for developing remuneration policies and level and mix of remuneration, risk management and internal controls. For detailed information regarding the corporate governance report, please go to page 21 – 36 in Annual Report FY2022.

* In FY2022, we have zero reported incidents of non-compliance to the applicable laws and regulations (FY2021: nil incidents).
* We target to maintain zero reported incidents of non-compliance to the applicable laws and regulations in FY2023.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

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GRI 2: General Disclosures 2021	2-1 Organizational details	1-4
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	2-3 Reporting period, frequency and contact point	12
	2-4 Restatements of information	15
	2-5 External assurance	12
	2-6 Activities, value chain and other business relationships	1-4
	2-7 Employees	16
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	23-24
	2-10 Nomination and selection of the highest governance body	25-27
	2-11 Chair of the highest governance body	24-25
	2-12 Role of the highest governance body in overseeing the management of impacts	21-23
	2-13 Delegation of responsibility for managing impacts	12
	2-14 Role of the highest governance body in sustainability reporting	12
	2-15 Conflicts of interest	21
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	2-26 Mechanisms for seeking advice and raising concerns	15
	2-27 Compliance with laws and regulations	19
	2-28 Membership associations	18
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	3-2 List of material topics	14
	3-3 Management of material topics	14
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	302-3 Energy intensity	15
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	16
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GRI 306: Waste 2020	306-3 Waste generated	15
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	16
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	16
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	17-18
	403-5 Worker training on occupational health and safety	17-18
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	17
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	17
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	17

REPORT ON CORPORATE GOVERNANCE

The board of directors (the "Board") of Koh Brothers Eco Engineering Limited (the "Company") is committed to ensuring that a high standard of corporate governance is practised throughout the Company and its subsidiaries (the "Group"). The Board believes that good corporate governance enhances shareholder value, corporate performance and accountability. This report discloses the corporate governance framework and practices that the Company has adopted, with specific reference to the principles and provisions of the Code of Corporate Governance 2018 which was last amended on 11 January 2023 (the "Code"). Where the Company's practices vary from any provisions of the Code, the Company has explicitly stated the provision from which it has varied, and explained the reason for the variation and how its practices are consistent with the intent of the relevant principle in this report. The Board will continue to review the corporate governance policies regularly in order to further add value to stakeholders and enhance investor confidence.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1 ***The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.***

The Board is made up of the following 9 Directors comprising 1 Executive Director, 3 Non-Executive and Non-Independent Directors, and 5 Independent Directors:

Koh Keng Siang (Non-Executive and Non-Independent Chairman)
Shin Yong Seub (Executive Director and Chief Executive Officer ("CEO"))
Lee Sok Khian John (Non-Executive and Non-Independent Director)
Hidaka Osamu (Non-Executive and Non-Independent Director)
Choo Boon Lai Jeffrey (Non-Executive and Independent Director)
Koh Choon Leng (Non-Executive and Independent Director)
Moh Wung Hee (Non-Executive and Independent Director)
Tan Hwa Peng (Non-Executive and Independent Director)
Yeo Soon Keong (Non-Executive and Independent Director)

The Board assumes responsibility for the stewardship of the Group. Its primary objective is to protect and enhance shareholder value. Apart from its statutory responsibilities, the Board's role is to, *inter alia*,:

(a) review and oversee the management of the Group's business affairs and financial controls, performance and resource allocation, including ensuring that the required financial and human resources are available for the Group to meet its objectives;
(b) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
(c) establish a framework of prudent and effective controls which enables risks to be assessed and managed (including safeguarding shareholders' interests and the Company's assets);
(d) approve major investment and funding decisions;
(e) set the Company's values and standards and ensure that obligations to shareholders and other stakeholders are understood and met; and
(f) consider sustainability issues (e.g. environmental and social factors) as part of its strategic formulation.

All Directors are expected to objectively discharge their duties and responsibilities, to act in good faith, to provide insights and to consider the interests of the Company at all times. Any director facing a conflict of interests will recuse himself from discussions and decisions involving the issue of conflict. (Provision 1.1 of the Code)

The Board has established the following committees which assist the Board in executing its duties according to clearly defined terms of reference:

(a) Executive Committee ("EC");
(b) Audit and Risk Committee ("ARC");
(c) Nominating Committee ("NC"); and
(d) Remuneration Committee ("RC").

The Board delegates the formulation of business policies and day-to-day management to the CEO and Senior Management. Each Board Committee, including the Executive Committee were formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board (Provision 1.4 of the Code)

REPORT ON CORPORATE GOVERNANCE

The Board meets at least 4 times a year and convenes additional meetings when warranted by particular circumstances. In between Board meetings, other important matters will be tabled for the Board's approval by way of circulating resolutions in writing. The Company's Constitution provides for meetings of Directors to be held by means of telephone conference or other methods of simultaneous communication by electronic or other means.

A record of the Directors' attendance at Board and its Committee meetings in 2022 is disclosed below:

No. of meetings / **Name of Directors**	**BOARD**	**EC**	**ARC**	**NC**	**RC**
	4	4	4	1	1
Koh Keng Siang	4	4	4	1	1
Shin Yong Seub[1]	3	4	–	–	–
Lee Sok Khian John	4	–	–	–	–
Hidaka Osamu	4	–	–	–	–
Choo Boon Lai Jeffrey[2]	4	–	–	–	–
Koh Choon Leng[3]	4	–	4	1	1
Moh Wung Hee[4]	4	–	3	–	–
Tan Hwa Peng[3]	4	–	4	1	1
Yeo Soon Keong[5]	4	–	–	–	–

Notes:

[1] Mr Shin Yong Seub did not attend the Board meeting on 9 November 2022 for personal reasons.

[2] Mr Choo Boon Lai Jeffrey was appointed as a Non-Executive and Independent Director on 25 January 2022, and a member of the NC with effect from 6 April 2022.

[3] Both Mr Koh Choon Leng and Mr Tan Hwa Peng had relinquished their positions as members of the NC with effect from 6 April 2022.

[4] Mr Moh Wung Hee was appointed as a Non-Executive and Independent Director on 25 January 2022, and a member of the ARC with effect from 6 April 2022. Mr Moh did not attend the ARC meeting held on 26 January 2022 as he was not an ARC member then.

[5] Mr Yeo Soon Keong was appointed as a Non-Executive and Independent Director on 25 January 2022, and the Chairman of the NC with effect from 6 April 2022.

(Provision 11.3 of the Code)

The Board is of the view that the contributions of each Director should not be based only on his attendance at Board and/or Board committee meetings. A Director's contributions may also extend beyond the formal environment of Board meetings, such as through the sharing of views, advice, experience and strategic networking relationships which would further the interests of the Group. (Provision 1.5 of the Code)

The Board has not determined the maximum number of listed company board representations which any director may hold. The Board is of the view that directors who have multiple board representations have thus far devoted sufficient time and attention to the affairs of the Group. Their multiple board representations and other principal commitments have not hindered their ability to carry out their duties as directors of the Company. Such multiple board representations of the directors benefit the Group as the directors are able to bring with them the experience and knowledge obtained from such board representations in other companies. (Provision 1.5 of the Code)

The Company has adopted internal controls and guidelines setting forth matters that require the Board's approval. These matters relate, *inter alia*, to:

(a) corporate or financial restructuring;
(b) material acquisitions and disposals of assets which are outside the ordinary course of business;
(c) dividend payments;
(d) financial results announcements; and
(e) bank borrowings and provision of corporate guarantees.

The Board also approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Board committees and Management via a structured delegation of authority matrix (i.e. Group Limits of Authority (the "GLA")), which is reviewed, and revised when necessary.

REPORT ON CORPORATE GOVERNANCE

The GLA provides clear guidance and directions to Management on matters requiring the Board's specific approval. These matters include but are not limited to:

(a) material acquisitions and disposals of assets/investments;
(b) corporate/financial restructuring/corporate exercises;
(c) financial budgets ; and
(d) material financial/funding arrangements and expenditures.
(Provision 1.3 of the Code)

The Company has in place an orientation programme for all newly appointed Directors. This ensures that newly appointed Directors are familiar with the Group's structure, business and operations, corporate governance practices, and their duties as Directors. Where appropriate, the Company will also provide first-time directors with training in areas such as accounting, legal and industry-specific knowledge. All newly appointed Directors are also strongly encouraged to attend courses conducted by the Singapore Institute of Directors ("SID") which will assist them in the discharge of their duties as Directors.

As Mr Moh Wung Hee, Mr Yeo Soon Keong and Mr Choo Boon Lai Jeffrey were appointed as Non-Executive and Independent Directors on 25 January 2022, in line with the above, each of them has attended and completed the requisite Listed Entity Director Programme conducted by the SID.

The Board is updated on relevant new laws, regulations and changing commercial risks from time to time. Directors are encouraged to attend training sessions, courses and seminars conducted by external consultants and institutions at the Company's expense. All Directors have attended the mandated sustainability training as required by the SGX-ST. (Provision 1.2 of the Code)

Prior to each meeting and when the need arises, the Board and board committees are furnished with complete and adequate information in a timely manner to enable full deliberation of the issues to be considered. To ensure that the Board and board committees are able to fulfil their respective responsibilities, Management provides the Board and board committees with board papers and related materials, background and copies of disclosure documents, management reports, forecasts, budgets, financial statements and other relevant information of the Group. (Provision 1.6 of the Code)

Directors have separate and independent access to the Management and the Company Secretary. The Company Secretary attends all Board and board committee meetings, and is responsible for ensuring that the meeting and other Board procedures are followed and the applicable rules and regulations are complied with. Under the direction of the Board, the Company Secretary is responsible for, *inter alia*, (i) ensuring an effective and efficient flow of information within the Board and its committees and between Management, (ii) facilitating orientation, and (iii) assisting with professional development, as required. The Company Secretary also assists the Board in the implementation and upkeep of good corporate governance and best practices across the Group and ensuring that the Company complies with the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("Catalist Rules")

The appointment and the removal of the Company Secretary are matters taken by the Board as a whole.

In the event that the Directors (either individually or as a group) require independent professional advice in the furtherance of their duties, the Company Secretary will, upon approval by the Board, appoint a professional advisor to render such services. The cost of the services will be borne by the Company. (Provision 1.7 of the Code)

Board Composition and Guidance

Principle 2 ***The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.***

As the Chairman is not independent, Independent Directors make up a majority of the Board. The Board is made up of 9 Directors comprising 1 Executive Director, 3 Non-Executive and Non-Independent Directors, and 5 Independent Directors. The NC has reviewed the independence of the Independent Directors of the Board and has assessed that the Independent Directors of the Board are independent within the meaning of the Code and in accordance with Rule 406(3)(d) of the Catalist Rules. The Board has an appropriate level of independence and diversity of thought and background in its composition to exercise independent judgment in the best interests of the Company. This is in light of the Non-Executive and Independent Directors forming a majority of the Board. No individual or small group of individuals dominate the Board's decision making. The Directors as a group provide a diversity of skills, knowledge, as well as extensive experience in business management, strategic planning, and knowledge in accounting and finance, all of which are crucial in steering the Group towards the direction of growth and avoiding group think and fostering constructive debate. (Provisions 2.2 and 2.3 of the Code)

REPORT ON CORPORATE GOVERNANCE

The NC reviews and assesses the independence of each Director, in accordance with the Code's criteria of independence and Rule 406(3)(d) of the Catalist Rules, taking into account, *inter alia*, the Director's ability to act with independent business judgement in the best interest of the Company and to discharge his duties objectively, and the Director's conduct, character and judgment. Each Independent Director is required to complete a Director's independence checklist which is drawn up based on the guidelines provided in the Code and Rule 406(3)(d) of the Catalist Rules. The NC reviews and assesses the Director's independence before presenting its recommendations to the Board for consideration and endorsement. (Provision 2.1 of the Code)

Based on the NC's review and recommendations, the Board has determined that Mr Choo Boon Lai Jeffrey, Mr Moh Wung Hee and Mr Yeo Soon Keong are independent within the meaning of the Code and in accordance with Rule 406(3)(d) of the Catalist Rules. The Code stipulates that the independence of any Director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. Notwithstanding that they have each served on the Board for more than nine years from the date of their respective first appointments, based on the NC's review and recommendations, the Board has determined that both Mr Koh Choon Leng and Mr Tan Hwa Peng are independent within the meaning of the Code and in accordance with Rule 406(3)(d) of the Catalist Rules. Amongst other reasons, both Mr Koh Choon Leng and Mr Tan Hwa Peng have throughout their respective appointments continuously and constructively challenged the Management on business decisions and remained objective in the discharge of their duties and responsibilities. Mr Koh Choon Leng and Mr Tan Hwa Peng were appointed as Independent Directors on 28 February 2013 and 21 February 2012 respectively. Pursuant to Rule 406(3)(d)(iv), Mr Koh Choon Leng and Mr Tan Hwa Peng will continue to be considered Independent Directors until the conclusion of the next annual general meeting of the Company. (Provision 2.1 of the Code)

The Board, having examined the scope, nature and requirements of the Group's business and operations, is of the view that the current Board size is appropriate for facilitating effective decision making. The Board will restructure the Board's and its committees' compositions, if necessary, to meet the changing needs and demands of the Group's business and operations.

Directors have been appointed based on their calibre, expertise and experience. Board members comprise business leaders with business, management, finance and industry knowledge. The Board, in concurrence with the NC, is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. In this regard, the NC considered, amongst others, the skills, knowledge and experience required of the Board, in light of:

(a) the geographical spread and diversity of the Group's business;
(b) the strategic direction and progress of the Group;
(c) the current composition of the Board; and
(d) the need for independence.

The Company has adopted a board diversity policy. Diversity in the composition of the Board will allow the company to draw on diversified skill sets, experience, backgrounds and perspectives, which can be expected to deliver a range of following benefits. For the purposes of Board composition, diversity includes but is not limited to, business skills; industry experience, gender, age and ethnicity. The Board will make good use of such diversity among individuals in determining the composition of the Board. All Board appointments are targeted to reflect the diverse nature of the business environment in which the Group operates. While all directors' appointments are based on merit, the Board recognises gender as an important aspect of diversity. In order to achieve its diversity goals, the Board undertakes to set measurable objectives to achieve gender diversity and the NC shall endeavour to ensure that female candidates are included for consideration when identifying candidates to be appointed to the Board with the aim to appoint at least one female director to the Board by the conclusion of the AGM to be held in 2025. (Provision 2.4 of the Code)

The Board comprises 8 Non-Executive Directors, of whom 5 are Independent Directors. The Non-Executive Directors will constructively challenge and help to develop proposals on strategy. They also review the performance of Management in meeting agreed goals and objectives, and monitor the performance of the Group.

Non-Executive Directors meet at least once annually, without the presence of Management to facilitate an effective check on Management. The Chairman of such meetings provides feedback to the Board and/or the Chairman of the Board, as appropriate. (Provision 2.5 of the Code)

Chairman and Chief Executive Officer

Principle 3 There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Chairman of the Board, who is a Non-Executive Director, and the Company's CEO are separate persons. There is a clear division of roles and responsibilities between the Chairman and CEO. The CEO is not related to the Chairman. (Provision 3.1 of the Code)

REPORT ON CORPORATE GOVERNANCE

The Chairman, together with the rest of the Directors, is responsible for the Board's proceedings. He leads the Board to ensure its effectiveness in all aspects of the Board's role, promotes a culture of openness and debate at the Board, facilitates effective communication with shareholders, encourages constructive relations within the Board and between the Board and Management, facilitates the effective contribution of each Director and promotes high standards of corporate governance. With the assistance of the Company Secretary, he sets the agenda and ensures that the Board members are provided with complete, adequate and timely information of all agenda items. The roles and responsibilities of the CEO are set out in the CEO's employment agreement which was approved by the Board. (Provision 3.2 of the Code)

Notwithstanding Provision 3.3 of the Code which requires for the Board to have a Lead Independent Director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent, the Board is of the view that it does not require a Lead Independent Director at this juncture as the Independent Directors make up more than half of the Board. As such, the Board is satisfied that there is a strong independent element to contribute to effective decision-making in the best interests of the Company. The Independent Directors are and continue to be available to shareholders as a channel of communication between shareholders and the Board and/or Management. (Provision 3.3 of the Code)

Board Membership

Principle 4 ***The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

The NC comprises the following three members, the majority of whom, including the NC Chairman, are Non-Executive and Independent Directors:

Yeo Soon Keong (Chairman)
Choo Boon Lai Jeffrey
Koh Keng Siang

The primary role of the NC is to make recommendations to the Board on all Board appointments. Its role is, *inter alia*, to:

(a) review board succession plans for the Directors;
(b) ensure that a process for evaluating the performance of the Board, its Board committees and Directors is in place;
(c) to ensure that all Directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years;
(d) review training and professional development programmes for the Board;
(e) ensure that new Directors are aware of their duties and obligations; and
(f) make recommendations on the appointment and re-appointment of Directors.

(Provisions 4.1 and 4.2 of the Code)

The NC ensures that the Board has the right balance of skills, knowledge and experience critical to the Group's business and evolving needs. Important issues that are also considered by the NC for the selection, appointment and re-appointment of a Director include the current Board's composition and each Director's contributions and competencies, and the need for progressive renewal of the Board. (Provision 4.3 of the Code)

Pursuant to Regulation 94 of the Company's Constitution, one-third of the Directors shall retire from office at every annual general meeting ("AGM"), provided always that each Director is required to retire from office at least once in every three years. A retiring Director is eligible to offer himself for re-election. This is in line with Rule 720(4) of the Catalist Rules which provides that all directors must submit themselves for their re-nomination and re-appointment at least once every three years.

Regulation 100 of the Company's Constitution provides that a newly appointed Director is required to retire and submit himself for re-election at the AGM immediately following his appointment. Thereafter, he is subject to retirement by rotation in accordance with the Company's Constitution.

The NC assesses annually and as and when circumstance requires, whether or not a Director is independent based on the guidelines set out in the Code, Rule 406(3)(d) of the Catalist Rules and any other salient factors. When considering the independence of the Directors, the NC also reviews the annual declaration by the Independent Directors regarding their independence and the Directors' disclosure of interests in transactions, together with the criteria set forth in the Code and Rule 406(3)(d) of the Catalist Rules. (Provision 4.4 of the Code)

The Board does not encourage the appointment of alternate Directors. No alternate Director has been appointed to the Board.

REPORT ON CORPORATE GOVERNANCE

The Board has adopted a process for the selection, appointment and re-appointment of Directors. The NC reviews the composition of the Board and its committees periodically. It assesses and shortlists candidates (sourced through contacts, recommendations, recruitment consultants or among the senior management) based on their relevant experience and skillsets for a new position on the Board when a need arises. The successful candidate is then appointed as a Director of the Company in accordance with the Company's Constitution. In line with Rule 406(3)(a) of the Catalist Rules, the Company will arrange for newly-appointed Directors who have no prior experience as Directors of an issuer listed on the SGX-ST to undergo the mandatory SGX-ST prescribed training on their roles and responsibilities within one year of their appointment unless the NC, in its discretion, waives the need for the newly-appointed Director to attend the mandatory SGX-ST prescribed training. (Provision 4.3 of the Code)

In appointing and re-appointing Directors, the Board considers the skills and experience required in the light of:

(a) the geographical spread and diversity of the Group's business;
(b) the strategic direction and progress of the Group;
(c) the current composition of the Board; and
(d) the need for independence of the Board.

The dates of initial appointment of each Director, together with their Directorships in other listed companies, are set out below:

Name of Director	Appointment	Date of Initial Appointment	Date of last re-election	Current directorships in listed companies	Past directorships in listed companies (5 years)	Principal Commitments
Koh Keng Siang	Non-Executive and Non-Independent Chairman	28 Feb 2013	25 Jun 2020	Koh Brothers Group Limited Oiltek International Limited	–	Managing Director and Group CEO of Koh Brothers Group Limited
Shin Yong Seub	Executive Director and Chief Executive Officer	1 Jun 2016	27 Apr 2021	–	–	Executive Director and CEO of the Company
Lee Sok Khian John	Non-Executive and Non-Independent Director	1 Sep 2017	27 Apr 2021	Koh Brothers Group Limited	–	Executive Director of Koh Brothers Group Limited
Hidaka Osamu	Non-Executive and Non-Independent Director	1 Sep 2021	26 Apr 2022	Penta-Ocean Construction Co., Ltd	–	Member of Board, Penta-Ocean Construction Co., Ltd
Choo Boon Lai Jeffrey	Non-Executive and Independent Director	25 Jan 2022	26 Apr 2022	–	–	Managing Director of A I Associates Pte Ltd
Koh Choon Leng	Non-Executive and Independent Director	28 Feb 2013	26 Apr 2022	–	–	Managing Director of E+HPS Pte. Ltd.
Moh Wung Hee	Non-Executive and Independent Director	25 Jan 2022	26 Apr 2022	–	–	–
Tan Hwa Peng	Non-Executive and Independent Director	21 Feb 2012	26 Apr 2022	–	–	–
Yeo Soon Keong	Non-Executive and Independent Director	25 Jan 2022	26 Apr 2022	–	–	Director of Quahe Woo & Palmer LLC

REPORT ON CORPORATE GOVERNANCE

The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a Director of the Company, especially where a Director has multiple board representations or principal commitments. The NC is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations or principal commitments. The Board is of the view that there is no necessity at this point in time to determine the maximum number of listed company board representations which a Director may hold, as each Director is able to devote sufficient time and attention to the affairs of the Company. (Provision 4.5 of the Code)

The following Directors will be offering themselves for re-election at the forthcoming AGM:

Koh Keng Siang
Shin Yong Seub
Lee Sok Khian John

Key information on the Directors is set out under the "Board of Directors" section of the annual report for the financial year ended 31 December 2022 ("FY2022") (the "Annual Report"). Additional details of the Directors that are due for retirement and who will be offering themselves for re-election at the forthcoming AGM are also contained in the Section of the Annual Report entitled "Additional Information for Directors seeking re-election".

Board Performance

Principle 5 ***The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

The Board has implemented a process to be carried out by the NC for assessing its effectiveness as a whole and for assessing the contribution by each Director to the effectiveness of the Board and its committees annually. The Board did not engage an external facilitator to conduct an assessment of the performance of the Board, the Board committees and each Director for FY2022.

The NC reviews the Board's and each Director's competency appraisal forms as part of the process adopted to assess the effectiveness of the Board. The outcome of the appraisal exercise is presented to the Board for its evaluation with a view to enhance the effectiveness of the Board.

Each NC member shall abstain from voting on the resolution in respect of the assessment of his performance and/or renomination as a Director.

The NC reviews the Board's performance annually based on the appraisal forms which have been approved by the Board.

The NC assesses the Board's performance through comparison with industry peers, how the Board's performance has enhanced long-term shareholder value and its ability to steer the Group in the right direction as well as the support it provides to Management.

The NC also evaluates each individual Director's performance based on factors such as the Director's participation, knowledge of the Group's business and operations, contributions and commitments to the Company. (Provisions 5.1 and 5.2 of the Code)

The Chairman, where appropriate, will act on the results of the performance evaluation and propose new members to the Board or seek the resignation of Directors, where appropriate.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6 ***The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and Key Management Personnel. No director is involved in deciding his or her own remuneration.***

The RC comprises the following three members, all of whom are Non-Executive Directors, the majority of whom, including the RC Chairman, are Non-Executive and Independent Directors (Provision 6.2 of the Code):

Tan Hwa Peng (Chairman)
Koh Choon Leng
Koh Keng Siang

REPORT ON CORPORATE GOVERNANCE

The key responsibilities of the RC are to:

(a) review and recommend to the Board for endorsement a framework of remuneration for the Board and key members of Management, the remuneration package for each Executive Director and each key member of Management, covering all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind;

(b) review and recommend to the Board for endorsement the terms of the service contract for each Executive Director as well as each key member of the Management; and

(c) ensure that there is an adequate disclosure on the remuneration of Directors and key members of Management. (Provisions 6.1 and 6.3 of the Code)

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair. (Provision 6.3 of the Code)

No individual Director is involved in deciding his own remuneration. The RC will seek internal or external expert advice in furtherance of its duties where necessary. During FY2022, the Company did not engage a remuneration consultant. However, in determining the remuneration of the members of the Board, the RC took into account, amongst others, the remuneration of board members of other comparative listed issuers. (Provision 6.4 of the Code)

The RC reviews the Executive Directors' and key Management members' contracts of service to ensure that their contracts of service contain fair and reasonable termination clauses which are not overly generous.

Level and Mix of Remuneration

Principle 7 ***The level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.***

The Company recognises that a competitive remuneration and reward system based on individual performance is important to attract, retain and incentivise the best talent. The Company has adopted a remuneration structure for Executive Director and key members of Management that promotes the long-term success of the Company. The RC ensures that the Executive Director's and key Management members' remuneration commensurate with their performance and that of the Group's, taking into consideration the prevailing financial and commercial health, contribution to value creation of the Company and business needs of the Group. (Provision 7.1 of the Code)

The Company adopted an employee share plan known as the "Koh Brothers Eco Engineering Limited Performance Share Plan 2017" (the "Plan") on 20 April 2017 as a long-term incentive plan for Non-Executive Directors and employees of the Group whose services are vital to the Group's well-being and success. It is administered by the RC. Through the Plan, the Company will be able to recognise and reward past contributions and services and motivate employees to continue to strive for the Group's long-term prosperity. In addition, the Plan aims to foster an ownership culture within the Group which aligns the interests of employees with the interests of shareholders, and to improve performance and achieve sustainable growth for the Company in the changing business environment. Awards granted under the Plan are principally performance-based. The RC may take into account, *inter alia*, the medium-term corporate objectives including market competitiveness, quality of returns, business growth and productivity growth. (Provision 7.3 of the Code)

The Non-Executive Directors are paid Directors' fees, taking into account their responsibilities, as well as the time and effort spent in carrying out their duties. The Independent Directors are not over-compensated such that their independence is compromised. (Provision 7.2 of the Code)

All Directors' fees are recommended by the Board for approval at the Company's AGM. The Company will be seeking shareholders' approval at the forthcoming AGM for the payment of S$284,500 as Directors' fees for FY2022. In determining the proposed Directors' fees, the Board took into account factors such as the effort and time spent, and the increasingly onerous responsibilities of Directors.

REPORT ON CORPORATE GOVERNANCE

Disclosure on Remuneration

Principle 8 ***The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

The Company's procedures for developing remuneration policies, as well as the level and mix of remuneration, have been set out in detail above under Principles 6 and 7. Notwithstanding Provision 8.1 of the Code which requires the Company to disclose the breakdown of the remuneration of each individual Director and the CEO, due to the competitive pressures in the market, the Board has, on review, decided to disclose their remuneration in bands no wider than S$250,000 and the total remuneration paid to all Directors instead. The Board believes that such disclosure is sufficient to enable shareholders to understand the Company's remuneration policies for Directors and the CEO, and the relationship between remuneration and performance. The total remuneration paid to the Directors of the Company for FY2022 was approximately S$825,000. The remuneration of Non-Executive Directors is solely comprised of Directors' fees. The Company has used both short-term and long-term incentives such as variable bonus and share plan to motivate the CEO to deliver greater performance to the Company. Details of the shares issued pursuant to the Company's share plan are disclosed in greater detail below. A breakdown of remuneration of the following Directors of the Company by percentage for FY2022 is set out below:

Remuneration band	**Director**	**Fees (%)**	**Salary (%)**	**Bonuses and other variable performance components (%)**	**Allowances and other benefits (%)***	**Total (%)**
S$500,000 to S$749,999	Shin Yong Seub	4.8	90.2	0.1	4.9	100.0
Below S$250,000	Koh Keng Siang	100.0	–	–	–	100.0
	Lee Sok Khian John	100.0	–	–	–	100.0
	Hidaka Osamu	100.0	–	–	–	100.0
	Choo Boon Lai Jeffrey	100.0	–	–	–	100.0
	Koh Choon Leng	100.0	–	–	–	100.0
	Moh Wung Hee	100.0	–	–	–	100.0
	Tan Hwa Peng	100.0	–	–	–	100.0
	Yeo Soon Keong	100.0	–	–	–	100.0

Note: * Other benefits include vehicular benefits and club membership.

Notwithstanding Provision 8.1 of the Code which requires the Company to disclose the remuneration of the top five Key Management Personnel (who are not Directors or the CEO) on a named basis, the Board has, on review, decided to do so on an unnamed basis in order to maintain confidentiality and taking into consideration the competitive pressures in the talent market. The Board believes that such disclosure is sufficient to enable shareholders to understand the Company's remuneration policies for the top five Key Management Personnel (who are not Directors or the CEO), and the relationship between remuneration and performance. The total remuneration paid to the top five Key Management Personnel (who are not Directors or the CEO) for FY2022 was approximately S$2,011,000.

REPORT ON CORPORATE GOVERNANCE

A breakdown of remuneration of each of the top five Key Management Personnel (who are not directors or the CEO of the Group) by percentage for FY2022 is set out below:

Remuneration band	Top five Key Management Personnel (who are not Directors or the CEO)	Fees (%)	Salary (%)	Bonuses and other variable performance components (%)	Allowances and other benefits (%)*	Total (%)
S$500,000 to S$749,000	First Executive	4.8	55.0	39.4	0.8	100.0
S$250,000 to S$499,999	Second Executive	–	90.8	9.2	–	100.0
	Third Executive	–	88.2	9.2	2.6	100.0
	Fourth Executive	–	90.0	10.0	–	100.0
Below S$250,000	Fifth Executive	–	92.9	7.1	–	100.0

(Provisions 8.1 and 8.3 of the Code)

Note: * Other benefits include vehicular benefits.

Mr Benjamin Koh Yong Jun, an employee of the Company and the son of Mr Koh Keng Siang, the Non-Executive and Non-Independent Chairman, received remuneration of between S$100,000 to S$200,000 during FY2022. (Provision 8.2 of the Code)

Save as aforementioned, there are no employees who are Substantial Shareholders of the Company, or who are immediate family members of a Director, the CEO or a Substantial Shareholder of the Company, whose remuneration exceeded S$100,000 during FY2022.

Mr Shin Yong Seub was granted 68,000 awards of fully paid ordinary shares pursuant to the Plan on 22 July 2019 and 6,800 awards vested yearly since then. In addition, Mr Shin Yong Seub was granted 38,100 awards of fully paid ordinary shares pursuant to the Plan on 29 December 2020, and 3,810 awards vested on 29 December 2021 and 30 December 2022 respectively. The remaining awards were vested to him on 22 July 2019, 29 December 2020, 29 December 2021 and 30 December 2022 respectively shall be vested in accordance with the applicable vesting schedule, subject to certain vesting conditions. Further details on the Plan can be found in the Letter to Shareholders dated 28 March 2017, and details on the grant of share awards to Mr Shin Yong Seub can be found in the announcements dated 22 July 2019 and 29 December 2020. All forms of remuneration and other payments and benefits paid by the Company and its subsidiaries to Directors and Key Management Personnel of the Company are disclosed in this Annual Report. No new grant of share awards have been made under the Plan during FY2022. (Provision 8.3 of the Code)

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9 ***The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.***

The Board will determine the Company's levels of risk tolerance and risk policies and the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board also oversees Management in the design, implementation and monitoring of the risk management and internal control systems.

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. (Provision 9.1 of the Code)

REPORT ON CORPORATE GOVERNANCE

The Board is responsible for the governance of risk across the Group. Their role includes the followings: to determine the Group's risk appetite; oversee the Group's Enterprise Risk Management (ERM) Framework; regularly review the Group's risk profile, material risks and mitigation strategies; and ensure the adequacy and effectiveness of the risk management framework and policies. The implementation and maintenance of the Company's risk management framework is undertaken by the ERM Committee, comprising the Senior Management team, which in turn report to the ARC on a regular basis on strategic business risks as well as updates on the risk management activities and the ERM implementation progress in the Company.

The Board has tasked the ARC to review the adequacy and effectiveness of the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls). Together with Management, the ARC regularly reviews the Group's businesses and operational activities to assess and manage potential risk exposure. The Group's financial risk management objectives and policies are set out in the notes to the FY2022 financial statements.

The internal auditor, KPMG Services Pte Ltd ("IA"), prepares on an annual basis, the internal audit plan (taking into consideration the risks identified) which is approved by the ARC. The audits are conducted to assess the adequacy and the effectiveness of the Group's risk management and the internal control systems that have been put in place (including financial, operational, compliance and information technology controls). Any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the ARC. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored. There are no material non-compliances in internal controls which have resulted in the Board and/or the ARC being of the view that internal controls need to be strengthened or having concerns that the internal controls of the Group are inadequate.

Based on the framework of risk management controls and internal controls established and maintained, the work performed by the IA and the review undertaken by the external auditors as part of their statutory audit, the Board, with the concurrence of the ARC, is of the view that the Group's risk management and internal control systems (including its financial, operational, compliance and information technology controls), are adequate and effective. The Board has received assurance:

(a) from the CEO and the Financial Controller* that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
(b) from the CEO and other responsible Key Management Personnel that the Company's risk management and internal control systems are adequate and effective in addressing the material risks faced by the Group in its current business environment.

(Provision 9.2 of the Code)

*Note: The Company does not have a Chief Financial Officer

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the ARC with the assistance of the IA. Having considered the Company's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required for the time being.

AUDIT AND RISK COMMITTEE

Principle 10 The Board has an Audit and Risk Committee which discharges its duties objectively.

The ARC comprises the following four members, three of whom, including the ARC Chairman, are Independent Directors and all of whom are Non-Executive and Independent Directors (Provision 10.2 of the Code):

Koh Choon Leng (Chairman)
Koh Keng Siang
Moh Wung Hee
Tan Hwa Peng

The Board is of the view that the members of the ARC (including the Chairman) have the requisite accounting and related financial management expertise and experience to discharge their duties. At least two members, including the ARC Chairman, have recent and relevant accounting or related financial management expertise or experience. (Provision 10.2 of the Code)

REPORT ON CORPORATE GOVERNANCE

The ARC is empowered to investigate any matter within its terms of reference. It has full access to and co-operation from Management, and unfettered discretion to invite any director or executive officer to attend its meetings. The ARC has been given adequate resources to enable it to discharge its duties and responsibilities.

The ARC carries out its functions in accordance with the Code and the Companies Act 1967 of Singapore (the "Act"), and is also guided by its terms of reference. The ARC reviews, *inter alia*, the following:

(a) the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
(b) annual audit plans (internal and external);
(c) system of internal controls and management of financial risks;
(d) effectiveness and adequacy of the internal audit function which is outsourced to a professional services firm;
(e) the scope and results of the external audit, and the independence and objectivity of the external auditors;
(f) regulatory compliance matters;
(g) risk management framework;
(h) interested person transactions; and
(i) financial results announcements.
(Provision 10.1 of the Code)

In the review of the financial statements, the ARC had discussed with Management and the external auditor, and reviewed the significant matters identified by the latter as key audit matters. Following the discussions and review, the ARC recommended to the Board to approve the financial statements for FY2022.

The ARC also makes recommendations on the appointment, re-appointment and removal of auditors, and their remuneration.

The ARC meets with the external and internal auditors at least once a year without the presence of Management. (Provision 10.5 of the Code)

The ARC has reviewed all the non-audit services provided by the external auditors and is satisfied that such services would not, in the ARC's opinion, affect the independence of the external auditors.

The aggregate amount of fees paid/payable to the external auditors for audit and non-audit services for FY2022 are set out below:

Audit services:	Auditors of the Company	-	S$251,000
	Member firms of the auditors of the Company	-	S$37,000
Non-audit services:	Auditors of the Company	-	S$nil
	Member firms of the auditors of the Company	-	S$nil

The Company has complied with Listing Rules 712 and 716 of the Catalist Rules in relation to appointment of auditing firms.

The Company has put in place a whistle-blowing policy (under the purview of the ARC, which is the independent function designated to investigate whistle-blowing reports made in good faith) of which employees of the Company may, in confidence, raise or report genuine concerns about possible improprieties in matters of financial reporting or other matters they may encounter without fear of retaliatory action. There are arrangements in place for the independent investigation of such matters for appropriate follow-up actions to be taken. The objective of the whistle-blowing policy is to ensure that arrangements and processes are in place to facilitate independent investigation of such concerns and for appropriate follow-up action, and that employees making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal. There were no whistle-blowing reports received in FY2022. (Provision 10.1 of the Code)

The ARC held 4 meetings in FY2022 and performed its functions and responsibilities as set out in its terms of reference.

The ARC meets regularly with Management and the external auditors to review auditing and risk management matters and discuss accounting implications of any major transactions (including significant financial reporting issues). Such meetings occur at least annually. The ARC also reviews the internal audit function to ensure that an effective system of controls is maintained within the Group.

REPORT ON CORPORATE GOVERNANCE

The ARC is kept abreast by Management and the external auditors of new changes to the accounting standards, Catalist Rules, the Code and other regulations which could have an impact on the Group's businesses and financial statements.

No former or current partner or Director of the Company's existing auditing firm is a member of the ARC. (Provision 10.3 of the Code)

Internal Audit

The Company has outsourced its internal audit function to a certified public accounting firm, KPMG Services Pte Ltd. The IA reports to the ARC Chairman and has full access to the ARC, documents, records, properties and staff of the Group.

The engagement partner heading the internal audit function of the Company is Mr Jonathan Ho. Mr Jonathan Ho is an Executive Director with KPMG Singapore Risk Consulting Services. He is the Partner, Head of Governance & Risk, Advisory and Head of Infrastructure, Government and Healthcare for KPMG in Singapore.

Mr Ho has over 20 years of experience as a practitioner. His remit of experience is in Corporate Governance, Enterprise Risk Management, Internal Audits and Financial Statements audits. Mr Ho has also been involved in numerous internal audit engagements across multinationals and public listed companies and has served a wide variety of clients.

Qualifications:

- Bachelor degree (First Class Honours) in Accountancy and Finance from Griffith University of Australia.
- Board of Governors with Institute of Internal Auditors Singapore
- Accredited Assessor for the Quality Assurance Review Program of the Institute of Internal Auditors
- Non-practising member of The Institute of Singapore Chartered Accountants
- Fellow, CPA Australia
- Singapore Certified Management Consultant

The Board recognises that it is responsible for maintaining a system of internal controls to safeguard shareholders' interests and the Group's businesses and assets, while Management is responsible for establishing and implementing internal control procedures in a timely and appropriate manner. The IA's role is to (a) assist the ARC in ensuring that the controls are effective and functioning as intended, (b) undertake investigations as directed by the ARC, and (c) conduct regular in-depth audits of high-risk areas.

Notwithstanding Provision 10.4 of the Code which requires the appointment, termination and remuneration of the head of the IA function to be decided by the ARC, such administrative matters are instead decided by the Management, with the ARC being constantly updated on such matters and the Board is of the view that such arrangement does not affect the objectivity of the IA. The IA plans internal audit schedules in consultation with, but independent of Management. The audit plan is submitted to the ARC for approval prior to the commencement of the internal audit work. In addition, the IA may be involved in ad-hoc projects initiated by Management and require IA's assurance in specific areas of concern. The ARC is satisfied that the internal audit function is staffed by independent, suitably qualified and experienced professionals with the relevant experience and has adequate resources to perform its function effectively. (Provision 10.4 of the Code)

The IA is a member of the Singapore branch of the Institute of Internal Auditors ("IIA"), an internal professional association which has its headquarters in the United States. The audit work carried out is guided by the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the IIA.

REPORT ON CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11 ***The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

The Company is committed to treating all shareholders fairly and equitably. The Company recognises, protects and facilitates the exercise of shareholders' rights and continually reviews and updates such governance arrangements.

The Company ensures that there is an adequate and timely disclosure of developments in the Group or its businesses which would have a material impact on the Company's shares price, and such disclosure is in compliance with the Catalist Rules.

The Company invites all registered shareholders to participate and vote at the Company's general meetings. The AGM is the principal forum for dialogue with shareholders. All Directors attend general meetings of Shareholders, and the external auditors are also present to address shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report. The Company's forthcoming general meeting for the financial year ended 31 December 2022 will be held physically. (Provision 11.2 of the Code)

The Annual Report and any notice of general meeting are also released via the SGX-ST's website (the "SGXNet") and posted on the Company's website as well. The said notice of general meeting will table the separate resolutions to be voted on at the general meeting. The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are interdependent or linked, the Company will provide the reasons and implications as to why such resolutions are required to be interdependent or linked. (Provisions 11.1 and 11.2 of the Code)

All shareholders are entitled to vote by poll in accordance with the established voting rules and procedures. Notwithstanding Provision 11.4 which requires absentia voting at general meeting of Shareholders to be made available, voting in absentia and by mail, facsimile or email is currently not permitted as current measures that may be implemented may be unable to ensure the integrity of the information and the authenticity of the shareholders' identities. Shareholders who are unable to attend the meetings are instead encouraged to vote via proxy. An announcement of the detailed results is made after the conclusion of the general meeting. (Provisions 11.1 and 11.4 of the Code)

The Company's 2022 AGM was held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangement for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). Attendance at the 2022 AGM was via electronic means accessed via live audio-visual webcast or live audio-only stream. Questions were submitted to the Chairman of the Meeting in advance of the 2022 AGM. The Company endeavoured to address substantial and relevant questions at the 2022 AGM. Voting was conducted by appointing the Chairman of the Meeting as proxy at the 2022 AGM. In line with past years' practice, at the start of the 2022 AGM, there was a presentation on the Group's progress and financial highlights. The presentation is available on the websites of SGX and the Company for the benefit of shareholders who were unable to attend the 2022 AGM electronically. The results of the proxy voting were published at the meeting and announced via the SGXNet after the conclusion of the 2022 AGM. Minutes of the 2022 AGM, which include relevant and substantial comments from shareholders relating to matters on the agenda of the meeting and responses from Directors and Senior Management, are also available on the Company's websites and the SGXNet.

The Company's 2023 AGM will be held physically. Questions are to be submitted to the Company ahead of the 2023 AGM. The Company will endeavour to address substantial and relevant questions prior to or at the 2023 AGM. Voting will be conducted physically or by appointing proxies (whether the Chairman of the Meeting or otherwise) at the 2023 AGM. The results of the proxy voting will be published at the meeting and announced via the SGXNet after the conclusion of the 2023 AGM. Minutes of the 2023 AGM which will include relevant and substantial comments from shareholders relating to matters on the agenda of the meeting and responses from Directors and Senior Management, will also be available on the Company's website and the SGXNet. Details relating to the 2023 AGM will be provided in the Notice of 2023 AGM which will be disseminated by electronic means via publication on the Company's website and the SGXNet. (Provision 11.3 of the Code)

REPORT ON CORPORATE GOVERNANCE

The proceedings of the general meetings are properly recorded, including all comments or queries raised by shareholders relating to the agenda of the meetings and responses from the Board and Management. The minutes of the Company's general meetings will be published on the SGXNet within one month after the general meetings and can also be found at the Company's corporate website at www.kohbrotherseco.com. The minutes will record substantial and relevant comments or queries from shareholders relating to the agenda of the general meetings, and responses from the Board and Management. (Provision 11.5 of the Code)

The Company strives to provide consistent and sustainable dividend payments to shareholders based on the Company's profitability, cash position, working capital needs, capital expenditure plan, investment and business opportunities and market conditions. It aims to balance returns to shareholders with a need for long-term sustainable growth.

The Board is recommending a final dividend of 0.025 Singapore cent per share for the financial year ended 31 December 2022. (Provision 11.6 of the Code)

ENGAGEMENT WITH SHAREHOLDERS

Principle 12 ***The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***

The Company invites and encourages all registered shareholders to participate and vote at the Company's general meetings as general meetings are the principal forum for dialogue with shareholders. Sufficient time is allocated for answering of questions submitted by shareholders in advance of the general meetings. Shareholders may raise questions or share their views submitted in advance about the proposed resolutions, the Group's business affairs and financial performance. This enables the Board to gather shareholders' views and address any of the shareholders' concerns. (Provision 12.1 of the Code)

The Company embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. The Company conveys pertinent information to shareholders and complies with the guidelines set out in the Catalist Rules when disclosing information.

The Company does not practice selective disclosure of price sensitive information. The Company discloses half-yearly financial results and any significant transactions and developments via SGXNet in a timely manner. The financial results are also available on the Company's website (www.kohbrotherseco.com). The corporate website also contains various other investor-related information on the Company that serves as important resources for investors. (Provision 12.2 of the Code)

The Board encourages shareholders to participate actively in relation to the Company's general meetings. These meetings provide excellent opportunities for the Company to obtain shareholders' views on the Group's businesses. Following any release of earnings or price sensitive developments, the Company's investor relations consultant is available by email or telephone to answer questions from shareholders and the media, as long as the information requested does not conflict with the Catalist Rules of fair disclosure. (Provision 12.3 of the Code)

Principle 13 ***The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

The Company has identified stakeholders that are impacted by the Group's business and operations as well as those who have a material impact on the Group's businesses and operations. The Company engages its stakeholders through a variety of channels to ensure that the business interests of the Group are balanced against that of the stakeholders. More information on the Company's stakeholder engagement, including its strategy and key areas of focus can be found in the Company's Sustainability Report 2022 which is at page [13]. (Provisions 13.1 and 13.2 of the Code)

The Company maintains a corporate website at www.kohbrotherseco.com to engage its stakeholders. (Provision 13.3 of the Code)

REPORT ON CORPORATE GOVERNANCE

INTERESTED PERSON TRANSACTIONS ("IPTs")

Shareholders approved the renewal and adoption of a general mandate for IPTs at the AGM on 26 April 2022. The mandate sets out the levels and procedures for obtaining approval for such transactions. The IPTs entered during FY2022 are disclosed as follows:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) (S$'000)
<u>Transactions for the Sale of Goods and Services</u>	Related companies - By virtue of Koh Brothers Group Limited's shareholding in Koh Brothers Eco Engineering Limited		
G & W Ready-Mix Pte Ltd		–	353
KBD Holland Pte Ltd		–	9,062
<u>Transactions for the Purchase of Goods and Services</u>			
G & W Ready-Mix Pte Ltd		–	697
G &W Precast Pte Ltd		–	347
Koh Brothers Group Limited		–	1,510
Koh Brothers Holdings Pte Ltd		–	516
Koh Brothers Corporate Services		–	1,180

MATERIAL CONTRACTS

No material contracts were entered into between the Company or any of its subsidiaries involving the interest of the CEO, any director or controlling shareholder, which are either subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year except for the related party transactions and directors' remunerations disclosed in the financial statements.

DEALINGS IN SECURITIES

The Company has adopted an internal compliance code on dealings in the Company's securities. The Company has issued share trading guidelines to all directors, employees of executive level and above, and personal assistants. They are not allowed to deal in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year financial statements. In addition, they are prohibited from dealing in the Company's securities while in possession of price sensitive information and on short-term considerations.

NON-SPONSOR FEE

During the financial year ended 31 December 2022, the Sponsor did not provide any other non-sponsor services to the Company and there were no non-sponsor fees paid during this period.

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2022 and the balance sheet of the Company as at 31 December 2022.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 45 to 98 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Koh Keng Siang
Shin Yong Seub
Lee Sok Khian John
Hidaka Osamu
Choo Boon Lai Jeffrey
Koh Choon Leng
Moh Wung Hee
Tan Hwa Peng
Yeo Soon Keong

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than under the Koh Brothers Eco Engineering Limited Performance Share Plan 2017 ("KBE PSP").

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		**Holdings in which director is deemed to have an interest**	
	At 31.12.2022	At 1.1.2022	**At 31.12.2022**	At 1.1.2022
The Company				
Ordinary shares				
Koh Keng Siang	**13,120,000**	13,120,000	**1,544,629,607**	1,544,629,607
Shin Yong Seub	**1,612,190**	1,601,580	**–**	–
Warrants 2018				
Koh Keng Siang	**4,388,846**	4,388,846	**–**	–
Unvested Performance shares [1][2] to be delivered after 2022				
Shin Yong Seub	**67,470**	78,080	**–**	–

DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES *(continued)*

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2022	At 1.1.2022	**At 31.12.2022**	At 1.1.2022
Immediate and ultimate holding corporation				
- Koh Brothers Group Limited				
Ordinary shares				
Koh Keng Siang	**30,272,535**	30,007,035	**60,020,000**	60,020,000
S$70 million 5.1% fixed rate notes due 2022				
Koh Keng Siang	**–**	–	**–**	S$250,000
Lee Sok Khian John	**–**	–	**–**	S$500,000
S$22.75 million 6.5% fixed rate notes due 2026				
Koh Keng Siang	**S$750,000**	–	**S$500,000**	–
Lee Sok Khian John	**S$750,000**	–	**–**	–
Subsidiary				
- Oiltek International Limited				
Ordinary shares				
Koh Keng Siang	**–**	–	**97,445,805**	21,814,362
Shin Yong Seub	**85,000**	–	**–**	–

[1] Performance shares are shares under awards pursuant to the KBE PSP.
[2] The shares will vest in accordance with the vesting schedules that commenced on the first anniversary of the date of grant and ending on the ninth anniversary of the date of grant, subject to certain vesting conditions.

Koh Keng Siang, who by virtue of his interest of not less than 20% of the issued capital of the Company, is deemed to have an interest in the whole of the share capital of the Company's subsidiaries.

The directors' interests in the ordinary shares and debentures of the Company as at 21 January 2023 were the same as those as at 31 December 2022.

PERFORMANCE SHARE PLAN

The Company's KBE PSP was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 20 April 2017. The duration of KBE PSP is 10 years commencing 20 April 2017. The participants of the KBE PSP will receive fully paid KBE shares free of charge. Through the Plan, the Company will be able to recognise and reward past contributions and services and motivate employees to continue to strive for the Group's long-term prosperity.

The share plan is administered by the Remuneration Committee (RC) of the Company. The RC members as at the date of this statement are Tan Hwa Peng (Chairman), Koh Choon Leng and Koh Keng Siang.

The summary of the total number of shares granted, vested, cancelled and outstanding as at 31 December 2022 is as follows:

Name of participants	Shares granted during financial year	Aggregate shares granted since commencement of KBE PSP to 31.12.2022	Aggregate shares vested under KBE PSP since commencement of KBE PSP to 31.12.2022	Aggregate shares cancelled under KBE PSP since commencement of KBE PSP to 31.12.2022	Aggregate unvested shares outstanding as at 31.12.2022 [1]
Shin Yong Seub [1][2]	–	1,679,660	(1,612,190)	–	67,470
Other staff [1][2]	–	1,325,900	(388,650)	(348,200)	589,050
	–	3,005,560	(2,000,840)	(348,200)	656,520

DIRECTORS' STATEMENT

For the financial year ended 31 December 2022

PERFORMANCE SHARE PLAN *(continued)*

[1] The shares will vest in accordance with the vesting schedules that commenced on the first anniversary of the date of grant and ending on the ninth anniversary of the date of grant, subject to certain vesting conditions.
[2] Save for Shin Yong Seub, the other staff are not directors, controlling shareholders (or their associates) of the Company, or participants who received more than 5% of the total number of shares available under KBE PSP.

Rule 851(1)(c) is not applicable as no share awards have been granted under the KBE PSP to directors or employees of Koh Brothers Group Limited or any of its other subsidiaries. Rule 851(1)(d) is not applicable as participants of the KBE PSP receive fully paid KBE shares free of charge.

SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee at the end of the financial year are as follows:

Koh Choon Leng (Chairman)
Koh Keng Siang
Moh Wung Hee
Tan Hwa Peng

All members of the Audit and Risk Committee are non-executive directors. Koh Choon Leng, Moh Wung Hee and Tan Hwa Peng are independent directors.

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2022 before their submission to the Board of Directors.

The Audit and Risk Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for reappointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

KOH KENG SIANG Director	SHIN YONG SEUB Director

21 March 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Koh Brothers Eco Engineering Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the accompanying consolidated financial statements of Koh Brothers Eco Engineering Limited (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards International ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2022;
- the balance sheets of the Group and the Company as at 31 December 2022;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

OUR AUDIT APPROACH

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

To the Members of Koh Brothers Eco Engineering Limited

OUR AUDIT APPROACH *(continued)*

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Accounting for construction contracts *Refer to Note 3 and Note 4*	
During the financial year ended 31 December 2022, revenue from construction contract amounted to S$207.1 million representing 97.8% of the total revenue of the Group of S$211.7 million. Contract assets relating to construction contracts amounted to S$154.5 million. The Group uses the input method (i.e. "cost-to-cost" method) to measure project progress and recognise contract revenue in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*. This requires significant judgement in assessing the revenue from variation orders, cost to complete and project margins. The estimation of total contract sum includes variation orders ("VOs") where management had determined that there was sufficient basis to claim from customers. Given these VOs are unpriced and un-rated, estimates are used to determine the valuation of these variation orders which are included into the total contract sum for revenue recognition. Management has applied the relevant rates, taking into consideration the condition of the contract, agreed with subcontractors or quotations from subcontractors (where applicable) and work of specialists, on the basis that it is highly probable to recover from customers the cost of performing these variation orders. We focused on the accuracy of revenue recognition and recoverability of contract assets due to the significant management judgment required in determining the total contract sum and the total contract costs.	We obtained an understanding of the projects under construction through discussions with management and project managers, assessed the appropriateness of the method selected for individual projects to measure project progress and to recognise the contract revenue, and examined project documentation (including contracts, correspondences with customers on delays or extension of time). In relation to total contract sums for projects in progress, our audit procedures included the following on a sampling basis: ● agreed total contract sums to contract entered into by the Group and its customer; ● inspected correspondences with customers and supporting documents by the Group's specialists relating to variation orders included in the total contract sums; ● obtained and reviewed legal opinions from the Group's external legal counsels in relation to the Group's contractual rights to claim for variation orders for certain projects; ● agreed variation orders with agreed prices included in total contract sums recognised to surveyor/architect's certification; ● for variation orders where management had determined that there was sufficient basis to claim from customers but pending final agreement with the customers, agreed claims to customers' instructions and schedule of rates or quotations from subcontractors; ● inspected progress billings to customers subsequent to year end and compared amounts to contract asset balances at year end; and ● assessed the adequacy of the amount of liquidated damages to be net off against contract sums, based on our understanding of the projects. In relation to total contracts costs, our audit procedures included the following on a sampling basis: ● traced the cost to complete for each project by substantiating costs that have been committed to quotations and contracts entered into; ● tested the reasonableness of the cost to complete for selected projects, focusing on those with significant activities during the year; and ● assessed the reasonableness of cost incurred against our understanding of the project. Based on the audit procedures performed above, we have assessed management's estimates to be reasonable. We then recomputed the percentage of completion based on actual cumulative contract cost incurred as a portion of total contract costs, cumulative contract revenue and the contract revenue recognised for the current financial year as well as the amount of provision for onerous contract (where relevant) for each project, and traced to the accounting records and found it to be appropriate. We have also assessed the adequacy of the disclosures of the key accounting estimates and the sensitivity and found the disclosures in the financial statements to be appropriate.

INDEPENDENT AUDITOR'S REPORT

To the Members of Koh Brothers Eco Engineering Limited

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s , and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

To the Members of Koh Brothers Eco Engineering Limited

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS *(continued)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Chian Yorn.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 21 March 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	Note	**2022** **S$'000**	2021 S$'000
Revenue	4(a)	**211,742**	180,576
Cost of sales	7	**(197,257)**	(168,801)
Gross profit		**14,485**	11,775
Other income	5	**658**	36
Other gains - net	6	**1,521**	838
Expenses			
- Selling and distribution			
- (Allowance for)/Reversal of impairment of trade receivables	7	**(41)**	710
- Others	7	**(445)**	(369)
- Administrative	7	**(9,695)**	(7,856)
- Finance	9	**(1,686)**	(1,564)
Share of (loss)/profit of associated companies	17	**(342)**	159
Profit before income tax		**4,455**	3,729
Income tax expense	10(a)	**(1,087)**	(1,063)
Profit after income tax		**3,368**	2,666
Profit attributable to:			
Equity holders of the Company		**2,181**	2,038
Non-controlling interests		**1,187**	628
		3,368	2,666
Earnings per share for profit attributable to the equity holders of the Company:			
- Basic earnings per share (in cent)	11(a)	**0.08**	0.08
- Diluted earnings per share (in cent)	11(b)	**0.08**	0.08
Profit after income tax		**3,368**	2,666
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	24(c)	**(718)**	(452)
Fair value (loss)/gain on debt financial assets, at FVOCI	24(b)	**(99)**	2
Other comprehensive loss, net of tax		**(817)**	(450)
Total comprehensive income		**2,551**	2,216
Total comprehensive income attributable to:			
Equity holders of the Company		**1,646**	1,907
Non-controlling interests		**905**	309
		2,551	2,216

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

As at 31 December 2022

		Group		Company	
		2022	2021	**2022**	2021
	Note	**S$'000**	S$'000	**S$'000**	S$'000
ASSETS					
Current assets					
Cash and bank balances	12	**55,173**	64,825	**208**	712
Trade and other receivables	13	**27,767**	36,275	**18,715**	17,598
Contract assets	4(b)	**116,708**	118,691	**–**	–
Inventories	14	**185**	290	**–**	–
Financial assets, at FVOCI	15	**367**	491	**–**	–
Other current assets	16	**4,793**	4,799	**–**	–
		204,993	225,371	**18,923**	18,310
Non-current assets					
Trade and other receivables	13	**–**	–	**41,000**	76,000
Contract assets	4(b)	**37,767**	5,367	**–**	–
Investments in associated companies	17	**886**	1,228	**640**	640
Investments in subsidiaries	18	**–**	–	**87,535**	52,304
Property, plant and equipment	19	**40,364**	44,578	**–**	–
Goodwill	21	**6,857**	6,857	**–**	–
Deferred tax assets	10(d)	**104**	42	**–**	–
		85,978	58,072	**129,175**	128,944
Total assets		**290,971**	283,443	**148,098**	147,254
LIABILITIES					
Current liabilities					
Trade and other payables	22	**60,561**	50,598	**3,752**	3,066
Current income tax liabilities	10(b)	**534**	328	**–**	–
Contract liabilities	4(b)	**10,364**	5,157	**–**	–
Bank borrowings and lease liabilities	23	**52,048**	61,753	**–**	–
		123,507	117,836	**3,752**	3,066
Non-current liabilities					
Trade and other payables	22	**9,480**	6,943	**–**	–
Bank borrowings and lease liabilities	23	**6,975**	12,992	**–**	–
Deferred tax liabilities	10(d)	**9**	475	**–**	–
		16,464	20,410	**–**	–
Total liabilities		**139,971**	138,246	**3,752**	3,066
NET ASSETS		**151,000**	145,197	**144,346**	144,188
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	24	**136,366**	136,361	**136,366**	136,361
Warrants reserve	24(a)	**296**	296	**296**	296
Currency translation reserve	24(c)	**(2,706)**	(2,672)	**–**	–
Other reserves	24(b)	**(942)**	(843)	**17**	17
Retained profits		**12,502**	9,818	**7,667**	7,514
		145,516	142,960	**144,346**	144,188
Non-controlling interests		**5,484**	2,237	**–**	–
Total equity		**151,000**	145,197	**144,346**	144,188

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

		← Attributable to equity holders of the Company →							
	Note	Share capital S$'000	Warrants reserve S$'000	Currency translation reserve S$'000	Other reserves S$'000	Retained profits S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
2022									
Balance at 1 January 2022		**136,361**	**296**	**(2,672)**	**(843)**	**9,818**	**142,960**	**2,237**	**145,197**
Profit for the financial year		**–**	**–**	**–**	**–**	**2,181**	**2,181**	**1,187**	**3,368**
Other comprehensive loss for the financial year		**–**	**–**	**(436)**	**(99)**	**–**	**(535)**	**(282)**	**(817)**
Total comprehensive (loss)/ income for the financial year		**–**	**–**	**(436)**	**(99)**	**2,181**	**1,646**	**905**	**2,551**
Issuance of new shares pursuant to the listing of a subsidiary, net of expenses		**–**	**–**	**–**	**–**	**(294)**	**(294)**	**5,034**	**4,740**
Change of ownership interest in a subsidiary	18,24	**–**	**–**	**402**	**–**	**1,501**	**1,903**	**(2,133)**	**(230)**
Issuance of new shares pursuant to Performance Share Plan		**5**	**–**	**–**	**(5)**	**–**	**–**	**–**	**–**
Share based payment pursuant to Performance Share Plan	24	**–**	**–**	**–**	**5**	**–**	**5**	**–**	**5**
Dividends paid	25	**–**	**–**	**–**	**–**	**(704)**	**(704)**	**(559)**	**(1,263)**
Total transactions with owners, recognised directly in equity		**5**	**–**	**402**	**–**	**503**	**910**	**2,342**	**3,252**
Balance at 31 December 2022		**136,366**	**296**	**(2,706)**	**(942)**	**12,502**	**145,516**	**5,484**	**151,000**
2021									
Balance at 1 January 2021		96,564	2,812	(2,539)	(853)	7,780	103,764	2,247	106,011
Profit for the financial year		–	–	–	–	2,038	2,038	628	2,666
Other comprehensive (loss)/ income for the financial year		–	–	(133)	2	–	(131)	(319)	(450)
Total comprehensive (loss)/ income for the financial year		–	–	(133)	2	2,038	1,907	309	2,216
Issuance of new shares, net of expenses		36,834	–	–	–	–	36,834	–	36,834
Issuance of new shares pursuant to Performance Share Plan	24	7	–	–	(7)	–	–	–	–
Exercise of warrants	24	475	(35)	–	–	–	440	–	440
Share based payment pursuant to Performance Share Plan	24	–	–	–	15	–	15	–	15
Expiry of warrants	24	2,481	(2,481)	–	–	–	–	–	–
Dividends paid	25	–	–	–	–	–	–	(319)	(319)
Total transactions with owners, recognised directly in equity		39,797	(2,516)	–	8	–	37,289	(319)	36,970
Balance at 31 December 2021		136,361	296	(2,672)	(843)	9,818	142,960	2,237	145,197

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

	Note	**2022** **S$'000**	2021 S$'000
Cash flows from operating activities			
Profit after income tax		**3,368**	2,666
Adjustments for:			
- Income tax expense		**1,087**	1,063
- Depreciation of property, plant and equipment		**5,919**	11,604
- Gain on disposal of property, plant and equipment		**(893)**	(653)
- Share of loss/(profit) of associated companies		**342**	(159)
- Interest expense		**1,686**	1,564
- Interest income		**(365)**	(36)
- Unrealised translation gain		**(674)**	(450)
		10,470	15,599
Changes in working capital:			
- Trade and other receivables		**8,504**	(6,749)
- Inventories		**105**	65
- Contract assets and liabilities		**(25,210)**	(5,677)
- Other current assets		**6**	1,141
- Trade and other payables		**12,316**	(20,674)
Cash provided by/(used in) operations		**6,191**	(16,295)
Income tax paid		**(1,394)**	(1,150)
Net cash provided by/(used in) operating activities		**4,797**	(17,445)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(2,502)**	(1,401)
Proceeds from disposal of property, plant and equipment		**3,737**	2,980
Proceeds from redemption of financial assets, at FVOCI		**25**	–
Interest received		**365**	36
Net cash provided by investing activities		**1,625**	1,615
Cash flows from financing activities			
Issuance of new shares, net of expenses		**–**	36,834
Proceeds from issuance of new shares pursuant to the listing of a subsidiary		**5,175**	–
Share issuance expenses		**(435)**	–
Proceeds from exercise of warrants, net of expenses		**–**	440
Proceeds from bank borrowings		**41,000**	22,500
Repayment of bank borrowings		**(52,351)**	(26,986)
Principal repayment of lease liabilities		**(6,473)**	(6,621)
Dividends paid to equity holders of the Company		**(704)**	–
Dividends paid to non-controlling interests		**(559)**	(319)
Interest paid		**(1,727)**	(1,523)
Net cash (used in)/provided by financing activities		**(16,074)**	24,325
Net change in cash and bank balances		**(9,652)**	8,495
Beginning of financial year		**64,825**	56,215
Effect of currency translation on cash and bank balances		**–**	115
End of financial year	12	**55,173**	64,825

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

Reconciliation of liabilities arising from financing activities

	Beginning of financial year	Net cash flows	← Non-cash changes: Interest expense	Non-cash changes →: Acquisition of property, plant and equipment	End of financial year
	S$'000	S$'000	S$'000	S$'000	S$'000
2022					
Bank borrowings (Note 23)	**59,436**	**(11,351)**	**–**	**–**	**48,085**
Lease liabilities (Note 23)	**15,309**	**(6,786)**	**313**	**2,102**	**10,938**
Accrued interest expense within trade and other payables	**41**	**(1,414)**	**1,373**	**–**	**–**
2021					
Bank borrowings (Note 23)	63,922	(4,486)	–	–	59,436
Lease liabilities (Note 23)	21,405	(7,078)	457	525	15,309
Accrued interest expense within trade and other payables	79	(1,145)	1,107	–	41

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Koh Brothers Eco Engineering Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 11 Lorong Pendek, Koh Brothers Building, Singapore 348639.

The principal activities of the Company are those of investment holding and management services.

The principal activities of its significant subsidiaries, joint operations and associated companies are disclosed in Note 30 of the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2022

On 1 January 2022, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

(a) Contract revenue

The Group provides engineering and construction services to customers through fixed-price contracts. Contract revenue is recognised when the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method"). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In some circumstances such as in the early stages of a contract where the Group may not be able to reasonably measure its progress but expects to recover the contract costs incurred, contract revenue is recognised only to the extent of the contract costs incurred until such time when the Group can reasonably measure its progress.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies *(continued)*

2.2 Revenue recognition *(continued)*

(a) Contract revenue *(continued)*

Contract modifications that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The period between the transfer of the promised services and customer payment may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the customers from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (eg. *Inventories*), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (i) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (ii) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

(b) Sale of goods

Revenue from sale of goods is recognised at a point in time when the Group has delivered the products to the customer and the customer has accepted the products.

(c) Rendering of services

Revenue from services is recognised in the accounting period when services are rendered.

(d) Interest income

Interest income is recognised using the effective interest rate method.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised in profit or loss over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies *(continued)*

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, intercompany transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the Note 2.6 "Goodwill" for the subsequent accounting policy on goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies *(continued)*

2.4 Group accounting *(continued)*

(a) Subsidiaries *(continued)*

(iii) Disposals (continued)

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.7 "Investments in subsidiaries and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated companies over the Group's share of the fair value of the identifiable net assets of the associated companies and are included in the carrying amounts of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of the associated company is changed where necessary to ensure consistency with the accounting policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies *(continued)*

2.4 Group accounting *(continued)*

(c) Associated companies *(continued)*

(iii) Disposals

Investment in an associated company is derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value and any proceeds on partial disposal is recognised in profit or loss.

Please refer to Note 2.7 "Investments in subsidiaries and associated companies" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

(d) Joint operations

The Group's joint operations are joint arrangements whereby the parties (the joint operators) that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises, in relation to its interest in the joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

When the Group sells or contributes assets to a joint operation, the Group recognises gains or losses on the sale or contribution of assets that is attributable to the interest of the other joint operators. The Group recognises the full amount of any loss when the sale or contribution of assets provides evidence of a reduction in the net realisable value, or an impairment loss, of those assets.

When the Group purchases assets from a joint operation, it does not recognise its share of the gains and losses until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of the assets to be purchased or an impairment loss.

The accounting policies of the assets, liabilities, revenue and expenses relating to the Group's interest in a joint operation have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The Company applies the same accounting policy on joint operations in its separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies *(continued)*

2.5 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Assets under construction are not depreciated. Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land and buildings	2 – 92 years
Machinery and equipment	5 – 20 years
Renovation	5 years
Motor vehicles	2 – 5 years
Office equipment and computers	3 – 10 years
Furniture and fittings	2 – 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within Note 6 "Other gains - net".

2.6 Goodwill

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (a) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair values of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisition of associated company represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated company is included in the carrying amount of the investments.

Gains and losses on disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies *(continued)*

2.7 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.8 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other current assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Right-of-use ("ROU") assets
Investments in subsidiaries and associated companies
Other current assets

Property, plant and equipment, ROU assets, investments in subsidiaries and associated companies and other current assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other current assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies *(continued)*

2.9 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income ("FVOCI").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial assets, except for financial assets at fair value through profit or loss which are recognised at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and bank balances, trade and other receivables, and listed debt securities.

There are two subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in Note 6 "Other gains - net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "Other income".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies *(continued)*

2.9 Financial assets *(continued)*

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 26(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For deposits, other receivables and cash and bank balances, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

(c) Recognition and derecognition

Regular way purchases and sale of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.10 Leases

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) ROU assets

The Group recognised a ROU asset and lease liability at the date which the underlying asset is available for use. ROU assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the ROU assets.

These ROU assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

ROU assets are presented within "Property, plant and equipment".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies *(continued)*

2.10 Leases *(continued)*

(a) When the Group is the lessee: *(continued)*

(ii) Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

(iii) Short term and low value leases

The Group has elected to not recognise ROU assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies *(continued)*

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.14 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies *(continued)*

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2.16 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(c) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of shares is recognised as an expense with a corresponding increase in the share-based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the shares granted on grant date.

At each balance sheet date, the Group revises its estimates of the number of shares that are expected to be awarded on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based payment reserve over the remaining vesting period.

When the shares are awarded, the related balance previously recognised in the share-based payment reserve are credited to the share capital account, when new ordinary shares are issued.

2.17 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction of assets under construction. This includes those costs on borrowings acquired specifically for the construction of assets under construction, as well as those in relation to general borrowings used to finance the construction of assets under construction.

2.18 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies *(continued)*

2.18 Currency translation *(continued)*

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses impacting profit or loss are presented in the income statement within Note 6 "Other gains - net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.20 Cash and bank balances

For the purpose of presentation in the consolidated statement of cash flows, cash and bank balances include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and bank balances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies *(continued)*

2.21 Share capital and warrants

Ordinary shares and warrants are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and warrants are deducted against the share capital and warrant reserve accounts.

When the warrants are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the warrants reserve are credited to the share capital account, when new ordinary shares are issued.

Upon expiry of unexercised warrants, the balance previously recognised in the warrants reserve is transferred to share capital directly.

2.22 Dividends

Dividends to Company's shareholders are recognised when the dividends are approved for payment.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimation of total contract sum and contract costs for engineering and construction contracts

The Group has significant ongoing construction contracts as at 31 December 2022 that are non-cancellable which amounts to S$562.9 million [Note 4b(ii)]. For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract sum and total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

Significant judgement and assumptions are applied when estimating the total contract sum and the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion.

The estimation of total contract sum includes variation orders where management had determined that there was sufficient basis to claim from customers but pending final agreement with the customers. In making this assessment, management has relied on the term of the contracts with customers and instructions issued by customers to carry out the variation orders, along with the advice of external legal counsels where relevant.

Given these variation orders are unpriced and un-rated, estimates are used to determine the valuation of these variation orders which are included into the total contract sum for revenue recognition. Management has applied the relevant rates, taking into consideration the condition of the contract, agreed with subcontractors or quotations from subcontractors (where applicable) and work of specialists, on the basis that it is highly probable to recover from customers the cost of performing these variation orders. The estimates are revised when an agreement has been reached with the customers.

For every 5% of decrease in the estimated value of the variation orders that are recognised in contract assets (with total contract cost remaining unchanged) based on management estimates, the Group's profit before income tax will decrease by approximately S$4,212,000 (2021: profit before income tax will decrease by approximately S$3,236,000, with a decrease of 5% on the estimated valuation of the variation orders recognised in contract asset).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3. Critical accounting estimates, assumptions and judgements *(continued)*

Estimation of total contract sum and contract costs for engineering and construction contracts *(continued)*

Total contract cost includes the estimation of remaining cost to complete. Management has estimated the remaining cost to complete based on its past experience, use of specialists, quotations from and contracts with suppliers and sub-contractors. These estimations are also made with due consideration of the circumstances and relevant events that were known to management at the date of these financial statements. Construction projects, in particular, are inherently complex and involve uncertainties that may not be apparent to management at the balance sheet date.

If the estimated costs to be incurred from the balance sheet date to the completion date increase by 1% from management estimates, the Group's profit before income tax will decrease by approximately S$1,787,000 (2021: profit before income tax will decrease by approximately S$1,656,000).

4. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

	Group	
	2022	2021
	S$'000	S$'000
Engineering and Construction		
Contract revenue – over time	**160,396**	148,794
Bio-Refinery and Renewable Energy		
Contract revenue – over time	**46,677**	28,923
Sale of goods – point in time	**4,669**	2,859
	51,346	31,782
Total	**211,742**	180,576

(b) Contract assets and liabilities

	Group		
	31 December		1 January
	2022	2021	2021
	S$'000	S$'000	S$'000
Contract assets			
Current			
Construction contracts	**116,708**	118,691	116,702
Non-current			
Construction contracts	**37,767**	5,367	3,869
	154,475	124,058	120,571
Contract liabilities			
Current			
Construction contracts	**10,364**	5,157	7,347

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

4. Revenue from contracts with customers *(continued)*

(b) Contract assets and liabilities *(continued)*

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date on construction contracts. The increase in contract assets in current financial year was mainly due to timing of billing to the customers and higher contract activities. Within the contract assets balance which includes significant variation orders being accounted for, that has been assessed by management to be recoverable and determined by them that there was sufficient basis to claim from customers but pending final agreement with the customers.

Contract liabilities primarily relate to the Group's obligation to transfer services to customers for which the Group has received advances from customers for construction contracts but has yet to perform. The increase in contract liabilities in current financial year was mainly due to advances received from customers.

(i) Revenue recognised in relation to contract balances

	Group	
	2022	2021
	S$'000	S$'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the year		
- Construction contracts	**4,637**	6,903

(ii) Unsatisfied performance obligations

Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 December		
- Construction contracts	**562,924**	684,634

Management expects that the aggregate amount of the transaction price allocated to unsatisfied performance obligations as of 31 December 2022 will be recognised as revenue as the Group continues to perform to complete the construction, which is expected to occur over the next few years up to 2026 (2021: 2026). The amount disclosed above include variable consideration which is subject to risk of reversal.

(c) Trade receivables from contracts with customers

	Group		
	31 December		1 January
	2022	2021	2021
	S$'000	S$'000	S$'000
Current assets			
Trade receivables from contracts with customers (Note 13)	**17,620**	25,423	17,858
Less: Allowance for impairment (Note 13)	**(160)**	(84)	(833)
	17,460	25,339	17,025

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

5. Other income

	Group	
	2022	2021
	S$'000	S$'000
Interest income	**365**	36
Other income	**293**	–
	658	36

6. Other gains - net

Gain on disposal of property, plant and equipment	**893**	653
Net foreign exchange gain	**628**	185
	1,521	838

7. Expenses by nature

Purchases of raw material, finished goods, consumables and subcontractor costs	**161,235**	128,932
Changes in inventories of raw material, work-in-progress and finished goods	**105**	64
Allowance for/(reversal of) impairment of trade receivables	**41**	(710)
Sales commission expenses	**872**	643
Depreciation of property, plant and equipment (Note 19)	**5,919**	11,604
Employee compensation (Note 8)	**33,881**	30,962
Freight, shipping, transport and travelling expenses	**1,050**	1,020
Legal and professional fees	**1,350**	406
Rental expense [Note 20(d)]	**1,706**	1,836
Other expenses	**1,279**	1,559
	207,438	176,316

8. Employee compensation

Salaries, bonus and other costs	**31,877**	29,306
Share-based compensation expense [Note 24(b)(ii)]	**5**	15
Employer's contribution to defined contribution plans, including Central Provident Fund	**1,999**	1,641
	33,881	30,962

During 2022, government grant income of S$ nil (2021: S$780,794) under the Jobs Support Scheme ("JSS") and S$375,750 (2021: S$455,100) relating to foreign worker levy rebates and waivers ("FWRW") were recognised and presented as an offset against salaries, bonus and other costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8. Employee compensation *(continued)*

The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees. The FWRW were also introduced in the Singapore Budget 2020 to ease the labour costs of business employers who hire foreign workers amid the COVID-19 pandemic. The JSS and FWRW have been extended to 2021 and 2022 respectively by the government.

Compensation to key management personnel, including directors' remuneration is separately disclosed in Note 27(b).

9. Finance expenses

	Group	
	2022	2021
	S$'000	S$'000
Interest expense		
- Bank borrowings	**1,373**	1,107
- Lease liabilities [Note 20(c)]	**313**	457
	1,686	1,564

10. Income taxes

(a) Income tax expense

Tax expense attributable to profit is made up of:		
- Current income tax [Note 10(b)]	**1,549**	1,070
- Deferred income tax	**(9)**	(58)
	1,540	1,012
Under/(over) provision in prior financial years		
- Current income tax [Note 10(b)]	**69**	51
- Deferred tax	**(522)**	–
	1,087	1,063

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

10. Income taxes *(continued)*

(a) Income tax expense *(continued)*

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2022	2021
	S$'000	S$'000
Profit before income tax	**4,455**	3,729
Share of loss/(profit) of associated companies	**342**	(159)
Profit before income tax and share of loss/(profit) of associated companies	**4,797**	3,570
Tax calculated at tax rate of 17% (2021: 17%)	**816**	607
Effects of:		
- Expenses not deductible for tax purposes	**300**	394
- Income not subject to tax	**(62)**	(322)
- Different tax rates of overseas operations	**439**	360
- Unrecognised deferred tax benefits	**350**	87
- (Over)/under provision in prior financial years	**(453)**	51
- Utilisation of previously unrecognised:		
- Tax losses	**(67)**	(180)
- Capital allowances	**(315)**	–
Others	**79**	66
Tax charge	**1,087**	1,063

(b) Movement in current income tax payables

Balance at 1 January	**328**	361
Income tax paid	**(1,394)**	(1,150)
Tax expense [Note 10(a)]	**1,549**	1,070
(Over)/under provision in prior financial years [Note 10(a)]	**69**	51
Currency translation differences	**(18)**	(4)
Balance at 31 December	**534**	328

(c) Deferred income tax

The movement in the net deferred income tax account is as follows:

Balance at 1 January	**433**	491
Credited to profit or loss [Note 10(a)]	**(531)**	(58)
Currency translation difference	**3**	–
Balance at 31 December	**(95)**	433

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For the financial year ended 31 December 2022

10. Income taxes *(continued)*

(d) Movement in deferred income tax

Movements in the Group's deferred income tax liabilities and assets (prior to offsetting of the balances within the same tax jurisdiction) during the financial year are as follows:

Deferred income tax liabilities

Group	Accelerated tax depreciation S$'000	Unrealised foreign exchange difference S$'000	Total S$'000
Balance at 1 January 2022	**497**	**–**	**497**
Credited to profit or loss	**(488)**	**–**	**(488)**
Balance at 31 December 2022	**9**	**–**	**9**
Balance at 1 January 2021	495	7	502
Charged/(credited) to profit or loss	2	(7)	(5)
Balance at 31 December 2021	497	–	497

Deferred income tax assets

Group	Provision S$'000	Unrealised foreign exchange difference S$'000	Total S$'000
Balance at 1 January 2022	**(64)**	**–**	**(64)**
Credited to profit or loss	**(18)**	**(25)**	**(43)**
Currency translation difference	**–**	**3**	**3**
Balance at 31 December 2022	**(82)**	**(22)**	**(104)**
Balance at 1 January 2021	(11)	–	(11)
Credited to profit or loss	(53)	–	(53)
Balance at 31 December 2021	(64)	–	(64)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

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For the financial year ended 31 December 2022

10. Income taxes *(continued)*

(d) Movement in deferred income tax *(continued)*

The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group	
	2022	2021
	S$'000	S$'000
Deferred tax assets	**104**	64
Deferred tax liabilities	**(9)**	(497)
Net deferred income tax assets/(liabilities)	**95**	(433)

(e) Unutilised tax losses and unabsorbed capital allowances

As at 31 December 2022, the Group has unutilised tax losses of approximately S$18,284,000 (2021: S$18,680,000), unabsorbed capital allowances of approximately S$6,917,000 (2021: S$8,769,000) and unutilised investment allowances of approximately S$9,445,000 (2021: S$7,385,000) which can, subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation, be carried forward and utilised against future taxable profits. The unutilised tax losses do not have expiry date. The deferred tax benefits on the unutilised tax losses of subsidiaries have not been recognised in the financial statements because of the uncertainty of future utilisation.

(f) There is no tax charge relating to each component of other comprehensive income.

11. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2022	2021
Net profit attributable to equity holders of the Company (S$'000)	**2,181**	2,038
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,817,833**	2,464,281
Basic earnings per share (in Singapore cent)	**0.08**	0.08

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

11. Earnings per share *(continued)*

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

Diluted earnings per share is calculated based on the weighted average number of ordinary shares in issue during the financial year after adjusting for the dilutive effect on the outstanding performance shares (2021: adjusting for the dilutive effect on the outstanding warrants and performance shares). Warrants are not included in the calculation of diluted earnings per share in current financial year because they are antidilutive.

Diluted earnings per share attributable to equity holders of the Company is calculated as follows:

	Group	
	2022	2021
Net profit attributable to equity holders of the Company (S$'000)	**2,181**	2,038
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	**2,818,489**	2,469,282
Diluted earnings per share (in Singapore cent)	**0.08**	0.08

12. Cash and bank balances

For the purpose of presenting the consolidated statement of cash flows, cash and bank balances comprise the following:

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Cash and bank balances	**25,942**	38,330	**208**	712
Fixed deposits	**29,231**	26,495	**–**	–
	55,173	64,825	**208**	712

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

13. Trade and other receivables

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Current				
<u>Trade receivables</u>				
Due from related corporations	**2,020**	708	**–**	–
Due from subsidiaries	**–**	–	**12,215**	11,098
Due from non-related parties	**15,600**	24,715	**–**	–
	17,620	25,423	**12,215**	11,098
Less: Allowance for impairment of trade receivables [Note 13(i), 26(b)]	**(160)**	(84)	**–**	–
Trade receivables - net	**17,460**	25,339	**12,215**	11,098
<u>Other receivables</u>				
Deposits	**1,376**	1,873	**–**	–
Due from immediate and ultimate holding corporation	**–**	592	**–**	–
Due from non-related parties	**8,931**	7,811	**–**	–
Due from subsidiaries [Note 13(ii)]	**–**	–	**6,500**	6,500
Due from related corporations [Note 13 (ii)]	**–**	660	**–**	–
	27,767	36,275	**18,715**	17,598
Non-current				
<u>Other receivables</u>				
Due from a subsidiary [Note 13(iii)]	**–**	–	**41,000**	76,000

(i) Allowance for impairment of net trade receivables of S$41,000 (2021: reversal of impairment of S$710,000) is recognised as an expenses (2021: a reversal of expenses) and included in "selling and distribution expenses".

(ii) The current other receivables due from subsidiaries and related corporations are unsecured, interest-free and are repayable on demand.

(iii) The non-current other receivables due from a subsidiary are unsecured, bear fixed interest rate of 1% (2021: 1%) per annum and are due on 31 December 2024 (2021: 31 December 2023). The carrying amounts of non-current other receivables due from a subsidiary approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

14. Inventories

	Group	
	2022	2021
	S$'000	S$'000
Finished goods	**185**	290

The cost of inventories recognised as an expense and included in "cost of sales" amounts to S$1,705,000 (2021: S$901,000).

15. Financial assets, at FVOCI

	2022	2021
Balance at 1 January	**491**	489
Redemption of bonds at maturity	**(25)**	–
Fair value (loss)/gain recognised in other comprehensive income [Note 24(b)(i)]	**(99)**	2
Balance at 31 December	**367**	491
Listed securities:		
- Singapore Dollar corporate fixed rate notes of 3.00% (2021: 3.00% to 5.00%) per annum due in October 2026 (2021: between June 2021 to October 2026)	**367**	491

Financial assets at FVOCI are classified as current assets as management intends to hold to collect contractual cash flows and to dispose these assets within 12 months after balance sheet date.

16. Other current assets

	2022	2021
Project consumables	**4,793**	4,799

Project consumables are non-project specific in nature. These are carried at lower of cost or net realisable value.

17. Investments in associated companies

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Balance at 1 January and 31 December			**640**	640
Balance at 1 January	**1,228**	1,069		
Share of (loss)/profit	**(342)**	159		
Balance at 31 December	**886**	1,228		

Details of the associated companies are set out in Note 30. The associated companies have share capital consisting solely of ordinary shares, which are held directly by the Group, except for SDK Consortium which is incorporated as a partnership; the country of incorporation are also their principal place of business.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

17. Investments in associated companies *(continued)*

There is no associated company as at 31 December 2022 and 2021 which in the opinion of the directors, is material to the Group.

At the date of these financial statements, the directors are of the view that SDK Consortium, an associated partnership of the Group, is able to repay its bank borrowings in full, and hence it is not probable that the Group is required to settle its share of the partnership's total banking facility of S$13,601,000 (2021: S$13,601,000).

18. Investments in subsidiaries

	Company	
	2022	2021
	S$'000	S$'000
Unquoted equity shares, at cost		
Balance at 1 January	**55,004**	48,338
Disposal of a subsidiary [Note 18 (i)]	**–**	(15,148)
Additions [Note 18 (i),(ii)]	**35,231**	21,814
	90,235	55,004
Less: Allowance for impairment	**(2,700)**	(2,700)
Balance at 31 December	**87,535**	52,304

(i) In the previous financial year, the Company disposed of a subsidiary with cost of S$15,148,000. The Company also acquired Oiltek International Limited ("OIL") for a consideration of S$21,814,000.

(ii) During the current financial year, the Company increased its investment in Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd with additional cost of S$35,000,000. The Company also acquired additional shares in OIL with total cost of S$231,000 inclusive of transaction costs.

Details of the significant Group companies are set out in Note 30.

Carrying value of non-controlling interests

	Group	
	2022	2021
	S$'000	S$'000
Oiltek International Limited and its subsidiaries	**5,484**	2,237

Transaction with non-controlling interests

On 3 March 2022, a subsidiary of the Group, OIL announced that it has successfully admitted and listed on Catalist Board of the Singapore Exchange Securities Trading Limited. Following OIL listing, the Group's effective shareholding interest in OIL and its subsidiaries has been reduced from approximately 80.04% to approximately 67.44%.

On 20 June 2022, the Company acquired additional 1,000,000 shares issued by OIL, for a total consideration of S$230,000 exclusive of transaction costs fully settled in cash. It was an off-market transaction on the basis of willing-buyer-willing-seller, and the consideration for the sale was determined taking into account, *inter alia*, the large size of the block of shares being offered to the Company by the seller. As a result, the Company's shareholding in OIL increase from approximately 67.44% to 68.14%.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

18. Investments in subsidiaries *(continued)*

Transaction with non-controlling interests *(continued)*

The effects of changes in ownership interest of OIL equity attributable to owners of the Company is summarised as follows:

	Group
	2022
	S$'000
Carrying value of non-controlling interests disposed in OIL	**2,133**
Consideration paid to non-controlling interest	**(230)**
Increase in parent's equity	**1,903**

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

	OIL and its subsidiaries	
	2022	2021
Summarised statement of comprehensive income	**S$'000**	S$'000
Revenue	**51,346**	32,570
Profit before income tax	**5,549**	4,200
Income tax expense	**(1,577)**	(1,063)
Profit after tax	**3,972**	3,137
Other comprehensive loss	**(718)**	–
Total comprehensive income	**3,254**	3,137
Summarised balance sheet		
Current		
Assets	**36,498**	25,632
Liabilities	**(21,160)**	(15,467)
Total current net assets	**15,338**	10,165
Non-current		
Assets	**1,063**	954
Total non-current net assets	**1,063**	954
Net assets	**16,401**	11,119
Summarised cash flows		
Net cash provided by operating activities	**5,846**	2,329
Net cash used in investing activities	**(114)**	(10)
Net cash used in financing activities	**2,060**	(4,941)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

19. Property, plant and equipment

	Leasehold land and buildings	Machinery and equipment	Furniture and fittings, renovation	Motor vehicles	Office equipment and computers	Asset under construction	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group							
Cost							
At 1 January 2022	**20,841**	**75,165**	**1,455**	**7,104**	**2,981**	**–**	**107,546**
Currency translation differences	**(73)**	**–**	**(11)**	**(2)**	**(17)**	**–**	**(103)**
Additions	**2,102**	**81**	**77**	**89**	**129**	**2,126**	**4,604**
Disposals	**(1,262)**	**(16,618)**	**(3)**	**(512)**	**(20)**	**–**	**(18,415)**
Write-off	**–**	**–**	**(3)**	**–**	**(6)**	**–**	**(9)**
At 31 December 2022	**21,608**	**58,628**	**1,515**	**6,679**	**3,067**	**2,126**	**93,623**
Accumulated depreciation							
At 1 January 2022	**6,910**	**45,635**	**1,455**	**6,355**	**2,613**	**–**	**62,968**
Currency translation differences	**(32)**	**–**	**(4)**	**(2)**	**(10)**	**–**	**(48)**
Disposals	**(1,262)**	**(13,780)**	**(3)**	**(506)**	**(20)**	**–**	**(15,571)**
Depreciation charge (Note 7)	**2,254**	**3,112**	**4**	**359**	**190**	**–**	**5,919**
Write-off	**–**	**–**	**(3)**	**–**	**(6)**	**–**	**(9)**
At 31 December 2022	**7,870**	**34,967**	**1,449**	**6,206**	**2,767**	**–**	**53,259**
Net book value at 31 December 2022	**13,738**	**23,661**	**66**	**473**	**300**	**2,126**	**40,364**
Cost							
At 1 January 2021	20,126	87,301	1,457	8,633	2,935	149	120,601
Currency translation differences	(11)	–	(2)	(3)	(4)	–	(20)
Additions	726	709	–	262	86	–	1,783
Disposals	–	(12,994)	–	(1,788)	(31)	–	(14,813)
Transfer	–	149	–	–	–	(149)	–
Write-off	–	–	–	–	(5)	–	(5)
At 31 December 2021	20,841	75,165	1,455	7,104	2,981	–	107,546
Accumulated depreciation							
At 1 January 2021	5,506	46,947	1,456	7,493	2,460	–	63,862
Currency translation differences	(2)	–	(2)	(1)	(2)	–	(7)
Disposals	–	(10,719)	–	(1,736)	(31)	–	(12,486)
Write-off	–	–	–	–	(5)	–	(5)
Depreciation charge (Note 7)	1,406	9,407	1	599	191	–	11,604
At 31 December 2021	6,910	45,635	1,455	6,355	2,613	–	62,968
Net book value at 31 December 2021	13,931	29,530	–	749	368	–	44,578

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

19. Property, plant and equipment *(continued)*

(i) ROU assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 20(a).

(ii) The Group's major properties included in property, plant and equipment are as follows:

Name and location	Description	Tenure
Lot 6 Jalan Pasaran 23/5, Selangor Darul Ehsan, Malaysia	Factory-cum-office building	99 years from 15 August 1997
1 Tuas South Street 6, Singapore	Factory-cum-office building	22 years 6 months from 2 May 2013

20. Leases – The Group as a lessee

Nature of the Group's leasing activities

<u>Leasehold land and buildings</u>

The Group leases various leasehold land from non-related parties under non-cancellable lease agreements. The lease arrangements prohibit the Group from subleasing the leasehold land to third parties. These leasehold land and buildings are recognised within property, plant and equipment (Note 19).

There are no externally imposed covenant on these lease arrangements.

<u>Machinery and equipment and motor vehicles</u>

The Group leases certain machinery and equipment and motor vehicles from non-related parties under operating leases. The lease arrangements prohibit the Group from subleasing the motor vehicles to third parties.

(a) Carrying amounts of ROU assets classified within property, plant and equipment

	Group	
	2022	2021
	S$'000	S$'000
Leasehold land and buildings	**2,226**	1,526
Machinery and equipment	**21,304**	23,961
Motor vehicles	**274**	518
	23,804	26,005

(b) Depreciation charge during the year

	2022	2021
Leasehold land and buildings	**1,357**	532
Machinery and equipment	**2,419**	2,365
Motor vehicles	**244**	341
	4,020	3,238

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For the financial year ended 31 December 2022

20. Leases – The Group as a lessee *(continued)*

Nature of the Group's leasing activities *(continued)*

Machinery and equipment and motor vehicles *(continued)*

(c) Interest expense

	Group	
	2022	2021
	S$'000	S$'000
Interest expense on lease liabilities (Note 9)	**313**	457

(d) Lease expense not capitalised in lease liabilities

Lease expense - short-term leases (Note 7)	**1,706**	1,836

(e) Total cash outflow for all the leases in 2022 was S$8,492,000 (2021: S$8,914,000).

(f) Addition of ROU assets during the financial year amounted to S$2,103,000 (2021: S$525,000).

21. Goodwill

Cost		
Balance at 1 January and 31 December	**11,273**	11,273
Accumulated impairment		
Balance at 1 January and 31 December	**4,416**	4,416
Net book value	**6,857**	6,857

Impairment tests for goodwill

Goodwill arising from acquisition of a subsidiary has been allocated to the cash-generating unit ("CGU") identified as the "Bio-Refinery and Renewable Energy" segment.

The Group tests CGU annually for impairment or more frequently if there are indicators that goodwill might be impaired.

The recoverable amount of the CGU was determined based on fair value less cost to sell method. Fair value is determined using the quoted share price of subsidiary multiplied by the number of shares the Group has in the subsidiary.

Management have assumed 5% cost to sell based on actual past transactions, considering transaction costs incurred for purchase and sale of shares over the open market and sale of shares through private placement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

22. Trade and other payables

	Group		Company	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Current				
Trade payables				
Due to immediate and ultimate holding corporation	**3,402**	2,825	**3,402**	2,825
Due to related corporations	**956**	2,393	**–**	–
Due to non-related parties	**46,072**	29,903	**–**	–
Retention due to subcontractors on construction contracts	**4,801**	8,309	**–**	–
Other payables				
Accruals for operating expenses	**3,303**	4,074	**64**	64
Sundry payables	**1,997**	2,328	**286**	177
Due to related corporations	**–**	725	**–**	–
Provision for onerous contracts [Note 22(ii)]	**30**	41	**–**	–
	60,561	50,598	**3,752**	3,066
Non-current				
Retention due to subcontractors on construction contracts	**9,480**	6,943	**–**	–
	70,041	57,541	**3,752**	3,066

(i) The non-trade amounts due to related corporations are unsecured, interest-free and are repayable on demand.

(ii) Provision for onerous contracts

	Group	
	2022	2021
	S$'000	S$'000
Balance at 1 January	**41**	23
Provision made	**–**	18
Provision utilised	**(11)**	–
Balance at 31 December	**30**	41

Provision for onerous contracts is in respect of remaining expected losses arising from non-cancellable construction contracts where the expected total contract costs exceed the total contract sum, and is expected to be utilised as these contracts progress towards completion.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

23. Bank borrowings and lease liabilities

	Group	
	2022	2021
	S$'000	S$'000
Current		
Short-term bank loans (unsecured)	**44,500**	51,000
Term loan payable (unsecured)	**1,241**	4,852
Lease liabilities	**6,307**	5,901
	52,048	61,753
Non-current		
Term loan payable (unsecured)	**2,344**	3,584
Lease liabilities	**4,631**	9,408
	6,975	12,992
Total bank borrowings and lease liabilities	**59,023**	74,745

(i) The weighted average effective interest rate per annum of short-term bank loans at the balance sheet date is 5.14% (2021: 1.86%) per annum.

(ii) The term loan of S$3,636,000 was repayable in 33 monthly instalments commenced from April 2020 and borne interest at rates ranging from 1.33% to 1.48% per annum for the financial year ended 31 December 2021. This term loan was fully repaid during the current financial year.

(iii) The term loan of S$3,585,000 (2021: S$4,800,000) commenced from October 2020, which is interest servicing only for the first 12 months and will subsequently be converted into a 48 months term loan repayable in equal instalments thereafter. The loan bears fixed interest at rate of 2.10% per annum.

(iv) The carrying amounts of the non-current term loans approximate their fair values.

24. Share capital and reserves

	No. of ordinary shares		Amount	
	2022	2021	**2022**	2021
	'000	'000	**S$'000**	S$'000
Group and Company				
Balance at 1 January	**2,817,832**	1,998,897	**136,361**	96,564
Issuance of new shares pursuant to Performance Share Plan [Note 24(b)(ii)]	**100**	133	**5**	7
Issuance of new shares	**–**	810,000	**–**	36,834
Expiry of warrants	**–**	–	**–**	2,481
Exercise of warrants	**–**	8,802	**–**	475
Balance at 31 December	**2,817,932**	2,817,832	**136,366**	136,361

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

During the financial year, no warrants (2021: 8,802,000 warrants at S$0.05) were exercised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

24. Share capital and reserves *(continued)*

On 29 December 2020, the Company awarded 1,117,282 new ordinary shares of the Company to its employees pursuant to the Koh Brothers Eco Engineering Limited Performance Share Plan 2017 ("2020 PSP"). Awards comprised (i) 328,702 fully paid-up ordinary shares of the Company, free of payment, which vested on 29 December 2021; and (ii) 788,580 fully paid-up ordinary shares of the Company, free of payment, which will be vested in accordance with a vesting schedule that commenced on 29 December 2021 and ending on the ninth anniversary of the date of the grant, subject to certain vesting conditions.

On 22 July 2019, the Company awarded 1,888,278 new ordinary shares of the Company to its employees pursuant to the Koh Brothers Eco Engineering Limited Performance Share Plan 2017 ("2019 PSP"). Awards comprised (i) 1,388,058 fully paid-up ordinary shares of the Company, free of payment, which vested on 26 July 2019; and (ii) 500,220 fully paid-up ordinary shares of the Company, free of payment, which will be vested in accordance with a vesting schedule that commenced on 22 July 2019 and ending on the ninth anniversary of the date of the grant, subject to certain vesting conditions.

Performance share plan - Outstanding performance shares

Details of performance shares awarded to participants at the balance sheet date are as follows:

	Group and Company			
	Balance at 1 January	**Vested**	**Cancelled**	**Balance at 31 December**
2022				
2019 PSP	**358,820**	**(41,380)**	**(69,160)**	**248,280**
2020 PSP	**654,880**	**(58,320)**	**(188,320)**	**408,240**
	1,013,700	**(99,700)**	**(257,480)**	**656,520**
2021				
2019 PSP	410,080	(51,260)	–	358,820
2020 PSP	788,580	(81,860)	(51,840)	654,880
	1,198,660	(133,120)	(51,840)	1,013,700

Under the plan, the granted shares will vest in accordance with the vesting schedules that commenced on the first anniversary of the date of grant and ending on the ninth anniversary of the date of grant, subject to certain vesting conditions (including service condition).

The participants do not receive any dividends and are not entitled to vote in relation to the granted unvested shares during the vesting period. If any participant ceases to be employed by the Group within this period, their unvested shares will be forfeited, except in limited circumstances that are approved by the Remuneration Committee on a case-by-case basis.

The weighted average fair value of the shares at grant date of S$0.05 (2021: S$0.05) was determined based on the closing market price on grant date.

Issuance of new shares

Pursuant to the completion of the Proposed Subscription on 8 June 2021, 810,000,000 Subscription Shares have been allotted and issued to Penta-Ocean Construction Co., Ltd., in accordance with the terms of the Subscription Agreement. The Subscription Shares are issued free from all encumbrances and rank pari passu in all respects with the issued Shares of the Company existing as at the date of Completion, except that they will not rank for any dividends, distributions or entitlements the record date for which falls on or before the date of Completion.

During the financial year, the Company issued 99,700 ordinary shares to its employees pursuant to the vesting of share awards granted under the Koh Brothers Eco Engineering Limited Performance Share Plan 2017 (2021: 133,120).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

24. Share capital and reserves *(continued)*

Issuance of new shares *(continued)*

(a) Warrants reserve

	No. of warrants		Amount	
	2022	2021	**2022**	2021
	'000	'000	**S$'000**	S$'000
Group and Company				
Balance at 1 January	**75,777**	422,647	**296**	2,812
Exercise of warrants	**–**	(8,802)	**–**	(35)
Expiry of warrants	**–**	(338,068)	**–**	(2,481)
Balance at 31 December	**75,777**	75,777	**296**	296

(b) Other reserves

	Group	
	2022	2021
	S$'000	S$'000
<u>Composition</u>		
Fair value reserve [Note 24(b)(i)]	**(959)**	(860)
Share-based payment reserve [Note 24(b)(ii)]	**17**	17
	(942)	(843)

<u>Movements</u>

(i) Fair value reserve

Balance at 1 January	**(860)**	(862)
Fair value (loss)/gain on financial assets, at FVOCI (Note 15)	**(99)**	2
Balance at 31 December	**(959)**	(860)

(ii) Share-based payment reserve

Balance at 1 January	**17**	9
Performance Share Plan		
- Value of employee services (Note 8)	**5**	15
- Performance shares awarded (Note 24)	**(5)**	(7)
Balance at 31 December	**17**	17

Other reserves are not available for dividend distribution.

(c) Currency translation reserve

Balance at 1 January	**(2,672)**	(2,539)
Change in ownership interest in subsidiaries	**402**	–
Net currency translation differences of financial statements of foreign subsidiaries	**(718)**	(452)
Less: Non-controlling interests	**282**	319
Balance at 31 December	**(2,706)**	(2,672)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

24. Share capital and reserves *(continued)*

Issuance of new shares *(continued)*

(d) Retained profits

Retained profits of the Group are distributable except for accumulated retained profits of associated companies amounting to S$246,000 (2021: S$588,000). Retained profits of the Company are fully distributable.

25. Dividends

	Company	
	2022	2021
	S$'000	S$'000
Ordinary dividends		
Final dividend paid in respect of the previous financial year ended of 0.025 Singapore cent (2021: nil cent) per share	**704**	–

At the forthcoming Annual General Meeting, a final cash dividend of 0.025 Singapore cent per share amounting to a total of approximately S$704,000 will be recommended. These financial statements do not reflect these dividends, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2023.

26. Financial risk management

Financial risk factors

The Group's activities expose it to market risks (including currency risks, interest rate risks and price risks), credit risks and liquidity risks. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. Where possible, the Group seeks to match assets and liabilities of the same currency.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(a) Market risk

(i) Currency risk

The Group operates mainly in Asia with operations primarily in Singapore, Malaysia and Indonesia. Entities in the Group transact predominantly in their respective functional currencies, except for balances between entities in the Group.

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Malaysian Ringgit ("MYR"), Euro ("EUR") and United States Dollar ("USD"). The Group monitors the foreign currency exchange rate movements closely to ensure that its exposure is minimised. The Group also has investments in foreign subsidiaries and is exposed to currency translation risk.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26. Financial risk management *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

The Group's currency exposure is as follows:

	SGD S$'000	MYR S$'000	EUR S$'000	USD S$'000	Total S$'000
At 31 December 2022					
Financial assets					
Cash and bank balances	**39,389**	**5,744**	**301**	**9,739**	**55,173**
Trade and other receivables	**24,146**	**2,870**	**333**	**418**	**27,767**
Inter-company balances	**102,112**	**67**	**–**	**–**	**102,179**
Financial assets, at FVOCI	**367**	**–**	**–**	**–**	**367**
	166,014	**8,681**	**634**	**10,157**	**185,486**
Financial liabilities					
Trade and other payables	**(56,898)**	**(9,052)**	**(2,364)**	**(1,697)**	**(70,011)**
Inter-company balances	**(102,112)**	**(67)**	**–**	**–**	**(102,179)**
Bank borrowings and lease liabilities	**(59,023)**	**–**	**–**	**–**	**(59,023)**
	(218,033)	**(9,119)**	**(2,364)**	**(1,697)**	**(231,213)**
Net financial liabilities	**(52,019)**	**(438)**	**(1,730)**	**8,460**	**(45,727)**
Less: Net financial assets denominated in the respective entities' functional currency	**56,230**	**438**	**–**	**–**	**56,668**
Net currency exposure	**4,211**	**–**	**(1,730)**	**8,460**	**10,941**
At 31 December 2021					
Financial assets					
Cash and bank balances	50,926	3,424	261	10,214	64,825
Trade and other receivables	30,747	2,758	50	2,720	36,275
Inter-company balances	105,751	100	–	–	105,851
Financial assets, at FVOCI	491	–	–	–	491
	187,915	6,282	311	12,934	207,442
Financial liabilities					
Trade and other payables	(47,396)	(7,614)	(1,500)	(990)	(57,500)
Inter-company balances	(105,751)	(100)	–	–	(105,851)
Bank borrowings and lease liabilities	(74,745)	–	–	–	(74,745)
	(227,892)	(7,714)	(1,500)	(990)	(238,096)
Net financial liabilities	(39,977)	(1,432)	(1,189)	11,944	(30,654)
Less: Net financial assets denominated in the respective entities' functional currency	39,977	1,432	–	–	41,409
Net currency exposure	**–**	**–**	**(1,189)**	**11,944**	**10,755**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26. Financial risk management *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

As at 31 December 2022 and 2021, the Company's business operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies. All financial assets and financial liabilities are mainly denominated in SGD.

If the USD changes against the SGD by 5% (2021: 5%) respectively with all other variables including tax rate held constant, the effects arising from the net financial assets and liabilities position on profit after tax and other comprehensive income will be as follows:

	Increase/(decrease)	
	Profit after tax	
	2022	2021
Group	**S$'000**	S$'000
USD against SGD		
- Strengthened	**351**	496
- Weakened	**(351)**	(496)

The Group has insignificant exposure to MYR and EUR as at 31 December 2022 and 31 December 2021.

(ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has no significant interest-bearing assets. The Group's exposure to cash flow interest rate risks arises mainly from the Group's debt obligations. The Group manages its cash flow interest rate risks by adopting a preference for fixed rate instruments over variable-rate instruments.

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in SGD. If the SGD interest rates increase/decrease by 1% (2021: 1%) per annum with all other variables including tax rate being held constant, the profit after income tax (2021: profit after income tax) will be lower/higher (2021: lower/higher) by S$369,000 (2021: S$464,000) as a result of higher/lower interest expenses on these borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26. Financial risk management *(continued)*

(a) Market risk *(continued)*

(iii) Price risk

The Group is exposed to debt securities price risk arising from the investments held by the Group which are classified on the consolidated balance sheets as financial assets, at FVOCI (Note 15). These securities are listed in Singapore. The Group is not exposed to commodity price risk.

If prices for debt securities listed in Singapore change by 10% (2021: 10%) with all other variables including tax rate being held constant, the profit after income tax (2021: profit after income tax) and other comprehensive income will be:

	Increase/(decrease)			
	2022		2021	
Group	**Profit after tax S$'000**	**Other comprehensive income S$'000**	Profit after tax S$'000	Other comprehensive income S$'000
Listed in Singapore				
- Increased by 10%	**–**	**37**	–	49
- Decreased by 10%	**–**	**(37)**	–	(49)

The Company is not exposed to price risk.

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, where cash term, advance payments, bankers' guarantees and performance bonds are required for customers of lower credit standing; and

- High credit quality counterparties.

The Group's investments in quoted debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except for corporate guarantees as follows:

Company	**2022 S$'000**	2021 S$'000
Corporate guarantees provided to banks on		
- Subsidiary's loan	**48,085**	59,437

The trade receivables of the Group comprise five debtors (2021: five debtors) that accounted for approximately 62% (2021: 81%) of the balance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26. Financial risk management *(continued)*

(b) Credit risk *(continued)*

Information on trade receivables provided to key management are as follows:

	Group	
	2022	2021
	S$'000	S$'000
By geographical areas		
Singapore	**14,478**	20,517
Malaysia	**2,562**	2,066
The rest of Asia and others	**420**	2,756
	17,460	25,339
By industry sectors		
Engineering and Construction	**14,478**	20,517
Bio-Refinery and Renewable Energy	**2,982**	4,822
	17,460	25,339

The movement in credit loss allowance are as follows:

Trade receivables [1]		
Balance at 1 January	**84**	833
Loss allowance recognised in profit or loss during the year on:		
- Asset acquired/originated	**45**	–
- Reversal of unutilised amount	**(4)**	(710)
	41	(710)
Currency translation difference	**35**	(39)
Balance at 31 December	**160**	84

[1] Loss allowance measured at lifetime expected credit loss

The Group's contract assets, cash and bank balances, other receivables and debt financial assets are subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26. Financial risk management *(continued)*

(b) Credit risk *(continued)*

(i) Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses ("ECL"), trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate mainly to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts.

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers, and adjusts for forward-looking macroeconomic data. The Group has identified the gross domestic product ("GDP") growth of the countries in which it sells goods and services to be the most relevant factor, and accordingly adjust the historical loss rates based on expected changes in this factor.

The Group considers a financial asset as in default when the counterparty fail to make contractual payments for a prolonged period of time when they fall due, and the Group may also consider internal and external information, such as significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation. Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flow, such as a debtor failing to engage in a repayment plan with the Group and it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Management has assessed and concluded that the expected credit loss rate for trade receivables past due less than 1 year approximates nil and is immaterial, while the expected credit loss rate for trade receivables past due more than 1 year approximates 50% to 100%, except for specific cases where management has assessed that the amount is still fully recoverable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26. Financial risk management *(continued)*

(b) Credit risk *(continued)*

(i) Trade receivables and contract assets (continued)

The Group's and the Company's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 are set out in the provision matrix as follows:

		Past due			
	Current	**1 to 6 months**	**7 to 12 months**	**Over 12 months**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
2022					
Group					
Engineering and Construction					
Contract assets	**104,586**	**–**	**–**	**37,767**	**142,353**
Trade receivables	**14,478**	**–**	**–**	**–**	**14,478**
Bio-Refinery and Renewable Energy					
Contract assets	**12,122**	**–**	**–**	**–**	**12,122**
Trade receivables	**766**	**2,081**	**–**	**295**	**3,142**
Loss allowance	**–**	**–**	**–**	**(160)**	**(160)**
Company					
Investment Holding and Management Services					
Trade receivables	**12,215**	**–**	**–**	**–**	**12,215**
2021					
Group					
Engineering and Construction					
Contract assets	118,139	–	–	–	118,139
Trade receivables	20,382	–	–	–	20,382
Bio-Refinery and Renewable Energy					
Contract assets	5,919	–	–	–	5,919
Trade receivables	3,718	919	–	269	4,906
Loss allowance	–	–	–	(84)	(84)
Company					
Investment Holding and Management Services					
Trade receivables	11,098	–	–	–	11,098

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26. Financial risk management *(continued)*

(b) Credit risk *(continued)*

(ii) Financial guarantee contracts

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 12.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Group			
	Less than 1 year	**1 - 2 years**	**2 - 5 years**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**
At 31 December 2022				
Trade and other payables	**60,531**	**–**	**9,480**	**70,011**
Bank borrowings and lease liabilities	**53,897**	**3,960**	**3,845**	**61,702**
At 31 December 2021				
Trade and other payables	50,557	–	6,943	57,500
Bank borrowings and lease liabilities	63,178	6,565	8,508	78,251

	Company			
	Less than 1 year	**1 - 2 years**	**2 - 5 years**	**Total**
	S$'000	**S$'000**	**S$'000**	**S$'000**
At 31 December 2022				
Trade and other payables	**3,752**	**–**	**–**	**3,752**
Financial guarantee contract	**48,084**	**–**	**–**	**48,084**
At 31 December 2021				
Trade and other payables	3,066	–	–	3,066
Financial guarantee contract	59,437	–	–	59,437

The Group and the Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26. Financial risk management *(continued)*

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The gearing ratio is calculated as net debt divided by shareholders funds. Net debt is calculated as bank borrowings and lease liabilities less cash and bank balances.

	Group	
	2022	2021
	S$'000	S$'000
Net debt	**3,850**	9,920
Shareholders' funds	**145,516**	142,960
Gearing ratio (times)	**0.03**	0.07

The Group and Company are in compliance with all externally imposed requirements in all material aspects for the financial years ended 31 December 2022 and 2021 respectively.

(e) Fair value measurements

The following paragraph presents the assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted price (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Group	**Level 1 S$'000**	**Total S$'000**
31 December 2022		
Assets		
Financial assets, at FVOCI	**367**	**367**
31 December 2021		
Assets		
Financial assets, at FVOCI	491	491

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

26. Financial risk management *(continued)*

(f) Financial instruments by category

The carrying amounts of financial assets measured at fair value (at FVOCI) are disclosed on the face of the balance sheet and in Note 15.

The aggregate carrying amounts of financial assets and liabilities at amortised cost are as follows:

	Group		**Company**	
	2022	2021	**2022**	2021
	S$'000	S$'000	**S$'000**	S$'000
Financial assets at amortised cost	**82,940**	101,100	**59,715**	94,310
Financial liabilities at amortised cost	**129,034**	132,245	**3,752**	3,066

27. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sale and purchase of goods and services

	Group	
	2022	2021
	S$'000	S$'000
Purchase of goods and services from related corporations	**(1,044)**	(516)
Progress billings on construction contract to related corporations	**9,062**	7,229
Rental of office premise from a related corporation	**(591)**	(841)
Rental of factory-cum-office space to a related corporation	**523**	505
Management and support services from a related corporation and the immediate and ultimate holding corporation	**(2,700)**	(1,681)

Related party comprises companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

Outstanding balances at 31 December 2022 and 2021, arising from sale/purchase of goods and services, are disclosed in Notes 13 and 22.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

27. Related party transactions *(continued)*

(b) Key management personnel compensation

Key management personnel compensation is analysed as follows:

	Group	
	2022	2021
	S$'000	S$'000
Salaries and other short-term employee benefits	**4,125**	2,930
Employer's contribution to defined contribution plans, including Central Provident Fund	**137**	135
	4,262	3,065

Included in the above was total directors' fees to directors of the Company amounting to S$284,500 (2021: S$183,000).

28. Segment information

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer ("CEO") that are used to make strategic decisions.

The CEO considers the business from a business segment perspective. Management manages and monitors the business in two main business segments which are "Engineering and Construction" and "Bio-Refinery and Renewable Energy". The CEO assesses the performance of these business segments based on sales, segment results, segment assets and segment liabilities.

(a) Analysis by Reportable Segment

Segment revenue and expense: Segment revenue and expense are the operating revenue and expenses reported in the Group's profit or loss that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and plant and equipment, net of allowance and impairment that can be specifically attributable to a specific segment. Capital expenditure includes the total cost incurred to acquire plant and equipment directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

28. Segment information *(continued)*

(a) Analysis by Reportable Segment *(continued)*

The Group's income tax expense and income tax payable are not allocated to any specific segment.

	Engineering and Construction S$'000	Bio-Refinery and Renewable Energy S$'000	Total S$'000
Group			
2022			
Revenue			
External	160,396	51,346	211,742
Results			
Segment results	671	5,447	6,118
Share of loss of associated companies	(342)	–	(342)
Interest income			365
Finance expense			(1,686)
Income tax expense			(1,087)
Profit after income tax			3,368
Assets			
Segment assets	220,683	32,843	253,526
Investments in associated companies	886	–	886
Goodwill	–	6,857	6,857
Unallocated assets:			
Short-term bank deposits			29,231
Financial assets, at FVOCI			367
Deferred tax assets			104
Total assets			290,971
Liabilities			
Segment liabilities	59,756	20,649	80,405
Unallocated liabilities:			
Income tax liabilities			534
Deferred tax liabilities			9
Bank borrowings and lease liabilities			59,023
Total liabilities			139,971
Other information			
Depreciation	5,872	47	5,919
Capital expenditure	4,494	110	4,604

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

28. Segment information *(continued)*

(a) Analysis by Reportable Segment *(continued)*

	Engineering and Construction S$'000	Bio-Refinery and Renewable Energy S$'000	Total S$'000
Group			
2021			
Revenue			
External	148,794	31,782	180,576
Results			
Segment results	2,127	2,971	5,098
Share of profit of associated companies	159	–	159
Interest income			36
Finance expense			(1,564)
Income tax expense			(1,063)
Profit after income tax			2,666
Assets			
Segment assets	223,253	25,076	248,329
Investments in associated companies	1,229	–	1,229
Goodwill	–	6,857	6,857
Unallocated assets:			
Short-term bank deposits			26,495
Financial assets, at FVOCI			491
Deferred tax assets			42
Total assets			283,443
Liabilities			
Segment liabilities	49,050	13,648	62,698
Unallocated liabilities:			
Income tax liabilities			328
Deferred tax liabilities			475
Bank borrowings and lease liabilities			74,745
Total liabilities			138,246
Other information			
Depreciation	11,561	43	11,604
Capital expenditure	1,774	10	1,784

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

28. Segment information *(continued)*

(b) Geographical Information

The Group's two business segments operate in six main geographical areas: Singapore, Malaysia, Indonesia, Rest of Asia, South America and Africa.

The following table presents revenue (based on location of project) and non-current assets information for the main geographical areas for the financial years ended 31 December 2022 and 2021.

	Group	
	2022	2021
	S$'000	S$'000
Total revenue		
Singapore	**160,428**	148,181
Malaysia	**9,928**	10,414
Indonesia	**31,396**	11,909
Rest of Asia	**6,772**	5,143
South America	**795**	1,317
Africa	**2,423**	3,612
	211,742	180,576
Total non-current assets		
Singapore	**85,014**	57,116
Malaysia	**964**	956
	85,978	58,072

(c) Information about major customers

Revenue of approximately 66% (2021: 74%) are derived from two (2021: four) major customers. These revenues are attributable to the Engineering and Construction segment.

29. Immediate and ultimate holding corporation

The Company's immediate and ultimate holding corporation is Koh Brothers Group Limited, incorporated in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

30. Significant Group companies

The Group's significant subsidiaries, joint operations, and associated companies at 31 December 2022 and 2021 are as follows:

Name	Country of incorporation and business	Principal activities	Effective holding by the Group	
			2022	2021
			%	%
SUBSIDIARIES				
Held by the Company				
Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd [1]	Singapore	Engineering and construction	**100**	100
Koh Eco Engineering Pte Ltd [1]	Singapore	Engineering and construction	**100**	100
Oiltek International Limited [1]	Singapore	Investment holding	**68.14**	80.04
Held by subsidiaries				
Oiltek Sdn Bhd [2]	Malaysia	Engineering design and commissioning of oil extraction equipment and plant	**68.14**	80.04
Oiltek Global Energy Sdn Bhd [2]	Malaysia	Engineering design and commissioning of oil extraction equipment and plant	**68.14**	80.04
JOINT OPERATIONS				
Held by Subsidiary				
Samsung - Koh Brothers Joint Venture [4], [5]	Singapore	Construction	**30**	30
POKB JV [1], [5]	Singapore	Construction	**35**	35
Koh Brothers – China Harbour Joint Venture [1], [5]	Singapore	Construction	**60**	60
ASSOCIATED COMPANY				
Held by the Company				
Tricaftan Environmental Technology Pte Ltd [3]	Singapore	Construction and project management	**40**	40

[1] Audited by PricewaterhouseCoopers LLP, Singapore.
[2] Audited by PricewaterhouseCoopers PLT, Malaysia.
[3] Audited by Apen Chartered Accountants, Singapore.
[4] Audited by RSM Chio Lim LLP, Singapore.
[5] These partnerships are regarded as joint operations in accordance with SFRS(I) 11 Joint Arrangements as the joint venture agreements for these partnerships require unanimous consent from all parties and the partners have direct rights to the assets of the partnership and are jointly and severally liable for the liabilities incurred by the partnership. Therefore these partnerships are classified as joint operations and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in Note 2.4(d).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

31. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2023 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: *Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)*

The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-12 Income Taxes: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)*

The amendments to SFRS(I) 1-12 *Income Taxes* require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities; and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

SFRS (I) 1-12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Group does not expect any significant impact arising from applying these amendments.

32. Events occurring after balance sheet date

On 6 January 2023, Oiltek International Limited together with its subsidiaries (the "OIL Group"), in which the Group has 68.14% effective shareholding interest, announced that there was a fire incident of a refinery plant located at the premises of a customer in Malaysia that is supplied by the OIL Group and in the course of being commissioned for the customer. Subsequently, the OIL Group and the customer have come to an agreement on the list of rectification work scopes and schedule, where the rectification works are to be completed between a period of four weeks to six months. The rectification works are expected to complete within the financial year ending 31 December 2023.

The fire incident does not have any financial impact on the results of the Group for FY2022.

33. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Koh Brothers Eco Engineering Limited on 21 March 2023.

STATISTICS OF SHAREHOLDINGS

As at 15 March 2023

Number of shares issued	:	2,817,931,762
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
Number of subsidiary holdings held	:	Nil
Treasury Shares	:	Nil

Distribution of shareholdings as at 15 March 2023

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	39	0.42	1,435	0.00
100 - 1,000	5,816	62.03	2,584,822	0.09
1,001 - 10,000	2,238	23.87	8,377,706	0.30
10,001 - 1,000,000	1,217	12.98	142,113,435	5.04
1,000,001 and above	66	0.70	2,664,854,364	94.57
Total	**9,376**	**100.00**	**2,817,931,762**	**100.00**

Twenty largest shareholders as at 15 March 2023

No.	Name of Shareholders	No. of Shares	%
1	Koh Brothers Group Limited	1,544,627,607	54.81
2	Penta-Ocean Construction Co Ltd	810,000,000	28.74
3	Citibank Nominees Singapore Pte Ltd	46,372,650	1.65
4	DBS Nominees Pte Ltd	27,028,388	0.96
5	Lai Weng Kay	15,585,000	0.55
6	Maybank Securities Pte. Ltd.	14,495,000	0.52
7	Koh Keng Siang	13,100,000	0.47
8	UOB Kay Hian Pte Ltd	11,908,590	0.42
9	Morph Investments Ltd	9,550,000	0.34
10	United Overseas Bank Nominees Pte Ltd	9,003,043	0.32
11	Phillip Securities Pte Ltd	6,812,830	0.24
12	Koh Teak Huat	6,764,746	0.24
13	Koh Loh Chen	6,700,000	0.24
14	OCBC Securities Private Ltd	6,433,721	0.23
15	Goi Seng Hui	5,967,200	0.21
16	Lim & Tan Securities Pte Ltd	5,941,600	0.21
17	Tan Keng Yeow	5,906,700	0.21
18	Morgan Stanley Asia (S) Securities Pte Ltd	5,786,900	0.21
19	Liew Kuo Huei	5,739,900	0.20
20	Ng Poh Wah	5,634,300	0.20
	Total	**2,563,358,175**	**90.97**

STATISTICS OF SHAREHOLDINGS

As at 15 March 2023

Substantial Shareholders

(as recorded in the Register of Substantial Shareholders as at 15 March 2023)

Substantial Shareholders	Direct Interest No. of Ordinary Shares	Direct Interest %	Deemed Interest No. of Ordinary Shares	Deemed Interest %	Direct Interest No. of Ordinary Shares Comprised in Warrants Held
Koh Brothers Group Limited	1,544,627,607	54.81	–	–	–
Penta-Ocean Construction Co., Ltd.	810,000,000	28.74	–	–	–
Koh Keng Siang	13,120,000	0.47	1,544,629,607[1]	54.81[1]	4,388,846

Note:

[1] Koh Keng Siang is deemed interested in (i) 2,000 shares held by his spouse and (ii) 1,544,627,607 shares held by Koh Brothers Group Limited.

SHAREHOLDINGS HELD BY PUBLIC

Based on the information available to the Company as at 15 March 2023, approximately 15.01% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

STATISTICS OF SHAREHOLDINGS

As at 15 March 2023

WARRANTS HOLDERS INFORMATION (W230925)

as at 15 March 2023

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 - 99	3	0.27	112	0.00
100 - 1,000	295	26.46	199,180	0.26
1,001 - 10,000	498	44.66	2,347,330	3.10
10,001 - 1,000,000	298	26.73	23,554,295	31.08
1,000,001 and above	21	1.88	49,676,539	65.56
Total	**1,115**	**100.00**	**75,777,456**	**100.00**

Twenty largest warrantholders as at 15 March 2023

No.	Name of Warrantholders	No. of Warrants	%
1	Maybank Securities Pte. Ltd.	7,960,700	10.50
2	DBS Nominees Pte Ltd	7,311,150	9.65
3	Khoo Soo Beng	5,765,800	7.61
4	Koh Keng Siang	4,388,846	5.79
5	Chew Tee Tank	2,552,300	3.37
6	Ng Poh Wah	1,878,100	2.48
7	Ang Shu Hua	1,805,500	2.38
8	Koh Teak Huat	1,754,915	2.32
9	Ng Tie Jin (Huang Zhiren)	1,750,100	2.31
10	Tan Quee Hong (Chen Guifeng)	1,649,400	2.18
11	Tan Sian Gwan	1,400,000	1.85
12	Kng Chin Kait	1,377,500	1.82
13	OCBC Securities Private Ltd	1,229,400	1.62
14	Yan Ko Keong Peter	1,220,150	1.61
15	Ong Swee Whatt	1,179,100	1.56
16	Toh Chin Teck	1,136,000	1.50
17	Romien Chandrasegaran	1,088,400	1.43
18	Malaiya Maran s/o Srinivasan	1,088,000	1.43
19	Phillip Securities Pte Ltd	1,066,678	1.41
20	UOB Kay Hian Pte Ltd	1,053,500	1.39
	Total	**48,655,539**	**64.21**

NOTICE OF ANNUAL GENERAL MEETING

Unless otherwise defined herein, capitalised terms shall have the meaning ascribed to them in the Company's Letter to Shareholders dated 10 April 2023 (the "Letter").

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Koh Brothers Eco Engineering Limited (the "Company") will be convened and held at Dunearn Ballroom II & III, Level 1, Raffles Town Club, 1 Plymouth Avenue, Singapore 297753 on Tuesday, 25 April 2023 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022 and the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final dividend of 0.025 Singapore cent per share for the financial year ended 31 December 2022. **(Resolution 2)**

3. To re-elect Mr Koh Keng Siang who will retire by rotation pursuant to Regulation 94 of the Company's Constitution and who, being eligible, will offer himself for re-election. **(Resolution 3)**

4. To re-elect Mr Shin Yong Seub who will retire by rotation pursuant to Regulation 94 of the Company's Constitution and who, being eligible, will offer himself for re-election. **(Resolution 4)**

5. To re-elect Mr Lee Sok Khian John who will retire pursuant to Regulation 94 of the Company's Constitution and who, being eligible, will offer himself for re-election. **(Resolution 5)**

6. To approve the sum of S$284,500 as Directors' fees for the financial year ended 31 December 2022. (FY2021: S$183,167) **(Resolution 6)**

7. To re-appoint PricewaterhouseCoopers LLP as the Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolutions, which will be proposed as Ordinary Resolutions:

8. **Proposed Renewal of the Share Issue Mandate** **(Resolution 8)**

That authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercising share options or vesting of share awards, provided the share options or share awards were granted in compliance with the Catalist Rules; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares;

provided further that adjustments in accordance with sub-paragraphs (2)(i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in this Resolution, "subsidiary holdings" shall have the meaning given to it in the Catalist Rules;

(4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(5) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

9. **Proposed Renewal of the KBGL IPT Mandate** **(Resolution 9)**

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules ("Chapter 9"), for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in Appendix 1 to the Company's Letter to Shareholders dated 10 April 2023 (the "Letter") with any of the KBGL Interested Persons described in Appendix 1 to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

NOTICE OF ANNUAL GENERAL MEETING

(b) the approval given in paragraph (a) above (the "KBGL IPT Mandate") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier;

(c) the Audit and Risk Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the KBGL IPT Mandate and/or this Resolution.

10. **Proposed Renewal of the POC IPT Mandate** **(Resolution 10)**

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules ("Chapter 9"), for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in Appendix 2 to the Letter, with any of the POC Interested Persons described in Appendix 2 to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

(b) the approval given in paragraph (a) above (the "POC IPT Mandate") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier;

(c) the Audit and Risk Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the POC IPT Mandate and/or this Resolution.

11. **Proposed Renewal of the Share Buy Back Mandate** **(Resolution 11)**

That:

(a) for the purposes of sections 76C and 76E of the Companies Act 1967 of Singapore (the "Companies Act"), as may be amended or modified from time to time, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a "Market Purchase") on the SGX-ST; and/or

NOTICE OF ANNUAL GENERAL MEETING

(ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buy Back Mandate");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held;

(ii) the date by which the next AGM of the Company is required by law to be held; or

(iii) the date on which purchases or acquisitions of Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Prescribed Limit**" means that number of Shares representing 2.5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Catalist Rules)) as at the date of the passing of this Resolution; and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase of a Share, 105% of the Average Closing Price (as hereafter defined); and

(ii) in the case of an Off-Market Purchase of a Share, 120% of the Average Closing Price (as hereafter defined),

where:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase or, as the case may be, the date of the making of the offer (as hereafter defined) pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs during the relevant five-day period and the date of the Market Purchase by the Company, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

NOTICE OF ANNUAL GENERAL MEETING

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

12. **Authority for Directors to grant awards and to allot and issue shares pursuant to the Koh Brothers Eco Engineering Limited Performance Share Plan 2017** **(Resolution 12)**

That approval be and is hereby given to the Directors of the Company to:

(a) grant awards in accordance with the provisions of the Koh Brothers Eco Engineering Limited Performance Share Plan 2017 (the "KBE PSP");

(b) allot and issue from time to time such number of fully paid-up ordinary shares of the Company as may be required to be delivered pursuant to the vesting of awards under the KBE PSP; and

(c) allot and issue from time to time such number of fully paid-up ordinary shares of the Company pursuant to any awards granted in accordance with the KBE PSP while this Resolution was in force (notwithstanding that such issue of shares pursuant to any awards granted may occur after the expiration of the authority contained in this Resolution),

provided that the aggregate number of (i) new ordinary shares allotted and issued and/or to be allotted and issued, (ii) existing ordinary shares (including shares held as treasury shares) delivered and/or to be delivered, and (iii) ordinary shares released and/or to be released in the form of cash in lieu of ordinary shares, pursuant to awards granted under the KBE PSP, shall not exceed 20% of the total number of issued shares of the Company (excluding shares held as treasury shares and subsidiary holdings (as defined in the Catalist Rules)) from time to time.

By Order of the Board

Koh Keng Siang
Non-Executive and Non-Independent Chairman

10 April 2023

Explanatory Notes:

Ordinary Resolution 3: Mr Koh Keng Siang will, upon re-election as a Director of the Company, remain as the Non-Executive and Non-Independent Chairman of the Company, the Chairman of the Executive Committee, and a member of the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee.

Ordinary Resolution 4: Mr Shin Yong Seub will, upon re-election as a Director of the Company, remain as the Executive Director and Chief Executive Officer of the Company, and a member of the Executive Committee.

Ordinary Resolution 5: Mr Lee Sok Khian John will, upon re-election as a Director of the Company, remain as the Non-Executive and Non-Independent Director of the Company.

Ordinary Resolution 8: This Resolution is to authorise the Directors from the date of the forthcoming AGM until the next AGM to issue shares of the Company and/or to make or grant instruments (such as warrants or debentures) convertible into shares ("Instruments"), and to issue shares in pursuance of such Instruments, up to a number not exceeding 100% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings), with a sub-limit of 50% for issues other than on a *pro rata* basis to shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING

For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time that this Resolution is passed, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed, and (ii) any subsequent bonus issue, consolidation or subdivision of ordinary shares. For the avoidance of doubt, any consolidation or subdivision of ordinary shares of the Company will require shareholders' approval. As at 15 March 2023 (the "Latest Practicable Date"), the Company had no treasury shares and no subsidiary holdings.

Ordinary Resolution 9: This Resolution is to renew the mandate to enable the Company, its subsidiaries and associated companies that are considered to be entities at risk (as that term is used in Chapter 9 of the Catalist Rules), or any of them, to enter into certain interested person transactions with the KBGL Interested Persons, as described in the Letter. Please refer to the Letter for more details.

Ordinary Resolution 10: This Resolution is to renew the mandate to enable the Company, its subsidiaries and associated companies that are considered to be entities at risk (as that term is used in Chapter 9 of the Catalist Rules), or any of them, to enter into certain interested person transactions with the POC Interested Persons, as described in the Letter. Please refer to the Letter for more details.

Ordinary Resolution 11: This Resolution is to renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company may use internal sources of funds, external borrowings, and/or a combination of internal resources and external borrowings, to finance the purchase or acquisition of its shares. The amount of funding required for the Company to purchase or acquire its shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of shares purchased or acquired and the price at which such shares were purchased or acquired and whether the shares purchased or acquired are held in treasury or cancelled.

The financial effects of the purchase or acquisition of such shares by the Company pursuant to the Share Buy Back Mandate on the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2022, based on certain assumptions, are set out in paragraph 4.7 of the Letter. Please refer to the Letter for more details.

Ordinary Resolution 12: This Resolution is to empower the Directors to offer and grant awards, and to allot and issue fully paid-up ordinary shares or new ordinary shares pursuant to the vesting of the awards, under the Koh Brothers Eco Engineering Limited Performance Share Plan 2017 ("KBE PSP"), provided that the aggregate number of (i) new ordinary shares allotted and issued and/or to be allotted and issued, (ii) existing ordinary shares (including shares held as treasury shares) delivered and/or to be delivered, and (iii) ordinary shares released and/or to be released in the form of cash in lieu of ordinary shares, pursuant to awards granted under the KBE PSP shall not exceed 20% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.

Notes:

1. A proxy need not be a member of the Company.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in section 181 of the Companies Act 1967 of Singapore.

   A member can appoint the Chairman of the AGM as his/her/its proxy, but this is not mandatory.

3. The instrument appointing a proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company c/o Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or

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

   in either case, by **10.00 a.m. on 22 April 2023**, being 72 hours before the time appointed for holding the AGM.

NOTICE OF ANNUAL GENERAL MEETING

A member who wishes to submit an instrument of proxy must first **download, print, 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. The proxy form for the AGM may be accessed at the Company's website at the URL http://www.kbeco.com.sg/html/ir_annual.php, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

4. The instrument appointing a proxy must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy 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 the instrument of proxy is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

5. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The instrument appointing the proxy must be under the seal or the hand of an officer or attorney duly authorised.

6. The Company shall be entitled to reject an instrument appointing a proxy or proxies which 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 a proxy or proxies.

7. In the case of a member whose shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company shall be entitled to reject an instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Annual General Meeting, as certified by the CDP to the Company.

IMPORTANT INFORMATION:

1. Physical meeting:

The AGM is being convened and will be held physically at Dunearn Ballroom II & III, Level 1, Raffles Town Club, 1 Plymouth Avenue, Singapore 297753 on Tuesday, 25 April 2023 at 10.00 a.m.. **There will be no option for members to participate virtually**.

The Company may be required to change its AGM arrangements at short notice due to prevailing COVID-19 situation. Shareholders are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM.

2. Submission of questions:

In view of the guidance note issued by the Singapore Exchange Regulation, members (including CPF and SRS investors) who have any substantial and relevant questions in relation to any resolution to be tabled at the AGM as set out in this Notice, are encouraged to submit their questions to the Company in advance by no later than **5.00 p.m. on Monday, 17 April 2023** in the following manner:

(a) By email to kohbrotherseco-agm@complete-corp.com; or

(b) By post to the registered office of the Company, at 11 Lorong Pendek, Koh Brothers Building, Singapore 348639 (Attention: The Company Secretary).

Members who submit questions by post must include the following information in their submission:

(a) their (A) full name, (B) full NRIC/Passport/Company Registration No., and (C) address; and

(b) the manner in which the Company's shares are held by them (e.g. via CDP, scrip, CPF or SRS).

Persons who hold shares in the Company through relevant intermediaries (as defined in section 181 of the Companies Act 1967 of Singapore), other than CPF and SRS investors, and who wish to submit questions to the Chairman of the Meeting in advance of, or at, the AGM should contact the relevant intermediary through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

The Company will answer all substantial and relevant questions by 10.00 a.m. on 20 April 2023 by publishing the responses to such questions on the SGX website at the URL https://www.sgx.com/securities/company-announcements at least 48 hours before the cut-off for submission of proxy form. Any substantial or relevant questions received after the deadline of 20 April 2023 will be addressed at the AGM itself.

Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies can also ask the Chairman of the AGM questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

NOTICE OF ANNUAL GENERAL MEETING

3. **Voting:**

Voting will be conducted by way of poll during the AGM for members and proxies attending the AGM.

Voting via appointing of Proxy: Members who wish to appoint proxy(ies) (other than the Chairman of the AGM) to attend and vote at the AGM on their behalf must complete and submit the proxy form in accordance with the instructions set out in the proxy form.

Voting via appointing of Chairman of the AGM as Proxy: Members may appoint the Chairman of AGM as his/her/its proxy to vote on his/her/its behalf at the AGM. Where a member (whether individual or corporate) appoints the Chairman of the AGM 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 proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

CPF and SRS investors:

(a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

(b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM, i.e. by **5.00 p.m. on Friday, 14 April 2023**.

Persons who hold shares through relevant intermediaries (other than CPF/SRS investors) and who wish to vote should approach the relevant intermediary through which they hold the shares as soon as possible to specify their voting instructions.

4. **Annual Report and other documents relating to the AGM:**

The Annual Report 2022 and the Letter to Shareholders dated 10 April 2023 (in relation to the proposed renewal of the KBGL IPT Mandate and the POC IPT Mandate and the proposed renewal of the Share Buy Back Mandate) may be accessed at the Company's website as follows:

(a) The Annual Report 2022 may be accessed at the URL http://www.kbeco.com.sg/html/ir_annual.php by clicking on the "Download" hyperlink under "Annual Report for FY2022"; and

(b) The Letter to Shareholders dated 10 April 2023 may be accessed at the URL http://www.kbeco.com.sg/html/ir_annual.php by clicking on the "Download" hyperlink under "Letter to Shareholders for FY2022".

Printed copies of these documents will not be sent to shareholders.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) 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 proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, and other documents relating to the AGM (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, (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Koh Keng Siang	**Shin Yong Seub**	**Lee Sok Khian John**
Date of appointment	28 February 2013	1 June 2016	1 September 2017
Date of last re-appointment	25 June 2020	27 April 2021	27 April 2021
Age	61	64	70
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment / re-appointment (including, where applicable, rationale, selection criteria and the search and nomination process)	Mr Koh Keng Siang has been with the Koh Brothers Group since 1987 and has held various positions in administration, finance and project management. He was the main driving force behind the expansion of the Group's business into Real Estate and Leisure & Hospitality. He is credited with spearheading the Group to establish its brand name in Singapore as a builder of quality homes. He has continued to discharge his duties well and positively contribute to the Group.	Mr Shin Yong Seub has over 30 years of professional experience in the building and construction industry in Singapore and Asia. His experience will continue to enhance Board deliberations.	Mr Lee Sok Khian John has extensive experience in management, corporate, accounting and finance functions in various industries and listed companies. He has discharged his duties well and continues to contribute positively to the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive. Manage the operations of Koh Brothers Eco Engineering Limited and its subsidiaries	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Non-Executive and Non-Independent Chairman • Chairman of Executive Committee • Member of Nominating Committee • Member of Audit & Risk Committee • Member of Remuneration Committee	• Executive Director and Chief Executive Officer • Member of Executive Committee	• Non-Executive and Non-Independent Director
Professional qualifications	• Bachelor of Engineering (Honours) from the University of Birmingham • Master of Business Administration from the National University of Singapore	• Bachelor of Arts in International Business, Hankuk University of Foreign Studies • Bachelor of Arts in Middle East Politics & Economics, King Saud University • Masters in International Business Administration, Korea University	• Fellow of Institute of Singapore Chartered Accountants and the Association of Chartered Certified Accountants • Associate of the Chartered Institute of Management Accountants • Associate of the Chartered Secretaries Institute of Singapore

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Koh Keng Siang	Shin Yong Seub	Lee Sok Khian John
Working experience and occupation(s) during the past 10 years	2013 to Present Non-Executive and Non-Independent Chairman of Koh Brothers Eco Engineering Limited 1994 to Present Managing Director and Group CEO of Koh Brothers Group Limited	June 2016 to Present Executive Director and Chief Executive Officer of Koh Brothers Eco Engineering Limited 2010 to 2015 Head, Samsung C & T Corporation, South East Asia	September 2017 to Present • Non-Executive and Non-Independent Director of Koh Brothers Eco Engineering Limited • Executive Director of Koh Brothers Group Limited January 2017 to August 2017 Executive Director of Hatten Land Ltd May 2016 to January 2017 Executive Director of Hatten International Pte Ltd December 2008 to May 2016 Chief Financial Officer/ Company Secretary of Koh Brothers Group Limited
Shareholding interest in the listed issuer and its subsidiaries	• 13,120,000 direct interest and 1,544,629,607 deemed interest in ordinary shares of Koh Brothers Eco Engineering Limited	• 1,612,190 direct interest in ordinary shares of Koh Brothers Eco Engineering Limited. • 67,470 conditional awards granted under the Koh Brothers Eco Engineering Limited Performance Share Plan 2017	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	• Managing Director and Group CEO of Koh Brothers Group Limited, who is a substantial shareholder of Koh Brothers Eco Engineering Limited • Cousin of Koh Keng Seng, who is a Director of Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd.	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Whether the undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Koh Keng Siang	Shin Yong Seub	Lee Sok Khian John
Other principal commitments including directorships	**Past (for the last 5 years)** Nil **Present** • Koh Brothers Group Limited • Oiltek International Limited • Canberra Development Pte Ltd • FEC Skypark Pte. Ltd. • G & W Industries Pte Ltd • G & W Precast Pte Ltd • G & W Ready-Mix Pte Ltd • G & W Industries (M) Sdn. Bhd. • G & W Building Materials Sdn. Bhd. • KBD Holland Pte Ltd • KBD Kosdale Pte. Ltd. • Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. • Koh Brothers Development Pte Ltd • Koh Brothers Holdings Pte Ltd • Koh Brothers Investment Pte Ltd • Kosland Pte Ltd • Koh Brothers Gangnam Ltd • Koh Maju Sdn. Bhd. • Oxford Hotel Pte Ltd • Oiltek Global Pte. Ltd. • Oiltek Global Energy Sdn. Bhd. • Oiltek Sdn. Bhd. • PT Koh Brothers Indonesia • Panareno Sdn. Bhd.	**Past (for the last 5 years)** • Singapore International Chamber of Commerce **Present** • Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. • The Korean Chamber of Commerce in Singapore	**Past (for the last 5 years)** Nil **Present** • Koh Brothers Group Limited
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?			
	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?			
	No	No	No
(c) Whether there is any unsatisfied judgment against him?			
	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Koh Keng Siang	Shin Yong Seub	Lee Sok Khian John
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?			
	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?			
	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?			
	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?			
	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?			
	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?			
	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?			
	No	No	No

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KOH BROTHERS ECO ENGINEERING LIMITED
(Unique Entity Number: 197500111H)
(Incorporated in Singapore)

PROXY FORM

IMPORTANT
1. The Annual General Meeting is being convened, and will be held physically, at Dunearn Ballroom II & III, Level 1, Raffles Town Club, 1 Plymouth Avenue, Singapore 297753 on Tuesday, 25 April 2023 at 10.00 a.m.. **There will be no option for members to participate virtually**. Printed copies of the Notice of Annual General Meeting and this Proxy Form will not be sent to members. Instead, the Notice of Annual 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.kbeco.com.sg/html/ir_annual.php. The Notice of Annual General Meeting and this Proxy Form will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. This Proxy Form is not valid for use by investors holding shares in the Company ("Shares") through relevant intermediaries (as defined in section 181 of the Companies Act 1967 of Singapore) ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on Friday, 14 April 2023, being 7 working days before the date of the Annual General Meeting, to submit his/her voting instructions.
3. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 April 2023.
4. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies)**.

I/We, ____________________ (Name) ____________________ (NRIC/Passport/Co Reg No.)

of ____ (Address)

being a member/members of Koh Brothers Eco Engineering Limited (the "Company") hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

or failing him/them, the Chairman of the Annual General Meeting of the Company (the "Meeting") as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Meeting to be held on Tuesday, 25 April 2023 at Dunearn Ballroom II & III, Level 1, Raffles Town Club, 1 Plymouth Avenue, Singapore 297753 at 10.00 a.m. and at any adjournment thereof.

(Voting will be conducted by poll. Please indicate with a "✓" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of the Meeting. If you wish your proxy/proxies to abstain from voting on a Resolution, please indicate with a "✓" in the "Abstain" box provided in respect of that Resolution. Alternatively, you may indicate the number of Shares that you wish to vote for or against, and/or abstain from voting, for each Resolution in the relevant box. In the absence of specific directions, the proxy/proxies may vote or abstain as he/they may think fit on any of the above Resolutions, and on any other matter arising at the Meeting and any adjournment thereof.

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
Ordinary Business				
1	To receive and adopt the Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 December 2022 **(Resolution 1)**			
2	To declare a final dividend **(Resolution 2)**			
3	To re-elect Mr Koh Keng Siang as Director **(Resolution 3)**			
4	To re-elect Mr Shin Yong Seub as Director **(Resolution 4)**			
5	To re-elect Mr Lee Sok Khian John as Director **(Resolution 5)**			
6	To approve Directors' fees **(Resolution 6)**			
7	To re-appoint PricewaterhouseCoopers LLP as the Auditor and to authorise the Directors to fix their remuneration **(Resolution 7)**			
Special Business				
8	To approve the proposed renewal of the Share Issue Mandate **(Resolution 8)**			
9	To approve the proposed renewal of the KBGL IPT Mandate **(Resolution 9)**			
10	To approve the proposed renewal of the POC IPT Mandate **(Resolution 10)**			
11	To approve the proposed renewal of the Share Buy Back Mandate **(Resolution 11)**			
12	To authorise the Directors to grant awards and to allot and issue shares pursuant to the Koh Brothers Eco Engineering Limited Performance Share Plan 2017 **(Resolution 12)**			

Dated this __________ day of ________________ 2023.

Total number of shares held

____
Signature(s) or Common Seal of Member(s)

(Please read notes overleaf before completing this Form.)

3RD FOLD AND GLUE/OVERLEAF DO NOT STAPLE

Notes:

1. A member of the Company should insert the total number of shares held. 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. A proxy need not be a member of the Company.
3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

   "Relevant intermediary" has the meaning ascribed to it in section 181 of the Companies Act 1967 of Singapore.
4. The proxy form must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company c/o Complete Corporate Services Pte Ltd at 10 Anson Road #29-07 International Plaza Singapore 079903; or

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

   in either case, by **10.00 a.m. on 22 April 2023**, being 72 hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument of proxy must first **download, print, 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.

2ND FOLD HERE

Proxy Form

PLEASE AFFIX
POSTAGE STAMP
HERE

Koh Brothers Eco Engineering Limited
c/o Complete Corporate Services Pte Ltd
10 Anson Road
#29-07 International Plaza
Singapore 079903

1ST FOLD

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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 a proxy or proxies 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) be lodged with the instrument of proxy or, if the instrument of proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorise by a resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the Meeting in accordance with its Constitution and section 179 of the Companies Act 1967 of Singapore.
7. The Company shall be entitled to reject an instrument appointing a proxy or proxies if it is incomplete, improperly completed, 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 a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged 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.
8. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the Meeting if he/she so wishes. The appointment of the proxy(ies) for the Meeting will be deemed to be revoked if the member attends the Meeting in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the Meeting.

CORPORATE INFORMATION

Registered Office
11 Lorong Pendek
Koh Brothers Building
Singapore 348639
Tel: (65) 6289 8889
Website: www.kohbrotherseco.com

Board Of Directors
Koh Keng Siang
(Non-Executive and
Non-Independent Chairman)
Shin Yong Seub
(Executive Director and
Chief Executive Officer)
Lee Sok Khian John
(Non-Executive and
Non-Independent Director)
Hidaka Osamu
(Non-Executive and
Non-Independent Director)
Choo Boon Lai Jeffrey
(Non-Executive and
Independent Director)
Koh Choon Leng
(Non-Executive and
Independent Director)
Moh Wung Hee
(Non-Executive and
Independent Director)
Tan Hwa Peng
(Non-Executive and
Independent Director)
Yeo Soon Keong
(Non-Executive and
Independent Director)

Audit And Risk Committee
Koh Choon Leng (Chairman)
Koh Keng Siang
Moh Wung Hee
Tan Hwa Peng

Nominating Committee
Yeo Soon Keong (Chairman)
Choo Boon Lai Jeffrey
Koh Keng Siang

Remuneration Committee
Tan Hwa Peng (Chairman)
Koh Choon Leng
Koh Keng Siang

Executive Committee
Koh Keng Siang (Chairman)
Shin Yong Seub
Choo Siew Meng

Company Secretary
Therese Ng Chew Hwee

Group PR Manager
David Tay

Auditor
PricewaterhouseCoopers LLP
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936
Partner–in–charge
Lee Chian Yorn
(appointed during the financial year ended
31 December 2020)

Share Registrar
B.A.C.S. Private Limited
77 Robinson Road #06-03,
Robinson 77
Singapore 068896

Investor Relations
Citigate Dewe Rogerson
Singapore Pte. Ltd.
158 Cecil Street #05-01
Singapore 069545
Contact Person: **Dolores Phua**
Tel: (65) 6534 5122

KOH BROTHERS
ECO ENGINEERING LIMITED

KOH BROTHERS ECO ENGINEERING LIMITED
(Unique Entity Number 197500111H)
(Incorporated in Singapore)

11 Lorong Pendek,
Koh Brothers Building
Singapore 348639
Tel: (65) 6289 8889
www.kohbrotherseco.com

A member of the Koh Brothers Group

許兄弟
KOH BROS
Building Cities Building Dreams