



KOH BROTHERS GROUP LIMITED

(Incorporated in Singapore. Registration Number: 199400775D)

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

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KOH BROTHERS GROUP LIMITED

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2024

	Note	6 months ended		Change
		30 June 2024 S\$'000	30 June 2023 S\$'000	
Sales	4(a)	112,912	196,586	(43)
Cost of sales		(106,525)	(197,646)	(46)
Gross profit/(loss)		6,387	(1,060)	N.M.
Other income	5	1,063	474	124
Other gains – net	5	527	1,216	(57)
Expenses				
- Distribution and marketing		(1,139)	(4,814)	(76)
- Administrative		(10,774)	(9,000)	20
- Finance		(6,357)	(7,398)	(14)
- Other		81	1,185	(93)
Share of profit/(loss) of associated companies and joint ventures		1,276	(60)	N.M.
Loss before income tax		(8,936)	(19,457)	(54)
Income tax expense	7	(1,516)	(166)	813
Loss after income tax		(10,452)	(19,623)	(47)
Loss attributable to:				
Equity holders of the Company		(7,177)	(16,038)	(55)
Non-controlling interests		(3,275)	(3,585)	(9)
		(10,452)	(19,623)	(47)
Loss per share for loss attributable to equity holders of the Company:				
- Basic loss per share (in cents)		(1.74)	(3.89)	(55)
- Diluted loss per share (in cents)		(1.74)	(3.89)	(55)
Loss after income tax		(10,452)	(19,623)	(47)
Other comprehensive loss:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation arising from consolidation		(168)	(653)	(74)
Fair value gain on debt financial assets, at FVOCI		90	87	3
		(78)	(566)	(86)
<i>Items that may not be reclassified subsequently to profit or loss:</i>				
Fair value loss on equity financial assets, at FVOCI		(246)	(302)	(19)
Other comprehensive loss, net of tax		(324)	(868)	(63)
Total comprehensive loss		(10,776)	(20,491)	(47)
Total comprehensive loss attributable to:				
Equity holders of the Company		(7,546)	(16,499)	(54)
Non-controlling interests		(3,230)	(3,992)	(19)
		(10,776)	(20,491)	(47)

N.M. – Not Meaningful

KOH BROTHERS GROUP LIMITED
B. CONDENSED INTERIM BALANCE SHEETS

As at 30 June 2024

	Note	GROUP		COMPANY	
		30 June 2024 S\$'000	31 December 2023 S\$'000	30 June 2024 S\$'000	31 December 2023 S\$'000
ASSETS					
Current assets					
Cash and bank balances		96,638	95,832	108	136
Investment securities		1,302	1,417	-	-
Trade and other receivables		83,031	78,875	-	5
Contract assets		99,393	156,723	-	-
Amounts due from subsidiaries		-	-	20,234	21,529
Amounts due from joint ventures		20,111	29,913	-	-
Inventories		1,832	6,031	-	-
Development properties		-	1,048	-	-
Income tax receivables		730	730	-	-
Other current assets		4,440	4,447	-	-
		307,477	375,016	20,342	21,670
Non-current assets					
Trade and other receivables		5,900	5,900	-	-
Contract assets		36,016	38,267	-	-
Investment securities		6,243	6,483	-	-
Investment in subsidiaries		-	-	156,865	156,865
Investments in associated companies		256	284	-	-
Investments in joint ventures		94,023	92,719	-	-
Investment properties	12	100,773	100,989	-	-
Property, plant and equipment	11	96,132	98,632	-	-
Goodwill	10	5,078	5,078	-	-
		344,421	348,352	156,865	156,865
Total assets		651,898	723,368	177,207	178,535
LIABILITIES					
Current liabilities					
Trade and other payables		67,229	85,108	973	1,297
Contract liabilities		23,074	25,775	-	-
Amounts due to subsidiaries		-	-	36,223	37,346
Amounts due to joint ventures		35,380	35,796	-	-
Current income tax liabilities		556	538	-	-
Bank borrowings and lease liabilities	13	98,083	134,804	-	-
		224,322	282,021	37,196	38,643
Non-current liabilities					
Trade and other payables		10,078	10,746	-	-
Amount due to a subsidiary		-	-	19,011	19,011
Bank borrowings and lease liabilities	13	80,580	82,942	-	-
Notes payables	14	22,433	22,345	22,433	22,345
Deferred income tax liabilities		7,195	6,519	-	-
		120,286	122,552	41,444	41,356
Total liabilities		344,608	404,573	78,640	79,999
NET ASSETS		307,290	318,795	98,567	98,536
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	15	36,981	36,981	36,981	36,981
Treasury shares		(7,983)	(7,983)	(7,983)	(7,983)
Other reserves		(6,917)	(6,761)	-	-
Retained profits		246,473	253,650	69,569	69,538
Currency translation reserve		(11,215)	(11,002)	-	-
		257,339	264,885	98,567	98,536
Non-controlling interests		49,951	53,910	-	-
Total equity		307,290	318,795	98,567	98,536

KOH BROTHERS GROUP LIMITED

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2024

Group	Note	← Attributable to equity holders of the Company →					Total S\$'000	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			
Balance at 1 January 2024		36,981	(7,983)	(6,761)	253,650	(11,002)	264,885	53,910	318,795
Loss for the financial period		-	-	-	(7,177)	-	(7,177)	(3,275)	(10,452)
Other comprehensive (loss)/income for the financial period		-	-	(156)	-	(213)	(369)	45	(324)
Total comprehensive loss for the financial period		-	-	(156)	(7,177)	(213)	(7,546)	(3,230)	(10,776)
Dividend paid		-	-	-	-	-	-	(729)	(729)
Balance at 30 June 2024		36,981	(7,983)	(6,917)	246,473	(11,215)	257,339	49,951	307,290
Balance as 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)/income 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

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C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2024

COMPANY	<u>Share capital</u>	<u>Treasury shares</u>	<u>Retained profits</u>	<u>Total equity</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2024	36,981	(7,983)	69,538	98,536
Profit for the financial period	-	-	31	31
Balance at 30 June 2024	36,981	(7,983)	69,569	98,567
Balance at 1 January 2023	36,981	(7,983)	69,875	98,873
Profit for the financial period	-	-	69	69
Dividend paid	-	-	(825)	(825)
Balance at 30 June 2023	36,981	(7,983)	69,119	98,117

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D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2024

	6 months ended	
	30 June	30 June
	2024	2023
	S\$'000	S\$'000
Cash flows from operating activities		
Loss after income tax	(10,452)	(19,623)
Adjustments for:		
- Income tax expense	1,516	166
- Depreciation of property, plant and equipment	3,718	3,812
- Fair value loss/(gain) on investment properties	140	(114)
- Gain on disposal of property, plant and equipment	(326)	(355)
- Gain on disposal of investment property	-	(235)
- Property, plant and equipment written off	2	-
- Share of (profit)/loss of associated companies and joint ventures	(1,276)	60
- Finance expense	6,357	7,398
- Dividend income	(71)	-
- Interest income	(777)	(348)
- Unrealised translation (gain)/loss	(381)	245
	(1,550)	(8,994)
Change in working capital:		
- Trade and other receivables	(4,156)	(20,733)
- Inventories	4,199	(347)
- Contract assets and liabilities	56,880	(1,598)
- Development properties	1,048	60,302
- Other current assets	7	346
- Trade and other payables	(17,960)	(1,945)
- Amount due from/to joint ventures	9,386	335
Cash generated from operations	47,854	27,366
Income tax paid	(826)	(634)
Net cash provided by operating activities	47,028	26,732
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,166)	(1,458)
Proceeds from disposal of property, plant and equipment	360	381
Proceeds from disposal of investment property	-	4,160
Net proceeds from/(purchase) of investment securities	199	(195)
Dividend received from other investment	71	-
Interest received	777	348
Net cash provided by investing activities	241	3,236
Cash flows from financing activities		
Principal payment of lease liabilities	(1,958)	(3,423)
Net repayment of bank borrowings	(37,208)	(18,529)
Dividends paid to non-controlling interests	(729)	(865)
Dividends paid to equity holders of the Company	-	(825)
Interest paid	(6,856)	(7,069)
Net cash used in financing activities	(46,751)	(30,711)
Net change in cash and bank balances	518	(743)
Beginning of financial period	95,832	82,432
Effects of currency translation on cash and bank balances	288	(514)
End of financial period	96,638	81,175

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

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

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

The accounting policies and method of computations used in the condensed 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 2024. 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 2023 and is expected to have a significant effect on the amounts recognised in the condensed consolidated interim financial statements.

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

- (a) Estimation of total contract sum and contract costs for construction contracts;
- (b) Assessment on impairment of goodwill; and
- (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 2024

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

	Construction and Building Materials		Real Estate		Leisure & Hospitality		Total	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2024	2023	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Contract revenue – over time	65,131	81,998	-	-	-	-	65,131	81,998
Revenue from sale of products – point in time	38,453	41,401	-	-	-	-	38,453	41,401
Revenue from sale of development properties – over time	-	-	5,036	68,526	-	-	5,036	68,526
Revenue from services rendered – over time	-	-	1,006	1,006	1,718	1,914	2,724	2,920
Revenue from contracts with customers	103,584	123,399	6,042	69,532	1,718	1,914	111,344	194,845
Rental income from investment properties	-	-	1,568	1,741	-	-	1,568	1,741
Total revenue	103,584	123,399	7,610	71,273	1,718	1,914	112,912	196,586

(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.

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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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4. Revenue and segment information (continued)

(b) Segment information (continued)

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

Group (S\$'000)	Construction and Building Materials	Real Estate	Leisure & Hospitality	Others	Total
6 months ended					
30 June 2024					
Sales					
- External	103,584	7,610	1,718	-	112,912
- Inter-segment	1,599	420	-	454	2,473
	<u>105,183</u>	<u>8,030</u>	<u>1,718</u>	<u>454</u>	<u>115,385</u>
Elimination					<u>(2,473)</u>
					<u>112,912</u>
Results					
Segment results					
- Company and subsidiaries	(6,009)	642	94	641	(4,632)
- Associated companies	(28)	-	-	-	(28)
- Joint ventures	-	1,304	-	-	1,304
(Loss)/earnings before interest and tax	<u>(6,037)</u>	<u>1,946</u>	<u>94</u>	<u>641</u>	<u>(3,356)</u>
Interest income					777
Finance expenses					<u>(6,357)</u>
Loss before income tax					<u>(8,936)</u>
Other information					
Capital expenditure	1,076	78	92	-	1,246
Depreciation	3,487	37	194	-	3,718
As at 30 June 2024					
Segment assets					
Associated companies	252,833	213,258	24,165	1,954	492,210
Joint ventures	256	-	-	-	256
	-	94,023	-	-	94,023
<u>Unallocated assets:</u>					
Income tax receivables					730
Short-term bank deposits					57,134
Investment securities					7,545
Consolidated total assets					<u>651,898</u>
Segment liabilities					
	79,552	55,272	433	504	135,761
<u>Unallocated liabilities:</u>					
Current income tax liabilities					556
Deferred income tax liabilities					7,195
Bank borrowings, notes payables, and lease liabilities					201,096
Consolidated total liabilities					<u>344,608</u>

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

4. Revenue and segment information (continued)

(b) Segment information (continued)

Group (S\$'000)	Construction and Building Materials	Real Estate	Leisure & Hospitality	Others	Total
6 months ended					
30 June 2023					
Sales					
- 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					<u>(9,126)</u>
					<u>196,586</u>
Results					
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					<u>(7,398)</u>
Loss before income tax					<u>(19,457)</u>
Other information					
Capital expenditure	3,717	38	26	-	3,781
Depreciation	3,440	179	193	-	3,812
As at 30 June 2023					
Segment assets					
Associated companies	295,711	303,775	24,748	792	625,026
Joint ventures	97	-	-	-	97
	-	93,118	-	-	93,118
Unallocated assets:					
Income tax receivables					730
Short-term bank deposits					41,184
Investment securities					<u>9,318</u>
Consolidated total assets					<u>769,473</u>
Segment liabilities					
Bank borrowings, notes payables, and lease liabilities	107,999	56,333	566	582	165,480
Unallocated liabilities:					
Current income tax liabilities					623
Deferred income tax liabilities					6,665
					<u>269,623</u>
Consolidated total liabilities					<u>442,391</u>

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

4. Revenue and segment information (continued)

(c) Geographical information

The Group's 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 2024 and 30 June 2023.

	Group	
	6 months ended	
	30 June	30 June
	2024	2023
	S\$'000	S\$'000
<u>Total sales</u>		
Singapore	84,176	173,591
Malaysia	6,753	3,518
Indonesia	17,495	16,714
Others	4,488	2,763
	112,912	196,586
	<hr/>	
	Group	
	As at	As at
	30 June	30 June
	2024	2023
	S\$'000	S\$'000
<u>Total non-current assets</u>		
Singapore	325,515	362,538
Malaysia	10,719	10,317
Others	8,187	8,833
	344,421	381,688
	<hr/>	

5. Other income and other gains – (net)

	Group	
	6 months ended	
	30 June	30 June
	2024	2023
	S\$'000	S\$'000
<u>Other income</u>		
Interest income	777	348
Dividend income	71	-
Other income	215	126
	1,063	474
	<hr/>	
<u>Other gains – net</u>		
Fair value (loss)/gain on investment properties	(140)	114
Gain on disposal of property, plant and equipment	326	355
Gain on disposal of an investment property	-	235
Net foreign exchange gain	341	512
	527	1,216
	<hr/>	

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

6. Expenses by nature

	Group	
	6 months ended	
	30 June	30 June
	2024	2023
	S\$'000	S\$'000
Allowance for impairment of trade receivables	305	38
Write-back of impairment on sundry debtors	-	(295)
Write-back of impairment on loans to joint ventures	(102)	(966)
Depreciation of property, plant and equipment	3,718	3,812

7. Taxation

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

	Group	
	6 months ended	
	30 June	30 June
	2024	2023
	S\$'000	S\$'000
Tax expense attributable to profit is made up of:		
- Current income tax	901	712
- Deferred income tax	672	68
	1,573	780
(Over)/under provision in prior financial periods		
- Current income tax	(60)	(496)
- Deferred income tax	3	(118)
	(57)	(614)
	1,516	166

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 significant transaction with related parties during the financial period as follows:

	Group	
	6 months ended	
	30 June	30 June
	2024	2023
	S\$'000	S\$'000
<u>Sales of goods and services:</u>		
Progressive billing recognised from sale of residential property to related parties	1,570	-

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
Group				
30 June 2024				
Investment properties	-	-	100,773	100,773
Investment securities	7,545	-	-	7,545
31 December 2023				
Investment properties	-	-	100,989	100,989
Investment securities	7,750	-	-	7,750

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For the six months period ended 30 June 2024

10. Goodwill

	Group	
	30 June	31 December
	2024	2023
	S\$'000	S\$'000
<i>Cost</i>	5,078	5,078

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 value-in-use calculation. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a one-year period.

11. Property, plant and equipment

During the 6-month period ended 30 June 2024, the Group acquired assets amounted to S\$1,246,000 (30 June 2023: S\$3,781,000), and disposed assets at net book value amounted to S\$36,000 (30 June 2023: S\$26,000).

12. Investment properties

	Group	
	2024	2023
	S\$'000	S\$'000
Balance at 1 January	100,989	108,407
Disposal of investment properties	-	(7,300)
Fair value loss recognised in profit or loss	(140)	(7)
Currency translation difference	(76)	(111)
Balance at 30 June/31 December	100,773	100,989

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 2024, the Group's investment properties with a total carrying amount of S\$94,000,000 (31 December 2023: S\$94,000,000) are mortgaged to banks for banking facilities granted.

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

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 2024 and 31 December 2023.

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

	Group	
	30 June 2024 S\$'000	31 December 2023 S\$'000
<u>Current</u>		
Bank borrowings payable within one year		
- Secured	38,435	79,033
- Unsecured	54,833	50,767
	93,268	129,800
Lease liabilities payable within one year	4,815	5,004
	98,083	134,804
<u>Non-current</u>		
Bank borrowings payable after one year		
- Secured	77,270	77,623
- Unsecured	756	1,077
	78,026	78,700
Lease liabilities payable after one year	2,554	4,242
	80,580	82,942
Total bank borrowings and lease liabilities	178,663	217,746

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

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14. Notes payables

	Group	
	2024 S\$'000	2023 S\$'000
Balance at 1 January	22,345	22,168
Amortisation of notes issuance expenses	88	177
Balance at 30 June/31 December	<u>22,433</u>	<u>22,345</u>

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
2024				
Balance at 1 January and 30 June	<u>438,000</u>	<u>(25,541)</u>	<u>36,981</u>	<u>(7,983)</u>
2023				
Balance at 1 January and 31 December	<u>438,000</u>	<u>(25,541)</u>	<u>36,981</u>	<u>(7,983)</u>

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.

KOH BROTHERS GROUP LIMITED**F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2***For the six months period ended 30 June 2024*

- 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 2024	As at 30 June 2023
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	<u>412,459,100</u>	<u>412,459,100</u>

- 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 2024	As at 31 December 2023
Total number of issued shares excluding treasury shares	<u>412,459,100</u>	<u>412,459,100</u>

- 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 2024
Beginning and end of the financial period	<u>25,540,900</u>

- 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 2024*

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 per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

		Group	
		6 months ended	
		30 June	30 June
		2024	2023
		(cents)	(cents)
(i)	Basic	(1.74)	(3.89)
(ii)	On a fully diluted basis	(1.74)	(3.89)

Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the current financial period of 412,459,100 ordinary shares (2023: 412,459,100 ordinary shares).

Diluted loss per share

For the financial period ended 30 June 2023, warrants of the Group's subsidiary, Koh Brothers Eco Engineering Limited ("KBE Warrants"), are not included in the calculation of diluted loss per share because all the outstanding KBE warrants are antidilutive. All outstanding KBE Warrants had either expired or been exercised during the previous financial year.

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 June 2024 (cents)	31 December 2023 (cents)	30 June 2024 (cents)	31 December 2023 (cents)
Net asset value per ordinary share based on existing issued share capital (excluding treasury shares) as at the end of the period reported on	62.39	64.22	23.90	23.89

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 2024 (31 December 2023: 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 2024 VS 1H 2023

Revenue

The Group's sales for the first half-year ended 30 June 2024 ("1H 2024") decreased from S\$196.59 million in the corresponding period ended 30 June 2023 ("1H 2023") to S\$112.91 million. The decrease was mainly due to lower revenue contribution arising from decreased construction activities due to the completion of certain projects from the Construction arm. In addition, the Real Estate division also experienced lower revenue recognition owing to the completion of a development project.

Gross profit

The Group recorded a gross profit of S\$6.39 million in 1H 2024 as compared to a gross loss of S\$1.06 million in 1H 2023. This was mainly due to improved gross profit margin from the Building Materials and the Real Estate divisions.

Other income and other gains-net

Other income increased from S\$0.47 million in 1H 2023 to S\$1.06 million in 1H 2024 mainly due to increase in interest income.

Other gains – net decreased from S\$1.22 million in 1H 2023 to S\$0.53 million in 1H 2024 mainly due to lower foreign exchange gain arising from trade receivables and cash and bank balances and fair value loss on investment properties.

KOH BROTHERS GROUP LIMITED

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the six months period ended 30 June 2024

Expenses

Distribution expenses decreased from S\$4.81 million in 1H 2023 to S\$1.14 million in 1H 2024 mainly due to lower sales commission and marketing expenses incurred for development properties as the project was fully sold and completed in 1H 2024.

Administrative expenses increased from S\$9.00 million in 1H 2023 to S\$10.77 million in 1H 2024 mainly due to higher staff costs and professional expenses.

Finance expenses decreased from S\$7.40 million in 1H 2023 to S\$6.36 million in 1H 2024 mainly due to decrease in total borrowings.

Other expense was a credit of S\$81,000 in 1H 2024 mainly due to write-back of allowance for impairment on loan to joint ventures.

Depreciation expenses decreased from S\$3.81 million in 1H 2023 to S\$3.72 million in 1H 2024 mainly due to decrease in depreciable assets.

Share of profit of associated companies and joint ventures

The Group recognised a share of profit of S\$1.28 million from associated companies and joint ventures in 1H 2024 compared to a loss of S\$60,000 in 1H 2023. This was mainly due to higher contribution from joint ventures under the Real Estate division.

Income tax expenses

Income tax expenses increased from S\$166,000 in 1H 2023 to S\$1.52 million in 1H 2024 mainly due to higher taxable income from the foreign subsidiaries.

Loss before income tax and net loss

Overall, the Group's loss before tax decreased from S\$19.46 million in 1H 2023 to S\$8.94 million in 1H 2024, and the Group's net loss attributable to shareholders decreased from S\$16.04 million in 1H 2023 to S\$7.18 million in 1H 2024.

Loss per share decreased from 3.89 cents in 1H 2023 to 1.74 cents in 1H 2024.

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

The Group's current assets decreased by S\$67.54 million was mainly due to decrease in contract assets of S\$57.33 million and amounts due from joint ventures of S\$9.80 million. The change in contract assets was mainly due to timing difference between recognition of revenue upon satisfaction of performance obligation and timing of billing to customers. The decrease of amount due from joint venture was mainly due to repayment of loans.

The Group's non-current assets decreased by S\$3.93 million mainly due to depreciation charge on property, plant and equipment.

The Group's current liabilities decreased by S\$57.70 million mainly due to decrease in bank borrowing and lease liabilities of S\$36.72 million, and trade and other payables of S\$17.88 million.

The Group's non-current liabilities decreased by S\$2.27 million mainly due to decrease in bank borrowings and lease liabilities.

(c) Review of change in cash flow

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

The net cash generated from operating activities was mainly from the proceeds of completed development projects in 1H 2024.

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

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 2024 are in line with the Company's profit guidance announcement on 1 August 2024.

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.

The Ministry of Trade and Industry announced on 12 July 2024 that the Singapore economy grew by 2.9% on a year-on-year basis in the second quarter of 2024, extending the 3.0% in the previous quarter. The construction sector grew by 4.3% year-on-year in the second quarter, extending the 4.1% growth in the preceding quarter. Growth during the quarter was supported by an increase in public sector construction output.

According to the projection by the Building and Construction Authority Singapore ("BCA") on 15 January 2024, the total construction demand in 2024 is expected to range between S\$32 billion and S\$38 billion. Demand from the public sector is expected to reach S\$18 billion to S\$21 billion generated through public housing and infrastructure projects. Major upcoming public sector projects to be awarded in 2024 include the Housing and Development Board's (HDB) new Built-To-Order (BTO) developments, Cross Island MRT Line contracts (Phase 2), infrastructure works for the future Changi Airport Terminal 5, Tuas Port developments and other major road enhancement and drainage improvement works. Over the medium-term, BCA expects a steady improvement in construction demand and it is projected to reach between S\$31 billion and S\$38 billion per year from 2025 to 2028.

The Group expects the construction industry to remain challenging with an increasingly competitive environment in addition to high material, manpower, energy and operating costs. The Group will maintain its focus on recovering costs associated with the variation orders from customers while closely monitoring the progress and costs of ongoing construction projects. The Group will also continue to leverage on its proven track record, expertise and capabilities to actively tender and secure more construction projects.

Latest statistics from the Urban Redevelopment Authority showed that prices of private residential properties rose at a slower pace of 0.9% in 2Q2024, compared to the 1.4% increase in the previous quarter. In light of high interest rate and a challenging regulatory environment, the Group expects the private residential market to remain challenging. Moving forward, the Group will pursue a prudent and selective strategy for expanding its land bank.

KOH BROTHERS GROUP LIMITED
F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2
For the six months period ended 30 June 2024

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/recommended, a statement to that effect and the reason(s) for the decision.

No interim dividend was declared/recommended for the period ended 30 June 2024 in view of the challenging business environment, and to preserve the Group's working capital.

13. Interested Person Transaction

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$ 100,000)
<u>Progressive billing recognised from sale of a residential property</u>		S\$'000	S\$'000
Benjamin Koh Yong Jun	Note 1	660	-
Rachel Koh Han Ling	Note 2	910	-

Note 1:

Mr Benjamin Koh Yong Jun is the son of Mr Koh Keng Siang ("KKS"), who is a Substantial Shareholder, the Executive Chairman and Group CEO of the Company; nephew of Mr Koh Keng Hiong ("KKH"), who is a Substantial Shareholder and the Executive Director and Deputy CEO (Real Estate and Leisure & Hospitality divisions) of the Company; grandson of Mdm Quek Chee Nee ("QCN"), who is a Substantial Shareholder, Non-Executive and Non-Independent Director of the Company and grandnephew of Mr Koh Teak Huat ("KTH"), who is a Substantial Shareholder and the Executive Deputy Chairman of the Company.

Note 2:

Miss Rachel Koh Han Ling is the daughter of KKS, who is a Substantial Shareholder, the Executive Chairman and Group CEO of the Company; niece of KKH, who is a Substantial Shareholder, the Executive Director and Deputy CEO (Real Estate and Leisure & Hospitality divisions) of the Company; granddaughter of QCN, who is a Substantial Shareholder, Non-Executive and Non-Independent Director of the Company and grandniece of KTH, who is a Substantial Shareholder and the Executive Deputy Chairman of the Company.

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 2024 to be false or misleading in any material aspect.

Koh Keng Siang
Executive Chairman & Group CEO

Koh Keng Hiong
Executive Director

8 August 2024