



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

Unaudited Third Quarter and 9 Months Financial Statement And Dividend Announcement for the Period Ended 30 September 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|                                                                               | Notes | GROUP                 |                                     |        |                       |                                     |        |
|-------------------------------------------------------------------------------|-------|-----------------------|-------------------------------------|--------|-----------------------|-------------------------------------|--------|
|                                                                               |       | 3 months ended        |                                     | Change | 9 months ended        |                                     | Change |
|                                                                               |       | 30/09/2018<br>S\$'000 | 30/09/2017<br>(restated)<br>S\$'000 |        | 30/09/2018<br>S\$'000 | 30/09/2017<br>(restated)<br>S\$'000 |        |
| Sales                                                                         | 1     | 119,337               | 117,422                             | 2%     | 272,147               | 271,921                             | 0%     |
| Cost of sales                                                                 |       | (111,211)             | (114,418)                           | -3%    | (254,112)             | (262,887)                           | -3%    |
| Gross profit                                                                  |       | 8,126                 | 3,004                               | 171%   | 18,035                | 9,034                               | 100%   |
| Other income                                                                  | 2     | 1,346                 | (124)                               | N.M.   | 4,801                 | 8,911                               | -46%   |
| Other (losses)/gains - net                                                    | 3     | (170)                 | 11,087                              | N.M.   | (47)                  | 10,285                              | N.M.   |
| Expenses                                                                      |       |                       |                                     |        |                       |                                     |        |
| - Distribution                                                                |       | (479)                 | (2,050)                             | -77%   | (2)                   | (2,082)                             | -100%  |
| - Administrative                                                              |       | (6,825)               | (7,759)                             | -12%   | (18,367)              | (19,659)                            | -7%    |
| - Other                                                                       |       | (273)                 | 1,394                               | N.M.   | (559)                 | 845                                 | N.M.   |
| - Finance                                                                     |       | (1,763)               | (1,076)                             | 64%    | (5,171)               | (3,572)                             | 45%    |
| Share of profit of:<br>associated companies and<br>joint ventures, net of tax |       | 3,091                 | 1,211                               | 155%   | 8,318                 | 7,720                               | 8%     |
| Profit before income tax                                                      | 4     | 3,053                 | 5,687                               | -46%   | 7,008                 | 11,482                              | -39%   |
| Income tax expense                                                            | 5     | (196)                 | (454)                               | -57%   | (479)                 | (1,069)                             | -55%   |
| Profit after income tax                                                       |       | 2,857                 | 5,233                               | -45%   | 6,529                 | 10,413                              | -37%   |
| Other comprehensive (loss)/income, net of tax:                                |       |                       |                                     |        |                       |                                     |        |
| Exchange differences on translating foreign<br>operations                     |       | (384)                 | 57                                  | N.M.   | (33)                  | 281                                 | N.M.   |
| Fair value loss on financial assets<br>at FVOCI                               |       | (471)                 | (855)                               | -45%   | (991)                 | (1,360)                             | -27%   |
| Other comprehensive loss, net of tax                                          |       | (855)                 | (798)                               | 7%     | (1,024)               | (1,079)                             | -5%    |
| Total comprehensive income                                                    |       | 2,002                 | 4,435                               | -55%   | 5,505                 | 9,334                               | -41%   |
| Profit attributable to:                                                       |       |                       |                                     |        |                       |                                     |        |
| Equity holders of the Company                                                 |       | 2,249                 | 5,853                               | -62%   | 4,425                 | 8,448                               | -48%   |
| Non-controlling interests                                                     |       | 608                   | (620)                               | N.M.   | 2,104                 | 1,965                               | 7%     |
|                                                                               |       | 2,857                 | 5,233                               | -45%   | 6,529                 | 10,413                              | -37%   |
| Total comprehensive income attributable to:                                   |       |                       |                                     |        |                       |                                     |        |
| Equity holders of the Company                                                 |       | 1,634                 | 5,076                               | -68%   | 3,554                 | 7,169                               | -50%   |
| Non-controlling interests                                                     |       | 368                   | (641)                               | N.M.   | 1,951                 | 2,165                               | -10%   |
|                                                                               |       | 2,002                 | 4,435                               | -55%   | 5,505                 | 9,334                               | -41%   |

N.M. - Not meaningful

**Notes to the Consolidated Statement of Comprehensive Income**

**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     |
| Compensation income |
| Other income        |

**Note 3**

Other (losses)/gains comprise the following :

|                                                                                |
|--------------------------------------------------------------------------------|
| Gain/(loss) on disposal of property, plant and equipment                       |
| Gain on disposal of a joint venture                                            |
| Fair value gain/(loss) on long-term financial assets and financial liabilities |
| Fair value loss on financial assets through profit or loss                     |
| Net foreign exchange gain/(loss)                                               |
| Other loss                                                                     |

**Note 4**

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

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

**Note 5**

Income tax includes the following :

|                                                     |
|-----------------------------------------------------|
| Current income tax                                  |
| - in respect of current period                      |
| - Under/(over) provision in respect of prior period |
| Deferred income tax                                 |
| - Under provision in respect of prior period        |

| GROUP          |                          |                |                          |
|----------------|--------------------------|----------------|--------------------------|
| 3 months ended |                          | 9 months ended |                          |
| 30/09/2018     | 30/09/2017<br>(restated) | 30/09/2018     | 30/09/2017<br>(restated) |
| S\$'000        | S\$'000                  | S\$'000        | S\$'000                  |
| 17,961         | 16,173                   | 47,540         | 44,471                   |
| 1,456          | 1,714                    | 4,122          | 4,813                    |
| 794            | 703                      | 2,165          | 1,966                    |
| 99,126         | 98,832                   | 218,320        | 220,671                  |
| 119,337        | 117,422                  | 272,147        | 271,921                  |
| 89             | 159                      | 279            | 590                      |
| 1,176          | 451                      | 4,401          | 1,407                    |
| -              | (218)                    | -              | 6,722                    |
| 81             | (516)                    | 121            | 192                      |
| 1,346          | (124)                    | 4,801          | 8,911                    |
| 557            | -                        | 512            | (1)                      |
| -              | 11,563                   | -              | 11,563                   |
| -              | 14                       | 484            | (57)                     |
| (795)          | -                        | (806)          | (5)                      |
| 68             | (300)                    | (237)          | (1,025)                  |
| -              | (190)                    | -              | (190)                    |
| (170)          | 11,087                   | (47)           | 10,285                   |
| 113            | 1,157                    | (1,153)        | 458                      |
| 144            | (5,232)                  | 384            | (4,749)                  |
| -              | 3,625                    | -              | 3,625                    |
| 1,151          | 1,453                    | 3,382          | 3,965                    |
| 105            | 25                       | 546            | 360                      |
| 91             | 429                      | (67)           | 409                      |
| -              | -                        | -              | 300                      |
| 196            | 454                      | 479            | 1,069                    |

## 1(b)(i) BALANCE SHEETS

|                                                                                        | GROUP          |                          |                          | COMPANY        |                |
|----------------------------------------------------------------------------------------|----------------|--------------------------|--------------------------|----------------|----------------|
|                                                                                        | 30/09/2018     | 31/12/2017<br>(restated) | 01/01/2017<br>(restated) | 30/09/2018     | 31/12/2017     |
|                                                                                        | S\$'000        | S\$'000                  | S\$'000                  | S\$'000        | S\$'000        |
| <b>ASSETS</b>                                                                          |                |                          |                          |                |                |
| <b>CURRENT ASSETS</b>                                                                  |                |                          |                          |                |                |
| Cash and bank balances                                                                 | 50,963         | 64,823                   | 43,227                   | 359            | 11,186         |
| Financial assets at fair value through profit or loss<br>/short-term notes receivables | 60,080         | 56,708                   | 6,003                    | 3,261          | 3,090          |
| Trade and other receivables                                                            | 87,890         | 103,071                  | 133,330                  | 259            | 1,063          |
| Contract assets                                                                        | 77,940         | 53,057                   | 38,883                   | -              | -              |
| Amounts due from subsidiaries                                                          | -              | -                        | -                        | 81,545         | 106,759        |
| Amounts due from joint ventures                                                        | 36,602         | 62,896                   | 76,056                   | -              | -              |
| Inventories                                                                            | 7,508          | 9,342                    | 8,395                    | -              | -              |
| Development properties                                                                 | 126,952        | -                        | 1,189                    | -              | -              |
| Financial assets at FVOCI<br>/available-for-sale financial assets                      | 799            | 765                      | 7,529                    | -              | -              |
|                                                                                        | <b>448,734</b> | <b>350,662</b>           | <b>314,612</b>           | <b>85,424</b>  | <b>122,098</b> |
| <b>NON-CURRENT ASSETS</b>                                                              |                |                          |                          |                |                |
| Trade and other receivables                                                            | 23,159         | 22,250                   | -                        | -              | -              |
| Contract assets                                                                        | 31,952         | 33,231                   | 19,727                   | -              | -              |
| Financial assets at FVOCI<br>/available-for-sale financial assets                      | 2,850          | 2,925                    | -                        | -              | -              |
| Investments in associated companies                                                    | 1,359          | 1,504                    | 1,347                    | -              | -              |
| Investments in joint ventures                                                          | 96,181         | 90,923                   | 77,196                   | -              | -              |
| Investments in subsidiaries                                                            | -              | -                        | -                        | 132,266        | 114,117        |
| Investment properties                                                                  | 91,541         | 90,973                   | 90,706                   | -              | -              |
| Property, plant and equipment                                                          | 101,616        | 108,067                  | 108,879                  | -              | -              |
| Goodwill                                                                               | 5,078          | 5,078                    | 5,078                    | -              | -              |
|                                                                                        | <b>353,736</b> | <b>354,951</b>           | <b>302,933</b>           | <b>132,266</b> | <b>114,117</b> |
| <b>TOTAL ASSETS</b>                                                                    | <b>802,470</b> | <b>705,613</b>           | <b>617,545</b>           | <b>217,690</b> | <b>236,215</b> |
| <b>LIABILITIES</b>                                                                     |                |                          |                          |                |                |
| <b>CURRENT LIABILITIES</b>                                                             |                |                          |                          |                |                |
| Trade and other payables                                                               | 96,456         | 117,897                  | 127,565                  | 2,506          | 2,983          |
| Contract liabilities                                                                   | 23,185         | 40,727                   | 38,970                   | -              | -              |
| Amounts due to subsidiaries                                                            | -              | -                        | -                        | 23,563         | 5,861          |
| Amounts due to an associated company                                                   | (15)           | 508                      | 485                      | -              | -              |
| Amounts due to joint ventures                                                          | 16,573         | 16,282                   | 15,507                   | -              | -              |
| Current income tax liabilities                                                         | 173            | 1,485                    | 3,289                    | 307            | 65             |
| Short-term borrowings                                                                  | 69,646         | 14,619                   | 28,224                   | -              | -              |
| Notes payables                                                                         | -              | 37,000                   | -                        | -              | 37,000         |
|                                                                                        | <b>206,018</b> | <b>228,518</b>           | <b>214,040</b>           | <b>26,376</b>  | <b>45,909</b>  |
| <b>NON-CURRENT LIABILITIES</b>                                                         |                |                          |                          |                |                |
| Trade and other payables                                                               | 22,432         | 17,064                   | 7,399                    | -              | -              |
| Amounts due to subsidiaries                                                            | -              | -                        | -                        | 19,011         | 19,011         |
| Finance lease                                                                          | 2,930          | 3,634                    | 2,755                    | -              | -              |
| Bank borrowings                                                                        | 183,892        | 72,890                   | 58,963                   | -              | -              |
| Notes payables                                                                         | 70,000         | 70,000                   | 50,000                   | 70,000         | 70,000         |
| Deferred income tax liabilities                                                        | 7,740          | 8,261                    | 8,559                    | -              | -              |
|                                                                                        | <b>286,994</b> | <b>171,849</b>           | <b>127,676</b>           | <b>89,011</b>  | <b>89,011</b>  |
| <b>TOTAL LIABILITIES</b>                                                               | <b>493,012</b> | <b>400,367</b>           | <b>341,716</b>           | <b>115,387</b> | <b>134,920</b> |
| <b>NET ASSETS</b>                                                                      | <b>309,458</b> | <b>305,246</b>           | <b>275,829</b>           | <b>102,303</b> | <b>101,295</b> |
| <b>Capital and reserves attributable to equity holders of the Company</b>              |                |                          |                          |                |                |
| Share capital                                                                          | 36,981         | 36,981                   | 36,981                   | 36,981         | 36,981         |
| Treasury shares                                                                        | (7,983)        | (7,910)                  | (7,614)                  | (7,983)        | (7,910)        |
| Capital and other reserves                                                             | (91)           | 989                      | 1,203                    | -              | -              |
| Retained profits                                                                       | 266,730        | 262,387                  | 242,844                  | 73,305         | 72,224         |
| Currency translation reserve                                                           | (8,906)        | (8,916)                  | (9,361)                  | -              | -              |
|                                                                                        | <b>286,731</b> | <b>283,531</b>           | <b>264,053</b>           | <b>102,303</b> | <b>101,295</b> |
| <b>Non-controlling interests</b>                                                       | <b>22,727</b>  | <b>21,715</b>            | <b>11,776</b>            | <b>-</b>       | <b>-</b>       |
| <b>TOTAL EQUITY</b>                                                                    | <b>309,458</b> | <b>305,246</b>           | <b>275,829</b>           | <b>102,303</b> | <b>101,295</b> |

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, motor vehicles and fixed deposits.

| As at 30/09/2018 |           | As at 31/12/2017 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| S\$'000          | S\$'000   | S\$'000          | S\$'000   |
| 27,901           | 41,745    | 5,819            | 45,800    |
| 186,822          | 70,000    | 76,524           | 70,000    |

1(c) CONSOLIDATED CASH FLOW STATEMENT

CASH FLOWS FROM OPERATING ACTIVITIES

Total profit

Adjustments for non-cash items :

|                                                                               |         |          |
|-------------------------------------------------------------------------------|---------|----------|
| Income tax                                                                    | 479     | 1,069    |
| Depreciation of property, plant and equipment                                 | 3,382   | 3,965    |
| Property, plant and equipment written off                                     | 7       | 1        |
| Impairment loss of property, plant and equipment                              | -       | 3,625    |
| Profit on disposal of a joint venture                                         | -       | (11,563) |
| (Gain)/loss on disposal of property, plant and equipment                      | (512)   | 1        |
| Fair value (gain)/loss on long-term financial asset and financial liabilities | (484)   | 57       |
| Fair value loss on financial assets at fair value through profit or loss      | 806     | 5        |
| Share of loss/(profit) from associated companies                              | 6       | (122)    |
| Share of profit from joint ventures                                           | (8,324) | (7,598)  |
| Interest expense                                                              | 5,171   | 3,572    |
| Interest income                                                               | (4,401) | (1,407)  |
| Unrealised foreign exchange (gain)/loss                                       | (736)   | 879      |

Operating profit before working capital changes

Working capital changes :

|                                    |           |          |
|------------------------------------|-----------|----------|
| - Receivables                      | 15,315    | 20,455   |
| - Inventories                      | 1,834     | (649)    |
| - Contracts assets and liabilities | (37,887)  | (19,400) |
| - Development properties           | (126,952) | 72       |
| - Payables                         | (16,739)  | 7,681    |
| - Due to associated companies      | (517)     | 449      |
| - Due from/to joint ventures       | 26,584    | 2,669    |

Cash (used in)/generated from operations

Income tax paid

Interest paid

Net cash (used in)/generated from operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

|                                                                   |         |         |
|-------------------------------------------------------------------|---------|---------|
| Purchase of property, plant and equipment                         | (1,614) | (5,362) |
| Purchase of financial assets at fair value through profit or loss | (4,178) | -       |
| Purchase of financial assets at FVOCI                             | (1,000) | -       |
| Purchase of available-for-sale financial assets                   | -       | (2,991) |
| Proceeds from disposal of property, plant and equipment           | 4,226   | 64      |
| Proceeds from disposal of financial assets at FVOCI               | 50      | -       |
| Proceeds from disposal of available-for-sale financial assets     | -       | 6,525   |
| Proceeds from disposal of a joint venture                         | -       | 15,000  |
| Additions to investment properties                                | (571)   | -       |
| Dividend received from associate and joint venture                | 3,140   | 2,605   |
| Interest received                                                 | 4,343   | 1,362   |
| Net cash provided by investing activities                         | 4,396   | 17,203  |

CASH FLOWS FROM FINANCING ACTIVITIES

|                                                                        |          |          |
|------------------------------------------------------------------------|----------|----------|
| Proceeds from bank borrowings                                          | 198,807  | 15,370   |
| Proceeds from rights cum warrants issue by a subsidiary                | 3,802    | -        |
| Transaction cost relating to rights cum warrants issue of a subsidiary | (252)    | -        |
| Repayment of finance lease                                             | (2,568)  | (2,726)  |
| Repayment of bank borrowings                                           | (33,096) | (5,246)  |
| Redemption of notes payables                                           | (37,000) | (13,000) |
| Restricted cash released/(pledged)                                     | 3,062    | (189)    |
| Purchase of treasury shares                                            | (73)     | (297)    |
| Dividends paid to equity holders of the Company                        | (4,125)  | (1,446)  |
| Dividends paid to non-controlling interests                            | (645)    | (317)    |
| Net cash provided by financing activities                              | 127,912  | (7,851)  |

| 9 months ended |                          |
|----------------|--------------------------|
| 30/09/2018     | 30/09/2017<br>(restated) |
| S\$'000        | S\$'000                  |
| 6,529          | 10,413                   |
| 479            | 1,069                    |
| 3,382          | 3,965                    |
| 7              | 1                        |
| -              | 3,625                    |
| -              | (11,563)                 |
| (512)          | 1                        |
| (484)          | 57                       |
| 806            | 5                        |
| 6              | (122)                    |
| (8,324)        | (7,598)                  |
| 5,171          | 3,572                    |
| (4,401)        | (1,407)                  |
| (736)          | 879                      |
| 1,923          | 2,897                    |
| 15,315         | 20,455                   |
| 1,834          | (649)                    |
| (37,887)       | (19,400)                 |
| (126,952)      | 72                       |
| (16,739)       | 7,681                    |
| (517)          | 449                      |
| 26,584         | 2,669                    |
| (136,439)      | 14,174                   |
| (1,817)        | (2,911)                  |
| (4,942)        | (3,044)                  |
| (143,198)      | 8,219                    |
| (1,614)        | (5,362)                  |
| (4,178)        | -                        |
| (1,000)        | -                        |
| -              | (2,991)                  |
| 4,226          | 64                       |
| 50             | -                        |
| -              | 6,525                    |
| -              | 15,000                   |
| (571)          | -                        |
| 3,140          | 2,605                    |
| 4,343          | 1,362                    |
| 4,396          | 17,203                   |
| 198,807        | 15,370                   |
| 3,802          | -                        |
| (252)          | -                        |
| (2,568)        | (2,726)                  |
| (33,096)       | (5,246)                  |
| (37,000)       | (13,000)                 |
| 3,062          | (189)                    |
| (73)           | (297)                    |
| (4,125)        | (1,446)                  |
| (645)          | (317)                    |
| 127,912        | (7,851)                  |

## 1(c) CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

| 9 months ended        |                       |
|-----------------------|-----------------------|
| 30/09/2018<br>S\$'000 | 30/09/2017<br>S\$'000 |
| (10,890)              | 17,571                |
| 61,568                | 41,890                |
| 85                    | (695)                 |
| 50,763                | 58,766                |

NET CHANGE IN CASH AND CASH EQUIVALENTS  
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD  
EFFECTS OF CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS  
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD

Represented by :

CASH AND CASH EQUIVALENTS

Cash and bank balances

Restricted cash

|        |         |
|--------|---------|
| 50,963 | 60,285  |
| (200)  | (1,519) |
| 50,763 | 58,766  |

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

|                                                      | Attributable to equity holders of the Group |                    |                                  |                     |                                    |         | NON-<br>CONTROLLING<br>INTERESTS | TOTAL<br>EQUITY |
|------------------------------------------------------|---------------------------------------------|--------------------|----------------------------------|---------------------|------------------------------------|---------|----------------------------------|-----------------|
|                                                      | Share<br>Capital                            | Treasury<br>Shares | Capital and<br>Other<br>Reserves | Retained<br>Profits | Currency<br>Translation<br>Reserve | TOTAL   |                                  |                 |
| <b>GROUP (S\$'000)</b>                               |                                             |                    |                                  |                     |                                    |         |                                  |                 |
| Balance as at 01/01/2018                             |                                             |                    |                                  |                     |                                    |         |                                  |                 |
| As previously reported                               | 36,981                                      | (7,910)            | 989                              | 261,964             | (8,916)                            | 283,108 | 21,483                           | 304,591         |
| Effects of adoption of SFRS (I) 15                   | -                                           | -                  | -                                | 423                 | -                                  | 423     | 232                              | 655             |
| As restated at 01/01/2018                            | 36,981                                      | (7,910)            | 989                              | 262,387             | (8,916)                            | 283,531 | 21,715                           | 305,246         |
| Profit for the financial period                      | -                                           | -                  | -                                | 4,425               | -                                  | 4,425   | 2,104                            | 6,529           |
| Other comprehensive (loss)/<br>income for the period | -                                           | -                  | (1,023)                          | -                   | 152                                | (871)   | (153)                            | (1,024)         |
| Purchase of treasury shares                          | -                                           | (73)               | -                                | -                   | -                                  | (73)    | -                                | (73)            |
| Rights cum warrants issue by a<br>subsidiary         | -                                           | -                  | -                                | (179)               | -                                  | (179)   | 3,729                            | 3,550           |
| Change in ownership interests in<br>subsidiaries     | -                                           | -                  | (57)                             | 4,222               | (142)                              | 4,023   | (4,023)                          | -               |
| Dividend paid                                        | -                                           | -                  | -                                | (4,125)             | -                                  | (4,125) | (645)                            | (4,770)         |
| Balance as at 30/09/2018                             | 36,981                                      | (7,983)            | (91)                             | 266,730             | (8,906)                            | 286,731 | 22,727                           | 309,458         |
| Balance as at 01/01/2017                             |                                             |                    |                                  |                     |                                    |         |                                  |                 |
| As previously reported                               | 36,981                                      | (7,614)            | 1,203                            | 243,087             | (9,361)                            | 264,296 | 11,909                           | 276,205         |
| Effects of adoption of SFRS (I) 15                   | -                                           | -                  | -                                | (243)               | -                                  | (243)   | (133)                            | (376)           |
| As restated at 01/01/2017                            | 36,981                                      | (7,614)            | 1,203                            | 242,844             | (9,361)                            | 264,053 | 11,776                           | 275,829         |
| Profit for the financial period                      | -                                           | -                  | -                                | 8,446               | -                                  | 8,446   | 1,965                            | 10,411          |
| Other comprehensive (loss)/<br>income for the period | -                                           | -                  | (1,299)                          | -                   | 22                                 | (1,277) | 198                              | (1,079)         |
| Change in ownership interests in<br>subsidiaries     | -                                           | -                  | -                                | 32                  | (2)                                | 30      | (30)                             | -               |
| Purchase of treasury shares                          | -                                           | (296)              | -                                | -                   | -                                  | (296)   | -                                | (296)           |
| Dividend paid                                        | -                                           | -                  | -                                | (1,446)             | -                                  | (1,446) | (317)                            | (1,763)         |
| Balance as at 30/09/2017                             | 36,981                                      | (7,910)            | (96)                             | 249,876             | (9,341)                            | 269,510 | 13,592                           | 283,102         |

|                                              | Attributable to equity holders of the Company |                    |                     |         |
|----------------------------------------------|-----------------------------------------------|--------------------|---------------------|---------|
|                                              | Share<br>Capital                              | Treasury<br>Shares | Retained<br>Profits | TOTAL   |
| <b>COMPANY (S\$'000)</b>                     |                                               |                    |                     |         |
| Balance as at 01/01/2018                     | 36,981                                        | (7,910)            | 72,224              | 101,295 |
| Total comprehensive income<br>for the period | -                                             | -                  | 5,206               | 5,206   |
| Purchase of treasury shares                  | -                                             | (73)               | -                   | (73)    |
| Dividend paid                                | -                                             | -                  | (4,125)             | (4,125) |
| Balance as at 30/09/2018                     | 36,981                                        | (7,983)            | 73,305              | 102,303 |
| Balance as at 01/01/2017                     | 36,981                                        | (7,614)            | 56,731              | 86,098  |
| Total comprehensive income<br>for the period | -                                             | -                  | 1,039               | 1,039   |
| Purchase of treasury shares                  | -                                             | (296)              | -                   | (296)   |
| Dividend paid                                | -                                             | -                  | (1,446)             | (1,446) |
| Balance as at 30/09/2017                     | 36,981                                        | (7,910)            | 56,324              | 85,395  |

- 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.

| No. of shares |             |
|---------------|-------------|
| 30/09/2018    | 31/12/2017  |
| 438,000,000   | 438,000,000 |

Total number of issued shares

- 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.

| No. of shares |             |
|---------------|-------------|
| 30/09/2018    | 31/12/2017  |
| 412,459,100   | 412,684,900 |

Total number of issued shares excluding treasury shares

- 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.

| No. of shares            |
|--------------------------|
| 9 months ended 30/9/2018 |
| 25,315,100               |
| 225,800                  |
| 25,540,900               |

Beginning of financial period

Purchase of treasury shares

End of financial period

- 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.

- 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 2017.

- 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 Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to be 'Singapore Financial Reporting Standards (International)' ["SFRS(I)s"] hereinafter.

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018 and will be issuing its first set of financial information prepared under SFRS(I) for the quarter ended 31 March 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group also concurrently applied new major SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers.

The estimated impact arising from the adoption of SFRS(I) on the Group's financial statements are set out as follows:

| Group                        |
|------------------------------|
| 9 months ended               |
| 30/09/2017                   |
| Increase/ (decrease) S\$'000 |
| 27,594                       |
| (26,377)                     |
| 1,217                        |

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Sales

Cost of sales

Gross profit

Profit attributable to:

Equity holders of the Company

Non-controlling interests

|       |
|-------|
| 786   |
| 431   |
| 1,217 |

## CONSOLIDATED BALANCE SHEETS

### ASSETS

#### CURRENT ASSETS

|                                                       |          |
|-------------------------------------------------------|----------|
| Financial assets at fair value through profit or loss | 56,671   |
| Trade and other receivables                           | -        |
| Due from customers on construction contracts          | -        |
| Contract assets                                       | -        |
| Amount due from joint ventures                        | -        |
| Available-for-sale financial assets                   | (765)    |
| Financial assets at FVOCI                             | 765      |
| Short-term notes receivables                          | (56,671) |

#### NON-CURRENT ASSETS

|                                     |         |
|-------------------------------------|---------|
| Trade and other receivables         | -       |
| Amount due from joint ventures      | -       |
| Contract assets                     | -       |
| Available-for-sale financial assets | (2,925) |
| Financial assets at FVOCI           | 2,925   |

#### TOTAL ASSETS

#### LIABILITIES

#### CURRENT LIABILITIES

|                                            |   |
|--------------------------------------------|---|
| Trade and other payables                   | - |
| Contract liabilities                       | - |
| Due to customers on construction contracts | - |

#### TOTAL LIABILITIES

#### NET ASSETS

| Group                              |                                    |                                    |
|------------------------------------|------------------------------------|------------------------------------|
| 01/01/2018                         | 31/12/2017                         | 01/01/2017                         |
| Increase/<br>(decrease)<br>S\$'000 | Increase/<br>(decrease)<br>S\$'000 | Increase/<br>(decrease)<br>S\$'000 |
|                                    |                                    |                                    |
| 56,671                             | -                                  | -                                  |
| -                                  | (4,641)                            | (7,587)                            |
| -                                  | (51,702)                           | (35,067)                           |
| -                                  | 53,057                             | 38,883                             |
| -                                  | (6,324)                            | -                                  |
| (765)                              | -                                  | -                                  |
| 765                                | -                                  | -                                  |
| (56,671)                           | -                                  | -                                  |
| -                                  | (9,610)                            | (3,771)                            |
| -                                  | (24,589)                           | (9,251)                            |
| -                                  | -                                  | (5,936)                            |
| -                                  | 33,231                             | 19,727                             |
| (2,925)                            | -                                  | -                                  |
| 2,925                              | -                                  | -                                  |
| -                                  | 8,642                              | 4,540                              |
| -                                  | (968)                              | 769                                |
|                                    |                                    |                                    |
| -                                  | (29,019)                           | (5,851)                            |
| -                                  | 40,727                             | 38,970                             |
| -                                  | (13,331)                           | (31,974)                           |
| -                                  | (1,623)                            | 1,145                              |
| -                                  | (1,623)                            | 1,145                              |
| -                                  | 655                                | (376)                              |

## CONSOLIDATED CASH FLOW STATEMENT

There is no impact on net cash flow from operating activities.

The Group is still in the progress of finalising its assessment of impact arising from adoption of SFRS (I) framework and SFRS (I) 15 and thus the finalised impact may differ from the provisional figures determined at the moment.

- 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 after deducting any provision for preference dividends:

| GROUP          |                          |                |                          |
|----------------|--------------------------|----------------|--------------------------|
| 3 months ended |                          | 9 months ended |                          |
| 30/09/2018     | 30/09/2017<br>(restated) | 30/09/2018     | 30/09/2017<br>(restated) |
| (cent)         | (cents)                  | (cents)        | (cents)                  |
| 0.54           | 1.41                     | 1.07           | 2.04                     |
| 0.54           | 1.41                     | 1.07           | 2.04                     |

(i) Basic

(ii) On a fully diluted basis

Note:

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 period of 412,545,551 ordinary shares (30 September 2017: 413,294,058 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    |            |
|------------|--------------------------|------------|------------|
| 30/09/2018 | 31/12/2017<br>(restated) | 30/09/2018 | 31/12/2017 |
| (cents)    | (cents)                  | (cents)    | (cents)    |
| 69.52      | 68.70                    | 24.80      | 24.55      |

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 30 September 2018 (31 December 2017: 412,684,900 ordinary shares).

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

##### 3Q 2018 VS 3Q 2017

For the 3-month period ended 30 September 2018 ("3Q 2018"), the Group's sales amounted to S\$119.34 million, an increase of S\$1.92 million compared to S\$117.42 million in the corresponding period a year ago ("3Q 2017"). The increase was mainly from the Construction and Building Materials division. The Group's gross profit increased from S\$3.00 million in 3Q 2017 to S\$8.13 million mainly due to an improvement in gross profit margin from the Construction and Building Materials division.

Other income of S\$1.35 million in 3Q 2018 was mainly due to increase in interest income. Other losses of S\$0.17 million in 3Q 2018 mainly due to fair value loss on financial assets through profit or loss, partially offset by gain on disposal of property, plant and equipment. There was a one-off net gain of S\$11.56 million on disposal of a joint venture a year ago. Distribution expenses decreased from S\$2.05 million in 3Q 2017 to S\$0.48 million in 3Q 2018 mainly due to a reduction in allowance made for impairment on trade receivables. Administrative expenses decreased from S\$7.76 million in 3Q 2017 to S\$6.83 million in 3Q 2018 mainly due to decrease in professional fees in the current financial period. Other expenses was S\$0.27 million in 3Q 2018 as compared to a credit of S\$1.39 million in 3Q 2017 mainly due to a write-back of allowance made for impairment on loan to a joint venture a year ago. Finance expenses increased from S\$1.08 million in 3Q 2017 to S\$1.76 million in 3Q 2018 mainly due to increase in bank borrowings. Depreciation expenses decrease from S\$1.45 million in 3Q 2017 to S\$1.15 million in 3Q 2018 mainly due to decrease in depreciable assets.

Share of profits of associated companies and joint ventures increased from S\$1.21 million in 3Q 2017 to S\$3.09 million in 3Q 2018. This was mainly due to progressive recognition of profit from a mixed-used development project in South Korea.

The Group's profit before income tax decreased from S\$5.69 million in 3Q 2017 to S\$3.05 million in 3Q 2018. The Group's net profit attributable to shareholders decreased from S\$5.85 million in 3Q 2017 to S\$2.25 million in 3Q 2018.

##### 9M 2018 VS 9M 2017

The Group's sales for the 9 months ended 30 September 2018 ("9M 2018") increased marginally to S\$272.15 million from S\$271.92 million for the 9 months ended 30 September 2017 ("9M 2017"). The Group's gross profit in 9M 2018 increased by 100% to S\$18.04 million mainly due to an improvement in gross profit margin from the Construction and Building Materials division.

Other income decreased from S\$8.91 million in 9M 2017 to S\$4.80 million in 9M 2018 mainly due to one-off compensation income recognised a year ago, partially offset by higher interest income in current financial period. Other losses of S\$0.05 million in 9M 2018 mainly due to fair value loss on financial assets through profit or loss, partially offset by gain on disposal of property, plant and equipment. There was a one-off net gain of S\$11.56 million on disposal of a joint venture a year ago. Distribution expenses reduced by S\$2.08 million mainly due to a write-back of allowance made for impairment on trade receivables in current financial period. Administrative expenses decreased to S\$18.37 million mainly due to decrease in professional fees. Other expenses was S\$0.56 million in 9M 2018 as compared to a credit of S\$0.85 million in 9M 2017 mainly due to a write-back of allowance made for impairment on loan to joint ventures a year ago. Finance expenses increased from S\$3.57 million in 9M 2017 to S\$5.17 million in 9M 2018 mainly due to increase in bank borrowings. Depreciation expenses decreased from S\$3.97 million in 9M 2017 to S\$3.38 million in 9M 2018 mainly due to decrease in depreciable assets.

Share of profits of associated companies and joint ventures increased from S\$7.72 million in 9M 2017 to S\$8.32 million in 9M 2018. This was mainly due to progressive recognition of profit from residential and mixed-used development projects in both Singapore and South Korea, partially offset by lower fair value gain from the valuation of an investment property.

The Group's profit before income tax decreased from S\$11.48 million in 9M 2017 to S\$7.01 million in 9M 2018.

The Group's net profit attributable to shareholders decreased from S\$8.45 million in 9M 2017 to S\$4.43 million in 9M 2018.

Earnings per share decreased to 1.07 cents for 9M 2018 compared to 2.04 cents in 9M 2017.

#### Review of changes in working capital, assets and liabilities

The movements in assets and liabilities are as follows:

- 1) Decrease in cash and bank balances was mainly due to repayment of notes payables.
- 2) Decrease in trade and other receivables was mainly due to collection from customers.
- 3) Increase in contract assets was mainly due to revenue has been recognised during the financial period but which has not yet been billed to the customers.
- 4) Decrease in amount due from joint ventures was mainly due to repayment of shareholder loans from a joint venture.
- 5) Increase in development properties was mainly due to cost incurred for a private residential project under development.
- 6) Non-current assets decreased by S\$1.22 million mainly due to decrease in property, plant and equipment of S\$6.45 million, partially offset by an increase in investment in joint venture of S\$5.26 million.
- 7) Current liabilities decreased by S\$22.50 million mainly due to repayment of notes payables of S\$37 million, decrease in contract liabilities of S\$17.54 million and trade and other payables of S\$21.44 million, partially offset by an increase in short-term borrowings of S\$55.03 million.
- 8) Non-current liabilities increased by S\$115.15 million mainly due to an increase in bank borrowings of S\$111.00 million.

#### Review of changes in cashflow

The Group reported a net decrease in cash and cash equivalents mainly due to net cash used in operating activities, partially offset by net cash provided by investing and financing activities. The net cash outflow from operating activities as well as net cash inflow from financing activities were mainly for the acquisition of a private residential property for redevelopment.

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

The current announced results are in line with the general prospect commentary previously disclosed in the results announcement for the financial period ended 30 June 2018.

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 by the Ministry of Trade and Industry ("MTI") on 12 October 2018, the Singapore economy grew by 2.6% on a year-on-year basis in the third quarter of 2018, moderating from the 4.1% growth in the previous quarter. The construction sector contracted by 3.1% on a year-on-year basis in the third quarter, extending the 4.2% decline in the previous quarter. The sector was weighed down by the weakness in public sector construction activities.

The construction sector remains challenging on the back of a competitive environment and higher costs. As an established building and civil engineering contractor, we will continue to leverage on our strength to secure more projects in order to replenish our order book for sustainable long-term growth.

Latest statistics from the Urban Redevelopment Authority on 26 October 2018 showed that the price of private residential properties market increased by 0.5% in the third quarter of 2018, compared with a 3.4% increase in the previous quarter. With the various cooling measures still in place, we expect the private residential market to remain challenging.

11 Dividend

(a) Current Financial Period Reported On:

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

(ii) Any dividend recommended 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) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the period ended 30 September 2018.

13 Interested Person Transaction

| Name of Interested Person                               | 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) |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ah Boon Civil Engineering & Building Contractor Pte Ltd | \$'000<br>545                                                                                                                                                                                                            | \$'000<br>-                                                                                                                                                     |

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

14 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.

15 CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we, the undersigned, 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 financial results for the third quarter and nine months ended 30 September 2018 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Koh Keng Siang  
Managing Director & Group CEO

Koh Keng Hiong  
Executive Director

5 November 2018  
Singapore