KOON HOLDINGS LIMITED (KNH)

Full Year Financial Statements and Dividend Announcement
Full Year financial statements on consolidated results for the year ended 31 December 2013
(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 2013 (Previously corresponding period: 31 December 2012)

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

APPENDIX 4E

	Group		
	S$'000	Up/Down	Movement %
Revenue from ordinary activities [Note1]	231,369	Up	8.8
Loss from ordinary activities after tax attributable to members	(10,209)	Down	N.M.
Net Loss for the period attributable to members	(10,209)	Down	N.M.

Note 1: Included revenue from discontinued operation
N.M. : Not Meaningful

	Amount per share Singapore cent	Franked amount per share Singapore cent
Interim dividend	NA	NA
Previously corresponding period		
Interim dividend	0.5	NA
Final 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	
	31/12/2013	31/12/2012
Net tangible assets per ordinary share (Singapore cents)	18.34 cents	26.87 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.

KOON HOLDINGS LIMITED (KNH)

Full Year Financial Statements and Dividend Announcement
Full Year financial statements on consolidated results for the year ended 31 December 2013
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a) Consolidated Statement of Comprehensive Income for the period ended 31 December 2013

	Note	Group Full Year ended 31 Dec 2013 S$'000	2012 S$'000	% Increase/ (Decrease)
Continuing operations:				
Revenue		219,961	187,599	17.3
Cost of sales		(207,385)	(171,220)	21.1
Gross profit		12,576	16,379	(23.2)
Other income		1,166	1,637	(28.8)
Distribution costs		(3,633)	(3,150)	15.3
Administrative expenses		(17,812)	(17,058)	4.4
Finance costs		(2,530)	(1,493)	69.5
Share of profit/(loss) of joint venture/associate		230	(76)	N.M.
Loss before income tax		(10,003)	(3,761)	166.0
Income tax		(2,266)	2,519	(190.0)
Loss for the year from continuing operations		(12,269)	(1,242)	887.8
Discontinued operation:				
Profit for the year from discontinued operation	1(a)(i)	1,062	1,265	(16.0)
(Loss)/Profit for the year		(11,207)	23	N.M.
Other comprehensive loss :				
Fair value loss on available for sale investments		(405)	-	N.M.
Exchange difference on translation of foreign operations, net of tax		(1,949)	(672)	190.0
Total comprehensive loss for the year		(13,561)	(649)	N.M.
(Loss)/Profit for the year attributable to :				
Owners of the Company		(10,209)	46	N.M.
Non-controlling interests		(998)	(23)	N.M.
		(11,207)	23	N.M.
Total comprehensive loss attributable to :				
Owners of the Company		(12,041)	(416)	N.M.
Non-controlling interests		(1,520)	(233)	552.4
		(13,561)	(649)	N.M.
(Loss)/ Earnings per share for the year (Singapore cents):				
From continuing and discontinued operations				
- Basic		(3.88)	0.03	
- Diluted		(3.88)	0.03	
From continuing operations				
- Basic		(4.69)	(0.35)	
- Diluted		(4.69)	(0.35)	

Full Year Financial Statements and Dividend Announcement
Full Year financial statements on consolidated results for the year ended 31 December 2013
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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 operation for the period from 1 January 2013 to 10 June 2013 and the year from 1 January 2012 to 31 December 2012 were as follows:-

	1 Jan-10 Jun 2013 S$'000	1 Jan-31 Dec 2012 S$'000
Revenue	11,408	25,125
Cost of sales	(9,573)	(20,906)
Gross Profit	1,835	4,219
Other income	313	736
Administrative expenses	(3,956)	(3,312)
Distribution expenses	(285)	(288)
Finance cost	(4)	(3)
(Loss)/ Profit before income tax	(2,097)	1,352
Income tax expenses	-	(87)
(Loss)/ Profit for the year	(2,097)	1,265
(Loss)/ Profit for the year, representing total comprehensive (loss)/income for the year attributable to:		
Owners of the Company	(1,026)	656
Non-controlling interests	(1,071)	609
	(2,097)	1,265

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

	1 Jan-10 Jun 2013 $'000	1 Jan-31 Dec 2012 $'000
(Loss)/Profit from real estate agency operation for the year	(2,097)	1,265
Gain on disposal of real estate agency operation	3,159	-
Net profit for the year from discontinued operation	1,062	1,265

Full Year Financial Statements and Dividend Announcement
Full Year financial statements on consolidated results for the year ended 31 December 2013
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

Important Notice: Due to the nature of the industry in which the Group operates, period-on-period and year-on-year may not be strictly comparable and thus such comparisons must be made with a degree of caution.

Overall the Group incurred S$12.3 million losses from continuing operations for the year ended 31 December 2013 (FY2013). The Group recorded S$0.3 million net profit for the second half year period (2HFY2013) as compared to the losses of S$12.5 million incurred in the first half year period (1HFY2013). This was mainly attributed to improved gross profit recorded by both Construction and Precast divisions in 2HFY2013, as well as the reversal of overprovision of prior year taxation in 2HFY2013:

	Jan to Jun 2013 (1HFY2013) S$'000	Jul to Dec 2013 (2HFY2013) S$'000	Full Year ended 31 Dec 2013 S$'000
Continuing operations:			
Revenue	126,352	93,609	219,961
Cost of sales	(124,366)	(83,019)	(207,385)
Gross profit	1,986	10,590	12,576
(Loss) before income tax	(9,387)	(616)	(10,003)
Income tax	(3,140)	874	(2,266)
(Loss) Profit for the year from continuing operations	(12,527)	258	(12,269)

Revenue

Revenue from continuing operations for year ended 31 December 2013 increased by 17.3% to S$220.0 million as compared to the previous corresponding financial year (FY2012).

The increase in revenue was largely due to:-

1. An increase in revenue from the Construction division from S$96.5 million in FY2012 to S$146.5 million in FY2013 mainly due to the following projects; (i) construction of container berths and stacking yards at PSA's Pasir Panjang Terminals, (ii) construction of Seawater Intake Facilities,(iii) construction works to extend transfer bay at shipyard; (iv) construction of Twin Cell Tunnel at Jurong Island and (v) construction of roads, drains, sewers and vehicular bridge at Ayer Merbau Road; and

2. Higher revenue from the Electric Power Generation division of S$9.1 million as compared to S$3.4 million in FY2012 recorded by the Group's subsidiary Tesla Holdings Pty Ltd group of companies ("Tesla"), as all four power plants of Tesla have been fully operational since late FY2012.

The above were partially offset by the decrease in revenue from the Precast division which declined by S$15.0 million 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 23.2% from S$16.4 million in FY2012 to S$12.6 million in FY2013 mainly due to:-

1. Lower profit from the Construction division owing to delays encountered by certain construction projects. 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. These construction projects have been substantially completed as at 31 December 2013.

2. Lower profit from the Precast division attributed to (i) lower utilisation of its new precast plant, (ii) disruptions in the business activities during the relocation period in the first half of FY2013 in preparation of the precast yard to take on new projects and (iii) additional costs incurred for the relocation of the casting plant.

Full Year Financial Statements and Dividend Announcement
Full Year financial statements on consolidated results for the year ended 31 December 2013
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

Other Income
Other income decreased from S$1.6 million in FY2012 to S$1.2 million in FY2013. The Group recorded lower other income mainly due to absence of the one-off gain on the deemed disposal of previously held interest in associate, Tesla of S$0.6 million; as well as higher fixed assets write off of approximately S$0.2 million net of gain on disposal of fixed assets; partially offset by a reversal of allowance for doubtful debts of S$0.4 million in FY2013.

Distribution Costs
Distribution costs increased by 15.3% from S$3.2 million in FY2012 to S$3.6 million in FY2013. The increase was mainly due to higher handling costs incurred by Precast division for storage of finished goods inventory.

Administrative Expenses
Administrative expenses increased by 4.4% from S$17.1 million in FY2012 to S$17.8 million in FY2013. The higher administrative expenses was mainly due to additional depreciation, land rental, property tax and maintenance expenses amounted to S$1.1 million for the properties at 11 & 15 Sixth Lok Yang Road acquired in late FY2012, one-off renovation expenses of S$0.4 million due to relocation of office, additional depreciation of S$0.4 million for the set-up costs of new casting yard, as well as increase in other expenses amounted to S$1.1 million attributed mainly to higher manpower costs, unrealised exchange losses and professional fees; partially offset by absence of allowance for doubtful trade receivables of S$2.2 million recorded in FY2012.

Finance Costs
Finance costs increased by 69.5% from S$1.5 million in FY2012 to S$2.5 million in FY2013. The increase in finance costs was mainly attributed to the higher interest expense of S$0.5 million incurred by the Electric Power Generation division arising from the financing of the four Tesla's power plants following the completion of the three additional power plants in FY2012 and higher interest expenses of S$0.5 million incurred by Construction and Precast divisions on borrowings for purchase of plant and equipment and working capital financing.

Share of Profit/(Loss) of Joint Venture/Associate
The Group's share of results of joint venture/associate comprised of the share of profit of a joint venture construction project of S$0.5 million and the share of start-up losses of S$0.3 million incurred by Sindo-Econ Pte. Ltd. and its Indonesia subsidiary which commenced operations during the year. In FY2012, 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.

Profit for the year from discontinued operation
Profit for the year from discontinued operation arose from the disposal of GPS Alliance Holdings Limited and its subsidiaries ("GPS") following the distribution of GPS shares to Koon Holdings Limited'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 FY2013, the profit from discontinued operation mainly derived from the gain on disposal of GPS's operation partially offset by the loss from GPS's operation during the year due to share based payment expenses and ASX listing expenses.

Income Tax
The Group recorded higher tax expenses in FY2013 mainly due to the net reversal of prior year deferred tax assets of S$2.4 million, tax expense of S$0.3 million partially offset by adjustment on overprovision of prior year taxation of S$0.5 million.

Loss for the year
In FY2013, the Group's loss before tax (inclusive of discontinued operation) was S$8.9 million. Loss after tax (inclusive of discontinued operation) for FY2013 was S$11.2 million as compared to profit after tax of S$23,000 in FY2012. This was mainly due to losses incurred by Construction and Precast divisions and the net reversal of prior year deferred tax assets of S$2.4 million.

Full Year Financial Statements and Dividend Announcement
Full Year financial statements on consolidated results for the year ended 31 December 2013
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(b) Statement of Financial Position as at 31 December 2013

	Note	As at 31/12/2013 S$'000	As shown in last annual report As at 31/12/2012 S$'000
ASSETS			
Current assets			
Cash and cash equivalents		21,788	18,543
Pledged fixed deposits		2,560	3,885
Trade receivables		43,105	58,086
Other receivables		4,637	6,759
Inventories		10,881	14,120
Contract work-in-progress		10,870	20,949
Held for trading investments		33	23
Total current assets		93,874	122,365
Non-current assets			
Other receivables		351	8,384
Development properties		17,183	16,973
Associates		*	*
Joint Ventures		-	-
Property, plant and equipment		65,128	76,077
Available-for-sale investment		538	150
Goodwill on consolidation	1(b)(i)	3,536	5,438
Deferred income tax		225	3,188
Total non-current assets		86,961	110,210
Total assets		**180,835**	**232,575**
LIABILITIES AND EQUITY			
Current liabilities			
Bank loan and bills payable		20,575	26,266
Trade payables		51,786	71,706
Provision for loss on sales commitments		600	600
Other payables and accruals		11,935	15,461
Contract work-in-progress		765	1,164
Current portion of finance leases		7,841	5,504
Income tax payable		245	606
Total current liabilities		93,747	121,307
Non-current liabilities			
Long-term bank loans		10,810	7,749
Finance leases		20,467	25,348
Other payables		2,500	93
Deferred income tax		1,531	2,049
Total non-current liabilities		35,308	35,239
Total liabilities		**129,055**	**156,546**
Capital and Reserves			
Share capital		25,433	25,373
Capital reserve		8,663	13,305
Accumulated profits		15,241	31,230
Translation reserve		(1,950)	(523)
Equity attributable to owners of the Company		47,387	69,385
Non-controlling interests		4,393	6,644
Total equity		**51,780**	**76,029**
Total liabilities and equity		**180,835**	**232,575**

* Amount less than S$1,000

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(b)(i) Goodwill on consolidation

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

	Group	
	31/12/2013	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 Alliance Holdings Limited and its subsidiaries in June 2013. No impairment was recognised during the year.

Full Year Financial Statements and Dividend Announcement

Full Year financial statements on consolidated results for the year ended 31 December 2013
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(c) Consolidated statement of cash flows for the period ended 31 December 2013

	Group	
	Full Year ended 31 Dec	
	2013	2012
	S$'000	S$'000
Operating activities		
Loss before income tax	(8,941)	(2,409)
Adjustments for:		
Allowance for inventories	195	2,660
(Reversal of) allowance for doubtful debts	(425)	2,242
Credit to profit or loss on held-for-trading investment	(10)	(7)
Depreciation expense	12,050	10,010
(Gain) loss on disposal of property, plant and equipment	(253)	621
Gain on deemed disposal of previously held interest in associate	-	(561)
Gain on disposal of subsidiaries	(3,159)	-
Fixed assets write off	1,031	-
Interest expense	2,534	1,496
Interest Income	(653)	(740)
Impairment loss on property, plant and equipment	-	147
Share of loss of joint ventures and associates	253	76
Share based payment expenses	1,903	397
Provision for loss on sales commitment	-	600
(Reversal) Provision of foreseeable loss on contract work-in-progress	(166)	1,465
Operating cash flows before movements in working capital	4,359	15,997
Contract work-in-progress (net)	9,767	(14,722)
Trade receivables	5,005	(24,950)
Inventories	3,025	(6,157)
Other receivables	8,614	3,770
Trade payables	(11,639)	15,495
Other payables and accruals	(2,376)	608
Cash generated from (used in) operations	16,755	(9,959)
Income tax refund (paid)	(97)	617
Net cash generated from (used in) operating activities	**16,658**	**(9,342)**
Investing activities		
Acquisition of interest in joint venture	(108)	-
Acquisition of non-controlling interest in subsidiaries	(1,500)	-
Net cash inflow from acquisition of subsidiaries	-	3,333
Deposit paid for acquisition of non-controlling interest	-	(1,500)
Net cash outflow from the disposal of subsidiaries	(410)	-
Purchase of property, plant and equipment	(1,815)	(16,134)
Expenditure on property under development	(239)	(16,973)
Proceeds on disposal of property, plant and equipment	2,845	720
Proceeds on disposal of held for trading investment	-	20
Dilution of equity shares	-	37
Loan to investee company	-	(598)
Interest received	653	308
Net cash used in investing activities	**(574)**	**(30,787)**
Financing activities		
Issue of share capital	-	18,343
Advance from non-controlling interest	-	1,400
Decrease (Increase) in pledged fixed deposits	-	544
Dividends paid	(1,315)	(1,642)
Interest paid	(2,534)	(1,496)
Repayment of obligations under finance lease, net	(7,351)	(2,549)
Proceeds from bank loans	9,800	15,889
Repayment of bank loans	(2,669)	(7,295)
Proceeds from bills payable	49,354	64,196
Repayment of bills payable	(58,831)	(48,832)
Increase in pledged fixed deposits	1,325	-
Net cash (used in) generated from financing activities	**(12,221)**	**38,558**
Net increase (decrease) in cash and cash equivalents	**3,863**	**(1,571)**
Cash and cash equivalents at beginning of year	**18,543**	**19,620**
Effect on foreign currency transaction	**(618)**	**494**
Cash and cash equivalents at end of year	**21,788**	**18,543**

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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

Current assets
Current assets decreased by S$28.5 million to S$93.9 million as at 31 December 2013 mainly due to the following:

1. Decrease in pledged fixed deposits by S$1.3 million. The decrease was mainly due to reduction in Tesla's pledged fixed deposits which 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 by S$15.0 million mainly due to the disposal of GPS (decreased by S$9.0 million), progress payments received prior to year end under the Construction division and reduction in revenue of the Precast division.

3. Other receivables decreased by S$2.1 million mainly due to the disposal of GPS (decreased by S$0.8 million) and lower advance payments to suppliers for purchase of raw material under the Precast division.

4. Inventories decreased by S$3.2 million due to lower finished goods and raw material inventories of the Precast division.

5. Contract work-in-progress decreased by S$10.1 million mainly due to comparatively lesser number of construction work-in-progress at year end and higher progress claims received prior to year end.

The above were partially offset by an increase in cash and cash equivalents of S$3.2 million as at year end.

Non-current assets
Non-current assets decreased by S$23.2 million to S$87.0 million as at 31 December 2013 mainly due to:

1. Decrease in other receivables by $8.0 million mainly due to the disposal of GPS. Included in other receivables at 31 December 2012 was a $6.8 million loan extended by GPS to its joint venture development project.

2. Decrease in property, plant and equipment by S$11.0 million mainly due to depreciation charges amounted to $12.1 million, absence of GPS's property, plant and equipment of S$0.5 million following the Group's disposal of GPS, write off and disposal of plant and equipment amounted to S$3.8 million and foreign exchange adjustments of S$3.7 million; partially offset by additions of fixed assets amounted to S$9.1 million mainly for purchase of plant and equipment under the Construction division.

3. Goodwill on consolidation decreased by S$1.9 million due to the disposal of GPS.

4. Deferred income tax assets decreased by S$3.0 million mainly due to reversal of prior year deferred tax assets under Construction and Precast divisions.

The above were partially offset by an increase in development properties of S$0.2 million and available-for-sale investment of S$0.4 million as compared to last year. The available-for-sale investment of S$0.5 million as at 31 December 2013 comprised the Group's remaining investment in GPS; whilst the comparative amount of S$0.1 million as at 31 December 2012 comprised GPS's investment in its joint venture development project.

Current liabilities
Current liabilities decreased by S$27.6 million to S$93.7 million as at 31 December 2013 mainly due to decrease in trade payables and other payables by S$19.9 million and S$3.5 million respectively due partly to the disposal of GPS, decrease in bank loan and bills payable of S$5.7 million and lower contract work-in-progress of S$0.4 million at year end; partially offset by an increase in finance leases payable of S$2.3 million.

<u>Non-current liabilities</u>
Non-current liabilities increased marginally by S$0.1 million to S$35.3 million as at 31 December 2013. This was mainly due to other payable of S$2.5 million attributed to the acquisition of remaining 25% interest in Econ Precast Pte Ltd during the year, partially offset by decrease in deferred income tax liability of S$0.5 million and lower borrowings of S$1.8 million.

<u>The discussion that follows compares the consolidated statement of cash flows for the 12 months to 31 December 2013 (FY2013) with that of corresponding year to 31 December 2012 (FY2012)</u>

Cash generated in operations for FY2013 was derived from the Group's pre-tax loss of S$8.9 million, after adjusting for non-cash items and changes in working capital. Cash inflow from working capital changes was mainly due to the decrease in trade receivables, contract work-in-progress and inventories partially offset by the decrease in trade payables for the Construction and Precast divisions. Tax refund for FY2013 amounted to S$97,000 as compared to tax paid of S$0.6 million in FY2012. Net cash generated from operating activities amounted to S$16.7 million in FY2013.

Net cash used in investing activities of S$0.6 million in FY2013 was lower than $30.8 million in FY2012 mainly due to:-

a) Decrease in cash outlay of S$14.3 million for the purchase of property, plant and equipment by Construction and Precast divisions.

b) Decrease in expenditure on property under development of S$16.7 million attributed to the acquisition of assets of Malaysia companies recorded in FY2012

The above were partially offset by increase in cash inflow of S$2.1 million from the disposal of property, plant and equipment mainly by the Construction division.

Cash used in financing activities in FY2013 amounted to S$12.2 million as compared to cash generated from financing activities of S$38.6 million in FY2012. The decrease was mainly due to higher repayments of borrowings in FY2013, absence of proceeds from issuance of shares of S$18.3 million recorded in FY2012 and higher bank loans drawn down in FY2012 for financing the construction of power plants under Tesla and purchase of properties at 11 & 15 Sixth Lok Yang Road under Construction division.

Due to the above factors, the Group recorded higher cash and cash equivalents of S$21.8 million as at end of FY2013.

Full Year Financial Statements and Dividend Announcement
Full Year financial statements on consolidated results for the year ended 31 December 2013
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(d)(i)Statements of changes in equity for the period ended 31 December 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	18,343	-	-	-	18,343	-	18,343
Share-based payment	-	283	-	-	283	114	397
Acquisition of a subsidiary	-	-	-	-	-	4,188	4,188
Total comprehensive income for the year	-	-	46	(462)	(416)	(233)	(649)
Dividends	-	-	(1,642)	-	(1,642)	-	(1,642)
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)	143	127
Effects of acquiring part of non-controlling interests in subsidiaries	-	(4,626)	-	-	(4,626)	(874)	(5,500)
Total comprehensive income for the year	-	-	(10,614)	(1,427)	(12,041)	(1,520)	(13,561)
Dividends	-	-	(5,375)	-	(5,375)	-	(5,375)
Balance at 31 Dec 2013	25,433	8,663	15,241	(1,950)	47,387	4,393	51,780

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
Issued and paid up capital of the Company:	
Balance as at 31 December 2012	25,373
Issued during the year pertained to Koon Employee Performance Share Plan	60
Balance as at 31 December 2013	25,433

In 2013, 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.

Full Year Financial Statements and Dividend Announcement
Full Year financial statements on consolidated results for the year ended 31 December 2013
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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
Issued and paid up capital of the Company:	
Balance as at 31 December 2012	262,732,800
Additional issue during the period	275,000
Balance as at 31 December 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 comparison figures relating to the previous corresponding year were audited by the auditor.

5. **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 2 January 2013, the Group increased its shareholding interest in Econ Precast Pte Ltd from 75% to 100%. As a result, Econ Precast Pte Ltd became a wholly-owned subsidiary of the Group.

On 11 June 2013, the Group distributed 17,093,960 shares in GPS to the shareholders of the Company. 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.

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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 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 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	
	2013	2012
(Loss)/earnings per share for the year (Singapore cents)		
From continuing and discontinued operations		
Basic	(3.88 cents)	0.03 cents
Diluted	(3.88 cents)	0.03 cents
From continuing operations		
Basic	(4.69 cents)	(0.35 cents)
Diluted	(4.69 cents)	(0.35 cents)

The calculation of diluted loss per share as at 31 December 2013 was based on loss attributable to ordinary shareholders of S$10.209 million and for continuing operations S$12.342 million. The calculation of diluted earning/loss per share for continuing and discontinued operations as at 31 December 2012 was on profit attributable to ordinary shareholders of S$0.046 million and for continuing operations loss S$0.610 million.

The weightage average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares of 263,097,800 (2012: 172,858,400) calculated as follows:

	2013 **No. of shares**	2012 **No. of shares**
Weighted average number of ordinary shares (basic)	263,007,800	172,418,400
Potential share issue under employee performance share plan	90,000	440,000
Weighted average number of ordinary shares (diluted) as at 31 December	263,097,800	172,858,400

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	
	31/12/2013	31/12/2012
Net tangible value per ordinary share based on issued share capital as at the end of the reporting period (Singapore cents)	18.34 cents	26.87 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.**

In accordance with the figures released by the Building and Construction Authority (BCA) in January 2014, the total construction demand is projected to be between S$31 billion and S$38 billion in 2014[(1)]. Civil engineering works from public sector alone could reach S$9.3 billion, as compared to S$5.3 billion in 2013[(1)]. In addition, the Government's reclamation plan is expected to progressively contribute to the demand for infrastructure works going forward. Demand for precast sector remains buoyant, mainly fuelled by building activities in the public housing sector as well as MTR tunnelling projects.

While demand outlook remains positive, the Group expects continuous margin pressure due to issues on competition (many foreign firms, and in particular European and Japanese firms, have been boosting their presence in Singapore), tight labour supply as well as rising manpower and material costs. Going forward, enhancing operational efficiency and timely execution of projects undertaken by both Construction and Precast divisions shall remain the key focus for the Group. As part of the Group's strategy to reduce production costs and overheads, the Group has in FY2013 established a joint venture to operate an additional precast yard in Batam, Indonesia.

As at 31 December 2013, the outstanding order book of the Construction division and Precast divisions were approximately S$90 million and S$60.5 million respectively.

Footnote:
(1) "Construction demand for 2014 to remain strong", BCA, 09 January 2014

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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.**

Segment revenues and results

	Revenue		Earnings	
	Full Year ended 31 Dec		Full Year ended 31 Dec	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Continuing operations:				
Construction Division	146,516	96,453	(3,630)	1,578
Precast Division	77,605	92,614	(6,411)	(3,646)
Property Division	-	-	(272)	(12)
Electric Power Generation Division	9,077	3,392	3,878	605
	233,198	192,459	(6,435)	(1,475)
Elimination	(13,237)	(4,860)	(3,212)	(2,975)
Total	219,961	187,599	(9,647)	(4,450)
Unallocated corporate income			1,944	1,697
Share of profit/(loss) of joint ventures and associates			230	(76)
Gain in deemed disposal of previously held interest in associate			-	561
Finance costs			(2,530)	(1,493)
(Loss) before income tax			(10,003)	(3,761)
Income tax			(2,266)	2,519
(Loss) for the period			(12,269)	(1,242)
Discontinued operation:				
Property (real estate agency)	11,451	25,125	(2,393)	1,295
Elimination	(43)	-	(13)	(676)
Total	11,408	25,125	(2,406)	619
Unallocated corporate income			3,472	736
Finance costs			(4)	(3)
Profit before income tax			1,062	1,352
Income tax			-	(87)
Profit for the period			1,062	1,265
Consolidated revenue for the period	231,369	212,724		
Consolidated (loss)/profit for the period			(11,207)	23

Segment assets	2013 S$'000	2012 S$'000
Construction Division	107,646	103,786
Precast Division	81,266	79,484
Property Division	28,264	42,447
Electric Power Generation Division	34,403	42,419
	251,579	268,136
Elimination	(72,632)	(43,511)
Total segment assets	178,947	224,625
Unallocated corporate assets	1,888	7,950
Total assets	180,835	232,575

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

Other segment information	Depreciation		Additions to property, plant and equipment	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Continuing operations:				
Construction Division	3,608	2,730	6,118	14,601
Precast Division	6,861	6,513	2,735	11,643
Property Division	-	-	-	16,972
Electric Power Generation Division	1,473	572	73	37,499
Total	11,942	9,815	8,926	80,715
Discontinued operation:				
Property Division (real estate agency)	108	195	210	283
Total	12,050	10,010	9,136	80,998

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

Business Segments:-

Continuing operations:

Revenue – Construction
Revenue from Construction division increased by approximately S$50.0 million in FY2013 mainly due to revenue recognition of the following projects; (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; (iv) construction of Twin Cell Tunnel at Jurong Island and (v) construction of roads, drains, sewers and vehicular bridge at Ayer Merbau Road.

Revenue – Precast
Revenue from Precast division decreased by 16.2% to S$77.6 million in FY2013. The decrease in revenue was 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.

Revenue – Property
In FY2013, there was no revenue attributed to the Group's development properties which are pending for future development.

Revenue – Electric Power Generation
Revenue from Electric Power Generation division increased significantly from S$3.4 million in FY2012 to S$9.1 million in FY2013 as all four power plants under Tesla were fully operational since late FY2012.

Earnings - Construction
Construction division incurred losses in FY2013 mainly due to lower gross profits attributed to delays encountered by certain construction projects. One project was significantly delayed due to a fatality. As a result, the division incurred accelerated and rectification costs to make up for lost time. These construction projects have been substantially completed as at 31 December 2013.

Earnings - Precast
Precast division recorded higher losses in FY2013 mainly due to lower utilization of its new precast plant, disruptions in the business activities during the relocation period in the first half of FY2013 in preparation of the precast yard to take on new projects and additional costs incurred for the relocation of the casting plant.

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

Earnings - Property
Negative earnings mainly due to professional expenses and property tax incurred for the Group's development properties which are pending for future development.

Earnings – Electric Power Generation
Earnings from Electric Power Generation division increased significantly from S$0.6 million in FY2012 to S$3.9 million in FY2013 as all four power plants under Tesla were fully operational since late FY2012.

Discontinued operation:

Revenue – Property (Real estate agency)
The decrease in revenue in FY2013 was mainly due to the Group's disposal of GPS Alliance Holdings Limited and its subsidiaries ("GPS") following the distribution of GPS shares to Koon Holdings Limited's entitled shareholders on 11 June 2013.

Earnings – Property (Real estate agency)
Prior to the Group's disposal of GPS in FY2013, GPS recorded losses mainly due to share based payment expenses and ASX listing expenses.

6. **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
	2013	2012
	S$'000	S$'000
Ordinary	5,375	1,642

BY ORDER OF THE BOARD

Tan Swee Gek
Company Secretary
27 February 2014

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 of 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 2013 to be false or misleading in any material aspect.

On behalf of the board of directors,

Mr. Yuen Kai Wing
Chief Operating Officer and Executive Director

Mr. Oh Koon Sun
Executive Director

Singapore
27 February 2014