



KOH BROTHERS GROUP LIMITED
(Company Registration No. 199400775D)

Unaudited Financial Statement And Dividend Announcement for the Full-Year Ended 31 December 2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Note	GROUP				
		6 months ended		Change %	12 months ended	
		31/12/2020 S\$'000	31/12/2019 S\$'000		31/12/2020 S\$'000	31/12/2019 S\$'000
Sales	1	138,936	192,399	-28%	243,066	353,712
Cost of sales		(126,238)	(184,144)	-31%	(241,606)	(336,550)
Gross profit		12,698	8,255	54%	1,460	17,162
Other income	2	1,493	1,541	-3%	2,741	3,315
Other gains - net	3	2,526	1,693	49%	3,116	1,158
Expenses						
- Distribution and marketing		(1,568)	(1,089)	44%	(2,948)	(2,657)
- Administrative		(6,325)	(7,773)	-19%	(13,141)	(17,385)
- Other		(1,481)	837	N.M.	(2,387)	153
- Finance		(4,962)	(5,456)	-9%	(10,833)	(10,271)
Share of profit of associated companies and joint ventures, net of tax		1,829	7,512	-76%	5,773	17,203
Profit/(loss) before income tax	4	4,210	5,520	-24%	(16,219)	8,678
Income tax expense	5	(447)	(317)	41%	(500)	(552)
Profit/(loss) after income tax		3,763	5,203	-28%	(16,719)	8,126
Profit/(loss) attributable to:						
Equity holders of the Company		2,948	3,413	-14%	(14,806)	5,766
Non-controlling interests		815	1,790	-54%	(1,913)	2,360
		3,763	5,203	-28%	(16,719)	8,126
Statement of Comprehensive Income						
Profit/(loss) after income tax		3,763	5,203	-28%	(16,719)	8,126
Other comprehensive income/(loss), net of tax:						
Items that may be reclassified subsequently to profit or loss:						
- Exchange differences on translation of foreign operations		589	144	309%	305	(473)
- Fair value gain/(loss) on debts financial assets at FVOCI	1	15	15	-97%	(200)	(40)
- Reclassification		(248)	-	N.M.	(248)	-
		341	159	115%	(143)	(513)
Items that may not be reclassified subsequently to profit or loss:						
- Fair value (loss)/gain on equity financial assets at FVOCI		(472)	1,498	N.M.	(1,181)	14,925
Other comprehensive income/(loss), net of tax		(132)	1,657	N.M.	(1,324)	14,412
Total comprehensive income/(loss)		3,631	6,860	-47%	(18,043)	22,538
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company		2,746	5,180	-47%	(16,020)	20,403
Non-controlling interests		885	1,680	-47%	(2,023)	2,135
		3,631	6,860	-47%	(18,043)	22,538

N.M. - Not meaningful

Notes to the Income Statement

Note 1

Sales include the following:

Sales of products
Services rendered
Property development and rental
Contract revenue

Note 2

Other income include the following:

Rental income
Interest income
Dividend income
Other income

Note 3

Other gains/(losses) - net include the following:

Gain on disposal of property, plant and equipment
Gain on disposal of subsidiaries
Fair value gain/(loss) on investment properties
Fair value gain/(loss) on investment securities
Net foreign exchange (loss)/gain

Note 4

Profit/(loss) before income tax is stated after charging/(crediting) the following items:

Impairment of property, plant and equipment
(Write-back of allowance for)/allowance for inventories obsolescence
Allowance for/(write-back of allowance for) impairment on trade and non-trade receivables
Allowance for/(write-back of allowance for) impairment on loan to joint ventures
Depreciation of property, plant and equipment

Note 5

Income tax expenses includes the following:

Current income tax
- in respect of current year
- over provision in respect of prior year
Deferred income tax
- in respect of current year
- over provision in respect of prior year

GROUP			
6 months ended		12 months ended	
31/12/2020	31/12/2019	31/12/2020	31/12/2019
S\$'000	S\$'000	S\$'000	S\$'000
29,390	29,583	47,287	58,543
1,600	2,863	3,840	5,732
6,681	1,445	13,302	2,899
101,266	158,508	178,637	286,538
138,936	192,399	243,066	353,712
216	241	279	411
813	1,178	1,986	2,717
78	-	78	-
386	122	398	187
1,493	1,541	2,741	3,315
694	1,335	1,081	1,476
286	-	286	-
98	209	(317)	209
1,717	12	1,717	(370)
(269)	137	349	(157)
2,526	1,693	3,116	1,158
224	-	224	-
(409)	-	627	-
854	(652)	883	(1,100)
731	(1,006)	1,469	(563)
11,925	12,352	21,744	19,491
822	466	1,171	827
(355)	(137)	(322)	(137)
24	92	46	92
(44)	(104)	(395)	(230)
447	317	500	552

1(b)(i) BALANCE SHEET

ASSETS

CURRENT ASSETS

Cash and bank balances	101,849	85,195	186	59
Investment securities	3,489	3,709	218	2,272
Trade and other receivables	40,947	82,354	7	443
Contract assets	130,089	139,224	-	-
Amounts due from subsidiaries	-	-	42,193	54,240
Amount due from joint ventures	44,009	38,159	-	535
Inventories	2,709	5,433	-	-
Development properties	122,057	136,538	-	-
Income tax receivables	730	1,282	-	-
Other current assets	5,940	6,275	-	-

NON-CURRENT ASSETS

Trade and other receivables	29,393	-	-	-
Contract assets	3,869	2,161	-	-
Investment securities	792	2,158	-	-
Investments in associated companies	280	1,351	-	-
Investments in joint ventures	99,516	104,453	-	-
Investments in subsidiaries	-	-	156,479	143,250
Investment properties	95,224	94,564	-	-
Property, plant and equipment	133,404	150,844	-	-
Goodwill	5,078	5,078	-	-

TOTAL ASSETS

LIABILITIES

CURRENT LIABILITIES

Trade and other payables	97,523	123,154	1,706	1,740
Contract liabilities	7,347	12,448	-	-
Amounts due to subsidiaries	-	-	10,934	11,397
Amounts due to joint ventures	38,340	18,498	-	-
Current income tax liabilities	463	461	-	-
Bank borrowings and lease liabilities	90,164	90,743	-	-

NON-CURRENT LIABILITIES

Trade and other payables	4,649	3,820	-	-
Amounts due to subsidiaries	-	-	19,011	19,011
Bank borrowings and lease liabilities	200,544	208,820	-	-
Notes payables	70,000	70,000	70,000	70,000
Deferred income tax liabilities	7,775	8,124	-	-

TOTAL LIABILITIES

NET ASSETS

EQUITY

Capital and reserves attributable to equity holders of the Company

Share capital	36,981	36,981	36,981	36,981
Treasury shares	(7,983)	(7,983)	(7,983)	(7,983)
Capital and other reserves	(2,311)	(974)	-	-
Retained profits	270,633	283,247	68,434	69,653
Currency translation reserve	(9,432)	(9,475)	-	-

Non-controlling interests

Total equity

GROUP		COMPANY	
31/12/2020	31/12/2019	31/12/2020	31/12/2019
S\$'000	S\$'000	S\$'000	S\$'000
101,849	85,195	186	59
3,489	3,709	218	2,272
40,947	82,354	7	443
130,089	139,224	-	-
-	-	42,193	54,240
44,009	38,159	-	535
2,709	5,433	-	-
122,057	136,538	-	-
730	1,282	-	-
5,940	6,275	-	-
451,819	498,169	42,604	57,549
29,393	-	-	-
3,869	2,161	-	-
792	2,158	-	-
280	1,351	-	-
99,516	104,453	-	-
-	-	156,479	143,250
95,224	94,564	-	-
133,404	150,844	-	-
5,078	5,078	-	-
367,556	360,609	156,479	143,250
819,375	858,778	199,083	200,799
97,523	123,154	1,706	1,740
7,347	12,448	-	-
-	-	10,934	11,397
38,340	18,498	-	-
463	461	-	-
90,164	90,743	-	-
233,837	245,304	12,640	13,137
4,649	3,820	-	-
-	-	19,011	19,011
200,544	208,820	-	-
70,000	70,000	70,000	70,000
7,775	8,124	-	-
282,968	290,764	89,011	89,011
516,805	536,068	101,651	102,148
302,570	322,710	97,432	98,651
36,981	36,981	36,981	36,981
(7,983)	(7,983)	(7,983)	(7,983)
(2,311)	(974)	-	-
270,633	283,247	68,434	69,653
(9,432)	(9,475)	-	-
287,888	301,796	97,432	98,651
14,682	20,914	-	-
302,570	322,710	97,432	98,651

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

Amount repayable after one year

Details of any collateral

The Group's secured borrowings are secured by the Group's properties, plant and machinery and motor vehicles.

As at 31/12/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
31,184	55,597	31,568	56,977
185,100	78,324	191,551	77,273

CASH FLOWS FROM OPERATING ACTIVITIES

(Loss)/profit after income tax

Adjustments for non-cash items:

Income tax

Allowance for inventory obsolescence

Depreciation of property, plant and equipment

Dividend income

Property, plant and equipment written off

Fair value (gain)/loss on investment securities

Fair value loss on investment properties

Gain on disposal of property, plant and equipment

Gain on disposal of subsidiaries

Impairment of property, plant and equipment

Share of profit from associated companies and joint ventures

Interest expense

Interest income

Unrealised foreign exchange loss/(gain)

Operating profit before working capital changes

Working capital changes:

- Trade and other receivables

- Inventories

- Contract assets and liabilities

- Development properties

- Other current assets

- Trade and other payables

- Amount due from/to associated company

- Amount due from/to joint ventures

Cash generated from operations

Income tax paid

Net cash generated from operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment

Proceeds from disposal of an associated company

Proceeds from disposal of subsidiaries

Proceeds from disposal of property, plant and equipment

Net proceeds from investment securities

Additions to investment properties

Dividend received from associates and joint ventures

Dividend received from other investments

Interest received

Net cash provided by investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from bank borrowings

Principal payment of lease liabilities

Repayment of bank borrowings

Restricted cash released

Dividend paid to equity holders of the Company

Dividend paid to non-controlling interests

Interest paid

Net cash (used in)/provided by financing activities

NET INCREASE IN CASH AND BANK BALANCES

CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL YEAR

EFFECTS OF CURRENCY TRANSLATION ON CASH AND BANK BALANCES

CASH AND BANK BALANCES AT END OF THE FINANCIAL YEAR

Represented by:

CASH AND CASH EQUIVALENTS

Cash and bank balances

12 months ended	
31/12/2020	31/12/2019
S\$'000	S\$'000
(16,719)	8,126
500	552
627	-
21,744	19,491
(78)	-
172	17
(1,717)	370
317	(209)
(1,081)	(1,476)
(286)	-
224	-
(5,773)	(17,203)
10,833	10,271
(1,986)	(2,717)
38	(188)
6,815	17,034
13,452	19,350
2,097	1,519
2,326	(5,861)
14,481	(6,120)
335	(3,046)
(24,677)	(15,225)
-	45
13,991	700
28,820	8,396
(302)	(1,054)
28,518	7,342
(2,303)	(21,578)
-	460
34	-
1,398	2,503
1,922	58,974
(1,373)	(816)
12,028	3,840
78	-
567	1,051
12,351	44,434
24,200	39,608
(8,033)	(11,146)
(27,223)	(11,860)
-	200
(1,031)	(1,650)
(741)	(1,618)
(11,289)	(12,464)
(24,117)	1,070
16,752	52,846
85,195	32,478
(98)	(129)
101,849	85,195
101,849	85,195

1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE GROUP AND THE COMPANY

GROUP (S\$'000)

	Attributable to equity holders of the Group					NON- CONTROLLING INTERESTS	TOTAL EQUITY
	Share Capital	Treasury Shares	Capital and Other Reserves	Retained Profits	Currency Translation Reserve	TOTAL	
Balance as at 01/01/2020	36,981	(7,983)	(974)	283,247	(9,475)	301,796	322,710
Loss for the financial year	-	-	-	(14,806)	-	(14,806)	(16,719)
Other comprehensive loss for the financial year	-	-	(1,332)	-	118	(1,214)	(1,324)
Change in ownership interests in subsidiaries	-	-	(29)	3,242	(75)	3,138	-
Share-based payment pursuant to performance share plan of a subsidiary	-	-	5	-	-	5	24
Disposal of subsidiaries	-	-	19	(19)	-	-	(23)
Dividend	-	-	-	(1,031)	-	(1,031)	(2,098)
Balance as at 31/12/2020	36,981	(7,983)	(2,311)	270,633	(9,432)	287,888	302,570
Balance as at 01/01/2019	36,981	(7,983)	(6,796)	267,016	(9,134)	280,084	303,381
Profit for the financial year	-	-	-	5,766	-	5,766	8,126
Other comprehensive (loss)/income for the financial year	-	-	14,897	-	(260)	14,637	14,412
Transfer upon disposal of equity financial assets at FVOCI	-	-	(8,936)	8,936	-	-	-
Share based payment pursuant to performance share plan by a subsidiary	-	-	4	-	-	4	59
Realised goodwill from disposal of subsidiary	-	-	(112)	112	-	-	-
Change in ownership interests in subsidiaries	-	-	(31)	3,067	(81)	2,955	-
Dividend	-	-	-	(1,650)	-	(1,650)	(3,268)
Balance as at 31/12/2019	36,981	(7,983)	(974)	283,247	(9,475)	301,796	322,710

COMPANY (S\$'000)

	Attributable to equity holders of the Company			
	Share Capital	Treasury Shares	Retained Profits	TOTAL
Balance as at 01/01/2020	36,981	(7,983)	69,653	98,651
Total comprehensive loss for the financial year	-	-	(188)	(188)
Dividend	-	-	(1,031)	(1,031)
Balance as at 31/12/2020	36,981	(7,983)	68,434	97,432
Balance as at 01/01/2019	36,981	(7,983)	73,074	102,072
Total comprehensive income for the financial year	-	-	(1,771)	(1,771)
Dividend	-	-	(1,650)	(1,650)
Balance as at 31/12/2019	36,981	(7,983)	69,653	98,651

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Total number of issued shares
Less: Number of treasury shares
Total number of issued shares excluding treasury shares

No. of shares	
31/12/2020	31/12/2019
438,000,000	438,000,000
(25,540,900)	(25,540,900)
412,459,100	412,459,100

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares excluding treasury shares

No. of shares	
31/12/2020	31/12/2019
412,459,100	412,459,100

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

Beginning and end of financial year

No. of shares
25,540,900

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiaries holdings as at the end of the current financial period reported on.

Not applicable.

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

- 3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Update on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding issues on the financial statements have been adequately disclosed.

Not applicable.

This is not required for any audit issue that is a material uncertainty relating to going concern.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2019.

- 5 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.

The Group has adopted all the applicable new/revised SFRS(I) that are effective for the financial year beginning on or after 1 January 2020. The adoption of these new/revised SFRS(I) does not have any material impact to the financial statement of the Group.

- 6 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.

Earnings per ordinary share for the period:

GROUP		GROUP	
6 months ended		12 months ended	
31/12/2020 (cent)	31/12/2019 (cent)	31/12/2020 (cents)	31/12/2019 (cents)
0.71	0.83	(3.59)	1.40
0.71	0.83	(3.59)	1.40

(i) Basic

(ii) On a fully diluted basis

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the current financial year of 412,459,100 ordinary shares (2019: 412,459,100 ordinary shares).

- 7 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	
31/12/2020 (cents)	31/12/2019 (cents)	31/12/2020 (cents)	31/12/2019 (cents)
69.80	73.17	23.62	23.92

Net asset value per ordinary share based on existing issued share capital (excluding treasury shares) as at the end of the period reported on

Note:

The net asset value per share is calculated based on the issued share capital excluding treasury shares of 412,459,100 ordinary shares as at 31 December 2020 (31 December 2019: 412,459,100 ordinary shares).

- 8 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.

Review of Group performance

The COVID-19 pandemic has severely affected the Group's business in the year 2020. The government has taken various measures to manage the spread of coronavirus. This has led to stoppage of most of the Group's construction projects, as well as manpower disruptions arising from additional measures to curb the spread of COVID-19. As a result the overall performance of the Construction and Building Materials division has been adversely affected.

2H 2020 VS 2H 2019

Revenue

The Group's sales for the second half-year ended 31 December 2020 ("2H 2020") decreased to S\$138.94 million from S\$192.40 million in the previous corresponding period in 2019 ("2H 2019"). The decrease was primarily due to lower revenue recognition from the Construction and Building Materials division, and partially offset by higher contribution from the Real Estate division which launched a new residential development project in January 2020.

Gross profit

The Group's gross profit increased from S\$8.26 million in 2H 2019 to S\$12.70 million in 2H 2020. This is because Group recorded a one-off provision of approximately S\$3.00 million relating to a construction project a year ago.

Other income and other gains

Other income decreased marginally from S\$1.54 million in 2H 2019 to S\$1.49 million in 2H 2020.

Other gains increased from S\$1.69 million in 2H 2019 to S\$2.53 million in 2H 2020 mainly due to higher fair value gain on investment securities.

Expenses

Distribution and marketing expenses increased from S\$1.09 million in 2H 2019 to S\$1.57 million in 2H 2020 mainly due to allowance made for impairment on trade and other receivables, and partially offset by lower sales and marketing expenses.

Administrative expenses decreased from S\$7.77 million in 2H 2019 to S\$6.33 million in 2H 2020 mainly due to lower staff costs and more stringent cost control.

Other expenses of S\$1.48 million in 2H 2020 mainly comprised allowance for impairment on loans to joint ventures.

Finance expenses decreased from S\$5.46 million in 2H 2019 to S\$4.96 million in 2H 2020 mainly due to lower cost of borrowing.

Share of profit of associated companies and joint ventures

Share of financial results from associated companies and joint ventures decreased from S\$7.51 million in 2H 2019 to S\$1.83 million in 2H 2020 mainly due to absence of fair value gain and lower profit contribution from a joint venture.

Profit before tax and net profit

Overall, the Group's profit before income tax decreased from S\$5.52 million in 2H 2019 to S\$4.21 million in 2H 2020 and the Group's net profit attributable to shareholders decreased from S\$3.41 million in 2H 2019 to S\$2.95 million in 2H 2020.

FY 2020 VS FY 2019

Revenue

The Group's sales for the financial year ended 31 December 2020 ("FY 2020") decreased to S\$243.07 million from S\$353.71 million in the previous corresponding year in 2019 ("FY 2019"). The decrease was primarily due to lower revenue recognition from the Construction and Building Materials division, and partially offset by higher contribution from the Real Estate division which launched a new residential development project in January 2020.

Gross profit

The Group's gross profit decreased from S\$17.16 million in FY 2019 to S\$1.46 million in FY 2020 due to lower revenue recognition and lower margin contributed by the Construction and Building Materials division.

Other income and other gains

Other income decreased from S\$3.32 million in FY 2019 to S\$2.74 million in FY 2020 mainly due to decrease in interest income.

Other gains increased from S\$1.16 million in FY 2019 to S\$3.12 million in FY 2020 mainly due to higher fair value gain on investment securities.

Expenses

Distribution and marketing expenses increased from S\$2.66 million in FY 2019 to S\$2.95 million in FY 2020 mainly due to allowance made for impairment on trade and other receivables, and partially offset by lower sales and marketing expenses.

Administrative expenses decreased from S\$17.39 million in FY 2019 to S\$13.14 million in FY 2020 mainly due to lower staff costs and more stringent cost control.

Other expenses of S\$2.39 million in FY 2020 mainly comprised allowance for impairment on loans to joint ventures.

Finance expenses increased marginally from S\$10.27 million in FY 2019 to S\$10.83 million in FY 2020.

Share of profit of associated companies and joint ventures

Share of financial results from associated companies and joint ventures decreased from S\$17.20 million in FY 2019 to S\$5.77 million in FY 2020 mainly due to absence of fair value gain and lower profit contribution from a joint venture.

Profit before tax and net profit

Overall, the Group recorded a loss before income tax and net loss attributable to shareholders in FY 2020 of S\$16.22 million and S\$14.81 million respectively.

Review of changes in working capital, assets and liabilities

The main movements in assets and liabilities are as follows:

Current assets decreased by S\$46.35 million mainly due to decrease in trade and other receivables of S\$41.41 million and development properties of S\$14.48 million, and partially offset by increase in cash and bank balances of S\$16.65 million. The decrease in trade and other receivables was mainly due to collection from customers and reclassification to non-current assets due to extension of payment terms with certain debtors. The decrease in development properties was mainly due to progressive billing to customers.

Non-current assets increased by S\$6.95 million mainly due to increase in trade and other receivables of S\$29.39 million, and partially offset by decrease in property, plant and equipment of S\$17.44 million. The increase in trade and other receivables was due to reclassification from current assets mentioned above. The decrease in property, plant and equipment was mainly due to depreciation charges.

Current liabilities decreased by S\$11.47 million mainly due to decrease in trade and other payables of S\$25.63 million, and partially offset by increase in amount due to joint ventures of S\$19.84 million. The decrease in trade and other payables was mainly due to payment to subcontractors and suppliers. The increase in amount due to joint ventures was mainly due to loan from a joint venture.

Non-current liabilities decreased by S\$7.80 million mainly due to decrease in bank borrowing and lease liabilities because of repayments.

Review of changes in cashflow

The Group reported a net increase in cash and cash equivalents mainly due to net cash generated from operating and investing activities, and partially offset by net cash used in financing activities.

- 9 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 31 December 2020 are in line with the general prospect commentary previously disclosed in the result announcement for the first half-year ended 30 June 2020 and the Company's profit guidance announcement on 24 July 2020.

- 10 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.

Based on advance estimates from the Ministry of Trade and Industry announced on 4 January 2021, the Singapore economy contracted by 5.8% for the whole of 2020 amid the disruption to economic activities caused by the COVID-19 pandemic. In the fourth quarter, the Singapore economy shrank by 3.8% on a year-on-year basis, an improvement from the 5.6% contraction recorded in the third quarter. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 2.1%, following the 9.5% expansion in the third quarter. The construction sector shrank by 28.5% on a year-on-year basis in the fourth quarter, improving from the 46.2% contraction in the preceding quarter. The improved performance of the sector came on the back of the resumption of more construction activities in the second half of 2020.

According to the projection by the Building and Construction Authority Singapore on 18 January 2021, construction demand in 2021 is expected to range between S\$23 billion and S\$28 billion, with the public sector contributing about 65% of the total demand. This is an improvement from the preliminary estimate of S\$21.3 billion in 2020 during the ongoing COVID-19 pandemic. The public sector is expected to drive the construction demand in 2021 and some of the upcoming major public sector projects scheduled to be awarded this year include various contracts under the Jurong Region MRT Line, the Cross Island MRT Line Phase 1 and the Deep Tunnel Sewerage System Phase 2.

However, we expect the construction industry to remain challenging on the back of a competitive environment, supply chain disruptions, labour shortage and higher costs of construction materials. As an established building and civil engineering contractor with the requisite track record, experience and capabilities, the Group is well poised to continue tendering for more construction projects.

Latest statistics from the Urban Redevelopment Authority showed that prices of private residential properties increased by 2.1% in fourth quarter 2020, compared with the 0.8% increase in the previous quarter. For the whole of 2020, prices of private residential properties increased by 2.2%, compared with the 2.7% increase in 2019. We expect the private residential market to remain stable and going forward, the Group will step up efforts to replenish its land bank selectively.

- 11 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? Yes

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Amount per Share	0.25 cent per ordinary share
Dividend Rates (in %)	NA
Par value of shares	NA
Tax rate	Tax exempt

- (c) Date payable

Not applicable.

- (d) Books closure date

Not applicable.

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

In view of the current challenging environment, there is no dividend recommended for the period ended 31 December 2020.

- 13 Interested Person Transaction

There is no disclosable interested person transaction during the period under review.

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

- 14 DISCLOSURE ON ACQUISITION AND REALISATION OF SHARES PURSUANT TO RULE 706A OF THE LISTING MANUAL

On 29 January 2020, the Company exercised 233,000,000 warrants, issued by its subsidiary Koh Brothers Eco Engineering Limited ("KBEEL"), at the exercise price of S\$0.05 per warrant for a total cash consideration of S\$11,650,000. Following the allotment and issuance of the KBEEL shares pursuant to the warrant exercise, the Company's shareholding interest in KBEEL increased from 1,311,627,607 to 1,544,627,607 KBEEL shares, representing an increase from approximately 74.35% to approximately 77.29% of KBEEL's issued share capital.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 15 Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.

	CONSTRUCTION & BUILDING MATERIALS	REAL ESTATE	LEISURE & HOSPITALITY	OTHERS	TOTAL
GROUP (S\$'000)					
2020					
SALES					
External	225,923	15,133	2,010	-	243,066
Inter-segment	4,213	548	-	563	5,324
	230,136	15,681	2,010	563	248,390
Elimination					(5,324)
					243,066
RESULTS					
Segment results					
- Company and subsidiaries	(12,717)	(255)	(62)	(112)	(13,146)
- Associated companies	(1,071)	-	-	-	(1,071)
- Joint ventures	-	6,845	-	-	6,845
Earnings before interest and tax	(13,788)	6,590	(62)	(112)	(7,372)
Interest income					1,986
Finance expenses					(10,833)
Profit before income tax					(16,219)
2019					
SALES					
External	345,081	5,362	3,269	-	353,712
Inter-segment	6,072	672	1	2,650	9,395
	351,153	6,034	3,270	-	363,107
Elimination					(9,395)
					353,712
RESULTS					
Segment results					
- Company and subsidiaries	574	(1,921)	(295)	671	(971)
- Associated companies	135	-	-	-	135
- Joint ventures	-	17,068	-	-	17,068
Earnings before interest and tax	709	15,147	(295)	671	16,232
Interest income					2,717
Finance expenses					(10,271)
Profit before income tax					8,678

Sales by Geographical Segment:

Group ('S\$'000)	2020	2019
Singapore	215,263	326,442
Malaysia	6,822	6,536
Indonesia	3,439	3,407
Others **	17,542	17,327
	243,066	353,712

**Including Africa, Pakistan, Thailand and Bangladesh.

- 16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

By Business Segment

Total sales decreased by S\$110.65 million in FY 2020 as compared to FY 2019. This was mainly due to the decrease in sales from the Construction and Building Materials division.

Total earnings before interest and tax recorded a loss of S\$7.37 million in FY 2020 as compared to a profit of S\$16.23 million in FY 2019 primarily due to significant impact from Covid-19 pandemic to the Group's business across all segments.

By Geographical Segment

Total sales has mainly attributed to the Singapore market. The decrease was mainly due to lower revenue from the Construction and Building Materials division.

- 17 A breakdown of sales.

GROUP (S\$'000)	2020	2019	Change
Sales reported for first-half year	104,130	161,313	-35%
(Loss)/profit after income tax before deducting non-controlling interests reported for first-half year	(20,482)	2,923	N.M.
Sales reported for second-half year	138,936	192,399	-28%
Profit after income tax before deducting non-controlling interests reported for second-half year	3,763	5,203	-28%

- 18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	S\$'000	
	31/12/2020	31/12/2019
Ordinary dividend		
- Final	-	1,031

- 19 CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

- 20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the substantial shareholders of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any Director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Phua Siew Gaik	55	Spouse of Mr Koh Keng Siang, daughter-in-law of Mr Koh Tiat Meng and Mdm Quek Chee Nee, and sister-in-law of Mr Koh Keng Hiong	Senior Group Human Resources and Administration Manager since 2015. Responsible for overseeing the Group's human resources and administration function.	Nil
Erliana Sutadi	51	Spouse of Mr Koh Keng Hiong, daughter-in-law of Mr Koh Tiat Meng and Mdm Quek Chee Nee, and sister-in-law of Mr Koh Keng Siang	Office Manager, Oxford Hotel, since 2000. Responsible for office administration.	Nil
Koh Keng Seng	57	Nephew of Mr Koh Tiat Meng and Mr Koh Teak Huat and cousin of Mr Koh Keng Siang and Mr Koh Keng Hiong	Executive Director, Construction division, since 2008. Responsible for overseeing machinery, equipment and logistic functions under the Construction division.	Nil
Phua Eng Hong	58	Brother-in-law of Mr Koh Keng Siang	Director of Dalian Megacity Trading Co., Ltd, since 2008. No executive duties.	Nil
Koh Kheng Yeow	53	Nephew of Mr Koh Tiat Meng and Mr Koh Teak Huat and cousin of Mr Koh Keng Siang and Mr Koh Keng Hiong	Director of Dalian Megacity Trading Co., Ltd, since 2008. No executive duties.	Nil

BY ORDER OF THE BOARD

Koh Keng Siang
Managing Director & Group CEO

Koh Keng Hiong
Executive Director

3 February 2021
Singapore