KOH BROTHERS ECO ENGINEERING LIMITED
(Company Registration No. 197500111H)

Unaudited Fourth Quarter and 12 Months Financial Statement And Dividend Announcement for the Period Ended 31 December 2019

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

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	GROUP					
		3 months ended			12 months ended		
		31/12/2019 S$'000	31/12/2018 S$'000	Change %	31/12/2019 S$'000	31/12/2018 S$'000	Change %
Revenue		82,042	114,810	-29	290,623	328,815	-12
Cost of sales		(76,322)	(110,952)	-31	(274,280)	(314,202)	-13
Gross profit		5,720	3,858	48	16,343	14,613	12
Other income	1	86	104	-18	202	312	-35
Other gains - net	2	117	232	-50	949	2,863	-67
Selling and distribution expenses		438	(207)	N.M.	21	(854)	N.M.
Administrative expenses		(1,769)	(1,231)	44	(8,620)	(9,175)	-6
Finance expenses		(820)	(431)	90	(2,345)	(1,055)	122
Share of (loss)/profit from associated companies, net of tax		(263)	308	N.M.	375	317	18
Profit before income tax	3	3,509	2,633	33	6,925	7,021	-1
Income tax expense	4	(353)	(578)	-39	(748)	(1,081)	-31
Profit after income tax		3,156	2,055	54	6,177	5,940	4
Other comprehensive (loss)/income, net of tax:							
Fair value (loss)/gain on debts instruments		(1)	(36)	-97	(40)	48	N.M.
Currency translation differences arising from consolidation		(7)	(336)	-98	39	(253)	N.M.
Other comprehensive loss, net of tax		(8)	(372)	-98	(1)	(205)	-100
Total comprehensive income		3,148	1,683	87	6,176	5,735	8
Profit attributable to:							
Equity holders of the Company		2,864	1,984	44	5,654	5,607	1
Non-controlling interests		292	71	311	523	333	57
		3,156	2,055	54	6,177	5,940	4
Total comprehensive income attributable to:							
Equity holders of the Company		2,858	1,631	75	5,647	5,427	4
Non-controlling interests		290	51	469	529	308	72
		3,148	1,682	87	6,176	5,735	8

N.M. - Not meaningful

Notes to the Statement of Comprehensive Income

	GROUP			
	3 months ended		12 months ended	
	31/12/2019 S$'000	31/12/2018 S$'000	31/12/2019 S$'000	31/12/2018 S$'000
Note 1				
Other income include the following :				
Rental income	-	-	-	42
Interest income	66	47	167	174
Other income	20	57	35	96
	86	104	202	312
Note 2				
Other gains include the following :				
Fair value loss on financial assets at fair value through profit or loss	-	(26)	-	(37)
Gain on disposal of property, plant and equipment	451	304	828	2,258
Net foreign exchange (losses)/gains	(334)	438	121	642
Others	-	(484)	-	-
	117	232	949	2,863
Note 3				
Profit before income tax is stated after crediting/(charging) the following items:				
Write-back of allowance for/(allowance for) impairment of trade and non-trade receivables	447	(13)	572	(138)
Depreciation of property, plant and equipment	(6,623)	(2,951)	(14,042)	(6,634)
Note 4				
Income tax expense includes the following :				
Current income tax				
- in respect of current period	323	106	848	629
- under/(over) provision in respect of prior period	1	101	(129)	81
Deferred income tax				
- in respect of current period	40	340	40	340
- (over)/under provision in respect of prior period	(11)	31	(11)	31
	353	578	748	1,081

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	31/12/2019 S$'000	31-12-18 S$'000	31/12/2019 S$'000	31/12/2018 S$'000
ASSETS				
CURRENT ASSETS				
Cash and bank balances	47,206	20,553	250	429
Trade and other receivables	44,085	53,536	19,940	12,496
Inventories	216	116	-	-
Contract assets	132,974	105,077	-	-
Financial assets, at FVOCI	709	763	-	-
Income tax receivables	552	773	-	-
Other current assets	6,275	3,229	-	-
	232,017	184,047	20,190	12,925
NON-CURRENT ASSETS				
Trade and other receivables	-	5,640	29,000	30,000
Contract assets	2,411	10,882	-	-
Investments in associated companies	2,140	1,765	640	640
Investments in subsidiaries	-	-	48,238	37,238
Property, plant and equipment	71,365	40,854	1	6
Goodwill	6,857	6,857	-	-
Deferred tax assets	52	52	-	-
	82,825	66,050	77,879	67,884
TOTAL ASSETS	314,842	250,097	98,069	80,809
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	83,983	73,145	83,983	73,145
Other reserves	3,081	3,900	3,728	4,507
Retained profits	19,958	15,868	7,144	2,189
Currency translation reserve	(2,484)	(2,517)	-	-
	104,538	90,396	94,855	79,841
Non-controlling interests	2,443	3,079	-	-
TOTAL EQUITY	106,981	93,475	94,855	79,841
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	101,200	98,803	3,214	968
Contract liabilities	12,447	4,990	-	-
Bank borrowings and lease liabilities	64,517	45,895	-	-
	178,164	149,688	3,214	968
NON-CURRENT LIABILITIES				
Trade and other payables	3,820	4,808	-	-
Bank borrowings and lease liabilities	25,354	1,632	-	-
Deferred tax liabilities	523	494	-	-
	29,697	6,934	-	-
TOTAL LIABILITIES	207,861	156,622	3,214	968
TOTAL EQUITY AND LIABILITIES	314,842	250,097	98,069	80,809

1(b)(ii) Aggregate amount of the group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	As at 31/12/2019		As at 31/12/2018	
	Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Amount repayable in one year or less, or on demand	6,050	56,977	2,556	43,339
Amount repayable after one year	17,916	7,273	1,632	-

Details of any collateral

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

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	12 months ended	
	31/12/2019 S$'000	31/12/2018 S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after income tax	6,177	5,940
Adjustments for non-cash items :		
Income tax expense	748	1,081
Depreciation of property, plant and equipment	14,042	6,634
Fair value loss on financial assets at fair value through profit or loss	-	37
Gain on disposal of property, plant and equipment	(828)	(2,258)
Share of profit from associated companies	(375)	(317)
Interest expense	2,345	1,055
Interest income	(167)	(174)
Unrealised foreign exchange losses/(gains)	209	(460)
Operating profit before working capital changes	22,151	11,538
Working capital changes :		
- Receivables	9,458	4,601
- Inventories	(100)	74
- Contract assets and liabilities	(11,969)	(59,554)
- Other current assets	(3,046)	1,980
- Payables	1,464	(1,539)
Cash generated from/(used in) operations	17,958	(42,900)
Income tax paid	(497)	(2,240)
Interest paid	(2,249)	(988)
Net cash generated from/(used in) operating activities	15,212	(46,128)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(21,087)	(16,303)
Proceeds from disposal of property, plant and equipment	1,473	4,063
Proceeds from redemption of financial assets, at FVOCI	-	50
Interest received	173	211
Net cash used in investing activities	(19,441)	(11,979)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposit released	-	1,355
Proceeds from issuance of rights cum warrants	-	23,287
Proceeds from exercise of warrants	10,000	-
Share issuance expenses	-	(260)
Proceeds from bank borrowings	36,550	34,539
Repayment of bank borrowings	(3,800)	-
Repayment of lease liabilities	(8,967)	(2,657)
Dividends paid to equity holders of the Company	(1,564)	(1,047)
Dividends paid to non-controlling interest	(1,165)	(274)
Net cash generated from financing activities	31,054	54,943
NET CHANGE IN CASH AND BANK BALANCES	26,825	(3,164)
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL YEAR	20,553	23,509
EFFECTS OF CURRENCY TRANSLATION ON CASH AND BANK BALANCES	(172)	208
CASH AND BANK BALANCES AT END OF THE FINANCIAL YEAR	47,206	20,553

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP (S$'000)	Attributable to equity holders of the Group						NON-CONTROLLING INTERESTS	TOTAL EQUITY
	Share Capital	Warrants Reserve	Other Reserves	Retained Profits	Currency Translation Reserve	TOTAL		
Balance as at 01/01/2019	73,145	4,507	(607)	15,868	(2,517)	90,396	3,079	93,475
Issuance of shares #	55	-	-	-	-	55	-	55
Exercise of warrants	10,783	(783)	-	-	-	10,000	-	10,000
Share based payment pursuant to Performance Share Plan			4			4	-	4
Profit for the financial year	-	-	-	5,654	-	5,654	523	6,177
Other comprehensive (loss)/income for the financial year	-	-	(40)	-	33	(7)	6	(1)
Dividend paid	-	-	-	(1,564)	-	(1,564)	(1,165)	(2,729)
Balance as at 31/12/2019	83,983	3,724	(643)	19,958	(2,484)	104,538	2,443	106,981
Balance as at 01/01/2018	52,143	2,482	(655)	11,308	(2,289)	62,989	3,045	66,034
Issuance of rights cum warrants *	21,262	2,025	-	-	-	23,287	-	23,287
Share issuance expenses	(260)	-	-	-	-	(260)	-	(260)
Profit for the financial year	-	-	-	5,607	-	5,607	333	5,940
Other comprehensive income/(loss) for the financial year	-	-	48	-	(228)	(180)	(25)	(205)
Dividend paid	-	-	-	(1,047)	-	(1,047)	(274)	(1,321)
Balance as at 31/12/2018	73,145	4,507	(607)	15,868	(2,517)	90,396	3,079	93,475

COMPANY (S$'000)	Attributable to equity holders of the Company				
	Share Capital	Warrants Reserve	Other Reserve	Retained Profits	TOTAL
Balance as at 01/01/2019	73,145	4,507	-	2,189	79,841
Issuance of shares #	55	-	-	-	55
Exercise of warrants	10,783	(783)	-	-	10,000
Share based payment pursuant to Performance Share Plan	-	-	4	-	4
Profit for the financial year	-	-	-	6,519	6,519
Dividend paid	-	-	-	(1,564)	(1,564)
Balance as at 31/12/2019	83,983	3,724	4	7,144	94,855
Balance as at 01/01/2018	52,143	2,482	-	1,730	56,355
Issuance of rights cum warrants *	21,262	2,025	-	-	23,287
Share issuance expenses	(260)	-	-	-	(260)
Profit for the financial year	-	-	-	1,506	1,506
Dividend paid	-	-	-	(1,047)	(1,047)
Balance as at 31/12/2018	73,145	4,507	-	2,189	79,841

 # The issuance of shares was approved pursuant to the Koh Brothers Eco Engineering Limited Performance Share Plan 2017. The share capital increase was effected on 22 July 2019.

*** The issuance of rights cum warrants was approved by way of the renewal of the Share Issue Mandate at the Annual General Meeting held on 26 April 2018. The share capital increase was effected on 27 September 2018.**

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

As at 31 December 2019, the Company's issued and fully paid-up capital (excluding treasury shares and subsidiary holdings) comprises 1,765,516,843 (30 September 2019: 1,765,516,843) ordinary shares. There was no movement in the Company's issued and fully paid-up capital since the end of the previous period reported on.

The number of shares that may be issued on conversion of all the outstanding convertibles against the total number of issued shares excluding treasury shares and subsidiary holdings of the Company 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 was as follows:

	No. of shares
As at 31/12/2018	855,647,177
Exercise of warrants	(200,000,050)
As at 31/12/2019	655,647,127

As at 31 December 2019, the Company does not have any treasury shares or subsidiary holdings.

The number of issued shares excluding treasury shares and subsidiary holdings of the Company as at 31 December 2019 and 31 December 2018 was 1,765,516,843 and 1,564,128,735 respectively.

Warrants

(a) Pursuant to the renounceable non-underwritten rights cum warrants issue announced on 15 May 2017 (the "2017 Rights cum Warrants Issue"), the Company issued 299,021,682 warrants on 14 November 2017. Each warrant carries the right to subscribe for one (1) ordinary share in the capital of the Company at the exercise price ranging from S$0.09 to S$0.11 per warrant for each new share depending on the date of exercise. Each warrant may be exercised at any time during the period of four (4) years commencing on and including the date of issue of the warrants and expiring on the 4th anniversary of the date of issue of the warrants. 60,000 warrants were exercised at S$0.09 per warrant for each new share as at 31 December 2019. The remaining 298,961,682 warrants ("Existing Warrants") will expire on 12 November 2021. As announced by the Company on 13 April 2018, the net proceeds raised from the renounceable non-underwritten rights cum warrants issue have been fully utilised.

Pursuant to the terms and conditions of the deed poll dated 13 October 2017 (the "Deed Poll" relating to the 2017 Rights cum Warrants Issue), the renounceable non-underwritten rights cum warrants issue, as announced by the Company on 29 June 2018 (the "2018 Rights cum Warrants Issue"), constitutes an event giving rise to an adjustment to the exercise price and the number of the Existing Warrants. Accordingly, 39,192,649 adjusted warrants have been issued and alloted on 18 October 2018 (the "Adjustment Warrants"). Following the allotment and issuance of the Adjustment Warrants, the total number of Existing Warrants has increased from 298,961,682 to 338,154,331. Each one Adjustment Warrant carries the right to subscribe for one (1) new ordinary share in the capital of the Company at exercise price ranging from S$0.08 to S$0.10.

(b) Pursuant to the 2018 Rights cum Warrants Issue, the Company issued 517,492,846 warrants on 26 September 2018. Each warrant carries the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of S$0.05 per warrant for each new share. Each warrant may be exercised at any time during the period of five (5) years commencing on and including the date of issue of the warrants and expiring on the 5th anniversary of the date of issue of the warrants. 200,000,050 warrants were exercised at S$0.05 per warrant for each new share as at 31 December 2019. The remaining 317,492,796 warrants will expire on 25 September 2023. On 12 March 2019, the Company announced that the net proceeds raised from the 2018 Rights cum Warrants Issue have been fully utilised.

Performance Share Plan

(a) Pursuant to the Koh Brothers Eco Engineering Limited Performance Share Plan 2017, the Company awarded 1,888,278 new ordinary shares of the Company to its employees on 22 July 2019. Awards comprised (i) 1,388,058 fully paid-up ordinary shares of the Company, free of payment, which vested on 22 July 2019; and (ii) 500,220 fully paid-up ordinary shares of the Company, free of payment, which will be vested in accordance with a vesting schedule that commenced on 22 July 2019 and ending on the ninth anniversary of the date of the grant, subject to certain vesting conditions.

Save as disclosed above, the Company has no outstanding convertibles and no treasury shares or subsidiary holdings as at 31 December 2019 and 31 December 2018.

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	
	31/12/2019	31/12/2018
Total number of issued shares excluding treasury shares	1,765,516,843	1,564,128,735

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 as there were no treasury shares as at the end of the current financial period reported on.

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

Not applicable as there were no subsidiary holdings as at the end of the current financial period reported on.

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, a statement on whether there are 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 leasees. 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 impact arising from the adoption of SFRS(I) 16 *Leases* on the Group's balance sheet are set out as follows:

CONSOLIDATED BALANCE SHEET	GROUP		
	31/12/2018 S$'000	Adjustment S$'000	01/01/2019 S$'000
Right-of-use assets	-	3,977	3,977
Lease payables (Current)	-	2,477	2,477
Lease payables (Non-current)	-	1,500	1,500

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	
	31/12/2019 (cent)	31/12/2018 (cent)	31/12/2019 (cent)	31/12/2018 (cent)
(i) Basic	0.16	0.13	0.33	0.47
(ii) On a fully diluted basis	0.16	0.13	0.33	0.47

The basic earning 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 year of 1,690,776,022 ordinary shares (financial year ended 31 December 2018: 1,182,743,596 ordinary shares).

Fully diluted earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period after adjusting for the dilutive effects of such shares that have been awarded pursuant to the Koh Brothers Eco Engineering Limited Performance Share Plan 2017 that have not been vested. The Company's warrants are not included in the calculation of diluted earnings per share above because they are anti-dilutive for the financial period presented.

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	
	31/12/2019 (cents)	31/12/2018 (cents)	31/12/2019 (cents)	31/12/2018 (cents)
Net asset value per ordinary share based on total number of issued shares at the end of year	5.92	5.78	5.37	5.10

The net asset value per ordinary share is computed based on the issued share capital of 1,765,516,843 ordinary shares as at 31 December 2019 (31 December 2018: 1,564,128,735 ordinary shares).

8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the currency financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) 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 operating result

Revenue
For the 3-month period ended 31 December 2019 ("4Q 2019"), Group's revenue amounted to S$82.0 million, a decrease of 29% as compared to S$114.8 million recognised in the corresponding period a year ago ("4Q 2018"). This was mainly due to decrease in revenue from the Engineering and Construction division as certain construction projects were nearing their completion stage in FY2019.

The Group's revenue for the financial year ended 31 December 2019 ("FY2019") decreased from S$328.8 million in the corresponding financial year ended 31 December 2018 ("FY2018") to S$290.6 million. This was mainly due to decrease in revenue from the Engineering and Construction division as certain construction projects were nearing their completion stage in FY2019.

Gross profit
The Group's gross profit increased by S$1.9 million in 4Q 2019 and S$1.7 million in FY2019 as compared to the corresponding periods 4Q 2018 and FY2018 primarily contributed from the Bio-Refinery and Bio-Energy division. The increase in Bio-Refinery and Bio-Energy division gross profit was mainly due to higher profit margin from the region of Africa.

Other gains - net
Other gains of S$0.1 million in 4Q 2019 as compared to S$0.2 million in 4Q 2018 and S$0.9 million in FY2019 as compared to S$2.9 million in FY2018 mainly arose from disposal of property, plant and equipment and net foreign exchange (losses)/gains.

Selling and distribution expenses
Selling and distribution expenses showed a decrease from S$207,000 in 4Q 2018 to a credit of S$438,000 in 4Q 2019 and from S$854,000 in FY2018 to a credit of S$21,000 in FY2019. This was mainly due to write-back of allowance made for impairment of trade receivables.

Administrative expenses

Administrative expenses increased from S$1.2 million in 4Q 2018 to S$1.8 million in 4Q 2019 mainly due to increase in restructuring cost incurred during the period. Administrative expenses decreased from S$9.2 million in FY2018 to S$8.6 million in FY2019 mainly due to lower tender expenses.

Depreciation expenses

Depreciation expenses increased by 124% to S$6.6 million in 4Q 2019 and 112% to S$14.0 million in FY2019, mainly due to increase in depreciable assets and depreciation charge for ROU assets arising from the adoption of SFRS(I) 16 *Leases*.

Finance expenses

Finance expenses increased from S$0.4 million in 4Q 2018 to S$0.8 million in 4Q 2019 and from S$1.1 million in FY2018 to S$2.3 million in FY2019. Increase in finance expenses for both 4Q 2019 and FY2019 were mainly due to increase in the Group's bank borrowings.

Profit before income tax

Overall, the Group's profit before income tax increased from S$2.6 million in 4Q 2018 to S$3.5 million in 4Q 2019 mainly due to improved gross profit from the Bio-Refinery and Bio-Energy division. The Group's profit before income tax decreased marginally from S$7.0 million in FY2018 to S$6.9 million in FY2019. The decrease was mainly due to the absence of a one-time gain of S$1.4 million that the Group received in FY2019. Excluding this one-time gain, net profit for FY2019 would have increased by S$1.4 million.

Profit after income tax

Overall, the Group's profit after income tax increased by S$1.1 million from S$2.1 million in 4Q 2018 to S$3.2 million in 4Q 2019. The Group's profit after income tax increased from S$5.9 million in FY2018 to S$6.2 million in FY2019. This increase was mainly due to decrease in tax expenses.

Review of financial position

The Group's net asset value attributable to shareholders increased from S$90.4 million as at 31 December 2018 to S$104.5 million as at 31 December 2019 mainly due to increase in share capital and retained profits during the financial year.

The Group's current assets recorded an increase of S$48.0 million mainly due to increase in cash and bank balances, contract assets and other current assets, partially offset by the decrease in trade and other receivables. The increase in contract assets was mainly due to revenue recognised during the period and timing of billings to customers, and reclassification of retention receivables for certain construction projects from non-current to current in view of those projects were nearing completion.

The Group's non-current assets recorded an increase of S$16.8 million, mainly due to: (i) decrease in trade and other receivables which was due to decrease in deposits received from customers; (ii) decrease in contract assets mainly due to reclassification of retention receivables as explained above; and offset against (a) increase in property, plant and equipment mainly due to purchase of plant and equipment for construction projects and right-of-use assets which arose from the adoption of SFRS(I) 16 *Leases* under the Engineering and Construction division; and (b) increase in share of profit in associated companies.

The Group's current liabilities recorded an increase of S$28.5 million, mainly due to: (i) increase in trade and other payables which was due to increase in trade payables; (ii) increase in contract liabilities mainly due to increase in advances received from customers; and (iii) increase in bank borrowings and lease liabilities which arose from the adoption of SFRS(I) 16 *Leases* mainly due to increase in working capital requirements.

The Group's non-current liabilities showed an increase of S$22.8 million mainly due to increase in bank borrowings and lease liabilities.

Review of cash flow

The Group reported a net cash inflow of S$26.8 million in FY2019.

Net cash of S$15.2 million generated from operating activities was mainly due to decrease in receivables.

Net cash used in investing activities of S$19.4 million was mainly due to purchase of plant and equipment under the Engineering and Construction division.

Net cash of S$31.1 million generated from financing activities was mainly contributed by proceeds from exercise of warrants and bank borrowings.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, an explanation of 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 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.

Engineering and Construction Sector

On 2 January 2020, Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy grew by 0.7% in 2019 compared to 3.1% in 2018. The Building and Construction Authority ("BCA") has projected the total construction demand to range between S$28 billion and S$33 billion in 2020 of which public sector construction demand is expected to reach between S$17.5 billion and S$20.5 billion. This is about 60% of the projected demand for 2020. Public sector construction demand is expected to be spurred by major infrastructure projects, such as the Integrated Waste Management Facility, infrastructure works for Changi Airport Terminal 5, Jurong Region MRT Line and Cross Island MRT Line.

We expect the construction industry to remain challenging in the face of keen competition and higher operating costs. However, we remain cautiously optimistic as we have a strong track record in civil engineering projects and are well positioned to continue to secure more projects. With the recent award of the Influent Pumping Stations Contract for Tuas Water Reclamation Plant from the PUB, under a joint venture wtith China Habour (Singapore) Engineering Company Pte Ltd, the Group's order book, as at 31 December 2019, has been lifted to S$857.1 million.

Bio-Refinery and Bio-Energy Sector

Oiltek Sdn. Bhd. ("Oiltek"), our subsidiary, is an integrated supplier with process expertise that covers the complete global supply chain in the edible oil industry, renewable and bioenergy sector, as well as high value downstream processes. Oiltek will continue to develop new technologies in the refining process so as to provide continual innovation to the industry. With its technologies and expertise, Oiltek remains optimistic about the long term growth prospects despite the current challenges facing the commodities industry.

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	**0.05 cent per ordinary share**
Dividend Rate (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	**Final**
Dividend Type	**Cash**
Dividend Amount per Share	**0.10 cent per ordinary share**
Dividend Rate (in %)	**NA**
Par value of shares	**NA**
Tax rate	**Tax exempt (One-tier)**

(c) Date payable

The proposed dividend will be subject to approval by the shareholders at the forthcoming AGM. The payment date will be announced at a later date.

(d) Books closure date

Notice will be given at a later date on the closure of the Share Transfer Books and Register of Members of the Company to determine members' entitlement to the dividend.

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

Not applicable.

13 Interested Person Transaction

The general mandate for interested persons transactions was approved at the Annual General Meeting held on 17 April 2019.

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)**
	S$'000	**S$'000**
Transactions for the Sale of Goods and Services		
KBD Westwood Pte. Ltd.	-	**819**
KBD Holland Pte. Ltd.	-	**2,500**
Transactions for the Purchase of Goods and Services		
G & W Ready-Mix Pte Ltd	-	**1,822**
G & W Precast Pte Ltd	-	**143**
G & W Industries Pte Ltd	-	**748**
Hi Con (S) Pte. Ltd.	-	**140**
Koh Brothers Group Limited	-	**2,471**
Koh Brothers Holdings Pte Ltd	-	**457**
Kosland Pte. Ltd.		**116**

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

GROUP (S$'000)	ENGINEERING & CONSTRUCTION	BIO-REFINERY & BIO-ENERGY	TOTAL
2019			
REVENUE			
External sales	263,884	26,739	290,623
Inter-segment	-	-	-
	263,884	26,739	290,623
Elimination			-
			290,623
RESULTS			
Segment results	5,135	3,593	8,728
Share of profit from associated companies	375	-	375
Interest income			167
Finance expenses			(2,345)
Income tax expenses			(748)
Profit after income tax			6,177
2018			
REVENUE			
External sales	301,515	27,300	328,815
Inter-segment	-	-	-
	301,515	27,300	328,815
Elimination			-
			328,815
RESULTS			
Segment results	5,820	1,765	7,585
Share of profit from an associated companies	317	-	317
Interest income			174
Finance expenses			(1,055)
Income tax expenses			(1,081)
Profit after income tax			5,940

Revenue by Geographical Segment (S$'000):

	2019	2018
Singapore	263,683	301,515
Malaysia	6,399	8,471
Indonesia	3,215	5,709
The rest of Asia**	2,683	6,218
South America	652	357
Africa	13,991	6,280
Others	-	265
	290,623	328,815

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

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

BY BUSINESS SEGMENT

Engineering and Construction

The segment recorded a decrease in revenue from S$301.5 million in FY2018 to S$263.9 million in FY2019 mainly due to certain construction projects were nearing their completion stage in FY2019.

Bio-Refinery and Bio-Energy

The segment revenue decreased by S$0.6 million in FY2019 as compared to FY2018 mainly due to a decline in the global demand for bio-refining and bio-energy products. However, there was an increase of S$1.8 million in the segment results in FY2019 as compared to FY2018 mainly due to higher profit margin.

BY GEOGRAPHICAL SEGMENT

There was a general decrease in revenue in most geographical segments, except for South America and Africa. The decrease was mainly due to lower revenue from the Engineering and Construction segment as certain construction projects were nearing their completion stage in FY2019.

16 A breakdown of sales.

	S$'000		%
	31/12/2019	31/12/2018	Change
Sales reported for first half year	129,512	118,971	9
Operating profit after tax before deducting non-controlling interests reported for first half year	1,751	2,503	-30
Sales reported for second half year	161,111	209,844	-23
Operating profit after tax before deducting non-controlling interests reported for second half year	4,426	3,437	29

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	
	31/12/2019	31/12/2018
Ordinary-Proposed final	883	1,564

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 issuer pursuant to Rule 704(10) 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 first held	Details of changes in duties and position held, if any, during the year
Koh Keng Seng	56	Cousin of Mr Koh Keng Siang	Director of Koh Brothers Building & Civil Engineering Contractor (Pte) Ltd, since 2008. Responsible for management of logistics, workshop, machinery and equipment functions under the Construction Division.	Nil

19 Requirement under Rule 720(1) of the Listing Manual Section B : Rules of Catalist

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix H) under Rule 720(1).

BY ORDER OF THE BOARD

Koh Keng Siang
Non-Executive and Non-Independent Chairman

23 January 2020
Singapore

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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