



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

Memorandum of Understanding
relating to the Proposed Acquisition of Construction Technology Pte. Ltd.
entered into by a subsidiary of Koon Holdings Limited

INTRODUCTION

The Board of Directors of Koon Holdings Limited (the “**Company**”) wishes to announce that Econ Precast Pte. Ltd. (“**Econ Precast**”) (the Company’s subsidiary) and Sembawang Engineers and Constructors Pte. Ltd. (“**Sembawang Engineers and Constructors**”) (collectively referred to as the “**Parties**”) have entered into a memorandum of understanding (“**MOU**”).

The MOU is in relation to the proposed acquisition (“**Proposed Acquisition**”) by Econ Precast of the entire issued capital of Construction Technology Pte. Ltd. (“**ConTech**”) from Sembawang Engineers and Constructors.

As of the date of this Announcement, Sembawang Engineers and Constructors holds the entire issued capital of ConTech.

THE MEMORANDUM OF UNDERSTANDING

The MOU sets out the understanding with respect to preliminary discussions between the Parties and summarises the intent and scope of the relationship between the Parties in relation to the Proposed Acquisition.

The MOU does not contain all matters relating to the Proposed Acquisition, upon which an agreement (the “**Acquisition Agreement**”) must be reached for the Proposed Acquisition to be consummated. The MOU is intended solely as a basis for further discussion.

Subject to a successful and satisfactory completion of a due diligence exercise on ConTech by Econ Precast and the Parties agreeing to the terms of the Proposed Acquisition, the Parties may decide to proceed with the Proposed Acquisition.

The completion of the Proposed Acquisition would be subject to ConTech having conducted its business in the ordinary course during the period between the date of the MOU and the date of closing and there having been no material adverse change affecting either the business, financial condition or prospects of ConTech.

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors of the Company has any interest, direct or indirect in ConTech in the Proposed Acquisition. The Directors of the Company are not aware of any substantial shareholders of the Company having any interest, direct or indirect, in the Proposed Acquisition and have not received any notification of any interest in this transaction from any controlling shareholder.

FURTHER ANNOUNCEMENTS

The Company will make further announcements relating to the Proposed Acquisition where appropriate.

BY ORDER OF THE BOARD

Tan Thiam Hee

Managing Director and Chief Executive Officer

Date: 19 August 2010