



**Koon Holdings Limited**

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**MEDIA RELEASE – FOR IMMEDIATE RELEASE**

## **Koon secures first major overseas contract with US\$160 million port project in Vietnam**

- **Design and construction of port to begin immediately; expected to have positive impact on FY2010 results**
- **One of Group’s single largest projects; reinforces its growing reputation as a regional marine engineering specialist**
- **Total outstanding order book stands at over S\$281 million (A\$222 million)**
- **Evaluating further opportunities in the burgeoning Vietnamese construction market**

**Singapore and Australia, 24 February 2010** –Koon Holdings Limited, (“Koon”, “崑控股有限公司” or the “Group”), one of Singapore’s largest civil engineering, reclamation and shore protection specialists, is pleased to announce that its 60% owned subsidiary, M/s Koon – Top Pave Joint Venture (“KTP”), has been awarded a US\$160 million (S\$226<sup>1</sup> million or A\$179<sup>2</sup> million) contract for the turnkey design and construction of Sao Bien International Port (“Sao Bien Port”) in Ba Ria – Vung Tau, Vietnam.

<sup>1</sup> Exchange calculated from rate of 1 US Dollar to 1.4125 as at 18 February 2010

<sup>2</sup> Exchange calculated from rate of 1 Singapore Dollar to 0.7907 as at 18 February 2010

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Located along the petrochemical belt of Vietnam, Sao Bien Port will have a total wharf length of 776m, total container handling capacity of 37,464TEU and able to handle vessels of up to 30,000dwt. The project will employ a range of specialised civil engineering services such as dredging, soil improvement and the construction of marine infrastructure. Work on the project will commence immediately and will last a duration of 42 months.

“The securing of this port project is not only significant for its size but also marks an important milestone in our history, as it is the first major overseas project the Group has secured since listing in 2003. By venturing abroad we have taken a firm step towards becoming a regional civil engineering specialist with a presence in key ASEAN markets.”

**- Mr Tan Thiam Hee ( “陈添喜” ), CEO of Koon Holdings**

The Group, through its wholly owned subsidiary Koon Construction and Transport Co., Pte. Ltd., holds 60% of the equity interest of KTP, with the remaining 40% held by Top Pave Pte Ltd (“TP”). TP is a Singapore based general building contractor with a Building and Construction Authority B2 grading.

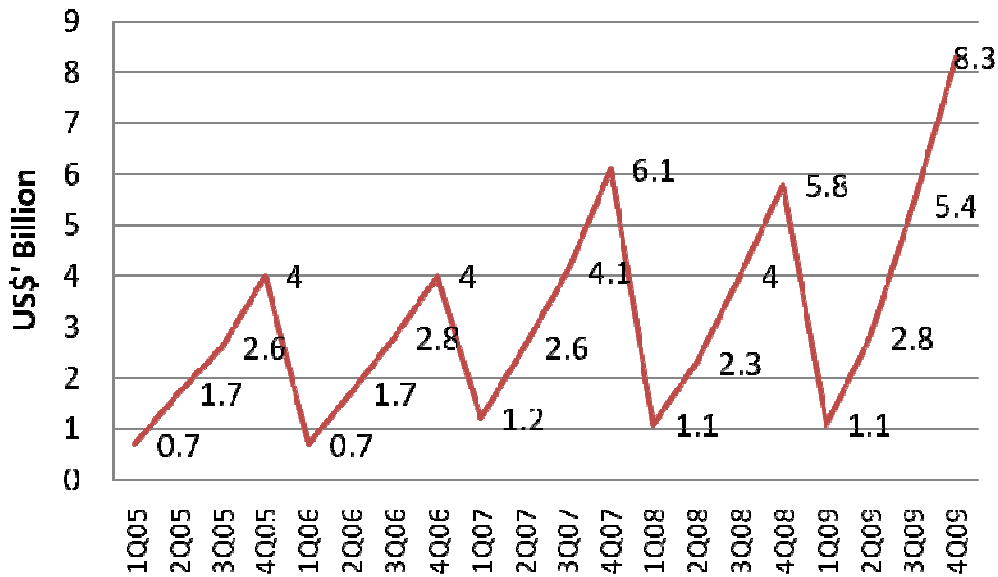
KTP will receive a payment guarantee from Bright Moon Group - Solomon Construction Co., Ltd, employer of the Sao Bien Port project, issued by an international bank that will cover the full contract sum of US\$160 million (S\$226 million or A\$179 million).

With this contract win, the Group will have a total outstanding order book of S\$281 million (A\$222 million), a significant boost from the total outstanding order book of S\$55 million (A\$44 million) as at 31 December 2009.

Barring unforeseen circumstances, the project is expected to positively impact the Group’s performance for the financial year ending 31 December 2010.

## Significant growth potential of the Vietnamese market

### Vietnamese Government Construction Investments (Cumulative)



Source: General Statistics Office of Vietnam

Vietnam continues to show positive signs of an early recovery from the financial crisis, with Gross Domestic Product (“GDP”) expanding by 6.9% year on year in 4Q09. Leading the way was the construction sector, which posted a gain of 11.4% in 2009. Government investments in infrastructure projects, amounting to 40% of national income, is set to continue into 2010 as Vietnam seeks to boost employment and maintain its economic competitiveness. Indeed, an estimated US\$40 billion has been earmarked to upgrade the transport sector of Ho Chin Minh City alone.

“We are excited with the prospects of entering Vietnam at a time of such rapid economic development and progress. The country today is reminiscent of Singapore some 30 years ago, where the government placed great emphasis on building up the necessary infrastructure framework to spur economic growth.

Going forward we hope to couple the steady flow of Government projects from the mature Singapore market with the dynamic growth we see in Vietnam to help propel Koon into our next leg of growth. In fact, the Group is closely evaluating other opportunities in the burgeoning Vietnamese construction sector.”

- Mr Tan Thiam Hee ( “陈添喜” ), CEO of Koon Holdings

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### **About Koon Holdings Limited (“Koon”)**

Listed on the ASX and SGX Mainboard, Koon Holdings Limited is one of Singapore's largest civil engineering, reclamation and shore protection specialists. Having an established track record of over 30 years, it has successfully enhanced its capabilities along the value chain transforming from a transporter of rocks and stones to a main contractor in numerous iconic projects across the island.

By partnering with internationally renowned marine engineering companies, Koon has played a part in various large-scale infrastructure and reclamation projects, including Ulu Pandan Water Reclamation Plant, Punggol Serangoon Reservoir and expanding Jurong Island. Today, Koon is setting its sights on becoming a regional civil engineering specialist, having recently secured a sizable port project in Vietnam.

Koon is registered under the A1 category in civil engineering with the Building and Construction Authority. It is also certified in Integrated Management Systems covering Quality Management System (ISO 9001:2000), Environmental Management System (ISO 14001:2004) and Occupational Health and Safety Management System (OHSAS 18001:2007). More recently, the Group has been awarded the Green and Gracious Builder Award (Merit) for its environmental consciousness and professionalism.

For more information, please refer to the corporate website: <http://www.koon.com.sg>

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### **Issued for and on behalf of Koon Holdings Limited**

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