Print this page

Full Year Results * Financial Statement And Related Announcement

* 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
Date & Time of Broadcast	15-Feb-2012 17:44:19
Announcement No.	00063

>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2011

Description	Please refer to the attachments.

Attachments

ResultsFY2011.pdf

PressRelease.pdf

Total size = **429K**
(2048K size limit recommended)

Close Window

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 2011

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

1(a) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		GROUP					
		3 months ended			12 months ended		
	Notes	31/12/2011 S$'000	31/12/2010 (Restated) S$'000	Change %	31/12/2011 S$'000	31/12/2010 (Restated) S$'000	Change %
Sales	1	66,876	98,565	-32%	341,145	361,602	-6%
Cost of sales		(62,255)	(90,024)	-31%	(296,943)	(326,360)	-9%
Gross profit		4,621	8,541	-46%	44,202	35,242	25%
Other gains	2	1,175	1,550	-24%	1,390	3,055	-55%
Expenses							
- Distribution		6	(4,179)	-100%	524	(5,792)	-109%
- Administrative		(3,347)	(4,044)	-17%	(17,426)	(17,117)	2%
- Other		(474)	108	539%	(1,456)	(796)	83%
- Finance		(953)	(671)	42%	(2,879)	(2,935)	-2%
Share of profit/(loss) from an associated company		99	141	-30%	242	(32)	-856%
Profit before income tax	3	1,127	1,446	-22%	24,597	11,625	112%
Income tax credit/(expense)	4	431	(204)	311%	(3,976)	(1,846)	115%
Profit after income tax		1,558	1,242	25%	20,621	9,779	111%
Other comprehensive income, net of tax:							
Exchange differences on translating foreign operations		240	156	54%	792	(674)	218%
Total comprehensive income		1,798	1,398	29%	21,413	9,105	135%
Profit attributable to:							
Equity holders of the Company		1,287	1,943	-33%	19,887	11,039	80%
Non-controlling interests		271	(701)	139%	734	(1,260)	158%
		1,558	1,242	25%	20,621	9,779	111%
Total comprehensive income attributable to:							
Equity holders of the Company		1,506	2,083	-28%	20,612	10,349	99%
Non-controlling interests		292	(685)	143%	801	(1,244)	164%
		1,798	1,398	29%	21,413	9,105	135%

Notes to the Consolidated Statement of Comprehensive Income

	GROUP			
	3 months ended		12 months ended	
	31/12/2011	31/12/2010 (Restated)	31/12/2011	31/12/2010 (Restated)
	S$'000	S$'000	S$'000	S$'000
Note 1				
Sales include the following:				
Sales of products	31,000	17,845	75,589	85,273
Services rendered	3,826	1,192	7,185	4,052
Property development and rental	2,534	6,969	65,168	28,774
Contract revenue	29,516	72,559	193,203	243,503
	66,876	98,565	341,145	361,602
Note 2				
Other gains/(losses) include the following:				
Rental income	1	27	14	345
Profit on disposal of property, plant and equipment	1,126	160	1,344	882
Fair value gain/(loss) on long-term financial assets and financial liabilities	92	(144)	(330)	(144)
Fair value (loss)/gain on investment properties	(997)	968	(997)	968
Fair value (loss)/gain on financial assets at fair value through profit or loss	(23)	57	(183)	89
Loss on liquidation of subsidiaries/subsidiary in the process of liquidation	-	(115)	-	(115)
Other income	300	548	647	815
Dividend income	4	4	21	10
Interest income	672	45	874	205
	1,175	1,550	1,390	3,055
Note 3				
Profit before income tax is stated after charging/(crediting) the following items:				
(Write-back of)/Allowance for impaiment on trade and non-trade receivables	(919)	3,508	(3,471)	4,146
Allowance for/(Write-back of) inventory obsolescence	(354)	(142)	180	49
Bad debts written off	35	359	35	359
Depreciation of property, plant and equipment	1,020	1,519	4,692	5,118
Net foreign exchange loss/(gain)	187	(733)	633	(284)
Note 4				
Income tax includes the following:				
Current income tax				
- in respect of current period	2,082	(461)	6,325	2,008
- Under/(over) provision in respect of prior period	212	2,314	(5)	1,451
Deferred income tax				
- in respect of current period	(614)	(1,712)	(613)	(1,676)
- (over)/under provision in respect of prior period	(2,111)	63	(1,731)	63
	(431)	204	3,976	1,846

The Group's taxation charge for the year ended 31 December 2011 is lower than that determined by applying the Singapore income tax rate of 17% to the Group's profit before income tax mainly due to over provision of income tax in respect of prior period in certain subsidiaries.

Note 5

The 2010 comparative figures have been restated to take into account the retrospective adjustments arising from the adoption of INT FRS 115 - Agreements for the Construction of Real Estate as detailed in paragraph 5.

1(b)(i) BALANCE SHEETS

	GROUP			COMPANY	
	31/12/2011	31/12/2010 (Restated)	31/12/2009 (Restated)	31/12/2011	31/12/2010
	S$'000	S$'000	S$'000	S$'000	S$'000
ASSETS					
CURRENT ASSETS					
Cash and bank balances	50,521	61,595	42,974	2,179	948
Financial assets at fair value through profit or loss	688	877	658	5	4
Trade receivables	51,799	50,170	61,480	-	-
Due from customers on construction contracts	4,834	11,433	38,131	-	-
Amounts due from subsidiaries (non-trade)	-	-	-	8,433	8,142
Amounts due from an associated company (trade)	9	71	84	-	-
Inventories	8,836	7,760	10,606	-	-
Tax recoverable	1,084	1,084	1,156	-	-
Other assets	3,716	3,254	7,485	-	-
Development properties	163,850	130,629	117,605	-	-
Properties held for sale	13	47	94	-	-
	285,350	266,920	280,273	10,617	9,094
NON-CURRENT ASSETS					
Amount due from subsidiaries (non-trade)	-	-	-	4,745	8,562
Trade receivables	5,462	2,263	469	-	-
Associated company	675	444	581	-	-
Subsidiaries	-	-	-	77,907	76,911
Investment properties	205,161	204,831	202,136	-	-
Property, plant and equipment	59,151	65,352	66,080	-	-
	270,449	272,890	269,266	82,652	85,473
TOTAL ASSETS	555,799	539,810	549,539	93,269	94,567
LIABILITIES					
CURRENT LIABILITIES					
Trade payables	40,787	54,907	56,035	-	-
Other liabilities	35,926	31,133	34,334	690	705
Due to customers on construction contracts	21,415	19,230	21,023	-	-
Amounts due to subsidiaries (non-trade)	-	-	-	9,185	6,907
Amounts due to an associated company (trade)	540	812	686	-	-
Current income tax liabilities	7,527	1,357	2,246	-	-
Short-term borrowings	87,152	72,017	65,138	-	-
	193,347	179,456	179,462	9,875	7,612
NON-CURRENT LIABILITIES					
Amounts due to subsidiaries (non-trade)	-	-	-	7,338	6,923
Trade payables	6,600	6,559	4,228	-	-
Finance lease	685	4,446	6,274	-	-
Bank borrowings	158,608	167,518	186,874	-	-
Financial guarantee contracts	-	-	-	206	412
Deferred taxation	13,933	16,652	15,188	-	-
	179,826	195,175	212,564	7,544	7,335
TOTAL LIABILITIES	373,173	374,631	392,026	17,419	14,947
NET ASSETS	182,626	165,179	157,513	75,850	79,620
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	47,966	47,966	47,966	47,966	47,966
Treasury shares	(2,287)	-	-	(2,287)	-
Capital reserve	1,411	1,411	1,411	-	-
Retained profits	139,629	121,421	111,821	30,171	31,654
Currency translation reserve	(5,885)	(6,610)	(5,920)	-	-
	180,834	164,188	155,278	75,850	79,620
Non-controlling interests	1,792	991	2,235	-	-
Total equity	182,626	165,179	157,513	75,850	79,620

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

	As at 31/12/2011		As at 31/12/2010	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Amount repayable in one year or less, or on demand	75,574	11,578	60,997	11,020
Amount repayable after one year	159,293	-	171,749	215

Details of any collateral

The Group's secured borrowings are secured by the Group's freehold and leasehold properties, development properties, investment properties, plant and machinery and motor vehicles.

1(c) CONSOLIDATED CASH FLOW STATEMENT

	12 months ended 31/12/2011 S$'000	12 months ended 31/12/2010 (Restated) S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Total profit	20,621	9,779
Adjustments for non-cash items:		
Income tax	3,976	1,846
Depreciation of property, plant and equipment	4,692	5,118
Property, plant and equipment written off	10	154
Profit on disposal of property held for sale	8	(6)
Fair value loss/(gain) on investment properties	997	(968)
Profit on disposal of property, plant and equipment	(1,344)	(882)
Loss on liquidation of subsidiaries/subsidiary in the process of liquidation	-	115
Fair value loss on long-term financial assets and financial liabilities	330	144
Fair value loss/(gain) on financial assets at fair value through profit or loss	183	(89)
Dividend income	(21)	(10)
Share of (profit)/loss from an associated company	(242)	32
Interest expense	2,879	2,935
Interest income	(874)	(205)
Unrealised foreign exchange loss/(gain)	498	(266)
Operating profit before working capital changes	31,713	17,697
Working capital changes:		
- Receivables	(5,002)	6,847
- Inventories	(1,076)	2,847
- Due from/to customers on construction contracts	12,903	29,116
- Development properties	(31,191)	(10,062)
- Properties held for sale	26	87
- Payables	(10,422)	2,014
Cash generated from operations	(3,049)	48,546
Income tax paid	(694)	(1,248)
Interest paid	(5,022)	(6,073)
Net cash (used in)/provided by operating activities	(8,765)	41,225
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash inflow on liquidation of subsidiaries	-	2,874
Purchase of financial assets at fair value through profit or loss	(991)	(130)
Purchase of property, plant and equipment	(1,411)	(3,167)
Proceeds from disposal of property, plant and equipment	1,451	1,047
Additions to investment properties	(330)	(1,804)
Dividend received from other investments	21	10
Dividend received from an associated company	-	105
Interest received	287	205
Net cash used in investing activities	(973)	(860)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	30,185	15,535
Repayment of finance lease	(5,424)	(6,404)
Repayment of bank borrowings	(21,734)	(28,740)
Deposit pledge	-	550
Purchase of treasury shares	(2,287)	-
Payment of dividend	(1,679)	(1,439)
Net cash used in financing activities	(939)	(20,498)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(10,677)	19,867
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	60,467	40,852
EFFECTS OF CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS	531	(252)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	50,321	60,467
Represented by:		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	50,521	61,595
Restricted cash	(200)	(200)
Bank overdrafts	-	(928)
	50,321	60,467

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 INTERESTS	TOTAL EQUITY
	Share Capital	Treasury Shares	Capital Reserve	Retained Profits	Currency Translation Reserve	TOTAL		
Balance as at 01/01/2011, as previously reported	47,966	-	1,411	128,264	(6,610)	171,031	991	172,022
Effect of adopting INT FRS 115	-	-	-	(6,843)	-	(6,843)	-	(6,843)
Balance as at 01/01/2011, as restated	47,966	-	1,411	121,421	(6,610)	164,188	991	165,179
Total comprehensive income for the year	-	-	-	19,887	725	20,612	801	21,413
Purchase of treasury shares	-	(2,287)	-	-		(2,287)	-	(2,287)
Final dividend	-	-	-	(1,679)	-	(1,679)	-	(1,679)
Balance as at 31/12/2011	47,966	(2,287)	1,411	139,629	(5,885)	180,834	1,792	182,626
Balance as at 01/01/2010, as previously reported	47,966	-	1,411	117,362	(5,920)	160,819	2,235	163,054
Effect of adopting INT FRS 115	-	-	-	(5,541)	-	(5,541)	-	(5,541)
Balance as at 01/01/2010, as restated	47,966	-	1,411	111,821	(5,920)	155,278	2,235	157,513
Total comprehensive income for the year	-	-	-	11,039	(690)	10,349	(1,244)	9,105
Final dividend	-	-	-	(1,439)	-	(1,439)	-	(1,439)
Balance as at 31/12/2010	47,966	-	1,411	121,421	(6,610)	164,188	991	165,179

COMPANY (S$'000)	Attributable to equity holders of the Company			
	Share Capital	Treasury Shares	Retained Profits	TOTAL
Balance as at 01/01/2011	47,966	-	31,654	79,620
Total comprehensive income for the year	-	-	1,485	1,485
Purchase of treasury shares	-	(2,287)	-	(2,287)
Final dividend	-	-	(1,679)	(1,679)
Balance as at 31/12/2011	47,966	(2,287)	31,460	77,139
Balance as at 01/01/2010	47,966	-	25,357	73,323
Total comprehensive income for the year	-	-	7,736	7,736
Final dividend	-	-	(1,439)	(1,439)
Balance as at 31/12/2010	47,966	-	31,654	79,620

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.

There were no changes in the share capital of the Company as at 31 December 2011.

During the year ended 31 December 2011, the Company acquired 11,442,000 (2010: NIL) ordinary shares of the Company by way of market purchases on the Singapore Exchange and held as treasury shares.

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.

The total number of issued shares excluding treasury shares as at 31 December 2011 was 468,171,400 (as at 31 December 2010: 479,613,400). The total number of treasury shares held as at 31 December 2011 was 11,442,000 (as at 31 December 2010: NIL).

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.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2010. The adoption of the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("FRS") that are effective for financial periods beginning on or after 1 January 2011 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.

Following the issuance of a clarification note by the Accounting Standards Council on 7 June 2011 relating to INT FRS 115 - Agreements for the Construction of Real Estate, the Group has revised its accounting treatment on its Singapore residential development projects for property units sold under the deferred payment scheme ("DPS"). Previously, units sold under DPS were accounted for using the percentage of completion ("POC") method. As the clarification note highlighted that the accompanying note to INT FRS 115 does not address the accounting treatment for sales of Singapore residential properties under DPS, residential units sold under DPS in Singapore will have to be now accounted for using completion of construction ("COC") method. This change in accounting policy has been applied retrospectively, and the comparative figures for the consolidated statement of comprehensive income for the year ended 31 December 2011, as well as the balance sheets as at 31 December 2011 and 31 December 2010 have been restated accordingly.

Impact on the comparatives for the 2011 financial statements

The financial statements have been prepared to take into account the effects of implementation of INT FRS 115 as described in the preceding paragraphs.

The effects on the comparatives arising from the adoption of INT FRS 115, subject to year-end audit, are as follows:

Group	Increase / (Decrease) 12 months ended 31/12/2010 S$'000
Profit and Loss Account :	
Sales	(2,691)
Cost of sales	1,123
Profit before income tax	(1,568)
Income tax expenses	267
Profit after income tax	(1,301)
Profit attributable to:	
Equity holders of the Company	(1,301)
Non-controlling interests	-
Basic and diluted earnings per share (cent)	(0.27)

Group	Increase / (Decrease) 31/12/2010 S$'000
Balance Sheet :	
Retained profits	(6,843)
Development properties	(8,244)
Deferred tax liabilities	(1,402)

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	
	31/12/2011 (cent)	31/12/2010 (Restated) (cent)	31/12/2011 (cents)	31/12/2010 (Restated) (cents)
(i) Basic	0.27	0.41	4.19	2.30
(ii) On a fully diluted basis	0.27	0.41	4.19	2.30

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 475,036,019 ordinary shares (2010: 479,613,400 ordinary shares).

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	GROUP		COMPANY	
	31/12/2011 (cents)	31/12/2010 (Restated) (cents)	31/12/2011 (cents)	31/12/2010 (cents)
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	38.63	34.23	16.20	16.60

Note:

The net asset value per share is calculated based on the issued share capital excluding treasury shares of 468,171,400 ordinary shares as at 31 December 2011 (as at 31 December 2010: 479,613,400 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 2011 ("4Q 2011"), sales amounted to S$66.9 million, a decrease of 32% compared to the corresponding period last year ("4Q 2010"). Gross profit decreased by 46% to S$4.6 million in 4Q 2011. The decrease in sales was primarily due to lower progress sales recognition by the Construction and Building Materials division. Distribution expenses decreased substantially in 4Q 2011 as compared to 4Q 2010 mainly due to write-back of allowance made for impairment on trade receivables. The Group's profit before income tax decreased by 22% to S$1.1 million in 4Q 2011 from S$1.4 million in 4Q 2010.

Sales for the year ended 31 December 2011 ("12M 2011") was S$341.1 million compared to S$361.6 million for the previous year ("12M 2010"). The reduction was mainly due to lower revenue generated from the Construction and Building Materials division. However, gross profit increased by 25% to S$44.2 million as a result of higher gross margin from the Real Estate division.

There was a credit in distribution expenses of S$0.5 million in 12M 2011 because of a write-back of allowance made for impairment on trade receivables. The Group's profit before tax increased by 112% to S$24.6 million from S$11.6 million a year ago. The Group's net profit attributable to shareholders also improved by 80% from S$11 million in 12M 2010 to S$20 million in 12M 2011.

Earnings per share improved to 4.19 cents for 12M 2011 compared to 2.30 cents in 12M 2010.

Review of changes in working capital, assets and liabilities

The movements in assets and liabilities are as follows:

1) Decrease in amount due from customer on construction contracts was mainly due to further recognition of work done for certain projects.

2) Increase in development properties was mainly due to additional development costs incurred during the year.

3) Decrease in trade payables was mainly due to reduction of sales.

Review of changes in cashflow

The Group reported a net decrease in cash and cash equivalents mainly due to increase in development properties.

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 fourth 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.

Advance estimates from the Ministry of Trade and Industry showed that the economy grew by 4.8% in 2011. The construction sector grew by 1.5% for the year. According to the Building and Construction Authority, construction demand increased by 16% in 2011 to $32 billion with strong contribution from the public sector. For the current year, total construction demand is projected to be between $21 billion and $27 billion, of which public sector projects are expected to account for about 60%. As a major civil engineering and building materials group, we are well placed to benefit from this continued demand for construction work. However, we expect tender pricings to be competitive.

Latest statistics from the URA showed that prices of private residential properties increased by 5.9% in 2011. This was much lower than the 17.6% increase in 2010. Although we expect the latest property cooling measures to have an impact on demand, we believe that property prices will remain stable.

According to the Singapore Tourism Board, there were 13.2 million International visitor arrivals in 2011 compared to 11.6 million in 2010. This increase in arrivals has a positive impact on the hotel and leisure industry. Against the present global economic uncertainties, we are cautiously optimistic that this trend will continue in 2012.

11 Dividend

(a) Current Financial Period Reported On: 31 December 2011

(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	First & Final
Dividend Type	Cash
Dividend Amount per Share	0.35 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	First & Final
Dividend Type	Cash
Dividend Amount per Share	0.35 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 to be held on 26 April 2012, will be paid on 18 May 2012.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed 4 May 2012 for the preparation of dividend warrants. Registrable Transfers received by the Company up to 5:00pm on 3 May 2012 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.

GROUP (S$'000)	REAL ESTATE	LEISURE & HOSPITALITY	CONSTRUCTION & BUILDING MATERIALS	OTHERS	TOTAL
2011					
SALES					
External	68,021	4,332	268,792	-	341,145
Inter-segment	7,973	20	14,980	-	22,973
	75,994	4,352	283,772	-	364,118
Elimination					(22,973)
					341,145
RESULTS					
Segment results	20,405	445	7,039	(1,547)	26,342
Net investment gain	-	-	21	-	21
Interest income					871
Finance expenses					(2,879)
Share of profit from an associated company	-	-	242	-	242
Profit before income tax					24,597
2010 (Restated)					
SALES					
External	28,890	3,936	328,776	-	361,602
Inter-segment	978	40	44,698	-	45,716
	29,868	3,976	373,474	-	407,318
Elimination					(45,716)
					361,602
RESULTS					
Segment results	5,689	54	8,417	127	14,287
Net investment gain	-	-	99	1	100
Interest income					205
Finance expenses					(2,935)
Share of loss from an associated company	-	-	(32)	-	(32)
Profit before income tax					11,625

Sales by Geographical Segment (S$'000):

	2011	2010 (Restated)
Singapore	326,421	351,247
China	14,130	8,495
The rest of Asia	594	1,860
	341,145	361,602

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.

Please refer to paragraph 8 above.

15 A breakdown of sales.

	S$'000		%
	31/12/2011	31/12/2010 (Restated)	Change
Sales reported for first half year	156,593	175,733	-11%
Profit after tax before deducting non-controlling interests reported for first half year	5,617	4,594	22%
Sales reported for second half year	184,552	185,869	-1%
Profit after tax before deducting non-controlling interests reported for second half year	15,004	5,185	189%

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	
	31/12/2011	31/12/2010
Ordinary-Proposed final	1,639	1,439

17 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)
	S$'000	S$'000
Quek Chee Nee	154	-

18 Comparatives

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

BY ORDER OF THE BOARD

Submitted by Koh Keng Siang, Managing Director & Group CEO on 15 February 2012 to SGX-ST.

CONFIRMATION PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

To the best of our knowledge, nothing has come to attention of the board of directors of the Company which may render the unaudited financial results of the Group and the Company for the financial year ended 31 December 2011 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Koh Keng Siang
Managing Director & Group CEO

Koh Keng Hiong
Executive Director

15 February 2012
Singapore

NEWS RELEASE

KOH BROTHERS NET PROFIT UP 80% TO S$20 MILLION IN FY2011

- ***Gross profit for the full year rises 25% to S$44.2 million***
- ***Gross margin up 3.3 percentage points to approximately 13%***
- ***Proposes first and final dividend of 0.35 cent per ordinary share***
- ***Earnings per share improves to 4.19 cents for FY2011 compared to 2.30 cents in the previous year***

Singapore, February 15, 2012 – Koh Brothers Group Limited ("Koh Brothers" or the "Group"), a well-established construction, property development and specialist engineering solutions provider, today announced that its net profit attributable to equity holders of the Company ("Net Profit") rose 80% to S$20 million for the full year ended December 31, 2011 ("FY2011"), compared to S$11 million in the previous corresponding period ended December 31, 2010 ("FY2010").

Koh Brothers continued to be profitable despite a marginal slide in revenue to S$341.1 million in FY2011. The 6% decline in revenue for the full year was mainly due to lower revenue generated from the Construction and Building Materials division.

The Group's full year gross profit scaled 25% to S$44.2 million as a result of higher gross margin from the Real Estate division. Correspondingly, gross profit margin was up 3.3 percentage points to approximately 13% in FY2011 as compared to 9.7% in FY2010.

For the three months ended December 31, 2011 ("4QFY2011"), revenue decreased 32% to S$66.9 million primarily due to lower progress sales recognition by the Construction and Building Materials division. Reflecting the same trend, the Group's net profit for 4QFY2011 fell 33% to S$1.3 million.

Mr Francis Koh, Managing Director and Group CEO of Koh Brothers, commented: "Our top line growth has been affected by a slowing global economy. In spite of this, we managed to nearly double our earnings for the full year and this shows our strong foundation which we have built, over our 45 years of history. Instilled with this spirit of fortitude, we are positive and prepared for further challenges in the new financial year, whilst at the same time, keeping a prudent watch over our cost."

Earnings per share improved considerably to 4.19 cents for FY2011, compared to 2.30 cents in FY2010. The Group reported a healthy cash and cash equivalents position of S$50.5 million as at December 31, 2011.

Outlook

Advance estimates from the Ministry of Trade and Industry showed that the Singapore construction sector grew by 1.5% in 2011. According to the Building and Construction Authority, construction demand increased 16% in 2011 to S$32 billion, with strong contribution from the public sector. For 2012, total construction demand is projected to be between S$21 billion and S$27 billion, of which public sector projects are expected to account for about 60% of the total projects. The Group is well placed to benefit from this continued demand for construction work. However, Koh Brothers expects tender pricings to be competitive.

Added Mr Koh: "To tackle the challenges ahead, we plan to tap on available pockets of opportunities such as upcoming Housing Development Board projects, and potential public drainage works as announced by the Public Utilities Board in January this year. With a long track record in civil engineering works, particularly in drainage projects, we are well-positioned to capture a share of this prospective market."

Koh Brothers has won several excellence awards for its drainage works and is recognised as a strong local infrastructure specialist. Some of its past notable drainage projects include Rochor Canal Flood Alleviation (1974), Kallang River (1995), Singapore River (1997), and most recently the Marina Barrage and the Punggol Waterways.

On the Real Estate front, latest statistics from the Urban Redevelopment Authority showed that prices of private residential properties increased 5.9% in 2011, which is lower than the 17.6% increase in 2010. Although Koh Brothers expects the latest property cooling measures to affect demand, it is expected that the property prices will remain stable.

"We continue to perform well at the Real Estate division. Moving forward in 2012, innovation and collaborations would be keys to help us ride out the market uncertainties and position us for the next level of growth," concluded Mr Koh.

According to the Singapore Tourism Board, there were 13.2 million international visitor arrivals in 2011 compared to 11.6 million in 2010. This increase in tourist arrivals has a positive impact on the hotel and leisure industry.

Against present global economic uncertainties, the Group is cautiously optimistic that this trend will continue in 2012.

Proposed Dividend

The Directors have recommended a first and final cash dividend of 0.35 cent per ordinary share for the full year ended December 31, 2011.

About Koh Brothers Group Limited

Listed on SGX Mainboard in August 1994, Koh Brothers 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.

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

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

Construction and Building Materials

This division leads in providing a complete and diverse range of infrastructure project management, products, services and solutions for the construction industry.

One of its major projects is the iconic Marina Barrage which was successfully completed in October 2008. In November 2010, the Group announced it was awarded PUB's Geylang River Makeover Project worth S$37.8 million.

Most recently in March 2011, Koh Brothers announced the award of a new contract worth S$63.2 million from Phileap Pte Ltd, for the construction of Lincoln Suites – a luxurious condominium project at Khiang Guan Avenue, off Newton Road, in District 11.

Ongoing projects include the Downtown Line 1 Bugis Station, Punggol Waterway Parts One and Two, the Common Service Tunnel at the Business Financial Centre, and public housing at Choa Chu Kang.

The Building Materials division provides total ready-mix concrete solutions to the construction industry. The supply chain includes cement, ready-mix concrete, equipment rental and various types of products such as pre-cast elements and interlocking concrete blocks.

Real Estate

The Group's Real Estate division provides quality property developments with specialised themes at choice locations. Koh Brothers Development Pte Ltd ("KBD"), established in 1993, a wholly-owned subsidiary of Koh Brothers Group, is our flagship company for the Group's Real Estate division.

KBD is noted for its 'lifestyle-and-theme' developments. For example, its Starville project was the first to introduce a star-gazing observatory, complete with an astronomy theme. Launched in June 2003, this project is a joint venture between KBD and AIG Lengkong Investment Limited, a member of American International Group Inc. Earlier projects include The Montana, in which KBD became the first developer to introduce state-of-the-art home automation features, broadband cable and an infinity pool. The Montana, launched in November 1999, is a 108-unit luxury freehold apartment located off River Valley Road. In October 2006, it also launched its four-units-only luxurious, freehold bungalow project, "Bungalows @ Caldecott", uniquely designed with a number of firsts in Singapore such as bathrooms studded with Swarovski wall crystals, Avant-Garde sanitary fittings incorporating luxury brand names like Visentin, and a specially-designed Water Conservation System.

In April 2006, it announced the acquisition of Hilton Tower, located in the prime freehold Leonie Hill area, for S$79.2 million together with Heeton Land Pte Ltd. It is now the site for the premium condominium, The Lumos.

In June 2007, Koh Brothers Group Limited, Heeton Holdings Ltd, KSH Holdings Limited and Lian Beng Group Ltd formed a consortium with equal shares each and were successfully awarded the prime Lincoln Lodge site at 1/3 Khiang Guan Avenue, off Newton Road in District 11. The site has been redeveloped to the luxurious condominium project, Lincoln Suites, which features sky-high elevated gyms, wireless multi – room music systems and thematic communal dining facilities. Lincoln Suites was launched in October 2009.

Fiorenza, another prized freehold development by KBD, was launched in April 2009. Inspired by the passionate Italian culture with its bold artistic tastes, unrestrained luxury and a free-spirited lifestyle, this Avant-Garde development, located at Florence Road, is expected to receive its TOP by December 2012.

Other completed projects include:

- The highly successful Sun Plaza, located next to Sembawang MRT station, which introduced a sunflower theme. The residential block in Sun Plaza has been fully sold and the retail mall is currently held as an investment with high occupancy;
- The Capri, an 18-unit residential development, is situated along the prime Stevens Road; and
- The Sierra, an 18-storey residential development comprising 60 units located in the established and popular enclave of Mount Sinai.

Leisure & Hospitality

This division provides ‘no-frills’ hospitality services through its Oxford Hotel brand name with more than 130 hotel rooms.

ISSUED ON BEHALF OF	:	Koh Brothers Group Limited	
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd	
		1 Raffles Place	
		#26-02 One Raffles Place	
		SINGAPORE 048616	
CONTACT	:	Ms Dolores Phua / Ms Ann Lee	
		at telephone	
DURING OFFICE HOURS	:	6534-5122	(Office)
AFTER OFFICE HOURS	:	9750-8237 / 9129-6977	(Handphone)
EMAIL	:	dolores.phua@citigatedrimage.com	
		ann.lee@citigatedrimage.com	

016/12/001/KBGL

February 15, 2012