



# KOH BROTHERS GROUP LIMITED

*(Incorporated in Singapore. Registration Number: 199400775D)*

## Condensed Interim Financial Statements for the Six Months Period Ended 30 June 2023

# Contents

		Page
A	Condensed Interim Consolidated Statement of Comprehensive Income	3
B	Condensed Interim Balance Sheets – Group and Company	4
C	Condensed Interim Consolidated Statement of Changes in Equity – Group and Company	5
D	Condensed Interim Consolidated Statement of Cash Flows	7
E	Notes to the Condensed Interim Consolidated Financial Statements	8
F	Other Information Required by Listing Rule Appendix 7.2	18

---

# KOH BROTHERS GROUP LIMITED

## A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2023

		6 months ended		
	Note	30 June 2023 S\$'000	30 June 2022 S\$'000	Change %
Sales	4(a)	196,586	158,877	24
Cost of sales		(197,646)	(147,184)	34
Gross (loss)/profit		(1,060)	11,693	N.M.
Other income	5	474	769	(38)
Other gains – net	5	1,216	7,925	(85)
Expenses				
- Distribution and marketing		(4,814)	(1,476)	226
- Administrative		(9,000)	(8,474)	6
- Finance		(7,398)	(4,422)	67
- Other		1,185	(920)	N.M.
Share of (loss)/profit of associated companies and joint ventures		(60)	1,157	N.M.
(Loss)/profit before income tax		(19,457)	6,252	N.M.
Income tax expense	7	(166)	(207)	(20)
<b>(Loss)/profit after income tax</b>		<b>(19,623)</b>	<b>6,045</b>	<b>N.M.</b>
<b>(Loss)/profit attributable to:</b>				
Equity holders of the Company		(16,038)	4,996	N.M.
Non-controlling interests		(3,585)	1,049	N.M.
		<b>(19,623)</b>	<b>6,045</b>	<b>N.M.</b>
<b>(Loss)/earnings per share for profit attributable to equity holders of the Company:</b>				
- Basic (loss)/earnings per share (in cents)		(3.89)	1.21	N.M.
- Diluted (loss)/earnings per share (in cents)		(3.89)	1.21	N.M.
<b>(Loss)/profit after income tax</b>		<b>(19,623)</b>	<b>6,045</b>	<b>N.M.</b>
<b>Other comprehensive loss:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation arising from consolidation		(653)	(1,825)	(64)
Fair value gain/(loss) on debt financial assets, at FVOCI		87	(6)	N.M.
		(566)	(1,831)	(69)
<i>Items that may not be reclassified subsequently to profit or loss:</i>				
Fair value loss on equity financial assets, at FVOCI		(302)	(541)	(44)
<b>Other comprehensive loss, net of tax</b>		<b>(868)</b>	<b>(2,372)</b>	<b>(63)</b>
<b>Total comprehensive (loss)/income</b>		<b>(20,491)</b>	<b>3,673</b>	<b>N.M.</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Equity holders of the Company		(16,499)	2,694	N.M.
Non-controlling interests		(3,992)	979	N.M.
		<b>(20,491)</b>	<b>3,673</b>	<b>N.M.</b>

N.M. – Not Meaningful

**KOH BROTHERS GROUP LIMITED**  
**B. CONDENSED INTERIM BALANCE SHEETS**  
*As at 30 June 2023*

		GROUP		COMPANY	
	Note	30 June 2023 S\$'000	31 December 2022 S\$'000	30 June 2023 S\$'000	31 December 2022 S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		81,175	82,432	186	178
Investment securities		1,377	1,382	-	-
Trade and other receivables		71,563	50,811	5	13
Contract assets		157,685	146,011	-	-
Amounts due from subsidiaries		-	-	21,731	22,768
Amounts due from joint ventures		29,057	28,060	-	-
Inventories		8,055	7,708	-	-
Development properties		33,696	93,998	-	-
Income tax receivables		730	730	-	-
Other current assets		4,447	4,793	-	-
		<b>387,785</b>	<b>415,925</b>	<b>21,922</b>	<b>22,959</b>
<b>Non-current assets</b>					
Trade and other receivables		30,127	30,127	-	-
Contract assets		36,244	36,232	-	-
Investment securities		7,941	7,960	-	-
Investment in subsidiaries		-	-	156,741	156,741
Investments in associated companies		97	97	-	-
Investments in joint ventures		93,118	93,178	-	-
Investment properties	12	104,647	108,407	-	-
Property, plant and equipment	11	104,436	104,906	-	-
Goodwill	10	5,078	5,078	-	-
		<b>381,688</b>	<b>385,985</b>	<b>156,741</b>	<b>156,741</b>
<b>Total assets</b>		<b>769,473</b>	<b>801,910</b>	<b>178,663</b>	<b>179,700</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		90,272	92,811	1,070	1,462
Contract liabilities		25,146	15,058	-	-
Amounts due to subsidiaries		-	-	38,208	38,186
Amounts due to joint ventures		39,623	38,291	-	-
Current income tax liabilities		623	1,069	-	-
Bank borrowings and lease liabilities	13	161,242	177,768	-	-
		<b>316,906</b>	<b>324,997</b>	<b>39,278</b>	<b>39,648</b>
<b>Non-current liabilities</b>					
Trade and other payables		10,439	9,480	-	-
Amount due to a subsidiary		-	-	19,011	19,011
Bank borrowings and lease liabilities	13	86,124	89,285	-	-
Notes payables	14	22,257	22,168	22,257	22,168
Deferred income tax liabilities		6,665	6,717	-	-
		<b>125,485</b>	<b>127,650</b>	<b>41,268</b>	<b>41,179</b>
<b>Total liabilities</b>		<b>442,391</b>	<b>452,647</b>	<b>80,546</b>	<b>80,827</b>
<b>NET ASSETS</b>		<b>327,082</b>	<b>349,263</b>	<b>98,117</b>	<b>98,873</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	15	36,981	36,981	36,981	36,981
Treasury shares		(7,983)	(7,983)	(7,983)	(7,983)
Other reserves		(6,208)	(5,993)	-	-
Retained profits		259,572	276,435	69,119	69,875
Currency translation reserve		(10,797)	(10,551)	-	-
		<b>271,565</b>	<b>288,889</b>	<b>98,117</b>	<b>98,873</b>
<b>Non-controlling interests</b>		<b>55,517</b>	<b>60,374</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>327,082</b>	<b>349,263</b>	<b>98,117</b>	<b>98,873</b>

**KOH BROTHERS GROUP LIMITED**

**C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*For the six months period ended 30 June 2023*

Group	Note	← Attributable to equity holders of the Company →					Non-controlling interests S\$'000	Total equity S\$'000	
		Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained profits S\$'000	Currency translation reserve S\$'000			Total S\$'000
Balance at 1 January 2023		36,981	(7,983)	(5,993)	276,435	(10,551)	288,889	60,374	349,263
Loss for the financial period		-	-	-	(16,038)	-	(16,038)	(3,585)	(19,623)
Other comprehensive loss for the financial period		-	-	(215)	-	(246)	(461)	(407)	(868)
Total comprehensive loss for the financial period		-	-	(215)	(16,038)	(246)	(16,499)	(3,992)	(20,491)
Dividend paid		-	-	-	(825)	-	(825)	(865)	(1,690)
Balance at 30 June 2023		36,981	(7,983)	(6,208)	259,572	(10,797)	271,565	55,517	327,082
Balance as at 1 January 2022		36,981	(7,983)	(3,194)	270,689	(9,382)	287,111	55,627	342,738
Profit for the financial period		-	-	-	4,996	-	4,996	1,049	6,045
Other comprehensive loss for the financial period		-	-	(548)	-	(1,754)	(2,302)	(70)	(2,372)
Total comprehensive (loss)/income for the financial period		-	-	(548)	4,996	(1,754)	2,694	979	3,673
Change in ownership interests in subsidiaries		-	-	-	949	220	1,169	(1,169)	-
Issuance of shares by a listed subsidiary, net of expenses		-	-	-	(161)	-	(161)	4,901	4,740
Dividend paid		-	-	-	(825)	-	(825)	(894)	(1,719)
Total transactions with owners, recognised directly in equity		-	-	-	(37)	220	183	2,838	3,021
Balance at 30 June 2022		36,981	(7,983)	(3,742)	275,648	(10,916)	289,988	59,444	349,432

**KOH BROTHERS GROUP LIMITED**

**C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*For the six months period ended 30 June 2023*

<b>COMPANY</b>	<u>Share capital</u>	<u>Treasury shares</u>	<u>Retained profits</u>	<u>Total equity</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2023</b>	36,981	(7,983)	69,875	98,873
Profit for the financial period	-	-	69	69
Dividend paid	-	-	(825)	(825)
<b>Balance at 30 June 2023</b>	<b>36,981</b>	<b>(7,983)</b>	<b>69,119</b>	<b>98,117</b>
<b>Balance at 1 January 2022</b>	36,981	(7,983)	69,615	98,613
Profit for the financial period	-	-	(611)	(611)
Dividend paid	-	-	(825)	(825)
<b>Balance at 30 June 2022</b>	<b>36,981</b>	<b>(7,983)</b>	<b>68,179</b>	<b>97,177</b>

**KOH BROTHERS GROUP LIMITED**
**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**
*For the six months period ended 30 June 2023*

	<b>6 months ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit after income tax	(19,623)	6,045
Adjustments for:		
- Income tax expense	166	207
- Depreciation of property, plant and equipment	3,812	4,266
- Fair value gain on investment properties	(114)	(60)
- Gain on disposal of property, plant and equipment	(355)	(7,382)
- Gain on disposal of investment property	(235)	-
- Share of loss/(profit) of associated companies and joint ventures	60	(1,157)
- Finance expense	7,398	4,422
- Interest income	(348)	(599)
- Unrealised translation loss/(gain)	245	(806)
	<b>(8,994)</b>	<b>4,936</b>
Change in working capital:		
- Trade and other receivables	(20,733)	982
- Inventories	(347)	1,945
- Contract assets and liabilities	(1,598)	(13,093)
- Development properties	60,302	6,049
- Other current assets	346	7
- Trade and other payables	(1,945)	16,976
- Amount due from/to joint ventures	335	4,041
Cash generated from operations	<b>27,366</b>	<b>21,843</b>
Income tax paid	<b>(634)</b>	<b>(357)</b>
<b>Net cash generated from operating activities</b>	<b>26,732</b>	<b>21,486</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,458)	(513)
Proceeds from disposal of property, plant and equipment	381	12,479
Proceeds from disposal of investment property	4,160	-
Net purchase of investment securities	(195)	-
Interest received	348	599
<b>Net cash provided by investing activities</b>	<b>3,236</b>	<b>12,565</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares by a listed subsidiary, net of expenses	-	4,740
Principal payment of lease liabilities	(3,423)	(3,770)
Net repayment of bank borrowings	(18,529)	(20,159)
Acquisition of additional interest in subsidiaries	-	(230)
Transaction cost relating to acquisition of additional interest in subsidiaries	-	(1)
Dividends paid to non-controlling interests	(865)	(894)
Dividends paid to equity holders of the Company	(825)	-
Interest paid	(7,069)	(4,464)
<b>Net cash used in financing activities</b>	<b>(30,711)</b>	<b>(24,778)</b>
<b>Net change in cash and bank balances</b>	<b>(743)</b>	<b>9,273</b>
Beginning of financial period	82,432	95,152
Effects of currency translation on cash and bank balances	(514)	(531)
<b>End of financial period</b>	<b>81,175</b>	<b>103,894</b>

**1. Corporate information**

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

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

The principal activities of the Group are:

- (a) Building and civil engineering contracting;
- (b) Specialist engineers;
- (c) Manufacturing of building materials and precast products;
- (d) Property investment and development; and
- (e) Hotel investment and management.

**2. Basis of preparation**

The condensed interim financial statements of the six months ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and the Group’s performance since the last audited annual financial statements for the year ended 31 December 2022.

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

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

**2.1 New and amended Standards adopted by the Group**

The Group has adopted the new and revised SFRS(I)s and SFRS(I) Interpretations and amendments to SFRS(I)s that are mandatory for application from 1 January 2023. The adoption of these amendments to SFRS(I)s did not result in material changes to the Group’s accounting policies and has no material effect on the amounts reported for the current financial period.

**2.2 Use of judgment and estimates**

In the process of applying the Group’s accounting policies, there is no instance of application of judgments with significant updates since the audited financial statements as at 31 December 2022 and is expected to have a significant effect on the amounts recognised in the condensed consolidated interim financial statements.

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

- (a) Estimation of total contract sum and contract costs for construction contracts
- (b) Assessment on impairment of goodwill
- (c) Valuation of investment properties



**KOH BROTHERS GROUP LIMITED**  
**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
*For the six months period ended 30 June 2023*

**3. Seasonal operations**

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

**4. Revenue and segment information**

(a) Disaggregation of revenue

	<b>Construction and Building Materials</b>		<b>Real Estate</b>		<b>Leisure &amp; Hospitality</b>		<b>Total</b>	
	<b>6 months ended</b>		<b>6 months ended</b>		<b>6 months ended</b>		<b>6 months ended</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Contract revenue – over time	<b>81,998</b>	96,218	-	-	-	-	<b>81,998</b>	96,218
Revenue from sale of products – point in time	<b>41,401</b>	45,086	-	-	-	-	<b>41,401</b>	45,086
Revenue from sale of development properties – over time	-	-	<b>68,526</b>	14,259	-	-	<b>68,526</b>	14,259
Revenue from services rendered – over time	-	-	<b>1,006</b>	1,066	<b>1,914</b>	778	<b>2,920</b>	1,844
Revenue from contracts with customers	<b>123,399</b>	141,304	<b>69,532</b>	15,325	<b>1,914</b>	778	<b>194,845</b>	157,407
Rental income from investment properties	-	-	<b>1,741</b>	1,470	-	-	<b>1,741</b>	1,470
Total revenue	<b>123,399</b>	141,304	<b>71,273</b>	16,795	<b>1,914</b>	778	<b>196,586</b>	158,877

(b) Segment information

The Group considers the business from a business segment perspective. Management manages and monitors the business in three main business segments which are Construction and Building Materials, Real Estate and Leisure & Hospitality. The Group assesses the performance of these business segments based on sales, segment results, segment assets and segment liabilities.

- (i) Construction and Building Materials – This business segment undertakes construction activities for “Engineering and Construction”, “Bio-Refinery and Renewable Energy” and “Building Materials” segments. Management has aggregated the above businesses under Construction and Building Materials as they have similar economic growth prospects.
- (ii) Real Estate – This business segment involves property investment, development and management services.
- (iii) Leisure & Hospitality – This business segment involves hotel and leisure operations.

**KOH BROTHERS GROUP LIMITED**  
**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
*For the six months period ended 30 June 2023*

**4. Revenue and segment information (continued)**

**(b) Segment information (continued)**

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

<b>Group (\$\$'000)</b>	<b>Construction and Building Materials</b>	<b>Real Estate</b>	<b>Leisure &amp; Hospitality</b>	<b>Others</b>	<b>Total</b>
<b>6 months ended</b>					
<b>30 June 2023</b>					
<b>Sales</b>					
- External	123,399	71,273	1,914	-	196,586
- Inter-segment	8,212	311	-	603	9,126
	<u>131,611</u>	<u>71,584</u>	<u>1,914</u>	<u>603</u>	<u>205,712</u>
Elimination					(9,126)
					<u>196,586</u>
<b>Results</b>					
Segment results					
- Company and subsidiaries	(8,418)	(4,572)	378	265	(12,347)
- Associated companies	-	-	-	-	-
- Joint ventures	-	(60)	-	-	(60)
(Loss)/earnings before interest and tax	<u>(8,418)</u>	<u>(4,632)</u>	<u>378</u>	<u>265</u>	<u>(12,407)</u>
Interest income					348
Finance expenses					(7,398)
Loss before income tax					<u>(19,457)</u>
<b>Other information</b>					
Capital expenditure	3,717	38	26	-	3,781
Depreciation	3,440	179	193	-	3,812
<b>As at 30 June 2023</b>					
<b>Segment assets</b>	295,711	303,775	24,748	792	625,026
Associated companies	97	-	-	-	97
Joint ventures	-	93,118	-	-	93,118
<b>Unallocated assets:</b>					
Income tax receivables					730
Short-term bank deposits					41,184
Investment securities					9,318
<b>Consolidated total assets</b>					<u>769,473</u>
<b>Segment liabilities</b>	107,999	56,333	566	582	165,480
<b>Unallocated liabilities:</b>					
Current income tax liabilities					623
Deferred income tax liabilities					6,665
Bank borrowings, notes payables, and lease liabilities					269,623
<b>Consolidated total liabilities</b>					<u>442,391</u>

**KOH BROTHERS GROUP LIMITED**  
**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
*For the six months period ended 30 June 2023*

**4. Revenue and segment information (*continued*)**

**(b) Segment information (*continued*)**

<b>Group (S\$'000)</b>	<b>Construction and Building Materials</b>	<b>Real Estate</b>	<b>Leisure &amp; Hospitality</b>	<b>Others</b>	<b>Total</b>
<b>6 months ended</b>					
<b>30 June 2022</b>					
<b>Sales</b>					
- External	141,304	16,795	778	-	158,877
- Inter-segment	6,014	326	-	150	6,490
	<u>147,318</u>	<u>17,121</u>	<u>778</u>	<u>150</u>	<u>165,367</u>
Elimination					(6,490)
					<u>158,877</u>
<b>Results</b>					
Segment results					
- Company and subsidiaries	8,621	739	(413)	(29)	8,918
- Associated companies	8	-	-	-	8
- Joint ventures	-	1,149	-	-	1,149
(Loss)/earnings before interest and tax	<u>8,629</u>	<u>1,888</u>	<u>(413)</u>	<u>(29)</u>	<u>10,075</u>
Interest income					599
Finance expenses					(4,422)
Loss before income tax					<u>6,252</u>
<b>Other information</b>					
Capital expenditure	345	14	154	-	513
Depreciation	3,887	176	203	-	4,266
<b>As at 30 June 2022</b>					
<b>Segment assets</b>	279,254	366,492	24,486	4,437	674,669
Associated companies	447	-	-	-	447
Joint ventures	-	95,351	-	-	95,351
<b>Unallocated assets:</b>					
Income tax receivables					730
Short-term bank deposits					48,673
Investment securities					<u>12,888</u>
<b>Consolidated total assets</b>					<u>832,758</u>
<b>Segment liabilities</b>	99,993	48,879	317	1,867	151,056
<b>Unallocated liabilities:</b>					
Current income tax liabilities					1,144
Deferred income tax liabilities					6,792
Bank borrowings, notes payables, and lease liabilities					<u>324,334</u>
<b>Consolidated total liabilities</b>					<u>483,326</u>

**KOH BROTHERS GROUP LIMITED****E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS***For the six months period ended 30 June 2023***4. Revenue and segment information (continued)****(c) Geographical information**

The Group's three business segments operate in four main geographical areas: Singapore, Malaysia, Indonesia and others.

The following table presents sales and non-current assets information for the main geographical areas for the financial period ended 30 June 2023 and 30 June 2022.

	<b>Group 6 months ended</b>	
	<b>30 June 2023 S\$'000</b>	<b>30 June 2022 S\$'000</b>
<b><u>Total sales</u></b>		
Singapore	173,591	132,830
Malaysia	3,518	3,769
Indonesia	16,714	17,120
Others	2,763	5,158
	<b>196,586</b>	<b>158,877</b>

	<b>Group As at</b>	
	<b>30 June 2023 S\$'000</b>	<b>30 June 2022 S\$'000</b>
<b><u>Total non-current assets</u></b>		
Singapore	362,538	336,969
Malaysia	10,317	11,172
Others	8,833	8,868
	<b>381,688</b>	<b>357,009</b>

**5. Other income and other gains – (net)**

	<b>Group 6 months ended</b>	
	<b>30 June 2023 S\$'000</b>	<b>30 June 2022 S\$'000</b>
<b><u>Other income</u></b>		
Interest income	348	599
Other income	126	170
	<b>474</b>	<b>769</b>
<b><u>Other gains – net</u></b>		
Fair value gain on investment properties	114	60
Gain on disposal of property, plant and equipment	355	7,382
Gain on disposal of investment property	235	-
Net foreign exchange gain	512	483
	<b>1,216</b>	<b>7,925</b>

**KOH BROTHERS GROUP LIMITED**  
**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
*For the six months period ended 30 June 2023*

---

**6. Expenses by nature**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Allowance for impairment of trade receivables	<b>38</b>	131
(Write-back allowance for)/allowance for impairment of sundry debtors	<b>(295)</b>	337
(Write-back allowance for)/allowance for impairment of loans to joint ventures	<b>(966)</b>	537
Depreciation of property, plant and equipment	<b>3,812</b>	4,266

**7. Taxation**

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

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Tax expense attributable to profit is made up of:		
- Current income tax	<b>712</b>	779
- Deferred income tax	<b>68</b>	98
	<b>780</b>	877
Over provision in prior financial periods		
- Current income tax	<b>(496)</b>	(670)
- Deferred income tax	<b>(118)</b>	-
	<b>(614)</b>	(670)
	<b>166</b>	207

**8. Related party transactions**

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

The Group has no significant transaction with related parties during the current and prior corresponding financial period.

**9. Fair value measurements**

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

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

**Investment properties**

The Group's investment properties are measured at fair value based on valuations performed by independent professional valuers at least once a year. The valuation techniques and key unobservable inputs that were used to determine the fair value of the investment properties are classified within Level 3 of the fair value hierarchy.

**Other financial assets and liabilities**

The fair value of financial instruments traded in active markets (such as financial assets at fair value through profit or loss and financial assets at FVOCI) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments with adjustment on the market price of linked listed equity securities and interest rate curve are used to estimate the fair value of unquoted short-term structured notes. These instruments are classified as Level 2.

For unquoted convertible notes, the fair value is determined using discounted cash flow analysis which involves the use of significant unobservable inputs. These instruments are classified as Level 3.

The following table presented the assets measured at fair value:

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<b>Group</b>				
<b>30 June 2023</b>				
Investment properties	-	-	104,647	104,647
Financial assets, at FVOCI	8,303	-	-	8,303
<b>31 December 2022</b>				
Investment properties	-	-	108,407	108,407
Financial assets, at FVOCI	8,327	-	-	8,327

**10. Goodwill**

	<b>Group</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<i>Cost</i>	<b>5,078</b>	<b>5,078</b>

*Impairment tests for goodwill*

Goodwill arising from the Group's acquisition of Koh Brothers Eco Engineering Limited and its subsidiaries is allocated to the "Bio-Refinery and Renewable Energy" cash-generating unit ("CGU").

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

The recoverable amount of the CGU was determined based on fair value less cost to sell method. Fair value is determined using the quoted share price of subsidiary multiplied by the number of the shares the Group has in the subsidiary.

Management have assumed 5% cost to sell based on actual past transactions, considering transaction costs incurred for purchase and sale of shares over the open market and sale of shares through private placement.

**11. Property, plant and equipment**

During the 6-month period ended 30 June 2023, the Group acquired assets amounted to S\$3,781,000 (30 June 2022: S\$513,000), and disposed assets at net book value amounted to S\$26,000 (30 June 2022: S\$6,000).

**12. Investment properties**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Balance at 1 January	<b>108,407</b>	102,169
Disposal	<b>(3,800)</b>	-
Fair value gain recognised in profit or loss	<b>114</b>	6,436
Currency translation difference	<b>(74)</b>	(198)
Balance at 30 June/31 December	<b>104,647</b>	108,407

During the six months period ended 30 June 2023, the Group disposed a residential unit in Singapore, for a total consideration of S\$4,160,000. The Group recognised a net profit of S\$235,000 after transaction cost from the disposal. This transaction was completed in June 2023.

As at 30 June 2023, the Group's investment properties with a total carrying amount of S\$97,500,000 (31 December 2022: S\$101,180,000) are mortgaged to banks for banking facilities granted.

**12. Investment properties (*continued*)**

Valuation processes of the Group

The fair value of investment properties determined by independent professional valuers at least once a year based on the properties "As-Is" market value. They are carried at fair value at 30 June 2023 and 31 December 2022.

At each reporting date, management:

- provides all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation reports; and
- holds discussions with the independent valuers.

**13. Bank borrowing and lease liabilities**

	<b>Group</b>	
	<b>30 June 2023 S\$'000</b>	<b>31 December 2022 S\$'000</b>
<u>Current</u>		
Bank borrowings payable within one year		
- Secured	<b>100,339</b>	124,793
- Unsecured	<b>53,841</b>	45,741
	<b>154,180</b>	170,534
Lease liabilities payable within one year	<b>7,062</b>	7,234
	<b>161,242</b>	177,768
<u>Non-current</u>		
Bank borrowings payable after one year		
- Secured	<b>78,651</b>	80,254
- Unsecured	<b>1,714</b>	2,344
	<b>80,365</b>	82,598
Lease liabilities payable after one year	<b>5,759</b>	6,687
	<b>86,124</b>	89,285
Total bank borrowings and lease liabilities	<b>247,366</b>	267,053

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



**KOH BROTHERS GROUP LIMITED****E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS***For the six months period ended 30 June 2023***14. Notes payables**

	<b>2023</b>	<b>Group</b>
	<b>S\$'000</b>	<b>2022</b>
		<b>S\$'000</b>
Balance at 1 January	<b>22,168</b>	70,000
Redemption of notes payables	-	(57,750)
Proceeds from issuance of new series of notes payables	-	10,500
Notes issuance expenses paid	-	(582)
Amortisation of notes issuance expenses	<b>89</b>	-
Balance at 30 June/31 December	<b>22,257</b>	22,168

The Company has established a S\$250 million Multicurrency Medium Term Note programme, under which the Company may, from time to time, issue notes in series or tranches in Singapore Dollars or in other currencies, in various amounts and tenors and interest rates agreed between Company and the relevant dealer. The net proceeds arising from the issue of notes will be used for general corporate purposes, financing investments and general working capital of the Group.

The Company issued the third series of notes amounting to S\$22,750,000 (including S\$12,250,000 exchanged from the second series of notes) in October 2022. The new notes bear a fixed rate of 6.50% per annum payable semi-annually in arrear and are due on 17 April 2026.

**15. Share capital**

	No. of ← ordinary shares →		← Amount →	
	Issued share capital '000	Treasury shares '000	Share capital S\$'000	Treasury shares S\$'000
<b>Group and Company</b>				
<b>2023</b>				
Balance at 1 January and 30 June	<b>438,000</b>	<b>(25,541)</b>	<b>36,981</b>	<b>(7,983)</b>
<b>2022</b>				
Balance at 1 January and 31 December	438,000	(25,541)	36,981	(7,983)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

- 1(i) Details of any changes in the Company's share capital and arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other shares 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 corresponding period of the immediately preceding financial year.

	No. of shares	
	As at 30 June 2023	As at 30 June 2022
Total number of issued shares	438,000,000	438,000,000
Less: number of treasury shares	(25,540,900)	(25,540,900)
Total number of issued shares excluding treasury shares	412,459,100	412,459,100

- 1(ii) 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	
	As at 30 June 2023	As at 31 December 2022
Total number of issued shares excluding treasury shares	412,459,100	412,459,100

- 1(iii) 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
	As at 30 June 2023
Beginning and end of the financial period	25,540,900

- 1(iv) A statement showing all sales, transfer, 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 if so which auditing standard or practice has been followed

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

3. Where the figures have been audited or reviewed, the auditor's report (including any modification or emphasis of matter)

Not applicable.

**KOH BROTHERS GROUP LIMITED****F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2***For the six months period ended 30 June 2023*

---

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

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

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**

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

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

		<b>Group</b>	
		<b>6 months ended</b>	
		<b>30 June</b>	<b>30 June</b>
		<b>2023</b>	<b>2022</b>
		<b>(cents)</b>	<b>(cents)</b>
(i)	Basic	<b>(3.89)</b>	<b>1.21</b>
(ii)	On a fully diluted basis	<b>(3.89)</b>	<b>1.21</b>

Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the net (loss)/profit attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the current financial period of 412,459,100 ordinary shares (2022: 412,459,100 ordinary shares).

Diluted (loss)/earnings per share

For the financial period ended 30 June 2023 and 30 June 2022, warrants of the Group's subsidiary, Koh Brothers Eco Engineering Limited ("KBE Warrants"), are not included in the calculation of diluted (loss)/earnings per share because all the outstanding KBE warrants are antidilutive.

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.**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2023 (cents)</b>	<b>31 December 2022 (cents)</b>	<b>30 June 2023 (cents)</b>	<b>31 December 2022 (cents)</b>
Net asset value per ordinary share based on existing issued share capital (excluding treasury shares) as at the end of the period reported on	<b>65.84</b>	<b>70.04</b>	<b>23.79</b>	<b>23.97</b>

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 June 2023 (31 December 2022: 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.**

**(a) Review of Group Performance**

1H 2023 VS 1H 2022

Revenue

The Group's sales for the first half-year ended 30 June 2023 ("1H 2023") increased from S\$158.88 million in the corresponding period ended 30 June 2022 ("1H 2022") to S\$196.59 million. The increase was mainly due to higher revenue recognised from our development properties.

Gross profit

The Group recorded a gross loss of S\$1.06 million in 1H 2023 as compared to a gross profit of S\$11.69 million in 1H 2022. The gross loss was mainly due to increase in materials, labour and subcontractor costs, finalisation of construction project accounts, and higher real estate development cost.

Other income and other gains

Other income decreased from S\$0.77 million in 1H 2022 to S\$0.47 million in 1H 2023 mainly due to decrease in interest income.

Other gains decreased from S\$7.93 million in 1H 2022 to S\$1.22 million in 1H 2023 mainly due to lower gain recognised from disposal of property, plant and equipment.

Expenses

Distribution expenses increased from S\$1.48 million in 1H 2022 to S\$4.81 million in 1H 2023 mainly due to higher sales commission and marketing expenses incurred for development properties.

Administrative expenses increased marginally from S\$8.47 million in 1H 2022 to S\$9.00 million in 1H 2023 mainly due to higher staff costs and project tender expenses.

Other expense was a credit of S\$1.19 million in 1H 2023 mainly due to write-back of allowance for impairment on loan to joint ventures and sundry debtors.

Finance expenses increased from S\$4.42 million in 1H 2022 to S\$7.40 million in 1H 2023 mainly due to increase in interest rate on borrowings.

Depreciation expenses decreased from S\$4.27 million in 1H 2022 to S\$3.81 million in 1H 2023 mainly due to decrease in depreciable assets.

Share of profit of associated companies and joint ventures

The Group recognised a share of loss of S\$60,000 from associated companies and joint ventures in 1H 2023 as compared to a profit of S\$1.16 million in 1H 2022. This was mainly due to higher finance expenses incurred on investment properties owned by a joint venture.

Income tax expenses

Income tax expenses decreased from S\$207,000 in 1H 2022 to S\$166,000 in 1H 2023 due to lower taxable income.

(Loss)/profit before income tax and net (loss)/profit

Taking into account the gross loss, reduction in other gains and increase in total expenses, the Group recorded a loss before income tax and net loss attributable to shareholders of S\$19.46 million and S\$16.04 million respectively in 1H 2023.

Loss per share was 3.89 cents in 1H 2023 as compared to earnings per share of 1.21 cents in 1H 2022.

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

The Group's current assets decreased by S\$28.14 million mainly due to decrease in development properties of S\$60.30 million, and partially offset by the increase in trade and other receivables of S\$20.75 million and contract assets of S\$11.67 million. The decrease in development properties was mainly due to progressive billing to the customers. The increase in trade and other receivables was mainly due to final settlement of a project account. The increase in contract assets was mainly due to revenue recognised during the period and timing of billing to the customers.

The Group's non-current assets decreased by S\$4.30 million mainly due to decrease in investment properties as the Group has disposed of a residential unit in Singapore.

The Group's current liabilities decreased by S\$8.09 million mainly due to decrease in bank borrowing and lease liabilities of S\$16.53 million, and partially offset by the increase in contract liabilities of S\$10.09 million. The decrease in bank borrowing and lease liabilities was mainly due to repayment of bank loans. The increase in contract liabilities was mainly due to advances received from customers.

The Group's non-current liabilities decreased by S\$2.17 million mainly due to decrease in bank borrowings and lease liabilities.

**(c) Review of change in cash flow**

The Group reported a net decrease in cash and bank balances mainly due to net cash used in financing activities, and partially offset by net cash provided by operating activities and investing activities.

The net cash used in financing activities was primarily due to repayment of bank borrowings and lease liabilities.

The net cash provided by operating activities and investing activities was primarily due to proceeds received from progressive billing to customers from development properties and disposal of investment property.

**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 30 June 2023 are in line with the Company's profit guidance announcement on 28 July 2023.

**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 14 July 2023, the Singapore economy grew by 0.7% on a year-on-year basis in the second quarter of 2023, faster than the 0.4% growth recorded in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the Singapore economy expanded by 0.3%, a turnaround from the 0.4% contraction in the first quarter of 2023. The construction sector grew by 6.6% year-on-year in the second quarter, extending the 6.9% growth in the first quarter. Growth during the quarter was supported by expansions in both public and private sector construction output.

The global economy continues to face uncertainty. For the Group, we expect the Construction, Building Materials and Real Estate divisions to remain challenging with an increasingly competitive environment. We continue to face high interest rates, energy, material, manpower, operating and development costs. The Group has been focusing to recover from customers the cost of performing the variation orders for their construction projects. We are closely monitoring the progress and cost. The Group will continue to tender for more construction projects to seek sustainable growth, leveraging on its track record, experience and capabilities.

Latest statistics from the Urban Redevelopment Authority showed that prices of private residential properties declined by 0.2% in 2nd Quarter 2023 compared to a 3.3% gain in the previous quarter. With higher borrowing cost and the impact of the latest round of property cooling measures on 26 April 2023, the Group expects the private residential market to remain challenging. Moving forward, the Group will remain cautious and selective in replenishing its land bank.

**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?  
No

**(c) Date payable**

Not applicable.

**(d) Book closure date**

Not applicable.

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

No interim dividend was declared/recommended for the period ended 30 June 2023 in view of the current uncertainty in the business environment, and to preserve the Group's working capital.

**13. Interested Person Transaction**

There are no interested person transactions of S\$100,000 and above entered into in 1H 2023.

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**

There is no acquisition or realisation of shares pursuant to rule 706a of the listing manual during the period under review.

**15. 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.

**16. 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, do 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 six months period ended 30 June 2023 to be false or misleading in any material aspect.

Koh Keng Siang  
Managing Director & Group CEO

Koh Keng Hiong  
Executive Director

5 August 2023