

NOTICE OF ANNUAL GENERAL MEETING

KOON HOLDINGS LIMITED

(Company Registration No 200303284M)

(ARBN 105 734 709)

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at 48 Boon Lay Way, Singapore 609961, The Chevrons, Sunflower Room on Level 1, on April 29, 2014 at 2.00 pm for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts for the financial year ended December 31, 2013 together with the Reports of the Directors and the Auditors of the Company. (Resolution 1)
2. To consider and, if thought fit, pass the following resolutions:
 - (a) "That Mr Oh Keng Lim, who is above 70 years of age and whose office as Director shall be vacant at the conclusion of this Annual General Meeting in accordance with section 153(2) of the Companies Act, Cap 50, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." (Resolution 2)
[See Explanatory Note (i)]
 - (b) "That Mr Ang Sin Liu who is above 70 years of age and whose office as Director shall be vacant at the conclusion of this Annual General Meeting in accordance with section 153(2) of the Companies Act, Cap 50, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." (Resolution 3)
[See Explanatory Note (i)]
3. To re-elect Mr Oh Koon Sun who is retiring under Article 91 of the Company's Articles of Association. (Resolution 4)
4. To re-elect Mr Ko Chuan Aun who is retiring under Article 91 of the Company's Articles of Association. (Resolution 5)
Mr Ko Chuan Aun will, upon re-election as a Director of the Company, remain a member of the Nominating Committee and will be considered independent of management.
5. To approve Directors' fees of S\$188,000 for the financial year ended December 31, 2013. (Resolution 6)
6. To appoint Ernst & Young LLP as the Company's Auditors in place of the retiring auditors, Deloitte Touche LLP, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Resolution 7)
[See Explanatory Note (ii)]
7. To transact any other business that may be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass each of the following resolutions as an Ordinary Resolution, with or without modifications:

8. “That pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors to allot and issue: (Resolution 8)

- (i) shares in the capital of the Company (whether by way of bonus, rights or otherwise);
or
- (ii) convertible securities; or
- (iii) additional convertible securities arising from adjustments made to the number of convertible securities previously issued in the event of rights, bonus or capitalisation issues; or
- (iv) shares arising from the conversion of convertible securities in (ii) and (iii) above,

at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of equity securities to be issued pursuant to this Resolution does not exceed fifty per cent (50%) of the total number of issued shares excluding treasury shares as at the date of this Resolution, or such other limit as may be prescribed by the listing rules of the Singapore Exchange Securities Trading Limited and ASX Listing Rule 7.1, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to shareholders of the Company does not exceed fifteen per cent (15%) of the total number of issued shares excluding treasury shares as at the date of this Resolution, or such other limit as may be prescribed by the listing rules of the Singapore Exchange Securities Trading Limited and ASX Listing Rule 7.1, and, unless revoked or reduced by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. For the purpose of determining the aggregate number of shares that may be issued pursuant to this Resolution, the percentage of the total number of issued shares excluding treasury shares is based on the total number of issued shares excluding treasury shares at the date of this Resolution after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee stock options in issue as at the date of this Resolution and any subsequent consolidation or subdivision of the Company's shares.”

[See Explanatory Note (iii)]

NOTICE OF ANNUAL GENERAL MEETING

9. “That, in accordance with Exception 9 of ASX Listing Rule 7.2 and ASX Listing Rule 10.14 and for all other purposes, the Board of Directors of the Company be and is hereby authorised to grant awards (“Awards”) to eligible employees of the Company (including executive Directors) in accordance with the provisions of the Koon Holdings Employee Performance Share Plan (“Koon EPSP”), a summary of which is contained in Explanatory Note (iv), and pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the grant of Awards under the Koon EPSP and in the event a share buyback mandate is subsequently approved by the shareholders, to apply any shares purchased under the Share Buyback Mandate toward the satisfaction of Awards granted under the Koon EPSP provided that the aggregate number of Shares available under the Koon EPSP shall not exceed five per cent (5%) of the total issued share capital of the Company from time to time.” (Resolution 9)

Voting exclusion: In accordance with the notice requirements of ASX Listing Rule 7.2 Exception 9(b) for approval under ASX Listing Rule 7.2 Exception 9, ASX Listing Rule 10.15A.6 for approval under ASX Listing Rule 10.14 and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 9 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of a Director. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

[See Explanatory Note (iv)]

10. “That, in accordance with ASX Listing Rule 10.1 and for all other purposes, the Company be permitted and authorised to: (Resolution 10)
- (a) enter into and carry out joint venture arrangements between the Company’s subsidiaries and subsidiaries of ASL Marine Holdings Ltd, through the joint venture companies, Sindo-Econ Pte Ltd and PT Sindomas Precas, to establish a plant in Batam, Indonesia for the manufacture of precast concrete products; and
 - (b) order precast concrete products from this plant,
- in accordance with the terms of the Joint Venture Agreement, as described in paragraph (v) of the Explanatory Notes.”

Note: The Independent Expert has determined that this transaction is fair and reasonable to shareholders.

NOTICE OF ANNUAL GENERAL MEETING

Voting exclusion: The Company will disregard any votes cast on this resolution by a party to the transaction and any associate of these persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

[See Explanatory Note (v)]

By Order of the Board

Ong Beng Hong/Tan Swee Gek
Joint Company Secretaries

April 3, 2014

Explanatory Notes:

(i) Resolutions 2 and 3

To appoint Mr Ang Sin Liu and Mr Oh Keng Lim, who are over 70 years of age as directors of the Company under Section 153(6) of the Companies Act, Chapter 50.

(ii) Resolution 7

The Company has received the notice of nomination from a shareholder, Mr Ang Ah Nui dated March 7, 2014 on the appointment of Ernst & Young LLP (“EY”) in place of the retiring auditors, Deloitte Touche LLP (“Deloitte”). A copy of such notice of nomination is attached as an appendix in the Annual Report. Mr Ang Ah Nui is a Non-Executive Director and substantial shareholder of the Company holding approximately 46.6% of the shares in the share capital of the Company. Deloitte has served as the external auditors of the Company and its subsidiaries (the “Group”) since April 17, 2003.

The appointment of EY as auditors in place of Deloitte will take effect subject to the approval of the same by the shareholders at the AGM.

Deloitte has served as Auditors of the Company for 11 consecutive audits since the financial year ended December 31, 2003. The Board is of the view that a change of Auditors would be a good corporate governance practice and would enable the Company to benefit from fresh perspectives and views of another professional audit firm and further enhance the value of the audit. Accordingly, the Board is of the view that it would be timely to effect a rotation and change of external auditors with effect from the current financial year ending December 31, 2014.

The outgoing auditors, Deloitte have given their professional clearance to EY and advised that they are not aware of any professional reasons why the new auditors, EY, should not accept appointment as auditors of the Company.

The Directors confirm that there were no disagreements with Deloitte on accounting treatments within the last 12 months and that they are not aware of any circumstances connected with the proposed change of auditors that should be brought to the attention of shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING

(iii) **Resolution 8**

The Ordinary Resolution proposed in item 8 above, if passed, will empower the Directors from the passing of the above Meeting until the date of the next Annual General Meeting, to allot and issue shares and convertible securities in the Company up to an amount not exceeding, in total, 50% of the issued share capital of the Company at the time of passing of this resolution, of which up to 15% may be issued other than on a pro-rata basis to shareholders.

(iv) **Resolution 9**

Background

The Ordinary Resolution proposed under Resolution 9 above, if passed, will authorise the Directors to grant the award of shares in accordance with the provisions of the Koon EPSP and pursuant to Exception 9 to ASX Listing Rule 7.2, ASX Listing Rule 10.14 and Section 161 of the Companies Act, Cap 50, to allot and issue shares under the Koon EPSP.

The Koon EPSP extends to participation by Directors of the Company.

The Company is seeking shareholder approval under Exception 9 to ASX Listing Rule 7.2 to issue shares under the Koon EPSP to employees and under ASX Listing Rule 10.14 to issue shares under the Koon EPSP to executive Directors, which approval would be valid for ASX Listing Rule purposes for a period of three years from the date of this meeting.

The Koon EPSP was previously approved by the shareholders of the Company in general meeting on October 10, 2009. Please refer to the Circular dated September 10, 2009 for further details.

ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not issue equity securities, or agree to issue equity securities (which includes shares and options) without the approval of shareholders if the number of equity securities to be issued in any 12-month period (including equity securities issued on the exercise of any convertible securities) exceeds 15% of the issued capital of the company preceding the issue, subject to certain adjustments and permitted exceptions. In calculating the 15% limit, the Company is entitled to deduct any ordinary securities issued in the 12 month period that were issued with the approval of shareholders for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 7.2 provides several circumstances where particular issues of securities are excluded from the calculation of the 15% limit under ASX Listing Rule 7.1, including issues under an employee incentive scheme if within three years before the date of issue, shareholders approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1. The Koon EPSP is an employee incentive scheme for the purposes of ASX Listing Rule 7.2.

ASX Listing Rule 10.14 provides that a company must not permit a director or any of his associates to acquire securities under an employee incentive scheme without the approval of shareholders.

Summary of the terms of the Koon EPSP

(a) Eligibility

(i) An employee who is eligible to participate in the Koon EPSP must:

(A) be confirmed in his employment with the Group;

NOTICE OF ANNUAL GENERAL MEETING

- (B) have attained the age of 21 years on or before the date of award; and
 - (C) not be an un-discharged bankrupt.
 - (ii) An executive director who meets the eligibility criteria above is eligible to participate in the Koon EPSP. However, controlling shareholders (including controlling shareholders who are executive directors) and their associates are not eligible to participate in the Koon EPSP.
 - (iii) Non-executive directors are not eligible to participate in the Koon EPSP.
- (b) Awards
- (i) Awards represent the right of a participant to receive fully paid-up shares free of charge, provided certain prescribed performance target(s) are met and upon the expiry of the prescribed vesting periods (if any).
 - (ii) The Remuneration Committee shall decide, in relation to each award to be granted to a participant:
 - (A) the date on which the award will be granted;
 - (B) the number of shares which are the subject of the award;
 - (C) the prescribed performance targets;
 - (D) the performance period during which the prescribed performance targets are to be satisfied;
 - (E) the imposition of a vesting period and the duration of this vesting period, if any;
 - (F) the extent to which the shares under that award shall be released on the prescribed performance target(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the prescribed performance period and upon the expiry of the prescribed vesting period; and
 - (G) such other conditions as the Remuneration Committee may deem appropriate, in its absolute discretion.
- (c) Selection of Participants
- (i) The Koon EPSP is administrated by the Remuneration Committee whose members are:
 - (A) Christopher Chong Meng Tak – Chairman;
 - (B) Glenda Mary Sorrell-Saunders; and
 - (C) Ang Ah Nui.
 - (ii) A participant of the Koon EPSP who is a member of the Remuneration Committee shall not be involved in the deliberation of the Award to be granted to that member of the Remuneration Committee.
 - (iii) The selection of a participant and the number of shares which are the subject of each award to be granted to a participant in accordance with the Koon EPSP shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort required to achieve the performance target within the performance period.

NOTICE OF ANNUAL GENERAL MEETING

(d) Timing

Awards may be granted at any time in the course of a financial year. Any Award made shall lapse, inter alia, if any of the following events occur prior to the vesting:

- (i) the misconduct of a participant;
- (ii) the termination of the employment of a participant;
- (iii) the bankruptcy of a participant;
- (iv) the retirement, ill health, injury, disability or death of a participant;
- (v) the participant, being an executive Director, ceasing to be a Director of the Company for any reason whatsoever;
- (vi) a winding-up of the Company; and
- (vii) any other event approved by the Remuneration Committee.

(e) Size and Duration of the Koon EPSP

- (i) The total number of shares which may be granted under the Koon EPSP shall not exceed 5% of the issued ordinary shares of the Company on the day preceding the relevant date of award. In line with the SGX-ST Listing Manual requirements, in the event the Company establishes any other share plan(s) or any other option scheme(s), the aggregate of shares under all such share plan(s) and options granted under all such option scheme(s) will not exceed 15%.
- (ii) The Company may also deliver shares pursuant to awards granted under the Koon EPSP in the form of existing shares purchased from the market or from shares held in treasury. Such methods will not be subject to any limit as they do not involve the issuance of any new shares. The Company shall obtain shareholders' approval through a Share Buyback Mandate prior to purchasing its shares from the market.
- (iii) The Koon EPSP will continue in force at the discretion of the Remuneration Committee up to a maximum of 10 years commencing from the date of its adoption by the Company provided that the Koon EPSP may continue beyond this stipulated period with the approval of its shareholders in a general meeting and the required approval by relevant authorities.
- (iv) Notwithstanding the expiry or termination of the Koon EPSP, any award made prior to expiry or termination will remain valid.

(f) Operation of the Koon EPSP

- (i) Awards granted under the Koon EPSP must not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, unless the approval of the Remuneration Committee is obtained. However, the shares granted to a Participant pursuant to a grant of the Award may be transferred, charged, assigned, pledged otherwise disposed of, in whole or in part.
- (ii) The terms of employment or appointment of a participant in the Koon EPSP shall not be affected by any Award to be made therein.

NOTICE OF ANNUAL GENERAL MEETING

Number of securities issued under the Koon EPSP since October 10, 2009

In 2009, the Remuneration Committee approved the grant of awards comprising 994,000 shares to selected employees of the Company and its subsidiaries which vested in 2009.

In 2010, the Remuneration Committee approved the grant of awards comprising 330,000 shares to selected employees of the Company and its subsidiaries which vested equally over a period of three years with issuance of 110,000 shares each in 2011, 2012 and 2013.

In 2011, the Remuneration Committee approved the grant of awards comprising 360,000 shares to selected employees of the Company and its subsidiaries which will vest equally over a period of two years starting 2013. As at December 31, 2013, 105,000 shares were forfeited due to the resignation of employees. Out of the available awards of 255,000 shares, 165,000 shares were vested in 2013 and 90,000 shares had been vested in February 2014.

Accumulated shares vested and awarded as at December 31, 2013 were as follows:

	Awarded but not issued	Vested and Issued				Accumulated Total
		2013	2012	2011	2009	
Directors:						
Tan Thiam Hee (resigned on July 31, 2013)	–	30,000	30,000	30,000	50,000	140,000
Oh Koon Sun	–	20,000	20,000	20,000	44,000	104,000
Oh Keng Lim	–	20,000	20,000	20,000	40,000	100,000
	–	70,000	70,000	70,000	134,000	344,000
Other members of key management	15,000	105,000	35,000	35,000	190,000	365,000
Other employees	75,000	100,000	5,000	5,000	670,000	780,000
Total number of shares granted under Koon EPSP	90,000*	275,000	110,000	110,000	994,000	1,489,000

* 90,000 shares had been vested in February 2014.

ASX Listing Rule 10.15A disclosure

Pursuant to ASX Listing Rule 10.15A, the following information is provided regarding ASX Listing Rule 10.14 approval:

- (a) **ASX Listing Rule 10.15A.1:** *If the person is not a director, details of the relationship between the person and the director*

Mr Yuen Kai Wing, Mr Oh Keng Lim, Mr Oh Koon Sun, all of whom are currently executive Directors of the Company.

- (b) **ASX Listing Rule 10.15A.2:** *Maximum number of securities to be issued to the person and formula for calculating number of securities to be issued*

The number of shares to be issued under the Koon EPSP will be determined by the Remuneration

NOTICE OF ANNUAL GENERAL MEETING

Committee. The total number of shares which may be granted under the Koon EPSP shall not exceed 5% of the issued ordinary shares of the Company on the day preceding the relevant date of award. Refer to the summary of the terms of the Koon EPSP above.

- (c) **ASX Listing Rule 10.15A.3:** *Price of the securities, including the formula for calculating price*

The shares are issued for nil consideration to participants under the Koon EPSP.

- (d) **ASX Listing Rule 10.15A.4:** *Names of all persons who received securities under the scheme since the last approval, the number of securities received and price of each security*

Refer to the disclosure under the heading “**Number of securities issued under the Koon EPSP since October 10, 2009**” above.

- (e) **ASX Listing Rule 10.15A.5:** *Names of all eligible executive Directors entitled to participate in the scheme*

Mr Yuen Kai Wing, Mr Oh Keng Lim and Mr Oh Koon Sun.

- (f) **ASX Listing Rule 10.15A.6:** *A voting exclusion statement*

A voting exclusion statement is included in the notice.

- (g) **ASX Listing Rule 10.15A.7:** *Terms of any loan in relation to the acquisition of securities*

Not applicable.

- (h) **ASX Listing Rule 10.15A.8:** *Statement*

Details of any shares issued under the Koon EPSP will be published in each annual report of the Company relating to a period in which shares have been issued, and that approval for the issue of the shares was obtained under ASX Listing Rule 10.14.

Any additional persons who become entitled to participate in the Koon EPSP after this resolution is approved and who were not named in this notice will not participate until approval is obtained under ASX Listing Rule 10.14.

- (i) **ASX Listing Rule 10.15A.9:** *Date by which securities will be issued*

If shareholders approve this resolution, the issue and allotment of the shares to Mr Yuen Kai Wing, Mr Oh Keng Lim and Mr Oh Koon Sun, will occur no later than three years after the date of this Annual General Meeting.

(iii) **Resolution 10**

Resolution 10 seeks shareholder approval for the Company to enter into and carry out joint venture arrangements between the Company’s subsidiaries (Econ Precast Pte Ltd (“Econ Precast”), Contech Precast Pte Ltd (“Contech Precast”) and Bukit Intan Pte Ltd (“Bukit Intan”)) and subsidiaries of ASL Marine Holdings Ltd (“ASL”), through the joint venture companies, Sindo-Econ Pte Ltd (“Sindo-Econ”) and PT Sindomas Precas (“Batam JV”), to establish a plant in Batam, Indonesia for the manufacture of precast concrete products and the supply of precast concrete products from this plant, in accordance with the terms of the Joint Venture Agreement, as described below.

The Directors have commissioned the Independent Expert’s Report to shareholders which provides an analysis

NOTICE OF ANNUAL GENERAL MEETING

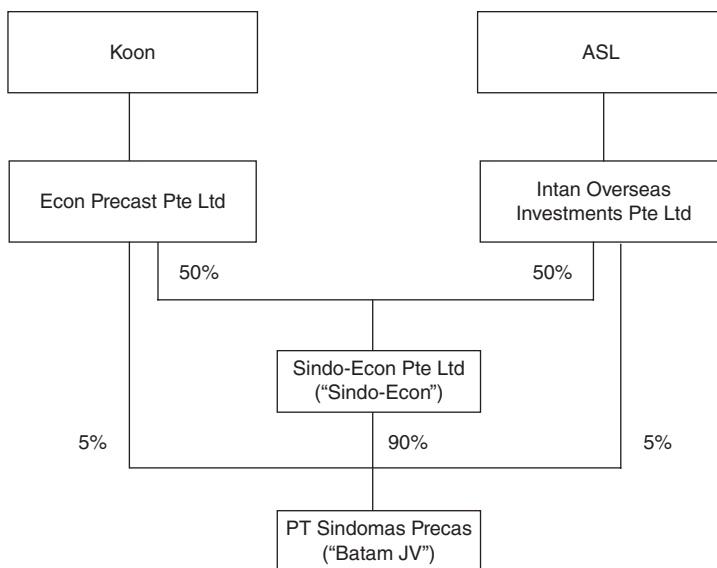
of whether the joint venture is fair and reasonable for shareholders whose votes are not to be disregarded. The Independent Expert's Report is provided in conjunction with this Notice and Explanatory Notes. The Independent Expert has formed the view, having regard to the relevant ASIC Regulatory Guides, that the transaction the subject of Resolution 10, is fair and reasonable to shareholders. Shareholders are encouraged to read the full text of the Independent Expert's Report which accompanies this Notice.

Background

As previously advised to the market, 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 Econ Precast, established a joint venture company, Sindo-Econ, with Intan Overseas Investments Pte Ltd ("IOI"), a subsidiary of ASL in accordance with the terms of a shareholders' agreement. Econ Precast and IOI each have a 50% equity interest in Sindo-Econ. In accordance with the terms of the shareholders' agreement, each of Econ Precast and IOI shall maintain an equal amount of investment, capital outlay, shareholder loans or any other form of fund injection into, or contribution to, Sindo-Econ.

To give effect to the joint venture, Sindo-Econ, Econ Precast and IOI acquired the entire issued share capital of Batam JV 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 Batam JV while each of Econ Precast and IOI holds a 5% equity interest in Batam JV.

The structure of the joint venture is set out in the diagram below:



Under the joint venture arrangements, Econ Precast and Contech Precast, will, at their sole discretion,

NOTICE OF ANNUAL GENERAL MEETING

subcontract external precast orders to another subsidiary of the Company, Bukit Intan, which will in turn order precast concrete products from Batam JV. In addition, Bukit Intan will utilise ASL's resources to deliver precast concrete products to Econ Precast and Contech Precast. Batam JV will also utilise ASL's resources for the manufacturing of precast concrete products.

Through the joint venture arrangements as outlined below, the Company can utilise the resources of ASL at Batam to expand its precast manufacturing operations beyond the Company's existing plants in Singapore and Malaysia.

Joint Venture Agreement

The Joint Venture Agreement is the "umbrella agreement" for this transaction. The Joint Venture Agreement was entered into on March 14, 2014 by the Company, Econ Precast, Contech Precast, Bukit Intan, Sindo-Econ, Batam JV, ASL and ASL's subsidiaries, ASL Offshore & Marine Pte Ltd ("ASLOM") and PT Cemara Intan Shipyard ("PT CIS") and sets out the terms upon which the parties will establish and conduct the joint venture precast operations at Batam with effect from January 1, 2014. The principal terms of the Joint Venture Agreement are set out below.

Between Bukit Intan, Sindo-Econ, Batam JV and ASL

Econ Precast and/or Contech Precast will, at their sole discretion, subcontract external precast orders to Bukit Intan. The subcontract value ("Initial Subcontract Value") awarded to Bukit Intan will be calculated to be 90% of the order price secured by Econ Precast or Contech Precast from external parties.

Upon receiving the subcontract award from Econ Precast or Contech Precast, Bukit Intan will in turn award the production subcontract to Batam JV at an agreed price ("Production Subcontract Price") and will provide part of the raw materials required ("Key Raw Materials"), to Batam JV for precast operations.

ASLOM, a subsidiary of ASL, has entered into a transport agreement with Bukit Intan in accordance with which ASLOM will undertake the marine transport logistics for the delivery of goods between Batam and Singapore at an agreed price ("ASL Freight Charge").

The Production Subcontract Price will be calculated to be 97% of the Initial Subcontract Value after deducting the costs of Key Raw Materials and the ASL Freight Charge.

Sindo-Econ owns the majority of the movable plant and equipment which will be used by Batam JV in its precast operations. In consideration for the use of the plant and equipment by Batam JV, Sindo-Econ will charge Bukit Intan an agreed agency fee ("JV Agency Fee") which will be calculated to be 8% of the Production Subcontract Price.

Shareholders should note that the award of subcontracts by Econ Precast and Contech Precast, through Bukit Intan, to Batam JV will be made on arms length commercial terms in the ordinary course of business of Econ Precast and Contech Precast and will be the same, in all material respects (save for the subcontract value), as the terms of precast orders made by customers of Econ Precast and Contech Precast.

Shareholders should also note that the financial risk and rewards of the activities of Sindo-Econ and Batam JV will be shared equally between the Company and ASL in accordance with their respective 50% equity interests in Sindo-Econ and Batam JV.

NOTICE OF ANNUAL GENERAL MEETING

Between Batam JV and ASL

PT CIS, a subsidiary of ASL, owns the land at Batam where the precast operations are conducted by Batam JV. PT CIS has entered into a land lease agreement with Batam JV in accordance with which Batam JV leases the premises, including the use of immovable infrastructure facilities built by PT CIS for use in the precast operations, at an agreed rental rate calculated by reference to the area of land occupied by Batam JV ("ASL Rental").

Purchase of Plant and Equipment by Sindo-Econ and Batam JV

To facilitate the establishment of the precast manufacturing plant at Batam, Sindo-Econ will procure the movable plant and equipment for use by Batam JV in its precast operations from subsidiaries of the Company and ASL as well as from external suppliers.

Batam JV will also procure certain smaller equipment (including precast moulds) required for its precast operations. Batam JV will procure its equipment from subsidiaries of the Company and ASL as well as from external suppliers.

Joint venture arrangements subject to shareholder approval

The parties to the Joint Venture Agreement acknowledge and agree that the Company is required to obtain shareholder approval for the framework of the joint venture as documented in the Joint Venture Agreement, and if shareholder approval is obtained, the Company will be permitted to enter into and carry out the Joint Venture Agreement for a period of three years after the date of shareholder approval.

If shareholder approval is not obtained at the 2014 annual general meeting of the Company, the Company may at any time after the date of the 2014 annual general meeting, terminate the Joint Venture Agreement.

If shareholder approval is obtained at the 2014 annual general meeting of the Company, the Company may at any time that is three years after the date of the 2014 annual general meeting, terminate the Joint Venture Agreement. The Company may seek to obtain further shareholder approvals and such other regulatory approvals (as may be required) at a later annual general meeting to extend the operation of the Joint Venture Agreement beyond the initial three year period.

If the Joint Venture Agreement is terminated:

- the Company and its subsidiaries are liable only for goods and services which are reasonably acceptable to the Company and which were delivered or performed before the effective date of termination; and
- the Company and its subsidiaries are not liable to pay compensation for termination of the Joint Venture Agreement, and ASL and its subsidiaries are not entitled to compensation for loss of prospective profits for termination.

ASX Listing Rule 10.1

ASX Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, inter alia, a related party or a substantial holder (if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the total votes attached to the voting securities) or an associate of them.

NOTICE OF ANNUAL GENERAL MEETING

Under ASX Listing Rule 10.2, an asset is substantial if the value of the asset, or the value of the consideration being paid for it is, or in ASX's opinion it is, 5% or more of the Company's equity interests as set out in the latest accounts lodged with ASX.

Based on the most recent accounts lodged with the ASX, the Company's equity interests (sum of paid up capital, reserves and accumulated profits and losses, as shown in the consolidated financial statements of the Company as at December 31, 2013) is S\$47,387,000. Accordingly, an asset will be considered substantial if the value of the asset is at least 5% of the Company's equity interests, i.e. S\$2,369,350.

Whilst the entering into of the Joint Venture Agreement does not of itself cross this threshold, the Company expects that, over time, the value of its dealings with Sindo-Econ and Batam JV in connection with the precast operations in Batam will exceed this threshold.

The purpose of ASX Listing Rule 10.1 is to ensure that a person of influence cannot benefit from a significant acquisition or disposal involving the listed entity.

Mr Ang Sin Liu is the Non-Executive Chairman of the Company and Mr Ang Ah Nui is a Non-Executive Director of the Company, and together they hold an aggregate interest (both direct and deemed) of 51.48% of the Company. Mr Ang Sin Liu and Mr Ang Ah Nui are also controlling shareholders of ASL. Mr Ang Sin Liu holds a 7.89% direct interest and a 57.39% deemed interest in ASL. Mr Ang Ah Nui holds a 13.22% direct interest and a 52.06% deemed interest in ASL. Accordingly, for the purposes of ASX Listing Rule 10.1, ASL and its subsidiaries are associates of substantial holders, Mr Ang Sin Liu and Mr Ang Ah Nui.

Accordingly, shareholder approval is being sought for the purposes of ASX Listing Rule 10.1. In accordance with ASX Listing Rule 10.1, the Company has commissioned a report from an independent expert which provides an analysis of whether the transaction the subject of the joint venture is fair and reasonable for shareholders whose votes are not to be disregarded.

Accompanying this Notice is a copy of the Independent Expert's Report prepared by William Buck Corporate Advisory Services (NSW) Pty Limited concluding that the transaction the subject of Resolution 10, is fair and reasonable to shareholders. Shareholders are encouraged to read the full text of the Independent Expert's Report which accompanies this Notice.

ASX Listing Rule 10.1 waiver

In addition, while it was in the process of finalising the terms of the Joint Venture Agreement, on November 1, 2012 the Company obtained a waiver from the ASX from the operation of ASX Listing Rule 10.1 which permits the Company to order precast concrete products from Batam JV for a period of three years from the date shareholder approval is obtained under ASX Listing Rule 10.1 on the following conditions:

- (j) the Company obtain shareholder approval for the joint venture in accordance with ASX Listing Rule 10.1;
- (k) the commercial terms of the joint venture are the same, in all material respects, as the terms of similar agreements with non-related parties such that the agreements are no more favourable to the parties to the joint venture than to non-related parties; and
- (l) the Company includes in each annual report a summary of the transactions conducted by Batam JV.

NOTICE OF ANNUAL GENERAL MEETING

Summary of Independent Expert's Report

The Directors have commissioned the Independent Expert's Report to shareholders which provides an analysis of whether the joint venture is fair and reasonable for shareholders whose votes are not to be disregarded.

The Independent Expert has formed the view, having regard to the relevant ASIC Regulatory Guides, that the transaction the subject of Resolution 10, is fair and reasonable to shareholders.

Shareholders are encouraged to read the full text of the Independent Expert's Report which accompanies this Notice.

The Independent Expert has given, and not before the date of the Notice withdrawn, its consent to the inclusion of the Independent Expert's Report in this Notice and to the references to the Independent Expert's Report in this Notice being made in the form and context in which each such reference is included.

Directors' interests

Mr Ang Sin Liu is the Non-Executive Chairman of the Company and is the founder of ASL. Mr Ang Ah Nui is a Non-Executive Director of the Company and is also an executive director of ASL. Mr Ang Sin Liu is the father of Mr Ang Ah Nui. Mr Ang Sin Liu, Mr Ang Ah Nui and their associates collectively hold a 65.28% equity interest in ASL.

Mr Christopher Chong Meng Tak is an independent Director of the Company and is also an independent director of ASL.

Directors' recommendations

Each of Mr Yuen Kai Wing, Mr Oh Keng Lim, Mr Oh Koon Sun, Ms Glenda Mary Sorrell-Saunders and Mr Ko Chuan Aun recommends that shareholders vote in favour of Resolution 10. Each of Mr Ang Sin Liu and Mr Ang Ah Nui makes no recommendation regarding Resolution 10 because he has an interest in it and Mr Christopher Chong Meng Tak abstains from making a recommendation regarding Resolution 10 because he is an independent director of both the Company and ASL. The reasons why each of Mr Yuen Kai Wing, Mr Oh Keng Lim, Mr Oh Koon Sun, Ms Glenda Mary Sorrell-Saunders and Mr Ko Chuan Aun has made that recommendation are as follows:

- (a) tapping into the availability of land and relatively cheaper manpower cost in Batam, Indonesia and considering its close proximity to Singapore, the Group is seeking to establish a plant in Batam for the manufacture of precast concrete products. The joint venture will increase the Group's precast production capacity which it plans to use to service customer demand for precast products in excess of current production capacity. The joint venture also provides the Group with opportunities to expand sales of precast products in the Indonesia market;
- (b) the joint venture with ASL and its subsidiaries provides the Group with an opportunity to expand its precast concrete operations beyond the Group's existing plants in Singapore and Malaysia. Through ASL, which has had a presence in Batam since the 1990s, the Directors believe that the Group can leverage on ASL's local experience and resources to expand the Group's precast manufacturing operations beyond the existing plants in Singapore and Malaysia, thereby reducing reliance on individual production sites and the risk associated with production issues at individual sites;
- (c) the production capacity to be provided by the joint venture is planned to enable the Group to increase precast revenues and profitability; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) the Independent Expert has concluded that the terms of the proposed transaction are fair and reasonable to shareholders.

Each of Mr Oh Keng Lim and Mr Oh Koon Sun advises that he proposes to vote his shares in the Company in favour of Resolution 10. Each of Mr Ang Sin Liu and Mr Ang Ah Nui are excluded from voting on Resolution 10 as per the voting exclusion statement set out below Resolution 10 in the Notice of AGM above because they are associates of ASL and its subsidiaries. Mr Christopher Chong Meng Tak abstains from voting on Resolution 10 as he is an independent director of both the Company and ASL. Each of Mr Yuen Kai Wing, Ms Glenda Mary Sorrell-Saunders and Mr Ko Chuan Aun have no shares in the Company.

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies (not more than two) to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 11 Sixth Lok Yang Road, Singapore 628109 at least 48 hours before the time fixed for the Meeting.