



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 2018

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

1(a) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	GROUP					
		3 months ended		Change	12 months ended		Change
		31/12/2018	31/12/2017 (restated*)		31/12/2018	31/12/2017 (restated*)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Sales	1	131,498	131,895	0	403,645	403,816	0
Cost of sales		(128,039)	(125,423)	2	(382,151)	(388,310)	-2
Gross profit		3,459	6,472	-47	21,494	15,506	39
Other income	2	1,804	1,558	16	6,605	10,469	-37
Other (losses)/gains - net	3	(250)	665	N.M.	(297)	10,950	N.M.
Expenses							
- Distribution		(254)	919	N.M.	(256)	(1,163)	-78
- Administrative		(1,650)	(4,047)	-59	(20,017)	(23,706)	-16
- Other		(434)	5,578	N.M.	(993)	6,423	N.M.
- Finance		(3,172)	(1,825)	74	(8,343)	(5,397)	55
Share of profit of: associated companies and joint ventures, net of tax		3,732	6,103	-39	12,050	13,823	-13
Profit before income tax	4	3,235	15,423	-79	10,243	26,905	-62
Income tax expense	5	(514)	174	N.M.	(993)	(895)	11
Profit after income tax		2,721	15,597	-83	9,250	26,010	-64
Profit attributable to:							
Equity holders of the Company		2,187	12,111	-82	6,612	20,559	-68
Non-controlling interests		534	3,486	-85	2,638	5,451	-52
		2,721	15,597	-83	9,250	26,010	-64
Other comprehensive (loss)/income, net of tax:							
Items that may be reclassified subsequently to profit or loss:							
- Exchange differences on translating foreign operations		(228)	276	N.M.	(261)	557	N.M.
- Fair value (loss)/gain on financial assets at FVOCI		(53)	1,072	N.M.	36	(288)	N.M.
		(281)	1,348	N.M.	(225)	269	N.M.
Items that will not be reclassified subsequently to profit or loss:							
- Fair value loss on equity financial assets at FVOCI		(6,735)	-	N.M.	(7,815)	-	N.M.
Other comprehensive (loss)/income, net of tax		(7,016)	1,348	N.M.	(8,040)	269	N.M.
Total comprehensive income		(4,295)	16,945	N.M.	1,210	26,279	-95
Total comprehensive income attributable to:							
Equity holders of the Company		(4,819)	13,617	N.M.	(1,265)	20,786	N.M.
Non-controlling interests		524	3,328	-84	2,475	5,493	-55
		(4,295)	16,945	N.M.	1,210	26,279	-95

N.M. - Not meaningful

* The financial figures are retrospectively restated for the effects on the adoption of SFRS(I). Please refer to paragraph 5 for details of the impact.

Notes to the Consolidated Statement of Comprehensive Income

Note 1

Sales include the following :

Sales of products
Services rendered
Property development and rental
Contract revenue

Note 2

Other income include the following :

Rental income
Interest income
Compensation income
Other income

Note 3

Other (losses)/gains comprise the following :

Gain on disposal of property, plant and equipment
Gain on disposal of a joint venture
Fair value (loss)/gain on financial assets through profit or loss
Fair value gain on investment properties
Net foreign exchange gain/(loss)
Other (losses)/gains

Note 4

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

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

Note 5

Income tax includes the following :

Current income tax
- in respect of current period
- Under provision in respect of prior period
Deferred income tax
- in respect of current period
- Over provision in respect of prior period

GROUP			
3 months ended		12 months ended	
31/12/2018	31/12/2017 (restated)	31/12/2018	31/12/2017 (restated)
S\$'000	S\$'000	S\$'000	S\$'000
18,461	15,380	66,001	59,851
2,403	1,541	6,525	6,354
712	2,106	2,877	4,072
109,922	112,868	328,242	333,539
131,498	131,895	403,645	403,816
85	122	364	712
1,608	1,925	6,009	3,332
-	(549)	-	6,173
111	60	232	252
1,804	1,558	6,605	10,469
298	71	810	70
-	-	-	11,563
(2,096)	2	(2,902)	(3)
1,755	267	1,755	267
277	142	40	(883)
(484)	183	-	(64)
(250)	665	(297)	10,950
(52)	(981)	(1,205)	(523)
142	(4,630)	526	(9,379)
-	(780)	-	2,845
3,932	2,602	10,573	10,154
215	504	761	864
355	(89)	288	320
518	(153)	518	(153)
(574)	(436)	(574)	(136)
514	(174)	993	895

1(b)(i) BALANCE SHEETS

	GROUP			COMPANY	
	31/12/2018	31/12/2017 (restated)	01/01/2017 (restated)	31/12/2018	31/12/2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
CURRENT ASSETS					
Cash and bank balances	32,678	64,823	43,227	822	11,186
Financial assets at fair value through profit or loss/ Short-term notes receivables	4,000	56,708	6,003	3,913	3,090
Trade and other receivables	76,232	101,867	133,332	277	1,063
Contract assets	117,183	62,282	44,450	-	-
Amounts due from subsidiaries	-	-	-	65,625	106,759
Amounts due from an associated company	45	-	-	-	-
Amounts due from joint ventures	38,034	62,897	76,056	-	-
Inventories	6,951	9,342	8,395	-	-
Development properties	127,578	-	1,189	-	-
Financial assets at FVOCI/ available-for-sale financial assets	43,953	765	7,529	-	-
Income tax receivables	773	-	-	-	-
Other current assets	3,229	5,209	-	-	-
	450,656	363,893	320,181	70,637	122,098
NON-CURRENT ASSETS					
Trade and other receivables	29,448	22,250	-	-	-
Contract assets	10,882	25,431	15,885	-	-
Financial assets at FVOCI/ available-for-sale financial assets	2,373	2,925	-	-	-
Investments in associated companies	1,676	1,504	1,347	-	-
Investments in joint ventures	92,279	90,923	77,196	-	-
Investments in subsidiaries	-	-	-	132,361	114,117
Investment properties	93,579	90,973	90,706	-	-
Property, plant and equipment	113,243	108,067	108,879	-	-
Goodwill	5,078	5,078	5,078	-	-
	348,558	347,151	299,091	132,361	114,117
TOTAL ASSETS	799,214	711,044	619,272	202,998	236,215
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	131,887	122,754	128,766	1,938	2,983
Contract liabilities	5,086	40,459	38,800	-	-
Amounts due to subsidiaries	-	-	-	9,895	5,861
Amounts due to an associated company	-	508	485	-	-
Amounts due to joint ventures	16,457	16,282	15,507	-	-
Current income tax liabilities	381	1,485	3,289	82	65
Short-term borrowings	73,593	14,619	28,224	-	-
Notes payables	-	37,000	-	-	37,000
	227,404	233,107	215,071	11,915	45,909
NON-CURRENT LIABILITIES					
Trade and other payables	9,622	17,422	7,707	-	-
Amounts due to subsidiaries	-	-	-	19,011	19,011
Finance lease	2,342	3,634	2,755	-	-
Bank borrowings	176,130	72,890	58,963	-	-
Notes payables	70,000	70,000	50,000	70,000	70,000
Deferred income tax liabilities	8,199	8,261	8,559	-	-
	266,293	172,207	127,984	89,011	89,011
TOTAL LIABILITIES	493,697	405,314	343,055	100,926	134,920
NET ASSETS	305,517	305,730	276,217	102,072	101,295
Capital and reserves attributable to equity holders of the Company					
Share capital	36,981	36,981	36,981	36,981	36,981
Treasury shares	(7,983)	(7,910)	(7,614)	(7,983)	(7,910)
Capital and other reserves	(6,796)	989	1,203	-	-
Retained profits	269,157	262,701	243,095	73,074	72,224
Currency translation reserve	(9,139)	(8,916)	(9,361)	-	-
	282,220	283,845	264,304	102,072	101,295
Non-controlling interests	23,297	21,885	11,913	-	-
TOTAL EQUITY	305,517	305,730	276,217	102,072	101,295

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

As at 31/12/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
28,554	45,039	5,819	45,800
178,472	70,000	76,524	70,000

Amount repayable in one year or less, or on demand

Amount repayable after one year

Details of any collateral

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

1(c) CONSOLIDATED CASH FLOW STATEMENT

	12 months ended	
	31/12/2018	31/12/2017
	S\$'000	(restated) S\$'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Total profit	9,250	26,010
Adjustments for non-cash items :		
Income tax	993	895
Depreciation of property, plant and equipment	10,573	10,154
Property, plant and equipment written off	23	17
Impairment loss on financial assets, plant and equipment	-	2,845
Gain on disposal of a joint venture	-	(11,563)
Fair value gain on investment properties	(1,755)	(267)
Gain on disposal of property, plant and equipment	(810)	(70)
Fair value loss on financial assets at fair value through profit or loss	2,902	3
Dividend income	-	(1)
Share of profit from associated companies and joint ventures	(12,050)	(13,823)
Interest expenses	8,343	5,397
Interest income	(6,009)	(3,332)
Transaction cost relating to issuance of notes payables	-	510
Unrealised foreign exchange (gain)/loss	(596)	1,066
Operating profit before working capital changes	10,864	17,841
Working capital changes :		
- Receivables	22,114	26,219
- Inventories	2,391	(947)
- Contracts assets and liabilities	(75,725)	(26,916)
- Development properties	(127,578)	1,189
- Payables	1,704	(3,060)
- Due from/to associated companies	(553)	23
- Due from/to joint ventures	25,037	(5,654)
Cash (used in)/generated from operations	(141,746)	8,695
Income tax paid	(2,932)	(2,988)
Interest paid	(8,719)	(3,633)
Net cash (used in)/generated from operating activities	(153,397)	2,074
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Investment in joint venture companies	(683)	(2,677)
Purchase of property, plant and equipment	(17,454)	(6,811)
Purchase of financial assets at fair value through profit or loss	(3,000)	-
Purchase of financial assets at FVOCI	(1,000)	-
Purchase of available-for-sale financial assets	-	(2,991)
Proceeds from disposal of property, plant and equipment	4,878	104
Proceeds from disposal of a joint venture	-	15,000
Proceeds from disposal of financial assets at FVOCI	50	-
Proceeds from disposal of available-for-sale financial assets	-	6,525
Proceeds/(purchase) of short-term notes receivables, net	3,672	(50,671)
Additions to investment properties	(855)	-
Acquisition of non-controlling interests in a subsidiary	(122)	-
Dividend received from associated companies and joint ventures	11,140	2,605
Dividend received from other investment	-	1
Interest received	4,122	2,695
Net cash provided by/(used in) investing activities	748	(36,220)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from issuance of notes payables	-	70,000
Proceeds from bank borrowings	199,316	25,619
Proceeds from rights cum warrants issue by a subsidiary	3,802	5,829
Repayment of finance lease	(3,582)	(3,370)
Repayment of bank borrowings	(37,040)	(25,806)
Redemption of notes payables	(37,000)	(13,000)
Restricted cash released/(pledged)	3,062	(1,900)
Purchase of treasury shares	(73)	(296)
Transaction cost relating to issuance of notes payables	-	(510)
Transaction cost relating to rights cum warrants issue of a subsidiary	(260)	(217)
Dividends paid to equity holders of the Company	(4,125)	(1,446)
Dividends paid to non-controlling interests	(645)	(318)
Net cash provided by financing activities	123,455	54,585

1(c) CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

12 months ended	
31/12/2018	31/12/2017
S\$'000	S\$'000
(29,194)	20,439
61,568	41,890
104	(761)
32,478	61,568

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

Represented by :

CASH AND CASH EQUIVALENTS

Cash and bank balances

Restricted cash

32,678 64,823

(200) (3,255)

32,478 61,568

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

GROUP (S\$'000)	Attributable to equity holders of the Group					NON-CONTROLLING INTERESTS	TOTAL EQUITY	
	Share Capital	Treasury Shares	Capital and Other Reserves	Retained Profits	Currency Translation Reserve			TOTAL
Balance as at 01/01/2018								
As previously reported	36,981	(7,910)	989	261,964	(8,916)	283,108	21,483	304,591
Effects of adoption of SFRS (I) 15	-	-	-	737	-	737	402	1,139
As restated at 01/01/2018	36,981	(7,910)	989	262,701	(8,916)	283,845	21,885	305,730
Profit for the financial year	-	-	-	6,612	-	6,612	2,638	9,250
Other comprehensive loss for the financial year	-	-	(7,796)	-	(81)	(7,877)	(163)	(8,040)
Disposal of financial assets at FVOCI	-	-	68	(68)	-	-	-	-
Purchase of treasury shares	-	(73)	-	-	-	(73)	-	(73)
Rights cum warrants issue by a subsidiary	-	-	-	(185)	-	(185)	3,727	3,542
Change in ownership interests in subsidiaries	-	-	(57)	4,222	(142)	4,023	(4,145)	(122)
Dividend paid	-	-	-	(4,125)	-	(4,125)	(645)	(4,770)
Balance as at 31/12/2018	36,981	(7,983)	(6,796)	269,157	(9,139)	282,220	23,297	305,517
Balance as at 01/01/2017								
As previously reported	36,981	(7,614)	1,203	243,087	(9,361)	264,296	11,909	276,205
Effects of adoption of SFRS (I) 15	-	-	-	8	-	8	4	12
As restated at 01/01/2017	36,981	(7,614)	1,203	243,095	(9,361)	264,304	11,913	276,217
Profit for the financial year	-	-	-	20,559	-	20,559	5,451	26,010
Other comprehensive (loss)/ income for the financial year	-	-	(214)	-	441	227	42	269
Purchase of treasury shares	-	(296)	-	-	-	(296)	-	(296)
Rights cum warrants issue by a subsidiary	-	-	-	(140)	-	(140)	5,752	5,612
Change in ownership interests in subsidiaries	-	-	-	633	4	637	(637)	-
Dividend paid	-	-	-	(1,446)	-	(1,446)	(636)	(2,082)
Balance as at 31/12/2017	36,981	(7,910)	989	262,701	(8,916)	283,845	21,885	305,730

COMPANY (S\$'000)	Attributable to equity holders of the Company			TOTAL
	Share Capital	Treasury Shares	Retained Profits	
Balance as at 01/01/2018	36,981	(7,910)	72,224	101,295
Total comprehensive income for the financial year	-	-	4,975	4,975
Purchase of treasury shares	-	(73)	-	(73)
Dividend paid	-	-	(4,125)	(4,125)
Balance as at 31/12/2018	36,981	(7,983)	73,074	102,072
Balance as at 01/01/2017				
Total comprehensive income for the financial year	-	-	16,939	16,939
Purchase of treasury shares	-	(296)	-	(296)
Dividend paid	-	-	(1,446)	(1,446)
Balance as at 31/12/2017	36,981	(7,910)	72,224	101,295

- 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	
31/12/2018	31/12/2017
438,000,000	438,000,000

Total number of issued shares

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

No. of shares	
31/12/2018	31/12/2017
412,459,100	412,684,900

Total number of issued shares excluding treasury shares

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

No. of shares	
12 months ended 31/12/2018	
Beginning of financial year	25,315,100
Purchase of treasury shares	225,800
End of financial year	25,540,900

Beginning of financial year

Purchase of treasury shares

End of financial year

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.
The figures have neither been audited nor reviewed.
- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).
Not applicable.
- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.
Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2017.
- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.
The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to be 'Singapore Financial Reporting Standards (International)' ["SFRS(I)s"] hereinafter.
As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018 and has issued its first set of financial information prepared under SFRS(I) for the quarter ended 31 March 2018.
In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group also concurrently applied SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group 12 months ended 31/12/2017
	Increase/ (decrease) S\$'000
Sales	34,388
Cost of sales	(33,357)
Gross profit	1,031
Other gain	96
Profit before income tax	1,127
Income tax expenses	-
Profit after tax	1,127
Profit attributable to:	
Equity holders of the Company	729
Non-controlling interests	398
	1,127

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

4Q 2018 VS 4Q 2017

For the 3-month period ended 31 December 2018 ("4Q 2018"), the Group's sales decreased marginally to S\$131.50 million, as compared to S\$131.90 million in the corresponding period a year ago ("4Q 2017"). The decrease was mainly from the Construction and Building Materials division. The Group's gross profit decreased from S\$6.47 million in 4Q 2017 to S\$3.46 million in 4Q 2018 mainly due to decrease in gross profit margin from the Construction and Building Materials division.

Other income of S\$1.80 million in 4Q 2018 was mainly derived from interest income. Other losses of S\$0.25 million in 4Q 2018 was mainly due to fair value loss on financial assets through profit or loss, partially offset by fair value gain on an investment property. Distribution expenses was S\$0.25 million in 4Q 2018 as compared to a credit of S\$0.92 million in 4Q 2017 mainly due to a write-back of allowance made for impairment on trade receivables a year ago. Administrative expenses decreased by 59% from S\$4.05 million in 4Q 2017 to S\$1.65 million in 4Q 2018 mainly due to decrease in professional fees and overheads. Other expenses was S\$0.43 million in 4Q 2018 as compared to a credit of S\$5.58 million in 4Q 2017 mainly due to a write-back of allowance made for impairment on loan to joint ventures a year ago. Finance expenses increased by 74% to S\$3.17 million in 4Q 2018 mainly due to increase in bank borrowings. Depreciation expenses increased by 51% to S\$3.93 million in 4Q 2018 mainly due to increase in depreciable assets.

Share of profits of associated companies and joint ventures decreased from S\$6.10 million in 4Q 2017 to S\$3.73 million in 4Q 2018. This was mainly due to the timing of profit recognition from the property development joint venture projects.

The Group's profit before income tax decreased from S\$15.42 million in 4Q 2017 to S\$3.24 million in 4Q 2018. This was mainly due to lower profit margin from the Construction and Building Materials division and the absence of a write-back of allowance made for impairment on loan to joint ventures amounting to S\$4.63 million a year ago. The Group's net profit attributable to shareholders decreased from S\$12.11 million in 4Q 2017 to S\$2.19 million in 4Q 2018.

FY2018 VS FY 2017

The Group's sales for the financial year ended 31 December 2018 ("FY 2018") decreased marginally from S\$403.82 million for the financial ended 31 December 2017 ("FY 2017") to S\$403.65 million in FY 2018. The Group's gross profit in FY 2018 increased by 39% to S\$21.49 million mainly due to an improvement in gross profit margin from the Construction and Building Materials division.

Other income decreased by 37% from S\$10.47 million in FY 2017 to S\$6.61 million in FY 2018 mainly due to the absence of a one-time gain on compensation income a year ago, partially offset by higher interest income in current financial year. Excluding other gains from the sale of a joint venture of S\$11.56 million in the third quarter of last year, other losses of S\$0.30 million in FY 2018 was mainly due to fair value loss on financial assets through profit or loss. This was partially offset by gain on disposal of property, plant and equipment and fair value gain on an investment property. Distribution expenses decreased from S\$1.16 million in FY 2017 to S\$0.26 million in FY 2018 mainly due to a write-back of allowance made for impairment on trade receivables. Administrative expenses decreased from S\$23.71 million in FY 2017 to S\$20.02 million mainly due to decrease in professional fees and overheads. Other expenses was S\$0.99 million in FY 2018 as compared to a credit of S\$6.42 million in FY 2017 mainly due to a write-back of allowance made for impairment on loan to joint ventures a year ago. Finance expenses increased by 55% to S\$8.34 million in FY 2018 mainly due to increase in bank borrowings. Depreciation expenses increased marginally to S\$10.57 million in FY 2018 mainly due to increase in depreciable assets.

Share of profits of associated companies and joint ventures decreased from S\$13.82 million in FY 2017 to S\$12.05 million in FY 2018. This was mainly due to the timing of profit recognition from the property development joint venture projects.

The Group's profit before income taxes decreased from S\$26.91 million in FY 2017 to S\$10.24 million in FY 2018 mainly due to the absence of a one-time gain on disposal of a joint venture of S\$11.56 million and compensation income of S\$6.17 million recorded in FY2017.

The Group's net profit attributable to shareholders decreased from S\$20.56 million in FY 2017 to S\$6.61 million in FY 2018.

Earnings per share decreased to 1.60 cents for FY 2018 compared to 4.98 cents in FY 2017.

Review of changes in working capital, assets and liabilities

The movements in assets and liabilities are as follows:

- 1) Decrease in cash and bank balances was mainly due to repayment of notes payables.
- 2) Decrease in short-term notes receivables was mainly due to redemption upon maturity and reclassification to financial assets at FVOCI upon conversion to other financial assets class.
- 3) Decrease in trade and other receivables was mainly due to collection from customers.
- 4) Increase in contract assets was mainly due to revenue being recognised during the financial year but which has not yet been billed to the customers.
- 5) Decrease in amount due from joint ventures was mainly due to repayment of loans by a joint venture.
- 6) Increase in development properties was mainly due to the acquisition and development cost incurred for a private residential project under development.
- 7) Increase in financial assets at FVOCI was mainly due to reclassification from financial assets at fair value through profit or loss upon conversion as mentioned above.
- 8) Income tax receivables were refundable amount to be recovered from tax authority.
- 9) Non-current assets increased by S\$1.41 million mainly due to increase in property, plant and equipment of S\$5.18 million and trade and other receivables of S\$7.20 million, partially offset by a decrease in contract assets of S\$14.55 million.
- 10) Current liabilities decreased by S\$5.70 million mainly due to repayment of notes payables of S\$37 million, decrease in contract liabilities of S\$35.37 million, partially offset by an increase in short-term borrowings of S\$58.97 million and increase in trade and other payables of S\$9.13 million. The increase in short-term borrowings was mainly for working capital of the Construction and Building Materials division.
- 11) Non-current liabilities increased by S\$94.09 million mainly due to an increase in bank borrowings of S\$103.24 million for the acquisition of a private residential property, and partially offset by a decrease in trade and other payables of S\$7.80 million.

Review of changes in cashflow

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

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

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

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Based on advance estimates by the Ministry of Trade and Industry, the Singapore economy grew by 2.2% on a year-on-year basis in the fourth quarter of 2018, easing slightly from the 2.3% growth in the preceeding quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.6% compared to the 3.5% growth in the third quarter. For 2018 as a whole, the economy grew by 3.3%.

The construction sector contracted by 2.2% on a year-on-year basis in the fourth quarter, extending the 2.5% decline in the previous quarter. The contraction was primarily due to weakness in public sector construction activities. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector grew at a weaker pace of 1.1% compared to the 3.3% growth in the preceding quarter.

According to the projections by the Building and Construction Authority, the Singapore's total construction demand will range between S\$27 billion and S\$32 billion, with public sector construction demand constituting about 60% of total projected demand. Public construction demand is expected to be boosted by major infrastructure projects. Although we expect the construction industry to remain challenging with keen competition and higher costs of construction materials, we believe that we are well positioned to continue to secure more of such projects as we have a strong track record in civil engineering projects.

Latest statistics from the Urban Redevelopment Authority showed that the price index for private residential properties decreased by 0.1% in the fourth quarter of 2018, compared with the 0.5% increase in the previous quarter. With new property cooling measures implemented in July 2018, we expect the private residential property market to remain challenging.

11 Dividend

(a) Current Financial Period Reported On:

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

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

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share	0.40 cent per ordinary share
Dividend Rates (in %)	NA
Par value of shares	NA
Tax rate	Tax exempt

(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: 0.40 cent per ordinary share (2) Final: 0.60 cent per ordinary share
Dividend Rates (in %)	NA
Par value of shares	NA
Tax rate	Tax exempt

(c) Date payable

Subject to approval by the Shareholders at the next Annual General Meeting and to be announced at a later date.

(d) Books closure date

Subject to approval by the Shareholders at the next Annual General Meeting and to be announced at a later date.

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

Not applicable

13 Interested Person Transaction

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$ 100,000)
Ah Boon Civil Engineering & Building Contractor Pte Ltd	S\$'000 665	S\$'000 -

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 14 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.

	REAL ESTATE	LEISURE & HOSPITALITY	CONSTRUCTION & BUILDING MATERIALS	OTHERS	TOTAL
GROUP (S\$'000)					
2018					
SALES					
External	6,049	3,354	394,242	-	403,645
Inter-segment	445	2	692	28	1,167
	<u>6,494</u>	<u>3,356</u>	<u>394,934</u>	<u>28</u>	<u>404,812</u>
Elimination					<u>(1,167)</u>
					<u>403,645</u>
RESULTS					
Segment results	1,602	(475)	(154)	(446)	527
Interest income					6,009
Finance expenses					(8,343)
Share of profit from:					
-associated companies	-	-	312	-	312
-joint ventures	11,738	-	-	-	11,738
Profit before income tax					<u>10,243</u>
2017					
(restated)					
SALES					
External	7,163	3,264	393,373	16	403,816
Inter-segment	299	-	11,059	3,012	14,370
	<u>7,462</u>	<u>3,264</u>	<u>404,432</u>	<u>-</u>	<u>418,186</u>
Elimination					<u>(14,370)</u>
					<u>403,816</u>
RESULTS					
Segment results	6,236	(636)	(2,138)	185	3,647
Net investment gain	11,563	-	1	(64)	11,500
Interest income					3,332
Finance expenses					(5,397)
Share of profit from:					
-associated companies	-	-	262	-	262
-joint ventures	13,561	-	-	-	13,561
Profit before income tax					<u>26,905</u>

Sales by Geographical Segment:

Group ('S\$'000)	2018	2017 (restated)
Singapore	375,320	382,002
Malaysia	8,976	9,061
Indonesia	5,872	2,288
Others **	13,477	10,465
	<u>403,645</u>	<u>403,816</u>

**Including Bangladesh, Hong Kong, Africa and Thailand.

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

By Business Segment

Total sales decreased by S\$0.17 million in FY2018 as compared to FY2017. This was mainly due to the decrease in sales from the Construction and Building Materials division.

The total segment results decreased by S\$3.12 million in FY2018 as compared to FY2017 mainly due to the absence of a write-back of allowance made for loan to joint ventures by the Real Estate division, partially offset by higher gross profit margin contributed by the Construction and Building Materials division.

By Geographical Segment

The sales contributed by Singapore decreased by S\$6.68 million in FY2018 mainly due to decrease in sales from the Construction and Building Materials division.

The sales contributed by Others increased by S\$3.01 million in FY2018 mainly due to higher percentage of revenue recognition from the Construction and Building Materials division.

- 16 A breakdown of sales.

S\$'000

Sales reported for first half year

Profit after income tax before deducting non-controlling interests reported for first half year

Sales reported for second half year

Profit after income tax before deducting non-controlling interests reported for second half year

	2018	2017 (restated)	Change
Sales reported for first half year	152,810	154,499	-1%
Profit after income tax before deducting non-controlling interests reported for first half year	3,672	5,180	-29%
Sales reported for second half year	250,835	249,317	1%
Profit after income tax before deducting non-controlling interests reported for second half year	5,578	20,830	-73%

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

	S\$'000	
	31/12/2018	31/12/2017
Ordinary dividend		
- Final	1,650*	4,125

* Final ordinary dividend is estimated based on number of shares outstanding as at the end of the financial year.

- 18 CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Company confirms that it has procured undetakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

- 19 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 appropriate 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	53	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	Senior Group Human Resources and Administration Manager since 2015. Responsible for overseeing the Group's human resources and administration function.	Nil
Erliana Sutadi	49	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	55	Nephew of Mr Koh Tiat Meng and Mr Koh Teak Huat and cousin of Mr Koh Keng Siang and Mr Koh Keng Hiong	Executive Director, Construction division, since 2008. Responsible for overseeing machinery, equipment and logistic functions under the Construction division.	Nil
Tay Juak Chiang	45	Nephew of Mr Koh Tiat Meng and Mr Koh Teak Huat and cousin of Mr Koh Keng Siang and Mr Koh Keng Hiong	Senior Manager, Steel division, since 2012. Responsible for overseeing steel fabrication division.	Nil
Phua Eng Hong	56	Brother-in-law of Mr Koh Keng Siang	Director of Dalian Megacity Trading Co., Ltd, since 2008. No executive duties.	Nil
Koh Kheng Yeow	52	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

Koh Keng Hiong
Executive Director

4 February 2019
Singapore