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

Unaudited Fourth Quarter and 12 Months Financial Statement And Dividend Announcement for the Period Ended 31 December 2014

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

1(a) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		GROUP					
		3 months ended			12 months ended		
	Notes	31/12/2014 S$'000	31/12/2013 (restated)* S$'000	Change %	31/12/2014 S$'000	31/12/2013 (restated)* S$'000	Change %
Sales	1	102,295	87,641	17%	395,145	359,110	10%
Cost of sales		(87,596)	(78,222)	12%	(332,852)	(313,796)	6%
Gross profit		14,699	9,419	56%	62,293	45,314	37%
Other income	2	124	321	-61%	1,985	1,610	23%
Other gains, net	3	1,610	830	94%	8,202	1,286	538%
Expenses							
- Distribution		(69)	1,589	N.M.	(5,819)	(1,203)	384%
- Administrative		(4,814)	(4,401)	9%	(23,408)	(20,738)	13%
- Other		(586)	(144)	307%	(1,003)	(1,002)	0%
- Finance		(1,937)	(313)	519%	(3,025)	(1,423)	113%
Share profit/(loss) (net of tax) of:							
- associated companies		62	127	-51%	292	213	37%
- joint ventures		(2,471)	(350)	606%	(5,711)	1,059	N.M.
Profit before income tax	4	6,618	7,078	-6%	33,806	25,116	35%
Income tax expense	5	(770)	(96)	702%	(5,145)	(2,691)	91%
Profit after income tax		5,848	6,982	-16%	28,661	22,425	28%
Other comprehensive income							
Exchange differences on translating foreign operations		(596)	318	N.M.	(612)	133	N.M.
Net change in fair value of available-for-sale financial assets		(256)	-	100%	(310)	-	100%
Other comprehensive income, net of tax		(852)	318	N.M.	(922)	133	N.M.
Total comprehensive income		4,996	7,300	-32%	27,739	22,558	23%
Profit attributable to:							
Equity holders of the Company		6,196	6,328	-2%	29,529	21,330	38%
Non-controlling interests		(348)	654	N.M.	(868)	1,095	N.M.
		5,848	6,982	-16%	28,661	22,425	28%
Total comprehensive income attributable to:							
Equity holders of the Company		5,727	6,511	-12%	28,897	21,812	32%
Non-controlling interests		(731)	789	N.M.	(1,158)	746	N.M.
		4,996	7,300	-32%	27,739	22,558	23%

* - Certain comparative figures have been restated due to the adoption of the FRS111 Joint Arrangements. Please refer to paragraph 5 of this announcement for details.

N.M. - Not meaningful

Notes to the Consolidated Statement of Comprehensive Income

	GROUP			
	3 months ended		12 months ended	
	31/12/2014 S$'000	31/12/2013 (restated)* S$'000	31/12/2014 S$'000	31/12/2013 (restated)* S$'000
Note 1				
Sales include the following :				
Sales of products	26,483	31,515	126,600	119,823
Services rendered	1,251	1,162	5,293	6,068
Property development and rental	30,586	12,709	132,998	78,692
Contract revenue	43,975	42,255	130,254	154,527
	102,295	87,641	395,145	359,110
Note 2				
Other income include the following :				
Rental income	114	(104)	409	382
Interest income	17	123	1,347	653
Dividend income	6	6	6	6
Rebates and others	(13)	296	223	569
	124	321	1,985	1,610
Note 3				
Other gains include the following :				
Gain on disposal of property, plant and equipment	45	22	116	182
Gain on liquidation of a subsidiary	1,358	-	1,358	-
Fair value (loss)/gain on long-term financial assets and financial liabilities	(48)	25	373	321
Fair value (loss)/gain on investment properties	(394)	800	5,706	800
Fair value gain/(loss) on financial assets through profit or loss	649	(17)	649	(17)
	1,610	830	8,202	1,286
Note 4				
Profit before income tax is stated after charging/(crediting) the following items:				
(Write-back of allowance for)/Allowance for impairment on trade and non-trade receivables	(702)	(2,626)	3,353	(4,540)
Depreciation of property, plant and equipment	1,489	1,179	5,609	4,263
Net foreign exchange loss/(gain)	553	(10)	719	314
Note 5				
Income tax includes the following :				
Current income tax				
- in respect of current period	1,440	628	2,840	1,929
- over provision in respect of prior period	(1,081)	(593)	(1,746)	(486)
Deferred income tax				
- in respect of current period	262	70	3,987	1,149
-under/(over) provision in respect of prior period	149	(9)	64	99
	770	96	5,145	2,691

The Group's income tax charge for the year ended 31 December 2014 is higher than that determined by applying the Singapore income tax rate of 17% to the Group's profit before income tax mainly due to losses of certain subsidiaries/joint ventures being unable to be offsetted against profits of other subsidiaries.

1(b)(i) **BALANCE SHEETS**

	GROUP			COMPANY	
	31/12/2014	31/12/2013 (restated)*	01/01/2013 (restated)*	31/12/2014	31/12/2013
	S$'000	S$'000	S$'000	S$'000	S$'000
ASSETS					
CURRENT ASSETS					
Cash and bank balances	77,331	37,732	45,003	2,737	464
Financial assets at fair value through profit or loss	2,783	159	176	1,149	1,149
Trade receivables	73,720	79,286	63,859	-	-
Due from customers on construction contracts	5,598	6,710	7,047	-	-
Amounts due from subsidiaries	-	-	-	56,237	9,379
Amounts due from an associated company	15	15	7	-	-
Amounts due from joint ventures	72,877	39,362	30,987	-	-
Inventories	15,842	12,577	12,526	-	-
Other assets	17,724	15,987	14,330	-	-
Development properties	137,280	132,356	158,573	-	-
	403,170	324,184	332,508	60,123	10,992
NON-CURRENT ASSETS					
Available-for-sale financial assets	7,980	-	-	-	-
Amount due from subsidiaries	-	-	-	2,405	2,405
Trade receivables	1,260	466	745	-	-
Amounts due from joint ventures	641	-	-	-	-
Investments in associated companies	1,522	1,510	800	-	-
Investments in joint ventures	50,884	55,641	54,370	-	-
Investments in subsidiaries	-	-	-	86,237	91,015
Investment properties	89,446	82,023	79,161	-	-
Property, plant and equipment	85,978	87,063	60,015	-	-
Goodwill	5,078	5,078	-	-	
	242,789	231,781	195,091	88,642	93,420
TOTAL ASSETS	645,959	555,965	527,599	148,765	104,412
LIABILITIES					
CURRENT LIABILITIES					
Trade payables	69,295	63,791	51,225	-	-
Other liabilities	40,597	41,755	38,581	1,854	610
Due to customers on construction contracts	22,575	42,935	34,619	-	-
Amounts due to subsidiaries	-	-	-	20	3,040
Amounts due to an associated company	978	949	1,005	-	-
Amounts due to joint ventures	-	-	1,660	-	-
Current income tax liabilities	3,024	3,487	3,562	-	10
Short-term borrowings	56,963	23,536	34,308	-	-
	193,432	176,453	164,960	1,874	3,660
NON-CURRENT LIABILITIES					
Amounts due to subsidiaries	-	-	-	6,852	9,464
Trade payables	4,036	1,438	3,956	-	-
Finance lease	2,697	3,201	497	-	-
Bank borrowings	138,081	136,107	144,993	-	-
Notes payables	50,000	-	-	50,000	-
Other liabilities	-	1,137	-	-	39
Deferred income tax liabilities	12,778	8,727	7,417	-	-
	207,592	150,610	156,863	56,852	9,503
TOTAL LIABILITIES	401,024	327,063	321,823	58,726	13,163
NET ASSETS	244,935	228,902	205,776	90,039	91,249
Capital and reserves attributable to equity holders of the Company					
Share capital	45,320	45,320	45,320	45,320	45,320
Treasury shares	(13,061)	(5,795)	(854)	(13,061)	(5,795)
Capital and other reserves	(406)	(375)	1,411	-	-
Retained profits	211,365	184,918	165,196	57,780	51,724
Currency translation reserve	(7,529)	(5,570)	(6,052)	-	-
	235,689	218,498	205,021	90,039	91,249
Non-controlling interests	9,246	10,404	755	-	-
Total equity	244,935	228,902	205,776	90,039	91,249

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

	As at 31/12/2014		As at 31/12/2013 (restated)*	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Amount repayable in one year or less, or on demand	33,375	23,588	6,580	16,956
Amount repayable after one year	140,222	50,556	138,450	858

Details of any collateral

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

1(c) CONSOLIDATED CASH FLOW STATEMENT

	12 months ended	
	31/12/2014 S$'000	31/12/2013 (restated)* S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Total profit	28,661	22,425
Adjustments for non-cash items :		
Income tax	5,145	2,691
Depreciation of property, plant and equipment	5,609	4,263
Impairment loss on property,plant and equipment	-	501
Gain on liquidation of a subsidiary	(1,358)	-
Property, plant and equipment written off	444	135
Fair value gain on investment properties	(5,706)	(800)
Gain on disposal of property, plant and equipment	(116)	(182)
Fair value gain on long-term financial asset and financial liabilities	(373)	(321)
Fair value (gain)/loss on financial assets at fair value through profit or loss	(649)	17
Dividend income	(6)	(6)
Share of profit from associated companies	(292)	(213)
Share of loss/(profit) from joint ventures	5,711	(1,059)
Interest expense	3,025	1,423
Interest income	(1,347)	(653)
Unrealised translation differences	(311)	311
Operating profit before working capital changes	38,437	28,532
Working capital changes :		
- Receivables	3,523	(11,882)
- Inventories	(3,265)	251
- Due from/ to customers on construction contracts	(15,204)	8,689
- Development properties	(3,499)	28,604
- Payables	5,343	(1,845)
- Due from/ to associated companies	29	(64)
- Due from/ to joint ventures	2,452	(2,259)
Cash generated from operations	27,816	50,026
Income tax paid	(1,555)	(2,178)
Interest paid	(3,312)	(4,841)
Net cash generated from operating activities	22,949	43,007
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash acquired	-	11,845
Investment in a joint venture company	(800)	-
Purchase of property, plant and equipment	(5,610)	(23,283)
Purchase of available-for-sale financial assets	(8,290)	-
Purchase of financial assets at fair value through profit or loss	(1,975)	-
Proceeds from disposal of property, plant and equipment	334	510
Loan to joint venture companies	(36,763)	(7,781)
Additions to investment properties	(1,717)	(2,062)
Dividend received	6	6
Interest received	1,347	653
Net cash used in investing activities	(53,468)	(20,112)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Notes,net	49,432	-
Proceeds from bank borrowings	112,265	33,168
Repayment of finance lease	(3,596)	(3,128)
Repayment of bank borrowings	(77,724)	(55,119)
Deposit pledge	42	(2,075)
Purchase of treasury shares	(7,266)	(4,941)
Payment of dividend	(3,082)	(1,608)
Dividend paid to a minority shareholder	-	(325)
Net cash generated from/(used in) financing activities	70,071	(34,028)

1(c) CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	12 months ended	
	31/12/2014 S$'000	31/12/2013 (restated)* S$'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	39,552	(11,133)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	34,021	44,803
EFFECTS OF CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS	126	351
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	73,699	34,021
Represented by :		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	77,331	37,732
Restricted cash	(3,632)	(3,711)
Bank overdrafts	-	-
	73,699	34,021

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

	Attributable to equity holders of the Group						NON-CONTROLLING INTEREST	TOTAL EQUITY
GROUP (S$'000)	Share Capital	Treasury Shares	Capital and Other Reserves	Retained Profits	Currency Translation Reserve	TOTAL		
Balance as at 01/01/2014	45,320	(5,795)	(375)	184,918	(5,570)	218,498	10,404	228,902
Total comprehensive income / (loss) for the year	-	-	(310)	29,529	(322)	28,897	(1,158)	27,739
Gain on liquidation of a subsidiary	-	-	279	-	(1,637)	(1,358)	-	(1,358)
Purchase of treasury shares	-	(7,266)	-	-	-	(7,266)	-	(7,266)
Final dividend	-	-	-	(3,082)	-	(3,082)	-	(3,082)
Balance as at 31/12/2014	45,320	(13,061)	(406)	211,365	(7,529)	235,689	9,246	244,935
Balance as at 01/01/2013	45,320	(854)	1,411	165,196	(6,052)	205,021	755	205,776
Total comprehensive income / (loss) for the year	-	-	-	21,330	482	21,812	746	22,558
Purchase of treasury shares	-	(4,941)	-	-	-	(4,941)	-	(4,941)
Acquisition of a subsidiary	-	-	-	-	-	-	7,442	7,442
Warrants issued by a subsidiary	-		(1,786)	-	-	(1,786)	1,786	-
Final dividend	-	-	-	(1,608)	-	(1,608)	(325)	(1,933)
Balance as at 31/12/2013	45,320	(5,795)	(375)	184,918	(5,570)	218,498	10,404	228,902

	Attributable to equity holders of the Company			
COMPANY (S$'000)	Share Capital	Treasury Shares	Retained Profits	TOTAL
Balance as at 01/01/2014	45,320	(5,795)	51,724	91,249
Total comprehensive income for the year	-	-	9,138	9,138
Purchase of treasury shares	-	(7,266)	-	(7,266)
Final dividend	-	-	(3,082)	(3,082)
Balance as at 31/12/2014	45,320	(13,061)	57,780	90,039
Balance as at 01/01/2013	45,320	(854)	37,249	81,715
Total comprehensive income for the year	-	-	16,083	16,083
Purchase of treasury shares	-	(4,941)	-	(4,941)
Final dividend	-	-	(1,608)	(1,608)
Balance as at 31/12/2013	45,320	(5,795)	51,724	91,249

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	
	31/12/2014	31/12/2013
Total number of issued shares	466,475,400	466,475,400

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	
	31/12/2014	31/12/2013
Total number of issued shares excluding treasury shares	422,887,400	446,177,400

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.

Not applicable.

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

The figures have neither been audited nor reviewed.

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

Not applicable.

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 as that of the audited financial statements for the financial year ended 31 December 2013.

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.

Financial Reporting Standards ("FRS") which became effective from the Group's financial period beginning on or after 1 January 2014 are:

FRS 110 Consolidated Financial Statements
FRS 111 Joint Arrangements
FRS 112 Disclosure of Interests in Other Entities

The adoption of the above FRSs did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial periods except for the adoption of FRS 111 Joint Arrangements.

Under FRS 111, interests in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than legal structure of the joint arrangements. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated and equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations currently.

The effects of the Group's financial statements arising from the adoption of FRS 111 are as follows:

(a) Impact of change in accounting policy on balance sheets

	Group	
	31/12/2013	31/12/2012
	Increase/ (Decrease) S$'000	Increase/ (Decrease) S$'000
ASSETS		
CURRENT ASSETS		
Cash and bank balances	(5,433)	(8,978)
Trade receivables	(4,457)	(5,697)
Amounts due from joint ventures	39,362	30,987
Other assets	(352)	(90)
Development properties	(106,997)	(109,525)
	(77,877)	(93,303)
NON-CURRENT ASSETS		
Investments in joint ventures	55,641	54,370
Investment properties	(126,202)	(125,000)
Property, plant and equipment	(2)	(4)
	(70,563)	(70,634)
TOTAL ASSETS	(148,440)	(163,937)
LIABILITIES		
CURRENT LIABILITIES		
Trade payables	(2,029)	(5,140)
Other liabilities	(526)	(717)
Amounts due to joint ventures	-	1,660
Current income tax liabilities	(539)	(2,116)
Short-term borrowings	(76,895)	(15,500)
	(79,989)	(21,813)
NON-CURRENT LIABILITIES		
Bank borrowings	(68,500)	(142,145)
Deferred income tax liabilities	49	21
	(68,451)	(142,124)
TOTAL LIABILITIES	(148,440)	(163,937)
NET ASSETS	-	-

(b) Impact of change in accounting policy on consolidated statement of comprehensive income

	Group	
	3 months ended 31/12/2013	12 months ended 31/12/2013
	Increase/ (Decrease) S$'000	Increase/ (Decrease) S$'000
Sales	(1,173)	(12,052)
Cost of sales	805	7,834
Other gains	(978)	(535)
Distribution expenses	561	627
Administrative expenses	751	1,685
Other expenses	18	46
Finance	258	867
Share of profit from joint ventures	(350)	1,059
Income tax expenses	108	469
Profit attributable to equity holders of the Company	- *	- *

*** - No impact on earnings per share.**

(c) Impact of change in accounting policy on consolidated statement of cash flows

	Group
	12 months ended 31/12/2013
	Increase/ (Decrease)
	S$'000
CASH FLOWS FROM OPERATINGACTIVITIES	
Cash generated from operations	(6,827)
Income tax paid	2,074
Interest paid	2,059
CASH FLOWS FROM INVESTING ACTIVITIES	
Additions to investment properties	1,202
Interest received	570
Loan to joint ventures	(7,781)
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of bank borrowings	12,247
Deposit pledge	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,544

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		12 months ended	
	31/12/2014 (cents)	31/12/2013 (cents)	31/12/2014 (cents)	31/12/2013 (cents)
(i) Basic	1.42	1.39	6.76	4.67
(ii) On a fully diluted basis	1.42	1.39	6.76	4.67

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 437,071,296 ordinary shares (31 December 2013: 456,839,710 ordinary shares).

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

	GROUP		COMPANY	
	31/12/2014 (cents)	31/12/2013 (cents)	31/12/2014 (cents)	31/12/2013 (cents)
Net asset value backing per ordinary share based on existing issued share capital (excluding treasury shares) as at the end of the period reported on	55.73	48.97	21.29	20.45

Note:

The net asset value per share is calculated based on the issued share capital excluding treasury shares of 422,887,400 ordinary shares as at 31 December 2014 (31 December 2013: 446,177,400 ordinary shares).

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

Review of Group performance

For the 3-month period ended 31 December 2014 ("4Q 2014"), sales amounted to S$102.3 million, an increase of 17% from the corresponding period last year ("4Q 2013"). The increase was mainly due to higher revenue generated from the Real Estate division. Gross profit increased by S$5.3 million or 56% to S$14.7 million as compared to 4Q 2013 primarily due to a general improvement in margins for the Real Estate and Construction and Building Materials divisions.

Other gains increased to S$1.6 million in 4Q 2014 mainly due to gain on liquidation of a subsidiary and net fair value gain on financial assets through profit or loss, partially offset by net fair value loss on investment properties. Distribution expenses increased to S$0.07 million in 4Q 2014 because of a write-back of allowance made for impairment on trade receivables in 4Q 2013. Other expenses amounting to S$0.6 million in 4Q 2014 was mainly due to net foreign exchange loss. Finance cost increased to S$1.9 million mainly due to Notes interest expense and loan interest expense on development property.

Share of results of joint venture companies recorded a loss of S$2.5 million in 4Q 2014. This was mainly due to lower contribution from a property that is currently undertaking an asset enhancement exercise.

The Group's profit before income tax decreased by S$0.5 million or 6% to S$6.6 million in 4Q 2014 as compared to S$7.1 million in 4Q 2013. The Group's net profit attributable to shareholders decreased by S$0.1 million or 2% to S$6.2 million for the same period.

The Group's sales for the year ended 31 December 2014 ("12M 2014") increased by S$36.0 million or 10% to S$395.1 million, compared to S$359.1 million for the previous year ("12M 2013"). The increase was mainly generated from the Real Estate divisions. Gross profit for 12M 2014 increased by S$17.0 million or 37% to S$62.3 million compared to S$45.3 million in 12M 2013.

Other income increased by S$0.4 million to S$2.0 million in 12M 2014 mainly due to an increase in interest income. Other gains in 12M 2014 was substantially higher at S$8.2 million mainly due to gain on liquidation of a subsidiary, net gain of S$5.7 million on fair value adjustment of investment properties and net fair value gain on financial assets through profit or loss.

Distribution cost increased by S$4.6 million to S$5.8 million in 12M 2014 mainly due to an increase in allowance made for impairment on trade receivables. The higher finance cost of S$3.0 million was mainly due to Notes interest expense and loan interest expense on development property.

Share of results of joint venture companies recorded a loss of S$5.7 million in 12M 2014. This was mainly due to lower contribution from a property that is currently undertaking asset enhancement exercise.

The Group's profit before income tax increased by S$8.7 million or 35% to S$33.8 million from S$25.1 million a year ago. The Group's net profit attributable to shareholders also improved by S$8.2 million or 38% from S$21.3 million in 12M 2013 to S$29.5 million in 12M 2014.

Earnings per share improved to 6.76 cents in 12M 2014 compared to 4.67 cents in 12M 2013.

Review of changes in working capital, assets and liabilities

The main movements in balance sheet are:

1) Increase in cash and bank balances was mainly due to net proceeds from issuance of Notes offset by purchase of available-for-sale financial assets and financial assets at fair value through profit or loss, property, plant and equipment and repayment of loans.

2) Decrease in trade receivables was mainly due to reduction in retention sums which were received during the year and increase in allowance made for impairment of trade receivables.

3) Increase in amount due from joint ventures was mainly due to land acquisition cost for a new development project.

4) Increase in development properties was mainly due to development cost incurred.

5) Increase in investment properties was mainly due to net gain on fair value adjustment during the year.

6) Decrease in amount due to customers on construction contract was mainly due to certain projects were near completion as at end of 12M 2014.

7) Increase in bank borrowings was mainly due to drawdown of bank loans for development properties.

Review of changes in cashflow

The Group reported a net increase in cash and cash equivalents mainly due to net cash generated from financing activities offset by the usage of funds for development properties and loan to a joint venture for the cost of acquisition of land for a new project.

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 September 2014.

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.

According to the Building and Construction Authority ("BCA"), S$37.7 billion worth of construction contracts were awarded in 2014. This was fueled by higher volume of institutional and civil engineering contracts. For 2015, BCA estimated construction demand to be between S$29 billion to S$36 billion, of which 60% thereon will derive from public sector projects. Although this may favour us, we must be cognisant of a challenging market facing tight labour situation as well as stringent regulatory controls.

Latest flash estimates from the Urban Redevelopment Authority showed prices of private residential properties declining by 1% in 4Q 2014 from 3Q 2014. For the whole of 2014, prices declined by 4%. With the various property cooling measures still in place, we expect prices in the residential property market to further moderate in 2015.

11 Dividend

(a) Current Financial Period Reported On: 31 December 2014

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

(ii) Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	**(1) Special** **(2) Final**
Dividend Type	**Cash**
Dividend Amount per Share	**(1) Special: 0.30 cent per ordinary share** **(2) Final: 0.50 cent per ordinary share**
Dividend Rates (in %)	**NA**
Par value of shares	**NA**
Tax rate	**Tax exempt (One-tier)**

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	**(1) Special** **(2) Final**
Dividend Type	**Cash**
Dividend Amount per Share	**(1) Special: 0.20 cent per ordinary share** **(2) Final: 0.50 cent per ordinary share**
Dividend Rates (in %)	**NA**
Par value of shares	**NA**
Tax rate	**Tax exempt (One-tier)**

(c) Date payable

The proposed dividend, if approved by the shareholders at the forthcoming AGM to be held on 29 April 2015, will be paid on 16 June 2015.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed 29 May 2015 for the preparation of dividend warrants. Registrable Transfer received by the Company up to 5:00pm on 28 May will be registered to determine shareholders' entitlements to the final dividend.

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

GROUP (S$'000)	REAL ESTATE	LEISURE & HOSPITALITY	CONSTRUCTION & BUILDING MATERIALS	OTHERS	TOTAL
2014					
SALES					
External	134,999	3,293	256,853	-	395,145
Inter-segment	1,498	6	45,542	-	47,046
	136,497	3,299	302,395	-	442,191
Elimination					(47,046)
					395,145
RESULTS					
Segment results	27,228	(647)	13,758	(804)	39,535
Net investment gain	2	-	8	1,358	1,368
Interest income					1,347
Finance expenses					(3,025)
Share of profit/(loss) from:					
-associates	-	-	292	-	292
-joint ventures	(5,711)	-	-	-	(5,711)
Profit before income tax					33,806
2013 (restated)*					
SALES					
External	80,692	4,068	274,350	-	359,110
Inter-segment	1,451	41	17,372	-	18,864
	82,143	4,109	291,722	-	377,974
Elimination					(18,864)
					359,110
RESULTS					
Segment results	12,160	74	13,581	(1,207)	24,608
Net investment gain	-	-	6	-	6
Interest income					653
Finance expenses					(1,423)
Share of profit from:					
-associates	-	-	213	-	213
-joint ventures	1,059	-	-	-	1,059
Profit before income tax					25,116

Sales by Geographical Segment (S$'000):

	2014	2013 (restated)*
Singapore	345,431	275,336
China	8,123	14,561
Malaysia	27,702	21,137
Indonesia	3,667	29,695
Others **	10,222	18,381
	395,145	359,110

**Including Thailand, South America, India, Africa, and etc.

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

Please refer to paragraph 8 above.

15 A breakdown of sales.

S$'000	2014	2013 (restated)*	Change
Sales reported for first half year	210,649	183,234	15%
Profit after income tax before deducting non-controlling interests reported for first half year	15,896	8,538	86%
Sales reported for second half year	184,496	175,876	5%
Profit after income tax before deducting non-controlling interests reported for second half year	12,765	13,887	-8%

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

	S$'000	
	31/12/2014	31/12/2013
Ordinary-Proposed final	3,383	3,082

17 Interested Person Transaction

There is no interested person transaction more than S$100,000 during the period under review.

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

Name	Age	Family relationship with any Director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Phua Siew Gaik	49	Spouse of Mr Koh Keng Siang, daughter-in-law of Mr Koh Tiat Meng and Mdm Quek Chee Nee, and sister-in-law of Mr Koh Keng Hiong	Group Human Resources/Administration Manager since 2007. Responsible for managing the Group's human resources and administration function.	Nil
Erliana Sutadi	45	Spouse of Mr Koh Keng Hiong, daughter-in-law of Mr Koh Tiat Meng and Mdm Quek Chee Nee, and sister-in-law of Mr Koh Keng Siang	Office Manager, Oxford Hotel, since 2000. Responsible for office administration.	Nil
Koh Keng Seng	51	Nephew of Mr Koh Tiat Meng and Mr Koh Teak Huat and cousin of Mr Koh Keng Siang and Mr Koh Keng Hiong	Director, Construction division, since 2008. Responsible for management of logistics, workshop, machinery and equipment functions under the Construction division.	Nil
Tay Juak Chiang	41	Nephew of Mr Koh Tiat Meng and Mr Koh Teak Huat and cousin of Mr Koh Keng Siang and Mr Koh Keng Hiong	Manager since 2003. Responsible for steel fabrication division.	Nil
Phua Eng Hong	52	Brother-in-law of Mr Koh Keng Siang	Director of Dalian Megacity Trading Co., Ltd since 2008. No executive duties.	Nil
Koh Kheng Yeow	48	Nephew of Mr Koh Tiat Meng and Mr Koh Teak Huat and cousin of Mr Koh Keng Siang and Mr Koh Keng Hiong	Director of Dalian Megacity Trading Co., Ltd since 2008. No executive duties.	Nil

BY ORDER OF THE BOARD

Koh Keng Siang
Managing Director & Group CEO

17 February 2015
Singapore