

Koh Brothers Eco Engineering Limited

Annual General Meeting

25 June 2020



- 1 BUSINESS OVERVIEW
- 2 BUSINESS STRATEGIES
- 3 FINANCIAL HIGHLIGHTS
- 4 IMPACT AND REACTION TO COVID-19

Disclaimer



Information in this presentation may contain forward-looking statements that reflect the current views of Koh Brothers Eco Engineering Limited (the “Company” and together with its subsidiaries, the “Group”) with respect to future events and financial performance. These views are based on the current assumptions which are subject to unknown risks and uncertainties, which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the assumptions are correct. Actual results may differ materially from those anticipated as a result of the risks faced by us. The views expressed here also contain some information derived from publicly available sources that have not been independently verified.

This presentation does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer to subscribe for, any shares nor shall it or any part of it nor the fact of its presentation form the basis of, or be relied upon in connection with, any contract or investment decision or commitment whatsoever.

The Group does not intend, and does not assume any obligation, to update any industry information or forward-looking statements set forth in this presentation to reflect subsequent events or circumstances.

Despite the fact that utmost care has been taken to ensure that the information on this presentation slides are as accurate as possible, the Group does not accept any liability for errors or omissions nor for the consequences of using the information or the material available in this presentation.



Notice for Cessation of Quarterly Reporting

Following the recent amendments to Rule 705(2) of the Listing Manual of Singapore Exchange Securities Trading Limited which took effect from 7 February 2020, the Company will not be required to announce its financial statement on a quarterly basis (“Quarterly Reporting”).

The Board of the Company has, after due deliberations, taking into consideration the compliance efforts associated with Quarterly Reporting, decided to release its unaudited financial statements only on half-yearly basis, with immediate effect. Accordingly, the Company will, in respect of each of the financial years, announce only the unaudited financial statement of the Company for the half year ending 30 June by not later than 45 days after the end of the relevant half financial year, and, for the full financial year ending 31 December, by not later than 60 days after the end of the relevant full financial year.

The Company will continue to comply with its continuing disclosure obligations to keep shareholders updated as and when appropriate, if there are any material developments relating to the Company and the Group.





BUSINESS OVERVIEW



Listed on 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.

This **integration of synergistic businesses along the value chain** has substantially increased the overall revenue and aided the Company in securing important contracts.

Our Class A1 grading by the Singapore Building and Construction Authority (BCA) for Construction and Civil Engineering Projects allows us to tender for projects of unlimited value.

In addition, we also attained ME11 L6 (Mechanical Engineering) grading by the BCA and that permits 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 edible oil and non-edible oil refining processes, as well as biodiesel, pretreatment and winter fuel processing. We also design, build and supply biogas recovery system to palm oil mill effluent plants in Malaysia and Indonesia.

Engineering & Construction



We are a leading contractor in Singapore with a strong order book of **S\$857.1 million** as at 31 December 2019. We have diversified our project portfolio to include construction of hospital and medical facilities, and construction transportation-related infrastructure.

We are facing unprecedented difficulties due to the recent COVID-19 outbreak, however, we believe that the Company will be able to emerge stronger through a stalwart leadership and astute risk management.

Engineering & Construction - Past Projects



Marina Barrage



Punggol Waterway



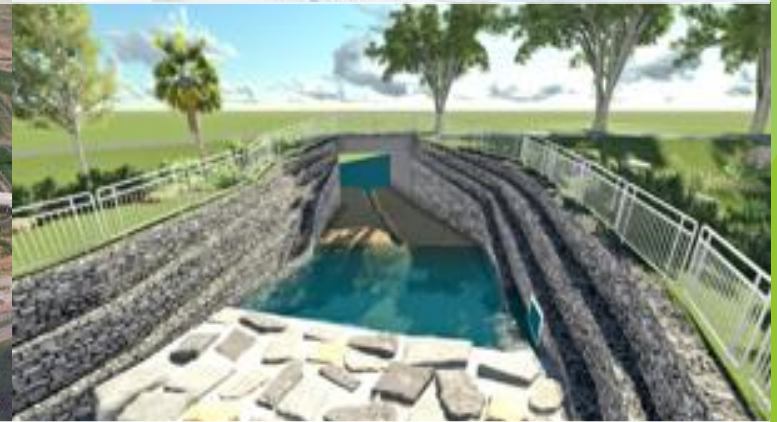
Westwood Residence



Bugis MRT Station (Downtown Line)



Changi Water Reclamation Plant



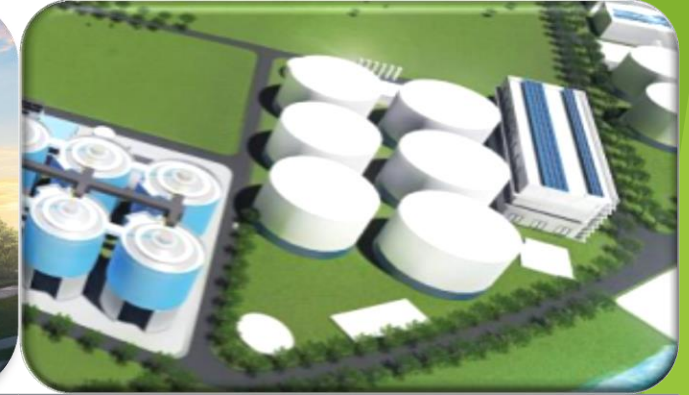
Bukit Timah First Diversion Canal

Engineering & Construction - Ongoing



	Deep Tunnel Sewerage System (Phase 2)	Circle Line 6	Marina East Desalination Plant
Approximate Contract Value	S\$520.0M	S\$225.4M	S\$153.6M
Client	PUB	LTA	Keppel Seghers Pte. Ltd.
	<ul style="list-style-type: none"> Section from South Tunnel at Tuas Road and Industrial Tunnel at Pioneer Road to the Tuas Water Reclamation Plant (10km) Design and construction of the tunnels, shafts and other features 	<ul style="list-style-type: none"> All civil, structural, architectural, electrical & 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 	<ul style="list-style-type: none"> Design and build a desalination plant including piling, civil, structural, building and piping works

Engineering & Construction - Ongoing



	Changi Airport Runway 3 (Package 1)	Van Holland Luxury Residence	Tuas Water Reclamation Plant Contract 2A - Influent Pumping Stations
Approximate Contract Value	S\$1.12B	S\$29.4M	S\$668.2M
Client	Changi Airport Group	KBD Holland	PUB
	<ul style="list-style-type: none"> • Largest contract win to-date (30% stake) • Effect three-runway operations at Changi Airport Terminal 5 • Tap on Koh Brothers' flood alleviation and drainage expertise, and ability to produce building materials 	<ul style="list-style-type: none"> • Construction of freehold residential development at Holland Village • 69-unit residential development comprising one block of 4-storey and two blocks of 5-storey residential units, 26-metre infinity lap pool and clubhouse 	<ul style="list-style-type: none"> • Provision of Influent Pumping Stations, Coarse Screen Shafts and Odour Control Facility • 66/22 kV Electrical Main Substations A and B

Engineering & Construction - Ongoing



	Woodlands Health Campus
Approximate Contract Value	S\$960.1M
Client	Ministry of Health
	<ul style="list-style-type: none">• Development of Woodlands Health Campus• Singapore's first smart hospital campus comprises an acute hospital, a community hospital, specialist outpatient clinics and nursing home• First project where all facilities are conceptualised and built simultaneously

Bio-Refinery & Bio-Energy Engineering



Bio-Refinery Engineering

- Engineer, procure and construct facilities to refine palm oil
- At the forefront of market innovation with unique design excellence and strong technical competencies
- 37 years of experience and presently market to over 32 countries across Asia, Africa and South America

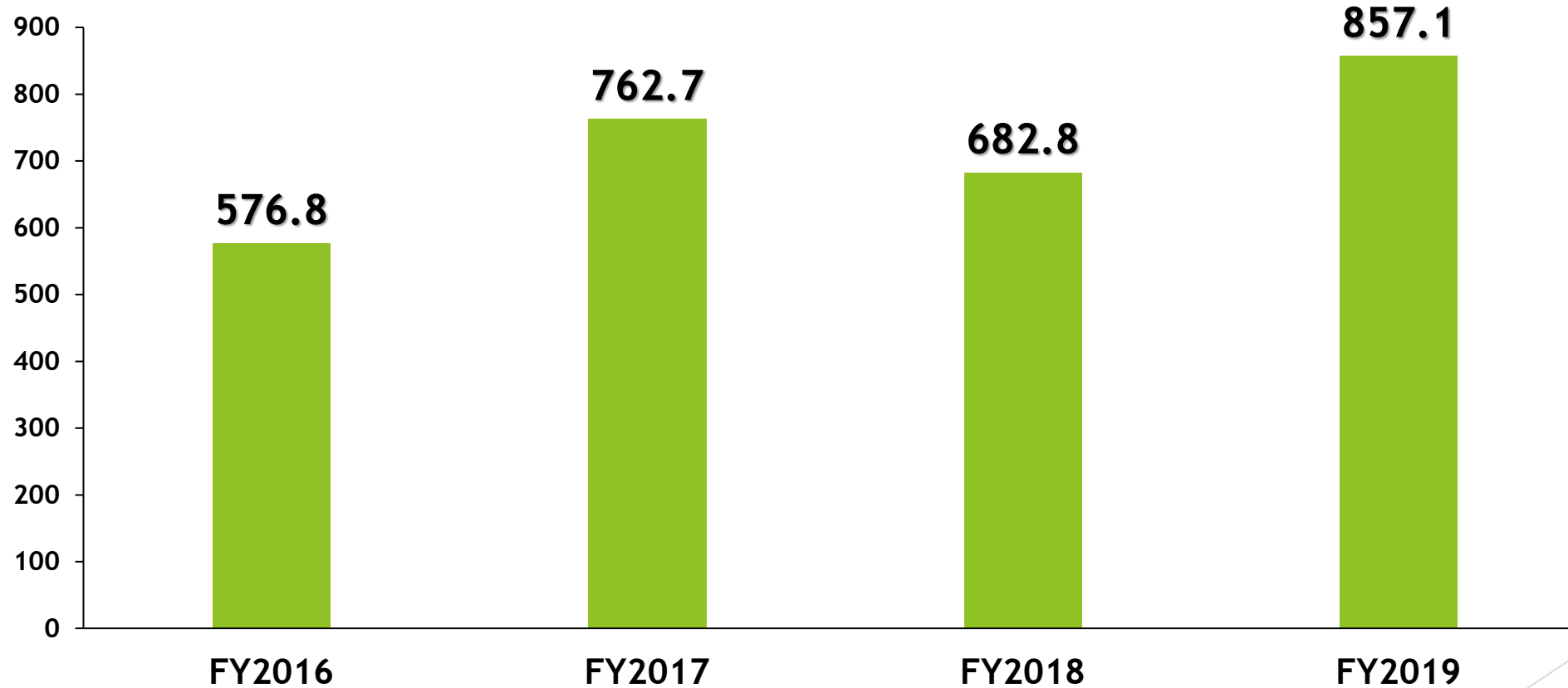
Bio-Energy Engineering

- One of the pioneering engineering companies in Malaysia which successfully delivered biodiesel since 2000
- Prominent reputation in integrated and multi-feedstock biodiesel plants
- Provide consultancy, design, engineering, procurement and construction services for palm oil mills seeking to recover and utilise methane as a source of renewable energy for power generation

Healthy Order Book



Order Book (S\$' m)





BUSINESS STRATEGY

Business Strategy - Engineering & Construction



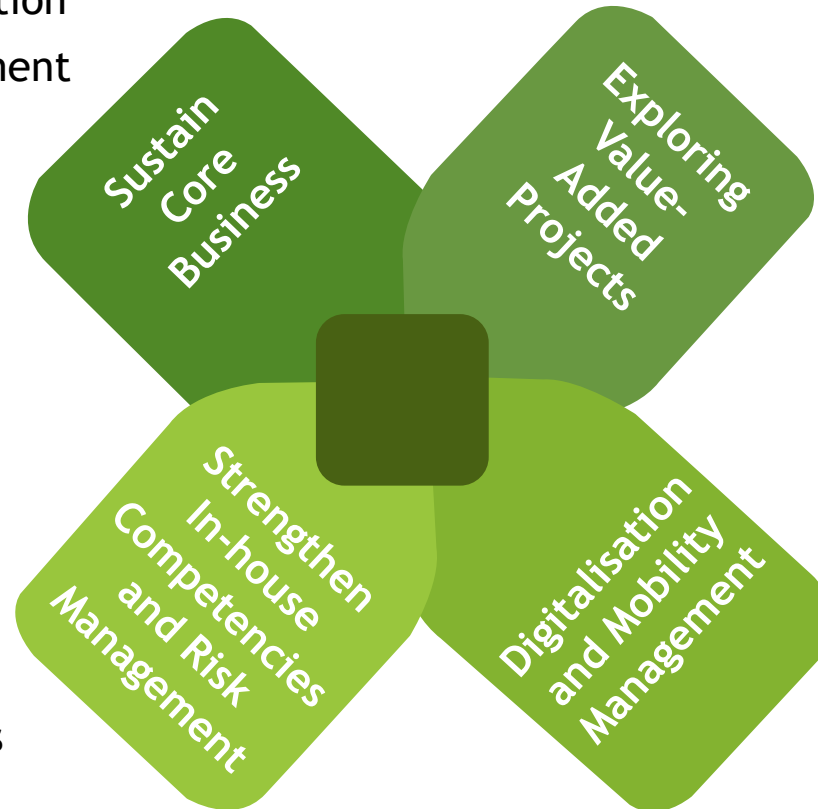
Core Business

- Infrastructure and transportation
- Water and wastewater treatment
- Mixed development and residential



Strengthen In-house Competencies

- Diaphragm wall construction methodology
- Bored piling
- Logistical support capabilities
- Direct workers capabilities
- High standard risk management system



Value-Added Projects

- Hospital and medical care
- Marine-based
- Renewable energy
- DBO (Design, Build & Operate)



Digitalisation and Mobility Management

- Enhance digital tools
- Engage in “untact” customer service

Business Strategy - Bio-Refinery And Bio-Energy Engineering



Proposed Spin-off And Listing Of Subsidiary, OILTEK SDN. BHD.

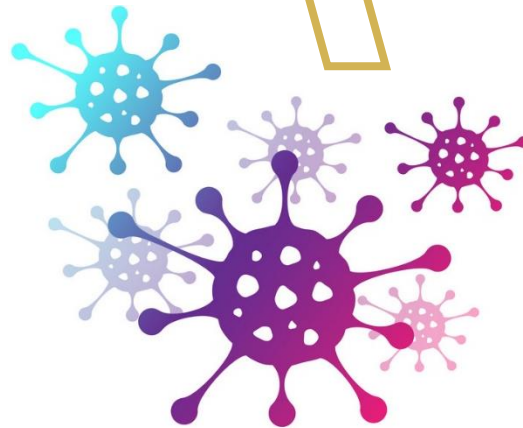
The Company, has on 23 January 2020, announced the proposed spin-off and listing of Oiltek Sdn. Bhd. on either the ACE Market of Bursa Malaysia Securities Berhad (ACE Market) or the Catalist Board of the Singapore Exchange Securities Trading Limited (SGX-ST).

SGX-ST has advised that it has no objection to the Proposed Spin-off, subject to certain conditions.

In view of the Covid-19 pandemic and market sentiment, the Company is currently reviewing the situation and will make the necessary announcement in due course.



COVID-19 IMPACT



Operational Performance Impact from COVID-19



- Projects were suspended during Circuit Breaker period
- Covid-19 infections of foreign workers (including sub-contractors) have delayed the progress of construction projects
- Additional costs incurred in order to satisfy government regulations on achieving safe resumption of work
- Disruption in supply chains

Reaction to Covid-19



- **Cost Control**
 - Salary cuts for Executive Directors, Management and selected staff
 - Defer staff recruitment
 - Defer non-essential capex and operating expenses
- **Capital Management**
 - Conserve cash
 - Manage working capital
 - Maintain adequate liquidity
- **Enhance Safety Measures**
 - Maintain safe distancing at the workplace
 - Staggered work team and working hours
 - Implementation of safe entry-out system
- **Digitalise Operating Processes**
 - Acquire IT equipment and tools to facilitate work-from-home arrangements
 - Set up system and network for online meetings
 - Improve electronic internal review and approval processes



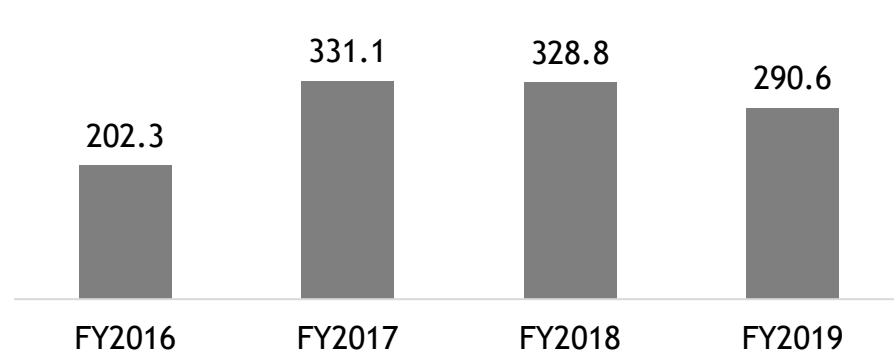
FINANCIAL HIGHLIGHTS

Financial Highlights

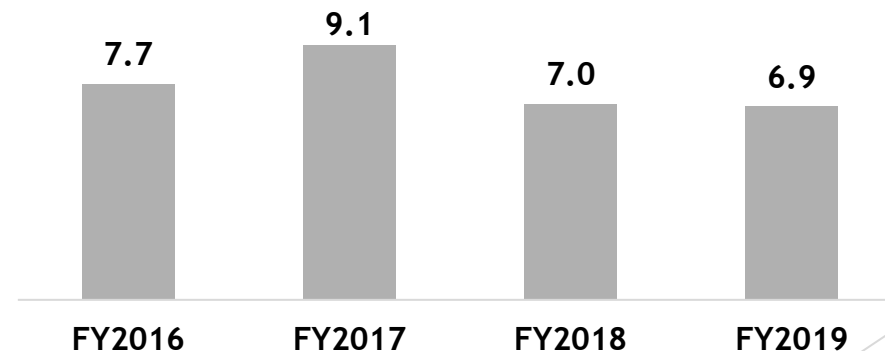


S\$'m	FY2016	FY2017	FY2018	FY2019
Revenue	202.3	331.1	328.8	290.6
Gross Profit	14.3	20.3	14.6	16.3
Profit Before Tax	7.7	9.1	7.0	6.9
Profit After Tax	6.5	8.5	5.9	6.2
Gross Profit Margin (%)	7.1	6.1	4.4	5.6

Revenue (S\$'m)



Profit before tax (S\$'m)



Gearing Ratio & Order Book



S\$'m	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019
Cash and Bank Balances	20.5	24.9	20.6	47.2
Net Debt	-	-	22.8	17.0
Shareholders' Equity	39.1	63.0	90.4	104.5
Net Debt to Equity (x)	-	-	0.25	0.16
Order Book	576.8	762.7	682.8	857.1

Balance Sheet & Key Ratios



S\$'m	31 Dec 2016	31 Dec 2017	31 Dec 2018	31 Dec 2019
Current Assets	152.6	157.2	184.0	232.0
Current Liabilities	145.4	141.5	149.7	178.2
Net Current Assets	7.2	15.7	34.3	53.9
Cash and Bank Balances	20.5	24.9	20.6	47.2
Total Assets	205.5	222.6	250.1	314.8
Net Debt	-	-	22.8	17.0
Net Assets	42.2	66.0	93.5	107.0
NAV per share (cents)	5.23	6.02	5.78	5.92
Current Ratio (x)	1.0	1.1	1.2	1.3



THANK YOU