

Responses to SGX Queries :: On Financial Statements :: RESPONSES TO SGX QUERIES ON THE FULL YEAR RESULTS ENDED 31 DECEMBER 2012

* Asterisks denote mandatory information

Name of Announcer *	KOH BROTHERS GROUP LIMITED
Company Registration No.	199400775D
Announcement submitted on behalf of	KOH BROTHERS GROUP LIMITED
Announcement is submitted with respect to *	KOH BROTHERS GROUP LIMITED
Announcement is submitted by *	KOH KENG SIANG
Designation *	MANAGING DIRECTOR & GROUP CEO
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	RESPONSES TO SGX QUERIES ON THE FULL YEAR RESULTS ENDED 31 DECEMBER 2012
Subject of Query *	On Financial Statements
Description	PLEASE SEE ATTACHED.

Attachments [ResponsestoSGXqueries.pdf](#)

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KOH BROTHERS GROUP LIMITED

(Unique Entity Number: 199400775D)

RESPONSES TO SGX QUERIES ON THE FULL YEAR RESULTS ENDED 31 DECEMBER 2012

SGX Queries:

1. The Company recorded a significant increase in distribution and marketing expenses from S\$524,000 in FY2011 to S\$10.528 million in FY2012. Under the review of the Group's performance, the Company stated that these expenses was mainly due to "sales and marketing costs incurred for residential property projects". Please provide a comparison between the residential property projects obtained in FY2011 and FY2012 and the reasons for higher sales and marketing costs incurred in FY2012 which respect to these projects. To also provide a breakdown of the material items in the distribution and marketing expenses contributing to the significant increase.
2. The Company recorded a \$3.395 million write-back of provision on disposal of subsidiaries for FY2012. Please elaborate on the circumstances leading to this write-back.
3. The Company made significant allowances for impairment on trade and non-trade receivables of \$2.335 million in 4Q2012 and \$1.809 million in FY2012 compared to write backs of such impairments in previous corresponding periods. Please explain the reasons for the significant provisions made on trade and non-trade receivables in 4Q2012 and FY2012 and whether these provisions relate to any major customers.

Responses:

1. The sales and marketing cost incurred for residential property project in FY2012 was S\$7,456,000 compared to S\$1,416,000 in FY2011. The higher sales and marketing cost incurred in FY2012 was mainly for the 486-unit Parc Olympia condominium which was launched in July 2012. There was no new residential property project launched in FY2011. The increase in distribution and marketing expenses was mainly attributable to higher advertisement, marketing and promotions, sales commission and allowance for impairment on trade receivables in FY2012.
2. The subsidiaries being liquidated had previously provided for professional fees, commission fees and tax liabilities for their past projects. As the subsidiaries are to be liquidated in FY2012, a review was made on the provision. Accordingly, the provision was written back as it was no longer required.
3. The provision made on trade and non-trade receivables in 4Q2012 and FY2012 was mainly due to disputed debts from the Construction and Building and Materials division. The provision is project specific and do not relate to any major customer.

By Order of the Board

Koh Keng Siang
Managing Director & Group Chief Executive Officer

1 March 2013