



# KOON HOLDINGS LIMITED (KNH)

## Full Year Financial Statements and Dividend Announcement

Full Year financial statements on consolidated results for the year ended 31 December 2015  
( 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

**ARBN 105 734 709**

Full year ('current period')

**31 December 2015**  
(Previously corresponding period: 31 December 2014)

### 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	236,342	Up	44.2
Profit from ordinary activities after tax attributable to members	7,991	Up	37.2
Net profit for the period attributable to members	7,991	Up	37.2

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

Any other disclosures in relation to dividends

Nil

Net tangible assets per ordinary share (Singapore cents)

Group	
31/12/2015	31/12/2014
23.35 cents	20.23 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 are in the process of being audited by Ernst & Young LLP.



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### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

#### 1(a) Consolidated Statement of Comprehensive Income for the period ended 31 December 2015

	Note	Group		As shown in last annual report	
		Full Year ended 31 Dec			% Increase/ (Decrease)
		2015 S\$'000	2014 S\$'000		
Revenue		236,342	163,917	44.2	
Cost of sales		(200,415)	(137,271)	46.0	
Gross profit		35,927	26,646	34.8	
Other income		1,542	3,796	(59.4)	
Distribution costs		(8,596)	(5,308)	61.9	
Administrative and other expenses		(21,114)	(17,472)	20.8	
Finance costs		(2,615)	(1,888)	38.5	
Share of loss of associate		(111)	(81)	37.0	
Share of profit of joint ventures		3,603	963	274.1	
<b>Profit before income tax</b>		<b>8,636</b>	<b>6,656</b>	<b>29.7</b>	
Income tax		(889)	(348)	155.5	
<b>Profit for the year</b>		<b>7,747</b>	<b>6,308</b>	<b>22.8</b>	
<b>Other comprehensive income/(loss) :</b>					
Gain on fair value changes of available-for-sale investments		-	193	(100.0)	
Net fair value changes on available-for-sale investments reclassified to profit or loss		212	-	100.0	
Exchange loss on translation of foreign operations		(2,875)	(1,541)	86.6	
<b>Total comprehensive income for the year</b>		<b>5,084</b>	<b>4,960</b>	<b>2.5</b>	
<b>Profit/(Loss) for the year attributable to :</b>					
Owners of the Company		7,991	5,824	37.2	
Non-controlling interests		(244)	484	N.M.	
		<b>7,747</b>	<b>6,308</b>	<b>22.8</b>	
<b>Total comprehensive income/(loss) attributable to :</b>					
Owners of the Company		5,564	4,683	18.8	
Non-controlling interests		(480)	277	N.M.	
		<b>5,084</b>	<b>4,960</b>	<b>2.5</b>	
<b>Earnings per share for the year (Singapore cents):</b>					
- Basic		3.04	2.21		
- Diluted		3.04	2.21		

N.M. : Not Meaningful



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### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

#### Revenue

Revenue for the year ended 31 December 2015 (FY2015) of S\$236.3 million was 44.2% higher as compared to the previous corresponding financial year (FY2014). The increase in revenue was largely due to higher revenue recorded by the Construction and Precast divisions which was partially offset by lower revenue from the Electric Power Generation division:-

1. Revenue of Construction division increased by 85.0% to S\$172.7 million in FY2015. This was mainly due to revenue recognition from (a) the Group's 50% share of revenue under POC-K JV for the land preparation works for airport development, (b) subcontract works including equipment rental income for the land preparation works for airport development, (c) construction of container stacking yard for berths P36 to P41 at PSA Pasir Panjang Terminal and (d) proposed physical barrier at Singapore coastline; which was partially offset by lower revenue from projects including (e) construction of roads, drains, sewers and vehicular bridge at Ayer Merbau Road, (f) construction of container stacking yard for berth P33 at Pasir Panjang Terminal, (g) construction of roads, drains, culverts and drainage outfall at Tuas South Boulevard and (h) foundation works for a 4-storey vehicle storage and workshop at Choa Chu Kang Way.
2. Revenue of Precast division increased by 34.9% to S\$97.9 million in FY2015 mainly due to higher sales of precast products including the supply to the land preparation works for airport development project.
3. Revenue of Electric Power Generation division declined by 33.7% to S\$5.0 million in FY2015. The Group's 74.06% owned subsidiaries, the Tesla Holdings Pty Ltd group of companies ("Tesla"), recorded lower revenue mainly due to a lower reserve capacity price per MW in FY2015 set by the Independent Market Operator of Western Australia and partly due to a weak Australian dollar against the Singapore dollar.

#### Gross Profit

In line with higher revenue, the Group's gross profit increased by 34.8% to S\$35.9 million in FY2015. This was mainly attributed to higher gross profits recorded by both the Construction and Precast divisions, partially offset by lower gross profit from the Electric Power Generation division. The Electric Power Generation division recorded lower gross profit in FY2015 due to lower revenue as well as an additional depreciation charge of S\$1.8 million provided for one of Tesla's power generation plants which has been financed by way of a sale and lease back arrangement. The depreciation of this power plant has been adjusted over its lease term of 6 years which is shorter than its useful life.

#### Other Income

Other income declined from S\$3.8 million in FY2014 to S\$1.5 million in FY2015. This was mainly due to absence of dividend income (FY2014: S\$1.5 million), decrease in government grants and sales of scrap by S\$0.4 million and S\$0.3 million respectively.

#### Distribution Costs

Distribution costs increased by S\$3.3 million from S\$5.3 million in FY2014 to S\$8.6 million in FY2015. The increase was mainly due to higher delivery and handling costs incurred by the Precast division which was in line with higher revenue. The division produces from its casting yard at Batam Indonesia in addition to its Singapore and Malaysia casting yards.

#### Administrative and Other Expenses

Administrative and other expenses increased by S\$3.6 million from S\$17.5 million in FY2014 to S\$21.1 million in FY2015. The increase was mainly due to impairment of goodwill amounted to S\$3.5 million attributed to the Electric Power Generation division and properties held for development written down of S\$0.1 million. The Group recorded generally lower staff costs (decreased by S\$1.0 million) and depreciation expenses (decreased by S\$0.6 million) which were offset by higher professional fees (increased by S\$0.5 million), provision for doubtful debts (increased by S\$0.6 million), donation expenses (increased by S\$0.2 million) as well as a net loss of S\$0.2 million on disposal of available-for-sale investment for the Group's remaining stake in GPS Alliance Holdings Limited in FY2015.

#### Finance Costs

Finance costs increased by S\$0.7 million from S\$1.9 million in FY2014 to S\$2.6 million in FY2015. This was mainly attributed to increase in borrowings. The increase in borrowings was largely due to the capital expenditure incurred for purchase of plant and machinery mainly to support the new project requirement for the land preparation works for airport development.



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#### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

##### Share of Profit of Joint Ventures/associate

Share of results of joint ventures and associate increased from S\$0.9 million in FY2014 to S\$3.5 million in FY2015. Share of results of joint ventures comprised the Group's 50% share of profit from the precast operation at Batam Indonesia under Sindo-Econ Pte. Ltd. and its Indonesia subsidiary PT Sindomas Precas. Share of result of associate comprised the Group's 20% share of loss from a construction project under Penta-Ocean/Hyundai/Koon Joint Venture which had been substantially completed

##### Income Tax

Owing to higher earnings, the Group recorded higher tax expenses of S\$0.9 million in FY2015.

##### Profit for the year

Owing to higher gross profit from both Construction and Precast divisions, higher profit sharing from joint ventures which were partially offset by lower gross profit from Electric Power Generation division, lower other income, higher distribution, administrative and other expenses, finance costs as well as higher income tax expenses, the Group recorded higher earnings of S\$7.7 million in FY2015 as compared to S\$6.3 million in FY2014.



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#### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

##### 1(b) Statement of Financial Position as at 31 December 2015

		As shown in last annual report
	As at 31/12/2015 S\$'000	As at 31/12/2014 S\$'000
Note		
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	26,702	17,094
Pledged fixed deposits	194	800
Trade receivables	44,954	44,117
Other receivables	8,353	9,226
Inventories	8,591	6,873
Contract work-in-progress	23,744	10,334
Held for trading investments	30	36
<b>Total current assets</b>	<b>112,568</b>	<b>88,480</b>
<b>Non-current assets</b>		
Other receivables	116	239
Properties held for development	14,188	16,388
Associates	*	*
Joint Ventures	4,971	1,332
Property, plant and equipment	99,015	61,152
Available-for-sale investments	-	731
Goodwill	-	3,536
1(b)(i)		
<b>Total non-current assets</b>	<b>118,290</b>	<b>83,378</b>
<b>Total assets</b>	<b>230,858</b>	<b>171,858</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Bank loans and bills payable	31,211	21,660
Trade payables	54,690	44,409
Other payables	14,324	12,631
Contract work-in-progress	8,747	1,910
Finance leases	12,107	15,016
Income tax payable	1,033	528
<b>Total current liabilities</b>	<b>122,112</b>	<b>96,154</b>
<b>Non-current liabilities</b>		
Bank loans	5,595	8,920
Finance leases	40,710	8,681
Other payables	90	89
Deferred tax liabilities	919	1,261
<b>Total non-current liabilities</b>	<b>47,314</b>	<b>18,951</b>
<b>Total liabilities</b>	<b>169,426</b>	<b>115,105</b>
<b>Capital and Reserves</b>		
Share capital	25,446	25,446
Capital reserve	8,802	8,663
Fair value reserve	-	(212)
Accumulated profits	29,461	21,470
Translation reserve	(5,923)	(3,284)
Equity attributable to owners of the Company	57,786	52,083
Non-controlling interests	3,646	4,670
<b>Total equity</b>	<b>61,432</b>	<b>56,753</b>
<b>Total liabilities and equity</b>	<b>230,858</b>	<b>171,858</b>

\* Amount less than S\$1,000

1(b)(i) The carrying amount of goodwill in FY2014 was attributed to the Electric Power Generation cash generating unit.



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### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

#### 1(c) Consolidated statement of cash flows for the period ended 31 December 2015

	As shown in last annual report	
	Group	
	<b>Full Year ended 31 Dec</b>	
	<b>2015</b>	<b>2014</b>
	S\$'000	S\$'000
<b>Operating activities</b>		
Profit before income tax	8,636	6,656
Adjustments for:		
Inventories written-down	831	1,078
Allowance /(Reversal of allowance) for doubtful debts (net)	707	(113)
Fair value loss /(gain) on held-for-trading investment	6	(3)
Depreciation of property, plant and equipment	15,619	9,541
Properties held for development written down	86	-
Impairment of property, plant and equipment	77	-
Reversal of foreseeable loss on work-in-progress	(75)	(111)
Impairment of goodwill	3,536	-
Net gain on disposal of property, plant and equipment	(428)	(327)
Loss on disposal of available-for-sale investments	228	-
Interest expense	2,615	1,888
Interest Income	(94)	(118)
Dividend income	*	(1,500)
Share of profit of joint ventures/associate (net)	(3,492)	(882)
Unrealised exchange gain	(429)	(389)
Reversal of provision	-	(600)
Operating cash flows before changes in working capital	27,823	15,120
Contract work-in-progress (net)	(6,497)	1,792
Trade receivables	(833)	(899)
Inventories	(2,548)	2,930
Other receivables	(11)	(3,347)
Trade payables	10,280	(7,377)
Other payables	155	(1,650)
Cash flows from operations	28,369	6,569
Income tax paid	(367)	(443)
<b>Net cash flows from operating activities</b>	<b>28,002</b>	<b>6,126</b>
<b>Investing activities</b>		
Capital contribution to a joint venture	-	(800)
Purchase of property, plant and equipment	(14,811)	(3,487)
Proceeds from disposal of property, plant and equipment	514	662
Proceeds from disposal of available-for-sale investments	715	-
Dividend received from investee company	*	1,500
Interest received	90	118
<b>Net cash flows used in investing activities</b>	<b>(13,492)</b>	<b>(2,007)</b>
<b>Financing activities</b>		
Interest paid	(2,437)	(1,849)
Repayment of obligations under finance leases	(9,142)	(7,916)
Proceeds from bank loans	11,400	2,400
Repayment of bank loans	(10,303)	(3,419)
Proceeds from bills payable	72,717	32,583
Repayment of bills payable	(67,581)	(32,369)
Decrease in pledged fixed deposits	606	1,760
<b>Net cash flows used in financing activities</b>	<b>(4,740)</b>	<b>(8,810)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>9,770</b>	<b>(4,691)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>17,094</b>	<b>21,788</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(162)</b>	<b>(3)</b>
<b>Cash and cash equivalents at 31 December</b>	<b>26,702</b>	<b>17,094</b>

\* Amount less than S\$1,000



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#### The discussion that follows compares the Finance Position as at 31 December 2015 with that of 31 December 2014

##### Current assets

Current assets increased by S\$24.1 million to S\$112.6 million as at 31 December 2015 mainly due to the following:

1. Increase in cash and cash equivalents by S\$9.6 million.
2. Increase in trade receivables by S\$0.8 million in line with higher revenue.
3. Increase in inventories by S\$1.7 million comprising finished goods and raw materials under the Precast division. The increase in inventories was in line with the higher revenue recorded in FY2015.
4. Increase in contract work-in-progress by S\$13.4 million mainly due to lower progress claims as at 31 December 2015.

The above were partially offset by a decrease in pledged fixed deposits and other receivables by S\$0.6 million and S\$0.9 million respectively.

##### Non-current assets

Non-current assets increased by S\$34.9 million to S\$118.3 million as at 31 December 2015 mainly due to:

1. Increase in property, plant and equipment by S\$37.9 million mainly due to purchase of plant and equipment amounted to S\$54.9 million mainly under the Construction division; of which S\$10.0 million was attributed to the Group's 50% share of capital expenditure made under POC-K JV. The increase in capital expenditure was mainly to support the new project requirement for the land preparation works for airport development. The increase was partially offset by depreciation charges amounted to S\$15.6 million, disposal and impairment totaling S\$0.2 million and foreign exchange adjustments of S\$1.2 million. During FY2015, an additional depreciation charge of S\$1.8 million was provided for one of Tesla's power plants which has been financed by way of a sale & lease back arrangement. The depreciation of this plant has been adjusted over its lease term of 6 years which is shorter than its useful life.
2. Increase in joint ventures by S\$3.6 million which comprised mainly the Group's 50% share of investment and earnings attributed to Sindo-Econ Pte. Ltd. and its Indonesia subsidiary PT Sindomas Precas.

The above were partially offset by a decrease in development properties by S\$2.2 million held under the Group's Malaysia subsidiaries mainly due to a weak Malaysia ringgit against the Singapore dollars, impairment of goodwill amounted to S\$3.5 million attributed to the Group's investment in Tesla under the Electric Power Generation division and decrease in available-for-sale investment by S\$0.7 million due to disposal of the Group's remaining stake in GPS Alliance Holdings Limited in FY2015.

##### Current liabilities

Current liabilities increased by S\$26.0 million to S\$122.1 million as at 31 December 2015 mainly due to:

1. Increase in trade payables of S\$10.3 million in line with higher revenue recorded in FY2015.
2. Increase in contract work-in-progress by S\$6.8 million mainly due to higher progress claims as at year end.
3. Increase in bank loan and bills payable by S\$9.6 million.
4. Increase in income tax payable by S\$0.5 million.
5. Increase in other payables by S\$1.7 million mainly due to amount payables for acquisition of plant and equipment under the Construction division.

The above were partially offset by a decrease in current portion of finance leases by S\$2.9 million.



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##### Non-current liabilities

Non-current liabilities increased by S\$28.4 million to S\$47.3 million as at 31 December 2015. This was mainly due to an increase in finance leases by S\$32.0 million partially offset by lower bank loans and deferred tax liabilities by S\$3.3 million and S\$0.3 million respectively. The increase in borrowings under finance leases was to support the financing of the capital expenditure under the Construction division.

##### Net current liabilities

The Group recorded net current liabilities of S\$9.5 million as at 31 December 2015. This was mainly attributed to the Group's 50% share of net current liabilities of S\$5.4 million recorded under POC-K JV for the land preparation works for airport development, of which the JV's plant and machinery amounting to S\$7.9 million (i.e. the Group's 50% share) was classified under non-current assets whilst the progress claim receipts attributed to plant and machinery purchased were recorded in the contract work-in-progress under current liabilities.

#### **The discussion that follows compares the consolidated statement of cash flows for the 12 months to 31 December 2015 (FY2015) with that of corresponding year to 31 December 2014 (FY2014)**

Cash generated in operations for FY2015 was derived from the Group's pre-tax profit of S\$8.6 million, after adjusting for non-cash items and changes in working capital. Cash inflow from working capital changes was mainly due to the increase in trade and other payables partially offset by increase in contract work-in-progress, inventories and trade and other receivables. Tax paid for FY2015 amounted to S\$0.4 million and net cash generated from operating activities amounted to S\$28.0 million in FY2015.

Net cash used in investing activities of S\$13.5 million in FY2015 was mainly due to cash outlay of S\$14.8 million for the purchase of property, plant and equipment by the Construction division partially offset by cash inflow of S\$0.5 million from the disposal of property, plant and equipment, cash inflow of S\$0.7 million from the disposal of available-for-sale investments and interest received of S\$0.1 million.

Net cash used in financing activities in FY2015 amounted to S\$4.7 million. This was mainly attributed to repayments of bank loans, bills payables and obligation under finance leases totalling S\$87.0 million, interest paid of S\$2.4 million partially offset by proceeds from bank loans and bills payables totalling S\$84.1 million and decrease in pledged fixed deposits of S\$0.6 million.

Due to the above factors, the Group recorded higher cash and cash equivalents of S\$26.7 million as at end of FY2015.





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##### 1(d)(i) Statements of changes in equity for the year ended 31 December 2015

	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
<b>Balance at Jan 1, 2014</b>	<b>25,433</b>	<b>8,663</b>	<b>(405)</b>	<b>15,646</b>	<b>(1,950)</b>	<b>47,387</b>	<b>4,393</b>	<b>51,780</b>
Profit for the year	-	-	-	5,824	-	5,824	484	6,308
Other comprehensive income/(loss) for the year	-	-	193	-	(1,334)	(1,141)	(207)	(1,348)
Total comprehensive income/(loss) for the year	-	-	193	5,824	(1,334)	4,683	277	4,960
Issue of share capital	13	-	-	-	-	13	-	13
<b>Balance at Dec 31, 2014</b>	<b>25,446</b>	<b>8,663</b>	<b>(212)</b>	<b>21,470</b>	<b>(3,284)</b>	<b>52,083</b>	<b>4,670</b>	<b>56,753</b>
Profit/(loss) for the year	-	-	-	7,991	-	7,991	(244)	7,747
Other comprehensive income/(loss) for the year	-	-	212	-	(2,639)	(2,427)	(236)	(2,663)
Total comprehensive income/(loss) for the year	-	-	212	7,991	(2,639)	5,564	(480)	5,084
Acquisition of non-controlling interest without a change in control	-	139	-	-	-	139	(359)	(220)
Dividends	-	-	-	-	-	-	(185)	(185)
<b>Balance at Dec 31, 2015</b>	<b>25,446</b>	<b>8,802</b>	<b>-</b>	<b>29,461</b>	<b>(5,923)</b>	<b>57,786</b>	<b>3,646</b>	<b>61,432</b>

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 2015 and 31 December 2014 25,446

There has been no change in the Company's share capital since 31 December 2014.

There were no outstanding share awards under the Koon Employee Performance Share Plan as at 31 December 2015 and 31 December 2014.

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 2015 and 31 December 2014 263,097,800

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 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 comparison figures relating to the previous corresponding year were audited by the auditors.



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3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

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

None

- 4(b) **Details of any dividend or distribution reinvestment 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/Associate	% held by the Group
(1) Sindo-Econ Pte Ltd	50%
(2) PT Sindomas Precas	50%
(3) Penta-Ocean/Hyundai/Koon Joint Venture	20%
(4) Penta-Ocean/Koon Joint Venture*	20%
(5) POC-K JV**	50%

The aggregate share of net profits of the joint ventures in Sindo-Econ Pte Ltd, PT Sindomas Precas, Penta-Ocean/Hyundai/Koon Joint Venture and POC-K JV in FY2015 was S\$5,981,000.

The aggregate share of net profits of the joint ventures in Sindo-Econ Pte Ltd, PT Sindomas Precas and Penta-Ocean/ Hyundai/Koon Joint Venture in FY2014 was S\$882,000.

\* The joint venture in Penta-Ocean/Koon Joint Venture was established in FY2014 with no profit or loss recognition during the year (FY2014: NIL).

\*\* The joint venture in POC-K JV was established in FY2014. The Group has accounted for its 50% share of revenue, costs, assets and liabilities of POC-K JV with effect from FY2015.

- 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 2014.

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 2015. These do not have a significant financial impact on the Group.



## KOON HOLDINGS LIMITED (KNH)

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( These figures have not been audited )

#### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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	
	2015	2014
<b>Earnings per ordinary share for the period (Singapore cents):</b>		
Basic	3.04 cents	2.21 cents
Diluted	3.04 cents	2.21 cents
<b>Net profit attributable to ordinary shareholders:</b>	S\$7,991,000	S\$5,824,000
<b>Weighted average number of ordinary shares:</b>		
Basic	263,097,800	263,097,800
Diluted	263,097,800	263,097,800

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	
	31/12/2015	31/12/2014
Net tangible value per ordinary share based on issued share capital as at the end of the reporting period (Singapore cents)	23.35 cents	20.23 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.**

Against the backdrop of a weak global economic environment and a slowdown in the residential property market in Singapore, the operating environment in the construction industry will continue to remain challenging. The public sector is expected to sustain construction demand going forward. The Building and Construction Authority ("BCA") estimated that total construction demand for 2016 is expected to be between S\$27 billion and S\$34 billion<sup>(1)</sup>. Of this amount, about 65% is expected to be driven by the public sector.

With continued MRT tunnelling works and the roll-out of Build-to-Order flats, where precast concrete components are used, the precast business remains a beneficiary of government policies.

Amidst competitive market conditions, the Group will continue its prudent and selective approach towards new projects. As at 31 December 2015, the Group's Construction and Precast divisions have outstanding order books of approximately S\$210 million and S\$56 million respectively.

Footnote:

(1) "BCA estimates \$27 billion to \$34 billion worth of construction contracts to be awarded this year", BCA, 15 January 2016



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#### 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	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Construction Division	172,696	93,352	8,880	5,091
Precast Division	97,928	72,577	4,266	1,677
Property Division	-	-	(26)	55
Electric Power Generation Division	4,994	7,538	(549)	3,228
	275,618	173,467	12,571	10,051
Elimination	(39,276)	(9,550)	(6,354)	(6,185)
Total	236,342	163,917	6,217	3,866
Other income			1,542	3,796
Share of profit of joint ventures/associate(net)			3,492	882
Finance costs			(2,615)	(1,888)
Profit before income tax			8,636	6,656
Income tax			(889)	(348)
Profit for the year			7,747	6,308

	2015	2014
	S\$'000	S\$'000
Construction Division	160,115	92,979
Precast Division	56,744	48,411
Property Division	21,960	20,722
Electric Power Generation Division	28,057	32,022
	266,876	194,134
Elimination	(38,225)	(25,164)
Total segment assets	228,651	168,970
Unallocated corporate assets	2,207	2,888
Total assets	230,858	171,858

##### **Other segment information**

	Depreciation		Additions to property, plant and equipment	
	2015		2014	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Construction Division	9,855	4,444	53,927	3,569
Precast Division	2,741	3,725	954	3,835
Property Division	-	-	-	-
Electric Power Generation Division	3,023	1,372	18	27
Total	15,619	9,541	54,899	7,431



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### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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:-

Revenue – Construction

Revenue from the Construction division increased by from S\$93.4 million to S\$172.7 million in FY2015. This was mainly due to (a) the Group's 50% share of revenue under POC-K JV for the land preparation works for airport development, (b) subcontract works including equipment rental income for the land preparation works for airport development, (c) construction of container stacking yard for berths P36 to P41 at PSA Pasir Panjang Terminal and (d) proposed physical barrier at Singapore coastline; which was partially offset by lower revenue from projects including (e) construction of roads, drains, sewers and vehicular bridge at Ayer Merbau Road, (f) construction of container stacking yard for berth P33 at Pasir Panjang Terminal, (g) construction of roads, drains, culverts and drainage outfall at Tuas South Boulevard and (h) foundation works for a 4-storey vehicle storage and workshop at Choa Chu Kang Way.

Revenue – Precast

Revenue from the Precast division increased from S\$72.6 million in FY2014 to S\$97.9 million in FY2015 mainly due to higher sales of precast products including the supply to the land preparation works for airport development project.

Revenue – Electric Power Generation

Revenue from Electric Power Generation division decreased from S\$7.5 million in FY2014 to S\$5.0 million in FY2015. The decline was mainly due to a lower reserve capacity price per MW in FY2015 set by the Independent Market Operator of Western Australia and partly due to a weak Australian dollar against the Singapore dollar.

Earnings - Construction

Higher earnings from the Construction division in FY2015 in line with increase in revenue which included the Group's 50% share of profit under POC-K JV for the land preparation works for airport development.

Earnings - Precast

Higher earnings from the Precast division in FY2015 in line with increase in revenue which included sales of precast products for the land preparation works for airport development project.

Earnings – Electric Power Generation

Electric Power Generation division incurred losses in FY2015 mainly due to lower reserve capacity price and an additional depreciation charge of S\$1.8 million provided for one of its power generation plants accounted for under finance lease.

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

	Group	
	Full Year ended 31 December	
	2015	2014
	S\$'000	S\$'000
Ordinary	-	-

### BY ORDER OF THE BOARD

Tan Swee Gek  
Company Secretary  
25 February 2016



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### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

#### CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best 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 2015 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  
25 February 2016