



KOON HOLDINGS LIMITED (KNH)

Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2014
(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 2014
(Previously corresponding period: 30 June 2013)

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 ^(note1)	90,170	Down	28.6%
Profit from ordinary activities after tax attributable to members	1,715	Up	N.M.
Net Profit for the period attributable to members	1,715	Up	N.M.

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

	Amount per share Singapore cent	Franked amount per share Singapore cent
Interim dividend	NA	NA
Previous corresponding period	NA	NA
Interim dividend		
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

Net tangible assets per ordinary share (Singapore cents)

Group	
30/06/2014	30/06/2013
19.34 cents	18.67 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 Ernst & Young LLP.



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1(a) Consolidated Statement of Comprehensive Income for the period ended 30 June 2014

	Note	Group		% Increase/ (Decrease)
		Half-Year ended 30 Jun		
		2014 S\$'000	2013 S\$'000	
Continuing operations:				
Revenue		90,170	126,352	(28.6)
Cost of sales		(77,822)	(124,366)	(37.4)
Gross profit		12,348	1,986	521.8
Other income		2,988	845	253.6
Distribution costs		(2,675)	(1,457)	83.6
Administrative and other operating expenses		(8,874)	(9,343)	(5.0)
Finance costs		(956)	(1,418)	(32.6)
Share of losses of joint ventures (net)		(263)	-	N.M.
Profit/(Loss) before income tax		2,568	(9,387)	N.M.
Income tax		(585)	(3,140)	(81.4)
Profit/(Loss) for the period from continuing operations		1,983	(12,527)	N.M.
Discontinued operation:				
Profit for the period from discontinued operation	1(a)(i)	-	1,062	N.M.
Profit/(Loss) for the period		1,983	(11,465)	N.M.
Other comprehensive income/(loss):				
Exchange gain/(loss) on translation of foreign operations		348	(1,260)	N.M.
Gain on fair value changes of available-for-sale investments		307	-	N.M.
Other comprehensive income/(loss), net of tax		655	(1,260)	N.M.
Total comprehensive income/(loss) for the period		2,638	(12,725)	N.M.
Profit/(Loss) for the period attributable to :				
Owners of the Company		1,715	(10,094)	N.M.
Non-controlling interests		268	(1,371)	N.M.
		1,983	(11,465)	N.M.
Total comprehensive income/(loss) for the period attributable to :				
Owners of the Company		2,177	(10,991)	N.M.
Non-controlling interests		461	(1,734)	N.M.
		2,638	(12,725)	N.M.
Earnings/(Loss) per share (Singapore cents):				
From continuing and discontinued operations:				
- Basic		0.65	(3.84)	
- Diluted		0.65	(3.84)	
From continuing operations:				
- Basic		0.65	(4.65)	
- Diluted		0.65	(4.65)	



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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 were as follows:-

	1 Jan-10 June 2013 S\$'000
Revenue	11,408
Cost of sales	(9,573)
Gross Profit	1,835
Other income	313
Administrative expenses	(3,956)
Distribution costs	(285)
Finance cost	(4)
Loss before income tax	(2,097)
Income tax	-
Loss for the period, representing total comprehensive loss for the period	(2,097)
Loss for the period, representing total comprehensive loss for the period attributable to:	
-Owners of the Company	(1,026)
-Non-controlling interests	(1,071)
	(2,097)

The profit for the period from the discontinued operation was as follows:-

	1 Jan-10 Jun 2013 S\$'000
Loss from real estate agency operation for the period	(2,097)
Gain on disposal of real estate agency operation	3,159
Net	1,062



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The discussion that follows compares the income statement for 6 months ended 30 June 2014(1H2014) with previous corresponding period (1H2013)

Segment revenues and results

	Revenue		Earnings	
	Half-Year ended 30 June		Half-Year ended 30 June	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Continuing operations:				
Construction Division	50,310	93,629	1,836	(3,911)
Precast Division	38,575	39,384	172	(5,247)
Property Division	-	-	23	(131)
Electric Power Generation Division	4,144	4,884	1,805	2,357
	93,029	137,897	3,836	(6,932)
Elimination	(2,859)	(11,545)	(1,994)	(1,882)
Total	90,170	126,352	1,842	(8,814)
Unallocated corporate income			1,945	845
Share of losses of joint ventures (net)			(263)	-
Finance costs			(956)	(1,418)
Profit /(Loss) before income tax			2,568	(9,387)
Income tax			(585)	(3,140)
Profit/(Loss) for the period			1,983	(12,527)
Discontinued operation:				
Property (real estate agency)	-	11,451	-	(2,393)
Elimination	-	(43)	-	(13)
Total	-	11,408	-	(2,406)
Unallocated corporate income			-	3,472
Finance costs			-	(4)
Profit before income tax			-	1,062
Income tax			-	-
Profit for the period			-	1,062
Consolidated revenue for the period	90,170	137,760		
Consolidated profit/(loss) for the period			1,983	(11,465)



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Revenue

Revenue from continuing operations for first half year ended 30 June 2014 (1H2014) decreased by 28.6% to S\$90.2 million as compared to the previous period (1HFY2013).

The decrease in revenue was largely due to:-

1. Decrease in Construction division revenue by 46.3% to S\$50.3 million in 1H2014 due to substantial completion of projects including (i) construction of container berths and yards at PSA Pasir Panjang Terminal (ii) rehabilitation and earthworks at Tampines Road and (iii) construction of Seletar Link Bridge and widening of Tampines Expressway which was partially offset by higher revenue from (iv) construction of roads, drains, sewers and vehicular bridge at Ayer Merbau Road and (v) construction of roads, drains, culverts and drainage outfall at Tuas South Boulevard;
2. Marginal decrease in Precast division revenue by 2.1% to S\$38.6 million in 1H2014.
3. Decrease in Electric Power Generation division revenue by 15.2% to S\$4.1 million in 1H2014 recorded by the Group's subsidiary, Tesla Holdings Pty Ltd group of companies ("Tesla"). The decline was partly due to a weak Australian dollar against the Singapore dollar.

Gross Profit

Despite lower revenue, the Group's gross profit improved significantly from S\$2.0 million in 1H2013 to S\$12.3 million in 1H2014. This was mainly attributed to gross profits recorded by both Construction and Precast divisions as compared to losses incurred in 1H2013, partially offset by lower gross profit from the Electric Power Generation division due to decrease in revenue. The improved performance of the Construction division was mainly attributed to smaller number of loss making projects in 1H2014.

Other Income

Other income increased from S\$0.8 million in 1H2013 to S\$3.0 million in 1H2014. The increase was mainly due to dividend income of S\$1.5 million from Koon Zinkcon, a one-off grant of S\$0.4 million received for plant and equipment investment and a gain on disposal of plant and equipment of S\$0.3 million.

Distribution Costs

Distribution costs increased by 83.6% from S\$1.5 million in 1H2013 to S\$2.7 million in 1H2014. This was expected and mainly due to higher delivery and handling costs incurred by the Precast division. The division produces from its casting yard at Batam Indonesia in addition to its Singapore and Malaysia casting yards.

Administrative and Other Operating Expenses

Administrative and other operating expenses decreased by 5.0% from S\$9.3 million in 1H2013 to S\$8.9 million in 1H2014. This was mainly due to lower unrealised exchange loss (declined by S\$0.5 million), lower upkeep and maintenance costs and doubtful debt provision, partially offset by higher depreciation charges and staff salaries.

Finance Cost

Finance costs decreased by 32.6% from S\$1.4 million in 1H2013 to S\$1.0 million in 1H2014 mainly attributed to lower interest expense incurred by Tesla arising from the refinancing of its power plants and partial principal loan repayment made after 1H2013.

Share of Losses of Joint Ventures

The Group's share of losses of joint ventures in 1H2014 comprised mainly the share of start-up losses of \$0.3 million incurred by Sindo-Econ Pte Ltd and its Indonesia subsidiary PT Sindomas Precas which commenced precast operation after 1H2013, partially offset by the share of marginal profit recorded by a construction project joint venture in 1H2014.



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Profit for the period from discontinued operation

In 1H 2013, profit 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, partially offset by the operation loss incurred by GPS during the period.

Income Tax

The Group's tax expenses of S\$0.6 million in 1H2014 comprised mainly the taxation charges of Tesla and a subsidiary in Malaysia. The Group recorded higher tax expenses of S\$3.1 million in 1H2013 mainly due to the reversal of overprovision of prior year deferred tax assets.

Profit/(Loss) for the period

Owing to higher gross profit recorded by both Construction and Precast divisions, higher other income and lower tax expenses, the Group recorded a net earnings of S\$2.0 million in 1H2014 as compared to losses of S\$11.5 million incurred in 1H2013.



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INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

1(b) Statement of Financial Position as at 30 June 2014

	Note	Group As at 30/06/2014 S\$'000	Group As at 31/12/2013 S\$'000	Group As at 30/06/2013 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents		19,344	21,788	18,990
Pledged fixed deposits		880	2,560	2,329
Trade receivables		38,300	43,105	48,570
Other receivables		5,686	4,637	6,967
Inventories		7,154	10,881	13,837
Contract work-in-progress		5,331	10,870	19,457
Held for trading investments		37	33	36
Total current assets		76,732	93,874	110,186
Non-current assets				
Other receivables		313	351	8,055
Properties held for development		16,860	17,183	17,031
Associates		*	*	*
Joint Ventures		84	-	100
Property, plant and equipment		62,913	65,128	68,906
Available-for-sale investments		841	538	943
Goodwill on consolidation	1(b)(i)	3,536	3,536	3,536
Deferred income tax		33	225	629
Total non-current assets		84,580	86,961	99,200
Total assets		161,312	180,835	209,386
LIABILITIES AND EQUITY				
Current liabilities				
Bank loan and bills payable		19,027	20,575	30,007
Trade payables		36,908	51,786	61,539
Provision		150	600	600
Other payables		12,136	11,935	17,166
Contract work-in-progress		855	765	2,045
Finance leases		6,759	7,841	6,580
Income tax payable		754	245	721
Total current liabilities		76,589	93,747	118,658
Non-current liabilities				
Bank loans		9,973	10,810	12,327
Finance leases		18,490	20,467	23,258
Other payables		95	2,500	-
Deferred income tax		1,734	1,531	2,498
Total non-current liabilities		30,292	35,308	38,083
Capital and Reserves				
Share capital		25,446	25,433	25,433
Capital reserve		8,663	8,663	8,683
Fair value reserve		(98)	(405)	-
Accumulated profits		17,361	15,646	15,761
Translation reserve		(1,795)	(1,950)	(1,420)
Equity attributable to owners of the Company		49,577	47,387	48,457
Non-controlling interests		4,854	4,393	4,188
Total equity		54,431	51,780	52,645
Total liabilities and equity		161,312	180,835	209,386

1(b)(i) The carrying amount of goodwill is attributed to the Electric Power Generation cash generating unit.



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1(c) Consolidated statement of cash flows for the period ended 30 June 2014

	Group	
	Half-Year ended 30 Jun 2014 S\$'000	2013 S\$'000
Operating activities		
Profit/(Loss) before income tax	2,568	(8,325)
Adjustments for:		
Inventories written-down	354	4
Allowance for doubtful debts	-	82
Fair value gain on held-for-trading investments	-	(13)
Depreciation of property, plant and equipment	4,914	6,484
Gain on disposal of property, plant and equipment	(365)	(6)
Gain on disposal of subsidiaries	-	(3,159)
Interest expense	956	1,422
Interest Income	(56)	(406)
Share of losses of joint ventures (net)	263	-
Dividend income	(1,500)	-
Share-based payment expense	-	1,903
Reversal of provision	(450)	-
Provision of foreseeable loss on contract work-in-progress	(472)	276
Operating cash flows before movements in working capital	6,212	(1,738)
Contract work-in-progress (net)	6,100	2,018
Trade receivables	4,805	(967)
Inventories	3,373	259
Other receivables	(705)	(1,724)
Trade payables	(14,878)	(1,886)
Other payables	(1,795)	756
Cash from/(used in) operations	3,112	(3,282)
Income tax refund	29	48
Net cash from/(used in) operating activities	3,141	(3,234)
Investing activities		
Acquisition of interest in joint venture	-	(100)
Capital contribution to joint venture	(800)	-
Net cash outflow from the disposal of subsidiaries	-	(410)
Purchase of property, plant and equipment	(2,034)	(324)
Purchase of properties held for development	-	(88)
Proceeds on disposal of property, plant and equipment	1,325	1,655
Acquisition of non-controlling interest in subsidiaries	-	(1,500)
Dividend income	1,500	-
Interest received	56	361
Net cash from/(used in) investing activities	47	(406)
Financing activities		
Decrease in pledged fixed deposits	1,680	1,556
Dividends paid	-	(1,315)
Interest paid	(956)	(1,422)
Repayment of obligations under finance lease (net)	(3,992)	(3,047)
Proceeds from bank loans	-	8,800
Repayment of bank loans	(2,205)	(1,483)
Proceeds from bills payable	16,797	41,227
Repayment of bills payable	(16,977)	(39,952)
Net cash (used in)/from financing activities	(5,653)	4,364
Net (decrease)/increase in cash and cash equivalents	(2,465)	724
Cash and cash equivalents at January 1	21,788	18,543
Effect of exchange rate changes on cash and cash equivalents	21	(277)
Cash and cash equivalents at June 30	19,344	18,990



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The discussion that follows compares the Finance Position as at 30 June 2014 with that of 31 December 2013

Current assets

Current assets decreased by S\$17.1 million to S\$76.7 million as at 30 June 2014.

The decrease was mainly due to the following:

1. Decrease in cash and cash equivalents by S\$2.4 million and pledged fixed deposits by S\$1.7 million. The decrease in pledged fixed deposits was mainly due to reduction in deposits pledged by Tesla to secure the requisite banker guarantees issued to Western Power Corporation and 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.
2. Trade receivables decreased by S\$4.8 million mainly due to reduced receivables under the Construction and Precast divisions in line with lower revenue in 1H2014.
3. Contract work-in-progress decreased by S\$5.5 million mainly due to lower construction revenue in 1H2014.
4. Decrease in inventories by S\$3.7 million due to lower finished goods and raw material inventories of the Precast division.

The above were partially offset by an increase in other receivables of S\$1.0 million as at 30 June 2014.

Non-current assets

Non-current assets decreased by S\$2.4 million to S\$84.6 million as at 30 June 2014 mainly due to the decrease in property, plant and equipment of S\$2.2 million, decrease in deferred income tax assets of \$0.2 million, decrease in properties held for development of S\$0.3 million partially offset by an increase in available-for-sale investment by S\$0.3 million attributed to the Group's remaining stake in GPS.

The decrease in property, plant and equipment was due to depreciation charges amounted to S\$4.9 million and disposal of plant and equipment of S\$0.6 million partially offset by foreign exchange adjustment of S\$1.3 million, additions of property, plant and equipment amounted to S\$2.0 million for the purchase of machinery and equipment under the Construction division.

Current liabilities

Current liabilities decreased by S\$17.2 million to S\$76.6 million as at 30 June 2014 mainly due to decrease in trade payable by S\$14.9 million in line with lower revenue, decrease in provision for loss on sales commitments of S\$0.5 million and decrease in finance leases, bank loans and bills payables by S\$2.6 million, partially offset by increase in other payables by S\$0.2 million and increase in income tax payable by S\$0.5 million.

Non-current liabilities

Non-current liabilities decreased by S\$5.0 million to S\$30.3 million as at 30 June 2014 mainly due to reclassification of other payable of S\$2.5 million attributed to the acquisition of the remaining 25% interest in Econ Precast Pte Ltd to current liabilities and lower borrowings by S\$2.8 million, partially offset by increase in deferred income tax liabilities of S\$0.2 million.



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The discussion that follows compares the consolidated statement of cash flows for the 6 months to 30 June 2014 with that of corresponding period for the 6 months to 30 June 2013

Cash generated from operations for 1H2014 was derived from the Group's pre-tax profit of S\$2.6 million, after adjusting for non-cash items and changes in working capital. Cash inflow from working capital changes was mainly due to decrease in trade payables partially offset by decrease in trade receivables, contract work-in-progress and inventories for the Construction and Precast divisions. Net cash generated from operating activities amounted to S\$3.1 million in 1H2014.

Net cash generated from investing activities was marginal in 1H2014 mainly due to dividend income of S\$1.5 million from Koon Zinkcon and cash inflow of S\$1.3 million from the disposal of property, plant and equipment offset by cash outlay of S\$2.0 million for purchase of property, plant and equipment mainly by the Construction division and S\$0.8 million capital contribution to Sindo-Econ Pte Ltd under the Precast division.

Cash used in financing activities was S\$5.7 million in 1H2014 mainly due to repayment of borrowings partially offset by a decrease in pledged fixed deposits.



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1(d)(i) Statements of changes in equity for the period ended 30 June 2014

	Share capital	Capital reserve	Fair value reserve	Accumulated profits	Translation reserve	Attributable to owners of the Company	Non-controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at Jan 1, 2013	25,373	13,305	-	31,230	(523)	69,385	6,644	76,029
Loss for the period	-	-	-	(10,094)	-	(10,094)	(1,371)	(11,465)
Other comprehensive loss for the period	-	-	-	-	(897)	(897)	(363)	(1,260)
Total comprehensive income/(loss) for the period	-	-	-	(10,094)	(897)	(10,991)	(1,734)	(12,725)
Issue of share capital	60	-	-	-	-	60	-	60
Acquisition of non-controlling interest	-	(4,626)	-	-	-	(4,626)	(874)	(5,500)
Disposal of subsidiaries	-	(16)	-	-	-	(16)	143	127
Dividends	-	-	-	(5,375)	-	(5,375)	-	(5,375)
Deferred tax assets on recognition of equity component of share-based payment	-	20	-	-	-	20	8	28
Balance at Jun 30, 2013	25,433	8,683	-	15,761	(1,420)	48,457	4,187	52,644
(Loss)/profit for the period	-	-	-	(115)	-	(115)	373	258
Other comprehensive loss for the period	-	-	(405)	-	(530)	(935)	(159)	(1,094)
Total comprehensive income/(loss) for the period	-	-	(405)	(115)	(530)	(1,050)	214	(836)
Deferred tax assets on recognition of equity component of share-based payment	-	(20)	-	-	-	(20)	(8)	(28)
Balance at Dec 31, 2013	25,433	8,663	(405)	15,646	(1,950)	47,387	4,393	51,780
Profit for the period	-	-	-	1,715	-	1,715	268	1,983
Other comprehensive income for the period	-	-	307	-	155	462	193	655
Total comprehensive income for the period	-	-	307	1,715	155	2,177	461	2,638
Issue of share capital	13	-	-	-	-	13	-	13
Balance at Jun 30, 2014	25,446	8,663	(98)	17,361	(1,795)	49,577	4,854	54,431

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.**

Issued and paid up capital of the Company:	S\$'000
Balance as at 31 December 2013	25,433
Issued during the period pertained to Koon Employee Performance Share Plan	<u>13</u>
Balance as at 30 June 2014	<u>25,446</u>

In 1H2014, the Group issued 90,000 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\$0.148 before the date of issue.

As at 30 June 2014, there was no outstanding share award under the Koon Employee Performance Share Plan (30 June 2013: 135,000 shares)



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- 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.**

Issued and paid up capital of the Company:	No. of shares
Balance as at 31 December 2013	263,007,800
Additional issue during the period	<u>90,000</u>
Balance as at 30 June 2014	<u><u>263,097,800</u></u>

- 1(d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no treasury shares held by the Company

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 auditors 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.

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

On 6 June 2014, the Group de-registered Koon-Top Pave Joint Venture, a dormant business unit wholly owned by the Company's wholly owned subsidiary, Koon Construction and Transport Co. Pte. Ltd.

- 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.**

Name of Joint Ventures	% held by the Group
Sindo-Econ Pte Ltd	50%
PT Sindomas Precas	50%
Penta-Ocean/Hyundai/Koon Joint Venture	20%

The aggregate share of losses (net) of these joint ventures in 1H 2014 was S\$263,000 (1H 2013: Nil).



KOON HOLDINGS LIMITED (KNH)

Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2014
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-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.**

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 2013.

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 2014. 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	
	1H2014	1H2013
Earnings /(losses) per ordinary share for the period (Singapore cents)		
From continuing and discontinued operations:		
Basic	0.65 cents	(3.84) cents
Diluted	0.65 cents	(3.84) cents
From continuing operations:		
Basic	0.65 cents	(4.65) cents
Diluted	0.65 cents	(4.65) cents

The calculation of diluted earnings per share for 1H2014 was based on profit attributable to ordinary shareholders of S\$1.715 million for continuing operations. The calculation of diluted loss per share for 1H2013 was based on loss attributable to ordinary shareholders for continuing and discontinued operations of S\$10.094 million and for continuing operations of S\$12.228 million.

The weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares was 263,097,800 (1H2013: 263,142,800) calculated as follows:

	1H2014	1H2013
Weighted average number of ordinary shares (basic)	263,097,800	263,007,800
Potential share issue under employee performance share plan	-	135,000
Weighted average number of ordinary shares (diluted) as at 30 June	263,097,800	263,142,800

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	
	30/06/2014	30/06/2013
Net tangible value per ordinary share based on issued share capital as at the end of the reporting period (Singapore cents)	19.34 cents	18.67 cents



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(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

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.**

The Singapore's construction sector grew by 6.7% year-on-year in the first quarter of 2014⁽¹⁾. In January this year, the Building and Construction Authority (BCA) forecasted that public sector demand for civil engineering works is expected to contribute between S\$8.3 billion and S\$9.3 billion in 2014⁽²⁾.

Precast industry continues to benefit from government policies. Demand for precast works is expected to remain favourable considering improving adoption levels of precast for HDB projects and MRT tunnelling projects.

However, Singapore's construction sector is expected to continue facing challenges ranging from greater competition, rising manpower and material costs as well as tight labour. To mitigate these challenges, the Group has taken a prudent and selective approach in its new project undertakings.

As at 30 June 2014, the Group's Construction and Precast divisions had outstanding order book of approximately S\$81 million and S\$48 million respectively. Subsequent to 1H2014, the Construction division has secured additional subcontract project worth approximately \$100 million for the construction of container berths and yards at the Pasir Panjang Terminal and the Precast division has also secured new contract worth approximately S\$28 million. Revenue from these new projects will be recognised over the respective contract period and they are not expected to have material financial impact for the financial year ending 31 December 2014.

Footnotes:

(1) "GDP Growth Forecast in 2014 Maintained at 2.0 to 4.0 Per Cent", MTI, 20 May 2014

(2) "Construction Demand for 2014 to Remain Strong", BCA, 09 January 2014

BY ORDER OF THE BOARD

Tan Swee Gek
Company Secretary
27 August 2014

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the half-year financial results for the period ended 30 June 2014 to be false or misleading in any material aspect.

On behalf of the board of directors,

Yuen Kai Wing
Managing Director

Oh Koon Sun
Executive Director

Singapore
27 August 2014