

許光茅
KOH BROS

Building Cities Building Dreams

KOH BROTHERS GROUP LIMITED

ANNUAL GENERAL MEETING

25 June 2020

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Notice for Cessation of Quarterly Reporting

Following the recent amendments to Rule 705(2) of the Listing Manual of Singapore Exchange Securities Trading Limited which took effect from 7 February 2020, the Company will not be required to announce its financial statement on a quarterly basis ("Quarterly Reporting").

The Board of the Company has, after due deliberations, taking into consideration the compliance efforts associated with Quarterly Reporting, decided to release its unaudited financial statements only on half-yearly basis, with immediate effect. Accordingly, the Company will, in respect of each of the financial years, announce only the unaudited financial statement of the Company for the half year ending 30 June by not later than 45 days after the end of the relevant half financial year, and, for the full financial year ending 31 December, by not later than 60 days after the end of the relevant full financial year.

The Company will continue to comply with its continuing disclosure obligations to keep shareholders updated as and when appropriate, if there are any material developments relating to the Company and the Group.



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2 BUSINESS STRATEGIES

3 IMPACT AND REACTION TO COVID-19

4 FINANCIAL HIGHLIGHTS

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BUSINESS OVERVIEW

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Real Estate – Ongoing Project
Nonhyeon IPARK (Gangnam, Seoul)



Location	**Gangnam District in Seoul**
Project Brief	• **Nonhyeon I'PARK, comprises 99 apartment units, 194 "Officetel" SoHo units and 53 retail units within a land area of 4,611 sqm and gross floor area of 30,816 sqm** • **The development is located near the core business districts of COEX and Teheran-ro** • **Offering doorstep integrated lifestyle amenities to its residents in the prime Gangnam district of Seoul**
Expected Completion	**2H 2020**
% Sold	**99**
Group's Stake (%)	**45**

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Real Estate – Ongoing Project
Van Holland (Holland Village, Singapore)





Group's Stake	100%
Location	Holland Road
Tenure	Freehold
Expected Completion	2023
Project Brief	• 69-unit residential development comprising one block of 4-storey with attic and two blocks of 5-storey residential units, two-storey waterfall, a 26-metre infinity lap pool, a sky pool offering panoramic city view and a rooftop clubhouse • The development's sheltered link-bridge directly connects Van Holland to Holland Village and mixed-use development One Holland Village; • All units will have Italian marble flooring and come equipped with Miele kitchen appliances and Fratelli Frattini "opulent" sanitary fittings crusted with Swarovski crystals in the master bathroom

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Real Estate - Recently Launched Project
Van Holland (Holland Village, Singapore)

Sales launch in January 2020









Sales Status Overview

Total Units	69
Units Sold	15
% Sold	22

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Real Estate -
Investment Properties



Sun Plaza – completed asset enhancement exercise in 2015 to optimise space utilisation and improve retail tenant mix; achieved full occupancy and improved revenues



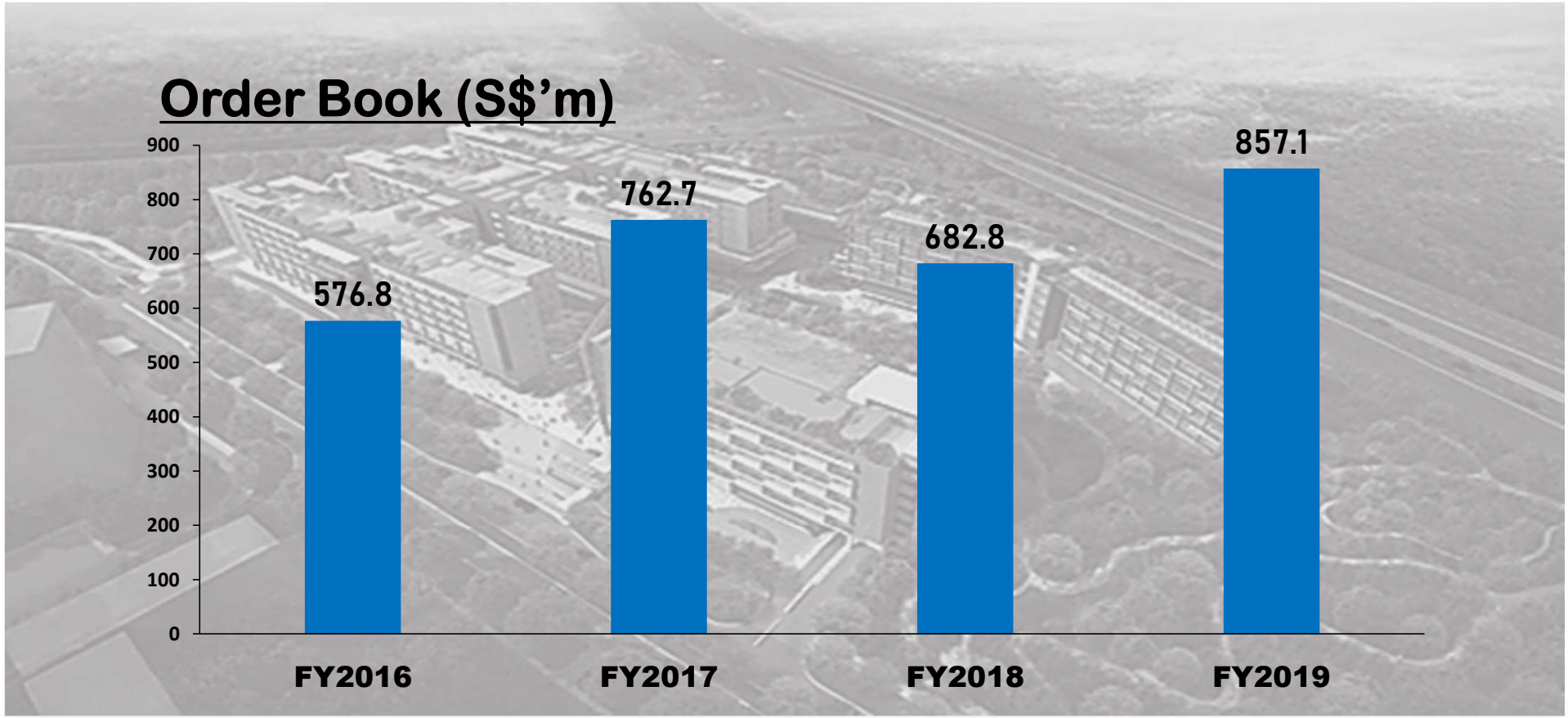
Alocassia – located in prime district along Bukit Timah Road and the proximity to Stevens MRT Station



First City Complex, Batam (Indonesia) – Commercial and office units, as well as apartments

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Engineering and Construction -
Healthy Construction Order Book



Engineering and Construction -
Ongoing Construction Projects







	Deep Tunnel Sewerage System (Phase 2)	Circle Line 6	Marina East Desalination Plant
Approximate Contract Value	S$520.0M	S$225.4M	S$153.6M
Client	PUB	LTA	Keppel Seghers Pte. Ltd.
Project Brief	• Section from South Tunnel at Tuas Road and Industrial Tunnel at Pioneer Road to the Tuas Water Reclamation Plant (10km) • Design and construction of the tunnels, shafts and other features	• All civil, structural, architectural, electrical & mechanical and system works relating to the construction of cut-and-cover tunnels and other structures from the east of the planned Prince Edward Station to the existing Marina Bay Station	• Design and build a desalination plant including piling, civil, structural, building and piping works

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Engineering and Construction -
Ongoing Construction Projects







	Changi Airport Runway 3 (Package 1)	Van Holland Luxury Residence	Tuas Water Reclamation Plant Contract 2A – Influent Pumping Stations
Approximate Contract Value	S$1.12B	S$29.4M	S$668.2M
Client	Changi Airport Group	KBD Holland	PUB
Project Brief	• Largest contract win to-date (30% stake) • Effect three-runway operations at Changi Airport Terminal 5 • Tap on Koh Brothers' flood alleviation and drainage expertise, and ability to produce building materials	• Construction of freehold residential development at Holland Village • 69-unit residential development comprising one block of 4-storey and two blocks of 5-storey residential units, 26-metre infinity lap pool and clubhouse	• Provision of Influent Pumping Stations, Coarse Screen Shafts and Odour Control Facility • 66/22 kV Electrical Main Substations A and B

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Engineering and Construction -
Ongoing Construction Projects







	Woodlands Health Campus
Approximate Contract Value	S$960.1M
Client	Ministry of Health
Project Brief	• Development of Woodlands Health Campus • Singapore's first smart hospital campus comprises an acute hospital, a community hospital, specialist outpatient clinics and nursing home • First project where all facilities are conceptualised and built simultaneously

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Engineering and Construction -
Bio-Refinery & Bio-Energy Engineering



Bio-Refinery Engineering

- **Engineering, procure and construct facilities to refine palm oil.**
- **37 years of experience and presently market to over 32 countries across Asia, Africa and South America.**

Bio-Energy Engineering

- **One of the pioneering engineering companies in Malaysia which successfully delivered biodiesel since 2000.**
- **Provide consultancy, design, engineering, procurement and construction services for palm oil mills seeking to recover and utilise methane as a source of renewable energy for power generation.**

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Building Materials (G&W Group)

- **The Building Materials division established in 1980 is a renowned one-stop quality provider of concrete solutions to the construction industry**

- **Supply chain includes cement, ready-mix concrete, pre-cast concrete products such as facades, household shelters, pre-fabricated bathroom units, columns and planks**

- **Operates a central truck-mixer dispatch system to increase efficiency and meet clients' demands around Singapore**

- **Operates precast plants - located at Tuas in Singapore, and one in Iskandar, Malaysia**

  - Total land area: approximately 49,300 sqm





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Leisure & Hospitality – Oxford Hotel







- **A freehold property with 130 hotel rooms, strategically located in Singapore's CBD (Queen Street)**
- **Easy connectivity: Near Bras Basah MRT station**
- **Completed asset enhancement in 2014 to improve quality of services**
- **Meanwhile, the Group will continue to seek investment opportunities in hotel properties locally and overseas**

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BUSINESS STRATEGIES

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Competitive Strengths



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Business Strategies

Capitalise On Business Synergies

- Increase collaborative opportunities across various business lines
- Harness operating synergies and achieve economies of scale amongst various businesses
- Sharpen the Group's competitive edge amidst challenging operating environments

Pursue Higher Value Projects

- Develop real estate projects with unique or innovative features for greater product differentiation
- Prudently pursue high-yield projects and tenders
- Explore growing opportunities in the water and wastewater sectors

Raise Productivity

- Continue investing in productivity management measures
- Increase the use of automation and technology
- Adopt innovative methods to drive productivity and efficiency

Diversify Portfolio

- Export the Group's established brand and niche overseas through strategic partnerships
- Prudently diversify portfolio geographically and across sectors to gradually reduce dependency on the Singapore market
- Enhance recurring income streams

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COVID-19 IMPACT

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Operational Performance Impact from COVID-19

CONSTRUCTION & BUILDING MATERIALS



- Construction and building materials projects were suspended during the Circuit Breaker
- Increased Covid-19 infections amongst foreign workers (including sub-contractors') have caused the suspension of projects and delayed construction progress
- Costs will increase significantly in order to satisfy additional health and safety regulations for foreign workers and construction sites, to achieve safe resumption of construction activities
- Disruption in materials and equipment supply

Operational Performance Impact from COVID-19

PROPERTY DEVELOPMENT



- Sales and development works have been affected
- Closure of showroom affected newly launched development project
- Construction works stalled or slowed dramatically due to site closures

INVESTMENT PROPERTIES



- Widespread business closures in Singapore till 1 June 2020, approximately 75% of retail tenants (mostly of non-essential services) were closed
- Provided rental assistance packages to retail tenants in Singapore, comprising of property tax and rental rebates

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Operational Performance Impact from COVID-19

LEISURE & HOSPITALITY



- Occupancy was adversely impacted by international travel restrictions
- Occupancy decline resulted in the drop in RevPAR
- Temporary relief measures supported by the Singapore Government include 100% property tax rebate and Job Support Scheme

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Reaction to COVID-19

Tighten cost control	• Salary cuts for Executive Directors, Management and Staff • Defer staff recruitment • Defer non-essential capex and operating costs
Capital Management	• Conserve cash • Manage working capital • Maintain adequate liquidity
Enhance work place safety measures	• Maintaining safe distancing • Staggered working hours • Implementation of safe entry system • Encourage work-from-home
Digitalise operating processes	• Acquire IT equipment and tools to facilitate work-from-home arrangements • Set up system and network for online meetings • Improve internal review and approval processes electronically
Converting a crisis into an opportunity	• Impact on hotel occupancy was mitigated with corporate business opportunities: - Housing of Malaysian workers due to border closure

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FINANCIAL HIGHLIGHTS

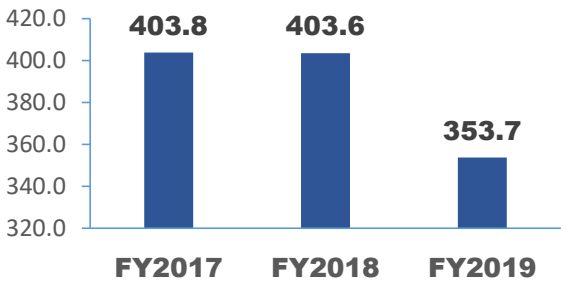
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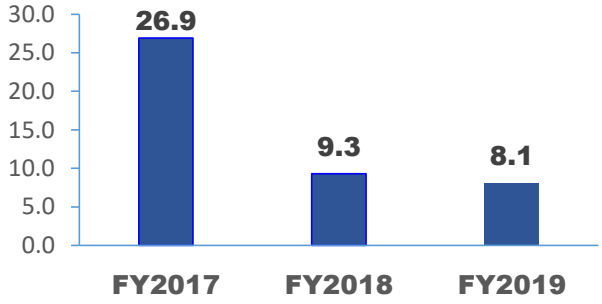
Financial Highlights – Summary

S$'m	FY2017	FY2018	FY2019
Revenue	403.8	403.6	353.7
Gross Profit	15.5	21.5	17.2
Gross Profit Margin *(%)*	3.8	5.3	4.9
Profit Before Tax	26.9	9.3	8.7
Net Profit attributable to Equity Holders	20.6	5.7	5.8
Earnings per share (*SGD cents*)	4.98	1.38	1.40

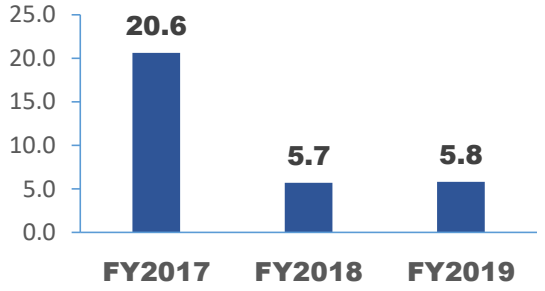
Revenue (S$'m)



Profit Before Tax (S$'m)



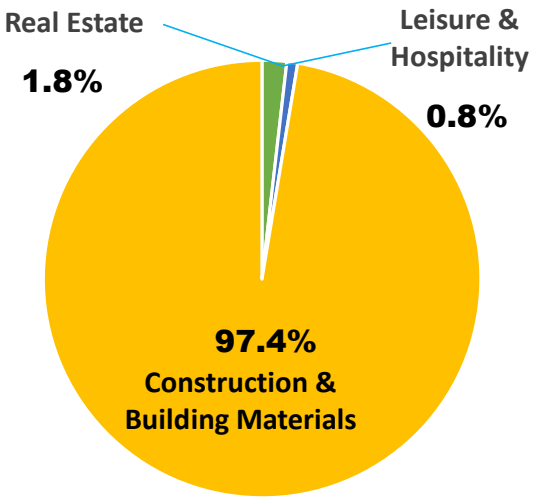
Net Profit attributable to Equity Holders (S$'m)



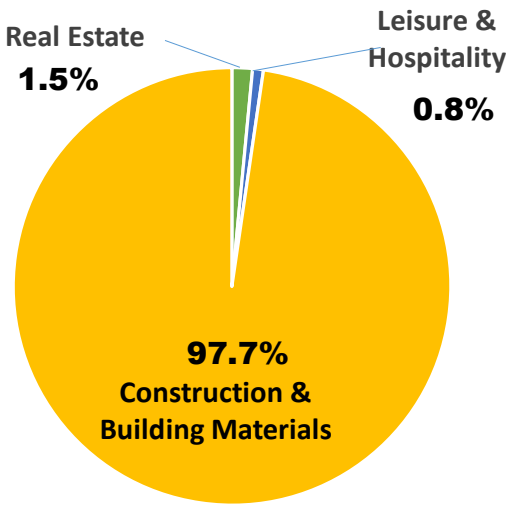
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Revenue By Business Segments

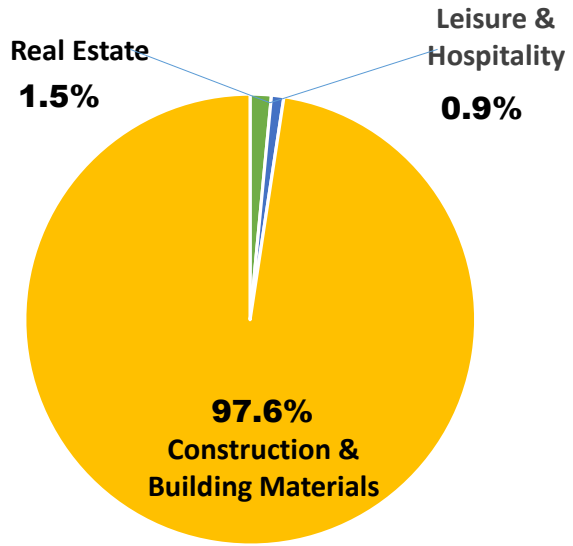
FY2017



FY2018



FY2019



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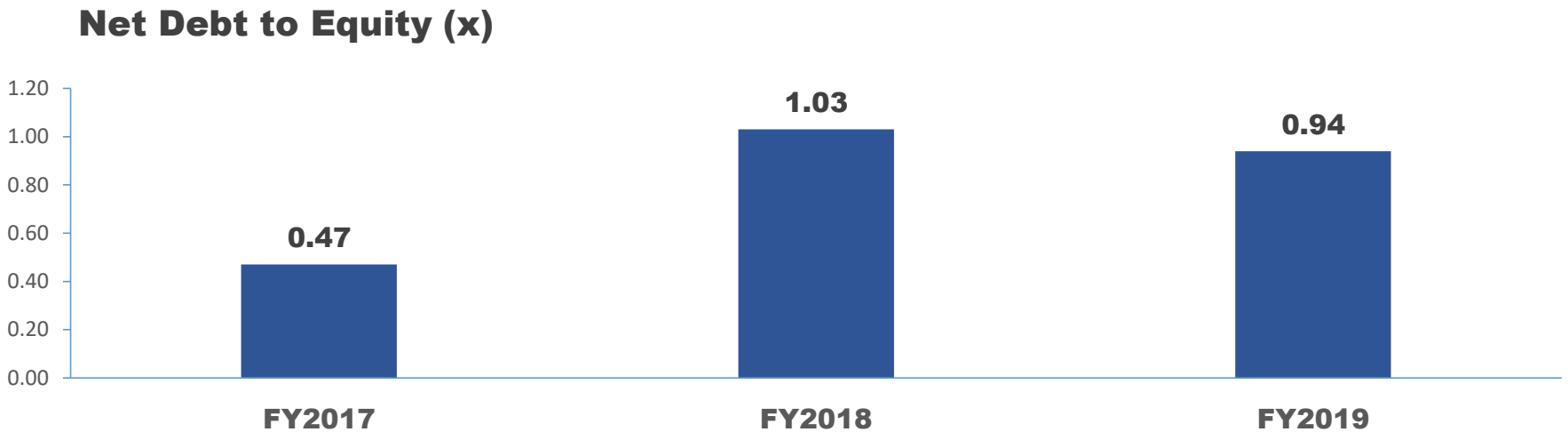
Balance Sheets & Key Ratios

S$'m	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019
Current Assets	362.7	449.4	498.2
Current Liabilities	233.1	227.4	245.3
Net Current Assets	129.6	222.0	252.9
Current Ratio *(x)*	1.56	1.98	2.03
Total Assets	709.8	797.1	858.8
Total liabilities	405.3	493.7	536.1
Net Tangible Assets Attributable to Equity Holders	277.6	275.0	296.7
Net Tangible Assets Per Share *(SGD cents)*	67.26	66.67	71.94

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Net Gearing (Net Debt to Equity)

S$'m	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019
Cash and Bank Balances	64.8	32.7	85.2
Net Debt	133.3	289.4	284.4
Net Debt to Equity *(x)*	0.47	1.03	0.94





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THANK YOU