



KOH BROTHERS ECO ENGINEERING LIMITED

(Incorporated in Singapore. Registration Number: 197500111H)

Condensed Interim Financial Statements for the Six Months Period Ended 30 June 2024

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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Contents

		Page
A	Condensed Interim Consolidated Statement of Comprehensive Income	3
B	Condensed Interim Balance Sheets – Group and Company	4
C	Condensed Interim Consolidated Statement of Changes in Equity	5
D	Condensed Interim Consolidated Statement of Cash Flows	7
E	Notes to the Condensed Interim Consolidated Financial Statements	8
F	Other Information Required by Appendix 7C of the Catalist Rules	18

KOH BROTHERS ECO ENGINEERING LIMITED (Registration No.: 197500111H)

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2024

	Note	6 months ended		Change %
		30 June 2024 S\$'000	30 June 2023 S\$'000	
Revenue	4(a)	66,648	90,080	(26)
Cost of sales		(66,181)	(93,236)	(29)
Gross profit/(loss)		467	(3,156)	N.M.
Other income	5	559	234	139
Other gains - net	5	687	1,252	(45)
Expenses				
- Selling and distribution		(185)	(169)	9
- Administrative		(7,367)	(4,916)	50
- Finance		(1,425)	(1,454)	(2)
Share of loss of associated companies		(28)	-	N.M
Loss before income tax		(7,292)	(8,209)	(11)
Income tax expense	7	(1,083)	(712)	52
Loss after income tax		(8,375)	(8,921)	(6)
(Loss)/profit attributable to:				
Equity holders of the Company		(9,309)	(9,573)	(3)
Non-controlling interests		934	652	43
		(8,375)	(8,921)	(6)
Loss per share for loss attributable to the equity holders of the Company:				
- Basic loss per share (in cent)		(0.33)	(0.34)	(3)
- Diluted loss per share (in cent)		(0.33)	(0.34)	(3)
Loss after income tax		(8,375)	(8,921)	(6)
Other comprehensive income/(loss):				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation		101	(703)	N.M.
Other comprehensive income/(loss), net of tax		101	(703)	N.M.
Total comprehensive loss		(8,274)	(9,624)	(14)
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company		(9,234)	(10,088)	(8)
Non-controlling interests		960	464	107
		(8,274)	(9,624)	(14)

N.M – Not Meaningful

The accompanying notes form an integral part of these financial statements.

KOH BROTHERS ECO ENGINEERING LIMITED (Registration No.: 197500111H)

B. CONDENSED INTERIM BALANCE SHEETS – Group and Company

As at 30 June 2024

	Note	Group		Company	
		30 June 2024 S\$'000	31 December 2023 S\$'000	30 June 2024 S\$'000	31 December 2023 S\$'000
ASSETS					
Current assets					
Cash and bank balances		55,514	76,273	163	48
Trade and other receivables		35,417	34,420	19,753	18,614
Contract assets		78,547	83,238	-	-
Inventories		281	164	-	-
Financial assets, at FVOCI	9	352	357	-	-
Other assets		4,440	4,447	-	-
		174,551	198,899	19,916	18,662
Non-current assets					
Trade and other receivables		5,900	5,900	41,000	41,000
Contract assets		35,504	37,243	-	-
Investments in associated companies		1,045	1,073	640	640
Investments in subsidiaries		-	-	87,535	87,535
Property, plant and equipment	11	33,740	35,324	-	-
Goodwill	10	6,857	6,857	-	-
Deferred tax assets		32	151	-	-
		83,078	86,548	129,175	129,175
Total assets		257,629	285,447	149,091	147,837
LIABILITIES					
Current liabilities					
Trade and other payables		39,049	57,459	2,464	2,890
Current income tax liabilities		539	458	-	-
Contract liabilities		22,407	23,408	-	-
Bank borrowings and lease liabilities	12	56,166	53,697	-	-
		118,161	135,022	2,464	2,890
Non-current liabilities					
Trade and other payables		10,078	10,746	-	-
Bank borrowings and lease liabilities	12	2,873	4,224	-	-
Deferred tax liabilities		78	13	-	-
		13,029	14,983	-	-
Total liabilities		131,190	150,005	2,464	2,890
NET ASSETS		126,439	135,442	146,627	144,947
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	13	136,671	136,671	136,671	136,671
Currency translation reserve		(3,331)	(3,406)	-	-
Other reserves		(943)	(943)	16	16
(Accumulated losses)/retained profits		(12,684)	(3,375)	9,940	8,260
		119,713	128,947	146,627	144,947
Non-controlling interests		6,726	6,495	-	-
Total equity		126,439	135,442	146,627	144,947

The accompanying notes form an integral part of these financial statements.

KOH BROTHERS ECO ENGINEERING LIMITED (Registration No.: 197500111H)

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2024

Note	← Attributable to equity holders of the Company →					Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Warrants reserve S\$'000	Currency translation reserve S\$'000	Other reserves S\$'000	Retained profits S\$'000			
Balance at 1 January 2024	136,671	-	(3,406)	(943)	(3,375)	128,947	6,495	135,442
(Loss)/profit for the financial year	-	-	-	-	(9,309)	(9,309)	934	(8,375)
Other comprehensive (loss)/income for the financial period	-	-	75	-	-	75	26	101
Total comprehensive income/(loss) for the financial period	-	-	75	-	(9,309)	(9,234)	960	(8,274)
Dividend paid	-	-	-	-	-	-	(729)	(729)
Balance at 30 June 2024	136,671	-	(3,331)	(943)	(12,684)	119,713	6,726	126,439
Balance at 1 January 2023	136,366	296	(2,706)	(942)	12,502	145,516	5,484	151,000
(Loss)/profit for the financial year	-	-	-	-	(9,573)	(9,573)	652	(8,921)
Other comprehensive loss for the financial period	-	-	(515)	-	-	(515)	(188)	(703)
Total comprehensive (loss)/income for the financial period	-	-	(515)	-	(9,573)	(10,088)	464	(9,624)
Dividend paid	-	-	-	-	(704)	(704)	(547)	(1,251)
Balance at 30 June 2023	136,366	296	(3,221)	(942)	2,225	134,724	5,401	140,125

The accompanying notes form an integral part of these financial statements.

KOH BROTHERS ECO ENGINEERING LIMITED (Registration No.: 197500111H)

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2024

COMPANY (S\$'000)	<u>Share capital</u>	<u>Warrants reserves</u>	<u>Other reserves</u>	<u>Retained profits</u>	<u>Total equity</u>
Balance at 1 January 2024	136,671	-	16	8,260	144,947
Profit for the financial period	-	-	-	1,680	1,680
Balance at 30 June 2024	136,371	-	16	9,940	146,627
Balance at 1 January 2023	136,366	296	17	7,667	144,346
Profit for the financial period	-	-	-	1,218	1,218
Dividend paid	-	-	-	(704)	(704)
Balance at 30 June 2023	136,366	296	17	8,181	144,860

The accompanying notes form an integral part of these financial statements.

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2024

	Group	
	6 months ended	
	30 June 2024	30 June 2023
	S\$'000	S\$'000
Cash flows from operating activities		
Loss after income tax	(8,375)	(8,921)
Adjustments for:		
- Income tax expense	1,083	712
- Depreciation of property, plant and equipment	1,954	1,771
- Gain on disposal of property, plant and equipment	(215)	(281)
- Share of loss of associated companies	28	-
- Interest expense	1,425	1,454
- Interest income	(559)	(227)
- Unrealised translation gain	(441)	(415)
	<u>(5,100)</u>	<u>(5,907)</u>
Changes in working capital:		
- Trade and other receivables	(983)	(23,039)
- Inventories	(117)	(17)
- Contract assets and liabilities	5,428	35,142
- Trade and other payables	(19,086)	(4,090)
Cash (used by)/provided by operations	<u>(19,858)</u>	<u>2,089</u>
Income tax paid	(821)	(634)
Net cash (used in)/provided by operating activities	<u>(20,679)</u>	<u>1,455</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(319)	(569)
Proceeds from disposal of property, plant and equipment	251	286
Proceeds from redemption of investment securities	5	5
Interest received	559	227
Net cash provided by/(used in) investing activities	<u>496</u>	<u>(51)</u>
Cash flows from financing activities		
Net proceeds from bank borrowings	2,370	5,983
Principal repayment of lease liabilities	(1,333)	(2,339)
Dividends paid to non-controlling interests	(729)	(547)
Dividends paid to equity holder of the Company	-	(704)
Interest paid	(1,425)	(1,206)
Net cash (used in)/provided by financing activities	<u>(1,117)</u>	<u>1,187</u>
Net change in cash and bank balances	<u>(21,300)</u>	<u>2,591</u>
Beginning of financial period	76,273	55,173
Effect of currency translation on cash and bank balances	541	(248)
End of financial period	<u>55,514</u>	<u>57,516</u>

The accompanying notes form an integral part of these financial statements.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2024

1. Corporate information

Koh Brothers Eco Engineering Limited (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore.

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the Group are:

- (a) Building and civil engineering contracting;
- (b) Specialist engineers

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and the Group’s performance since the last audited annual financial statements for the year ended 31 December 2023.

The financial statements are presented in Singapore Dollars, which is the Group’s functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

The accounting policies and method of computations used in the condensed interim financial statements are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out as below:

2.1 New and amended Standards adopted by the Group

The Group has adopted the new and revised SFRS(I)s and SFRS(I) Interpretations and amendments to SFRS(I)s that are mandatory for application from 1 January 2024. The adoption of the above amendments to SFRS(I)s did not result in material changes to the Group’s accounting policies and has no material effect on the amounts reported for the current financial period.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months period ended 30 June 2024

2. Basis of preparation (continued)

2.1 Use of judgment and estimates

In the process of applying the Group's accounting policies, there is no instance of application of judgments with significant updates since the audited financial statements as at 31 December 2023 and is expected to have a significant effect on the amounts recognised in the condensed consolidated interim financial statements.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- (a) Estimation of total contract sum and contract costs for construction and engineering contracts.
- (b) Assessment on impairment of goodwill.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Revenue and segment information

(a) Disaggregation of revenue

	Group	
	6 months ended	
	30 June	30 June
	2024	2023
	S\$'000	S\$'000
Engineering and Construction		
Contract revenue – over time	<u>37,999</u>	67,146
Bio-Refinery and Renewable Energy		
Contract revenue – over time	25,793	20,189
Sales of goods – point in time	<u>2,856</u>	2,745
	<u>28,649</u>	22,934
Total	<u>66,648</u>	<u>90,080</u>

(b) Segment information

The Group considers the business from a business segment perspective. Management manages and monitors the business in two main business segments which are “Engineering and Construction” and “Bio-Refinery and Renewable Energy”. The CEO assesses the performance of these business segments based on sales, segment results, segment assets and segment liabilities.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2024

4. Revenue and segment information (continued)

(b) Segment information (continued)

The segment information and the reconciliations of segment results to profit before tax and segment assets and liabilities to total assets and liabilities are as follows:

Group (S\$'000)	<u>Engineering and Construction</u>	<u>Bio-Refinery and Renewable Energy</u>	<u>Total</u>
1H2024			
Revenue			
External	37,999	28,649	<u>66,648</u>
Results			
Segment results	(9,941)	3,543	(6,398)
Share of loss of associated companies	(28)	-	(28)
Interest income			559
Finance expense			(1,425)
Income tax expense			<u>(1,083)</u>
Loss after income tax			<u>(8,375)</u>
Other information			
Capital expenditure	212	187	399
Depreciation	1,905	49	1,954
Assets			
Segment assets	176,892	46,872	223,764
Investments in associated companies	1,045	-	1,045
Goodwill	-	6,857	6,857
<u>Unallocated assets:</u>			
Short-term bank deposits			25,579
Financial assets, at FVOCI			352
Deferred tax assets			<u>32</u>
Total assets			<u>257,629</u>
Liabilities			
Segment liabilities	45,463	26,071	71,534
<u>Unallocated liabilities:</u>			
Income tax liabilities			539
Deferred tax liabilities			78
Bank borrowings and lease liabilities			<u>59,039</u>
Total liabilities			<u>131,190</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2024

4. Revenue and segment information (continued)

(b) Segment information (continued)

Group (S\$'000)	<u>Engineering and Construction</u>	<u>Bio-Refinery and Renewable Energy</u>	<u>Total</u>
1H2023			
Revenue			
External	67,146	22,934	90,080
Results			
Segment results	(9,698)	2,716	(6,982)
Share of profit of associated companies	-	-	-
Interest income			227
Finance expense			(1,454)
Income tax expense			(712)
Profit after income tax			<u>(8,921)</u>
Other information			
Capital expenditure	693	23	716
Depreciation	1,748	23	1,771
Assets			
Segment assets	214,273	42,122	256,395
Investments in associated companies	886	-	886
Goodwill	-	6,857	6,857
<u>Unallocated assets:</u>			
Short-term bank deposits			26,214
Financial assets, at FVOCI			362
Deferred tax assets			32
Total assets			<u>290,746</u>
Liabilities			
Segment liabilities	58,168	29,115	87,283
<u>Unallocated liabilities:</u>			
Income tax liabilities			515
Deferred tax liabilities			9
Bank borrowings and lease liabilities			62,814
Total liabilities			<u>150,621</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2024

4. Revenue and segment information (continued)

(c) Geographical information

The Group's two business segments operate in six main geographical areas: Singapore, Malaysia, Indonesia, Rest of Asia, America and Africa.

The following table presents revenue and non-current assets information for the main geographical areas for the financial period ended 30 June 2024 and 30 June 2023.

	Group	
	6 months ended	
	30 June 2024 S\$'000	30 June 2023 S\$'000
Total revenue		
Singapore	37,999	67,146
Malaysia	6,753	3,518
Indonesia	17,450	16,672
Rest of Asia	282	1,890
America	1,376	49
Africa	2,788	805
	66,648	90,080

	Group	
	As at	
	30 June 2024 S\$'000	30 June 2023 S\$'000
Total non-current assets		
Singapore	81,959	83,797
Malaysia	1,119	945
	83,078	84,742

5. Other income and other gains – net

	Group	
	6 months ended	
	30 June 2024 S\$'000	30 June 2023 S\$'000
Other income		
Interest income	559	227
Others	-	7
	559	234
Other gains – net		
Gain on disposal of property, plant and equipment	215	281
Net foreign exchange gain	472	971
	687	1,252

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months period ended 30 June 2024

6. Expenses by nature

	Group	
	6 months ended	
	30 June	30 June
	2024	2023
	S\$'000	S\$'000
(Reversal of)/allowance for impairment of trade receivables	(55)	5
Depreciation of property, plant and equipment	<u>1,954</u>	<u>1,771</u>

7. Taxation

The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	Group	
	6 months ended	
	30 June	30 June
	2024	2023
	S\$'000	S\$'000
Tax expense attributable to profit is made up of:		
- Current income tax	899	712
- Deferred income tax	<u>184</u>	<u>68</u>
	<u>1,083</u>	<u>780</u>
Over provision in prior financial period		
- Current income tax	-	(68)
	<u>1,083</u>	<u>712</u>

8. Related party transactions

The Group has transactions with related parties on terms agreed between the parties concerned as shown below:

(a) Sales and purchases of goods and services

	Group	
	6 months ended	
	30 June 2024	30 June 2023
	S\$'000	S\$'000
Disposal of a motor vehicle to a related corporation	8	-
Purchase of a motor vehicle from a related corporation	(19)	-
Purchases of goods and services from related corporations	(357)	(221)
Progressive billing on construction contract from related corporations	4,143	6,550
Rental of office premises from related corporations	(329)	(242)
Rental of factory-cum-office space, dormitory and machinery and provision of services to related corporations	342	209
Management and support services from a related corporation and the immediate and ultimate holding corporation	<u>(948)</u>	<u>(1,202)</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months period ended 30 June 2024

8. Related party transactions (continued)

Related party comprises companies which are controlled or significantly influenced by the Group's key management personnel and their close family members.

9. Fair value measurements

The following presents the assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted price (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presented the assets measured at fair value:

	Level 1 S\$'000	Total S\$'000
Group		
30 June 2024		
Financial assets, at FVOCI	<u>352</u>	<u>352</u>
31 December 2023		
Financial assets, at FVOCI	<u>357</u>	<u>357</u>

10. Goodwill

	Group	
	30 June 2024 S\$'000	31 December 2023 S\$'000
<i>Cost</i>	<u>6,857</u>	<u>6,857</u>

Impairment tests for goodwill

Goodwill arising from acquisition of a subsidiary has been allocated to the cash-generating unit ("CGU") identified as the "Bio-Refinery and Renewable Energy" segment.

The Group tests CGU annually for impairment or more frequently if there are indicators that goodwill might be impaired.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2024

10. Goodwill (continued)

The recoverable amount of the CGU was determined based on value-in-use calculation. Cash flow projection used in the value-in-value calculation were based on financial budgets approved by management covering a one-year period.

11. Property, plant and equipment

During the 6-month period ended 30 June 2024, the Group acquired assets amounting to S\$399,000 (30 June 2023: S\$716,000), and disposed of assets with net book value amounting to S\$36,000 (30 June 2023: S\$5,000).

12. Bank borrowing and lease liabilities

	Group	
	30 June 2024 S\$'000	31 December 2023 S\$'000
Current		
Short-term bank loans payable within one year (unsecured)	52,500	49,500
Term loan payable within one year (unsecured)	958	1,267
Lease liabilities payable within one year	2,708	2,930
	56,166	53,697
Non-current		
Term loan payable after one year (unsecured)	756	1,077
Lease liabilities payable after one year	2,117	3,147
	2,873	4,224
Total bank borrowings and lease liabilities	59,039	57,921

13. Share capital

	No. of ordinary shares		Amount	
	2024 '000	2023 '000	2024 S\$'000	2023 S\$'000
Group and Company				
Balance at 1 January and 30 June	2,818,089	2,817,932	136,671	136,366

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2024

13. Share capital (continued)

There are no share that may be issued on conversion of all the outstanding convertibles against the total number of issued shares excluding treasury shares and subsidiary holdings of the Company as at the end of the current financial period reported on.

The number of shares that may be issued on conversion of all the outstanding convertibles against the total number of issued shares excluding treasury shares and subsidiary holdings of the Company as at the end of the corresponding period of the immediately preceding financial year was as follows:

	2023
	No. of warrant
	'000
As at 1 January and 30 June	<u>75,777</u>

As at 30 June 2024 and as at 30 June 2023, the Company does not have any treasury shares or subsidiary holdings. There are no sales, transfers, cancellation and/or use of treasury shares or subsidiary holdings as at 30 June 2024 and 30 June 2023.

The number of issued shares excluding treasury shares and subsidiary holdings of the Company as at 30 June 2024 is 2,818,089,232 (30 June 2023: 2,817,931,762).

Warrants

Pursuant to the 2018 Rights cum Warrants Issue, the Company issued 517,492,846 warrants on 26 September 2018. Each warrant carries the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of S\$0.05 per warrant for each new share. Each warrant may be exercised at any time during the period of five (5) years commencing on and including the date of issue of the warrants and expiring on the 5th anniversary of the date of issue of the warrants. 441,779,040 warrants were exercised at S\$0.05 per warrant for each new share and remaining 75,713,806 warrants were expired on 25 September 2023. On 12 March 2019, the Company announced that the net proceeds raised from the 2018 Rights cum Warrants Issue have been fully utilised.

Performance Share Plan

Pursuant to the Koh Brothers Eco Engineering Limited Performance Share Plan 2017 ("KBE PSP"), the Company awarded 1,888,278 new ordinary shares of the Company to its employees on 22 July 2019. Awards comprised (i) 1,388,058 fully paid-up ordinary shares of the Company, free of payment, which vested on 22 July 2019; (ii) 500,220 fully paid-up ordinary shares of the Company, free of payment, which will be vested in accordance with a vesting schedule that commenced on 22 July 2019 and ending on the ninth anniversary of the date of the grant, subject to certain vesting conditions.

Pursuant to the Koh Brothers Eco Engineering Limited Performance Share Plan 2017, the Company awarded 1,117,282 new ordinary shares of the Company to its employees on 29 December 2020. Awards comprised (i) 328,702 fully paid-up ordinary shares of the Company, free of payment, which vested on 29 December 2020; and (ii) 788,580 fully paid-up ordinary shares of the Company, free of payment, which will be vested in accordance with a vesting schedule that commenced on 29 December 2020 and ending on the ninth anniversary of the date of the grant, subject to certain vesting conditions.

No shares awards under the KBE PSP were granted during FY2021 to 1H2024.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2024

Issuance of new shares pursuant to the Performance Share Plan

During the six months period ended 30 June 2024, no ordinary share (1H2023: Nil) was issued to its employees pursuant to the vesting of share awards granted under KBE PSP.

Save as disclosed above, the Company has no outstanding convertibles and no treasury shares or subsidiary holdings as at 30 June 2024 and 30 June 2023.

F. OTHER INFORMATION REQUIRED BY LISTING RULE

For the six months period ended 30 June 2024

1. **Whether the figures have been audited, or reviewed and if so which auditing standard or practice has been followed**

The figures have not been audited or reviewed by the Company's auditors.

2. **Where the figures have been audited or reviewed, the auditor's report (including any modifications or an emphasis of matter) Where the figures are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) updates on the efforts taken to resolve each outstanding audit issue; and (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable as the figures have not been audited or reviewed nor has the Company received any adverse opinion, qualified opinion or disclaimer of opinion.

3. **Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied**

Refer to note 2 - basis of preparation of the condensed interim consolidated financial statements.

4. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Refer to note 2 - basis of preparation of the condensed interim consolidated financial statements.

5. **(Loss)/earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

		Group	
		6 months ended	
		30 June	30 June
		2024	2023
		(cents)	(cents)
(i)	Basic	(0.33)	(0.34)
(ii)	On a fully diluted basis	(0.33)	(0.34)

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the current financial period of 2,818,089,232 ordinary shares (30 June 2023: 2,817,931,762 ordinary shares).

Fully diluted loss per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period after adjusting for the dilutive effect on the outstanding performance shares. Warrants were not included in the calculation of diluted loss per share in the previous financial period because they are antidilutive for the financial period ended 30 June 2023. All outstanding KBE Warrants had either expired or been exercised during the previous financial year ended 31 December 2023.

F. OTHER INFORMATION REQUIRED BY LISTING RULE

For the six months period ended 30 June 2024

- 6. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer as at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	30 June 2024 (cents)	31 December 2023 (cents)	30 June 2024 (cents)	31 December 2023 (cents)
Net asset value per ordinary share based on existing issued share capital (excluding treasury shares) at the end of the period	4.25	4.58	5.20	5.14

The net asset value per share is calculated based on the issued share capital excluding treasury shares of 2,818,089,232 ordinary shares as at 30 June 2024 (31 December 2023: 2,818,089,232 ordinary shares).

- 7. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flows, working capital, assets or liabilities of the Group during the current financial period reported on.**

(a) Review of Group Performance

Revenue

The Group's recognised revenue of S\$66.65 million for the financial period ended 30 June 2024 ("1H 2024"), decreased by S\$23.43 million as compared to the corresponding period ended 30 June 2023 ("1H 2023"). This was due to lower contributions arising from decreased construction activities resulting from the completion of certain projects from the Engineering and Construction segment.

Gross profit/(loss)

The Group recorded a gross profit of S\$0.47 million in 1H 2024 as compared to a gross loss of S\$3.16 million in 1H 2023. The gross profit was contributed by higher gross profit from the Bio-Refinery and Renewable Energy segment.

Other income

Other income increased from S\$0.23 million in 1H 2023 to S\$0.56 million in 1H 2024 mainly due to increase in interest income from the Bio-Refinery and Renewable Energy segment.

Other gains – net

Other gains decreased from S\$1.25 million in 1H 2023 to S\$0.69 million in 1H 2024 mainly due to decrease in net foreign exchange gain from the Bio-Refinery and Renewable Energy segment.

F. OTHER INFORMATION REQUIRED BY LISTING RULE

For the six months period ended 30 June 2024

Selling and distribution expenses

Selling and distribution increased marginally from S\$169,000 in 1H 2023 to S\$185,000 in 1H 2024.

Administrative expenses

Administrative expenses increased from S\$4.92 million in 1H 2023 to S\$7.37 million in 1H 2024 mainly due to higher staff costs and professional expenses.

Finance expenses

Finance expenses decreased from S\$1.45 million in 1H 2023 to S\$1.42 million in 1H 2024. This was mainly due to reduction in interest rates.

Loss before income tax

As a result of the above, the Group recognised a loss before income tax and net loss attributable to shareholders of S\$7.29 million and S\$9.31 million respectively in 1H 2024.

(b) Review of change in working capital, assets and liabilities

The Group's net asset value attributable to shareholders decreased from S\$128.95 million as at 31 December 2023 to S\$119.71 million as at 30 June 2024 mainly due to increase in accumulated losses.

The Group's current assets decreased by S\$24.35 million mainly due to decrease in cash and bank balances and contract assets.

The Group's non-current assets recorded a decrease of S\$3.47 million mainly due to depreciation charge on property, plant and equipment.

The Group's current liabilities recorded a decrease of S\$16.86 million, mainly due to decrease in trade and other payables.

The Group's non-current liabilities showed a marginal decrease of S\$1.95 million mainly due to decrease in bank borrowings and lease liabilities.

(c) Review of change in cash flow

The Group reported a net cash outflow of S\$21.3 million in 1H 2024. This was mainly due to net cash used in operating activities and financing activities, partially offset by net cash provided by proceed from disposal of property, plant and equipment and interest received under investing activities.

Net cash of S\$20.68 million used in operating activities was mainly due to payments made to trade and other payables.

Net cash outflow in financing activities was mainly due to repayment of lease liabilities, dividend and interest costs partially offset by net proceeds from bank borrowings.

F. OTHER INFORMATION REQUIRED BY LISTING RULE

For the six months period ended 30 June 2024

8. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's unaudited results for the financial period ended 30 June 2024 are in line with the Company's profit guidance announcement on 1 August 2024.

9. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Engineering and Construction Segment

Based on the advance estimates by the Ministry of Trade and Industry released on 12 July 2024¹, 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, the economy expanded by 0.4%, slightly faster than the 0.3% expansion in the first quarter of 2024.

Steady demand for the Construction Sector was projected for 2024 by the Building and Construction Authority Singapore ("BCA"). In its media release on 15 January 2024², BCA projected the total construction demand to range between S\$32 billion and S\$38 billion in 2024. The public sector is expected to drive total construction demand in 2024, reaching between S\$18 billion and S\$21 billion, mainly from public housing and infrastructure projects. The major public sector projects are Housing and Development Board's (HDB) new Built-To-Order (BTO) developments, additional Cross Island MRT Line contracts (Phase 2), infrastructure works for the future Changi Airport Terminal 5 and Tuas Port developments and other major road enhancement and drainage improvement works. As for 2025 to 2028, BCA expects a steady improvement in construction demand over the medium term to reach between S\$31 billion and S\$38 billion per year.

Despite the construction sector growth, the Group expects the operating conditions in the construction sector to remain challenging as rising material, manpower, energy and operating costs still persist. The Group will continue to focus on cost of performing the variation orders from customers as well as monitoring closely the progress and costs for ongoing construction projects. Given the competitive environment in the construction sector, the Group will also continue to tender for construction projects where we have the competitive advantage, requisite track record, experience and capabilities. This will enable the Group to maintain a healthy order book for sustainable growth.

Bio-Refinery and Renewable Energy Sector

The Group remains confident about the long-term outlook of the bio-refinery and renewable energy sector with the global consumption of oils and fats growing in tandem with population growth. This trend has benefited the food and beverage, renewable energy and biodiesel sectors.

The acceleration of global environmental sustainability also continues to benefit the renewable energy sector. With the aviation industry's decarbonization commitment to achieve net zero emissions by 2050, the market is moving towards sustainable aviation fuel. It is projected that the global aviation sector's combined planned use of sustainable aviation fuel will increase significantly. The bio-refinery and renewable energy sector is well positioned to benefit from this trend. Capitalising on the macro trend, the Bio-refinery and Renewable Energy sector will continue to leverage on its capabilities, technology know-how and proven track record to secure more projects and new markets and to expand its geographical reach to other markets with emerging prospects.

¹ <https://www.mti.gov.sg/Newsroom/Press-Releases/2024/07/Release-Of-Advance-GDP-Estimates-For-Second-Quarter-2024>

² <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024>

KOH BROTHERS ECO ENGINEERING LIMITED (Registration No.: 197500111H)

F. OTHER INFORMATION REQUIRED BY LISTING RULE

For the six months period ended 30 June 2024

As at 30 June 2024, the Group's order book stood at S\$540.8 million and the Group remains focused on the execution of its order book.

10. Dividend

(a) Current Financial Period Reported On:

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable

(d) Book closure date

Not applicable

11. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable. It is not the practice for the Company to declare half-yearly dividend.

F. OTHER INFORMATION REQUIRED BY LISTING RULE

For the six months period ended 30 June 2024

12. Interested Person Transaction

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
<u>Construction contract</u> Penta-Ocean Construction Co., Ltd	Related Companies - By virtue of Penta-Ocean Construction Co., Ltd's shareholding in Koh Brothers Eco Engineering Limited.	-	3,106
<u>Transactions for the Purchase of Goods and Services</u> G & W Ready-Mix Pte Ltd Koh Brothers Holdings Pte Ltd Koh Brothers Group Ltd Koh Brothers Corporate Services	Related Companies - By virtue of Koh Brothers Group Limited's shareholding in Koh Brothers Eco Engineering Limited.	- - - -	238 329 440 508
<u>Transactions for the Sales of Goods and Services</u> KBD Holland Pte Ltd G & W Ready-Mix Pte Ltd G & W Precast Pte Ltd		- - -	1,036 164 107

The generate mandate from shareholders for Interested Person Transactions was approved at the Annual General Meeting held on 29 April 2024.

13. Disclosure on acquisition and realisation of shares pursuant to Rule 706A of the Listing Manual Section B: Rules of Catalyst

There were no acquisitions or realisations of shares during the six-month period ended 30 June 2024 pursuant to Rule 706A of the Listing Manual Section B: Rules of Catalyst.

F. OTHER INFORMATION REQUIRED BY LISTING RULE

For the six months period ended 30 June 2024

14. Use of net proceeds from the issue of the Subscription Shares to Penta-Ocean Construction Co., Ltd.

As at the date of this announcement, the utilisation of net proceeds from the subscription shares are as follows:

Use of Net Proceeds	Amount Allocated (\$ million)	Percentage Allocated (%)	Balance as at 23 January 2024 (\$ million)	Amount Utilised up to 8 August 2024 (\$ million)	Amount Remaining As At 8 August 2024 (\$ million)
Business Expansion	11.06	30	8.16 ⁽¹⁾	0.51 ⁽³⁾	2.39
General Working Capital	25.81	70	25.23 ⁽²⁾	0.58 ⁽⁴⁾	-
Total	36.87	100	33.39	1.09	2.39

Notes:

- (1) The amount was utilised for the acquisition of technology and equipment used in the Group's mechanical, electrical and instrumentation control and automation works, which includes S\$8.16 million the Company had previously announced on 15 September 2022 and 23 January 2024.
- (2) Includes: (a) S\$13.50 million for the repayment of bank facilities and (b) approximately S\$11.73 million for payment to suppliers and subcontractors of the Group as disclosed in the Company's previous announcements dated 5 August 2021, 6 August 2022 and 28 April 2023.
- (3) The amounts were utilised for the acquisition of technology and equipment used in the Group's mechanical, electrical and instrumentation control and automation works.
- (4) Approximately S\$0.58 million was utilised for payment to suppliers of the Group.

The above utilisation of the net proceeds from the issue of the Subscription Shares is consistent with the intended use of the net proceeds as disclosed in the circular dated 15 May 2021.

15. Requirement under Rule 705(5) of the Listing Manual Section B: Rules of Catalyst

On behalf of the Board of Directors of the Company, we, Koh Keng Siang and Shin Yong Seub, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the half year ended 30 June 2024 to be false or misleading in any material aspect.

KOH BROTHERS ECO ENGINEERING LIMITED (Registration No.: 197500111H)

F. OTHER INFORMATION REQUIRED BY LISTING RULE

For the six months period ended 30 June 2024

16. Requirement under Rule 720(1) of the Listing Manual Section B: Rules of Catalyst

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

BY ORDER OF THE BOARD

Shin Yong Seub
Executive Director and Chief Executive Officer

8 August 2024
Singapore