



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

Unaudited Second Quarter and 6 Months Financial Statement And Dividend Announcement for the Period Ended 30 June 2019

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

1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Notes	GROUP						
	3 months ended		Change %	6 months ended		Change %	
	30/06/2019 S\$'000	30/06/2018 S\$'000		30/06/2019 S\$'000	30/06/2018 S\$'000		
Sales	1	82,747	85,672	-3%	161,313	152,810	6%
Cost of sales		(80,196)	(81,851)	-2%	(152,406)	(142,901)	7%
Gross profit		2,551	3,821	-33%	8,907	9,909	-10%
Other income	2	798	1,566	-49%	1,774	3,455	-49%
Other gains/(losses) - net	3	42	603	-93%	(535)	123	N.M.
Expenses							
- Distribution		(1,356)	524	N.M.	(1,568)	477	N.M.
- Administrative		(4,672)	(5,868)	-20%	(9,612)	(11,542)	-17%
- Other		(444)	(76)	484%	(684)	(286)	139%
- Finance		(2,742)	(1,637)	68%	(4,815)	(3,408)	41%
Share profit of: associated companies and joint ventures, net of tax		7,136	2,701	164%	9,691	5,227	85%
Profit before income tax	4	1,313	1,634	-20%	3,158	3,955	-20%
Income tax expense	5	(62)	(58)	7%	(235)	(283)	-17%
Profit after income tax		1,251	1,576	-21%	2,923	3,672	-20%
Profit attributable to:							
Equity holders of the Company		1,065	961	11%	2,353	2,176	8%
Non-controlling interests		186	615	-70%	570	1,496	-62%
		1,251	1,576	-21%	2,923	3,672	-20%
Statement of Comprehensive Income							
Profit after income tax		1,251	1,576	-21%	2,923	3,672	-20%
Other comprehensive (loss)/income, net of tax: Items that may be reclassified subsequently to profit or loss:							
- Exchange differences on translating foreign operations		(246)	(48)	413%	(617)	351	N.M.
- Fair value loss on debts instruments		(24)	(126)	-81%	(55)	(520)	-89%
		(270)	(174)	55%	(672)	(169)	298%
Items that may not be reclassified subsequently to profit or loss:							
- Fair value gain on equity financial assets at FVOCI		628	-	N.M.	13,427	-	N.M.
Other comprehensive income/(loss), net of tax		358	(174)	N.M.	12,755	(169)	N.M.
Total comprehensive income		1,609	1,402	15%	15,678	3,503	348%
Total comprehensive income attributable to:							
Equity holders of the Company		1,523	780	95%	15,223	1,920	693%
Non-controlling interests		86	622	-86%	455	1,583	-71%
		1,609	1,402	15%	15,678	3,503	348%

N.M. - Not meaningful

Notes to the Consolidated Statement of Comprehensive Income

Note 1

Sales include the following :

Sales of products	13,052	17,492	28,960	29,579
Services rendered	1,450	1,367	2,869	2,666
Property development and rental	730	743	1,454	1,371
Contract revenue	67,515	66,070	128,030	119,194
	82,747	85,672	161,313	152,810

Note 2

Other income include the following :

Rental income	83	84	170	190
Interest income	720	1,468	1,539	3,225
Other income	(5)	14	65	40
	798	1,566	1,774	3,455

Note 3

Other gains/(losses) comprise the following :

Gain/(loss) on disposal of property, plant and equipment	97	(101)	141	(45)
Fair value gain/(loss) on financial assets through profit or loss	101	249	(382)	(11)
Net foreign exchange (loss)/gain	(156)	455	(294)	(305)
Others	-	-	-	484
	42	603	(535)	123

Note 4

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

Write-back of allowance for impairment on trade and non-trade receivables	(313)	(945)	(448)	(1,266)
Allowance for impairment on loan to joint ventures	222	68	443	240
Depreciation of property, plant and equipment	3,548	2,048	7,139	4,510

Note 5

Income tax includes the following :

Current income tax				
- in respect of current period	141	230	361	441
- Over provision in respect of prior period	-	(172)	-	(158)
Deferred income tax				
- Over provision in respect of prior period	(79)	-	(126)	-
	62	58	235	283

GROUP			
3 months ended		6 months ended	
30/06/2019	30/06/2018	30/06/2019	30/06/2018
S\$'000	S\$'000	S\$'000	S\$'000
13,052	17,492	28,960	29,579
1,450	1,367	2,869	2,666
730	743	1,454	1,371
67,515	66,070	128,030	119,194
82,747	85,672	161,313	152,810
83	84	170	190
720	1,468	1,539	3,225
(5)	14	65	40
798	1,566	1,774	3,455
97	(101)	141	(45)
101	249	(382)	(11)
(156)	455	(294)	(305)
-	-	-	484
42	603	(535)	123
(313)	(945)	(448)	(1,266)
222	68	443	240
3,548	2,048	7,139	4,510
141	230	361	441
-	(172)	-	(158)
(79)	-	(126)	-
62	58	235	283

1(b)(i) BALANCE SHEETS

	GROUP		COMPANY	
	30/06/2019 S\$'000	31/12/2018 S\$'000	30/06/2019 S\$'000	31/12/2018 S\$'000
ASSETS				
CURRENT ASSETS				
Cash and bank balances	52,547	32,678	110	822
Investment securities	23,814	47,953	1,136	3,913
Trade and other receivables	59,229	76,232	207	277
Contract assets	136,777	117,183	-	-
Amounts due from subsidiaries	-	-	57,240	65,625
Amounts due from an associated company	-	45	-	-
Amounts due from joint ventures	36,541	38,034	-	-
Inventories	5,363	6,951	-	-
Development properties	130,679	127,578	-	-
Income tax receivables	1,202	773	-	-
Other current assets	3,229	3,229	-	-
	449,381	450,656	58,693	70,637
NON-CURRENT ASSETS				
Trade and other receivables	38,763	29,448	-	-
Contract assets	1,321	10,882	-	-
Investment securities	2,771	2,373	-	-
Investments in associated companies	1,975	1,676	-	-
Investments in joint ventures	98,304	92,279	-	-
Investments in subsidiaries	-	-	143,126	132,361
Investment properties	94,090	93,579	-	-
Property, plant and equipment	114,139	113,243	-	-
Right-of-use assets	11,615	-	-	-
Goodwill	5,078	5,078	-	-
	368,056	348,558	143,126	132,361
TOTAL ASSETS	817,437	799,214	201,819	202,998
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	98,376	131,984	1,598	1,938
Contract liabilities	11,473	4,989	-	-
Amounts due to subsidiaries	-	-	9,958	9,895
Amounts due to joint ventures	16,863	16,457	-	-
Current income tax liabilities	53	381	82	82
Lease payables	3,441	-	-	-
Short-term borrowings	83,717	73,593	-	-
	213,923	227,404	11,638	11,915
NON-CURRENT LIABILITIES				
Trade and other payables	8,040	9,622	-	-
Amounts due to subsidiaries	-	-	19,011	19,011
Lease payables	8,174	-	-	-
Finance lease	13,782	2,342	-	-
Bank borrowings	177,022	176,130	-	-
Notes payables	70,000	70,000	70,000	70,000
Deferred income tax liabilities	8,073	8,199	-	-
	285,091	266,293	89,011	89,011
TOTAL LIABILITIES	499,014	493,697	100,649	100,926
NET ASSETS	318,423	305,517	101,170	102,072
Capital and reserves attributable to equity holders of the Company				
Share capital	36,981	36,981	36,981	36,981
Treasury shares	(7,983)	(7,983)	(7,983)	(7,983)
Capital and other reserves	778	(6,796)	-	-
Retained profits	278,724	269,157	72,172	73,074
Currency translation reserve	(9,732)	(9,139)	-	-
	298,768	282,220	101,170	102,072
Non-controlling interests	19,655	23,297	-	-
TOTAL EQUITY	318,423	305,517	101,170	102,072

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

As at 30/06/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
31,417	52,300	28,554	45,039
190,804	70,000	178,472	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 and motor vehicles.

1(c) CONSOLIDATED CASH FLOW STATEMENT

CASH FLOWS FROM OPERATING ACTIVITIES

Total profit

Adjustments for non-cash items :

Income tax

Depreciation of property, plant and equipment

Property, plant and equipment written off

(Gain)/loss on disposal of property, plant and equipment

Fair value loss on financial assets at fair value through profit or loss

Share of profit from associated companies and joint ventures

Interest expense

Interest income

Unrealised foreign exchange gain

Operating profit before working capital changes

Working capital changes :

- Receivables

- Inventories

- Contracts assets and liabilities

- Development properties

- Payables

- Due from/to associated companies

- Due from/ to joint ventures

Cash used in operations

Income tax paid

Interest paid

Net cash used in operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment

Net proceeds from/(purchase of) investment securities

Proceeds from disposal of property, plant and equipment

Additions to investment properties

Dividend received from associated companies and joint ventures

Interest received

Net cash provided by investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from bank borrowings

Repayment of finance lease

Repayment of bank borrowings

Redemption of notes payables

Repayment of lease payables

Restricted cash released

Purchase of treasury shares

Dividends paid to equity holders of the Company

Dividends paid to non-controlling interests

Net cash provided by financing activities

6 months ended	
30/06/2019	30/06/2018
S\$'000	S\$'000
2,923	3,672
235	283
7,139	4,510
15	3
(141)	45
382	11
(9,691)	(5,227)
4,815	3,408
(1,539)	(3,225)
(183)	(639)
3,955	2,841
8,396	(35,268)
1,589	677
(3,646)	(28,140)
(3,101)	(125,789)
(35,277)	32,612
44	(282)
1,899	30,671
(26,141)	(122,678)
(1,121)	(1,623)
(4,629)	(4,184)
(31,891)	(128,485)
(750)	(1,498)
36,731	(1,424)
383	3,687
(550)	(286)
3,200	3,140
720	3,181
39,734	6,800
20,780	168,843
(3,392)	(1,540)
(788)	(23,543)
-	(37,000)
(1,721)	-
200	980
-	(73)
(1,650)	(4,125)
(1,122)	(371)
12,307	103,171

1(c) CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

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

6 months ended	
30/06/2019 S\$'000	30/06/2018 S\$'000
20,150	(18,514)
32,478	61,568
(81)	259
52,547	43,313

Represented by :

CASH AND CASH EQUIVALENTS

Cash and bank balances

Restricted cash

52,547	45,629
-	(2,316)
52,547	43,313

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
	Share Capital	Treasury Shares	Capital and Other Reserves	Retained Profits	Currency Translation Reserve	TOTAL		
GROUP (S\$'000)								
Balance as at 01/01/2019	36,981	(7,983)	(6,796)	269,157	(9,139)	282,220	23,297	305,517
Profit for the financial period	-	-	-	2,353	-	2,353	570	2,923
Other comprehensive income/ (loss) for the period	-	-	13,382	-	(512)	12,870	(115)	12,755
Transfer upon disposal of equity financial assets at FVOCI	-	-	(5,777)	5,777	-	-	-	-
Change in ownership interests in subsidiaries	-	-	(31)	3,087	(81)	2,975	(2,975)	-
Dividend paid	-	-	-	(1,650)	-	(1,650)	(1,122)	(2,772)
Balance as at 30/06/2019	36,981	(7,983)	778	278,724	(9,732)	298,768	19,655	318,423
Balance as at 01/01/2018	36,981	(7,910)	989	262,701	(8,916)	283,845	21,885	305,730
Profit for the financial period	-	-	-	2,176	-	2,176	1,496	3,672
Other comprehensive (loss)/ income for the period	-	-	(535)	-	279	(256)	87	(169)
Purchase of treasury shares	-	(73)	-	-	-	(73)	-	(73)
Dividend paid	-	-	-	(4,125)	-	(4,125)	(371)	(4,496)
Balance as at 30/06/2018	36,981	(7,983)	454	260,752	(8,637)	281,567	23,097	304,664

	Attributable to equity holders of the Company			
	Share Capital	Treasury Shares	Retained Profits	TOTAL
COMPANY (S\$'000)				
Balance as at 01/01/2019	36,981	(7,983)	73,074	102,072
Total comprehensive income for the period	-	-	748	748
Dividend paid	-	-	(1,650)	(1,650)
Balance as at 30/06/2019	36,981	(7,983)	72,172	101,170
Balance as at 01/01/2018	36,981	(7,910)	72,224	101,295
Total comprehensive income for the period	-	-	5,910	5,910
Purchase of treasury shares	-	(73)	-	(73)
Dividend paid	-	-	(4,125)	(4,125)
Balance as at 30/06/2018	36,981	(7,983)	74,009	103,007

- 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.

Total number of issued shares
Less: Number of treasury shares
End of financial period

No. of shares	
30/06/2019	31/12/2018
438,000,000	438,000,000
(25,540,900)	(25,540,900)
412,459,100	412,459,100

- 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.

Total number of issued shares excluding treasury shares

No. of shares	
30/06/2019	31/12/2018
412,459,100	412,459,100

- 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.

Beginning and end of financial period

No. of shares
6 months ended 30/6/2019
25,540,900

- 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 2018.

- 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.

On 1 January 2019, the Group adopted the standards, amendments and interpretations to existing standards that are mandatory for application from that date. The adoption of the new/revised standards did not have any significant impact on the financial statement of the Group, except for SFRS(I) 16 Leases.

SFRS(I) 16 Leases

SFRS(I) 16 Leases introduced a single, on-balance sheet lease accounting model for lessees. A lessee recognised a Right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payment. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

ROU assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the outstanding lease liabilities.

On date of initial adoption, ROU assets are measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to leases recognised in the balance sheet as at 31 December 2018.

The estimated impact arising from the adoption of SFRS(I) 16 Leases on the Group's balance sheet are set out as follows:

CONSOLIDATED BALANCE SHEET

Right-of-use assets
Lease payables (Current)
Lease payables (Non-current)

GROUP		
31/12/2018	Adjustment	01/01/2019
S\$'000	S\$'000	S\$'000
-	13,336	13,336
-	3,441	3,441
-	9,895	9,895

The Group is still in the progress of finalising its assessment of impact arising from adoption of SFRS(I) 16 Leases and thus the finalised impact may differ from the provisional figures determined at the moment.

- 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		6 months ended	
30/06/2019 (cent)	30/06/2018 (cent)	30/06/2019 (cent)	30/06/2018 (cent)
0.26	0.24	0.57	0.53
0.26	0.24	0.57	0.53

- (i) Basic
(ii) On a fully diluted basis

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 412,459,100 ordinary shares (30 June 2018: 412,545,551 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	
30/06/2019 (cents)	31/12/2018 (cents)	30/06/2019 (cents)	31/12/2018 (cents)
72.44	68.42	24.53	24.75

Net asset value per ordinary share based on existing issued share capital (excluding treasury shares) as at the end of the period reported on

Note:

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 2019 (31 December 2018: 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.

Review of Group performance

2Q 2019 VS 2Q 2018

The Group's sales for the 3-month period ended 30 June 2019 ("2Q 2019") decreased from S\$85.67 million in the corresponding period in 2018 ("2Q 2018") to S\$82.75 million. This was mainly due to lower revenue recognition from the Construction and Building Materials division. The Group's gross profit decreased from S\$3.82 million in 2Q 2018 to S\$2.55 million in 2Q 2019.

Other income decreased from S\$1.57 million in 2Q 2018 to S\$0.80 million in 2Q 2019 mainly due to decrease in interest income. Other gains decreased from S\$0.60 million in 2Q 2018 to S\$0.04 million in 2Q 2019 mainly due to net foreign exchange loss and lower fair value gain on financial assets. Distribution expenses of S\$1.36 million in 2Q 2019 mainly comprise of showflat expenses incurred for a residential development project. Administrative expenses decreased from S\$5.87 million in 2Q 2018 to S\$4.67 million in 2Q 2019 mainly due to decrease in staff costs. Other expenses of S\$0.44 million in 2Q 2019 mainly comprise of allowance made for impairment on loan to a joint venture. Finance expenses increased from S\$1.64 million in 2Q 2018 to S\$2.74 million in 2Q 2019 mainly due to increase in bank borrowings and higher average cost of borrowing. Depreciation expenses increased from S\$2.05 million in 2Q 2018 to S\$3.55 million in 2Q 2019 mainly due to increase in depreciable assets arising from the adoption of SFRS(I) 16 Leases.

Share of results from associated companies and joint ventures increased from S\$2.70 million in 2Q 2018 to S\$7.14 million in 2Q 2019. The increase was mainly due to progressive recognition of profit from a mixed-used development project in South Korea, and fair value gain from an investment property in Singapore held through a joint venture.

The Group's profit before income tax decreased from S\$1.63 million in 2Q 2018 to S\$1.31 million in 2Q 2019.

The Group's net profit attributable to shareholders increased from S\$0.96 million in 2Q 2018 to S\$1.07 million in 2Q 2019.

1H 2019 VS 1H 2018

The Group's sales for the half year ended 30 June 2019 ("1H 2019") increased from S\$152.81 million in the corresponding period in 2018 ("1H2018") to S\$161.31 million. This was mainly due to higher revenue recognition from the Construction and Building Materials division. However, the Group's gross profit decreased from S\$9.91 million in 1H 2018 to S\$8.91 million in 1H 2019 on lower gross profit margin.

Other income decreased from S\$3.46 million in 1H 2018 to S\$1.77 million in 1H 2019 mainly due to decrease in interest income. Other loss of S\$0.54 million in 1H 2019 mainly comprise of net foreign exchange loss and fair value loss on financial assets. Distribution expenses of S\$1.57 million in 1H 2019 mainly comprise of showflat expenses incurred for a residential development project. Administrative expenses decreased from S\$11.54 million in 1H 2018 to S\$9.61 million in 1H 2019 mainly due to decrease in staff costs. Other expenses increased from S\$0.29 million in 1H 2018 to S\$0.68 million in 1H 2019 mainly due to allowance made for impairment on loan to a joint venture. Finance expenses increased from S\$3.41 million in 1H 2018 to S\$4.82 million in 1H 2019 mainly due to increase in bank borrowings and higher average cost of borrowing. Depreciation expenses increased from S\$4.51 million in 1H 2018 to S\$7.14 million in 1H 2019 mainly due to increase in depreciable assets arising from the adoption of SFRS(I) 16 Leases.

Share of results from associated companies and joint ventures increased from S\$5.23 million in 1H 2018 to S\$9.69 million in 1H 2019. The increase was mainly due to progressive recognition of profit from a mixed-used development project in South Korea, and fair value gain from an investment property in Singapore held through a joint venture.

The Group's profit before income tax decreased from S\$3.96 million in 1H 2018 to S\$3.16 million in 1H 2019.

The Group's net profit attributable to shareholders increased from S\$2.18 million in 1H 2018 to S\$2.35 million in 1H 2019.

Earnings per share increased from 0.53 cent in 1H 2018 to 0.57 cent in 1H 2019.

Review of changes in working capital, assets and liabilities

The movements in assets and liabilities are as follows:

- 1) Increase in cash and bank balances was mainly due to proceeds from disposal of investment securities.
- 2) Decrease in investment securities was mainly due to disposal of investment securities.
- 3) Decrease in trade and other receivables was mainly due to collection from customers.
- 4) Increase in current contract assets was mainly due to revenue recognised during the period but which has not yet billed to the customers, and reclassification of non-current retention due from customers when contracts are approaching completion in the next 12 months.
- 5) Non-current assets increased by S\$19.50 million mainly due to increase in trade and other receivables of S\$9.32 million, right-of-use assets of S\$11.62 million and investment in joint ventures of S\$6.03 million, partially offset by the decrease in contract assets of S\$9.56 million as mentioned above.
Right-of-use assets arose from the adoption of SFRS(I) 16 Leases on 1 January 2019. It comprised mainly land leases that were recognised in the balance sheet.
- 6) Current liabilities decreased by S\$13.48 million mainly due to decrease in trade and other payables of S\$33.61 million, partially offset by the increase in contract liabilities of S\$6.48 million, lease payables of S\$3.44 million and short-term borrowings of S\$10.12 million.
- 7) Non-current liabilities increased by S\$18.80 million mainly due to increase in finance leases of S\$11.44 million and lease payables of S\$8.17 million, partially offset by the decrease in trade and other payables of S\$1.58 million.
- 8) Current and non-current lease payables arose mainly due to recognition of lease obligation upon the adoption of SFRS(I) 16 Leases.

Review of changes in cashflow

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

The net cash used in operating activities was primarily due to settlement of payables.

The net cash provided by investing activities was mainly from proceeds of disposal of investment securities.

The net cash provided by financing activities was mainly from proceeds of bank borrowings due to increase in working capital requirements.

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 31 March 2019.

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 advanced estimates by the Ministry of Trade and Industry, the Singapore economy grew by 0.1% on a year-on-year basis in the second quarter of 2019, slower than the 1.1% growth in the previous quarter. On a quarter-on-quarter seasonally adjusted annualised basis, the economy shrank by 3.4%, after posting growth of 3.8% in the preceding quarter.

The construction sector grew by 2.2% on a year-on-year basis in the second quarter, extending the 2.7% expansion in the previous quarter. Growth of the sector was supported by an increase in public sector construction activities.

According to the projection by the Building and Construction Authority, the Singapore's total construction demand in 2019 will range between S\$27 billion and S\$32 billion, with public sector construction demand constituting about 60% of total projected demand. Although the construction industry remains challenging on the back of a competitive environment and higher costs of construction materials, we will continue to leverage on our expertise and strengths to secure more projects for sustainable long-term growth.

Latest statistics from the Urban Redevelopment Authority showed that prices of private residential properties increased by 1.5% in the second quarter of 2019, compared with the 0.7% decrease in the previous quarter. With the property cooling measures implemented in July 2018 coupled with more new launches coming onstream, we expect the private residential 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? 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) Books closure date

Not applicable.

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

Not applicable. It is not the practice for the Company to declare quarterly dividend.

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	\$'000 963	\$'000 -

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

14 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.

15 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, 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 second quarter and half year ended 30 June 2019 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Koh Keng Siang
Managing Director & Group CEO

Koh Keng Hiong
Executive Director

13 August 2019
Singapore