KOON HOLDINGS LIMITED (KNH)

Half-Year Financial Statements and Dividend Announcement
Half-Year financial statements on consolidated results for the period ended 30 June 2013
(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 2013
(Previously corresponding period: 30 June 2012)

RESULTS FOR ANNOUNCEMENT TO THE MARKET
Extracts from this report for announcement to the market

APPENDIX 4D

	Group		
	S$'000	Up/Down	Movement %
Revenue from ordinary activities	137,760	Up	38.8
Loss from ordinary activities after tax attributable to members	(10,094)	Down	N.M.
Net Profit for the period attributable to members	(10,094)	Down	N.M.

N.M. : Not Meaningful

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

Any other disclosures in relation to dividends

Nil

	Group	
	30/06/2013	30/06/2012
Net tangible assets per ordinary share (Singapore cents)	18.67cents	33.06 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 2013

		Group		
		Half-Year ended 30 Jun		%
	Note	2013	2012	Increase/
		S$'000	S$'000	(Decrease)
Continuing operations:				
Revenue		126,352	89,546	41.1
Cost of sales		(124,366)	(79,847)	55.8
Gross profit		1,986	9,699	(79.5)
Other income		845	1,369	(38.3)
Distribution costs		(1,457)	(1,584)	(8.0)
Administrative expenses		(9,343)	(7,841)	19.2
Finance costs		(1,418)	(577)	145.8
Share of loss of joint venture/associate		-	(76)	(100.0)
(Loss) Profit before income tax		(9,387)	990	(1,048.2)
Income tax		(3,140)	(173)	1,715.0
(Loss) Profit for the period from continuing operations		(12,527)	817	(1,633.3)
Discontinued operation:				
Profit (Loss) for the period from discontinued operation	1(a)(i)	1,062	(74)	(1,535.1)
(Loss) Profit for the period		(11,465)	743	(1,643.1)
Other comprehensive income :				
Exchange difference on translation of foreign operations, net of tax		(1,260)	123	(1,124.4)
Total comprehensive income for the period		(12,725)	866	(1,569.4)
(Loss) Profit for the period attributable to :				
Owners of the Company		(10,094)	546	(1,948.7)
Non-controlling interests		(1,371)	197	(795.9)
		(11,465)	743	(1,643.1)
Total comprehensive income attributable to :				
Owners of the Company		(10,991)	651	(1,788.3)
Non-controlling interests		(1,734)	215	(906.5)
		(12,725)	866	(1,569.4)
(Loss) Earnings per share for the period (Singapore cents):				
From continuing and discontinued operations				
- Basic		(3.84)	0.33	
- Diluted		(3.84)	0.33	
From continuing operations				
- Basic		(4.65)	0.36	
- Diluted		(4.65)	0.35	

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1(a)(i) In June 2013, the Group distributed 17,093,960 shares in its subsidiary GPS Alliance Holdings Limited to the shareholders as a special dividend in specie which resulted in a loss of control in GPS Alliance Holdings Limited and discontinued the real estate agency operation.

The results of real estate agency operations for the period from 1 January 2013 to 10 June 2013 and the period from 1 January 2012 to 30 June 2012 were as follows:-

	1 Jan-10 June 2013 S$'000	1 Jan-30 June 2012 S$'000
Revenue	11,408	9,734
Cost of sales	(9,573)	(8,472)
Gross Profit	1,835	1,262
Other income	313	221
Administrative expenses	(3,956)	(1,483)
Distribution expenses	(285)	(113)
Finance cost	(4)	(1)
Loss before income tax	(2,097)	(114)
Income tax expenses	-	40
Loss for the period	(2,097)	(74)
Loss for the period, representing total comprehensive income for the period attributable to:		
Owners of the Company	(1,026)	(38)
Non-controlling interests	(1,071)	(36)
	(2,097)	(74)

The profit (loss) for the period from the discontinued operation is as follows:-

	1 Jan-10 Jun $'000	1 Jan-30 Jun $'000
Loss from real estate operation for the period	(2,097)	(74)
Gain on disposal of real estate operation	3,159	-
Net	1,062	(74)

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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

The discussion that follows compares the income statement for 6 months ended 30 June 2013(1H2013) with previous corresponding period (1H2012)

Income Statement

	Revenue		Earnings	
	Half-Year ended 30 June		Half-Year ended 30 June	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Continuing operations:				
Construction	93,629	41,258	(3,911)	(1,203)
Precast	39,384	47,927	(5,247)	3,846
Property	-	-	(131)	-
Electric power generation	4,884	500	2,357	(399)
	137,897	89,685	(6,932)	2,244
Elimination	(11,545)	(139)	(1,882)	(1,970)
Total	126,352	89,546	(8,814)	274
Unallocated corporate income			845	1,369
Share of loss of associates			-	(76)
Finance costs			(1,418)	(577)
(Loss)/profit before income tax			(9,387)	990
Income tax			(3,140)	(173)
(Loss)/profit for the period			(12,527)	817
Discontinued operation:				
Property	11,451	9,734	(2,393)	(364)
Elimination	(43)	-	(13)	30
Total	11,408	9,734	(2,406)	(334)
Unallocated corporate income			3,472	221
Finance costs			(4)	(1)
Loss before income tax			1,062	(114)
Income tax			-	40
Loss for the period			1,062	(74)
Consolidated revenue for the period	137,760	99,280		
Consolidated (loss)/profit for the period			(11,645)	743

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

Revenue

Revenue from continuing operations for first half year ended 30 June 2013 (1H2013) increased by 41.1 to S$126.4 million as compared to the previous period.

The increase in revenue was largely due to:-

1. An increase in revenue from the Construction division due to the following; (i) construction of container berths and yards at PSA's Pasir Panjang Terminal 2,(ii) construction of Seawater Intake Facilities,(iii) construction works to extend transfer bay at shipyard and (iv) construction of Twin Cell Tunnel at Jurong Island; and

2. Higher revenue from Electric power generation division compared to1H2012, as all four power plants were fully operational in 1H2013 whereas in 1H2012, only one power plant was operational.

The above was offset by the decrease in revenue from the Precast division mainly due to the transition period following the completion of projects awarded in 2011.This transition period is required for clearing of the precast yards following projects completion as well as preparations for taking on new projects. The resulting downtime for production and delivery led to the decline in revenue from the Precast division.

Gross Profit

The Group's gross profit decreased by 79.5% from S$9.7 million in 1H2012 to S$2.0 million in 1H2013 mainly due to:-

1. Losses from the Construction division owing to construction projects delays. One project was significantly delayed due to a fatality. As a result, the Group incurred accelerated and rectification costs to make up for lost time. However, the Group is now on track to complete these construction projects.

2. Losses from the Precast division was attributed to (i) lower utilisation of its new precast plant, (ii) disruptions in the business activities during the relocation period in preparation of the precast yard to take on new projects and (iii) additional costs incurred for the relocation of the casting plant.

Other Income

Other income decreased from S$1.4 million in 1H2012 to S$0.8 million in 1H2013. The Group recorded a one-off gain on the deemed disposal of previously held interest in associate, Tesla of S$0.6 million in 1H2012.

Distribution Costs

Distribution costs decreased by 8% from S$1.6 million in 1H2012 to S$1.5 million in 1H2013.This was in line with the decrease in revenue from the Precast division from S$47.9 million in the previous corresponding period to S$39.4 million in 1H2013.

Administrative Expenses

Administrative expenses increased by 19.2% from S$7.8 million in 1H2012 to S$9.3 million in 1H2013. The higher administrative expenses was mainly due to (i) additional depreciation, land rental, property tax and maintenance expenses amounting to S$0.5 million from properties at 11 & 15 Sixth Lok Yang road, (ii) unrealised exchange loss of S$0.2 million due to depreciation of Australian dollar and (iii) one-off renovation expenses of S$0.3 million for the temporary office.

Finance Cost

The increase in finance costs was mainly attributed to the higher interest expense arising from the financing of the four Tesla's power plants following the completion of the three additional power plants in 2H2012.

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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

Share of Loss of Joint Venture/Associate
1H2012 share of loss of associate was from Tesla before Tesla became a subsidiary of the Group. The Group increased its stake in Tesla to 71.2% on 9 March 2012.

Profit (Loss) for the period from discontinued operation
Profit (Loss) for the period from discontinued operation arose from the disposal of GPS Alliance Holdings Limited and its subsidiaries ("GPS") following the distribution of GPS shares to Koon's entitled shareholders on 11 June 2013. The distribution and the listing enable the respective boards of directors and management teams of the Group and GPS to independently establish their own business directions, strategies and objectives and thereby compete more effectively in the construction industry and the property market respectively. In 1H2013, the profit from discontinued operation mainly came from the gain on disposal of GPS's operation offset by the loss from GPS's operation during the period due to share based payment expenses and ASX listing expenses.

Income Tax
Higher tax expenses mainly due to the reversal of overprovision of prior year deferred tax assets of S$27 million.

(Loss) Profit for the period
In 1H2013, the Group's loss before tax (inclusive of discontinued operation) was S$8.3 million. Loss after tax (inclusive of discontinued operation) for the period 1H2013 was S$11.5 million compared to profit after tax of S$0.7 million in 1H2012. This was mainly due to losses from Construction and Precast divisions and the reversal of overprovision of prior year deferred tax assets of S$2.7 million.

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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

1(b) Statement of Financial Position as at 30 June 2013

		Group	As shown in last annual report	
	Note	As at 30/06/2013 S$'000	As at 31/12/2012 S$'000	As at 30/06/2012 S$'000
ASSETS				
Current assets				
Cash and cash equivalents		18,990	18,543	16,324
Pledged fixed deposits		2,329	3,885	5,658
Trade receivables		48,570	58,086	52,626
Other receivables		6,967	6,759	4,317
Inventories		13,837	14,120	15,162
Contract work-in-progress		19,457	20,949	8,834
Held for trading investments		36	23	36
Total current assets		110,186	122,365	102,957
Non-current assets				
Other receivables		8,055	8,384	7,179
Development properties		17,031	16,973	-
Associates		*	*	*
Joint Ventures		100	-	-
Property, plant and equipment		68,906	76,077	61,208
Available-for-sale investment		943	150	150
Goodwill on consolidation	1(b)(i)	3,536	5,438	5,479
Deferred income tax		629	3,188	1,324
Total non-current assets		99,200	110,210	75,340
Total assets		**209,386**	**232,575**	**178,297**
LIABILITIES AND EQUITY				
Current liabilities				
Bank loan and bills payable		30,007	26,266	13,990
Trade payables		61,539	71,706	60,943
Provision for loss on sales commitments		600	600	-
Other payables and accruals		17,166	15,461	9,839
Contract work-in-progress		2,045	1,164	2,288
Current portion of finance leases		6,580	5,504	3,016
Income tax payable		721	606	840
Total current liabilities		118,658	121,307	90,916
Non-current liabilities				
Long-term bank loans		12,327	7,749	15,083
Finance leases		23,258	25,348	10,699
Other payables		-	93	-
Deferred income tax		2,498	2,049	1,835
Total non-current liabilities		38,083	35,239	27,617
Total liabilities		**156,741**	**156,546**	**118,533**
Capital and Reserves				
Share capital		25,433	25,373	7,055
Capital reserve		8,683	13,305	13,192
Accumulated profits		15,761	31,230	32,551
Translation reserve		(1,420)	(523)	44
Equity attributable to owners of the Company		48,457	69,385	52,842
Non-controlling interests		4,188	6,644	6,922
Total equity		**52,645**	**76,029**	**59,764**
Total liabilities and equity		**209,386**	**232,575**	**178,297**

* Amount less than S$1,000

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

1(b)(i) Goodwill on consolidation

The carrying amounts of goodwill of each cash generating units are as follows:-

	Group	
	30/06/2013	30/12/2012
	S$'000	S$'000
Property	-	1,902
Electric power generation	3,536	3,536
Total	3,536	5,438

Goodwill of S$1,902,000 was eliminated on disposal of GPS group. No impairment is recognised during the period.

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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

1(c) Consolidated statement of cash flows for the period ended 30 June 2013

		Group	
		Half-Year ended 30 Jun	
		2013	2012
	Note	S$'000	S$'000
Operating activities			
Profit before income tax		(8,325)	876
Adjustments for:			
Allowance for inventories		4	-
Allowance for doubtful debts		82	-
Credit to profit or loss on held-for-trading investment		(13)	-
Depreciation expense		6,484	4,245
Gain on disposal of property, plant and equipment		(6)	(61)
Gain on deemed disposal of previously held interest in associate		-	(618)
Gain on disposal of subsidiaries		(3,159)	-
Interest expense		1,422	579
Interest Income		(406)	(318)
Share of loss of associates		-	76
Share based payment expenses		1,903	261
Provision of foreseeable loss on contract work-in-progress		276	158
Operating cash flows before movements in working capital		(1,738)	5,198
Contract work-in-progress (net)		2,018	(176)
Trade receivables		(967)	(17,253)
Inventories		259	(4,541)
Other receivables		(1,724)	(795)
Trade payables		(1,886)	5,066
Other payables and accruals		756	2,116
Cash generated used in operations		(3,282)	(10,385)
Income tax refund (paid)		48	(64)
Net cash used in operating activities		**(3,234)**	**(10,449)**
Investing activities			
Acquisition of interest in joint venture		(100)	-
Net cash inflow from acquisition of subsidiaries		-	3,259
Net cash outflow from the disposal of subsidiaries		(410)	-
Purchase of property, plant and equipment		(324)	(11,478)
Expenditure on property under development		(88)	-
Proceeds on disposal of property, plant and equipment		1,655	547
Effect of acquiring non-controlling interest in subsidiary		(1,500)	-
Loan to investee company		-	(615)
Interest received		361	102
Net cash used in investing activities		**(406)**	**(8,185)**
Financing activities			
Decrease (Increase) in pledged fixed deposits		1,556	(1,327)
Dividends paid		(1,315)	(821)
Interest paid		(1,422)	(579)
Repayment of obligations under finance lease, net		(3,047)	(1,024)
Proceeds from bank loans		8,800	13,557
Repayment of bank loans		(1,483)	(786)
Proceeds from bills payable		41,227	25,313
Repayment of bills payable		(39,952)	(19,058)
Net cash from financing activities		**4,364**	**15,275**
Net increase (decrease) in cash and cash equivalents		**724**	**(3,359)**
Cash and cash equivalents at January 1		**18,543**	**19,620**
Effect on foreign currency transaction		**(277)**	**63**
Cash and cash equivalents at June 30		**18,990**	**16,324**

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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

The discussion that follows compares the Finance Position as at 30 June 2013 with that of 31 December 2012

Current assets

Current assets decreased by S$12.2 million from S$122.4 million as at end of December 2012to S$110.2 million as at end of June 2013.

The decrease was mainly due to the following:

1. Decrease in pledged fixed deposits by Tesla. 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 the Government of Western Australia while Independent Market Operator is an independent electricity regulator established by the Government of Western Australia. Tesla's pledged fixed deposits decreased as the Independent Market Operator refunded Tesla the deposit placed with them.

2. Trade receivables decreased mainly due to the disposal of GPS.

3. Contract work-in-progress decreased by S$1.5 million due to provisions for the accelerated and rectification costs for the construction projects.

Non-current assets

The decrease in non-current assets from S$110.2 million as at end December 2012 to S$99.2 million as at end June 2013 mainly comprises of:

1. Decrease in property, plant and equipment was due to:-

    a. Disposal of GPS;

    b. Depreciation charge on property, plant and equipment;

    c. Translation difference on net book value of Tesla's property, plant and equipment due to depreciation of Australian dollar.

    d. Disposal of sheet pile which were no longer required by the Construction division.

   Offset by the purchase of excavators, cranes, mould and containers used in Construction and Precast divisions.

2. Goodwill decreased from S$5.4 million to S$3.5 million due to the disposal of GPS.

The above was offset by the increase in available-for-sale investment to S$0.9 million which arose from Group's remaining stake in GPS and increase in joint venture of S$0.1 million due to the investment in 50% of the equity share in a Singapore-incorporated entity, Sindo-Econ Pte Ltd which is currently dormant. Sindo-Econ Pte Ltd's intended principal activities are the provision of management and consultancy services related to precast.

Current liabilities

Current liabilities decreased by S$2.6 million from S$121.3 million to S$118.7 million mainly due to the decrease in trade payable arising from the disposal of GPS as well as lower revenue from the Precast division.

The above were offset by:

1. Higher bank loans and bills payable due to the increase in short term trade financing for its working capital.

2. Higher other payables and accruals due to the remaining S$2.5 million payable for the acquisition of the remaining 25% interest in Econ Precast Pte Ltd ("Econ") and the increase of S$0.6 million advance from Koon Zinkcon which will be settled with anticipated declaration of dividends to the Group from Koon Zinkcon.

3. Increase in contract work-in-progress due to progress billing at end of the period.

Non-current liabilities

Increase in long-term bank loans led to an increase in non-current liabilities by S$2.8 million from S$35.2 million to S$38.1 million. The increase in long-term bank loans mainly came from bank loan secured on freehold land at Lot 68319 Mukim Plentong, Johor Bahru, Malaysia.

The discussion that follows compares the consolidated statement of cash flows for the 6 months to 30 June 2013 with that of corresponding period for the 6 months to 30 June 2012

Cash used in operations for 1H2013 was derived from the Group's pre-tax loss of S$9.0 million, after adjusting for non-cash items and changes in working capital. Tax refund for 1H2013 amounted to S$49,000 as compared to tax paid of S$64,000 for the corresponding period in 2012.

Net cash used in investing activities in 1H2013 was mainly due to:-

a) An increase in cash outlay for the purchase of property, plant and equipment including generators, containers and equipment used in the Construction division and renovation of GPS's new office before it ceased to be the Group's subsidiaries.

b) A reduction in cash and bank balance due to the disposal of subsidiaries arising from the disposal of GPS's cash and cash equivalents of S$0.4 million.

c) Acquisition of non-controlling interest in subsidiaries amounting toS$1.5 million arising from the Group's purchase of the remaining 25% of the issued and paid up share capital of Econ from JKM Engineers Pte Ltd (JKM) for a consideration of S$5.5 million in cash. To-date, the Group has paid S$3.0 million to JKM.

The above was offset by cash inflow of S$1.7 million from the disposal of property, plant and equipment arising from the disposal of sheet pile which were no longer required by the Construction division.

Cash generated from financing activities in 1H2013 mainly came from bank loan secured on freehold land at Lot 68319 Mukim Plentong, Johor Bahru, Malaysia.

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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

1(d)(i)Statements of changes in equity for the period ended 30 June 2013

	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 2012	7,030	13,006	32,826	(61)	52,801	2,538	55,339
Issue of share capital	25	-	-	-	25	-	25
Share-based payment	-	186	-	-	186	75	261
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
Dividends	-	-	(821)	-	(821)	-	(821)
Balance at 30 Jun 2012	7,055	13,192	32,551	44	52,842	6,922	59,764
Issue of share capital	18,318	-	-	-	18,318	-	18,318
Share-based payment	-	97	-	-	97	39	136
Acquisition of subsidiaries	-	-	-	-	-	94	94
Total comprehensive income for the period from 1 Jul 2012 to 31 Dec 2012	-	-	(500)	(567)	(1,067)	(448)	(1,515)
Dividends	-	-	(821)	-	(821)	-	(821)
Effects of dilution of interest in a subsidiary	-	16	-	-	16	37	53
Balance at 31 Dec 2012	25,373	13,305	31,230	(523)	69,385	6,644	76,029
Issue of share capital	60	-	-	-	60	-	60
Disposal of subsidiaries	-	(16)	-	-	(16)	144	128
Deferred tax asset on recognition of equity component of share-based payments	-	20	-	-	20	8	28
Effects of acquiring part of non-controlling interests in subsidiaries	-	(4,626)	-	-	(4,626)	(874)	(5,500)
Total comprehensive income for the period from 1 Jan 2013 to 30 Jun 2013	-	-	(10,094)	(897)	(10,991)	(1,734)	(12,725)
Dividends	-	-	(5,375)	-	(5,375)	-	(5,375)
Balance at 30 Jun 2013	25,433	8,683	15,761	(1,420)	48,457	4,188	52,645

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

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.**

	S$'000
The Company's issued and paid up capital:	
Balance as at 31 December 2012	25,373
Issued during the period	60
Balance as at 30 June 2013	25,433

In 1H2013, the Group issued 275,000 shares to the participants of the Koon Employee Performance Share Plan. The shares were valued at the five-day average prevailing share prices of S$0.218 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 2012	262,732,800
Additional issue during the period	275,000
Balance as at 30 June 2013	263,007,800

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 figures have been 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).**

Nothing has come to the attention of the auditors that causes the auditors to believe that the interim financial information is not prepared in all material respects, in accordance with Singapore Financial Reporting Standards 34 – Interim Financial Reporting.

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

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

On 2 January 2013, the Group increased its shareholding interest in Econ from 75% to 100%. As a result, Econ becomes a wholly-owned subsidiary of the Group.

On 11 June 2013, the Group distributed 17,093,960 shares in GPS to the shareholders of Koon. Following this, the Group's remaining shareholding interest in GPS declined to 6.11%. As a result, GPS ceased to be subsidiaries of the Group.

4(b). **Details of any dividend or distribution reinvestment plan 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 Group's financial performance.

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 accounting policies and methods of computation used are similar to those used in the audited financial statements for the year ended 31 December 2012.

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 Singapore Financial Reporting Standards("FRS") and Interpretations of FRS applicable from 1 January 2013. 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	
	Half-Year ended 30 Jun	
	2013	2012
(Losses)/earnings per share for the period (Singapore cents)		
Basic	-3.84cents	0.33 cents
Diluted	-3.84cents	0.33 cents

Half-Year Financial Statements and Dividend Announcement
Half-Year financial statements on consolidated results for the period ended 30 June 2013
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-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	
	30/06/2013	30/06/2012
Net tangible value per ordinary share based on issued Share capital as at the end of the reporting period (Singapore cents)	18.67cents	33.06 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 that have been 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.**

With Singapore's growing population size, infrastructure development remains as one of the key areas of focus of the Government. For 2013, the Building and Construction Authority (BCA) projected demand for civil engineering works (excluding reclamation) to be in the range of S$6.6 billion to S$7.7 billion as compared to S$4.6 billion in 2012(1).

We believe Build-to-Order (BTO) projects, along with conducive Government's policies that encourage the adoption of prefabrication method will continue to underscore the demand for precast products in Singapore. To cater for public housing demand, the Housing and Development Board (HDB) is targeting to launch 25,000 BTO flats in 2013(2). As part of the strategy in reducing production costs and overheads, the Group established a joint venture to operate an additional precast yard in Batam, Indonesia.

Overall, while there is sustained demand, the industry continues to face challenges including margin pressure, tight labor supply as well as volatility in material costs. Enhancing operational efficiency and timely execution of our projects in both Construction and Precast divisions will be our top agenda going forward. At the same time, the Group will continue to identify opportunities that command higher margins.

As at the date of this announcement, the Construction and Precast division had an outstanding order book of approximately S$87.7 million and S$87.9 million respectively.

Footnotes:

(1) "Public sector projects to boost construction demand in 2013", BCA, 16 January 2013
(2) "Flash Estimate of 2nd Quarter 2013 Resale Price Index", HDB, 01 July 2013

BY ORDER OF THE BOARD

Tan Swee Gek
Company Secretary
26 August 2013

CONFIRMATION BY THE BOARD

Half-Year Financial Statements and Dividend Announcement
Half-Year financial statements on consolidated results for the period ended 30 June 2013
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

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 2013 to be false or misleading in any material aspect.

On behalf of the board of directors,

Mr. Yuen Kai Wing	Mr. Oh Koon Sun
Chief Operating Officer and Executive Director	Executive Director

Singapore
26 August 2013