KOON HOLDINGS LIMITED (KNH)

Full Year Financial Statements and Dividend Announcement

Full Year financial statements on consolidated results for the period ended 31 December 2011
(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 2011
(Previously corresponding period: 31 December 2010)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Extracts from this report for announcement to the market

APPENDIX 4E

	Group		
	S$'000	Up/Down	Movement %
Revenues from ordinary activities	88,055	Up	10.9
Profit from ordinary activities after tax attributable to members	7,605	Down	(41.6)
Net Profit for the period attributable to members	7,605	Down	(41.6)

	Amount per share Singapore cent	Franked amount per share Singapore cent
Interim dividend	0.5	NA
Previous corresponding period Interim dividend	1.0	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

	Group	
	31/12/2011	31/12/2010
Net tangible assets per ordinary share (Singapore cents)	32.56 cents	30.36 cents

Additional Appendix 4E disclosure requirements can be found in the notes to the full year financial statements attached thereto.

This report is based on the consolidated full year financial statements which have been subjected to a review by Deloitte & Touche LLP.

KOON HOLDINGS LIMITED (KNH)

Full Year Financial Statements and Dividend Announcement

Full Year financial statements on consolidated results for the period ended 31 December 2011
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a) Consolidated Statement of Comprehensive Income for the period ended 31 Dec 2011

	Note	Group Full Year ended 31 Dec 2011 S$'000	2010 S$'000	% Increase/ (Decrease)
Continuing operations				
Revenue		88,055	74,818	17.7
Cost of sales		(79,832)	(59,205)	34.8
Gross profit		8,223	15,613	(47.3)
Gain from a bargain purchase arising from acquisition of subsidaries	1a(i)	-	1,678	(100.0)
Other income		14,038	5,625	149.6
Administrative expenses		(13,129)	(8,843)	48.5
Distribution costs		(1,195)	(277)	331.4
Finance costs		(240)	(130)	84.6
Share of loss of associate		(961)	(154)	524.0
Profit before income tax		6,736	13,512	(50.1)
Income tax expense		797	(1,885)	(142.3)
Profit for the period from continuing operations		7,533	11,627	(35.2)
Discontinued operation:				
Profit for the period from discontinued operation	1a(ii)	-	1,171	(100.0)
Profit for the year		7,533	12,798	(41.1)
Other comprehensive income :				
Exchange difference on translation of foreign operations, net of tax		(51)	(10)	410.0
Other comprehensive income for the period, net of tax		(51)	(10)	410.0
Total comprehensive income for the year		7,482	12,788	(41.5)
Profit for the period attributable to :				
Owners of the Company		7,605	13,032	(41.6)
Non-controlling interests		(72)	(234)	(69.2)
		7,533	12,798	(41.1)
Total comprehensive income attributable to :				
Owners of the Company		7,554	13,022	(42.0)
Non-controlling interests		(72)	(234)	(69.2)
		7,482	12,788	(41.5)
Earnings per share for the year (Singapore cents)				
From continuing and discontinued operations				
Basic		4.63	7.95	
Diluted		4.62	7.93	
From continuing operations				
Basic		4.63	7.23	
Diluted		4.62	7.22	

KOON HOLDINGS LIMITED (KNH)

Full Year Financial Statements and Dividend Announcement
Full Year financial statements on consolidated results for the period ended 31 December 2011
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS
Notes:-

1a(i) On 25 March 2010, the Group acquired 75% of the issued share capital of Econ Precast Pte Ltd ("Econ") and Econ Precast Sdn Bhd for a cash consideration of S$3,750,000. These subsidiaries were acquired so as to continue the expansion of the Group's business in the construction industry and provide immediate access to the strong demand for public housing. This transaction has been accounted for by the purchase method of accounting.

The assets acquired and liabilities assumed in the transactions, and the gain from a bargain purchase arising, are as follows:

	Acquiree's carrying amount before combination	Adjustments	Acquiree's carrying amount after combination
	S$'000	S$'000	S$'000
Property, plant and equipment	3,236	1,565	4,801
Trade receivables	2,633	-	2,633
Other receivables	66	-	66
Allowance for doubtful trade receivables	(9)	-	(9)
Cash and bank balances	350	-	350
Inventories	5,457	-	5,457
Trade payables	(1,686)	-	(1,686)
Other payables	(1,759)	-	(1,759)
Bank loan	(1,484)	-	(1,484)
Income tax payable	(348)	-	(348)
Finance lease	(406)	-	(406)
Deferred tax liability	(76)	(301)	(377)
Net assets acquired	5,974	1,264	7,238
Less: Non-controlling interests			(1,810)
Gain from a bargain purchase			(1,678)
Total consideration paid			3,750
Net cash outflow from acquisition:			
Cash consideration paid			(3,750)
Cash and bank balances acquired			350
			(3,400)

Full Year Financial Statements and Dividend Announcement

Full Year financial statements on consolidated results for the period ended 31 December 2011
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

On 27 August 2010, the Group's subsidiary Econ acquired the entire issued share capital of Construction Technology Pte Ltd ("Contech") for cash consideration of S$1,780,000. This transaction has been accounted for by the purchase method of accounting.

	Acquiree's carrying amount before combination	Fair value adjustment	Fair value
	S$'000	S$'000	S$'000
Property, plant and equipment	765	1,123	1,888
Deferred tax liability	-	(190)	(190)
Net assets acquired	765	933	1,698
Non-controlling interest			20
Goodwill			62
Total consideration paid			1,780

The goodwill from the acquisition of Contech was fully impaired in FY2010.

	S$'000
Net cash outflow from acquisition:	
Cash consideration paid for acquisiton of Econ Precast Pte Ltd	(3,750)
Cash and bank balances acquired for acquisition of Econ Precast Pte Ltd	350
Cash consideration paid for acquisiton of Construction Technology Pte Ltd	(1,780)
	(5,180)

On 1 July 2011, the Group acquired 51% of the issued share capital of GPS Alliance Holdings Pte. Ltd., formerly known as GA Property Management Pte. Ltd.("GPS") for cash consideration of S$3,000,000. GPS Alliance Holdings Pte Ltd is the investment holding company of the GPS group of companies, comprising the following wholly subsidiaries (some presently known as): GPS Home Solutions Pte. Ltd., GPS Alliance IT Pte. Ltd., GPS Development & Investment Pte. Ltd., and Global Property Strategic Alliance Pte. Ltd. This transaction has been accounted for by the purchase method of accounting.

	Acquiree's carrying amount after combination
	S$'000
Property, plant and equipment	527
Trade receivables	3,805
Other receivables	73
Inventories	21
Cash and bank balances	1,429
Trade payables	(3,292)

Other payables	(411)
Net assets acquired	2,152
Less: Non-controlling interests	(1,054)
Goodwill	1,902
Total consideration paid	3,000
Net cash outflow from acquisition:	
Cash consideration paid	(3,000)
Cash and bank balances acquired	1,429
	(1,571)

1a(ii) The profit and loss from the discontinued operations is analysed as follows:

	2010
	S$'000
Loss of Marine Logistics operation for the year	(122)
Gain on disposal of Marine Logistics operation	1,293
	1,171

The results of Marine Logistics operation for the financial year ended 31 December 2010 are as follows:

	2010
	S$'000
Revenue	4,563
Cost of sales	(4,075)
Gross Profit	488
Other income	263
Administrative expenses	(603)
Finance cost	(56)
Profit before income tax	92
Income tax expense	(214)
Loss for the year	(122)

Consolidated Statement of Comprehensive Income

Turnover
The Group registered a turnover of S$88.1 million in FY2011, representing an increase of 17.7% from the previous corresponding financial period of continuing operations.

The increase in turnover was largely due to:-

1) Increase in Precast division business activities in line with increase in contracts secured. Its revenue increased from S$8.9 million in FY2010 to S$31.5 million in FY2011.

2) Contribution of S$7.6 million from the new Property division acquired in July 2011.

3) Partially offset by the decrease in revenue from the Construction division in FY2011, from S$66.1 million in FY2010 to S$47.6 million.

The higher revenue derived from the Precast Concrete division was due to consolidation of full year revenue for 2011 as compared to the previous period as the acquisition of Econ Precast Pte Ltd and Econ Precast Sdn Bhd were completed in late March 2010 and Contech Precast Pte Ltd was completed in August 2010. With the increase in demand and new contracts secured for precast reinforced concrete piles and building components, its revenue increased significantly compared to last year.

The decrease in revenue from the Construction division in FY2011 was mainly due to timing of revenue recognition (Koon only starts recognizing revenue when a project is 20% or more complete) and project completion. Substantial completion of projects such as Punggol-Serangoon Reservoir, Gardens by the Bay at Marina South, Jurong Island projects, PUB Wetlands contributed significantly to revenue in FY2010 as compared to FY2011. The decrease was partially offset by new projects such as Infrastructure works at Changi East, coastal protection work at Pulau Tekong, a private civil engineering project at Tuas and JTC Tampines Logistics Park project.

Gross Profit
The gross profit of the Group for FY2011 decreased by 47.3% to approximately S$8.2 million due to lower gross profit from the Construction division. This was mainly due to lower Construction division revenue and lower margin projects in FY2011. The lower margin projects were taken on the aftermath of the global financial crisis. In addition, the Group provided for impairment loss of S$1.6 million for Vietnam Sao Bien project in FY2011.

The decline in gross profit contributed by the Construction division was partially offset by the increase in gross profit of the Precast division.

Other Income
Other income increased from S$5.6 million in FY2010 to S$14.0 million in FY2011 mainly due to the gain on disposal of leasehold property of S$5.6 million and dividend income received from Koon Zinkcon of S$6.5 million.

Administrative Expenses
For FY2011, there was an increase by 48.5% in the administrative expenses to S$13.1 million as compared to S$8.8 million in FY2010. The significant increase in operating cost was mainly due to the acquisition of GPS as well as the inclusion of higher expenses by Econ Precast Pte. Ltd. and Contech Precast Pte.Ltd which were acquired in March 2010 and August 2010 respectively. In addition, there was also impairment of investment in Koon Zinkcon of S$0.5 million.

Distribution Expenses
The Group saw a significant increase in its distribution expenses as compared to that in FY2010 in line with the significant increase in turnover by Precast division from S$8.9 million in FY2010 to S$31.5 million in FY2011.

Finance Expenses
There was an increase of 84.6% in the finance expenses to S$0.2 million in FY2011 as compared to S$0.1 million in the previous period. This was due to purchase of new gantry cranes and precast moulds through hire purchase finance arrangement to enhance the Precast division production capabilities and capacity.

Share of Loss of Associate
The loss from associate of S$0.96 million arose from the ownership of Tesla, an Australia energy infrastructure company. Tesla's first 9.9MW diesel power plant in Western Australia has commenced operations in August 2011.

Full Year Financial Statements and Dividend Announcement
Full Year financial statements on consolidated results for the period ended 31 December 2011
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

Profit Before Tax and Net Profit
The Group's profit before tax from continuing operations decreased from S$13.5 million to S$6.7 million in FY2011 due to the completion of significant projects in FY2010, the provision for the impairment of the Vietnam Sao Bien project of approximately S$1.6 million, impairment of investment in Koon Zinkcon (a 50% joint venture with Boskalis International (S) Pte Ltd) of S$0.5 million and the share of losses from associate.

Tax Expenses
The current year tax credit was mainly due to tax savings from the productivity and innovation credit scheme, overprovision for tax expenses for last year and recognition of deferred tax assets for the year.

Dividend
The Group is pleased to announce a Final dividend of 0.5 Singapore cent per ordinary share. This would have been equivalent to 1 Singapore cent per ordinary share in FY2010 before the bonus issue.

KOON HOLDINGS LIMITED (KNH)

Full Year Financial Statements and Dividend Announcement

Full Year financial statements on consolidated results for the period ended 31 December 2011
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(b) Statement of Financial Position as at 31 December 2011

	Note	Group As at 31/12/2011 S$'000	As shown in last annual report As at 31/12/2010 S$'000
ASSETS			
Current assets			
Cash and cash equivalents		19,638	22,518
Pledged fixed deposits		53	52
Trade receivables		35,169	21,774
Other receivables		11,456	7,503
Inventories		10,549	4,727
Contract work-in-progress		8,434	12,693
Held for trading investments		36	49
Available for sale investment		-	500
Derivative financial instrument	1(b)(i)	-	1,057
Non-current assets classified as held-for-sale		-	1,898
Total current assets		85,335	72,771
Non-current assets			
Available for sale investment		150	-
Associates		8,145	3,652
Goodwill		1,902	-
Property, plant and equipment		25,682	22,042
Deferred income tax		964	234
Total non-current assets		36,843	25,928
Total assets		**122,178**	**98,699**
LIABILITIES AND EQUITY			
Current liabilities			
Bank loan and bills payable		8,851	1,358
Trade payables		41,326	27,754
Other payables and accruals		7,643	11,654
Contract work-in-progress		1,906	1,556
Current portion of finance leases		1,310	1,300
Derivative financial instrument	1(b)(i)	-	254
Income tax payable		407	1,698
Total current liabilities		61,443	45,574
Non-current liabilities			
Long-term bank loans		750	-
Finance leases		2,807	2,058
Deferred income tax		1,839	1,288
Total non-current liabilities		5,396	3,346
Total liabilities		**66,839**	**48,920**
Capital and Reserves			
Share capital		7,030	6,998
Capital reserve		13,006	13,006
Accumulated profits		32,826	27,682
Translation reserve		(61)	(10)
Equity attributable to owners of the Company		52,801	47,676
Non-controlling interests		2,538	2,103
Total equity		**55,339**	**49,779**
Total liabilities and equity		**122,178**	**98,699**

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(b)(i) On 29 July 2010("Completion date"), Koon entered into an Investment Agreement with Tesla. According to the terms of the investment Agreement, a put option was granted to Tesla in which Tesla has the right to require Koon to subscribe for 2,400,000 preference shares in the issued and paid up capital of Tesla within 6 months from the date certain conditions are met. At the same time, a call option was also granted to Koon in which Koon has the right to subscribe for 2,400,000 preference shares at any time following the date of the investment Agreement. If the put or call option is exercised, all other things being equal, Koon will increase its stake in Tesla to approximately 68% for a consideration of another AUD$3.6 million. The preference shares are convertible into ordinary shares.

FRS 39 identifies such an option as a derivative financial instrument and requires that it be accounted for in the statement of financial position at fair value, irrespective of whether they are used as part of a hedging relationship.

Changes in fair value are recognized in profit or loss unless the contract is part of an effective cash flow or net investment hedging relationship.

The discussion that follows compares the Statements of Financial Position as at 31 December 2011 with that of 31 December 2010

Current assets increased by S$12.5 million from S$72.8 million to S$85.3 million, this was mainly due to the following:

1. Trade receivables increased mainly to due to increase in Precast sales and the addition of commission income from the newly acquired property division during the financial year.

2. Other receivables increased mainly due to shareholder loan receivable from HUGE Development Pte. Ltd. in the joint development of Pasir Ris executive condominium project.

3. Inventories increased due to higher raw materials and finished goods from awarded contracts in Precast division.

The above are offset by:

1. The write down of the available for sale investment in Koon Zinkcon joint venture.

2. The reversal of the fair value of options granted to Tesla where the net value of the put and call options was transferred to the cost of investment in associate when the option was exercised to subscribe for 2.4 million preference shares on 29 June 2011; and

3. The reversal of the leasehold property classified as non-current assets held for sale, the transaction was completed in January 2011.

Non-current assets

The increase in non-current assets of 42.1% from S$25.9 million in FY2010 to S$36.8 million was mainly due to:

1. Increase in available for sale investment related to investment in the 15% share capital of HUGE Development Pte. Ltd. for joint development of of Pasir Ris executive condominium project.

2. Increase in associates were due to the subscription of preference shares in Tesla Holdings Pty Ltd at a consideration of S$4.7 million and the transfer of the net fair value of the call and put options of S$0.8 million resulted from the share subscription into Tesla.

3. Goodwill arises from the Group's acquisition of 51% of the issued share capital of GPS group of companies on 1 July 2011.

4. The property, plant and equipment increased by 16.5% to S$25.7 million in FY2011 due mainly to additions of an additional office building, purchase of moulds by the Precast division and the acquisition of motor vehicles, bulldozers and steel sheet piles in the Plant and equipment rental division.

<u>Current liabilities</u>

Current liabilities increased by S$15.8 million from S$45.6 million to S$61.4 million mainly due to the following:

1. Bank loan and bills payable increased by S$7.5 million due to the increase in short term trade financing by the Precast division for its purchase of raw material for production and working capital.

2. Trade payables increased due to an increase in the production activities for Precast division for FY2011 and addition of Property division.

3. Other payables and accruals reduced mainly due to transfer of dividend received from Koon Zinkcon Pte Ltd, a 50% joint venture with Boskalis International (S) Pte Ltd to other income S$6.5 million in the financial year offset by the addition of Property division.

4. Income tax payable decreased due to lower tax expenses for current year and tax paid during the year.

<u>Non-current liabilities</u>

Non-current liabilities increased by S$2.1 million from S$3.3 million to S$5.4 million mainly due to the following:

1. Long-term bank loan increased due to the working capital loan for Precast division business activities.

2. Increase in the finance lease mainly due to acquisition of new gantry cranes and moulds by the Precast division.

Full Year Financial Statements and Dividend Announcement

Full Year financial statements on consolidated results for the period ended 31 December 2011
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(c) Consolidated statement of cash flows for the period ended 31 December 2011

	Note	Group	
		Full Year ended 31 Dec	
		2011	2010
		S$'000	S$'000
Operating activities			
Profit before income tax		6,736	14,897
Adjustments for:			
Reversal of allowance for inventories		(317)	(921)
Depreciation expense		5,159	3,347
Dividend income from available for sale investment		(6,500)	(1,500)
Reversal of anticipated losses on projects		1,015	(1,325)
Gain on disposal of property, plant and equipment		(5,651)	(665)
Gain on disposal of discontinued operation		-	(1,293)
Impairment of goodwill on consolidation		-	62
Interest expense		611	186
Interest Income		(466)	(199)
Debit/(Credit) to profit or loss on held for trading investments		13	(7)
Share of loss from associate		961	154
Share-based payment expense		32	106
Changes in fair value of derivative financial instruments		-	(803)
Impairment of investment in Koon Zinkcon joint venture		500	-
Gain from a bargain purchase arising from acquisition of subsidiaries		-	(1,678)
Operating cash flows before movements in working capital		2,093	10,361
Contract work-in-progress		2,645	4,186
Trade receivables		(9,590)	2,229
Inventories		(5,484)	2,943
Other receivables		(3,880)	(3,541)
Trade payables		10,680	(6,537)
Other payables		(4,422)	4,520
Cash generated from operations		(7,958)	14,161
Income tax paid		(673)	(2,321)
Net cash from operating activities		**(8,631)**	**11,840**
Investing activities			
Acquisition of subsidiaries	1(a)(i)	(1,571)	(5,180)
Acquisition of interest in associates		(4,852)	(3,816)
Purchase of property, plant and equipment		(6,306)	(6,147)
Proceeds on disposal of property, plant and equipment		295	5,199
Proceeds on disposal of non-current assets classified as held-for-sale		7,500	-
Dividend received from available for sale investment		6,500	1,500
Interest received		466	199
Net cash from (used in) investing activities		**2,032**	**(8,245)**
Financing activities			
Decrease in pledged fixed deposits		-	3,234
Dividends paid		(2,461)	(2,050)
Interest paid		(611)	(186)
Repayment of obligations under finance lease		(1,452)	(1,483)
Increase in bills payable		13,768	-
Increase in bank loan		2,904	-
Repayment of bills payable		(8,213)	-
Repayment of bank loan		(216)	(1,983)
Capital contribution from non-controlling interests		-	547
Net cash from (used in) financing activities		**3,719**	**(1,921)**
Net decrease in cash and cash equivalents		**(2,880)**	**1,674**
Cash and cash equivalents at beginning of year		**22,518**	**20,844**
Cash and cash equivalents at end of year		**19,638**	**22,518**

* Amount less than S$1,000

Full Year Financial Statements and Dividend Announcement
Full Year financial statements on consolidated results for the period ended 31 December 2011
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

The discussion that follows compares the consolidated statement of cash flows for 12 months to 31 December 2011 with that of 31 December 2010

The cash and cash equivalents of the Group decreased mainly due to net cash outlay for purchase of fixed assets, the payment of dividends of S$2.4 million, subscription of preference shares in Tesla Holdings Pty Ltd of S$4.7 million, and the Group's share of shareholder loan of approximately S$6.2 million to its joint venture HUGE Development Pte. Ltd. for Pasir Ris executive condominium development project. This was partially offset by proceeds from sale of leasehold property of S$7.5 million.

The increase in cash outlay for purchase of property, plant and equipment was mainly due to the construction of the additional office building and the acquisition of moulds by the Precast division, Plant and equipment rental division acquisition of motor vehicle, bulldozers and steel sheet piles.

Dividend received from available for sale investment of S$6.5 million came mainly from Koon Zinkcon joint venture.

The increase in trade financing pertains to Precast division utilization of trade facilities. The proceeds from the trade financing and bank loans were used for the purchase of raw material for its production and working capital for its contracts awarded. Hence, there was increase in repayment of trade financing as they are short term.

1(d)(i) Consolidated Statements of changes in equity for the period ended 31 December 2011

	Share Capital S$'000	Capital Reserve S$'000	Accumulated profits/ (losses) S$'000	Translation Reserve S$'000	Attributable to owners of the Company S$'000	Non-Controlling Interests S$'000	Total S$'000
Group							
Balance at 1 Jan 2010	6,998	13,006	16,700	-	36,704	-	36,704
Acquisition of subsidiaries	-	-	-	-	-	1,790	1,790
Incorporation of a subsidiary	-	-	-	-	-	547	547
Total comprehensive income for the year	-	-	13,032	(10)	13,022	(234)	12,788
Dividends	-	-	(2,050)	-	(2,050)	-	(2,050)
Balance at 31 Dec 2010	6,998	13,006	27,682	(10)	47,676	2,103	49,779
Issue of share capital	32	-	-	-	32	-	32
Acquisition of subsidiaries	-	-	-	-	-	1,054	1,054
Total comprehensive income for the year	-	-	7,605	(51)	7,554	(72)	7,482
Effects of acquiring part of non-controlling interest in a subsidiary	-	-	-	-	-	(547)	(547)
Dividends	-	-	(2,461)	-	(2,461)	-	(2,461)
Balance at 31 Dec 2011	7,030	13,006	32,826	(61)	52,801	2,538	55,339

1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	S$'000
The Company's issued and paid up capital:	
Balance as at 31 December 2010	6,998
Issue during the financial year	32
Balance as at 31 December 2011	7,030

In 2011, the Group issued 110,000 shares to the participants of the Koon Employee Performance Share Plan. The shares were valued on the five-day average prevailing share prices of S$0.29 before the date of issue.

1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	No. of shares
The Company's issued and paid up capital:	
Balance as at 31 December 2010	163,988,000
Additional Issue during the financial year	110,000
Balance as at 31 December 2011	164,098,000

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

There are no treasury shares.

2. **Whether the figures have been audited, or reviewed and in accordance with which standard (eg. The Singapore Standard of Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).**

The comparison figures relating to the previous corresponding period are audited by the auditor.

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

Not applicable.

Full Year Financial Statements and Dividend Announcement
Full Year financial statements on consolidated results for the period ended 31 December 2011
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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 plains in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.**

None.

4(c) **Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these of these disclosures for the previous corresponding period.**

There are no associates and joint venture entities which are material to an understanding of the report.

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 2010.

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.**

Improvements to FRS applicable from 1 October 2008
The Group has adopted various revised or new FRS and INT FRS applicable from 1 January 2011. These do not have a significant financial impact financial impact on the Group.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	Full Year ended 31 Dec	
	2011	2010
Earnings per share for the period (Singapore cents)		
From continuing and discontinued operations		
Basic	4.63 cents	7.95 cents
Diluted	4.62 cents	7.93 cents
From continuing operations		
Basic	4.63 cents	7.23 cents
Diluted	4.62 cents	7.22 cents

The calculation of diluted earnings per share for continuing and discontinued operatins as at 31 December 2011 was based on profit attributable to ordinary shareholders of S$7.605 million (2010: S$13.032 million) and for the continuing operations S$7.605 million (2010: S$11.861 million).

The weightage average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares of 164,678,000 (2010: 164,318,000) calculated as follows:

	2011 **No. of shares**	2010 **No. of shares**
Weighted average number of ordinary shares (basic)	164,098,000	163,988,000
Potential share issue under employee performance share plan	580,000	330,000
Weighted average number of ordinary shares (diluted) as at 31 December	164,678,000	164,318,000

7. **<u>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.</u>**

	Group	
	31/12/2011	31/12/2010
Net tangible value per ordinary share based on issued share capital as at the end of the reporting period (Singapore cents)	32.56 cents	30.36 cents

8. **<u>Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and actual results.</u>**

The Group did not make any forecast or prospect statement previously disclosed to shareholders.

9. **<u>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.</u>**

While the Singapore economy was forecasted to grow by between 1% to 3% in 2012, the prevailing economic conditions are expected to exert competitive pressure on contract margins particularly to the Construction division.

As for our Property division, the current economic situation has created challenges and opportunities for our business. The Government had introduced further measures in an attempt to provide a stable and sustainable residential property market. Thus transaction volume is expected to moderate in the near future as the market absorbs the impact of these measures.

Overall, we expect the business environment to remain challenging, competitive and tough, punctuated by volatility in material prices. Despite this, the board is cautiously optimistic for FY2012.

Save as disclosed herein, there are no known material factors or events which may affect the earnings of the Group between this date up to which the report refers and the date on which the report was issued.

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

As at the date of this announcement, the Construction and Precast division has an outstanding order book of approximately S$113 million (excluding Vietnam project amounting to US$160 million which was announced in 2010) and S$94 million respectively.

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.**

	Revenue		Earnings	
	Full Year ended 31 Dec		Full Year ended 31 Dec	
	2011	2010	2011	2010
	S$'000	S$'000	S$'000	S$'000
Continuing Operations:				
Construction Division	47,559	66,111	7,175	10,300
Plant and Equipment Rental Division	7,717	7,289	501	1,192
Precast Division	31,539	8,882	671	(441)
Property Division	7,599	-	(81)	-
	94,414	82,282	8,266	11,051
Elimination	(6,359)	(7,464)	(14,367)	(4,558)
	88,055	74,818	(6,101)	6,493
Unallocated corporate income (expenses)			14,038	5,625
Share of loss of associate			(961)	(154)
Gain from a bargain purchase arising from acquisition of subsidiaries (Note 1(a)(i))			-	1,678
Finance costs			(240)	(130)
Profit before income tax			6,736	13,512
Income tax expense			797	(1,885)
Profit for the period from continuing operations			7,533	11,627
Discontinuing Operation:				
Marine Logistics Division	-	6,112	-	1,931
Elimination	-	(1,549)	-	(2,047)
	-	4,563	-	(116)
Unallocated corporate income (expenses)			-	1,556

Full Year Financial Statements and Dividend Announcement

Full Year financial statements on consolidated results for the period ended 31 December 2011
(These figures have not been audited)

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

Finance costs			-	(55)
Profit before income tax			-	1,385
Income tax expense			-	(214)
Profit for the year			-	1,171
Consolidated revenue and profit for the year	88,055	79,381	7,533	12,798

Other segment information

	2011 S$'000	2010 S$'000
Continuing Operations		
Construction Division	56,520	67,894
Plant and Equipment Rental Division	17,867	15,605
Precast Division	54,396	22,880
Property Division	11,851	-
	140,634	106,379
Elimination	(74,484)	(38,039)
Total segment assets	66,150	68,340
Unallocated corporate assets	56,028	30,359
Total assets	122,178	98,699

Other segment information

	Depreciation		Additions to property, plant and equipment	
	2011 S$'000	2010 S$'000	2011 S$'000	2010 S$'000
Continuing Operations				
Construction Division	290	407	136	760
Plant and Equipment Rental Division	2,238	1,324	2,273	9,031
Precast Division	2,552	966	6,072	8,048
Property Division	79	-	18	-
	5,159	2,697	8,499	17,839
Discontinuing Operation				
Marine Logistics Division	-	650	-	1,503
	5,159	3,347	8,499	19,342

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:-

Continuing Operations

Turnover – Construction

Construction division revenue has declined by approximately S$18.6 million in FY2011 mainly due to substantial completion of projects such as Punggol-Serangoon Reservoir, Gardens by the Bay at Marina South, Jurong Island projects, PUB Wetlands contributed significantly to revenue in FY2010 as compared to FY2011. The decrease was partially offset by new projects such as Infrastructure works at Changi East, coastal protection work at Pulau Tekong, a private civil engineering project at Tuas and JTC Tampines Logistics Park project.

Turnover – Plant and Equipment Rental

Plant and Equipment Rental revenue has increased marginally by S$0.4 million to S$7.7 million in FY2011.

Turnover – Precast

In FY2011, Precast division has contributed S$31.5 million to the revenue. The increase in revenue was mainly due to increase in the number of precast contracts secured and demand for reinforcement concrete pile.

Turnover – Property

On 1 July 2011, the Group acquired 51% of GPS group of companies. In FY2011, the division contributed S$7.6 million to the Group revenue from its property agency business.

Earnings - Construction

The decrease in Construction division earnings in FY2011 mainly due to lower gross profit from FY2011 certain construction projects and provision for impairment loss of S$1.6 million for Koon Top Pave Vietnam project.

Earnings - Precast

Precast division earnings have improved its earnings by S$1.1 million to S$0.6 million in FY2011 in line with the increase in revenue.

Earnings - Property

The negative earning from Property division is mainly due to preliminary expenses.

INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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

	Full Year ended 31 December	
	2011	2010
	S$'000	S$'000
Ordinary	2,461	2,050

BY ORDER OF THE BOARD

Tan Swee Gek
Company Secretary
24 February 2012

Full Year Financial Statements and Dividend Announcement
Full Year financial statements on consolidated results for the period ended 31 December 2011
(These figures have not been audited)

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 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 2011 to be false or misleading.

On behalf of the board of directors,

Mr. Tan Thiam Hee	Mr Oh Koon Sun
Managing Director and Chief Executive Officer	Executive Director

24 February 2012