KOH BROTHERS ECO ENGINEERING LIMITED
(f.k.a Metax Engineering Corporation Limited)
(Unique Entity Number: 197500111H)
11 Lorong Pendek, Koh Brothers Building
Singapore 348639
Tel: (65) 6265 9422 Fax: (65) 6841 5400

MEDIA RELEASE

Koh Eco returns to the black in 2014 as net profit hits S$1.1 million

- **Recovers from a loss of S$11.1 million for the 18-month financial period ended 31 December 2013**

SINGAPORE, 16 February 2015 – SGX-Catalist listed sustainable engineering solutions provider, Koh Brothers Eco Engineering Limited ("Koh Eco", and together with its subsidiaries, the "Group"), announced today that its net profit after tax for the financial year ended 31 December 2014 ("12M2014") amounted to S$1.1 million compared to a loss of S$11.1 million for the 18-month financial period ended 31 December 2013[1] ("18M2013"). The net profit attributable to shareholders was S$0.4 million for 12M2014.

Mr Koh Keng Siang, Chairman of Koh Eco commented: ***"We are proud to report that our efforts to turn the business around has paid off with a return to the black and we will continue to actively search for new projects in Singapore and the region, leveraging on our integration with Koh Brothers Group Limited."***

Results Highlights

The Group's gross profit increased by 6%, from S$5.3 million in 18M2013 to S$5.6 million in 12M2014. This was mainly due to the increase in profit margin from the Bio-Refining and Bio-Energy division.

The decrease in selling and distribution expenses in 12M2014 was mainly due to net allowance made for doubtful trade receivables amounting to S$2.6 million in 18M2013 as compared to a reversal of allowance made for doubtful trade receivables amounting to S$0.5 million in 12M2014.

[1] The previous financial period of the Company was from 1 July 2012 to 31 December 2013.

Administrative expenses decreased by 51% from S$8.3 million in 12M2014 to S$4.0 million in 18M2013, largely due to the shorter 12-month period in the current financial year. A decrease in interest on bank borrowings and bank charges also led to a decrease in financial expenses by 50% in 12M2014.

Financial Position

The Group's net asset value increased from S$16.0 million as at 31 December 2013 to S$16.9 million as at 31 December 2014, mainly due to the total comprehensive income of S$0.9 million in 12M2014.

The Group's current assets recorded an increase of S$5.1 million as at 31 December 2014 as compared to 31 December 2013. This was mainly due to the increase in trade and other receivables which was offset by the decrease in cash and cash equivalents.

Current liabilities registered an increase of S$5.7 million as at 31 December 2014 as compared to 31 December 2013 mainly due to an increase in the trade and other payables component. Non-current liabilites recorded a decrease of S$1.2 million as at 31 December 2014 as compared to 31 December 2013 mainly due to a decrease in other liabilities.

As at 31 December 2014, the Group had cash and cash equivalents of S$10 million and a net asset value of 3.74 cents per ordinary share as compared to 3.67 cents per ordinary share as at 31 December 2013.

Outlook

Mr Koh Keng Siang, Chairman of Koh Brothers Eco commented: **"*With public sector projects expected to account for S$18 billion to S$21 billion in 2015, we believe that our business opportunities will be enhanced as the majority of the projects we undertake are from the public sector.*"**

Water and Wastewater Treatment and Hydro-Engineering Sector

The Building & Construction Authority ("BCA") had announced that given the sustained pipeline of public sector projects, the value of construction contracts for the built environment sector in 2015 is expected to reach between S$29 billion to S$36 billion. Out of this, public sector projects are expected to account for approximately 60% of total construction demand.

Bio-refining and Bio-energy Sector

The Company's capabilities in designing, manufacturing and installing plants for the bio-refining and bio-energy industry place it in a good position to benefit from new opportunities in the sector, especially with the current regional emphasis on environmental issues.

-End-

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

Issued on behalf of Koh Brothers Eco Engineering Limited by Cogent Communications Pte Ltd

Tel: (65) 6704-9288, Fax: (65) 6396 5893

For enquiries please contact:

Ms Dianne Tan, dianne@cogentcomms.com DID: +65 6704 9287; Mobile: +65 9836 8589

Mr Gerald Woon, woon@cogentcomms.com DID: +65 6704 9268; Mobile: +65 9694 8364

About Koh Brothers Eco Engineering Limited
(f.k.a Metax Engineering Corporation Limited)

Listed on the Singapore Exchange ("SGX") in 2006, Koh Brothers Eco Engineering Limited ("Koh Eco") today is a sustainable engineering solutions Group that provides engineering, procurement and construction ("EPC") services for water & wastewater treatment, hydro-engineering, bio-refinery and bio-energy projects.

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

Its 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 a joint venture company, 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@stamfordlaw.com.sg