

Financial Statements and Related Announcement::Full Yearly Results

Issuer & Securities

Issuer/ Manager	KOH BROTHERS GROUP LIMITED
Securities	KOH BROTHERS GROUP LIMITED - SG1B06007705 - K75 KOH BROTHERS S\$50M4.8%N180102 - SG6RG2000004 - 11IB
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Additional Details

For Financial Period Ended	31/12/2015
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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 2015

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
		31/12/2015	31/12/2014		31/12/2015	31/12/2014	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Sales	1	112,281	102,295	10%	427,320	395,145	8%
Cost of sales		(100,542)	(87,596)	15%	(372,388)	(332,852)	12%
Gross profit		11,739	14,699	-20%	54,932	62,293	-12%
Other income	2	738	124	495%	3,468	1,985	75%
Other gains, net		781	1,133	-31%	1,525	7,483	-80%
Expenses							
- Distribution		192	(69)	N.M.	(3,341)	(4,291)	-22%
- Administrative		(7,807)	(4,814)	62%	(22,540)	(23,408)	-4%
- Other		(4,769)	(109)	4275%	(4,996)	(1,812)	176%
- Finance		(1,262)	(1,937)	-35%	(5,671)	(3,025)	87%
Share of (loss)/profit (net of tax) of:							
- associated companies		(7)	62	N.M.	200	292	-32%
- joint ventures		10,070	(2,471)	N.M.	13,066	(5,711)	N.M.
Profit before income tax	3	9,675	6,618	46%	36,643	33,806	8%
Income tax expense	4	(2,663)	(770)	246%	(7,230)	(5,145)	41%
Profit after income tax		7,012	5,848	20%	29,413	28,661	3%
Other comprehensive income/(loss), net of tax:							
Exchange differences on translating foreign operations		394	(596)	N.M.	(1,878)	(612)	207%
Fair value gain/(loss) on available-for-sale financial assets		76	(256)	N.M.	(35)	(310)	-89%
Other comprehensive profit/(loss), net of tax		470	(852)	N.M.	(1,913)	(922)	108%
Total comprehensive income		7,482	4,996	50%	27,500	27,739	-1%
Profit attributable to:							
Equity holders of the Company		7,570	6,196	22%	27,878	29,529	-6%
Non-controlling interests		(558)	(348)	60%	1,535	(868)	N.M.
Total comprehensive income attributable to:		7,012	5,848	20%	29,413	28,661	3%
Equity holders of the Company		7,732	5,727	35%	27,368	28,897	-5%
Non-controlling interests		(250)	(731)	-66%	132	(1,158)	N.M.
		7,482	4,996	50%	27,500	27,739	-1%

N.M. - Not meaningful

Notes to the Consolidated Statement of Comprehensive Income

Note 1

Sales include the following :

Sales of products	32,317	26,483	116,360	126,600
Services rendered	944	1,251	5,781	5,293
Property development and rental	25,337	30,586	138,386	132,998
Contract revenue	53,683	43,975	166,793	130,254
	112,281	102,295	427,320	395,145

Note 2

Other income include the following :

Rental income	106	114	424	409
Interest income	646	17	2,740	1,347
Dividend income	2	6	2	6
Others	(16)	(13)	302	223
	738	124	3,468	1,985

Note 3

Other gains include the following :

Gain on disposal of property, plant and equipment	14	45	164	116
Gain on disposal of subsidiaries	50	1,358	50	1,358
Fair value (loss)/gain on financial assets and financial liabilities	(119)	(48)	(219)	373
Fair value gain/(loss) on investment properties	500	(394)	500	5,706
Fair value gain on financial assets through profit or loss	827	649	604	649
Net foreign exchange (loss)/gain	(491)	(477)	426	(719)
	781	1,133	1,525	7,483

Note 3

Profit before income tax is stated after charging the following items:
(Write-back of allowance for)/Allowance for impairment on trade and non-trade receivables

Allowance for impairment of loan to joint ventures	4,700	1,528	4,700	1,528
Depreciation of property, plant and equipment	1,708	1,489	6,843	5,609

Note 4

Income tax includes the following :

Current income tax				
- in respect of current period	8,642	1,440	10,840	2,840
- (over)/under provision in respect of prior period	(565)	(1,081)	519	(1,746)
Deferred income tax				
- in respect of current period	(5,897)	262	(3,649)	3,987
- over provision in respect of prior period	483	149	(480)	64
	2,663	770	7,230	5,145

The Group's current income tax charge for the financial year ended 31 December 2015 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 higher income tax rate for foreign subsidiaries.

1(b)(i) BALANCE SHEETS

	GROUP		COMPANY	
	31/12/2015 S\$'000	31/12/2014 S\$'000	31/12/2015 S\$'000	31/12/2014 S\$'000
ASSETS				
Current assets				
Cash and bank balances	64,465	77,331	930	2,737
Financial assets at fair value through profit or loss	49	2,783	-	1,149
Trade receivables	216,688	74,057	-	-
Due from customers on construction contracts	15,787	5,004	-	-
Amounts due from subsidiaries	-	-	60,309	58,642
Amounts due from an associated company	6	15	-	-
Amounts due from joint ventures	74,572	72,877	-	-
Inventories	11,404	15,842	-	-
Other assets	14,442	16,620	-	-
Available-for-sale financial assets	7,940	-	-	-
Development properties	1,198	137,280	-	-
	406,551	401,809	61,239	62,528
Non-current assets				
Available-for-sale financial assets	-	7,980	-	-
Trade receivables	3,421	1,260	-	-
Amount due from joint ventures	-	641	-	-
Investments in associated companies	1,452	1,522	-	-
Investments in joint ventures	63,951	50,884	-	-
Investments in subsidiaries	-	-	87,018	86,237
Investment properties	90,977	89,446	-	-
Property, plant and equipment	102,173	85,978	-	-
Goodwill	5,078	5,078	-	-
	267,052	242,789	87,018	86,237
Total assets	673,603	644,598	148,257	148,765
LIABILITIES				
Current liabilities				
Trade payables	80,651	76,371	-	-
Other liabilities	53,660	39,493	2,103	1,854
Due to customers on construction contracts	9,565	15,242	-	-
Amounts due to subsidiaries	-	-	6,877	6,872
Amounts due to an associated company	1,125	978	-	-
Amounts due to joint ventures	15,507	-	-	-
Current income tax liabilities	10,837	3,024	8	-
Short-term borrowings	111,707	56,963	-	-
	283,052	192,071	8,988	8,726
Non-current liabilities				
Trade payables	3,670	4,036	-	-
Finance lease	1,531	2,697	-	-
Bank borrowings	60,569	138,081	-	-
Notes payables	50,000	50,000	50,000	50,000
Deferred income tax liabilities	8,198	12,778	-	-
	123,968	207,592	50,000	50,000
Total liabilities	407,020	399,663	58,988	58,726
NET ASSETS	266,583	244,935	89,269	90,039
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	42,653	45,320	42,653	45,320
Treasury shares	(12,919)	(13,061)	(12,919)	(13,061)
Capital and other reserves	(441)	(406)	-	-
Retained profits	235,916	211,365	59,535	57,780
Currency translation reserve	(8,004)	(7,529)	-	-
	257,205	235,689	89,269	90,039
Non-controlling interests	9,378	9,246	-	-
Total equity	266,583	244,935	89,269	90,039

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

As at 31/12/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
96,963	14,744	33,375	23,588
60,239	51,861	140,222	50,556

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

CASH FLOWS FROM OPERATING ACTIVITIES

Total profit

Adjustments for non-cash items :

Income tax

Depreciation of property, plant and equipment

Gain on disposal of subsidiaries

Property, plant and equipment written off

Fair value gain on investment properties

Gain on disposal of property, plant and equipment

Fair value loss/(gain) on long-term financial asset and financial liabilities

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

Dividend income

Share of profit from associated companies

Share of (profit)/loss from joint ventures

Interest expense

Interest income

Unrealised foreign exchange gain

Operating profit before working capital changes

Working capital changes :

- Receivables

- Inventories

- Due from/to customers on construction contracts

- Development properties

- Payables

- Due from associated companies

- Due from joint ventures

Cash used in operations

Income tax paid

Interest paid

Net cash generated from operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment

Purchase of financial assets at fair value through profit or loss

Purchase of available-for-sale financial assets

Proceeds from disposal of property, plant and equipment

Proceeds from disposal of financial assets at fair value through profit or loss

Loan to joint venture companies

Additions to investment properties

Investment in a joint venture company

Dividend received

Interest received

Net cash used in investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from bank borrowings

Repayment of finance lease

Repayment of bank borrowings

Deposit pledge

Purchase of treasury shares

Payment of dividend

Net proceeds from issuance of notes

Net cash (used in)/generated from financing activities

	12 months ended	
	31/12/2015 S\$'000	31/12/2014 S\$'000
Total profit	29,413	28,661
Adjustments for non-cash items :		
Income tax	7,230	5,145
Depreciation of property, plant and equipment	6,843	5,609
Gain on disposal of subsidiaries	(50)	(1,358)
Property, plant and equipment written off	52	444
Fair value gain on investment properties	(500)	(5,706)
Gain on disposal of property, plant and equipment	(164)	(116)
Fair value loss/(gain) on long-term financial asset and financial liabilities	219	(373)
Fair value gain on financial assets at fair value through profit or loss	(604)	(649)
Dividend income	(2)	(6)
Share of profit from associated companies	(200)	(292)
Share of (profit)/loss from joint ventures	(13,066)	5,711
Interest expense	5,671	3,025
Interest income	(2,740)	(1,347)
Unrealised foreign exchange gain	(202)	(311)
Operating profit before working capital changes	31,900	38,437
Working capital changes :		
- Receivables	(142,574)	3,523
- Inventories	4,438	(3,265)
- Due from/to customers on construction contracts	(13,890)	(15,204)
- Development properties	138,004	(3,499)
- Payables	18,300	5,343
- Due from associated companies	156	29
- Due from joint ventures	14,454	2,452
Cash used in operations	50,788	27,816
Income tax paid	(3,955)	(1,555)
Interest paid	(7,600)	(3,312)
Net cash generated from operating activities	39,233	22,949
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property, plant and equipment	(25,252)	(5,610)
Purchase of financial assets at fair value through profit or loss	(5,086)	(1,975)
Purchase of available-for-sale financial assets	-	(8,290)
Proceeds from disposal of property, plant and equipment	266	334
Proceeds from disposal of financial assets at fair value through profit or loss	8,428	-
Loan to joint venture companies	-	(36,763)
Additions to investment properties	(1,036)	(1,717)
Investment in a joint venture company	-	(800)
Dividend received	2	6
Interest received	2,740	1,347
Net cash used in investing activities	(19,938)	(53,468)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from bank borrowings	55,905	112,265
Repayment of finance lease	(4,288)	(3,596)
Repayment of bank borrowings	(77,913)	(77,724)
Deposit pledge	1,933	42
Purchase of treasury shares	(2,525)	(7,266)
Payment of dividend	(3,327)	(3,082)
Net proceeds from issuance of notes	-	49,432
Net cash (used in)/generated from financing activities	(30,215)	70,071

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

12 months ended	
31/12/2015	31/12/2014
S\$'000	S\$'000
(10,920)	39,552
73,699	34,021
(13)	126
62,766	73,699

Represented by :

CASH AND CASH EQUIVALENTS

Cash and bank balances

Restricted cash

64,465 77,331

(1,699) (3,632)

62,766 73,699

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 INTEREST	TOTAL EQUITY	
	Share Capital	Treasury Shares	Capital and Other Reserves	Retained Profits	Currency Translation Reserve			TOTAL
Balance as at 01/01/2015	45,320	(13,061)	(406)	211,365	(7,529)	235,689	9,246	244,935
Profit for the financial period	-	-	-	27,878	-	27,878	1,535	29,413
Other comprehensive loss for the period	-	-	(35)	-	(475)	(510)	(1,403)	(1,913)
Cancellation of shares held in treasury shares	(2,667)	2,667	-	-	-	-	-	-
Purchase of treasury shares	-	(2,525)	-	-	-	(2,525)	-	(2,525)
Final dividend	-	-	-	(3,327)	-	(3,327)	-	(3,327)
Balance as at 31/12/2015	42,653	(12,919)	(441)	235,916	(8,004)	257,205	9,378	266,583
Balance as at 01/01/2014	45,320	(5,795)	(375)	184,918	(5,570)	218,498	10,404	228,902
Profit/(loss) for the financial year	-	-	-	29,529	-	29,529	(868)	28,661
Other comprehensive loss for the year	-	-	(310)	-	(322)	(632)	(290)	(922)
Gain on liquidation of a subsidiary	-	-	279	-	(1,637)	(1,358)	-	(1,358)
Purchase of treasury shares	-	(7,266)	-	-	-	(7,266)	-	(7,266)
Final dividend	-	-	-	(3,082)	-	(3,082)	-	(3,082)
Balance as at 31/12/2014	45,320	(13,061)	(406)	211,365	(7,529)	235,689	9,246	244,935

COMPANY (S\$'000)	Attributable to equity holders of the Company			TOTAL
	Share Capital	Treasury Shares	Retained Profits	
Balance as at 01/01/2015	45,320	(13,061)	57,780	90,039
Total comprehensive income for the period	-	-	5,082	5,082
Cancellation of shares held in treasury shares	(2,667)	2,667	-	-
Purchase of treasury shares	-	(2,525)	-	(2,525)
Final dividend	-	-	(3,327)	(3,327)
Balance as at 31/12/2015	42,653	(12,919)	59,535	89,269
Balance as at 01/01/2014	45,320	(5,795)	51,724	91,249
Total comprehensive income for the period	-	-	9,138	9,138
Purchase of treasury shares	-	(7,266)	-	(7,266)
Final dividend	-	-	(3,082)	(3,082)
Balance as at 31/12/2014	45,320	(13,061)	57,780	90,039

- 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: Cancellation of shares held in treasury
End of financial period

No. of shares	
31/12/2015	31/12/2014
466,475,400	466,475,400
(10,000,000)	-
456,475,400	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.

Total number of issued shares excluding treasury shares

No. of shares	
31/12/2015	31/12/2014
414,980,000	422,887,400

- 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 of financial period
Purchase of treasury shares
Cancellation of shares held in treasury
End of financial period

No. of shares
12 months ended 31/12/2015
43,588,000
7,907,400
(10,000,000)
41,495,400

- 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 reporting period compared with the audited financial statements as at 31 December 2014 except for the adoption of new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2015. The adoption of these new or revised FRS and INT FRS has no significant impact on the Group's consolidated financial statements.

- 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 above.

- 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:

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

GROUP			
3 months ended		12 months ended	
31/12/2015	31/12/2014	31/12/2015	31/12/2014
(cents)	(cents)	(cents)	(cents)
1.82	1.42	6.69	6.76
1.82	1.42	6.69	6.76

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 416,757,753 ordinary shares (31 December 2014: 437,071,296 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	
31/12/2015 (cents)	31/12/2014 (cents)	31/12/2015 (cents)	31/12/2014 (cents)
61.98	55.73	21.51	21.29

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 414,980,000 ordinary shares as at 31 December 2015 (31 December 2014: 422,887,400 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 31 December 2015 ("4Q 2015"), sales rose 10% to S\$112.28 million from S\$102.30 million in the corresponding period last year ("4Q 2014"). The increase in sales was mainly contributed by the Construction and Building Materials divisions. However, the Group's gross profit decreased 20% to S\$11.74 million in 4Q 2015 from S\$14.70 in 4Q 2014 primarily due to lower gross profit margins.

The Group's other income increased to S\$0.74 million in 4Q 2015 from S\$0.12 million in 4Q 2014 mainly due to increase in interest income. Other gains decreased from S\$1.13 million in 4Q 2014 to S\$0.78 million in 4Q 2015 because of a gain on disposal of a subsidiary a year ago, partially offset by net fair value on investment properties in the current period. Administrative expenses increased to S\$7.81 million in 4Q 2015 from S\$4.81 million in 4Q 2014 mainly due to absence of write-back of over-provision made in the previous year. Other expenses increased from S\$0.11 million in 4Q 2014 to S\$4.77 million in 4Q 2015 mainly due to allowance for impairment of loan to joint ventures of S\$4.70 million. Finance expenses decreased from S\$1.94 million in 4Q 2014 to S\$1.26 million in 4Q 2015 mainly due to repayment of bank borrowings. Depreciation expenses increased from S\$1.49 million in 4Q 2014 to S\$1.71 million in 4Q 2015. The increase was primarily due to increase in depreciable assets.

Share of results of joint venture companies recorded a profit of S\$10.07 million in 4Q 2015. This was mainly due to fair value gain on an investment property after the completion of its asset enhancement.

The Group's profit before income tax increased 46% to S\$9.68 million in 4Q 2015 from S\$6.62 million in 4Q 2014 mainly generated from the Real Estate division. The Group's net profit attributable to shareholders increase 22% to S\$7.57 million in 4Q 2015 from S\$6.20 million in 4Q 2014.

The Group's sales for the year ended 31 December 2015 ("12M 2015") increased 8% to S\$427.32 million, compared to S\$395.15 million for the corresponding year ended 31 December 2014 ("12M 2014"). The increase was primarily resulted from higher revenue from the Real Estate and Construction and Building Materials divisions. The gross profit for 12M 2015 decreased by 12% to S\$54.93 million due to reduction in gross profit margins from the Real Estate and Construction and Building Materials divisions.

Other income increased from S\$1.99 million in 12M 2014 to S\$3.47 million mainly due to an increase in interest income. Other gains decreased from S\$7.49 million in 12M 2014 to S\$1.53 million in 12M 2015. This was mainly due to net gain of S\$5.71 million in the fair value of investment properties a year ago compared to S\$0.5 million in the current year. Distribution expenses decreased to S\$3.34 million in 12M 2015 from S\$4.30 million in 12M 2014 primarily resulting from reduction in allowance made for impairment on trade receivables. Other expenses increased from S\$1.81 million in 12M 2014 to S\$5.00 million in 12M 2015 mainly due to allowance for impairment of loan to joint ventures. Finance expenses increased to S\$5.67 million in 12M 2015 from S\$3.03 million in 12M 2014 mainly due to interest expenses from Notes issued in early July 2014 and additional bank borrowings. Depreciation expenses increased from S\$5.61 million in 12M 2014 to S\$6.84 million in 12M 2015. The increase was primarily due to increase in depreciable assets.

Share of results of joint venture companies recorded a profit of S\$13.07 million in 12M 2015 compared to a loss of S\$5.71 million in 12M 2014. This was mainly due to fair value gain from an investment property offset by initial setup cost for a residential project in 12M 2015.

The Group's profit before income tax increased from S\$33.81 million in 12M 2014 to S\$36.64 million in 12M 2015 mainly due to higher profit generated from the Real Estate division. The Group's net profit attributable to shareholders decreased from S\$29.53 million in 12M 2014 to S\$27.88 million in 12M 2015.

Earnings per share decreased slightly to 6.69 cents in 12M 2015 compared to 6.76 cents in 12M 2014.

Review of changes in working capital, assets and liabilities

The movements in assets and liabilities are as follows:

- 1) Decrease in cash and cash equivalents was mainly due to purchase of property, plant and equipment.
- 2) Decrease in financial assets at fair value through profit or loss was mainly due to the disposal of the investment during the year.
- 3) Increase in trade receivables was mainly due to progress billings to customer upon TOP for a residential project.
- 4) Increase in amount due from customers on construction contracts was mainly due to construction work-in-progress in excess of progress billings.
- 5) Increase in amount due from joint ventures was mainly due to increase in trade debts between the joint ventures and the Group.
- 6) Decrease in inventories was mainly due to lower inventory levels held by the Building Materials division.
- 7) Decrease in development properties was mainly due to the cost recognition for the residential project which obtained TOP in December 2015.

- 8) Non-current assets increased by S\$24.26 million was mainly due to purchase of property, plant and equipment and share of joint ventures' profits during the year.
- 9) Current liabilities increased by S\$90.98 million. This was primarily due to increase in short-term borrowings of S\$54.74 million, other liabilities of S\$14.17 million, due to joint ventures of S\$15.51 million and current income tax liabilities of S\$7.81 million.
- 10) Non-current liabilities decreased by S\$83.62 million mainly due to reclassification of bank borrowings from long-term to short-term.

Review of changes in cashflow

The Group reported a net decrease in cash and cash equivalents mainly due to the usage of funds to purchase property, plant and equipment and net cash used in financing activities.

- 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 2015.

- 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.

According to advance estimates by the Ministry of Trade and Industry, the Singapore economy grew by 2.1% in 2015 compared to 2.9% in 2014. The construction sector grew by 1.1% in 2015, much lower than the 3.0% recorded in the previous year. The total construction demand was approximately \$27.2 billion in 2015 with public sector projects accounting for more than half of the demand. The total demand fell short of earlier estimates of between \$29 billion and \$36 billion by the Building and Construction Authority (BCA). For 2016, BCA expects construction demand to be between \$32 billion and \$34 billion with increased demand for civil engineering projects. Being an established civil engineering contractor, we are cautiously optimistic. The construction industry is still challenging because of competition and a tight labour market.

Latest statistics from the Urban Redevelopment Authority showed that prices of private residential properties declined by 3.7% in 2015 compared to 4.0% in 2014. Although the rate of decline seems to be lower, it has been a challenging year for the real estate industry. Without any change to the various property cooling measures, we expect prices in the residential property market to further moderate.

- 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	(1) Special (2) Final
Dividend Type	Cash
Dividend Amount per Share	(1) Special: 0.30 cent per ordinary share (2) Final: 0.50 cent per ordinary share
Dividend Rates (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	(1) Special (2) Final
Dividend Type	Cash
Dividend Amount per Share	(1) Special: 0.30 cent per ordinary share (2) Final: 0.50 cent per ordinary share
Dividend Rates (in %)	NA
Par value of shares	NA
Tax rate	Tax exempt (One-tier)

- (c) Date payable

The proposed dividend, if approved by the shareholders at the forthcoming AGM, will be paid on 16 June 2016.

- (d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed 31 May 2016 for the preparation of dividend warrants. Registrable Transfer received by the Company up to 5:00pm on 30 May 2016 will be registered to determine shareholders' entitlements to the final dividend.

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 13 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)					
2015					
SALES					
External	140,616	3,550	283,154	-	427,320
Inter-segment	1,579	117	56,796	-	58,492
	142,195	3,667	339,950	-	485,812
Elimination					(58,492)
					427,320
RESULTS					
Segment results	15,540	35	10,408	(344)	25,639
Net investment gain	-	-	669	-	669
Interest income					2,740
Finance expenses					(5,671)
Share of profit/(loss) from:					
-associates	-	-	200	-	200
-joint ventures	13,066	-	-	-	13,066
Profit before income tax					36,643
2014					
SALES					
External	134,999	3,293	256,853	-	395,145
Inter-segment	1,498	6	45,542	-	47,046
	136,497	3,299	302,395	-	442,191
Elimination					(47,046)
					395,145
RESULTS					
Segment results	27,228	(647)	13,758	(804)	39,535
Net investment gain	2	-	8	1,358	1,368
Interest income					1,347
Finance expenses					(3,025)
Share of profit from:					
-associates	-	-	292	-	292
-joint ventures	(5,711)	-	-	-	(5,711)
Profit before income tax					33,806

Sales by Geographical Segment (S\$'000):

	2015	2014
Singapore	387,073	345,431
China	4,312	8,123
Malaysia	18,371	27,702
Indonesia	6,313	3,667
Others **	11,251	10,222
	427,320	395,145

**Including Thailand, South America, India and Africa.

- 14 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 increased by S\$32.18 million in FY2015 as compared to FY2014. This was mainly due to higher revenue contributed from the Construction & Building Materials division which resulted from higher revenue recognition from on-going and new construction projects. The results from this division was however lower in FY2015 because of lower margins from projects.

Results from the Real Estate division was lower in FY2015 as compared to FY2014 because of additional allowance for impairment of loan to joint ventures by S\$3.17 million and decrease in fair value gain on investment properties by S\$5.21 million.

By Geographical Segment

The sales contributed by Singapore increased by S\$41.64 million in FY2015 mainly due to increase in sales from the Real Estate and Construction business.

The sales contributed by China decreased by S\$3.81 million in FY2015 in line with a more depressed market there.

The sales contributed by Malaysia decreased by S\$9.33 million in FY2015 mainly due to lower percentage of construction revenue recognition as well as deterioration in the exchange rate.

The sales contributed by Indonesia increased by S\$2.65 million in FY2015 mainly due to higher percentage of construction revenue.

15 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

	2015	2014	Change
Sales reported for first half year	221,959	183,234	21%
Profit after income tax before deducting non-controlling interests reported for first half year	19,415	15,896	22%
Sales reported for second half year	205,361	211,911	-3%
Profit after income tax before deducting non-controlling interests reported for second half year	9,998	12,765	-22%

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

	S\$'000	
	31/12/2015	31/12/2014
Ordinary-Proposed final	3,327	3,082

17 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)
	S\$'000	S\$'000
Koh Keng Siang	241	-
Koh Keng Hiong	219	-

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

- 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 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	50	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/Administration Manager since 2015. Responsible for managing the Group's human resources and administration function.	Nil
Erliana Sutadi	46	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	52	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 management of logistics, workshop, machinery and equipment functions under the Construction division.	Nil
Tay Juak Chiang	42	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 steel fabrication division.	Nil
Phua Eng Hong	53	Brother-in-law of Mr Koh Keng Siang	Director of Dalian Megacity Trading Co., Ltd, since 2008. No executive duties.	Nil
Koh Kheng Yeow	49	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

17 February 2016
Singapore



NEWS RELEASE

KOH BROTHERS REVENUE GROWS 8% TO \$427.3 MILLION IN FY2015

- ***FY2015 net profit slips marginally to S\$27.9 million***
- ***Balance sheet remains healthy with cash and cash equivalents of S\$64.5 million***
- ***Net gearing remains low at 0.62 times***

Singapore, February 17, 2016 – Koh Brothers Group Limited (“Koh Brothers”, “許兄弟有限公司”, or the “Group”), a well-established construction, property development and specialist engineering solutions provider, announced today an 8% growth in turnover to S\$427.3 million for the financial year ended December 31, 2015 (“FY2015”), lifted by stronger performance across all business segments.

Mr. Francis Koh (“许庆祥”), Managing Director and Group CEO of Koh Brothers, commented: “Amidst a challenging operating environment, we are pleased to have sustained our topline growth as we seek to fine tune our corporate strategy, sharpen our competitive niche and improve productivity through greater adoption of technology and innovation to increase margin efficiency.”

The Group had announced in January 2016 a proposal for its 41%-owned SGX Catalist-listed subsidiary, KB Eco Engineering Limited, to acquire its building and civil engineering construction subsidiary to reap synergies and tap opportunities in the water and wastewater treatment and hydro-engineering sectors.

Performance Review

The Group's 8% growth in revenue from S\$395.1 million recorded for the financial year ended December 31, 2014 ("FY2014") was mainly due to a 4.2% and 10.2% growth in revenue from its Real Estate and Construction & Building Materials business segments, respectively. The Leisure & Hospitality segment also saw a 7.8% topline growth.

Koh Brothers also recorded a fair value gain on an investment property following the completion of an asset enhancement exercise, contributing to the S\$13.1 million recorded for the Group's share of profit of joint ventures.

Due to lower margins earned, coupled with an increase in expenses, depreciation and a rise in other income due to interest income earned, the Group recorded net profit attributable to shareholders of S\$27.9 million in FY2015, a 6% slip from S\$29.5 million a year ago.

For the three-month period ended December 31, 2015, Koh Brothers reported a 10% growth in revenue to S\$112.3 million from S\$102.3 million in the corresponding period a year ago. Net profit attributable to shareholders grew 22% to S\$7.6 million from S\$6.2 million over the same comparative periods.

The Group's balance sheet remains healthy with cash and cash equivalents of S\$64.5 million and shareholders' equity of approximately S\$257.2 million, as at December 31, 2015.

Earnings per share for the 12 months ended December 31, 2015 decreased slightly to 6.69 Singapore cents from 6.76 Singapore cents a year ago, while net asset value per share rose to 61.98 Singapore cents from 55.73 Singapore cents across the same comparative periods.

The Group's debt servicing ability with liquidity remains comfortable with a current ratio of 1.44 times and net gearing ratio of 0.62 time.

Outlook and Strategies

Latest statistics from the Ministry of Trade and Industry ("MTI") showed that the economy expanded 2.1% in 2015 compared to 2.9% in 2014, while the construction sector grew at a slower rate of 1.1% in 2015 compared to a growth of 3.0% in the previous year¹.

Data from the Building and Construction Authority ("BCA") showed that the total construction demand in 2015 was approximately S\$27.2 billion, with public sector projects accounting for more than half the demand, albeit falling short of an earlier estimate of between S\$29 billion to S\$36 billion².

On the construction outlook for 2016, the BCA remains optimistic, expecting construction demand to remain strong at between S\$32.0 billion and S\$34.0 billion, of which 65% will be derived from the public sector and foreseeing an increase in demand for civil engineering projects³.

"Given the escalating costs, we remain cautiously optimistic on the construction industry. Armed with our strong track record and civil engineering capabilities, we are well-positioned to capitalise on the expected growth in construction demand. Having recently won the S\$1.12 billion contract win from Changi Airport Group with our joint venture partner, Samsung C&T Corporation, we hope to clinch more of such large-scale contracts this year," commented Mr. Koh.

¹ *Singapore's GDP Grew by 2.0 Per Cent in the Fourth Quarter of 2015 – Ministry of Trade and Industry, January 4, 2016*

² *Forecast and Actual Construction Demand (To Date) – Building and Construction Authority, January 2016*

³ *Public sector, civil engineering projects to drive construction demand this year: BCA – Business Times, January 16 – 17, 2016*

On the property market, latest statistics from the Urban Redevelopment Authority showed a 3.7% slip in private residential property prices in 2015 despite a slight improvement in the fourth quarter of 2015 of a 0.5% dip in prices compared to a 1.3% decline in the preceding quarter⁴.

“It has been a challenging year for the industry, and we expect prices to moderate further in 2016 with no visibility of an adjustment of the property cooling measures in place. While we continue to push sales of our ongoing property development projects, we believe there are still viable opportunities in Singapore and overseas as we seek to replenish our land bank and strengthen our recurring income streams to ensure sustainable growth,” added Mr Koh.

About Koh Brothers Group Limited

Listed on Main Board of the SGX-ST in August 1994, Koh Brothers Group Limited (“**Koh Brothers**”, or together with its subsidiaries, the “**Group**”) is a well-established construction, property development and specialist engineering solutions provider, which was started as a sole proprietorship in 1966 by Mr. Koh Tiat Meng. Today, the Group has more than 40 subsidiaries, joint venture companies and associated companies spread over Singapore, PRC, Indonesia, and Malaysia.

Over the years, the Group has undertaken numerous construction and infrastructure projects with its A1 grading by the Building and Construction Authority (“BCA”). It is currently the highest grade for contractors’ registration in this category, and allows the Group to tender for public sector construction projects of unlimited value. In addition, the Group has developed a name for itself as a niche real estate developer, with an established reputation for quality and innovation.

⁴ Release of 4th Quarter 2015 real estate statistics – Urban Redevelopment Authority, January 22, 2016

The Group's diversified businesses present them with multiple revenue streams from three core areas:

- Construction and Building Materials;
- Real Estate; and
- Leisure and Hospitality.

In 2013, the Group also broadened its reach into the environmental engineering sector, with a strategic acquisition of a 41.0% stake in SGX Catalist Board-listed Koh Brothers Eco Engineering Limited (formerly known as Metax Engineering Corporation Limited).

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