KOH BROTHERS ECO ENGINEERING LIMITED
(Unique Entity Number: 197500111H)
(Incorporated in Singapore)

PROFIT GUIDANCE ON THE UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

The Board of Directors (the "**Board**") of Koh Brothers Eco Engineering Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refer to the SGXNET announcement issued on 24 June 2020 on the responses to questions from shareholders, which contain information relating to the Company's performance amidst the COVID-19 pandemic.

The Board wishes to announce that following a preliminary review of the business performance of the Group for the six months ended 30 June 2020 ("**1H 2020**"), the Group is expected to report a net loss for 1H 2020. The COVID-19 situation has had an adverse impact on the Group's businesses. Although circuit breaker measures have been gradually lifted, construction activity had not been restored to pre-COVID-19 level for the relevant period.

It was highlighted in the remarks by Mr Ravi Menon, Managing Director, MAS, at the MAS Annual Report 2019/2020 Virtual Media Conference on 16 July 2020 that the Singapore economy will experience a full-year contraction in 2020. The construction sector, in particular, was severely affected by the circuit breaker measures and the spike in COVID-19 infection among foreign workers in the dormitories.

The stoppage of most of the Group's construction projects has caused delay to project schedules, increased project costs and disruption in project management. At this juncture, the Group is not able to determine with certainty the extent of the delay as construction works did not immediately resume to their normal level of operations even after the circuit breaker period was lifted on 1 June 2020. This is attributed to the additional safe and controlled restart measures required to be fulfilled by each construction project, before they can resume work.

As a result of the aforementioned factors, the delay in the normalization of the level of operations has weighed on the budgets of ongoing projects as well as the overall performance of the Group. Contribution of revenue from the Group's Construction and Engineering division has therefore been adversely affected. The Group expects that it will continue to face a challenging landscape in the near-term.

The Company is still in the process of finalising the financial results of the Group for 1H 2020. Further details of the Group's financial performance will be disclosed when the Company announces its 1H 2020 unaudited financial results on or before 14 August 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the course of action that they should take.

By Order by the Board

Shin Yong Seub
Executive Director and Chief Executive Officer

24 July 2020

This document has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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