



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

Investment in Tesla Holdings Pty Ltd

1. Pursuant to our announcement dated 13 July 2010, the Board of Directors of Koon Holdings Limited ("**Company**") is pleased to announce that the Company has, on 26 July 2010, entered into the following definitive agreements:
- (a) an investment agreement with (i) Tesla Holdings Pty Ltd ("**Tesla**"), (ii) Swift Link Pty Ltd (acting as trustee for Phatty Holdings Trust) and (iii) Mr Alan James Mulgrew, Mr John Hartley Poynton, Mr Ben Lee Tan, Mr Peter Bernard Williams and Mr John Edward Lillywhite as the co-warrantors; and
 - (b) a shareholders agreement with (i) Tesla, (ii) Swift Link Pty Ltd (acting as trustee for Phatty Holdings Trust), (iii) Swift Link Pty Ltd (acting as trustee for Tesla Unit Trust #2), (iv) Swift Link Pty Ltd (acting as trustee for Tesla Unit Trust #3),
- (collectively referred herein as the "**Agreements**") and has agreed to acquire approximately 49% of the shareholding in Tesla for a total consideration of A\$3.0 million by:
- (i) acquiring 100,000 ordinary shares in the issued and paid up share capital of Tesla from Phatty Holdings Trust; and
 - (ii) subscribing to an additional 1,900,000 ordinary shares in the issued and paid-up capital of Tesla.
- Completion is expected to occur within the next 7 days.
2. Tesla is a company in the business of electric power generation. It seeks to commence as a niche power generator providing back-up electricity generation services to the West Australian energy grid.
3. Tesla and the co-warrantors have given warranties in favour of Koon that are customary for this type of transaction.
4. Under the Agreements, a put-and-call option for 2,400,000 preference shares in the issued and paid up capital of Tesla has also been granted. If the put-and-call option is exercised, all other things being equal, the Company will increase its stake in Tesla to approximately 68% for a consideration of a further A\$3.6 million. The preference shares have limited voting rights, but are convertible into ordinary shares at any time after 18 months, but only in limited circumstances before then.
5. If the Company holds more than half the ordinary shares on issue in Tesla, it must make a once only offer to purchase the remaining ordinary shares on issue in Tesla at the higher of an independent valuation or A\$1.80 per ordinary share.
6. The Company has agreed to provide up to A\$4.9 million in performance guarantees on behalf of Tesla on agreed terms and the Company will establish an escrow account with Tesla for this purpose.

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7. This transaction has been funded wholly by internal resources and is expected to have no material impact on the Group's performance for the financial year ending 31 December 2010.
8. In addition to the above, the Board of Directors of the Company also wish to clarify that Mr. Christopher Chong Meng Tak, an Independent Director of the Company, is also a partner of ACH Investments Pte Ltd ("ACH"). ACH and two other parties were involved in sourcing, researching and brokering the deal. The finder's fee shall be paid by Tesla. ACH portion of the fee is expected to be around S\$150,000. In view of the above, Mr. Chong did not participate in the discussions when the deal was considered by the Board of Koon and abstained from voting in relation to this transaction.

BY ORDER OF THE BOARD

Tan Thiam Hee
Managing Director and Chief Executive Officer
26 July 2010