



## KOON HOLDINGS LIMITED (KNH)

### Half-Year Financial Statements and Dividend Announcement

Half-Year financial statements on consolidated results for the period ended 30 June 2017  
( 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 2017**

(Previously corresponding period: 30 June 2016)

### 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	81,764	Down	24.9
Profit from ordinary activities after tax attributable to members	193	Down	90.9
Net Profit for the period attributable to members	193	Down	90.9

	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	
30/06/2017	30/06/2016
23.53 cents	23.59 cents

Additional Appendix 4D disclosure requirements can be found in the notes to the half-year financial statements attached thereto.

This report is based on the consolidated half-year financial statements which have been subjected to a review by Ernst & Young LLP.



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

#### 1(a) Consolidated Statement of Comprehensive Income for the period ended 30 June 2017

	Group		% Increase/ (Decrease)
	Half-Year ended 30 Jun 2017 S\$'000	2016 S\$'000	
Revenue	81,764	108,930	(24.9)
Cost of sales	(72,754)	(96,325)	(24.5)
Gross profit	9,010	12,605	(28.5)
Other income	1,505	675	123.0
Distribution costs	(9)	(1,331)	(99.3)
Administrative and other expenses	(6,223)	(8,024)	(22.4)
Finance costs	(1,380)	(1,331)	3.7
Share of losses of associate	(16)	-	N.M.
Share of losses of joint ventures	(2,516)	(354)	610.7
<b>Profit before tax</b>	371	2,240	(83.4)
Taxation	(247)	(262)	(5.7)
<b>Profit for the period</b>	124	1,978	(93.7)
<b>Other comprehensive income/(loss):</b>			
Exchange gain/(loss) on translation of foreign operations	105	(148)	(170.9)
<b>Total comprehensive income for the period</b>	229	1,830	(87.5)
<b>Profit/(Loss) for the period attributable to:</b>			
Owners of the Company	193	2,115	(90.9)
Non-controlling interests	(69)	(137)	(49.6)
	124	1,978	(93.7)
<b>Total comprehensive income/(loss) for the period attributable to:</b>			
Owners of the Company	250	2,071	(87.9)
Non-controlling interests	(21)	(241)	(91.3)
	229	1,830	(87.5)
<b>Earnings per share (cents per share):</b>			
- Basic	0.07	0.80	
- Diluted	0.07	0.80	

N.M.: Not Meaningful



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**The discussion that follows compares the income statement for 6 months ended 30 June 2017 (1H2017) with previous corresponding period (1H2016)**

#### **Segment revenue and results**

	Revenue		Earnings	
	Half-Year ended 30 June		Half-Year ended 30 June	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Construction Division	57,153	87,511	4,285	4,203
Precast Division	22,099	25,781	(1,328)	188
Property Division	-	-	(151)	112
Electric Power Generation Division	2,561	2,411	(142)	(262)
	81,813	115,703	2,664	4,241
Elimination	(49)	(6,773)	114	(991)
Total	81,764	108,930	2,778	3,250
Other income			1,505	675
Share of losses of joint ventures/associate			(2,532)	(354)
Finance costs			(1,380)	(1,331)
Profit before tax			371	2,240
Taxation			(247)	(262)
Profit for the period			124	1,978

#### **Revenue**

Revenue for the half year ended 30 June 2017 (1H2017) decreased by 24.9% to S\$81.8 million as compared to the previous period (1H2016). The decrease was mainly attributed to lower revenue recorded by Construction division and Precast division:-

1. Revenue of Construction division decreased by 34.7% to S\$57.2 million in 1H2017. This was mainly due to lower revenue recognition from completing projects including (a) construction of container stacking yard for berths P36 to P41 at PSA Pasir Panjang Terminal, (b) construction of roads, drains, culverts and drainage outfall at Tuas South Boulevard and (c) the Group's 50% share of revenue under POC-K JV for the on-going land preparation works for airport development project; which was partially offset by higher revenue from projects including (d) improvement to Sungei Pandan Kechil (West Coast Road to the sea), (e) sand mining work and also (f) rock work at caisson quay wall at proposed reclamation at Tuas Finger One.
2. Revenue of Precast division decreased by 14.3% to S\$22.1 million in 1H2017. This was mainly due to lower sales price of precast products as compared to 1H2016.
3. Revenue of Electric Power Generation division increased by 6.2% to S\$2.6 million in 1H2017. The Group's 74.06% owned subsidiaries, the Tesla Holdings Pty Ltd group of companies ("Tesla"), recorded higher revenue mainly due to marginal increase in reserve capacity pricing set by Independent Market Operator of Western Australia and a stronger Australian dollar against the Singapore dollar as compared to 1H2016.

#### **Gross Profit**

In line with lower revenue, the Group's gross profit declined by 28.5% to S\$9.0 million in 1H2017. The Construction division and Electric Power Generation division recorded higher gross margin in 1H2017 while the Precast division recorded lower gross margin in 1H2017 due to competitive market conditions.



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#### Other Income

Other income increased by S\$0.8 million to S\$1.5 million in 1H2017. The increase was mainly due to higher gain on disposal of property, plant and equipment (increased by S\$0.4 million), higher sale of scrap (increased by S\$0.08 million), rental income of S\$0.15 million and refund of property tax of S\$0.16 million.

#### Distribution Costs

The Group recorded only S\$0.01 million distribution costs in 1H2017 as compared to S\$1.3 million recorded in 1H2016. This was attributed to the transportation costs being recorded under the Group's 50% joint venture company Sindo-Econ Pte Ltd with effect from the last quarter of FY2016 due to a change in subcontract arrangement under the Precast division.

#### Administrative and Other Expenses

Administrative and other expenses decreased significantly by S\$1.8 million to S\$6.2 million in 1H2017. This was mainly due to lower staff and manpower related costs and a general reduction in administrative expenses under the Precast division due to a shift in production focus to Batam Indonesia instead of its Singapore and Malaysia casting yards.

#### Finance Costs

Finance costs increased marginally by S\$0.05 million to S\$1.4 million in 1H2017 mainly due to higher interest rates as compared to 1H2016, despite lower borrowings.

#### Share of Losses of Joint Ventures/Associate

Share of losses of joint ventures/associate increased by S\$2.2 million to S\$2.5 million in 1H2017. Share of result of associate comprised the Group's 20% share of losses from a construction project under Penta-Ocean/Hyundai/Koon Joint Venture which had been substantially completed. Share of results of joint ventures comprised mainly the Group's 50% share of losses from the precast operation at Batam Indonesia under Sindo-Econ Pte Ltd and its Indonesia subsidiary PT. Sindomas Precas ("Sindo-Econ Group"). The higher losses were mainly attributed to lower sales price of precast products due to competitive market conditions.

#### Taxation

The Group's tax expenses were lower as compared to 1H2016 mainly attributed to lower earnings.

#### Profit for the period

Due to lower gross profits and higher share of losses of joint ventures/associate; partially offset by higher other income, lower distribution costs and lower administrative and other expenses, the Group recorded lower earnings of S\$0.1 million in 1H2017 as compared to S\$2.0 million in 1H2016.



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

#### 1(b) Statement of Financial Position as at 30 June 2017

	Group As at 30/06/2017 S\$'000	Group As at 31/12/2016 S\$'000	Group As at 30/06/2016 S\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7,514	14,997	26,728
Pledged fixed deposits	199	197	190
Trade receivables	49,673	49,560	32,446
Other receivables	20,636	13,529	8,741
Inventories	3,206	3,403	6,779
Contract work-in-progress	25,460	21,695	21,608
Held for trading investments	26	26	25
<b>Total current assets</b>	<b>106,714</b>	<b>103,407</b>	<b>96,517</b>
<b>Non-current assets</b>			
Other receivables	119	117	112
Properties held for development	13,811	13,885	14,449
Associates	*	*	*
Joint ventures	1,275	3,772	4,635
Property, plant and equipment	95,847	103,632	108,852
Deferred tax assets	369	320	161
<b>Total non-current assets</b>	<b>111,421</b>	<b>121,726</b>	<b>128,209</b>
<b>Total assets</b>	<b>218,135</b>	<b>225,133</b>	<b>224,726</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade payables	55,207	54,909	47,502
Other payables	11,996	14,004	12,411
Contract work-in-progress	10,217	11,238	9,105
Bank loans and bills payable	26,840	24,175	25,998
Finance leases obligations	14,905	15,278	15,476
Income tax payable	675	634	937
<b>Total current liabilities</b>	<b>119,840</b>	<b>120,238</b>	<b>111,429</b>
<b>Non-current liabilities</b>			
Bank loans	166	2,009	3,814
Finance leases obligations	35,206	40,105	46,428
Other payables	101	97	90
Deferred tax liabilities	914	1,005	889
<b>Total non-current liabilities</b>	<b>36,387</b>	<b>43,216</b>	<b>51,221</b>
<b>Total liabilities</b>	<b>156,227</b>	<b>163,454</b>	<b>162,650</b>
<b>Capital and reserves</b>			
Share capital	25,446	25,446	25,446
Capital reserve	8,802	8,802	8,802
Accumulated profits	30,202	30,009	30,261
Translation reserve	(6,026)	(6,083)	(5,967)
Equity attributable to owners of the Company	58,424	58,174	58,542
Non-controlling interests	3,484	3,505	3,534
<b>Total equity</b>	<b>61,908</b>	<b>61,679</b>	<b>62,076</b>
<b>Total liabilities and equity</b>	<b>218,135</b>	<b>225,133</b>	<b>224,726</b>

\* Amount less than S\$1,000



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

#### 1(c) Consolidated statement of cash flows for the period ended 30 June 2017



	<b>Group</b>	
	<b>Half-Year ended 30 Jun</b>	
	<b>2017</b>	<b>2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
Profit before tax	371	2,240
Adjustments for:		
Inventories written down	-	55
Depreciation of property, plant and equipment	10,738	9,691
Net gain on disposal of property, plant and equipment	(477)	(84)
Interest expense	1,380	1,331
Interest Income	(33)	(34)
Share of losses of joint ventures/associate	2,532	354
Fair value loss on held for trading investments	-	5
Unrealised exchange (gain)/loss	(50)	315
Impairment of property, plant and equipment	83	-
Provision/(Reversal) of foreseeable losses on contract work-in-progress (net)	1	(18)
Operating cash flows before changes in working capital	14,545	13,855
Contract work-in-progress (net)	(4,787)	2,512
Trade receivables	(110)	12,511
Inventories	197	1,757
Other receivables	(6,345)	(364)
Trade payables	293	(7,190)
Other payables	(3,400)	(2,226)
Cash flows from operations	393	20,855
Income tax paid	(345)	(535)
<b>Net cash flows from operating activities</b>	<b>48</b>	<b>20,320</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(75)	(4,221)
Proceeds from government grant	482	-
Proceeds from disposal of property, plant and equipment	1,108	93
Proceeds from issuance of shares by subsidiary to non-controlling interests	-	129
Interest received	30	31
<b>Net cash flows from/(used in) investing activities</b>	<b>1,545</b>	<b>(3,968)</b>
<b>Financing activities</b>		
(Increase)/Decrease in pledged fixed deposits	(2)	4
Interest paid	(1,217)	(1,179)
Dividends paid	-	(1,315)
Repayment of obligations under finance leases	(8,751)	(6,469)
Proceeds from bank loans	7,800	7,800
Repayment of bank loans	(9,591)	(11,781)
Proceeds from bills payable	28,055	29,454
Repayment of bills payable	(25,442)	(32,468)
<b>Net cash flows used in financing activities</b>	<b>(9,148)</b>	<b>(15,954)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(7,555)</b>	<b>398</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>72</b>	<b>(372)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>14,997</b>	<b>26,702</b>
<b>Cash and cash equivalents at 30 June</b>	<b>7,514</b>	<b>26,728</b>



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#### **The discussion that follows compares the Finance Position as at 30 June 2017 with that of 31 December 2016**

##### Current assets

Current assets increased by S\$3.3 million to S\$106.7 million as at 30 June 2017.

The increase was mainly due to the following:

1. Increase in trade receivables by S\$0.1 million mainly under the Construction division.
2. Increase in other receivables by S\$7.1 million mainly due to increase in receivables from Sindo-Econ Group.
3. Increase in contract work-in-progress by S\$3.8 million under the Construction division.

The above were partially offset by decrease in cash and cash equivalents and inventories by S\$7.5 million and S\$0.2 million respectively.

##### Non-current assets

Non-current assets decreased by S\$10.3 million to S\$111.4 million as at 30 June 2017 mainly due to:

1. Decrease in property, plant and equipment by S\$7.8 million. The decrease was mainly due to the depreciation charges amounting to S\$10.8 million, net disposal of plant and machinery totaling S\$1.4 million under Construction and Precast divisions and government grant received of S\$0.5 million, partially offset by the purchase of S\$4.7 million of plant and equipment mainly under the Precast division and foreign exchange gain of S\$0.3 million.
2. Decrease in joint ventures by S\$2.5 million attributed to the Group's 50% share of losses incurred by Sindo-Econ Group in 1H2017.

##### Current liabilities

Current liabilities decreased by S\$0.4 million to S\$119.8 million as at 30 June 2017 mainly due to:

1. Decrease in other payables by S\$2.0 million.
2. Decrease in contract work-in-progress by S\$1.0 million under the Construction division.
3. Decrease in current portion of finance leases by S\$0.4 million.

The above were partially offset by increase in bank loans and bills payable by S\$2.7 million and trade payables by S\$0.3 million.

##### Non-current liabilities

Non-current liabilities decreased by S\$6.8 million to S\$36.4 million as at 30 June 2017. This was mainly due to the decrease in bank loans and finance leases due to repayments during the period.



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#### **The discussion that follows compares the consolidated statement of cash flows for the 6 months to 30 June 2017 with that of corresponding period for the 6 months to 30 June 2016**

Cash generated from operations for 1H2017 was derived from the Group's pre-tax profit of S\$0.4 million, after adjusting for non-cash items and changes in working capital. Cash outflow from working capital changes was mainly attributed to higher contract work-in-progress, higher trade and other receivables and lower other payables partially offset by lower inventories and higher trade payables. Net cash generated from operating activities amounted to S\$0.05 million in 1H2017.

Net cash flows from investing activities in 1H2017 was S\$1.5 million. This was mainly due to cash inflow from disposal of property, plant and equipment of S\$1.1 million and government grant received of S\$0.5 million, partially offset by cash outlay for purchase of property, plant and equipment of S\$0.08 million.

Net cash flows used in financing activities was S\$9.1 million in 1H2017. This was mainly due to repayment of borrowings of S\$43.8 million and interest payment of S\$1.2 million partially offset by proceeds from bank loans of S\$7.8 million and bills payable of S\$28.1 million.

Due to above factors and the effect of exchange rate changes, the Group recorded lower cash and cash equivalents of S\$7.5 million as at 30 June 2017.





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#### 1(d)(i) Statements of changes in equity for the period ended 30 June 2017

	Share capital \$'000	Capital reserve \$'000	Accumulated profits \$'000	Translation reserve \$'000	Attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total \$'000
<b>Balance at Jan 1, 2016</b>	<b>25,446</b>	<b>8,802</b>	<b>29,461</b>	<b>(5,923)</b>	<b>57,786</b>	<b>3,646</b>	<b>61,432</b>
Profit/(Loss) for the period	—	—	2,115	—	2,115	(137)	1,978
Other comprehensive loss for the period, net of tax	—	—	—	(44)	(44)	(104)	(148)
Total comprehensive income/(loss) for the period	—	—	2,115	(44)	2,071	(241)	1,830
Contribution of capital by non-controlling interests	—	—	—	—	—	129	129
Dividends	—	—	(1,315)	—	(1,315)	—	(1,315)
<b>Balance at Jun 30, 2016</b>	<b>25,446</b>	<b>8,802</b>	<b>30,261</b>	<b>(5,967)</b>	<b>58,542</b>	<b>3,534</b>	<b>62,076</b>
Loss for the period	—	—	(252)	—	(252)	(50)	(302)
Other comprehensive income/(loss) for the period, net of tax	—	—	—	(116)	(116)	150	34
Total comprehensive income/(loss) for the period	—	—	(252)	(116)	(368)	100	(268)
Acquisition of non-controlling interests without a change in control	—	—	—	—	—	(129)	(129)
<b>Balance at Dec 31, 2016</b>	<b>25,446</b>	<b>8,802</b>	<b>30,009</b>	<b>(6,083)</b>	<b>58,174</b>	<b>3,505</b>	<b>61,679</b>
Profit/(Loss) for the period	—	—	193	—	193	(69)	124
Other comprehensive income for the period, net of tax	—	—	—	57	57	48	105
Total comprehensive income/(loss) for the period	—	—	193	57	250	(21)	229
<b>Balance at Jun 30, 2017</b>	<b>25,446</b>	<b>8,802</b>	<b>30,202</b>	<b>(6,026)</b>	<b>58,424</b>	<b>3,484</b>	<b>61,908</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 2017 and 31 December 2016 25,446

There has been no change in the Company's share capital since 31 December 2016.

There were no outstanding share awards under the Koon Employee Performance Share Plan as at 30 June 2017 and 30 June 2016.

- 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 2017 and 31 December 2016 263,097,800



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

There were no treasury shares held by the Company.

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

The figures have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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

Nothing has come to the attention of the auditors that causes the auditors to believe that the interim financial information is not prepared in all material respects, in accordance with Singapore Financial Reporting Standards 34 – Interim Financial Reporting.

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

Name of subsidiaries	% acquired by the Group
Petra I Pte Ltd	100%

- 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/Associates	% 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%
(6) PT. Koon Construction Indonesia	67%

The aggregate share of net losses of the joint ventures in Sindo-Econ Pte Ltd, PT. Sindomas Precas, Penta-Ocean/Hyundai/Koon Joint Venture, PT. Koon Construction Indonesia and POC-K JV in 1H2017 was S\$1,958,000.

The aggregate share of net profit of the joint ventures in Sindo-Econ Pte Ltd, PT. Sindomas Precas, Penta-Ocean/Hyundai/Koon Joint Venture and POC-K JV in 1H2016 was S\$1,090,000.

\* There was no profit or loss recognition under the Penta-Ocean/Koon Joint Venture in 1H2017 (1H2016: Nil).



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- 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 2016.

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 2017. These do not have a significant financial impact on the Group.

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

	Group	
	1H2017	1H2016
<b>Earnings per ordinary share for the period (Singapore cents):</b>		
Basic	0.07 cents	0.80 cents
Diluted	0.07 cents	0.80 cents
<b>Net profit attributable to ordinary shareholders:</b>	S\$193,000	S\$2,115,000
<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	
	30/06/2017	30/06/2016
Net tangible value per ordinary share based on issued share capital as at the end of the reporting period (Singapore cents)	23.53 cents	23.59 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.**

While the global economy is generally looking brighter, the outlook for the Singapore economy remains cautious as certain sectors, such as construction remains relatively slow in light of fewer activities from the private sector. The construction sector in Singapore will continue to be supported by the public sector projects. According to Building and Construction Authority ("BCA") estimates, total construction demand in 2017 is expected to be between S\$28.0 billion and S\$35.0 billion, with public sector projects contributing about 70% of the total demand <sup>(1)</sup>. During 1H2017, the Group's Construction division has secured three new public sector projects worth approximately S\$128.3 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 2017  
( These figures have not been audited )

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

The precast business is expected to continue to benefit from government policies and projects where precast concrete components are used, such as HDB flats and MRT tunnelling works. In view of the competitive market conditions, the Group's Precast division would continue to focus on productivity improvement at its casting yard at Batam Indonesia.

As at 30 June 2017, the Group's Construction and Precast divisions have outstanding order books of approximately S\$215 million and S\$68 million respectively.

Footnote:

<sup>(1)</sup> "Public sector construction demand is expected to increase this year", BCA, 6 January 2017

### BY ORDER OF THE BOARD

Tan Swee Gek  
Company Secretary  
29 August 2017

### 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 2017 to be false or misleading in any material aspect.

On behalf of the board of directors,

Yuen Kai Wing  
Managing Director

Singapore  
29 August 2017

Oh Koon Sun  
Executive Director