



# KOON HOLDINGS LIMITED (KNH)

## Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2012  
( 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 2012  
(Previously corresponding period: 30 June 2011)

### 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	99,280	Up	178.4
Profit from ordinary activities after tax attributable to members	546	Down	(91.4)
Net Profit for the period attributable to members	546	Down	(91.4)

	Amount per share Singapore cent	Franked amount per share Singapore cent
Interim dividend	0.5	NA
Previous corresponding period Interim dividend	0.5	NA
Date the dividend (distribution) is payable	25 September 2012	
Record date to determine entitlements to the dividend (distribution)	10 September 2012	

Any other disclosures in relation to dividends

Nil

Net tangible assets per ordinary share (Singapore cents)

Group	
30/06/2012	30/06/2011
33.06 cents	31.77 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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### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

#### 1(a) Consolidated Statement of Comprehensive Income for the period ended 30 June 2012

	Group		% Increase/ (Decrease)
	Half-Year ended 30 Jun 2012 S\$'000	2011 S\$'000	
Revenue	99,280	35,662	178.4
Cost of sales	<u>(88,319)</u>	<u>(32,649)</u>	170.5
Gross profit	10,961	3,013	263.8
Other income	1,590	9,597	(83.4)
Administrative expenses	(9,323)	(6,395)	45.8
Distribution costs	(1,697)	(252)	573.4
Finance cost	(579)	(94)	516.0
Share of loss of associates	<u>(76)</u>	<u>(341)</u>	(77.7)
<b>Profit before income tax</b>	876	5,528	(84.2)
Income tax	<u>(133)</u>	<u>135</u>	(198.5)
<b>Profit for the period</b>	<u>743</u>	<u>5,663</u>	(86.9)
<b>Other comprehensive income :</b>			
<b>Exchange difference on translation of foreign operations, net of tax</b>	123	(23)	(634.8)
<b>Other comprehensive income for the period, net of tax</b>	<u>123</u>	<u>(23)</u>	(634.8)
<b>Total comprehensive income for the period</b>	<u>866</u>	<u>5,640</u>	(84.6)
<b>Profit for the period attributable to :</b>			
Owners of the Company	546	6,318	(91.4)
Non-controlling interests	197	(655)	(130.1)
	<u>743</u>	<u>5,663</u>	(86.9)
<b>Total comprehensive income attributable to :</b>			
Owners of the Company	651	6,295	(89.7)
Non-controlling interests	215	(655)	(132.8)
	<u>866</u>	<u>5,640</u>	(84.6)
<b>Earnings per share for the period (Singapore cents)</b>			
Basic	0.33	3.85	
Diluted	0.33	3.84	



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**The discussion that follows compares the income statement for 6 months ended 30 June 2012(1H2012) with previous corresponding period (1H2011)**

#### Income Statement

	Revenue		Earnings	
	Half-Year ended 30 Jun		Half-Year ended 30 Jun	
	2012	2011	2012	2011
	S\$'000	S\$'000	S\$'000	S\$'000
Construction	41,258	29,370	(1,203)	8,476
Precast	47,927	6,338	3,846	(2,069)
Property	9,734	-	(143)	-
Electric power generation	500	-	(399)	-
	99,419	35,708	2,101	6,407
Elimination	(139)	(46)	(2,160)	(10,041)
Total	99,280	35,662	(59)	(3,634)
Unallocated corporate income			1,590	9,597
Share of loss of associates			(76)	(341)
Finance costs			(579)	(94)
Profit before income tax			876	5,528
Income tax			(133)	135
Consolidated revenue and profit for the period	99,280	35,662	743	5,663

#### Turnover

Revenue for first half year ended 30 June 2012 (1H2012) increased by 178.4% to S\$99.3 million as compared to the previous period.

The increase in turnover was largely due to:-

1. An increase in Construction revenue on the back of the Tampines Logistics Park project, the rehabilitation and earthworks at a landfill site off Tampines Road, the construction of the Seletar Link vehicular bridge and the widening of the Tampines Expressway.
2. Higher revenue from the Precast division paralleled increases in contracts secured.
3. Contribution from the new Property division that was acquired in July 2011.

#### Gross Profit

The Group's gross profit increased by 263.8% from S\$3.0 million in 1H2011 to S\$11 million in 1H2012 mainly due to the Precast division and partially offset by the lower gross profit margin contracts from the Construction division. The lower margin contracts were secured in the aftermath of the global financial crisis.



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##### Other Income

Other income decreased significantly from S\$9.6 million to S\$1.6 million. In 1H2011 there was a one-off gain on disposal of leasehold property and non-recurrent dividend income from Koon Zinkcon of S\$5.6 million and S\$3.0 million, respectively.

However included in 1H2012 is also a small one-off gain on disposal. This one-off gain on disposal of S\$618,000 is an initial estimate of the likely gain on the deemed disposal of a previously held interest in an associate. Once the final purchase price allocation has been established (subject to confirmation of the fair value), the gain on deemed disposal of the associate will be adjusted accordingly.

This provisional gain on disposal of previously held interest in associate arose on 9 March 2012 when the Group increased its stake in Tesla, an Australian energy infrastructure company from 48.9% to 71.2%. The Group previously held its 48.9% equity interest in Tesla as an investment in an associate. It will now be held as a subsidiary. Due to the re-classification, the subsidiary is required by the accounting standards to be re-measured at its fair value at the date of "acquisition/re-classification". As noted in the previous paragraph, the preliminary difference between the fair value and the carrying amount of 48.9% equity interest in Tesla immediately prior to the date of acquisition of S\$618,000 was recognized in the profit or loss in 1H2012.

##### Administrative Expenses

The Group's administrative expenses increased by 45.8% from S\$6.4 million in 1H2011 to S\$9.3 million in 1H2012. The increase in operating cost was largely due to the inclusion of the property and electric power generation businesses.

##### Distribution Costs

The Group saw a significant increase in its distribution expenses as compared to that in 1H2011. This was in line with the increase in turnover of Precast division from S\$6.3 million in the previous corresponding period to S\$47.9 million in 1H2012. In addition, there were advertising and marketing expenditure from the Property division.

##### Finance Cost

There was an increase of approximately S\$0.48 million as compared to 1H2011 mainly due to the purchase of plant and equipment by Tesla and the Precast division through bank borrowings and hire purchase finance arrangement.

##### Share of Loss of Associate

The loss from associate arose from the previously held interest of Tesla before it became a subsidiary of the Group when the equity stake in Tesla was raised to 71.2% on 9 March 2012.

##### Profit Before Tax and Net Profit

The Group's profit before tax decreased from S\$5.5 million to S\$0.9 million in 1H2012 due mainly to the inclusion of S\$8.6 million of one-off non-operating income in 1H2011 arising from the gain on disposal of property and a non-recurrent dividend income from Koon Zinkcon as compared to the net gain on disposal of previously held interest in associate of S\$0.6 million for 1H2012. Excluding these non-operating incomes, our Group's net operating profit before tax is approximately S\$0.3 million for the six months ended 30 June 2012 and loss of S\$3.1 million for the six months ended 30 June 2011.

##### Dividend

Despite the decline in net profit, the Group remains confident of its future, the Group is therefore pleased to announce an interim dividend of 0.5 Singapore cent per ordinary share.



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#### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

##### 1(b) Statement of Financial Position as at 30 June 2012

	Group	As shown in last annual report		
		As at 30/06/2012	As at 31/12/2011	As at 30/06/2011
	Note	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents		16,324	19,620	22,979
Pledged fixed deposits		5,658	70	70
Trade receivables		52,626	35,169	24,989
Other receivables		4,317	5,303	6,078
Inventories		15,162	10,549	5,582
Contract work-in-progress		8,834	8,434	12,758
Held for trading investments		36	36	49
Available for sale investment		-	-	500
<b>Total current assets</b>		<b>102,957</b>	<b>79,181</b>	<b>73,005</b>
<b>Non-current assets</b>				
Other receivables		7,179	6,153	-
Associates		-	8,145	8,792
Property, plant and equipment		61,208	25,683	23,425
Available-for-sale investment		150	150	-
Goodwill on consolidation	1(b)(i)	5,479	1,902	-
Deferred income tax		1,324	964	436
<b>Total non-current assets</b>		<b>75,340</b>	<b>42,997</b>	<b>32,653</b>
<b>Total assets</b>		<b>178,297</b>	<b>122,178</b>	<b>105,658</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loan and bills payable		13,990	8,851	1,808
Trade payables		60,943	41,326	32,471
Other payables and accruals		9,839	7,643	9,781
Contract work-in-progress		2,288	1,906	2,748
Current portion of finance leases		3,016	1,310	1,094
Income tax payable		840	407	650
<b>Total current liabilities</b>		<b>90,916</b>	<b>61,443</b>	<b>48,552</b>
<b>Non-current liabilities</b>				
Long-term bank loans		15,083	750	-
Finance leases		10,699	2,807	2,187
Deferred income tax		1,835	1,839	1,887
<b>Total non-current liabilities</b>		<b>27,617</b>	<b>5,396</b>	<b>4,074</b>
<b>Total liabilities</b>		<b>118,533</b>	<b>66,839</b>	<b>52,626</b>
<b>Capital and Reserves</b>				
Share capital		7,055	7,030	6,998
Capital reserve		13,192	13,006	13,006
Equity reserve		-	-	(198)
Accumulated profits		32,551	32,826	32,359
Translation reserve		44	(61)	(33)
Equity attributable to owners of the Company		52,842	52,801	52,132
Non-controlling interests		6,922	2,538	900
<b>Total equity</b>		<b>59,764</b>	<b>55,339</b>	<b>53,032</b>
<b>Total liabilities and equity</b>		<b>178,297</b>	<b>122,178</b>	<b>105,658</b>



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#### 1(b)(i) Acquisition of subsidiary

##### Goodwill on consolidation

On 9 March 2012, Tesla Holdings Pty Ltd (“Tesla”) issued a total of 5,000,000 fully paid ordinary shares at AUD (\$1) per share to raise AUD 5,000,000 (S\$6,724,000) from its existing shareholders, including the Group. Of which, the Group acquired 3,929,788 ordinary shares of the issued share capital of Tesla for a cash consideration of AUD3,929,788 (S\$5,136,000).

On 9 March 2012 the Group also converted all its 2,400,000 preference shares in Tesla into ordinary shares.

Upon the subscription for the 3,929,788 ordinary shares and conversion of the 2,400,000 preference shares into ordinary shares, the Group’s shareholding interest (and voting power held) in Tesla has increased to approximately 71.2% thereby resulting in Tesla becoming a subsidiary of the Group.

The final purchase price allocation assumed in the business combination is currently in process and has not been completed. In the meantime, the provisional goodwill amounts to S\$3,577,000 which results from the provisional residual excess of total estimated fair value purchase price over the fair value of the net assets acquired. The provisional goodwill is attributed to the profitability of the acquired business. With the completion of the final allocation of the purchase price, the goodwill may be adjusted.

The effective date for the completion of the acquisition, as determined by management, is 9 March 2012.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

	Acquiree carrying amount and provisional <u>fair value</u> S\$'000
Property, plant and equipment	24,297
Trade receivables	204
Other receivables	4,080
Cash and cash equivalents	1,860
Pledged deposits	4,261
Inventories	72
Trade payables	(14,551)
Other payables	(5,771)
Bank loans	(466)
Finance lease	<u>(6,141)</u>
Net asset acquired	7,865
Cash proceeds from new shares issued	6,535
Less: Provisional non-controlling interest	(4,094)
Less: Provisional fair value of previously held interest	(5,610)
Provisional goodwill	<u>3,577</u>
Total estimate fair value of consideration for acquisition of controlling interest	8,273
Less: Conversion of preference shares	<u>(3,137)</u>
Cash consideration paid for subscription of new shares	<u>5,136</u>



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<u>Net cash inflow from acquisition</u>	<u>S\$'000</u>
Cash consideration paid for subscription of new shares	(5,136)
Net cash and bank balances acquired	<u>8,395</u>
	<u>3,259</u>
<u>Provisional goodwill arising on acquisition</u>	
Total consideration transferred	17,977
Less: Provisional fair value of the identified net asset acquired	<u>(14,400)</u>
Provisional goodwill	<u>3,577</u>

#### Previously held interest

The previously held 48.9% equity interest in Tesla was recorded as an investment in an associate. It was re-measured at fair value at the date of acquisition. The difference between the to-be-reconfirmed fair value of S\$5,610,000 and the carrying amount of 48.9% equity interest, immediately prior to the date of acquisition, of S\$618,000 was recognised in profit or loss.

#### Non-controlling interest

The interests of a non-controlling shareholder recognised at the acquisition date were measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.



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#### 1(c) Consolidated statement of cash flows for the period ended 30 June 2012

	Note	Group	
		Half-Year ended 30 Jun 2012 S\$'000	2011 S\$'000
<b>Operating activities</b>			
Profit before income tax		876	5,528
Adjustments for:			
Gain on disposal of property, plant and equipment		(61)	(51)
Gain on disposal of non-current assets classified as held-for-sale		-	(5,602)
Reversal of allowance for inventories		-	(196)
Depreciation expense		4,245	2,197
Dividend income from available-for-sale investment		-	(3,000)
Gain on disposal of previously held interest in associate		(618)	-
Interest expense		579	94
Interest Income		(318)	(222)
Share based payment expenses		261	-
Share of loss from associates		76	341
Provision of foreseeable loss on contract work-in-progress		158	332
Operating cash flows before movements in working capital		5,198	(579)
Contract work-in-progress (net)		(176)	795
Trade receivables		(17,253)	(3,215)
Inventories		(4,541)	(659)
Other receivables		(795)	1,425
Trade payables		5,066	4,717
Other payables and accruals		2,116	381
Cash generated from operations		(10,385)	2,865
Income tax paid		(64)	(516)
<b>Net cash (used in) from operating activities</b>		<b>(10,449)</b>	<b>2,349</b>
<b>Investing activities</b>			
Acquisition of interest in associate		-	(4,701)
Net cash inflow from acquisition of subsidiary	1(b)(i)	3,259	-
Purchase of property, plant and equipment		(11,478)	(3,110)
Proceeds on disposal of property, plant and equipment		547	250
Proceeds on disposal of non-current assets classified as held-for-sale		-	7,500
Loan to investee company		(615)	-
Interest received		102	222
<b>Net cash (used in) from investing activities</b>		<b>(8,185)</b>	<b>161</b>
<b>Financing activities</b>			
Increase in pledged fixed deposits		(1,327)	(18)
Dividends paid		(821)	(1,641)
Interest paid		(579)	(94)
Repayment of obligations under finance lease, net		(1,024)	(746)
Proceeds from bank loans		13,557	-
Repayment of bank loans		(786)	(28)
Proceeds from bills payable		25,313	2,470
Repayment of bills payable		(19,058)	(1,992)
<b>Net cash from (used in) financing activities</b>		<b>15,275</b>	<b>(2,049)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(3,359)</b>	<b>461</b>
<b>Cash and cash equivalents at January 1</b>		<b>19,620</b>	<b>22,518</b>
<b>Effect on foreign currency transaction</b>		<b>63</b>	<b>-</b>
<b>Cash and cash equivalents at June 30</b>		<b>16,324</b>	<b>22,979</b>





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#### **The discussion that follows compares the Finance Position as at 30 June 2012 with that of 31 December 2011**

##### Current assets

Current assets increased by S\$23.8 million from S\$79.2 million to S\$103.0 million when compared to the beginning of the year.

This was mainly due to the following:

1. Increase in pledged fixed deposits mainly due to the consolidation of Tesla. Tesla, which was previously an associate, became a subsidiary in March 2012. Tesla's pledged fixed deposits includes an amount required to secure the requisite banker guarantee issued to Western Power Corporation and a deposit placed with the Independent Market Operator. Western Power Corporation is owned by Western Australian government and Independent Market Operator is an independent electricity regulator established by Western Australian government.
2. Trade receivables increased mainly due to higher sale volume of Precast concrete components and higher commission receivable by the Property division.
3. Inventories increased by S\$4.6 million due to higher finished goods held for newly awarded contracts for Precast division and in line with increased precast activities.

The above were partially offset by a decrease in cash and cash equivalents. The decline in cash was mainly due to the acquisition of the additional interest in Tesla and a payment of final dividend in respect of FY2011.

##### Non-current assets

The increase in non-current assets from S\$43.0 million in FY2011 to S\$75.3 million was mainly due to:

1. Increase in property, plant and equipment due to:-
  - a. acquisition of Tesla;
  - b. purchase of gantry cranes, moulds and other plant and equipment by the Precast division; and
  - c. new excavators and motor vehicles for the Construction division.
2. Goodwill arose from the increased equity stake in Tesla to 71.2% in March 2012.

The above were offset by the reversal of investment in an associate when Tesla became a subsidiary of the Group.

##### Current liabilities

Current liabilities increased by S\$29.5 million from S\$61.4 million to S\$90.9 million mainly due to the following:

1. Higher bank loan and bills payable due to the increase in short term trade financing by the Precast division for its purchase of raw material for production and Tesla's bank loan to finance the construction of power plants.



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2. Higher trade payables due to an increase in Precast activities and progress payments for construction of power plants in Tesla.
3. Higher other payables and accruals due to an increase in advances received for Precast projects, increase in Goods & Services Tax payable and increase in accruals for bonus in Precast division.
4. Increase in finance lease is due to the purchase of power plants in Tesla and for the purchase of gantry cranes, moulds and other plant and equipment for Precast division as well as the purchase of excavators and motor vehicles for Construction division.

#### Non-current liabilities

Non-current liabilities increased by S\$22.2 million from S\$5.4 million to S\$27.6 million were mainly due to Tesla's bank loan for the purchase of land and construction of power plants and equipment financing in Precast and Construction division.

#### **The discussion that follows compares the consolidated statement of cash flows for the 6 months to 30 June 2012 with that of corresponding period for the 6 months to 30 June 2011**

Cash generated from operations for 1H2012 was derived from the Group's pre-tax profit of S\$876,000, after adjusting for non-cash items and changes in working capital. Cash outflow from working capital changes was mainly due to an increase in the receivables and inventories for the Precast division in line with increase in Precast activities. Tax paid for 1H2012 amounted to S\$64,000 was lower as compared to S\$516,000 paid for the corresponding period in 2011.

Net cash used in investing activities in 1H2012 was mainly from:-

- a) An increase in cash outlay for the purchase of property, plant and equipment mainly due to the construction of power plants, acquisition of gantry cranes and moulds by Precast division and, the acquisition of excavators and motor vehicles in the Construction division.
- b) The Group's share of additional shareholder loan of approximately S\$0.6 million to its joint venture HUGE Development Pte. Ltd. for the Water Colours executive condominium development project at Pasir Ris.

Offset by cash inflow of S\$3.3 million from the acquisition of subsidiary Tesla.

Net cash from financing activities in 1H2012 was mainly due to bank loan financing for construction of power plants in Tesla and the increase in trade financing pertains to Precast division utilization of trade facilities as its sales volume increases. The proceeds from bills payable for the purchase of raw material for Precast production and working capital for its contracts awarded. Correspondingly, there was an increase in repayment of the short-term bills payable.



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##### 1(d)(i) Statements of changes in equity for the period ended 30 June 2012

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 2011	6,998	13,006	-	27,682	(10)	47,676	2,103	49,779
Dividends	-	-	-	(1,641)	-	(1,641)	-	(1,641)
Effects 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
Issue of share capital	32	-	-	-	-	32	-	32
Dividends	-	-	-	(820)	-	(820)	-	(820)
Effects of acquiring non-controlling interest in a subsidiary	-	-	198	-	-	198	1	199
Acquisition of subsidiaries	-	-	-	-	-	-	1,054	1,054
Total comprehensive income for the period from 1 Jul 2011 to 31 Dec 2011	-	-	-	1,287	(28)	1,259	583	1,842
Balance at 31 Dec 2011	7,030	13,006	-	32,826	(61)	52,801	2,538	55,339
Issue of share capital	25	-	-	-	-	25	-	25
Share base payment	-	186	-	-	-	186	75	261
Dividends	-	-	-	(821)	-	(821)	-	(821)
Acquisition of a subsidiary	-	-	-	-	-	-	4,094	4,094
Total comprehensive income for the period from 1 Jan 2012 to 30 Jun 2012	-	-	-	546	105	651	215	866
Balance at 30 Jun 2012	7,055	13,192	-	32,551	44	52,842	6,922	59,764

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.



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	S\$'000
The Company's issued and paid up capital:	
Balance as at 31 December 2011	7,030
Issued during the period	<u>25</u>
Balance as at 30 June 2012	<u><u>7,055</u></u>

In 1H2012, the Group issued 110,000 shares to the participants of the Koon Employee Performance Share Plan. The shares were valued on the five-day average prevailing share prices of S\$0.23 before the date of issue.

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.**

	No. of shares
The Company's issued and paid up capital:	
Balance as at 31 December 2011	164,098,000
Additional Issue during the period	<u>110,000</u>
Balance as at 30 June 2012	<u><u>164,208,000</u></u>

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.**

On 9 March 2012, the Group's has increased its shareholding interest in Tesla Holdings Pty Ltd from 48.9% to approximately 71.2% thereby resulting in Tesla becoming a subsidiary of the Group.

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.



# KOON HOLDINGS LIMITED (KNH)

## Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2012  
( These figures have not been audited )

### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

- 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 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 Group has adopted all the new and revised FRS and Interpretations of FRS applicable from 1 January 2012. These do not have a significant financial impact on the Group.

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	
	2012	2011
<b>Earnings per share for the period (Singapore cents)</b>		
Basic	0.33 cents	3.85 cents
Diluted	0.33 cents	3.84 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	
	30/06/2012	30/06/2011
Net tangible value per ordinary share based on issued Share capital as at the end of the reporting period (Singapore cents)	33.06 cents	31.77 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.



## KOON HOLDINGS LIMITED (KNH)

### Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2012  
( These figures have not been audited )

#### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

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.**

We anticipate Asian and Singapore economic growth to remain modest given the weak global economic backdrop. This coupled with continued competitive pressures, is likely to constraint the current modest expansion in Construction contract margins. On the other hand, new products from the Precast division is likely to result in this division enjoying better sales. However, margin's might come under some pressure due to the relocation of precast yard (the lease of Contech Precast Pte Ltd is expiring, and the company is looking for alternative site). As for our property division, the current economic situation has created both challenges and opportunities for our business.

Overall, we expect the business environment to remain challenging, competitive and punctuated by volatility in material prices.

As at the date of this announcement, the Construction and Precast division had an outstanding order book of approximately S\$130.8 million and S\$51.0 million respectively.

#### BY ORDER OF THE BOARD

Tan Swee Gek  
Company Secretary  
27 August 2012



## KOON HOLDINGS LIMITED (KNH)

### Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2012  
( 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 2012 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  
27 August 2012