



# KOON HOLDINGS LIMITED (KNH)

## Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2015  
( 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 2015**  
(Previously corresponding period: 30 June 2014)

### 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	104,123	Up	15.5%
Profit from ordinary activities after tax attributable to members	4,622	Up	169.5%
Net Profit for the period attributable to members	4,622	Up	169.5%

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

Net tangible assets per ordinary share (Singapore cents)

Group	
30/06/2015	30/06/2014
21.27 cents	19.34 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.



# KOON HOLDINGS LIMITED (KNH)

## Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2015  
( These figures have not been audited )

### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

#### 1(a) Consolidated Statement of Comprehensive Income for the period ended 30 June 2015

	Group		%
	Half-Year ended 30 Jun		
	2015	2014	
	S\$'000	S\$'000	Increase/ (Decrease)
Revenue	104,123	90,170	15.5
Cost of sales	(88,367)	(77,822)	13.6
Gross profit	15,756	12,348	27.6
Other income	841	2,988	(71.9)
Distribution costs	(3,737)	(2,675)	39.7
Administrative and other operating expenses	(8,153)	(8,874)	(8.1)
Finance costs	(1,140)	(956)	19.2
Share of (loss)/profit of associate	(19)	3	N.M.
Share of profit/(loss) of joint ventures	1,186	(266)	N.M.
<b>Profit before income tax</b>	<b>4,734</b>	<b>2,568</b>	<b>84.3</b>
Income tax	(223)	(585)	(61.9)
<b>Profit for the period</b>	<b>4,511</b>	<b>1,983</b>	<b>127.5</b>
<b>Other comprehensive (loss)/income:</b>			
Exchange (loss)/gain on translation of foreign operations	(2,512)	348	N.M.
(Loss)/gain on fair value changes of available-for-sale investments	(54)	307	N.M.
Other comprehensive (loss)/income, net of tax	(2,566)	655	N.M.
<b>Total comprehensive income for the period</b>	<b>1,945</b>	<b>2,638</b>	<b>(26.3)</b>
<b>Profit/(loss) for the period attributable to :</b>			
Owners of the Company	4,622	1,715	169.5
Non-controlling interests	(111)	268	N.M.
	<b>4,511</b>	<b>1,983</b>	<b>127.5</b>
<b>Total comprehensive income/(loss) for the period attributable to :</b>			
Owners of the Company	2,273	2,177	4.4
Non-controlling interests	(328)	461	N.M.
	<b>1,945</b>	<b>2,638</b>	<b>(26.3)</b>
<b>Earnings per share (Singapore cents):</b>			
- Basic	1.76	0.65	
- Diluted	1.76	0.65	

N.M.: Not Meaningful



## KOON HOLDINGS LIMITED (KNH)

### Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2015  
( These figures have not been audited )

### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

**The discussion that follows compares the income statement for 6 months ended 30 June 2015(1H2015) with previous corresponding period (1H2014)**

#### Segment revenue and results

	Revenue		Earnings	
	Half-Year ended 30 June		Half-Year ended 30 June	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Construction Division	75,859	50,310	4,366	1,836
Precast Division	43,648	38,575	954	172
Property Division	-	-	5	23
Electric Power Generation Division	2,560	4,144	(172)	1,805
	122,067	93,029	5,153	3,836
Elimination	(17,944)	(2,859)	(1,287)	(1,994)
Total	104,123	90,170	3,866	1,842
Other income			841	1,945
Share of profit/(loss) of joint ventures/associate (net)			1,167	(263)
Finance costs			(1,140)	(956)
Profit before income tax			4,734	2,568
Income tax			(223)	(585)
Profit for the period			4,511	1,983

#### Revenue

Revenue for the half year ended 30 June 2015 (1H2015) increased by 15.5% to S\$104.1 million as compared to the previous period (1HFY2014). 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 50.8% to S\$75.9 million in 1H2015 due to project revenue recognition from new projects including (a) the Group's 50% share of revenue under POC-K JV for the land preparation works for airport development, (b) construction of container stacking yard for berths P36 to P41 at PSA Pasir Panjang Terminal, (c) reclamation works at Pulau Ubin and Pulau Tekong, (d) proposed physical barrier at Singapore coastline, (e) construction of Marshalling yard at PSA Pasir Panjang terminal and (f) construction of roads, drains and sewers at Sunget Kadut International Furniture Park; which was partially offset by lower revenue from projects including (g) construction of container stacking yard at berths P31 to P33 at PSA Pasir Panjang Terminal, (h) construction of roads, drains, culverts and drainage outfall at Tuas South Boulevard and (i) construction of roads, drains, sewers and vehicular bridge at Ayer Merbau Road.
2. Revenue of Precast division increased by 13.2% to S\$43.6 million in 1H2015 due to higher sale of precast products.
3. Revenue of Electric Power Generation division decreased by 38.2% to S\$2.6 million in 1H2015. The Group's 71.2% owned subsidiary, the Tesla Holdings Pty Ltd group of companies ("Tesla"), recorded lower revenue mainly due to a lower reserve capacity price per MW set by Independent Market Operator (and which we highlighted previously) of Western Australia and partly due to a weak Australian dollar against the Singapore dollar.



## KOON HOLDINGS LIMITED (KNH)

### Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2015  
( These figures have not been audited )

#### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

##### Gross Profit

In line with higher revenue, the Group's gross profit increased by 27.6% from S\$12.3 million in 1H2014 to S\$15.8 million in 1H2015. Both Construction and Precast divisions recorded higher gross profits in 1H2015. The Electric Power Generation division recorded lower gross profit in 1H2015 mainly due to an additional depreciation charge of S\$0.9 million provided for one of its power generation plants accounted for under finance lease.

##### Other Income

Other income declined from S\$3.0 million in 1H2014 to S\$0.8 million in 1H2015. The decrease was mainly due to absence of any dividend income. In 1H2014, there was a dividend income of S\$1.5 million from Koon Zinkcon. The decrease was also due to lower government grants and lower sales of scrap materials as compared to 1H2014.

##### Distribution Costs

Distribution costs increased by 39.7% from S\$2.7 million in 1H2014 to S\$3.7 million in 1H2015. This was in line with the higher revenue recorded by the Precast division which now produces from its casting yard in Batam Indonesia in addition to its Singapore and Malaysia casting yards.

##### Administrative and Other Operating Expenses

Administrative and other operating expenses decreased by 8.1% from S\$8.9 million in 1H2014 to S\$8.2 million in 1H2015. This was mainly due to lower staff costs and depreciation charge partially offset by higher professional fees and unrealized foreign exchange losses.

##### Finance Cost

Finance costs increased by 19.2% from S\$1.0 million in 1H2014 to S\$1.1 million in 1H2015 mainly attributed to increase in borrowings. The increase in borrowings was largely due to the significant amount of capital expenditure incurred for purchase of plant and machinery mainly to support the new project requirement for the land preparation works for airport development.

##### Share of Profit/(Loss) of Joint Ventures/Associate

Share of results of joint ventures and associate increased to S\$1.2 million in 1H2015. 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 joint venture which had been substantially completed.

##### Income Tax

Despite higher profits, the Group recorded lower tax expenses of \$0.2 million in 1H2015 mainly due to the expected utilization of unabsorbed tax losses carried forward from previous years and reduction in deferred tax liability.

##### Profit for the period

Owing to higher gross profits recorded by both Construction and Precast divisions, lower administrative and other operating expenses, higher profit sharing from joint ventures which partially offset by lower other income, higher distribution and finance costs, the Group recorded higher earnings of \$4.5 million in 1H2015 as compared to \$2.0 million in 1H2014.



## KOON HOLDINGS LIMITED (KNH)

### Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2015  
( These figures have not been audited )

#### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

##### 1(b) Statement of Financial Position as at 30 June 2015

	Group As at 30/06/2015 S\$'000	Group As at 31/12/2014 S\$'000	Group As at 30/06/2014 S\$'000
Note			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	24,860	17,094	19,344
Pledged fixed deposits	324	800	880
Trade receivables	47,864	44,117	38,300
Other receivables	9,233	9,226	5,686
Inventories	9,660	6,873	7,154
Contract work-in-progress	27,034	10,334	5,331
Held-for-trading investments	36	36	37
Available-for-sale investments	677	-	-
<b>Total current assets</b>	<b>119,688</b>	<b>88,480</b>	<b>76,732</b>
<b>Non-current assets</b>			
Other receivables	178	239	313
Properties held for development	15,425	16,388	16,860
Associates	*	*	*
Joint ventures	2,536	1,332	84
Property, plant and equipment	92,338	61,152	62,913
Available-for-sale investments	-	731	841
Goodwill on consolidation	1(b)(i) 2,734	3,536	3,536
Deferred tax assets	-	-	33
<b>Total non-current assets</b>	<b>113,211</b>	<b>83,378</b>	<b>84,580</b>
<b>Total assets</b>	<b>232,899</b>	<b>171,858</b>	<b>161,312</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade payables	57,067	44,409	36,908
Provision	-	-	150
Other payables	17,231	12,631	12,136
Contract work-in-progress	9,887	1,910	855
Bank loans and bills payable	41,268	21,660	19,027
Finance leases	8,508	15,016	6,759
Income tax payable	598	528	754
<b>Total current liabilities</b>	<b>134,559</b>	<b>96,154</b>	<b>76,589</b>
<b>Non-current liabilities</b>			
Bank loans	7,136	8,920	9,973
Finance leases	31,361	8,681	18,490
Other payables	88	89	95
Deferred tax liabilities	1,057	1,261	1,734
<b>Total non-current liabilities</b>	<b>39,642</b>	<b>18,951</b>	<b>30,292</b>
<b>Capital and Reserves</b>			
Share capital	25,446	25,446	25,446
Capital reserve	8,663	8,663	8,663
Fair value reserve	(266)	(212)	(98)
Accumulated profits	26,092	21,470	17,361
Translation reserve	(5,579)	(3,284)	(1,795)
Equity attributable to owners of the Company	54,356	52,083	49,577
Non-controlling interests	4,342	4,670	4,854
<b>Total equity</b>	<b>58,698</b>	<b>56,753</b>	<b>54,431</b>
<b>Total liabilities and equity</b>	<b>232,899</b>	<b>171,858</b>	<b>161,312</b>

\* Amount less than S\$1,000

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



# KOON HOLDINGS LIMITED (KNH)

## Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2015  
( These figures have not been audited )

### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

#### 1(c) Consolidated statement of cash flows for the period ended 30 June 2015

	<b>Group</b>	
	<b>Half-Year ended 30 Jun</b>	
	2015	2014
	S\$'000	S\$'000
<b>Operating activities</b>		
Profit before income tax	4,734	2,568
Adjustments for:		
Inventories written-down	284	354
Depreciation of property, plant and equipment	6,444	4,914
Gain on disposal of property, plant and equipment	(329)	(365)
Interest expense	1,141	956
Interest Income	(50)	(56)
Share of (profit)/loss of joint ventures/associates (net)	(1,167)	263
Dividend income	*	(1,500)
Reversal of provision	-	(450)
Unrealised exchange loss	13	-
Reversal of provision for foreseeable loss on contract work-in-progress	(22)	(472)
Operating cash flows before changes in working capital	11,048	6,212
Contract work-in-progress (net)	(8,700)	6,100
Trade receivables	(3,744)	4,805
Inventories	(3,049)	3,373
Other receivables	(299)	(705)
Trade payables	12,656	(14,878)
Other payables	(736)	(1,795)
Cash flows from operations	7,176	3,112
Income tax refund	26	29
<b>Net cash flows from operating activities</b>	<b>7,202</b>	<b>3,141</b>
<b>Investing activities</b>		
Capital contribution to a joint venture	-	(800)
Purchase of property, plant and equipment	(13,390)	(2,034)
Proceeds from disposal of property, plant and equipment	325	1,325
Dividend income	*	1,500
Interest received	47	56
<b>Net cash flows (used in)/from investing activities</b>	<b>(13,018)</b>	<b>47</b>
<b>Financing activities</b>		
Decrease in pledged fixed deposits	477	1,680
Interest paid	(954)	(956)
Repayment of obligations under finance lease	(3,612)	(3,992)
Proceeds from bank loans	11,400	-
Repayment of bank loans	(1,234)	(2,205)
Proceeds from bills payable	38,818	16,797
Repayment of bills payable	(31,156)	(16,977)
<b>Net cash flows from/(used in) financing activities</b>	<b>13,739</b>	<b>(5,653)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,923</b>	<b>(2,465)</b>
<b>Cash and cash equivalents at January 1</b>	<b>17,094</b>	<b>21,788</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(157)</b>	<b>21</b>
<b>Cash and cash equivalents at June 30</b>	<b>24,860</b>	<b>19,344</b>

\* Amount less than S\$1,000



## KOON HOLDINGS LIMITED (KNH)

### Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2015  
( These figures have not been audited )

#### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

#### **The discussion that follows compares the Finance Position as at 30 June 2015 with that of 31 December 2014**

##### Current assets

Current assets increased by S\$31.2 million to S\$119.7 million as at 30 June 2015.

The increase was mainly due to the following:

1. Increase in cash and cash equivalents by S\$7.8 million.
2. Increase in trade receivables of S\$3.7 million was in line with the increase in revenue recorded in 1H2015.
3. Inventories comprised finished goods and raw material under the Precast division which increased by S\$2.8 million. The increase in Inventories was in line with the higher revenue recorded in 1H2015.
4. Increase in contract work-in-progress by S\$16.7 million mainly due to lower progress claims as at 30 Jun 2015.
5. Reclassification of available-for-sale investment of S\$0.7 million from non-current assets to current assets in 1H2015. The available-for-sale investment is attributed to the Group's remaining stake in GPS Alliance Holdings Limited.

The above were partially offset by a decrease in pledged fixed deposits of S\$0.5 million as at 30 June 2015.

##### Non-current assets

Non-current assets increased by S\$29.8 million to S\$113.2 million as at 30 June 2015 mainly due to:

1. Increase in joint ventures by S\$1.2 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.
2. Increase in property, plant and equipment by S\$31.2 million mainly due to purchases of plant and equipment amounted to S\$38.9 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\$6.4 million and foreign exchange adjustments of S\$1.2 million. During 1H2015, an additional depreciation charge of S\$0.9 million was provided for one of Tesla power generation plants accounted for under finance lease.

The above were partially offset by the reclassification of available-for-sale investment of S\$0.7 million to current assets, decrease in development properties by S\$1.0 million held under the Group's Malaysia subsidiaries due to a weak Malaysia ringgit against the Singapore dollars and decrease in goodwill on consolidation attributed to the Electric Power Generation cash generating unit due to a weak Australian dollars against Singapore dollars.

##### Current liabilities

Current liabilities increased by S\$38.4 million to S\$134.6 million as at 30 June 2015 mainly due to:

1. Increase in trade payables by S\$12.7 million which was in line with higher revenue.
2. Increase in other payables by S\$4.6 million mainly due to outstanding payable attributed to purchase of plant and machinery under the Construction division and higher advances received from customers under the Precast division. These were partially offset by decrease in payable for acquisition of non-controlling interest of a subsidiary due to repayment made in 1H2015.
3. Increase in contract work-in-progress by S\$8.0 million mainly attributed to the Group's 50% share of progress claim under POC-K JV for the land preparation works for airport development.
4. Increase in bank loan and bills payables by S\$19.6 million.



## KOON HOLDINGS LIMITED (KNH)

### Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2015  
( These figures have not been audited )

#### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

The above were partially offset by a decrease in finance leases by S\$6.5 million mainly due to the reclassification of the final balloon instalments totaling S\$9.2 million ("Balloon Installments") of Tesla's borrowings to non-current liabilities and partially offset by an increase in borrowings for financing capital expenditure under the Construction division. During 1H2015, the payment due date for the Balloon Installments of Tesla has been extended to July 2017.

#### Non-current liabilities

Non-current liabilities increased by S\$20.7 million to S\$39.6 million as at 30 June 2015 mainly due to increase in finance leases by S\$22.7 million partially offset by decrease in bank loans and deferred tax liabilities by S\$1.8 million and S\$0.2 million respectively. The increase in finance leases was mainly due to the reclassification of the Balloon Installments of Tesla's borrowings to non-current liabilities as well as increased borrowings for financing capital expenditure under the Construction division.

#### Net current liabilities

The Group recorded net current liabilities of S\$14.9 million as at 30 June 2015 mainly due to:

1. The Group's 50% share of the net current liabilities of S\$8.4 million, recorded under POC-K JV, for the land preparation works for airport development. This was mainly attributed to the classification of the JV's capital expenditure totaling S\$10.0 million (i.e. the Group's 50% share) on plant and machinery under non-current assets whilst the progress claims receipts attributed to plant and machinery purchased were recorded in the contract work-in-progress under current liabilities.
2. Included in current liabilities was other payable amounting to S\$6.6 million for purchase of plant and machinery delivered in June 2015 of which the arrangement for finance leases are made subsequently after 30 June 2015.

#### **The discussion that follows compares the consolidated statement of cash flows for the 6 months to 30 June 2015 with that of corresponding period for the 6 months to 30 June 2014**

Cash generated from operations for 1H2015 was derived from the Group's pre-tax profit of S\$4.7 million, after adjusting for non-cash items and changes in working capital. Cash outflow from working capital changes was mainly due to increase in trade and other receivables, inventories, contract work-in-progress and decrease in other payables partially offset by increase in trade payables. Net cash generated from operating activities amounted to S\$7.2 million in 1H2015.

Net cash used in investing activities in 1H2015 was S\$13.0 million mainly due to purchase of property, plant and equipment amounted to S\$13.4 million for the Construction division, partially offset by cash inflow of S\$0.3 million from disposal of property, plant and equipment.

Net cash generated from financing activities was S\$13.7 million in 1H2015 mainly due to proceeds from bank loans and bills payable of S\$50.2 million and decrease in pledged fixed deposits of S\$0.5 million, partially offset by repayment of borrowings of S\$36.0 million and interest paid of S\$1.0 million.

Due to above factors, the Group recorded higher cash and cash equivalents of S\$24.9 million as at 30 June 2015.



## KOON HOLDINGS LIMITED (KNH)

### Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2015  
( These figures have not been audited )

#### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

##### 1(d)(i) Statements of changes in equity for the period ended 30 June 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 period	–	–	–	1,715	–	1,715	268	1,983
Other comprehensive income for the period, net of tax	–	–	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
<b>Balance at Jun 30, 2014</b>	<b>25,446</b>	<b>8,663</b>	<b>(98)</b>	<b>17,361</b>	<b>(1,795)</b>	<b>49,577</b>	<b>4,854</b>	<b>54,431</b>
Profit for the period	–	–	–	4,109	–	4,109	216	4,325
Other comprehensive loss for the period, net of tax	–	–	(114)	–	(1,489)	(1,603)	(400)	(2,003)
Total comprehensive income/(loss) for the period	–	–	(114)	4,109	(1,489)	2,506	(184)	2,322
<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 period	–	–	–	4,622	–	4,622	(111)	4,511
Other comprehensive loss for the period, net of tax	–	–	(54)	–	(2,295)	(2,349)	(217)	(2,566)
Total comprehensive income/(loss) for the period	–	–	(54)	4,622	(2,295)	2,273	(328)	1,945
<b>Balance at Jun 30, 2015</b>	<b>25,446</b>	<b>8,663</b>	<b>(266)</b>	<b>26,092</b>	<b>(5,579)</b>	<b>54,356</b>	<b>4,342</b>	<b>58,698</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 30 June 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 30 June 2015 and 30 June 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.**

**Issued and paid up capital of the Company:** **No. of shares**  
 Balance as at 30 June 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



## KOON HOLDINGS LIMITED (KNH)

### Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2015  
( These figures have not been audited )

#### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

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.**

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 profits (net) of these joint ventures including POC-K JV\* in 1H2015 was S\$2,121,000 (1H2014: share of losses of S\$263,000).

\* The Group has accounted for its 50% share of revenue, costs, assets and liabilities of POC-K JV with effect from 1H2015.

- 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 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)

### Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2015  
( These figures have not been audited )

#### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-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	
	1H2015	1H2014
<b>Earnings per ordinary share for the period (Singapore cents):</b>		
Basic	1.76 cents	0.65 cents
Diluted	1.76 cents	0.65 cents
<b>Net profit attributable to ordinary shareholders:</b>	S\$4,622,000	S\$1,715,000
<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	
	30/06/2015	30/06/2014
Net tangible value per ordinary share based on issued share capital as at the end of the reporting period (Singapore cents)	21.27 cents	19.34 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.**

The operating environment in the construction industry is expected to remain challenging against the backdrop of a slow recovery in the global economy and a slowdown in the residential property market in Singapore. This is expected to be mitigated by construction demand from the pipeline of public infrastructure projects in 2H2015. The Building and Construction Authority ("BCA") had, in January 2015, estimated that public sector projects would account for an estimated S\$18 billion to S\$21 billion of total construction demand in 2015. Total construction demand is expected to be between S\$29.0 billion and S\$36.0 billion<sup>(1)</sup>.

Amidst competitive market conditions, demand for Precast products is expected to be supported by the public housing development program such as the roll-out of new Build-to-Order flats as well as MRT tunneling works.

As at 30 June 2015, the Group's Construction and Precast divisions had an outstanding order book of approximately S\$256 million and S\$101 million respectively.

(1) "Public sector projects to sustain construction demand in 2015", BCA, 8 January 2015



## KOON HOLDINGS LIMITED (KNH)

### Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2015  
( These figures have not been audited )

### INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

#### BY ORDER OF THE BOARD

Tan Swee Gek  
Company Secretary  
25 August 2015

#### 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 2015 to be false or misleading in any material aspect.

On behalf of the board of directors,

Yuen Kai Wing  
Managing Director

Singapore  
25 August 2015

Oh Koon Sun  
Executive Director