



KOON HOLDINGS LIMITED (KNH)

Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2011
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

Name of entity

KOON HOLDINGS LIMITED

ABN or equivalent company reference

ARBN 105 734 709

Half year ('current period')

30 June 2011
(Previously corresponding period: 30 June 2010)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Extracts from this report for announcement to the market

APPENDIX 4D

	Group		
	S\$'000	Up/Down	Movement %
Revenues from ordinary activities	35,662	Down	(3.7)
Profit from ordinary activities after tax attributable to members	6,318	Up	4.8
Net Profit for the period attributable to members	6,318	Up	4.8

	Amount per share Singapore cent	Franked amount per share Singapore cent
Interim dividend	0.5	NA
Previous corresponding period Interim dividend	1	NA
Date the dividend (distribution) is payable	23 September 2011	
Record date to determine entitlements to the dividend (distribution)	9 September 2011	

Any other disclosures in relation to dividends

Nil

Net tangible assets per ordinary share (Singapore cents)

Group	
30/06/2011	30/06/2010
31.77 cents	25.31 cents

Additional Appendix 4D disclosure requirements can be found in the notes to the half-year financial statements attached thereto.

This report is based on the consolidated half-year financial statements which have been subjected to a review by Deloitte & Touche LLP.



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1(a) Consolidated Statement of Comprehensive Income for the period ended 30 June 2011

	Note	Group		% Increase/ (Decrease)
		Half-Year ended 30 Jun		
		2011 S\$'000	2010 S\$'000	
Continuing operations				
Revenue		35,662	37,028	(3.7)
Cost of sales		(32,649)	(29,144)	12.0
Gross profit		3,013	7,884	(61.8)
Gain from a bargain purchase arising from acquisition of subsidiaries	1a(i)	-	1,678	n.m
Other income		9,597	770	1,146.4
Administrative expenses		(6,395)	(3,223)	98.4
Distribution costs		(252)	(93)	171.0
Finance cost		(94)	(49)	91.8
Share of loss of associates		(341)	-	n.m
Profit before income tax		5,528	6,967	(20.7)
Income tax		135	(869)	(115.5)
Profit for the period from continuing operations		5,663	6,098	(7.1)
Discontinued operation:				
Profit for the period from discontinued operation	1a(ii)	-	50	n.m
Profit for the period		5,663	6,148	(7.9)
Other comprehensive income :				
Exchange difference on translation of foreign operations, net of tax		(23)	-	n.m
Other comprehensive income for the period, net of tax		(23)	-	n.m
Total comprehensive income for the period		5,640	6,148	(8.3)
Profit for the period attributable to :				
Owners of the Company		6,318	6,029	4.8
Non-controlling interests		(655)	119	(650.4)
		5,663	6,148	(7.9)
Total comprehensive income attributable to :				
Owners of the Company		6,295	6,029	4.4
Non-controlling interests		(655)	119	(650.4)
		5,640	6,148	(8.3)
Earnings per share for the period (Singapore cents)				
From continuing and discontinued operations				
Basic	1a(iii)	3.85	3.68	
Diluted	1a(iii)	3.84	3.68	
From continuing operations				
Basic	1a(iii)	3.85	3.65	
Diluted	1a(iii)	3.84	3.65	



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Notes:-

- 1a(i) On 25 March 2010, the Group acquired 75% of the issued share capital of Econ Precast Pte Ltd and Econ Precast Sdn Bhd for a cash consideration of S\$3,750,000. These subsidiaries were acquired so as to continue the expansion of the Group's business in the construction industry and provide immediate access to the strong demand for public housing. This transaction has been accounted for by the purchase method of accounting.

The assets acquired and liabilities assumed in the transactions, and the gain from a bargain purchase arising, are as follows:

	Acquiree's carrying amount before <u>combination</u>	<u>Adjustments</u>	Acquiree's carrying amount after <u>combination</u>
	S\$'000	S\$'000	S\$'000
Property, plant and equipment	3,236	1,565	4,801
Trade receivables	2,633	-	2,633
Other receivables	66	-	66
Allowance for doubtful trade receivables	(9)	-	(9)
Cash and bank balances	350	-	350
Inventories	5,457	-	5,457
Trade payables	(1,686)	-	(1,686)
Other payables	(1,759)	-	(1,759)
Bank loan	(1,484)	-	(1,484)
Income tax payable	(348)	-	(348)
Finance lease	(406)	-	(406)
Deferred tax liability	(76)	(301)	(377)
Net assets acquired	<u>5,974</u>	<u>1,264</u>	7,238
Less: Non-controlling interests			(1,810)
Gain from a bargain purchase			<u>(1,678)</u>
Total consideration paid			<u>3,750</u>
Net cash outflow from acquisition:			
Cash consideration paid			(3,750)
Cash and bank balances acquired			<u>350</u>
			<u>(3,400)</u>

- 1a(ii) Profit for the period from the marine logistics operation (classified as discontinued operation in HY2010) was analysed as follows:

	<u>Group</u>
	Half-Year ended 30 Jun 2010 S\$'000
Revenue	2,565
Cost of sales	<u>(1,940)</u>
Gross profit	625
Other income	19
Administrative expenses	(451)
Finance cost	<u>(32)</u>
Profit before income tax	161
Income tax expense	<u>(111)</u>
Profit for the period	<u>50</u>



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- 1a(iii) On 30 December 2010, the Group issued 81,994,000 bonus shares on the basis of one bonus share for every one ordinary share in the capital of the company held by shareholders. The bonus shares were issued and allotted at no consideration without capitalization of the Company's reserves.
The calculation of both basic and diluted earnings per share as at 30 June 2010 was based on profit attributable to ordinary shareholders and weighted average number of ordinary shares. For comparative purposes, the weighted average number of ordinary shares for the period ended 30 June 2010 was adjusted for the bonus issue in December 2010. The Company's basic weighted average number of ordinary shares for the period ended 30 June 2011 was 164,098,000 shares (30 June 2010: 163,988,000 shares) The Company's diluted weighted average number of ordinary shares for the period ended 30 June 2011 was 164,318,000 shares (30 June 2010: 163,988,000 shares)

The discussion that follows compares the income statement for 6 months ended 30 June 2011(1H2011) with previous corresponding period (1H2010)

Income Statement

	Revenue		Earnings	
	Half-Year ended 30 Jun 2011	Half-Year ended 30 Jun 2010	Half-Year ended 30 Jun 2011	Half-Year ended 30 Jun 2010
	S\$'000	S\$'000	S\$'000	S\$'000
Continuing operations:				
Construction	28,544	32,950	7,866	4,031
Plant and equipment rental	4,413	4,721	622	1,057
Precast	6,338	3,693	(2,069)	571
	39,295	41,364	6,419	5,659
Elimination	(3,633)	(4,336)	(10,053)	(1,092)
Total	35,662	37,028	(3,634)	4,567
Unallocated corporate income			9,597	771
Share of loss of associates			(341)	-
Gain from a bargain purchase arising from acquisition of subsidiaries			-	1,678
Finance costs			(94)	(49)
Profit before income tax			5,528	6,967
Income tax			135	(869)
Profit for the period			5,663	6,098
Discontinued operation:				
Marine Logistics	-	2,839	-	(109)
Elimination	-	(274)	-	284
Total	-	2,565	-	175
Unallocated corporate income			-	18
Finance costs			-	(32)
Profit before income tax			-	161
Income tax				(111)
Profit for the period			-	50
Consolidated revenue and profit for the period	35,662	39,593	5,663	6,148



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Turnover

Revenue for first half year ended 30 June 2011 (1H2011) declined by 3.7% to S\$35.7 million as compared to the previous period due to decline in revenue from the Construction division partially mitigated by an increase in revenue from the Precast division.

The decrease in revenue from the Construction division was mainly due to changes in timing of revenue recognition (Koon only starts recognizing revenue when a project is 20% or more complete) and project completion. Substantial completion of major projects such as Punggol-Serangoon Reservoir, Gardens by the Bay at Marina South, Jurong Island projects, PUB Wetland contributed significantly to revenue in 1H2010 as compared to 1H2011. However, the decrease was partially offset by new projects such as infrastructure works at Changi East, coastal protection work at Pulau Tekong and a private civil engineering project at Tuas which exceeded 20% revenue recognition level during 1H2011.

The Plant and equipment rental division also reported lower revenue due to lower equipment requirements from the Construction division.

The higher revenue derived from the Precast division was due to consolidation of 6 months cumulative revenue for 1H2011 as compared to the previous period as the acquisition of the Precast division was completed in late March 2010.

Gross Profit

The Group's gross profit decreased from S\$7.9 million to S\$3.0 million due to lower revenue and lower gross profit margin from the Construction division. The Construction division recorded a lower gross profit for 1H2011 due to write back of provision for anticipated losses and liquidated damages for certain projects in 1H2010. In addition, projects with better margin such as Gardens by the Bay at Marina South and Jurong Island projects contributed to the gross profit in 1H2010 compared with 1H2011.

The Plant and equipment rental division also reported lower earnings due to lower equipment requirements from the Construction division.

The Precast division recorded a lower profit margin mainly because of preliminary set up, technical design and production related costs incurred for new contracts awarded.

Other Income

Other income increased from S\$0.8 million to S\$9.6 million in 1H2011 mainly due to the gain on disposal of leasehold property and dividend income received from Koon Zinkcon of S\$5.6 million and S\$3.0 million respectively as compared to the previous period.

Administrative Expenses

For the period ended 30 June 2011, there was an increase by 98.4% in the administrative expenses from S\$3.2 million as compared to S\$6.4 million in 1H2011. The significant increase in operating cost was mainly due to higher manpower costs, business development expenses, professional fee in relation to acquisition of subsidiaries and additional operating expenses from Contech Precast Pte Ltd (CPPL) in the Precast division. CPPL was acquired in 27 August 2010.

Distribution Expenses

The Group saw an increase of 171% in its distribution expenses as compared to that in 1H2010. This was due to corresponding increase in revenue by Precast division.

Finance Expenses

There was an increase of 91.8% from S\$0.09 million in 1H2011 as compared to S\$0.05 million in the previous period for finance expenses. This was due to purchase of new gantry cranes through hire purchase finance arrangement to enhance the Precast division production capabilities.

Share of Loss of Associate

The loss from associate of S\$0.3 million arose from the ownership of Tesla, an Australia energy infrastructure company. Tesla's first 9.9MW diesel power plant in Western Australia has commenced its operations.

Profit Before Tax and Net Profit

The Group's profit before tax from continuing operations decreased from S\$6.9 million to S\$5.5 million in 1H2011 due to lower gross profit from Construction division, preliminary costs from Precast division and share of losses from associates mitigated by non operating income - gain from disposal of property and dividend income from Koon Zinkcon. Excluding these non operating income, our Group's net operating loss before tax is approximately S\$3.1 million, mainly attributed to the Precast division of approximately S\$2.1 million and S\$1.0 million from our Construction division.

Dividend

The Group is pleased to announce an interim dividend of 0.5 Singapore cent per ordinary share. This would have been equivalent to 1 Singapore cent per ordinary share last year before the bonus issue.



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1(b) Statement of Financial Position as at 30 June 2011

	Group	As shown in last annual report	
	As at 30/06/2011 S\$'000	As at 31/12/2010 S\$'000	As at 30/06/2010 S\$'000
ASSETS			
Current assets			
Cash and cash equivalents	22,979	22,518	31,472
Pledged fixed deposits	70	52	297
Trade receivables	24,989	21,774	21,427
Other receivables	6,078	7,503	1,291
Inventories	5,582	4,727	9,084
Contract work-in-progress	12,758	12,693	7,711
Held for trading investments	49	49	34
Available for sale investment	500	500	500
Derivative financial instrument	-	1,057	-
Non-current assets classified as held-for-sale	-	1,898	-
Total current assets	73,005	72,771	71,816
Non-current assets			
Associates	8,792	3,652	*
Property, plant and equipment	23,425	22,042	20,431
Deferred income tax	436	234	520
Total non-current assets	32,653	25,928	20,951
Total assets	105,658	98,699	92,767
LIABILITIES AND EQUITY			
Current liabilities			
Bank loan and bills payable	1,808	1,358	1,880
Trade payables	32,471	27,754	24,577
Other payables and accruals	9,781	11,654	13,121
Contract work-in-progress	2,748	1,556	3,482
Current portion of finance leases	1,094	1,300	1,022
Derivative financial instrument	-	254	-
Income tax payable	650	1,698	1,741
Total current liabilities	48,552	45,574	45,823
Non-current liabilities			
Long-term bank loans	-	-	890
Finance leases	2,187	2,058	577
Deferred income tax	1,887	1,288	1,498
Total non-current liabilities	4,074	3,346	2,965
Total liabilities	52,626	48,920	48,788
Capital and Reserves			
Share capital	6,998	6,998	6,998
Capital reserve	13,006	13,006	13,006
Equity reserve	(198)	-	-
Accumulated profits	32,359	27,682	21,499
Translation reserve	(33)	(10)	-
Equity attributable to owners of the Company	52,132	47,676	41,503
Non-controlling interests	900	2,103	2,476
Total equity	53,032	49,779	43,979
Total liabilities and equity	105,658	98,699	92,767

* Amount less than S\$1,000



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1(c) Consolidated statement of cash flows for the period ended 30 June 2011

	Group	
	Half-Year ended 30 Jun	
	2011	2010
	S\$'000	S\$'000
Operating activities		
Profit before income tax	5,528	7,128
Adjustments for:		
Allow ance (Reversal) for doubtful trade receivable - net	-	200
Reversal of allow ance for inventories	(196)	-
Depreciation expense	2,197	1,346
Dividend income from available for sale investment	(3,000)	-
Dividend income from held for trading investment	-	*
(Gain)/Loss on disposal of property, plant and equipment	(51)	5
Gain on disposal of non-current assets classified as held-for-sale	(5,602)	-
Interest expense	94	81
Interest Income	(222)	(28)
Fair value (gain) loss on held for trading investments	-	8
Share of loss from associate	341	-
Provision (reversal) of foreseeable loss on contract w ork-in-progress	332	(3,371)
Gain from a bargain purchase arising from acquisition of subsidiaries	-	(1,678)
Operating cash flow s before movements in w orking capital	(579)	3,691
Contract w ork-in-progress	795	13,141
Trade receivables	(3,215)	2,364
Inventories	(659)	1,664
Other receivables	1,425	(505)
Trade payables	4,717	(12,693)
Other payables and accruals	381	8,915
Cash generated from operations	2,865	16,577
Income tax paid	(516)	(1,044)
Net cash from operating activities	2,349	15,533
Investing activities		
Net cash inflow on acquisition of subsidiaries	-	(3,400)
Acquisition of interest in associate	(4,701)	-
Purchase of property, plant and equipment	(3,110)	(2,544)
Proceeds on disposal of property, plant and equipment	250	152
Proceeds on disposal of non-current assets classified as held-for-sale	7,500	-
Dividend received from held for trading investment	-	*
Interest received	222	28
Net cash from (used in) investing activities	161	(5,764)
Financing activities		
(Increase)/Decrease in pledged fixed deposits	(18)	2,989
Dividends paid	(1,641)	(1,230)
Interest paid	(94)	(81)
Repayment of obligations under finance lease	(746)	(906)
Repayment of bank loan	(28)	-
Proceeds from bills payable	2,470	-
Repayment of bills payable	(1,992)	(461)
Capital contribution from non-controlling interests	-	548
Net cash (used in) from financing activities	(2,049)	859
Net increase in cash and cash equivalents	461	10,628
Cash and cash equivalents at January 1	22,518	20,844
Cash and cash equivalents at June 30	22,979	31,472

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The discussion that follows compares the Finance Position as at 30 June 2011 with that of 31 December 2010

Current assets

Current assets increased by S\$0.2 million from S\$72.8 million to S\$73.0 million when compared to the beginning of the year.

This was mainly due to the following:

1. Cash and cash equivalents increased by S\$0.5 million due to a small favorable movement in working capital;
2. Trade receivables increased due to a back to back receivable of S\$2.9 million from a joint venture partner;
3. Other receivables decreased by S\$1.4 million due to refund of lease rental and project tender deposits and proceeds received from sales of certain tugboats and barges; and
4. Inventories increased by S\$0.8 million due to higher raw materials held for newly awarded contracts for Precast division.

The above are offset by the reversal of:

1. The fair value of options granted to Tesla where the net value of the put and call options was transferred to the cost of investment in associate when the option was exercised to subscribe for 2.4 million preference shares on 29 June 2011; and
2. The leasehold property classified as non-current assets held for sale, the transaction was completed in January 2011.

Non-current assets

The increase in non-current assets of 25.9% from S\$25.9 million in FY2010 to S\$32.6 million was mainly due to:

1. The subscription of preference shares in Tesla Holdings Pty Ltd at a consideration of S\$4.7 million and the transfer of the net fair value of the call and put options of S\$0.8 million resulted from the share subscription into Tesla.
2. The property, plant and equipment in FY2010 had increased by 6.3% to S\$23.4 million due mainly to additions of an additional office building, purchase of moulds by the Precast division and the acquisition of motor vehicles, bulldozers and steel sheet piles in the Plant and equipment rental division.

Current liabilities

Current liabilities increased by S\$3.0 million from S\$45.6 million to S\$48.6 million mainly due to the following:

1. Bills payable increased due to the increase in trade financing by the Precast division for its purchase of raw material for production,
2. Trade payables increased from a back to back payable to a joint venture partner and an increase in the business activities for 1H2011,
3. Other payables and accruals reduced mainly due to transfer of dividend received from Koon Zinkcon Pte Ltd, a 50% joint venture with Boskalis International (S) Pte Ltd to other income in the period,
4. Contract work-in-progress increased due to cost accruals for projects; and
5. Income tax payable decreased due to tax paid during the period.

The discussion that follows compares the consolidated statement of cash flows for the 6 months to 30 June 2011 with that of 31 December 2010

Despite the net cash used in operations, the cash and cash equivalents of the Group increased marginally mainly due to proceeds from sale of leasehold property which was partially offset by net cash outlay for purchase of fixed assets, the payment of dividends of S\$1.6 million and subscription of preference shares in Tesla Holdings Pty Ltd.

The increase in cash outlay for purchase of property, plant and equipments was mainly due to the construction of the additional office building and the acquisition of moulds by the Precast division, Plant and equipment rental division acquisition of motor vehicle, bulldozers and steel sheet piles.



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1(d)(i) Statements of changes in equity for the period ended 30 June 2011

Group	Share Capital S\$'000	Capital Reserve S\$'000	Equity Reserve S\$'000	Accumulated profits/ (losses) S\$'000	Translation Reserve S\$'000	Attributable to owners of the Company S\$'000	Non-Controlling Interests S\$'000	Total S\$'000
Balance at 1 Jan 2010	6,998	13,006	-	16,700	-	36,704	-	36,704
Dividends	-	-	-	(1,230)	-	(1,230)	-	(1,230)
Acquisition of subsidiaries	-	-	-	-	-	-	1,810	1,810
Incorporation of a subsidiary	-	-	-	-	-	-	547	547
Total comprehensive income for the period from 1 Jan 2010 to 30 Jun 2010	-	-	-	6,029	-	6,029	119	6,148
Balance at 30 Jun 2010	6,998	13,006	-	21,499	-	41,503	2,476	43,979
Dividends	-	-	-	(820)	-	(820)	-	(820)
Acquisition of subsidiaries	-	-	-	-	-	-	(20)	(20)
Total comprehensive income for the period from 1 Jul 2010 to 31 Dec 2010	-	-	-	7,003	(10)	6,993	(353)	6,640
Balance at 31 Dec 2010	6,998	13,006	-	27,682	(10)	47,676	2,103	49,779
Dividends	-	-	-	(1,641)	-	(1,641)	-	(1,641)
Effect of acquiring non-controlling interest in a subsidiary	-	-	(198)	-	-	(198)	(548)	(746)
Total comprehensive income for the period from 1 Jan 2011 to 30 Jun 2011	-	-	-	6,318	(23)	6,295	(655)	5,640
Balance at 30 Jun 2011	6,998	13,006	(198)	32,359	(33)	52,132	900	53,032

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury of the issuer, 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.**

None.

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.**

As at 30 June 2011, the Company's issued and paid up capital comprises 164,098,000 ordinary shares (31 December 2010: 163,988,000).



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- 1(d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There are no treasury shares.

2. **Whether the figures have been audited, or reviewed and in accordance with which standard (eg. The Singapore Standard of Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).**

The figures have reviewed by the auditor in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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

Not applicable.

- 4(a). **Details of entities over which control has been granted or lost during the period.**

None.

- 4(b). **Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.**

None.

- 4(c) **Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these of these disclosures for the previous corresponding period.**

There are no associates and joint venture entities which are material to an understanding of the report.

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

The report has been prepared in accordance with Singapore Financial Reporting Standards.

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the year ended 31 December 2010.

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.**

Improvements to FRS applicable from 1 October 2008

The Group has adopted various revised or new FRS and INT FRS applicable from 1 January 2011. These do not have a significant financial impact financial impact on the Group.



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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.**

	Group	
	Half-Year ended 30 Jun	
	2011	2010
Earnings per share for the period (Singapore cents)		
From continuing and discontinued operations		
Basic	3.85 cents	3.68 cents
Diluted	3.84 cents	3.68 cents
From continuing operations		
Basic	3.85 cents	3.65 cents
Diluted	3.84 cents	3.65 cents

7. **Net tangible value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) the corresponding period of the immediately preceding financial year.**

	Group	
	30/06/2011	30/06/2010
Net tangible value per ordinary share based on issued share capital as at the end of the reporting period (Singapore cents)	31.77 cents	25.31 cents

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

The Group did not make any forecast or prospect statement previously disclosed to shareholders.

9. **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.**

On 1 July 2011, the Group acquired a 51% stake in GPS Alliance Holdings Pte. Ltd. (formerly known as GA Property Management Pte. Ltd.) and its subsidiaries for S\$3 million. Based in Singapore, GPS Alliance Holdings Pte. Ltd. is an investment holding company that owns premier real estate agency, Global Property Strategic Alliance Pte. Ltd. ("GPS"), which is involved in a wide spectrum of real estate services that includes corporate leasing services, investment sales, en bloc sales, full time sales and domestic and international project sales. Since its establishment, GPS has made significant progress in expanding its business network via regional strategic alliances.

This acquisition is a synergistic addition to the Group's business model, which has been transformed to diversify its revenue base and accelerate recurring revenue growth.

On 3rd August 2011, the Group also announced the incorporation of the new subsidiary, GPS Alliance Appraisals Pte. Ltd. under GPS to provide property valuation and advisory services to explore opportunities in the real estate market.

The Group intends to continue to actively seek to maximize its resources. This may include strategic alliances, joint ventures, being involved in BOTs (build-operate-transfers) and PPPs (public private partnerships) and further acquisitions.



KOON HOLDINGS LIMITED (KNH)

Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2011
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

As at the date of this announcement, the Construction and Precast division has an outstanding order book of approximately S\$88.2 million (excluding Vietnam project amounting to US\$160 million which was announced last year) and S\$68.8 million respectively.

Barring any unforeseen circumstances, the Group expects to remain profitable in FY2011.

BY ORDER OF THE BOARD

Tan Swee Gek
Company Secretary
26 August 2011



KOON HOLDINGS LIMITED (KNH)

Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2011
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the half-year financial results for the period ended 30 June 2011 to be false or misleading in any material aspect.

On behalf of the board of directors,

Mr. Tan Thiam Hee
Managing Director and Chief Executive Officer

Mr. Oh Koon Sun
Executive Director

Singapore
26 August 2011