



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	19-Feb-2013 19:12:44
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2012
Description	PLEASE SEE ATTACHED.
Attachments	 ResultsFY2012.pdf  PressRelease.pdf Total size = 1406K (2048K size limit recommended)



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 2012

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

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

	Notes	GROUP					
		3 months ended		Change %	12 months ended		Change %
		31/12/2012 S\$'000	31/12/2011 S\$'000		31/12/2012 S\$'000	31/12/2011 S\$'000	
Sales	1	116,060	66,876	74%	299,546	341,145	-12%
Cost of sales		(100,048)	(62,255)	61%	(249,416)	(296,943)	-16%
Gross profit		16,012	4,621	247%	50,130	44,202	13%
Other (losses)/gains	2	(847)	1,175	-172%	4,516	1,390	225%
Expenses							
- Distribution and marketing		(5,386)	6	NM	(10,528)	524	NM
- Administrative		(2,530)	(3,347)	-24%	(18,020)	(17,426)	3%
- Other		(202)	(474)	-57%	(1,148)	(1,456)	-21%
- Finance		(630)	(953)	-34%	(2,640)	(2,879)	-8%
Share of profit from an associated company		95	99	-4%	300	242	24%
Profit before income tax	3	6,512	1,127	478%	22,610	24,597	-8%
Income tax (expenses)/credit	4	(342)	431	179%	(2,880)	(3,976)	-28%
Profit after income tax		6,170	1,558	296%	19,730	20,621	-4%
Other comprehensive income, net of tax:							
Exchange differences on translating foreign operations		38	240	-84%	(147)	792	-119%
Total comprehensive income		6,208	1,798	245%	19,583	21,413	-9%
Profit attributable to:							
Equity holders of the Company		6,475	1,287	403%	19,650	19,887	-1%
Non-controlling interests		(305)	271	-213%	80	734	-89%
		6,170	1,558	296%	19,730	20,621	-4%
Total comprehensive income attributable to:							
Equity holders of the Company		6,510	1,506	332%	19,483	20,612	-5%
Non-controlling interests		(302)	292	-203%	100	801	-88%
		6,208	1,798	245%	19,583	21,413	-9%

NM - Not meaningful

Notes to the Consolidated Statement of Comprehensive Income

Note 1

Sales include the following:

Sales of products	30,210	31,000	104,317	75,589
Services rendered	4,572	3,826	7,846	7,185
Property development and rental	46,413	2,534	89,674	65,168
Contract revenue	34,865	29,516	97,709	193,203
	116,060	66,876	299,546	341,145

Note 2

Other (losses)/gains include the following:

Rental income	46	1	117	14
Gain on disposal of property, plant and equipment	42	1,126	388	1,344
Write-back of debts no longer required	337	55	337	58
Write-back of provision on disposal of subsidiaries	(74)	-	3,395	-
Fair value (loss)/gain on long-term financial assets and financial liabilities	(178)	92	(415)	(330)
Fair value loss on investment properties	(1,000)	(997)	(1,000)	(997)
Fair value (loss)/gain on financial assets at fair value through profit or loss	-	(23)	384	(183)
Other income	(36)	249	867	610
Interest income	16	672	443	874
	(847)	1,175	4,516	1,390

Note 3

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

Allowance for/(Write-back of) impairment on trade and non-trade receivables	2,335	(919)	1,809	(3,471)
Allowance for/(Write-back of) inventory obsolescence	80	(354)	109	180
Bad debts written off	-	35	-	35
Depreciation of property, plant and equipment	912	1,020	3,794	4,692
Property, plant and equipment written off	3	7	46	10
Net foreign exchange loss	105	187	157	633

Note 4

Income tax includes the following:

Current income tax				
- in respect of current period	(368)	2,082	1,939	6,325
- (over)/under provision in respect of prior period	(177)	212	(12)	(5)
Deferred income tax				
- in respect of current period	33	(614)	89	(613)
- under/(over) provision in respect of prior period	854	(2,111)	864	(1,731)
	342	(431)	2,880	3,976

The Group's income tax charge for the year ended 31 December 2012 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 certain income not subject to tax and utilisation of tax losses against taxable income by certain subsidiaries.

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

ASSETS

CURRENT ASSETS

Cash and bank balances	53,981	50,521	61,595	863	2,179
Financial assets at fair value through profit or loss	176	688	877	-	5
Trade receivables	59,915	51,799	50,170	-	-
Due from customers on construction contracts	7,047	4,834	11,433	-	-
Amounts due from subsidiaries (non-trade)	-	-	-	6,863	8,534
Amounts due from an associated company (trade)	7	9	71	-	-
Inventories	12,526	8,836	7,760	-	-
Tax recoverable	25	685	1,084	-	-
Other assets	14,395	4,115	3,254	-	-
Development properties	268,098	163,850	130,629	-	-
Properties held for sale	-	13	47	-	-

NON-CURRENT ASSETS

Amount due from subsidiaries (non-trade)	-	-	-	2,405	4,745
Trade receivables	10,386	5,462	2,263	-	-
Associated company	800	675	444	-	-
Subsidiaries	-	-	-	84,469	77,907
Investment properties	204,161	205,161	204,831	-	-
Property, plant and equipment	60,019	59,151	65,352	-	-

TOTAL ASSETS

LIABILITIES

CURRENT LIABILITIES

Trade payables	56,365	40,787	54,907	-	-
Other liabilities	39,298	35,926	31,133	535	690
Due to customers on construction contracts	34,619	21,415	19,230	-	-
Amounts due to subsidiaries (non-trade)	-	-	-	2,819	9,185
Amounts due to an associated company (trade)	1,005	540	812	-	-
Current income tax liabilities	5,678	5,677	1,357	-	-
Short-term borrowings	19,663	43,652	72,017	-	-

NON-CURRENT LIABILITIES

Amounts due to subsidiaries (non-trade)	-	-	-	9,339	7,338
Trade payables	3,956	6,600	6,559	-	-
Finance lease	497	685	4,446	-	-
Bank borrowings	317,283	202,108	167,518	-	-
Financial guarantee contracts	-	-	-	192	206
Deferred taxation	7,396	8,233	9,102	-	-

TOTAL LIABILITIES

NET ASSETS

EQUITY

Capital and reserves attributable to equity holders of the Company

Share capital	45,320	47,966	47,966	45,320	47,966
Treasury shares	(854)	(2,287)	-	(854)	(2,287)
Capital reserve	1,411	1,411	1,411	-	-
Retained profits	165,196	147,179	128,971	37,249	30,272
Currency translation reserve	(6,052)	(5,885)	(6,610)	-	-

Non-controlling interests

Total equity

GROUP			COMPANY	
31/12/2012	31/12/2011 (Restated)	31/12/2010 (Restated)	31/12/2012	31/12/2011
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
416,170	285,350	266,920	7,726	10,718
275,366	270,449	272,890	86,874	82,652
691,536	555,799	539,810	94,600	93,370
156,628	147,997	179,456	3,354	9,875
329,132	217,626	187,625	9,531	7,544
485,760	365,623	367,081	12,885	17,419
205,776	190,176	172,729	81,715	75,951
205,021	188,384	171,738	81,715	75,951
755	1,792	991	-	-
205,776	190,176	172,729	81,715	75,951

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

Amount repayable in one year or less, or on demand
Amount repayable after one year

As at 31/12/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
18,577	1,086	29,074	14,578
317,780	-	202,793	-

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

CASH FLOWS FROM OPERATING ACTIVITIES

	12 months ended	
	31/12/2012	31/12/2011
	S\$'000	(Restated) S\$'000
Total profit	19,730	20,621
Adjustments for non-cash items:		
Income tax	2,880	3,976
Depreciation of property, plant and equipment	3,794	4,692
Property, plant and equipment written off	46	10
(Profit)/Loss on disposal of property held for sale	(20)	8
Fair value loss on investment properties	1,000	997
Gain on disposal of property, plant and equipment	(388)	(1,344)
Fair value loss on long-term financial assets and financial liabilities	415	330
Fair value (gain)/loss on financial assets at fair value through profit or loss	(384)	183
Dividend income	(5)	(21)
Share of profit from an associated company	(300)	(242)
Interest expense	2,640	2,879
Interest income	(443)	(874)
Unrealised foreign exchange loss	625	498
Operating profit before working capital changes	29,590	31,713
Working capital changes:		
- Receivables	(21,559)	(5,002)
- Inventories	(3,690)	(1,076)
- Due from/to customers on construction contracts	15,066	12,903
- Development properties	(99,592)	(31,191)
- Properties held for sale	32	26
- Payables	12,381	(10,422)
Cash used in operations	(67,772)	(3,049)
Income tax paid	(3,760)	(694)
Interest paid	(6,399)	(5,022)
Net cash used in operating activities	(77,931)	(8,765)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of financial assets at fair value through profit or loss	896	(991)
Purchase of property, plant and equipment	(3,425)	(1,411)
Proceeds from disposal of property, plant and equipment	481	1,451
Additions to investment properties	-	(330)
Dividend received from other investments	5	21
Liquidation of subsidiaries, net of cash	(4,243)	-
Interest received	1,027	287
Net cash used in investing activities	(5,259)	(973)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from bank borrowings	137,407	30,185
Repayment of finance lease	(4,366)	(5,424)
Repayment of bank borrowings	(43,185)	(21,734)
Purchase of treasury shares	(1,213)	(2,287)
Payment of dividend	(1,633)	(1,679)
Net cash provided by/(used in) financing activities	87,010	(939)

NET CHANGE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	50,321	60,467
EFFECTS OF CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS	(360)	531
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	53,781	50,321

Represented by:

CASH AND CASH EQUIVALENTS

Cash and bank balances	53,981	50,521
Restricted cash	(200)	(200)
Bank overdrafts	-	-
	53,781	50,321

1(d)(i) A STATEMENT (FOR THE ISSUER AND GROUP) SHOWING EITHER (i) ALL CHANGES IN EQUITY OR (ii) CHANGES IN EQUITY OTHER THAN THOSE ARISING FROM CAPITALISATION ISSUES AND DISTRIBUTIONS TO SHAREHOLDERS, TOGETHER WITH A COMPARATIVE STATEMENT FOR THE CORRESPONDING PERIOD OF THE IMMEDIATELY PRECEDING FINANCIAL YEAR.

GROUP (S\$'000)	Attributable to equity holders of the Group						NON- CONTROLLING INTERESTS	TOTAL EQUITY
	Share Capital	Treasury Shares	Capital Reserve	Retained Profits	Currency Translation Reserve	TOTAL		
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 year	-	-	-	19,650	(167)	19,483	100	19,583
Cancellation of shares held in treasury	(2,646)	2,646	-	-	-	-	-	-
Subsidiaries in the process of liquidation	-	-	-	-	-	-	(1,137)	(1,137)
Purchase of treasury shares	-	(1,213)	-	-	-	(1,213)	-	(1,213)
Final dividend	-	-	-	(1,633)	-	(1,633)	-	(1,633)
Balance as at 31/12/2012	45,320	(854)	1,411	165,196	(6,052)	205,021	755	205,776
Balance as at 01/01/2011, as previously reported	47,966	-	1,411	121,421	(6,610)	164,188	991	165,179
Effect of adopting Amendments to FRS 12	-	-	-	7,550	-	7,550	-	7,550
Balance as at 01/01/2011, as restated	47,966	-	1,411	128,971	(6,610)	171,738	991	172,729
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	147,179	(5,885)	188,384	1,792	190,176

COMPANY (S\$'000)	Attributable to equity holders of the Company			
	Share Capital	Treasury Shares	Retained Profits	TOTAL
Balance as at 01/01/2012	47,966	(2,287)	30,272	75,951
Total comprehensive income for the year	-	-	8,610	8,610
Cancellation of shares held in treasury	(2,646)	2,646	-	-
Purchase of treasury shares	-	(1,213)	-	(1,213)
Final dividend	-	-	(1,633)	(1,633)
Balance as at 31/12/2012	45,320	(854)	37,249	81,715
Balance as at 01/01/2011	47,966	-	31,654	79,620
Total comprehensive income for the year	-	-	297	297
Purchase of treasury shares	-	(2,287)	-	(2,287)
Final dividend	-	-	(1,679)	(1,679)
Balance as at 31/12/2011	47,966	(2,287)	30,272	75,951

- 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

Beginning of financial period

Less: Cancellation of shares held in treasury

End of financial period

No. of shares	
31/12/2012	31/12/2011
479,613,400	479,613,400
(13,138,000)	-
466,475,400	479,613,400

- 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	
31/12/2012	31/12/2011
462,320,400	468,171,400

- 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
31/12/2012
11,442,000
5,851,000
(13,138,000)
4,155,000

- 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 2011.

- 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.

The Amendments to FRS 12 apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under FRS 40 Investment Property, including investment property acquired in a business combination and subsequently measured using the fair value model. For the purposes of measuring deferred tax, the Amendments introduce a rebuttable presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. The presumption can be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale.

The change in accounting policy has been applied retrospectively. The effects on the Financial Statements for the adoption of the Amendments to FRS 12 are as follows:

Increase / (Decrease)	
31/12/2011	31/12/2010
S\$'000	S\$'000

Group Balance Sheets

Deferred income tax liabilities
Retained profits

(7,550) (7,550)
7,550 7,550

- 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	
31/12/2012 (cent)	31/12/2011 (cent)	31/12/2012 (cents)	31/12/2011 (cents)
1.39	0.27	4.23	4.19
1.39	0.27	4.23	4.19

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 464,606,985 ordinary shares (2011: 475,036,019 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	
31/12/2012 (cents)	31/12/2011 (Restated) (cents)	31/12/2012 (cents)	31/12/2011 (cents)
44.35	40.24	17.67	16.22

The net asset value per share is calculated based on the issued share capital excluding treasury shares of 462,320,400 ordinary shares as at 31 December 2012 (as at 31 December 2011: 468,171,400 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 2012 ("4Q 2012"), sales amounted to S\$116.1 million, an increase of 74% compared to the corresponding period last year ("4Q 2011"). The increase in revenue was primarily due to the recognition of revenue from the Parc Olympia residential property development. Gross profit increased by 247% to S\$16.0 million in 4Q 2012. The increase in gross profit was mainly contributed by the Real Estate and Construction and Building Materials divisions. Distribution and marketing expenses increased substantially in 4Q 2012 as compared to 4Q 2011 mainly due to sales and marketing costs incurred for residential property projects. The Group's profit before income tax increased by 478% to S\$6.5 million in 4Q 2012 from S\$1.1 million in 4Q 2011.

Sales for the year ended 31 December 2012 ("12M 2012") was S\$299.5 million compared to S\$341.1 million for the previous year ("12M 2011"). The reduction was mainly due to lower revenue generated from the Construction and Building Materials division. However, gross profit increased by 13% to S\$50.1 million in 12M 2012 because of a general increase in margin for the Construction and Building Materials division. The increase in other gains of S\$4.5 million was mainly due to a write back of provision on disposal of subsidiaries amounting to S\$3.4 million. Higher distribution and marketing expenses was mainly due to sales and marketing costs incurred for residential property projects.

The Group's profit before income tax decreased by 8% to S\$22.6 million from S\$24.6 million a year ago. In 12M 2011, profit was higher mainly due to the Group's adoption of INT FRS115 Agreements for the Construction of Real Estate and revision of its accounting treatment for residential units sold under DPS from progressive recognition based on percentage of completion to completion of construction method. The impact of the adoption of INT FRS115 was an increase in profit of \$8.2 million in 12M 2011. The Group's net profit attributable to shareholders decreased marginally by 1% from S\$19.9 million in 12M 2011 to S\$19.7 million in 12M 2012.

Earnings per share improved to 4.23 cents for 12M 2012 compared to 4.19 cents in 12M 2011.

Review of changes in working capital, assets and liabilities

The movements in assets and liabilities are as follows:

- 1) Increase in trade receivables was mainly due to increase in construction project in progress.
- 2) Increase in other assets was mainly due to expected proceeds from subsidiaries in the process of liquidation.
- 3) Increase in development properties was mainly due to land acquisition and development cost incurred.
- 4) Increase in trade payables was mainly due to increase in billings from suppliers and subcontractors for construction projects.
- 5) 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.
- 6) Increase in bank borrowings was mainly due to drawdown of bank loans for development properties.

8 Review of changes in cashflow

The Group reported a net increase in cash and cash equivalents mainly due to increase in the change in net cash used in operating activities offset against increase in the change in net cash provided by financing activities.

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.

According to the Building and Construction Authority, construction demand amounted to \$28.1 billion in 2012 compared to \$32 billion in 2011. Approximately 67% of the demand was from the private sector. For the current year, total construction demand is projected to be between \$26 billion and \$32 billion. This reflects a continued and sustained level of construction activity. As public sector projects are expected to account for about 54% of construction demand, Koh Brothers Group, as a major civil engineering and building materials group is well positioned to benefit from this continued demand. However, we expect tender pricings to remain competitive.

Prices of private residential properties increased at a slower pace of 2.8% in 2012. This was lower than the increase of 5.9% and 17.6% in 2011 and 2010 respectively. In January 2013, the government announced the seventh round of measures to further cool down the residential property market. We expect the latest measures to dampen sentiments and are likely to have an impact on demand.

11 Dividend

(a) Current Financial Period Reported On: 31 December 2012

(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 25 April 2013, will be paid on 29 May 2013.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed 3 May 2013 for the preparation of dividend warrants. Registrable Transfers received by the Company up to 5:00pm on 2 May 2013 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)					
2012					
SALES					
External	93,211	4,309	202,026	-	299,546
Inter-segment	1,198	40	49,489	-	50,727
	94,409	4,349	251,515	-	350,273
Elimination					(50,727)
					299,546
RESULTS					
Segment results	10,777	59	14,072	(406)	24,502
Net investment gain	-	-	5	-	5
Interest income					443
Finance expenses					(2,640)
Share of profit from an associated company	-	-	300	-	300
Profit before income tax					22,610
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	(1,550)	26,339
Net investment gain	-	-	21	-	21
Interest income					874
Finance expenses					(2,879)
Share of profit from an associated company	-	-	242	-	242
Profit before income tax					24,597

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

	2012	2011
Singapore	289,322	326,421
China	9,626	14,130
The rest of Asia	598	594
	299,546	341,145

- 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	%	
	31/12/2012	31/12/2011	Change
Sales reported for first half year	109,541	156,593	-30%
Profit after tax before deducting non-controlling interests reported for first half year	5,805	5,617	3%
Sales reported for second half year	190,005	184,552	3%
Profit after tax before deducting non-controlling interests reported for second half year	13,925	15,004	-7%

- 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	
31/12/2012	31/12/2011

Ordinary-Proposed final

1,618	1,633
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- 17 Interested Person Transaction

There was no interested person transaction more than S\$100,000 during the period under review.

- 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	47	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	Group Human Resources/Administration Manager since 2007 Responsible for managing the Group's human resources and administration function	Nil
Erliana Sutadi	43	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 Siew Kiang	50	Niece of Mr Koh Tiat Meng and Mr Koh Teak Huat and cousin of Mr Koh Keng Siang and Mr Koh Keng Hiong	Chief Operations Officer, Building Materials division since 2010 and Executive Director, Construction division since 2013 Assigned to set up and oversee the Building Materials division's Productivity and Innovation Center and also responsible for projects under the Construction division	Ms Koh was also appointed as an Executive Director of Koh Brothers Building & Civil Engineering Contractor (Pte.) Ltd. with effect from 1 January 2013.
Koh Keng Seng	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, Construction division, since 2008 Responsible for overseeing the management of logistics, workshop, machinery and equipment functions under the Construction division.	Nil
Tay Juak Chiang	39	Nephew of Mr Koh Tiat Meng and Mr Koh Teak Huat and cousin of Mr Koh Keng Siang and Mr Koh Keng Hiong	Manager since 2003 Responsible for managing a steel storage area and a production plant in	Nil
Phua Eng Hong	49	Brother-in-law of Mr Koh Keng Siang	Director of Dalian Megacity Trading Co., Ltd since 2008 No executive duties	Nil

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
Koh Kheng Yeow	46	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
Ko Luan Bock	55	Nephew-in-law of Mr Koh Tiat Meng and Mr Koh Teak Huat and cousin-in-law of Mr Koh Keng Siang and Mr Koh Keng Hiong	Project Director, Construction division since 2012 Responsible for project at Lincoln Suites	Nil

BY ORDER OF THE BOARD

Koh Keng Siang
Managing Director & Group CEO

19 February 2013
Singapore



NEWS RELEASE

KOH BROTHERS ACHIEVES NET PROFIT OF S\$19.7 MILLION FOR FY2012

- ***Gross profit for FY2012 up 13% to S\$50.1 million***
- ***Gross margin up 3.7 percentage points to 16.7%***
- ***4Q2012 net profit jumped 403% to S\$6.5 million***
- ***Proposes first and final dividend of 0.35 cent per ordinary share***

Singapore, February 19, 2013 – Koh Brothers Group Limited (“Koh Brothers” or the “Group”), a well-established construction, property development and specialist engineering solutions provider, today announced net profit attributable to equity holders of the Company (“Net Profit”) of S\$19.7 million for the full year ended December 31, 2012 (“FY2012”).

Net Profit was achieved on the back of S\$299.5 million in revenue for FY2012, compared to S\$341.1 million for FY2011. Notwithstanding the lower revenue, gross profit for FY2012 rose 13% to S\$50.1 million, as the Group’s continual efforts to drive productivity contributed to higher margins at its Construction and Building Materials division.

Gross profit margin for FY2012 rose 3.7 percentage points to 16.7%, from 13.0% for FY2011. Earnings per share on a fully diluted basis improved to 4.23 cents per ordinary share for FY2012, compared to 4.19 cents per ordinary share in the previous corresponding financial year.

Mr. Francis Koh, Managing Director and Group CEO of Koh Brothers, commented: “We are pleased to have turned in a sound performance for the year amidst challenges surrounding global markets and volatility in the local property sector. 2012 had been a year of exciting developments, as we launched our latest property development, the 486-unit sporting themed Parc Olympia condominium, secured new contracts, entered into strategic joint ventures and announced the proposed acquisition of an EPC (Engineering, Procurement & Construction) player to broaden our capabilities in the water and wastewater sector.”

For the three months ended December 31, 2012 (“4Q2012”), the Group recorded a 403% jump in Net Profit to S\$6.5 million, on a 74% hike in revenue to S\$116.1 million. The significant increase to earnings for the fourth quarter was due mainly to progressive revenue recognition from the Parc Olympia development launched in July 2012. For the three months ended December 31, 2011 (“4Q2011”), the Group recorded Net Profit of S\$1.3 million, on revenue of S\$66.9 million.

In appreciation of shareholders’ support, the Board has recommended a first and final dividend of 0.35 Singapore cent, totaling S\$1.6 million.

Outlook

On the real estate front, based on preliminary estimates from the Urban Redevelopment Authority, prices of private residential properties rose approximately 2.8% for 2012, representing a slowdown from a 5.9% increase in 2011.¹ In addition, the Singapore Government has recently implemented its seventh round of property cooling measures, which is expected to dampen near-term market sentiments and likely to have an impact on demand.

¹URA releases flash 4th quarter 2012 private residential property price index (<http://www.ura.gov.sg/pr/text/2013/pr13-01.html>)

Mr. Koh added, “While knee-jerk reactions to the latest round of cooling measures are inevitable, we remain positive on a stable outlook for Singapore’s property sector. The implemented measures are targeted primarily at curbing speculative buying behaviour and are aimed at creating a stable and sustainable property market for Singapore. Demand from first-time homebuyers looking for a quality property is expected to remain strong, and we are of the view that property prices will remain stable.”

On the construction front, statistics from the Building and Construction Authority indicated that total construction demand for 2013 is expected to be between S\$26 billion and S\$32 billion, from S\$28.1 billion in 2012, reflecting a sustained level of construction activity.

“With public sector projects expected to account for approximately 54% of total construction demand in 2013, we believe that Koh Brothers, a major player with over 45 years of experience in the civil engineering and building materials sector, is well positioned to be a beneficiary of the continued demand for infrastructure projects. However, we expect tender pricings to remain competitive.” Mr. Koh added.

“As part of our continual efforts to strengthen Koh Brothers’ advantage against competition, we have put in place a 5-year Productivity Improvement Scheme, which is focused on incentivising employees to achieve greater productivity. We believe such efforts, as well as our strong focus on innovation and quality, will contribute to sustainable and long-term growth for the Group.” Mr. Koh concluded.

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.

More recently in November 2012, Koh Brothers secured a S\$30.9 million contract from Changi Airport Group for a proposed retention pond at Changi Airport. In April 2012, Koh Brothers, through a joint venture, was awarded a S\$54.6 million contract by the national water agency, PUB, for the construction of a used water lift station at PUB's Jurong Water Reclamation Plant.

Other ongoing projects include the construction of Downtown Line 1 Bugis Station, makeover of Geylang River and Lincoln Suites – a luxurious condominium project at Kiang Guan Avenue, off Newton Road, in District 11.

Recently completed projects include 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 Kiang 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, received its TOP in June 2011.

Parc Olympia, a sporting themed condominium, was launched in Flora Drive in July 2012. The 99-year, 486-unit development offers over 60,000 sq ft of wide-range sporting area and facilities, with special facilities including a synthetic jogging track, a rockclimbing wall, an air-conditioned badminton court, a skate park and even a putting green for golf-lovers.

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.

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