KOON HOLDINGS LIMITED (KNH)

Full Year Financial Statements and Dividend Announcement

Full Year financial statements on consolidated results for the period ended 31 December 2012
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

Name of entity

KOON HOLDINGS LIMITED

ABN or equivalent company reference	Full year ('current period')
ARBN 105 734 709	31 December 2012 (Previously corresponding period: 31 December 2011)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Extracts from this report for announcement to the market

APPENDIX 4E

	Group		
	S$'000	Up/Down	Movement %
Revenues from ordinary activities	212,438	Up	141.3
Profit from ordinary activities after tax attributable to members	3,024	Down	(60.2)
Net Profit for the period attributable to members	3,024	Down	(60.2)

	Amount per share Singapore cent	Franked amount per share Singapore cent
Interim dividend	0.5	NA
Previous corresponding period Final dividend	0.5	NA
Date the dividend (distribution) is payable	to be announced	
Record date to determine entitlements to the dividend (distribution)	to be announced	

Any other disclosures in relation to dividends

Nil

	Group	
	31/12/2012	31/12/2011
Net tangible assets per ordinary share (Singapore cents)	28.37 cents	32.56 cents

Additional Appendix 4E disclosure requirements can be found in the notes to the full year financial statements attached thereto.

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

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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a) Consolidated Statement of Comprehensive Income for the period ended 31 Dec 2012

	Note	Group Full Year ended 31 Dec 2012 S$'000	Group Full Year ended 31 Dec 2011 S$'000	% Increase/ (Decrease)
Revenue		212,438	88,055	141.3
Cost of sales		(189,584)	(79,832)	137.5
Gross profit		22,854	8,223	177.9
Other income		3,280	14,038	(76.6)
Distribution costs		(3,438)	(1,195)	187.7
Administrative expenses		(18,749)	(13,129)	42.8
Finance costs		(1,496)	(240)	523.3
Share of loss of associate		(76)	(961)	(92.1)
Profit before income tax		2,375	6,736	(64.7)
Income tax benefit		1,619	797	103.1
Profit for the year		3,994	7,533	(47.0)
Other comprehensive income :				
Exchange difference on translation of foreign operations, net of tax		(672)	(51)	1,217.6
Other comprehensive income for the year, net of tax		(672)	(51)	1,217.6
Total comprehensive income for the year		3,322	7,482	(55.6)
Profit for the year attributable to :				
Owners of the Company		3,024	7,605	(60.2)
Non-controlling interests		970	(72)	(1,447.2)
		3,994	7,533	(47.0)
Total comprehensive income attributable to :				
Owners of the Company		2,562	7,554	(66.1)
Non-controlling interests		760	(72)	(1,155.6)
		3,322	7,482	(55.6)
Earnings per share for the year (Singapore cents)				
Basic		1.75	4.63	
Diluted		1.75	4.62	

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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

Consolidated Statement of Comprehensive Income

Turnover

The Group registered a turnover of S$212.4 million in FY2012, representing an increase of 141.3% from the previous corresponding financial year.

The increase in turnover was largely due to:-

1) Increase in Construction division revenue from S$49.0 million in FY2011 to S$96.2 million in FY2012. The increase in 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, the widening of the Tampines Expressway, the shore protection works for T-Bund construction at Jurong Island and the construction of sea water intake facilities.

2) Increase in Precast division business activities in line with increase in contracts secured. Its revenue increased from S$31.5 million in FY2011 to S$92.6 million in FY2012.

3) Increase in Property division revenue by S$17.5 million compare to last year. The Group acquired GPS Alliance Holdings Pte. Ltd. and it's subsidiaries in July 2011.

4) Contribution of S$3.4 million from Tesla. The Group increase it's shareholding interest in Tesla to 71.2% in March 2012 thereby resulting in Tesla becoming a subsidiary of the Group.

Gross Profit

The Group's gross profit increased by 177.9% from S$8.2 million in FY2011 to S$22.9 million in FY2012 mainly due to improved margin from Construction division owing to implementation of various cost control measures, higher contribution from Property division and the maiden contribution from Tesla.

Other Income

Other income decreased significantly from S$14.0 million in FY2011 to S$3.2 million in FY2012. In FY2011 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$6.5 million respectively. Included in FY2012 was a one-off gain on deemed disposal of previously held interest in associate, Tesla S$0.6 million.

Administrative Expenses

Administrative expenses increased by 39.9% from S$13.1 million in FY2011 to S$18.7 million in FY2012. The increase in operating cost was largely due to the inclusion of the property and electric power generation (Tesla) business.

Distribution Expenses

The Group saw a significant increase in its distribution expenses as compared to that in FY2011, in-line with the significant increase in turnover by Precast division. In addition, there were advertising and marketing expenditure from the Property division in line with the increase in its revenue for new property launches.

Finance Expenses

Higher finance expenses in FY2012, mainly due to the purchase of plant and equipment by Tesla, Construction and Precast division through bank borrowings and hire purchase finance arrangement.

Share of Loss of Associate

The share of 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.

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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

Profit Before Tax and Net Profit

The Group's profit before tax decreased from S$6.7 million to S$2.4 million in FY2012 due mainly to the inclusion of the gain on disposal of leasehold property and dividend income received from Koon Zinkcon in FY2011, without these non-operating income the net operating loss before tax in FY2011 was approximately S$5.4 million. For FY2012, there was one-off gain on deemed disposal of previously held interest in associate, Tesla of S$0.6 million, excluding this non-operating income our group’s net operating profit approximate S$1.8 million.

Tax Expenses

The current year tax credit was mainly due to recognition of deferred tax assets for Contech Precast Pte Ltd of S$1.5 million due to pre-acquisition tax losses allowed to carry forward to offset against its future assessable income by tax authority and under provision in prior year deferred tax assets.

Dividend

Despite the decline in net profit, the Group remains confident of its future, the Group is therefore pleased to propose a Final dividend of 0.5 Singapore cent per ordinary share. Combined with the interim dividend of 0.5 Singapore cents per ordinary share, total dividend payout for FY2012 is S$2.1 million. In FY2011, the Group declared S$1.6 million in dividends.

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(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(b) Statement of Financial Position as at 31 December 2012

	Note	Group As at 31/12/2012 S$'000	As shown in last annual report As at 31/12/2011 S$'000
ASSETS			
Current assets			
Cash and cash equivalents		18,543	19,620
Pledged fixed deposits		3,885	70
Trade receivables		60,280	35,169
Other receivables		6,275	5,303
Inventories		16,662	10,549
Contract work-in-progress		20,949	8,434
Held for trading investments		23	36
Total current assets		126,617	79,181
Non-current assets			
Other receivables		8,868	6,153
Associates		*	8,145
Joint venture		*	-
Properties under development		16,973	-
Property, plant and equipment		76,077	25,683
Available for sale investment		150	150
Goodwill on consolidation	1(b)(i)	5,438	1,902
Deferred income tax		2,375	964
Total non-current assets		109,881	42,997
Total assets		**236,498**	**122,178**
LIABILITIES AND EQUITY			
Current liabilities			
Current portion of long-term bank loan and bills payable		26,266	8,851
Trade payables		71,706	41,326
Other payables		16,014	7,643
Contract work-in-progress		1,164	1,906
Current portion of finance leases		5,504	1,310
Income tax payable		606	407
Total current liabilities		121,260	61,443
Non-current liabilities			
Long-term bank loans		7,749	750
Finance leases		25,348	2,807
Other payables		93	-
Deferred income tax		2,049	1,839
Total non-current liabilities		35,239	5,396
Total liabilities		**156,499**	**66,839**
Capital and Reserves			
Share capital		25,373	7,030
Capital reserve		13,305	13,006
Accumulated profits		34,207	32,826
Translation reserve		(523)	(61)
Equity attributable to owners of the Company		72,362	52,801
Non-controlling interests		7,637	2,538
Total equity		**79,999**	**55,339**
Total liabilities and equity		**236,498**	**122,178**

* Amount less than S$1,000

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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$6,685,000) from its existing shareholders, including the Group. The Group acquired 3,929,788 ordinary shares of these newly issued shares for a cash consideration of AUD3,929,788 (S$5,254,000).

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

Consequently, the Group's resultant shareholding interest (and voting power held) in Tesla has increased to approximately 71.2%, resulting Tesla becoming a subsidiary of the Group.

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

	Acquiree carrying amount and provisional fair value S$'000
Property, plant and equipment	24,854
Trade receivables	209
Other receivables	4,174
Cash and cash equivalents	1,902
Pledged deposits	4,359
Inventories	74
Trade payables	(14,885)
Other payables	(5,903)
Bank loans	(456)
Finance lease	(6,283)
Net asset acquired	8,045
Cash proceeds from new shares issued	6,685
Less: Fair value of non-controlling interest	(4,188)
Less: Fair value of previously held interest	(4,011)
Goodwill	3,536
Total fair value of consideration for controlling interest	10,067
Less: Conversion of preference shares	(4,813)
Cash consideration paid for subscription of new shares	5,254

Net cash inflow from acquisition	S$'000
Cash consideration paid for subscription of new shares	(5,254)
Net cash and bank balances acquired	8,587

Goodwill arising on acquisition

Total consideration transferred	18,266
Less: Fair value of the identified net asset acquired	(14,730)
Goodwill	3,536

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 gain on deemed disposal of previously held interest in Tesla of S$561,000 was recognised in profit and 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.

The discussion that follows compares the Statements of Financial Position as at 31 December 2012 with that of 31 December 2011

Current assets increased by S$47.4 million from S$79.2 million to S$126.6 million, this was mainly due to the following:

1. Increased 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 include an amount required to secure the requisite banker guarantees 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 to due to higher sale volume of Precast concrete components, increase in Construction progress billing and higher commission receivable by the Property division.

3. Inventories increased due to higher finished goods held for awarded contracts for Precast division and in line with increased precast activities.

Non-current assets

The increase in non-current assets of 155% from S$43.0 million in FY2011 to S$109.9 million was mainly due to:

1. Increase in other receivables because of the Group's share of additional shareholder loan of approximately S$0.7 million to its joint venture HUGE Development Pte. Ltd. for the Pasir Ris executive condominium project.

2. The Group acquired the entire issued share capital of Metro Coast Sdn. Bhd., Triumph Heights Sdn. Bhd., Unison Progress Sdn. Bhd, and Seven Star Development Sdn. Bhd. which own properties located in Johor, Malaysia for future development.

3. Increase in property, plant and equipment due to:-

    a. acquisition of Tesla;

    b. purchase of properties at 11 and 15 Sixth Lok Yang Road.

c. purchase of gantry cranes, moulds and other plant and equipment by the Precast division; and

d. new excavators and motor vehicles for the Construction division.

4. Goodwill arose from the increased equity stake in Tesla to 71.2% in March 2012.

5. Increase in deferred tax assets due to Contech Precast Pte Ltd's pre-acquisition tax losses allowed to carry forward to offset against its future assessable income by tax authority and under provision of prior year its deferred tax assets S$1.5 million.

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$59.8 million from S$61.4 million to S$121.2 million mainly due to the following:

1. Bank loan and bills payable increased by S$17.4 million due to the increase in short term trade financing by the Precast division for its purchase of raw material for production, Tesla's bank loan to finance the construction of power plants and purchase of properties at 11 and 15 Sixth Lok Yang Road.

2. Trade payables increased due to an increase in the production activities for Precast and Construction division for FY2012 and addition of Property division.

3. Higher other payables and accruals mainly due to increase in production activities for Precast projects and liabilities arising from Tesla's power plant connection costs from Western Power.

4. Increase in finance lease was due to the purchase of power plants in Tesla, the purchase of gantry cranes, moulds and other plant and equipment for Precast division and the purchase of excavators and motor vehicles for Construction division.

Non-current liabilities

Non-current liabilities increased by S$29.8 million from S$5.4 million to S$35.2 million mainly due to the following:

1. Long-term bank loan increased due to the working capital loan for Precast division business activities and purchase of properties at 11 and 15 Sixth Lok Yang Road.

2. Increase in the finance lease mainly due to the purchase of land and power plants in Tesla and the plant and equipment financing in Precast and Construction division.

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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(c) Consolidated statement of cash flows for the period ended 31 December 2012

		Group	
		Full Year ended 31 Dec	
		2012	2011
	Note	S$'000	S$'000
Operating activities			
Profit before income tax		2,375	6,736
Adjustments for:			
Depreciation expense		10,011	5,159
Dividend income from available for sale investment		-	(6,500)
(Reversal of) provision for anticipated losses on projects		(648)	1,966
Provision (reversal) of alloance for inventories		118	(317)
Gain on disposal of non-current assets classified as held-for-sale		-	(5,602)
Loss (gain) on disposal of property, plant and equipment		621	(76)
Gain on deemed disposal of associate		(561)	-
Interest income		(740)	(466)
Interest expense		1,497	240
Charge to profit or loss on held for trading investments		13	13
Share-based payment expense		397	64
Share of loss from associate		76	961
Translation differences		479	-
Allow ance for impairment of property, plant and equipment		147	-
Impairment loss on available-for-sale investment		-	500
Operating cash flow s before movements in w orking capital		13,785	2,678
Trade receivables		(24,902)	(9,590)
Other receivables		2,288	2,326
Contract w ork-in-progress		(12,609)	2,096
Inventories		(6,158)	(5,484)
Trade payables		15,493	10,280
Other payables		2,586	2,046
Cash (used in) generated from operations		(9,517)	4,352
Income tax paid		(100)	(673)
Net cash (used in) from operating activities		**(9,617)**	**3,679**
Investing activities			
Acquisition of subsidiaries		-	(1,571)
Acquisition of interest in associates		-	(4,702)
Acquisition of available-for-sale investment		-	(150)
Purchase of properties under development		(16,973)	-
Net cash inflow from acquisition of subsidiaries (1(b)(i))		3,333	-
Proceeds on disposal of property, plant and equipment		1,508	323
Purchase of property, plant and equipment		(16,171)	(6,306)
Loan to an investee company		(651)	(6,153)
Proceeds on disposal of non-current assets classified as held-for-sale		-	7,500
Interest received		308	413
Net cash used in investing activities		**(28,646)**	**(10,646)**
Financing activities			
Repayment of obligations under finance lease		(2,549)	(1,455)
Proceeds from bank loans		15,890	2,904
Repayment of bank loans		(7,295)	(215)
Proceeds from bills payable		64,196	13,768
Repayment of bills payable		(48,832)	(8,214)
Interest paid		(1,497)	(240)
Proceeds from issuance of shares, net of expenses		18,318	-
Proceeds from captial contribution in a subsidiary from non-controlling interests		53	-
Decrease (increase) in pledged fixed deposits		545	(18)
Dividends paid		(1,643)	(2,461)
Net cash from financing activities		**37,186**	**4,069**
Net decrease in cash and cash equivalents		**(1,077)**	**(2,898)**
Cash and cash equivalents at beginning of year		**19,620**	**22,518**
Cash and cash equivalents at end of year		**18,543**	**19,620**

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

The discussion that follows compares the consolidated statement of cash flows for 12 months to 31 December 2012 with that of 31 December 2011

Cash used in operations for FY2012 was derived from the Group's pre-tax profit of S$2.4 million, 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 trade receivables, contract work-in-progress and inventories for the Precast and Construction division in line with increase in Precast and Construction activities. Tax paid for FY2012 amounted to S$0.1 million was lower as compared to S$0.7 million paid for the corresponding FY2011.

Net cash used in investing activities in FY2012 was mainly from:-

a) Net cash outflow from acquisition of asset of 4 Malaysian companies for S$17 million.

b) 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 Lok Yang Road properties, excavators and motor vehicles in the Construction division.

c) The Group's share of additional shareholder loan of approximately S$0.7 million to its joint venture HUGE Development Pte. Ltd. for the Pasir Ris executive condominium development project.

Offset by cash inflow S$3.3 million from acquisition of subsidiary Tesla and proceeds from disposal of plant and equipment.

Net cash from financing activities in FY2012 was mainly due to:-

a) Loan financing for construction of power plants in Tesla and purchase of Lok Yang Road properties.

b) 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.

c) Proceeds from issuance of right shares to shareholders S$18.7 million offset by share issuance expenses of S$0.4 million.

d) Proceeds from capital contribution in subsidiary, MUSE Living Pte Ltd by non-controlling shareholder S$52,500.

e) Increase in pledged fixed deposits S$0.5 million.

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(d)(i) Consolidated Statements of changes in equity for the period ended 31 December 2012

	Share Capital S$'000	Capital Reserve S$'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
Group							
Balance at 1 Jan 2011	6,998	13,006	27,682	(10)	47,676	2,103	49,779
Issue of share capital	32	-	-	-	32	-	32
Acquisition of subsidiaries	-	-	-	-	-	1,054	1,790
Incorporation of a subsidiary	-	-	-	-	-	547	547
Total comprehensive income for the year	-	-	7,605	(51)	7,554	(72)	7,482
Dividends	-	-	(2,461)	-	(2,461)	-	(2,461)
Effects of acquiring part of non-controlling interest in a subsidiary	-	-	-	-	-	(547)	(547)
Balance at 31 Dec 2011	7,030	13,006	32,826	(61)	52,801	2,538	55,339
Issue of share capital	18,343	-	-	-	18,343	-	18,343
Share-based payment	-	283	-	-	283	114	397
Effects of dilution of interest in a subsidiary	-	16	-	-	16	37	53
Acquisition of subsidiaries	-	-	-	-	-	4,188	4,188
Total comprehensive income for the year	-	-	3,024	(462)	2,562	760	3,322
Dividends	-	-	(1,643)	-	(1,643)	-	(1,643)
Balance at 31 Dec 2012	25,373	13,305	34,207	(523)	72,362	7,637	79,999

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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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

	S$'000
The Company's issued and paid up capital:	
Balance as at 31 December 2011	7,030
Issue during the financial year pertain to Koon Employee Performance Share Plan	25
Right issue during the financial year	18,720
Share issuance expenses	(402)
Balance as at 31 December 2012	25,373

In 2012, 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 price of S$0.23 before the date of issue. In addition, the Group has right issue of 98,524,800 shares to its shareholders at share price of S$0.19.

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 financial year	98,634,800
Balance as at 31 December 2012	262,732,800

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 comparison figures relating to the previous corresponding period are audited by the auditor.

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 plains in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.**

None.

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL 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.**

Improvements to FRS applicable from 1 October 2008
The Group has adopted various revised or new FRS and INT FRS applicable from 1 January 2012. These do not have a significant financial impact 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	
	Full Year ended 31 Dec	
	2012	2011
Earnings per share for the period (Singapore cents)		
Basic	1.75 cents	4.63 cents
Diluted	1.75 cents	4.62 cents

The calculation of diluted earnings per share for the Group as at 31 December 2012 was based on profit attributable to ordinary shareholders of S$3.024 million (2011: S$7.605 million).

The weightage average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares of 172,858,400 (2011: 164,678,000) calculated as follows:

	2012 **No. of shares**	2011 **No. of shares**
Weighted average number of ordinary shares (basic)	172,418,400	164,098,000
Potential share issue under employee performance share plan	440,000	580,000
Weighted average number of ordinary shares (diluted) as at 31 December	172,858,400	164,678,000

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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	
	31/12/2012	31/12/2011
Net tangible value per ordinary share based on issued share capital as at the end of the reporting period (Singapore cents)	28.37 cents	32.56 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.**

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, margins might come under pressure due to the relocation of the precast yard. As for our property and power division, the current economic situation has created both challenges and opportunities for our business.

UPDATE ON US$160 MILLION PORT PROJECT IN VIETNAM - The Board of Directors of the Company refers to the proposed US$160 million turnkey design and construction of Sao Bien International Port project in Ba Ria, Vung Tau, Vietnam (the “Project”), announced by the Company on 24th February 2010.

The Board wishes to announce that the Project has been terminated by way of a termination agreement between M/s Koon – Top Pave Joint Venture, a business owned by the Company’s wholly owned subsidiary, Koon Construction and Transport Co. Pte. Ltd. and Bright Moon Group – Solomon Construction Co. Ltd.

The termination of the Project was mutually agreed to by the parties and neither party shall have any further claims against the other in respect of the Project.

The termination of the Project is not expected to materially affect the Group’s financial performance for the financial year ending 31 December 2013. All expenses relating to the project have already been provided for in previous audited accounts.

Overall, we expect the business environment to remain challenging, competitive and tough, with volatility in material prices. Having said this and in early February the debate about Singapore’s population and catering for that population flared up. The Government had tabled a white paper on population that suggested that Singapore’s population would grow by 30% between now and 2030 to 6.9 million people. Whilst the debate that it spark was wide ranging and intense, all parties to the debate agreed that: Singapore needed population growth (it was the 6.9 million projection that was controversial); to accommodate this Singapore needed more land; and to accommodate this plus the growing aspiration of young and new Singaporeans, Singapore need far more and better infrastructure. Whilst 2030 is quite some time away, the debate may prove useful to us as Government has flagged that it intends to start accelerating infrastructure upgrading sooner rather than later. Though in practical terms the size, magnitude and timing of the projects are unclear.

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(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS
Save as disclosed herein, there are no known material factors or events which may affect the earnings of the Group between this date up to which the report refers and the date on which the report was issued.

With the exclusion of the Project, the Construction and Precast division have an outstanding order book of approximately S$179 million and S$82.7 million respectively.

10. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statement, with comparative information for the immediately preceding year.**

	Revenue		Earnings	
	Full Year ended 31 Dec		Full Year ended 31 Dec	
	2012	2011	2012	2011
	S$'000	S$'000	S$'000	S$'000
Construction Division	96,167	49,074	1,578	7,676
Precast Division	92,614	31,539	1,138	671
Property Division	25,125	7,599	1,283	(81)
Electric Power Generation Division	3,392	-	605	-
	217,298	88,212	4,604	8,266
Elimination	(4,860)	(157)	(3,937)	(13,867)
	212,438	88,055	667	(5,601)
Unallocated corporate income			3,280	14,038
Share of loss of associate			(76)	(961)
Allowance for impairment loss on available-for-sale investments			-	(500)
Finance costs			(1,496)	(240)
Profit before income tax			2,375	6,736
Income tax benefit			1,619	797
Profit for the year			3,994	7.533

Segment assets

	2012	2011
	S$'000	S$'000
Construction Division	103,738	74,387
Precast Division	84,268	54,396
Property Division	42,447	11,851
Electric Power Generation Division	42,419	-
	272,872	140,634

Elimination	(65,940)	(39,291)
Total segment assets	206,932	101,343
Unallocated corporate assets	29,566	20,835
Total assets	236,498	122,178

Other segment information

	Depreciation		Additions to property, plant and equipment	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Continuing Operations				
Construction Division	2,730	2,528	14,601	2,411
Precast Division	6,513	2,552	11,643	6,048
Property Division	195	79	283	588
Electric Power Generation Division	573	-	37,499	-
	10,011	5,159	64,026	9,047

11. **<u>In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments</u>**

Business Segments:-

<u>Turnover – Construction</u>

Construction division revenue has increased by approximately S$47.1 million in FY2012 mainly due to substantial completion of projects such as shore protection works for T-Bund construction at Jurong island, construction of seawater intake facilities and a private civil engineering project at Tuas and projects which have reach more than 20% completion such as 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. The increase was partially offset by lower revenue from certain projects nearing completion such as coastal protection work at Pulau Tekong and Infrastructure works at Changi East.

<u>Turnover – Precast</u>

Precast division revenue increased by 194% from S$31.5 million in FY2011 to S$92.6 million in FY2012. The increase in revenue was mainly due to increase in the number of precast contracts secured and demand for reinforcement concrete pile compared to last year.

<u>Turnover – Property</u>

In FY2012, the property division contributed S$25.1 million; more than twice amount of revenue compared to FY2011 of S$7.6 million due to the increase from its real estate agency commission income. the Group acquired 51% of GPS group of companies in 1 July 2011.

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Turnover – Power
Revenue of S$3.3 million from Tesla as it became a subsidiary of the Group in March 2012.

Earnings - Construction

The decrease in Construction division earnings in FY2012 is mainly due to in FY2011 Construction division has non-operating income - gain on disposal of leasehold property and dividend income from Koon Zinckon. Excluding the aforementioned non-operating income, the Construction division earning in FY2012 is higher than FY2011.

Earnings - Precast

Precast division earnings have improved its earnings by 70% from S$0.6 million in FY2011 to S$1.1 million in FY2012. The percentage increase in earnings was slower than its revenue mainly due to preliminary expenses incurred for tunnel segment activities, higher overhead and some lower margin precast projects.

Earnings - Property

In FY2012, Property division earnings improved from a loss of S$0.08 million to profit of S$1.3 million due to its improved revenue. The negative earning in FY2011 from Property division is mainly due to preliminary expenses.

Earnings – Power

In FY2012, the division contributed S$0.6 million to the Group.

12. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its prevailing full year**

	Full Year ended 31 December	
	2012	2011
	S$'000	S$'000
Ordinary	1,643	2,461

BY ORDER OF THE BOARD

Tan Swee Gek
Company Secretary
25 February 2013

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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

CONFIRMATION BY THE BOARD
On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the full year financial results for the period ended 31 December 2012 to be false or misleading.

On behalf of the board of directors,

Mr. Tan Thiam Hee	Mr Oh Koon Sun
Managing Director and Chief Executive Officer	Executive Director

25 February 2013