

# **Koh Brothers Eco Engineering Limited**

**Annual General Meeting**

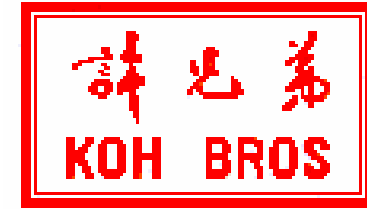
**17 April 2019**



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# **BUSINESS OVERVIEW**



Listed in the Singapore Exchange (SGX) in 2006, **Koh Brothers Eco Engineering Limited (“KBE”** together with its subsidiaries **“the Group”**) started out by providing EPC services for water and wastewater treatment projects as well as hydroengineering projects.

In 2016, we undertook the injection of the construction and civil engineering business, Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd., into the Company. The **integration of synergistic business along the value chain** has substantially increased the overall revenue, and has aided the Company in the securing of important contracts.

With our Class A1 grading by the Singapore Building and Construction Authority (BCA) for Construction and Civil Engineering Projects, we are able to tender for projects of unlimited value. In addition, we also attained ME11 L6 (Mechanical Engineering) grading by the BCA that allows us to tender for Singapore government projects of unlimited value in this category.

Our Bio-Refinery and Bio-Energy division under Oiltek Sdn. Bhd. specialises in a full range of conventional edible oil process plants as well as biodiesel, pretreatment and winter fuel plant. It also designs, builds and supplies biogas recovery system to palm oil mill effluent plants in Malaysia and Indonesia.

# Construction (Past Projects)



*Marina Barrage*



*Punggol Waterway*



*Vine Grove (Yishun) HDB*



*Bugis MRT Station (Downtown Line)*



*Changi Water Reclamation Plant*



*Bukit Timah First Diversion Canal*

# Ongoing Construction Projects



	Deep Tunnel Sewerage System (Phase 2)	Circle Line 6	Marina East Desalination Plant
Approximate Contract Value	<b>S\$520.0M</b>	<b>S\$225.4M</b>	<b>S\$153.6M</b>
Client	PUB	LTA	Keppel Seghers Pte. Ltd.
Expected Completion	1H2023	1H2025	1H2020
	<ul style="list-style-type: none"> <li>Section from South Tunnel at Tuas Road and Industrial Tunnel at Pioneer Road to the Tuas Water Reclamation Plant (10km)</li> <li>Design and construction of the tunnels, shafts and other features required</li> </ul>	<ul style="list-style-type: none"> <li>All civil, structural, architectural, electrical &amp; mechanical and system works relating to the construction of cut-and-cover tunnels and other structures from the east of the planned Prince Edward Station to the existing Marina Bay Station</li> </ul>	<ul style="list-style-type: none"> <li>KBE to tap on newly-acquired civil engineering capabilities and existing expertise in hydro-engineering to design and build the piling, civil, structural, building and piping service works</li> </ul>

# Ongoing Construction Projects



	Changi Airport Runway 3 (Package 1)	Kallang-Bishan River Upgrading
Approximate Contract Value	<b>S\$1.12B</b>	<b>S\$86.3M</b>
Client	Changi Airport Group	PUB
Expected Completion	2H2019	2H2019
	<ul style="list-style-type: none"> <li>• Largest contract win to-date (30% stake)</li> <li>• Effect three-runway operations at Changi Airport Terminal 5</li> <li>• Tap on Koh Brothers' flood alleviation and drainage expertise, and ability to produce building materials</li> </ul>	<ul style="list-style-type: none"> <li>• Section of Kallang River between Bishan and Braddell Road</li> <li>• ABC Waters project to transform this section of the canal into a beautiful stream that is integrated with the surroundings</li> </ul>



# Construction Project Awarded In FY2018



	<b>Woodlands Health Campus</b>
<b>Approximate Contract Value</b>	<b>S\$960.1M</b>
<b>Client</b>	<b>Ministry of Health</b>
<b>Expected Completion</b>	<b>1H2021</b>
	<ul style="list-style-type: none"> <li>• To develop the Woodlands Health Campus</li> <li>• Singapore's first smart hospital campus comprises an acute hospital, a community hospital, specialist outpatient clinics and nursing home</li> <li>• The first all facilities are conceptualized and built simultaneously</li> </ul>

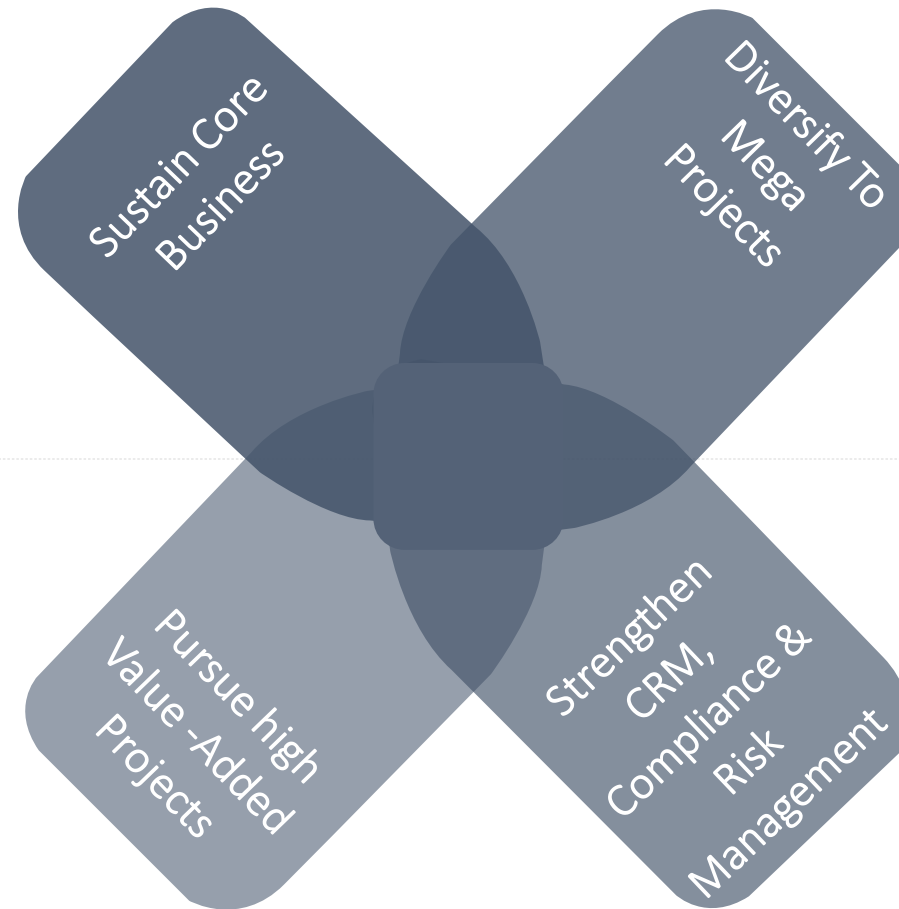
**Strong Order Book: S\$682.8M** *(As at 31 Dec 2018)*



# BUSINESS STRATEGIES

# Business Strategies

- Focus on core business
  - KBE has done construction and civil engineering projects for water, drainage, tunnelling, sewage treatment plant and many infrastructure projects.
  - Sharpen the Group's competitive edge amidst challenging operating environment
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- Prudently pursue high-yield projects and tenders
  - Explore growing opportunities in the water and wastewater and hydro-engineering sectors with enhanced capabilities
  - Looking into power plant, renewal energy power plant, oil & gas & petrochemical plant, data centre, pharmaceutical plant, marine projects.



- Continue investing in productivity management measures
  - Increase the use of automation and technology
  - Adopt innovative methods to drive productivity and efficiency
  - To pursue complex and heavy engineering projects such as airport, hospital, TBM tunnel, MRT & bridge.
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- Establish partnerships with strategic JV with global partners.
  - Enhance customer relationship management.
  - Enhance safety & security compliance, including risk assessment and management.

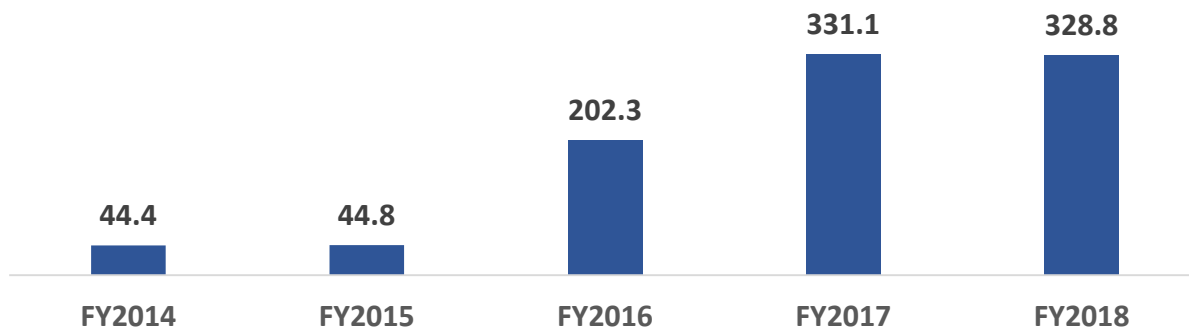


# FINANCIAL HIGHLIGHTS

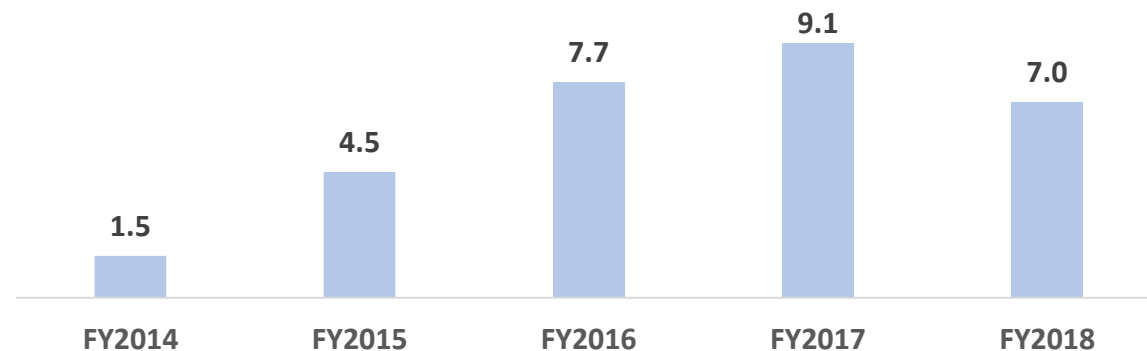
# Financial Snapshot

S\$'m	FY2014	FY2015	FY2016	FY2017*	FY2018
Revenue	44.4	44.8	202.3	331.1	328.8
Gross Profit	5.6	7.7	14.3	20.3	14.6
Profit Before Tax	1.5	4.5	7.7	9.1	7.0
Profit After Tax	1.1	2.9	6.5	8.5	5.9
Gross Profit Margin (%)	12.6	17.2	7.1	6.1	4.4
* FY2017 is adjusted for adoption of SFRS(I)					

Revenue (S\$'m)



Profit before tax (S\$'m)



# Gearing Ratio & Order Book

S\$'m	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Dec 2017	31 Dec 2018
Cash and Bank Balances	10.0	16.0	20.5	24.9	20.6
Net Debt	-	-	-	-	22.8
Shareholders' Equity	14.2	15.0	39.1	63.0	90.4
Net Debt to Equity (x)	-	-	-	-	0.25
Order Book	57.7	46.0	576.8	762.7	682.8

# Balance Sheet & Key Ratios

S\$'m	31 Dec 2014	31 Dec 2015	31 Dec 2016*	31 Dec 2017*	31 Dec 2018
<b>Current Assets</b>	<b>30.9</b>	<b>33.6</b>	<b>152.6</b>	<b>157.2</b>	<b>184.0</b>
<b>Current Liabilities</b>	<b>26.0</b>	<b>26.8</b>	<b>145.4</b>	<b>141.5</b>	<b>149.7</b>
<b>Net Current Assets</b>	<b>4.9</b>	<b>6.8</b>	<b>7.2</b>	<b>15.7</b>	<b>34.3</b>
<b>Cash and Bank Balances</b>	<b>10.0</b>	<b>16.0</b>	<b>20.5</b>	<b>24.9</b>	<b>20.6</b>
<b>Total Assets</b>	<b>42.9</b>	<b>44.8</b>	<b>205.5</b>	<b>222.6</b>	<b>250.1</b>
<b>Net Debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.8</b>
<b>Net Assets</b>	<b>16.9</b>	<b>18.0</b>	<b>42.2</b>	<b>66.0</b>	<b>93.5</b>
<b>NAV per share (cents)</b>	<b>3.74</b>	<b>3.95</b>	<b>5.23</b>	<b>6.02</b>	<b>5.78</b>
<b>Current Ratio (x)</b>	<b>1.2</b>	<b>1.3</b>	<b>1.0</b>	<b>1.1</b>	<b>1.2</b>
<b>* <i>Adjusted for adoption of SFRS(I)</i></b>					



**THANK YOU**



