



Press Release - For Immediate Release

KOON BOOKS FULL YEAR NET PROFIT OF S\$7.6 MILLION IN A YEAR OF TRANSFORMATION

- ▶ Increased revenue contribution from Precast and Property divisions
- ▶ Order book of Precast division surged from S\$31.0 million to S\$94.0 million
- ▶ Rapid growth and expansion in Property division
- ▶ Proposed final dividend of half Singapore cent per share
- ▶ Healthy balance sheet with low gearing
- ▶ Transformed business model builds momentum for growth

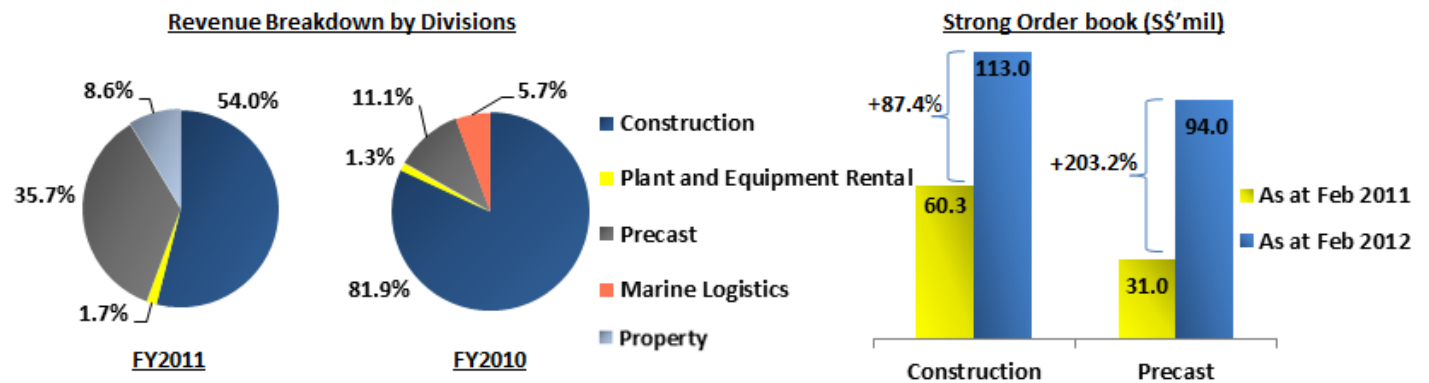
(S\$'mil)	FY2011	FY2010	Change (%)
Revenue	88.1	74.8	17.7
Gross Profit	8.2	15.6	(47.3)
Other Income	14.0	5.6	149.6
Administrative Expenses	(13.1)	(8.8)	48.5
Distribution Costs	(1.2)	(0.3)	331.4
Profit Attributable to Shareholders	7.6	13.0	(41.6)
Earnings per Share ⁽¹⁾ (Singapore Cents)	4.63	7.95	(41.8)

(S\$'mil)	As at 31 Dec 2011	As at 31 Dec 2010	Change (%)
Net Tangible Asset Per Share (Singapore Cents)	32.56	30.36	7.2
Cash & Cash Equivalents	19.6	22.5	(12.8)

(1) Basic weighted average number of ordinary shares for the period ended 31 Dec 2011 was 164,098,000 shares (31 Dec 2010: 163,988,000 shares)

Singapore and Australia, 24 February 2012 - Koon Holdings Limited, (“Koon”, “崑控股有限公司” or the “Group”), Singapore’s integrated infrastructure construction, precast specialist and property developer, today reported net profit of S\$7.6 million for its full year ended 31 December 2011 (“FY2011”).

Increased Revenue Contribution from Precast and Property Divisions



During the period under review, the Group recorded a 17.7% increase in revenue to S\$88.1 million as the increased revenue from the Precast division and maiden revenue contribution from the Property division offset the decline in revenue from the Construction division.

In FY2011, revenue from the Construction division decreased to S\$47.6 million from S\$66.1 million a year ago, which was mainly due to timing of revenue recognition and project completion. **The Group only recognizes revenue when a construction project is 20% or more complete.**

Substantial completion of major projects such as Punggol-Serangoon Reservoir, Gardens by the Bay at Marina South, Jurong Island projects, PUB Wetlands contributed significantly to the Group's revenue in FY2010 and as a result, there was lower revenue recognition in FY2011 from these projects.

As at 24 February 2012, the Construction and Precast division has an outstanding order book of approximately S\$113.0 million and S\$94.0 million respectively. The order book of the Construction division excludes the Vietnam port project amounting to US\$160 million which was announced in 2010. The outstanding order books for both the Construction and Precast divisions are expected to contribute to the Group's revenue progressively over the next 2 years.

Gross profit decreased by 47.3% to S\$8.2 million mainly due to lower profit contribution from the Construction division and an impairment loss of S\$1.6 million for the delayed Vietnam Sao Bien project which was partially mitigated by the contribution from the Precast division.

In line with the Group's ongoing expansion plans, recent acquisition and new business setups, administrative expenses and distribution expenses increased by 48.5% and 331.4% to S\$13.1 million and S\$1.2 million respectively.

As a result, net profit attributable to shareholders reduced 41.6% to S\$7.6 million. This profit was largely due to gain from disposal of leasehold property and dividend income from Koon Zinkcon of S\$5.6 million and S\$6.5 million respectively.

Koon Zinkcon is the Group's 50% joint venture with Boskalis International (S) Pte Ltd, a major international dredging and offshore engineering firm.

Commenting on the results for FY2011, Mr Tan Thiam Hee (“陈添喜”), Managing Director and Chief Executive Officer of Koon, said: “While overall revenue has increased, our expansion in Precast activities and

foray into the real estate market incurred additional expenses during the development phase which affected our bottom-line performance. This is an essential investment in the future of our Group, nonetheless we will maintain tight cost control as we embarked on our business strategies.

Progressively, we see improvements and encouraging results from the strategies and expansions that we have taken during the past two financial years. From one core business activity, we have transformed our business model to include new recurring streams of income and create business synergies among our business units.

To reward shareholders for their continuous support, we have decided to declare a final dividend of half Singapore cent per share. This is in addition to the interim dividend of half Singapore cent per share, which represents a cumulative dividend payout ratio of approximately 21.6%⁽²⁾ for FY2011."

Healthy Balance Sheet with Low Gearing

The Group's financial position remains healthy with total assets of S\$122.2 million and total liabilities of S\$66.8 million. Net tangible asset per share grew from 30.36 Singapore cents to 32.56 Singapore cents, representing a growth of 7.2% over the same corresponding period.

As at end December 2011, the Group's cash and cash equivalents stood at approximately S\$19.6 million.

Milestones for Property Division and Investment Division

Rapid Growth and Expansion in Property Division

In July 2011, the Group completed the acquisition of 51% of GPS Alliance Holdings Pte. Ltd. ("GPS") (previously known as GA Property Management Pte Ltd). GPS is an investment holding company that owns the premier real estate agency, Global Property Strategic Alliance Pte. Ltd. ("GPS Alliance").

Within half a year since the acquisition, GPS has made significant progress in expanding its business network and business activities to new areas such as property valuation and advisory services, property development as well as home furnishing.

In August 2011, the Group incorporated a new subsidiary, GPS Alliance Appraisals Pte. Ltd. to provide property valuation and advisory services.

In October 2011, the Group took up a 15% stake in a joint venture company ("JVC") and participated in an Executive Condominium housing development project. In addition, GPS Alliance will be responsible for the marketing strategy and sales of this residential development.

Further, through its home furnishing unit Muse Living Pte. Ltd., the Group has secured the sole right to distribute Arrex Le Cucine branded home furnishing products in Singapore and Malaysia.

Tesla's First Power Plant Commenced Operation in the Second Half of 2011

Since our investment in Tesla in July 2010, it has successfully completed the construction of its first 9.9MW diesel power plant in Western Australia. With the commissioning of its first 9.9MW diesel power plant in

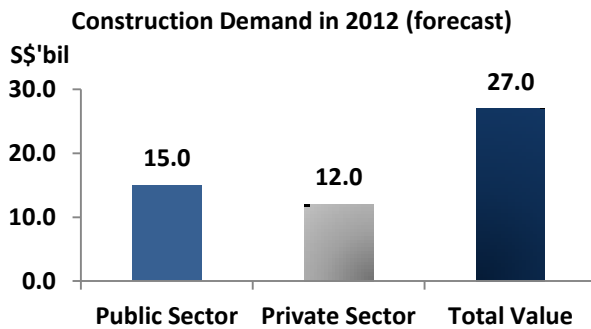
(2) Dividend payout ratio equals to total dividend per share for FY2011 divided by earnings per share

August 2011, Tesla started to generate recurring revenue based on a two-tier revenue matrix (standby fee and actual usage fee).

Based in Australia, Tesla is an energy infrastructure company with core capabilities to build and operate power stations in the peak power segment in the State of Western Australia. Tesla also has secured sites for the construction of three additional 9.9MW diesel power plants which will be completed within the second half of 2012.

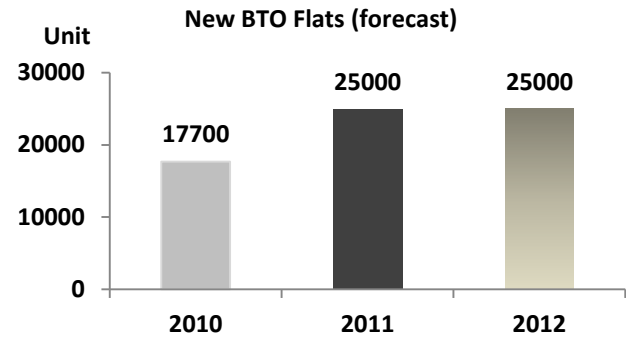
To date, the Group owns approximately 67.8% stake in Tesla, comprising 48.9% ordinary shares and 18.9% preference shares.

Outlook



Source: BCA

Note: Figures represent maximum range of the forecast



Source: HDB

According to the Building and Construction Authority of Singapore (“BCA”), driven by continued strong public housing developments, as well as construction demand for institutional building and civil engineering projects, construction demand from public sector is likely to reach between S\$13 billion and S\$15 billion in 2012.

In its latest forecast in January 2012, the Housing and Development Board (“HDB”) of Singapore expects new Build-to-order (BTO) flat launch to maintain at 25,000 units in 2012. The new BTO supply across various parts of Singapore would add-on to the demand for precast products.

Commenting on the outlook for FY2012, Mr Tan said: *“While the Government expects modest GDP growth in 2012, growing population and the ongoing needs for infrastructure improvements will continue to set the demand for infrastructure construction and housing projects in Singapore.*

With more emphasis on increasing productivity and efficiency within the construction industry, our Precast division is well positioned for continued growth with its established presence and precast capabilities.

2011 has been a transformative year for Koon and as we progress ahead, our combined synergies and integrated solutions will strengthen our competitive advantage and provide a platform of sustained growth for our Group.”

- END -

This document is to be read in conjunction with Koon’s exchange filings on 24 February 2012, which can be downloaded via www.sgx.com and www.asx.com.au.

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About Koon Holdings Limited (Bloomberg: KNH:SP; Reuters: KNH.AX)

Listed on the Mainboard of the Australian Securities Exchange Limited and Singapore Exchange and Securities Trading Limited, Koon is one of Singapore's leading infrastructure construction and civil engineering group with an established track record of over 30 years. Continuously enhancing its capabilities along the value chain, Koon has gone from a transporter of rocks and stones to a main contractor in numerous iconic infrastructure and reclamation projects in Singapore (such as the Ulu Pandan Water Reclamation Plant, Pang Sua Canal, expanding Jurong Island and etc).

Registered with the Building and Construction Authority (BCA) under the A1 category, Koon is able to tender for civil engineering projects of unlimited value in Singapore. And testament to its niche expertise and capabilities in the infrastructure construction and civil engineering space, Koon has forged successful partnerships with other renowned infrastructure and construction companies to secure infrastructure construction and civil engineering projects domestically and regionally.

Koon's infrastructure construction business activities are further enhanced by its plant and equipment rental division, which centralise the procurement of plant and construction equipment to generate cost efficiencies and ensure that its wide range of marine and land-based construction machinery and equipment is efficiently utilised.

Demonstrating its quality management, environmental protection and safety management capabilities, Koon is ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certified. The Group has also taken structured approaches towards continuous improvements of its capabilities, quality service and product solutions. Testament to its commitment to environmental protection and green awareness, Koon was accorded the BCA Green & Gracious Builder Award. In addition, Koon also obtained the Bizsafe Partner Certification in 2009.

Recognising the increasing use of precast concrete products to shorten construction time with better quality control and productivity, Koon moved into the upstream precast industry through the acquisitions of Econ Precast and Contech Precast in 2010. With a combined track record of more than 30 years, both Econ Precast and Contech Precast are approved precast works suppliers to Housing and Development Board projects with the highest grading (L6) from the BCA, enabling them to tender for precast works of unlimited value. This has successfully broadened the Group's product offerings and customer base with the cross-marketing of its products and integrated service solutions to a wider group of customers.

Investments are part of Koon's business strategy to generate diversified streams of recurring revenue, profit and cashflow. Besides quantitative requirements, the business fundamentals of each investment must be aligned with the Group's objective to deliver long term sustainable shareholder value. The investment in Tesla, an energy infrastructure company, provides a direct channel into the growing energy market in Australia. Aided by Tesla's expertise, Koon has completed the construction and commissioning of its first 9.9MW diesel power plant in Western Australia, with three more similar power plants set to be built within the second half of 2012.

In addition, the Group acquired a majority stake in GPS Alliance Holdings Pte. Ltd. that owns premier real estate agency, Global Property Strategic Alliance Pte. Ltd., which is involved in a wide spectrum of real estate services that includes Corporate Leasing services; Investment Sales; En-bloc Sales; Full-time Sales; Domestic and International Project Sales. Since its establishment, GPS Alliance Holdings Pte. Ltd. has made significant progress in expanding its business network and business activities to new areas such as property valuation and advisory services as well as home furnishing.