



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

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**Proposed Acquisition**

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Koon Holdings Limited ("Company") is pleased to announce that the Company has, on 25 March 2010, entered into a sale and purchase agreement ("S&P") with Jasper Investments Limited ("JIL") for the acquisition by the Company of 75% of the issued share capital of ECI Corporation Pte Ltd ("ECIC") for a purchase consideration of S\$3.75 million in cash. The remaining 25% of the issued share capital of ECIC has been acquired by JKM Engineers Pte Ltd ("JKM") for a purchase consideration of S\$1.25 million in cash. JKM is a company engaged in the business of design, fabrication and production of precast concrete products.

The aggregate purchase consideration of S\$5 million by both the Company and JKM was arrived at on a willing buyer, willing seller basis, after taking into account ECIC's net asset value of S\$4.8 million as at 31 December 2009. Pursuant to the S&P, the Company and JKM will also procure that shareholder's loans of S\$874,786.54 provided by JIL to ECIC will be fully repaid by 30 March 2011.

ECIC is an approved precaster for HDB projects with a Building and Construction Authority ("BCA") L6 grading (this is the highest BCA grade which allows them to tender for public projects of unlimited value) for Precast Concrete Work and Basic Building Materials.

ECIC is also beneficially entitled to the entire issued share capital of ECI Berjaya Sdn. Bhd. ("ECIB") which was formed in May 2007 to expand ECIC's production capacity due to the shortage of land in Singapore. The acquisition has been completed on 25 March 2010. With the completion of the acquisition of ECIC, ECIB is now an indirect subsidiary of the Company.

The acquisition will provide further growth and expansion of its businesses in Singapore and broaden the Company's earnings base.

The acquisition is expected to have a positive impact to the Group's performance for the financial year ending 31 December 2010 and will be funded wholly by internal resources.

**BY ORDER OF THE BOARD**

**Tan Thiam Hee  
Managing Director and Chief Executive Officer**

Date: 25 March 2010

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