



## NEWS RELEASE

### KOH BROTHERS ECO POSTS 26% DECLINE IN REVENUE TO S\$66.6 MILLION FOR 1H2024

- *Reports net loss attributable to equity holders of S\$9.3 million mainly due to lower contribution from the Group's core Engineering and Construction segment*
- *Healthy order book of S\$540.8 million, supported by ongoing S\$200.7 million MEICA<sup>1</sup> contract from PUB for Tuas Water Reclamation Plant*
- *Bio-Refinery and Renewable Energy to benefit from acceleration of global sustainability practices; to expand geographical reach by leveraging on capabilities and integrated technology know-how*
- *Balance sheet remains healthy with cash and bank balances of S\$55.5 million*

**SINGAPORE, 8 August 2024** – SGX Catalist-listed sustainable engineering solutions provider, Koh Brothers Eco Engineering Limited (許兄弟生态工程有限公司) (“**Koh Brothers Eco**”, and together with its subsidiaries, the “**Group**”), today reported its financial performance for the half year ended 30 June 2024 (“**1H2024**”).

The Group reported a 26% decline in revenue to S\$66.6 million for 1H2024, due mainly to lower revenue recognised from the Engineering and Construction segment with the completion of certain projects. This is partially offset by higher revenue from the Bio-Refinery and Renewable Energy segment, buoyed by growing demand for edible and non-edible oils and fats, especially vegetable oils.

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<sup>1</sup> Mechanical, electrical and instrumentation control and automation works.

Notwithstanding a lower revenue, the Group experienced a turnaround to achieve a gross profit of S\$0.5 million in 1H2024, from a gross loss of S\$3.2 million over the same corresponding period (“**1H2023**”). This was supported by a higher gross profit from the Bio-Refinery and Renewable Energy segment, partially offset by lower contributions and higher cost for materials, subcontractors and manpower from the Engineering and Construction segment in 1H2024.

Overall, the Group reported a net loss attributable to equity holders of S\$9.3 million in 1H2024, narrowing from a net loss attributable to equity holders of S\$9.6 million in 1H2023.

Net asset value per share decreased to 4.25 Singapore cents as at 30 June 2024 compared to 4.58 Singapore cents as at 31 December 2023.

As at 30 June 2024, the Group’s order book amounted to S\$540.8 million. Cash and bank balances remained healthy at S\$55.5 million as at 30 June 2024, while shareholders’ equity stood at S\$119.7 million as at 30 June 2024.

Koh Brothers Eco’s Chief Executive Officer, Mr. Paul Shin, commented, “Our focus remains steadfast in monitoring the progress and expenditure of ongoing construction projects. In the face of a challenging operational landscape, the Group will also exercise prudence and strategically tender for projects where we hold a competitive advantage, backed by requisite track record, experience and capabilities to maintain a healthy order book to support sustainable growth.

“Our Bio-Refinery and Renewable Energy segment has experienced strong growth momentum, an endorsement of the market’s recognition of our subsidiary, Oiltek’s reliable and innovative range of process and engineering solutions. The global push for environmental sustainability, including the move towards sustainable aviation fuel, continues to benefit the renewable energy sector. We will continue to capitalise on these macro trends and the favourable long-term outlook of the bio-refinery sector by leveraging on our capabilities, technology know-how and proven track record to secure more projects.”

## **Outlook & Future Strategies**

Based on the advance estimates by the Ministry of Trade and Industry released on 12 July 2024, the Singapore economy grew by 2.9% on a year-on-year basis in the second quarter of 2024, extending the 3% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, Singapore's economy expanded by 0.4%, slightly faster than the 0.3% reported in the first quarter of 2024.

The Building and Construction Authority ("**BCA**") projects steady construction demand for 2024, with total construction demand projected to range between S\$32 billion and S\$38 billion. The public sector is expected to drive total construction demand in 2024, reaching between S\$18 billion and S\$21 billion. Additionally, BCA expects a steady improvement in construction demand over the medium term with projections reaching between S\$31 billion and S\$38 billion per year from 2025 to 2028.

Despite the construction growth, the Group expects the operational landscape to remain challenging due to rising cost in material, manpower, energy and operations. The Group will continue to monitor the cost associated with variations in customer orders and construction projects. At the same time, the Group will tender for new construction projects by leveraging on its requisite track record, experience and capabilities to maintain a healthy order book for sustainable growth.

Regarding Bio-Refinery and Renewable Energy segment, the Group remains confident in its long-term prospect, supported by the global consumption of oils and fats driven by population growth. Additionally, the accelerating focus on global environmental sustainability continues to benefit the renewable energy sector.

The Group will capitalise on these macro trends by leveraging its capabilities, technology know-how and proven track record to secure more projects, including projects in existing and new markets and expanding its geographical presence into other markets with emerging prospects.

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**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 Renewal Energy division under Oiltek International Limited 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 Global Energy Sdn. Bhd., it also designs, builds and supplies biogas recovery systems to palm oil mill effluent plants in Malaysia and Indonesia.

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

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