


## SECOND QUARTER RESULTS \* FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

\* Asterisks denote mandatory information

<b>Name of Announcer *</b>	KOH BROTHERS GROUP LIMITED
<b>Company Registration No.</b>	199400775D
<b>Announcement submitted on behalf of</b>	KOH BROTHERS GROUP LIMITED
<b>Announcement is submitted with respect to *</b>	KOH BROTHERS GROUP LIMITED
<b>Announcement is submitted by *</b>	KOH KENG SIANG
<b>Designation *</b>	MANAGING DIRECTOR & GROUP CEO
<b>Date &amp; Time of Broadcast</b>	06-Aug-2013 19:04:35
<b>Announcement No.</b>	00194

## &gt;&gt; ANNOUNCEMENT DETAILS

The details of the announcement start here ...

<b>For the Financial Period Ended *</b>	30-06-2013
<b>Description</b>	PLEASE SEE ATTACHED.
<b>Attachments</b>	 <a href="#">KBGAnnouncement2Q13.pdf</a> Total size =66K (2048K size limit recommended)



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 2013

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 %	6 months ended		Change %
		30/06/2013 S\$'000	30/06/2012 S\$'000		30/06/2013 S\$'000	30/06/2012 S\$'000	
Sales	1	109,838	50,870	116%	190,594	109,541	74%
Cost of sales		(94,123)	(40,395)	133%	(163,900)	(89,038)	84%
Gross profit		15,715	10,475	50%	26,694	20,503	30%
Other gains - net	2	969	779	24%	1,204	1,407	-14%
Expenses							
- Distribution		(2,337)	(2,092)	12%	(3,279)	(2,106)	56%
- Administrative		(7,000)	(5,018)	39%	(12,495)	(10,732)	16%
- Other		(230)	(200)	15%	(401)	(381)	5%
- Finance		(589)	(696)	-15%	(1,117)	(1,377)	-19%
Share of (loss)/profit from associate companies		(192)	96	-300%	(31)	152	-120%
Profit before income tax	3	6,336	3,344	89%	10,575	7,466	42%
Income tax expense	4	(913)	(628)	45%	(2,037)	(1,661)	23%
Profit after income tax		5,423	2,716	100%	8,538	5,805	47%
Other comprehensive income, net of tax:							
Exchange differences on translating foreign operations		(25)	187	-112%	10	(206)	105%
Total comprehensive income		5,398	2,903	86%	8,548	5,599	53%
Profit attributable to:							
Equity holders of the Company		4,843	2,609	86%	8,105	5,810	40%
Non-controlling interests		580	107	442%	433	(5)	8760%
		5,423	2,716	100%	8,538	5,805	47%
Total comprehensive income attributable to:							
Equity holders of the Company		4,975	2,790	78%	8,229	5,598	47%
Non-controlling interests		423	113	274%	319	1	31800%
		5,398	2,903	86%	8,548	5,599	53%

**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 gains include the following :

Rental income  
Profit on disposal of property, plant and equipment  
Fair value (loss)/gain on long-term financial assets and financial liabilities  
Fair value (loss)/gain on financial assets through profit or loss  
Interest income  
Rebates and Others

**Note 3**

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

Allowance for/(Write-back of allowance for) impairment on trade and non-trade receivables  
Allowance for inventory obsolescence  
Depreciation of property, plant and equipment  
Property, plant and equipment written off  
Net foreign exchange loss/(gain)

**Note 4**

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  
- under provision in respect of prior period

GROUP			
3 months ended		6 months ended	
30/06/2013	30/06/2012	30/06/2013	30/06/2012
S\$'000	S\$'000	S\$'000	S\$'000
33,936	25,484	57,216	46,355
1,172	1,121	2,992	2,104
40,452	9,285	73,043	15,797
34,278	14,980	57,343	45,285
<b>109,838</b>	<b>50,870</b>	<b>190,594</b>	<b>109,541</b>
222	20	280	26
94	263	101	323
(2)	(54)	(54)	(253)
(12)	259	(8)	384
10	37	22	448
657	254	863	479
<b>969</b>	<b>779</b>	<b>1,204</b>	<b>1,407</b>
347	284	(738)	(163)
11	15	14	22
1,102	974	2,045	1,998
1	3	1	25
3	96	23	(41)
579	571	1,158	1,440
22	12	116	2
306	35	689	209
6	10	74	10
<b>913</b>	<b>628</b>	<b>2,037</b>	<b>1,661</b>

The Group's taxation charge for the 6 months period is higher than that determined by applying the Singapore income tax rate of 17% to the Group's profit before income tax mainly due to losses of certain subsidiaries being unable to be offsetted against profits of other subsidiaries.

## 1(b)(i) BALANCE SHEETS

	GROUP		COMPANY	
	30/06/2013 S\$'000	31/12/2012 S\$'000	30/06/2013 S\$'000	31/12/2012 S\$'000
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and bank balances	45,048	53,981	84	863
Financial assets at fair value through profit or loss	168	176	2,298	-
Trade receivables	50,165	59,905	-	-
Due from customers on construction contracts	11,635	7,047	-	-
Amounts due from subsidiaries (non-trade)	-	-	6,872	6,863
Amounts due from an associated company (trade)	7	7	-	-
Inventories	13,311	12,526	-	-
Tax recoverable	46	25	-	-
Other assets	16,724	14,395	-	-
Development properties	247,710	268,098	-	-
	<b>384,814</b>	<b>416,160</b>	<b>9,254</b>	<b>7,726</b>
<b>NON-CURRENT ASSETS</b>				
Amount due from subsidiaries (non-trade)	-	-	2,405	2,405
Trade receivables	13,725	10,396	-	-
Associated companies	2,178	800	-	-
Subsidiaries	-	-	90,191	84,469
Investment properties	205,591	204,161	-	-
Property, plant and equipment	77,886	60,019	-	-
Intangible asset	6,857	-	-	-
	<b>306,237</b>	<b>275,376</b>	<b>92,596</b>	<b>86,874</b>
<b>TOTAL ASSETS</b>	<b>691,051</b>	<b>691,536</b>	<b>101,850</b>	<b>94,600</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade payables	55,035	56,365	-	-
Other liabilities	39,660	39,298	515	622
Due to customers on construction contracts	47,998	34,619	-	-
Amounts due to subsidiaries (non-trade)	-	-	3,010	2,819
Amounts due to an associated company (trade)	881	1,005	-	-
Current income tax liabilities	4,509	5,678	-	-
Short-term borrowings	52,392	49,808	-	-
	<b>200,475</b>	<b>186,773</b>	<b>3,525</b>	<b>3,441</b>
<b>NON-CURRENT LIABILITIES</b>				
Amounts due to subsidiaries (non-trade)	-	-	9,464	9,339
Trade payables	4,217	3,956	-	-
Finance lease	1,267	497	-	-
Bank borrowings	256,633	287,138	-	-
Financial guarantee contracts	-	-	39	105
Other liabilities	1,874	-	-	-
Deferred taxation	8,222	7,396	-	-
	<b>272,213</b>	<b>298,987</b>	<b>9,503</b>	<b>9,444</b>
<b>TOTAL LIABILITIES</b>	<b>472,688</b>	<b>485,760</b>	<b>13,028</b>	<b>12,885</b>
<b>NET ASSETS</b>	<b>218,363</b>	<b>205,776</b>	<b>88,822</b>	<b>81,715</b>
<b>EQUITY</b>				
Capital and reserves attributable to equity holders of the Company				
Share capital	45,320	45,320	45,320	45,320
Treasury shares	(2,467)	(854)	(2,467)	(854)
Capital and other reserves	(1,604)	1,411	-	-
Retained profits	171,693	165,196	45,969	37,249
Currency translation reserve	(5,928)	(6,052)	-	-
	<b>207,014</b>	<b>205,021</b>	<b>88,822</b>	<b>81,715</b>
Non-controlling interests	11,349	755	-	-
<b>Total equity</b>	<b>218,363</b>	<b>205,776</b>	<b>88,822</b>	<b>81,715</b>
<b>1(b)(ii) Aggregate amount of Group's borrowings and debt securities.</b>				
	<b>As at 30/06/2013</b>		<b>As at 31/12/2012</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Amount repayable in one year or less, or on demand	43,169	9,223	48,721	1,087
Amount repayable after one year	256,900	1,000	286,901	734
<b>Details of any collateral</b>				
The Group's secured borrowings are secured by the Group's properties, plant and machinery, motor vehicles, fixed deposit, personal guarantees and a property owned by an ex-director.				

## 1(c) CONSOLIDATED CASH FLOW STATEMENT

	6 months ended	
	30/06/2013 S\$'000	30/06/2012 S\$'000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Total profit	8,538	5,805
Adjustments for non-cash items :		
Income tax	2,037	1,661
Depreciation of property, plant and equipment	2,045	1,998
Property, plant and equipment written off	1	25
Gain on disposal of property, plant and equipment	(101)	(323)
Fair value loss on long-term financial asset and financial liabilities	54	253
Fair value loss/(gain) on financial assets at fair value through profit or loss	8	(384)
Dividend income	(3)	-
Share of loss/(profit) from associated companies	31	(152)
Interest expense	1,117	1,377
Interest income	(22)	(448)
Unrealised foreign exchange (gain)/loss	(240)	44
Operating profit before working capital changes	13,465	9,856
Working capital changes :		
- Receivables	7,675	5,798
- Inventories	(482)	(1,994)
- Due from/ to customers on construction contracts	6,282	(2,042)
- Development properties	22,368	(121,704)
- Payables	(15,509)	(8,872)
Cash generated from/(used in) operations	33,799	(118,958)
Income tax paid	(2,809)	(1,878)
Interest paid	(3,297)	(2,391)
Net cash generated from/(used in) operating activities	27,693	(123,227)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of a subsidiary, net of cash acquired	11,845	-
Purchase of property, plant and equipment	(15,774)	(1,805)
Proceeds from disposal of property, plant and equipment	106	373
Additions to investment properties	(1,430)	-
Dividend received	3	-
Interest received	22	448
Net cash used in investing activities	(5,228)	(984)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Proceeds from bank borrowings	11,401	124,532
Repayment of finance lease	(1,076)	(2,375)
Repayment of bank borrowings	(41,753)	(12,406)
Purchase of treasury shares	(1,613)	(1,022)
Payment of dividend	(1,608)	(1,634)
Net cash (used in)/generated from financing activities	(34,649)	107,095
NET CHANGE IN CASH AND CASH EQUIVALENTS	(12,184)	(17,116)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	53,781	50,321
EFFECTS OF CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS	263	(182)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	41,860	33,023
Represented by :		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	45,048	34,150
Restricted cash	(1,636)	(200)
Bank overdrafts	(1,552)	(927)
	41,860	33,023

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		
<b>GROUP (\$S'000)</b>								
Balance as at 01/01/2013	45,320	(854)	1,411	165,196	(6,052)	205,021	755	205,776
Total comprehensive income for the period	-	-	-	8,105	124	8,229	319	8,548
Acquisition of a subsidiary	-	-	(3,015)	-	-	(3,015)	10,275	7,260
Purchase of treasury shares	-	(1,613)	-	-	-	(1,613)	-	(1,613)
Final dividend	-	-	-	(1,608)	-	(1,608)	-	(1,608)
Balance as at 30/06/2013	45,320	(2,467)	(1,604)	171,693	(5,928)	207,014	11,349	218,363
Balance as at 01/01/2012, as previously reported	47,966	(2,287)	1,411	139,629	(5,885)	180,834	1,792	182,626
Effect of adopting Amendments to FRS 12	-	-	-	7,550	-	7,550	-	7,550
Balance as at 01/01/2012, as restated	47,966	(2,287)	1,411	147,179	(5,885)	188,384	1,792	190,176
Total comprehensive income for the period	-	-	-	5,810	(212)	5,598	1	5,599
Cancellation of shares held in treasury	(2,646)	2,646	-	-	-	-	-	-
Purchase of treasury shares	-	(1,022)	-	-	-	(1,022)	-	(1,022)
Final dividend	-	-	-	(1,634)	-	(1,634)	-	(1,634)
Balance as at 30/06/2012	45,320	(663)	1,411	151,355	(6,097)	191,326	1,793	193,119

	Attributable to equity holders of the Company			
	Share Capital	Treasury Shares	Retained Profits	TOTAL
<b>COMPANY (\$S'000)</b>				
Balance as at 01/01/2013	45,320	(854)	37,249	81,715
Total comprehensive income for the period	-	-	10,328	10,328
Purchase of treasury shares	-	(1,613)	-	(1,613)
Final dividend	-	-	(1,608)	(1,608)
Balance as at 30/06/2013	45,320	(2,467)	45,969	88,822
Balance as at 01/01/2012	47,966	(2,287)	30,272	75,951
Total comprehensive income for the period	-	-	564	564
Cancellation of shares held in treasury	(2,646)	2,646	-	-
Purchase of treasury shares	-	(1,022)	-	(1,022)
Final dividend	-	-	(1,634)	(1,634)
Balance as at 30/06/2012	45,320	(663)	29,202	73,859

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	
	30/06/2013	31/12/2012
<b>Total number of issued shares</b>		
Beginning of financial period	466,475,400	479,613,400
Less: Cancellation of shares held in treasury	-	(13,138,000)
End of financial period	466,475,400	466,475,400

- 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	
30/06/2013	31/12/2012
457,132,400	462,320,400

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
6 months ended
30/06/2013
4,155,000
5,188,000
<b>9,343,000</b>

Beginning of financial period

Purchase of treasury shares

End of financial period

- 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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2012. The adoption of the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for financial periods beginning on or after 1 January 2013 has no significant impact to the Group.

- 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.

Please refer to paragraph 4.

- 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	
30/06/2013	30/06/2012	30/06/2013	30/06/2012
(cent)	(cent)	(cents)	(cents)
1.05	0.56	1.76	1.25
1.05	0.56	1.76	1.25

(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 460,263,820 ordinary shares (30 June 2012: 466,454,603 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	
30/6/2013	31/12/2012	30/06/2013	31/12/2012
(cents)	(cents)	(cents)	(cents)
45.29	44.35	19.43	17.67

Net asset value backing 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 457,132,400 ordinary shares as at 30 June 2013 (31 December 2012: 462,320,400 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

For the 3-month period ended 30 June 2013 ("2Q 2013"), sales amounted to S\$109.8 million, an increase of 116% from the previous corresponding period in 30 June 2012 ("2Q 2012"). The increase was primarily resulted from higher revenue from the real estate division. In line with the increase in sales, gross profit improved by 50% to S\$15.7 million.

Administrative expenses increased by 39% to S\$7.0 million in 2Q 2013 mainly due to the inclusion of similar expenses incurred by Metax Engineering Corporation Ltd ("Metax") which amounted to S\$1.8 million. The Group's profit before tax increased by 89% in 2Q 2013 to S\$6.3 million compared to S\$3.3 million in 2Q 2012 primarily due to higher profit contributed by the real estate division. The Group's net profit attributable to shareholders also increased by 86% to S\$4.8 million in 2Q 2013 from S\$2.6 million in 2Q 2012.

Sales for the half year ended 30 June 2013 ("1H 2013") was S\$190.6 million, an increase of 74% when compared to S\$109.5 million for the corresponding period ended 30 June 2012 ("1H 2012"). Gross profit for 1H 2013 increased by 30% to S\$26.7 million.

Higher distribution and marketing expenses was mainly due to sales and marketing costs incurred for residential property projects.

The Group's profit before tax increased by 42% to S\$10.6 million from S\$7.5 million a year ago. The Group's profit attributable to shareholders also improved by 40% from S\$5.8 million in 1H 2012 to S\$8.1 million in 1H 2013.

Earnings per share improved to 1.76 cents in 1H 2013 compared to 1.25 cents in 1H 2012.

#### Review of changes in working capital, assets and liabilities

The movements in assets and liabilities are as follows:

- 1) Decrease in cash and cash equivalent was mainly due to purchase of property, plant and equipment and repayment of bank borrowings.
- 2) Decrease in trade receivables was mainly due to settlement of billings by customers.
- 3) Decrease in development properties was mainly due to recognition of progress payments received.
- 4) Increase in property, plant and equipment was mainly due to the purchase of properties.
- 5) Intangible asset arise from the acquisition of a subsidiary.
- 6) The net increase in amount due to/from customers on construction contracts was mainly due to progress billings in excess of construction work-in-progress.
- 7) Decrease in bank borrowings was mainly due to repayments of loans by the real estate division.

#### Review of changes in cashflow

The Group reported a net decrease in cash and cash equivalents mainly due to purchase of property, plant and equipment and repayment of bank borrowings offset by net cash generated from operating activities and net cash inflow from the acquisition of Metax.

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

There was no second quarter forecast or prospect statement disclosed previously.

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.

We expect the level of construction activity to be sustained and are cautiously optimistic of the construction market. However, we expect the construction sector will remain challenging on the back of a competitive environment and difficulty in recruiting workers.

The effects of the various government measures have impacted the residential property market. The rise in prices of private residential properties has slowed down. Although the measures may have an impact on demand, we believe that the property market will remain stable.

11 Dividend

(a) Current Financial Period Reported On: 30 June 2013

(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.

No dividend has been declared or recommended for the period ended 30 June 2013.

#### PART II - ADDITIONAL INFORMATION REQUIRED FOR QUARTERLY ANNOUNCEMENT

13 Interested Person Transaction

Name of Interested Person	Aggregate value of all interested person transactions during the financial year 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)
Lai Mun Onn & Co.	\$'000 111	\$'000 -

14 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation for the current financial period.

#### 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 ended 30 June 2013 to be false or misleading.

ON BEHALF OF THE BOARD

Koh Keng Siang  
Managing Director & Group CEO

Koh Keng Hiong  
Executive Director

6 August 2013  
Singapore