



**KOON HOLDINGS LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
(COMPANY REGISTRATION NO. 200303284M)
(ARBN 105 734 709)**

**KOON HOLDINGS LIMITED SIGNS JOINT VENTURE AGREEMENT IN
RELATION TO PT SINDOMAS PRECAS**

The Board of Directors ("**Board**") of Koon Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Group has entered into a Joint Venture Agreement with ASL Marine Holdings Ltd. ("**ASL**") and its subsidiaries in relation to PT Sindomas Precas ("**PT SP**"), an Indonesian entity that engages in the business of concrete precast operations in Batam, Indonesia.

As previously advised to the market on 13 May 2013, as part of its expansion strategy, the Company is seeking to establish a plant in Batam, Indonesia for the manufacture of precast concrete products. In order to achieve this, in May 2013 the Company, through its wholly owned subsidiary, Econ Precast Pte. Ltd ("**Econ Precast**"), established a joint venture company, Sindo-Econ Pte Ltd ("**Sindo-Econ**"), with Intan Overseas Investments Pte. Ltd. ("**Intan Overseas Investments**"), a wholly owned subsidiary of ASL. Econ Precast and Intan Overseas Investments each have a 50% equity interest in Sindo-Econ.

As previously advised to the market on 22 November 2013, to give effect to the joint venture, Sindo-Econ, Econ Precast and Intan Overseas Investments acquired the entire issued share capital of PT SP in November 2013 for the purpose of establishing the plant and undertaking the precast operations in Batam. Sindo-Econ holds a 90% equity interest in PT SP while each of Econ Precast and Intan Overseas Investments holds a 5% equity interest in PT SP.

The Joint Venture Agreement is the "umbrella agreement" for this transaction. The Joint Venture Agreement was entered into on 14 March 2014 by the Company and its subsidiaries, namely Econ Precast, Contech Precast Pte. Ltd, Bukit Intan Pte. Ltd; Sindo-Econ, PT SP, ASL and ASL's subsidiaries, namely ASL Offshore & Marine Pte Ltd and PT Cemara Intan Shipyard, is effective from 1 January 2014 and sets out the arms length terms upon which the parties will establish and conduct the joint venture precast operations at Batam.

In accordance with the waiver granted by the ASX on 1 November 2012 in respect of the application of ASX Listing Rule 10.1, the Company is required to seek shareholder approval for the general framework of the joint venture at its 2014 Annual General Meeting. A full summary of the principal terms of the Joint Venture Agreement will be contained in the Notice of Annual General Meeting which will be despatched to shareholders in conjunction with the Company's 2014 Annual General Meeting.

The Board is pleased about the joint venture which it believes has the potential to expand the Group's precast manufacturing operations beyond the Group's existing plants in Singapore and Malaysia and thereby provide shareholders with a suitable return on their investment. The Board looks forward to the continuing support of shareholders.

BY ORDER OF THE BOARD

Yuen Kai Wing
Managing Director
14 March 2014