**KOH BROTHERS ECO ENGINEERING LIMITED**

11 Lorong Pendek, Koh Brothers Building, Singapore 348639
Tel: (65) 6845 7204 Fax: (65) 6443 2487

**NEWS RELEASE**

**KOH BROTHERS ECO POSTS AN 87% INCREASE IN NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS TO S$0.7 MILLION FOR 1Q2019**

- ***Group revenue grew by 8% to S$56.8 million in 1Q2019***
- ***Strong construction order book of S$632.3 million as at 31 March 2019, with secured pipeline of projects***
- ***To leverage on strong capabilities and partnerships to tap on growth opportunities***

***SINGAPORE, 8 May 2019*** – SGX Catalist-listed sustainable engineering solutions provider, Koh Brothers Eco Engineering Limited ("**Koh Brothers Eco**", 許兄弟生态工程有限公司, and together with its subsidiaries, the "**Group**"), reported a significant 87% growth in net profit attributable to shareholders to S$0.7 million in 1Q2019, as compared to S$0.4 million in 1Q2018. This was achieved on the back of an 8% increase in Group revenue to S$56.8 million, as compared to S$52.8 million over the same corresponding period.

The growth in Group revenue was mainly due to higher contributions from both the Engineering and Construction division and the Bio-refinery and Bio-energy division. In line with the increase in revenue, gross profit recorded a 17% increase to S$3.5 million in 1Q2019, from S$3.0 million in 1Q2018.

Koh Brothers Eco's Chief Executive Officer, Mr. Paul Shin, said, "Amidst the challenging operating environment and rising manpower costs, the Group consistently maintained a strong construction order book of S$632.3 million as at 31 March 2019, which is a strong testament to our solid track record in civil engineering and construction. Our pipeline of projects include major construction works such as the Woodlands Health Campus, Deep Tunnel Sewerage System Phase 2 and Contract 886 (Circle Line 6)."

"With our knowledge and expertise in civil engineering and construction, coupled with our direct capabilities along with our sizable and dedicated fleet of high-quality heavy machinery, equipment, steel struts, concrete pump trucks and a well-trained and skilful manpower base, we are well-poised to seize strategic opportunities and secure more projects, to add on to our order book for sustainable long-term growth."

The Group's earnings per share in 1Q2019 stood at 0.04 Singapore cent, as compared to 0.03 Singapore cent in 1Q2018. Net asset value per share as at 31 March 2019 increased to 5.83 Singapore cents, as compared to 5.78 Singapore cents as at 31 December 2018.

The Group's balance sheet as at 31 March 2019 remains healthy, with cash and bank balances of S$18.0 million and a low net gearing ratio of 0.5 time.

**Outlook & Future Strategies**

In 2019, the Building and Construction Authority ("**BCA**") expects the total construction demand to remain steady, with a projection of between S$27.0 billion and S$32.0 billion. This is underpinned by strong public sector construction demand, supported by major infrastructure and pipeline industrial building projects, including the Cross-Island Line, developments at Jurong Lake District and Changi Terminal 5.

Demand from the private sector is expected to remain at between S$10.5 billion and S$12.5 billion in 2019, supported by projects such as new industrial developments and the redevelopment of past en-bloc sales sites that concluded prior to the second half of 2018.

Over the medium term, BCA expects construction demand to steadily improve, with a projection of between S$27.0 billion and S$34.0 billion per year for 2020 and 2021, and potentially increasing to between S$28.0 billion and S$35.0 billion per year for 2022 and 2023.[1]

[1] *Building and Construction Authority, 14 January 2019 – Singapore's total construction demand to remain strong this year*

Separately, the Group's majority-owned subsidiary, Oiltek Sdn. Bhd. ("**Oiltek**"), held under the Bio-Refinery and Bio-Energy division, stays optimistic about long term prospects despite current challenges in the sector. Oiltek will continue to explore and develop state-of-the-art proprietary technology moving forward, sharpening its competitive edge to secure new growth opportunities.

- End -

**Note to Media: This media release is to be read in conjunction with the announcement issued on SGXNET on the same date.**

**About Koh Brothers Eco Engineering Limited**

Listed on the Singapore Exchange ("**SGX**") in 2006, Koh Brothers Eco Engineering Limited ("**Koh Brothers Eco**", and together with its subsidiaries, the "**Group**") is a sustainable engineering solutions group that provides engineering, procurement and construction ("**EPC**") services for water and wastewater treatment, hydro-engineering, bio-refinery and bio-energy projects as well as engineering and construction services, specialising in providing building and civil engineering construction and infrastructure works.

Incorporated in Singapore in 1975, Koh Brothers Eco started out by providing EPC services for water and wastewater treatment projects as well as hydro-engineering projects. Its principal market is in Asia with projects from both the public and private sectors.

The Group's engineering and construction division under Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. ("**KBCE**"), which holds the A1 grade from the Building and Construction Authority ("**BCA**") for both building and civil engineering categories, possesses capabilities in building and civil engineering construction. The BCA A1 grade allows KBCE to tender for building and civil infrastructure projects of unlimited value. KBCE, which enjoys a long and rich corporate history, has a strong track record ranging from design and build to general construction for residential, commercial and institutional buildings and infrastructure works. KBCE is also a BCA L6 – (ME11) graded contractor which enables it to tender for public mechanical engineering projects of unlimited value.

Over the years, KBCE has participated in projects by various public sector agencies such as the BCA, Housing & Development Board ("**HDB**"), PUB, Singapore's National Water Agency, Urban Redevelopment Authority ("**URA**"), Land Transport Authority ("**LTA**") and Changi Airport Group ("**CAG**").

Some of KBCE's major infrastructure projects include the Punggol Waterway awarded by HDB, the iconic Marina Barrage, Geylang River Make Over, Changi Water Reclamation Plant (Phase 1), and Jurong Water Reclamation Plant by PUB, the Common Service Tunnel by URA, Downtown Line 1 Bugis Station by LTA and the retention pond at Changi Airport by CAG. In addition, through a joint venture with Samsung C&T Corporation, KBCE secured a landmark S$1.12 billion project from CAG for development works to effect three-runway operations at Changi Airport.

Other landmark building projects by KBCE include Building and Electrical works at Jurong West Neighbourhood 6 Contract; Building works at Chua Chu Kang Neighbourhood 4 Contract awarded by HDB; New Halls of Residence at Nanyang Avenue for Nanyang Technological University and the development of River Valley High School and a hostel at Boon Lay Avenue, both commissioned by the Ministry of Education; Design and Build projects for the Provost & Armour Cluster in Kranji Camp and Keat Hong Camp, both awarded by the Ministry of Defence; and the construction of the Singapore Civil Defence Force Headquarters Complex at Ubi Avenue 4 commissioned by the Ministry of Home Affairs.

The Group's 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, pre-treatment and winter fuel plants. Through its subsidiary, Oiltek Nova Bioenergy Sdn. Bhd., it also designs, builds and supplies biogas recovery systems to palm oil mill effluent plants in Malaysia and Indonesia.

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

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

*The contact person for the Sponsor is Mr Ng Joo Khin:*
*Telephone number: 6389 3000 Email:* jookhin.ng@morganlewis.com

| | | |
|---|---|---|
| ISSUED ON BEHALF OF | : | Koh Brothers Eco Engineering Limited |
| BY | : | Citigate Dewe Rogerson Singapore Pte Ltd<br>105 Cecil Street<br>#09-01 The Octagon<br>SINGAPORE 069534 |
| CONTACT | : | Ms Dolores Phua / Ms Samantha Koh<br>at telephone |
| DURING OFFICE HOURS | : | 6534-5122 |
| EMAIL | : | dolores.phua@citigatedewerogerson.com<br>samantha.koh@citigatedewerogerson.com |