Koon Holdings Limited

Independent Expert Report and Financial Services Guide

3 April 2017

The Directors
Koon Holdings Limited
11 Sixth Lok Yang Road
Singapore 628109

Dear Sirs,

Koon Holdings Limited

Independent Expert's Report: Batam Joint Venture Agreement

Introduction

The Directors of Koon Holdings Limited ("**Directors**" and "**Koon**" or the "**Company**" respectively) have engaged William Buck Corporate Advisory Services (NSW) Pty Limited ("**William Buck**" or "**we**" or "**us**" or "**our**" as appropriate) to prepare an Independent Expert's Report ("**Report**") in relation the joint venture established in March 2014 with ASL Marine Holdings Ltd ("**ASL**") for the establishment and operation of a precast concrete plant in Batam, Indonesia (the "**Joint Venture**").

In November 2012, Koon obtained a waiver from the Australian Securities Exchange ("**ASX**") permitting the Company to order precast concrete products from the Batam concrete plant ("**Batam JV**") for a period of three years from the date shareholder approval was obtained under ASX Listing Rule 10.1 ("**ASX Waiver**") on the following conditions:

- the Company obtain shareholder approval for the joint venture in accordance with ASX Listing Rule 10.1;
- 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 venure than to non-related parties; and
- the Company includes in each annual report a summary of the transactions conducted by Batam JV.

Shareholder approval under ASX Listing Rule 10.1 was originally obtained 29 April 2014 and the ASX Waiver applied for a period of three years from this date. Consequently, Koon will seek re-approval of the Joint Venture by shareholders at this year's annual general meeting in addition to approval of a number of changes to the operating structure of the Joint Venture that have been agreed between Koon and ASL.

Further details are set out in Section 1.1 of this Report.

CHARTERED ACCOUNTANTS
& ADVISORS

Sydney Office
Level 29, 66 Goulburn Street
Sydney NSW 2000
Telephone: +61 2 8263 4000

Parramatta Office
Level 7, 3 Horwood Place
Parramatta NSW 2150
PO Box 19
Parramatta NSW 2124
Telephone: +61 2 8836 1500
williambuck.com

Purpose of Report

ASX Listing Rule 10.1

ASX Listing Rule 10.1 provides that an entity must ensure 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 of a substantial holder or an associate of them. 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 Koon and Mr Ang Ah Nui is a Non-Executive Director of Koon. Mr Ang Sin Liu is the father of Mr Ang Ah Nui. Mr Ang Sin Liu and Mr Ang Ah Nui have an aggregate interest of 53.68% of the share capital of Koon and other immediate family members have an interest of approximately 0.11% of the share capital of Koon.

Mr Ang Sin Liu and Mr Ang Ah Nui are shareholders of ASL holding holding 10.79% (of which 1.47% is held under nominees) and 14.79% (of which 12.31% is held under nominees), respectively, of the share capital of ASL. Mr Ang Sin Liu and Mr Ang Ah Nui hold an aggregate interest in ASL of 25.58%, which increases to 67.22% if other immediate family members are also included in the aggregate interest.

Accordingly, Koon is seeking shareholder approval of the Joint Venture for the purposes of ASX Listing Rule 10.1. This Report is to accompany the Notice of Annual General Meeting ("**NOM**") being provided to the shareholders of Koon ("**Shareholders**") and has been prepared to assist the Directors in fulfilling their obligation to provide Shareholders with full and proper disclosure so as to enable them to assess the merits of the Joint Venture and to assist them in their consideration of whether or not to approve resolutions relating to the Joint Venture.

The purpose of our Report is to express an opinion as to whether or not the Joint Venture is fair and reasonable to the non-associated shareholders of Koon. The non-associated shareholders are those shareholders in Koon whose votes are not to be disregarded in voting on the resolutions relating to the Joint Venture ("**Non-Associated Shareholders**").

Our Report has been prepared solely for use of the Directors of Koon, and for the purpose set out herein. William Buck does not accept any responsibility for the use of our Report outside this purpose. Except in accordance with the stated purpose, no extract, quote, or copy of our Report, in whole or in part, should be reproduced without the written consent of William Buck, as to the form and context in which it may appear.

Scope of Report

The scope of our procedures undertaken have been limited to those procedures we believed are required in order to form our opinion. Our procedures, in the preparation of this Report, may have involved an analysis of financial information and accounting records. However, the procedures did not include verification work nor did they constitute:

- an audit in accordance with AUS;
- an assurance engagement in accordance with ASAE; or
- a review in accordance with ASRE.

The assessment of whether or not the Joint Venture is fair and reasonable primarily relates to whether or not the legal and commercial terms of the Joint Venture are no more favourable to either Koon or ASL (the "**Joint Venture Parties**") than would otherwise be obtained through arm's length negotiations with independent third parties.

As there is no legal definition of the expression "fair and reasonable" in the Corporations Act 2001 Cth (the "**Act**"), we have therefore considered guidance provided by ASIC in its Regulatory Guides ("**RG**") in assessing whether the Joint Venture is fair and reasonable from the perspective of the Non-Associated Shareholders. Specifically, we will have regard to the provisions of the following:

- RG 111: Content of Expert Reports;
- RG 112: Independence of Experts; and
- RG 76: Related party transactions.

RG 111 suggests that, where an expert assesses whether a related party transaction is "fair and reasonable" for the purposes of ASX Listing Rule 10.1, this should not be applied as a composite test. That is, there should be a separate assessment of whether the transaction is "fair" and "reasonable", as in a control transaction. An expert should not assess whether the transaction is "fair and reasonable" based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Joint Venture to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Joint Venture as if it were not a control transaction.

In forming our opinion as to whether or not the Joint Venture is fair to the Non-Associated Shareholders, we have considered the following:

- whether, in all material aspects, the legal and commercial terms giving effect to the Joint Venture are equivalent or an improvement on the terms that could otherwise have been agreed at arm's length between un-related third parties; and
- whether the legal and commercial terms giving effect to the Joint Venture are more favourable to one of the Joint Venture parties than to the other.

In forming our opinion as to whether or not the Joint Venture is fair to the Non-Associated Shareholders, we have also given consideration to RG 76: Related party transactions.

RG 76 sets out ASIC's guidance regarding disclosure and governance of related party transactions for public companies and other disclosing entities.

RG 76 provides guidance for companies to consider whether or not transactions with related parties reflect 'arm's length' terms. RG 76 requires consideration of the following factors:

- how the terms of the transaction compare with comparable arm's length transactions;
- the nature and content of the bargaining process;
- the impact of the transaction on the company;
- other options available to the company; and

— expert advice received by the entity.

In forming our opinion as to whether or not the Joint Venture is reasonable to the Non-Associated Shareholders, we have considered the following:

— the advantages and disadvantages to the Non-Associated Shareholders if the Joint Venture is approved; and

— the advantages and disadvantages to the Non-Associated Shareholders if the Joint Venture is not approved.

In our opinion, the Joint Venture is to be judged in terms of its overall effect. It is not meaningful to assess the individual elements of the Joint Venture separately.

Information

This Report is based upon financial and other information provided by Koon and ASL. A list of specific documents referred to and relied upon in the preparation of our Report has been included at Appendix A. A listing of defined terms and abbreviations used in this Report is set out in Appendix B.

We have considered and relied upon this information. We believe the information provided to be reliable, complete and not misleading, and have no reason to believe that any material facts have been withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Joint Venture is fair and reasonable.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

We reserve the right to review and amend all calculations and opinions included or referred to in our Report and, if we consider it necessary, to revise our Report in light of any information which becomes known to us after the date of the Report or if additional information not referred to in Appendix A is provided to us.

We note that an important part of the information base used in forming an opinion of the kind set out in this Report, consists of opinions and judgements of management. This type of information has been evaluated through analysis, enquiry and review to the extent practical. Often it is not possible, however, to externally verify or validate such information.

The statements and opinions expressed in this Report are made in good faith and have been based on information available as at the date of this Report. On completion of our review, we believe the information to be reliable, accurate, and prepared on a reasonable basis.

The opinions of William Buck are based on prevailing market, economic and other conditions at the date of this Report. Conditions can change over relatively short periods of time. Any subsequent changes in these conditions could impact upon our opinion.

Prospective Financial Information

The information reviewed included high level prospective financial information with respect to the Joint Venture. The achievability of the prospective financial information is not warranted or guaranteed by either Koon, ASL or William Buck.

In our opinion, given the way in which we have used prospective financial information regarding the Joint Venture in this Report, detailed disclosure of forecasts for the Joint Venture would unduly focus the attention of this Report on those forecasts, rather than on our opinion of the fairness and reasonableness of the Joint Venture.

Further, the Directors of Koon are of the view that detailed disclosure of financial forecasts for the Joint Venture would release commercially sensitive information regarding Koon's business plans to competitors and would not be in the interests of Koon or its shareholders.

For the above reasons, we have included prospective financial information regarding the Joint Venture in an illustrative format only in this Report.

Qualifications and Independence

Details of the experience and qualifications of the William Buck staff responsible for the preparation of this Report and independence of William Buck in connection Koon, ASL and the Joint Venture which is the subject of this Report are set out in Section 8 of this Report.

Summary of Opinion

We have considered the terms of the Joint Venture and conclude that the Joint Venture is both fair and reasonable to the Non-Associated Shareholders of Koon.

Fairness Considerations

Based on our analysis, we set out below a summary of our opinion in respect of the Joint Venture. Our fairness opinion is focused on an analysis of the following factors:

- whether, in all material aspects, the legal and commercial terms giving effect to the Joint Venture are equivalent or an improvement on the terms that could otherwise have been agreed at arm's length between un-related third parties; and
- whether the legal and commercial terms giving effect to the Joint Venture are more favourable to one of the Joint Venture parties than to the other.

Table 1 – Joint Venture Fairness Assessment Summary

Identified Areas of Risk	Key Risk	Summary of Findings
Joint Venture Corporate and Capital Structure (**Section 6.2**)	— Inequality between the Joint Venture Parties with regards to capital structure, voting rights, board representation and commitment to ongoing funding requirements of the Joint Venture.	— Our review of Sindo-Econ's capital structure, voting rights, board representation and funding requirements does not indicate any inequality between the Joint Venture parties.
Koon Agency Fee (**Section 6.3**)	— The key risk with respect to the Econ Precast Agency Fee is that if it is set too low, the fee risks transfer of excess profitability into the Joint Venture and consequently, to ASL through ASL's interest in the Joint Venture.	— The operating structure of the Joint Venture has been revised and streamlined. However, Koon's interest in external customer sales has remained unchanged at around 8% before sharing in the profit / loss of the Joint Venture. — Analysis presented in the March 2014 IER demonstrated that Koon's agency fees had been agreed at a level which maximised profitability to Koon while maintaining sufficient profitability in the Joint Venture for those entities to continue as going concerns and maintain debt serviceability.
Transportation Agreement Assessment (**Section 6.4**)	— Value transfer to either of the Joint Venture Parties if the Joint Venture pays higher than a market rate for the shipping of raw materials to Batam and finished precast goods from Batam to Singapore.	— Koon and ASL are now providing marine transport to the Joint Venture on identical terms and pricing. Koon management estimates that ASLOM and Econ Precast will each provide approximately 50% of the Joint Venture's marine transport requirements. — Additionally, comparable shipping quotes obtained by Koon demonstrate that the shipping rate per trailer being charged to the Joint Venture provide better pricing than could otherwise have been obtained by through negotiation with independent third parties.
Land Lease Agreement Assessment (**Section 6.5**)	— Value transfer to ASL if the Joint Venture pays higher than a market rental for the Batam production site.	— The majority of site rental cost incurred by the Joint Venture in Batam is consistent with the market rent assessment provided by KJPP. Sarwono, Indrastuti & Rekan in the March 2014 IER. Consequently, it does not appear that Batam JV will pay greater than a market rate of rent through the lease agreements it has entered into with PTCIS.

Source: William Buck analysis

Accordingly, in our opinion, the Joint Venture is considered fair from the perspective of the Non-Associated Shareholders of Koon.

Assessment of Reasonableness of the Joint Venture

We have considered the following factors in determining whether or not the Joint Venture is reasonable to the Non-Associated Shareholders of Koon.

Advantages of approving the Joint Venture

The following may be considered advantages of approving the Joint Venture:

— **Terms are fair:** The terms of the Joint Venture are "fair";

— **Access to additional production capacity:** The Joint Venture has significantly increased Koon's precast production capacity which Koon uses to service customer demand for precast products in excess of current production capacity;

— **Diversification of production capacity:** The Joint Venture has resulted in geographical diversification of Koon's precast production capacity, reducing reliance on individual production sites and the risk associated with production issues at individual sites;

— **Potential pricing advantage through arrangements with ASL:** Particularly with regards to the Transportation Agreements, the terms at which the Joint Venture will acquire services from ASL appear favourable in comparison with market rates; and

— **Potential to increase market capitalisation:** The production capacity to be provided by the Joint Venture is planned to enable Koon to increase precast revenues and profitability. Increased precast revenues and profitability may increase Koon's share price and market capitalisation.

Disadvantages of approving the Joint Venture

The following may be considered disadvantages of approving the Proposed Transaction:

— **Sharing of profits:** In comparison with Koon's existing precast production operations which are wholly owned by Koon, a portion of the profits in relation to sales of precast products produced by the Joint Venture will be shared with ASL

Advantages and disadvantages of not implementing the Joint Venture

In our view, the significant advantages or disadvantages of rejecting the Joint Venture include the reverse of the matters noted above.

In our opinion, based on a consideration of the above, the Joint Venture is considered reasonable from the perspective of the Non-Associated Shareholders of Koon as:

— on balance, the advantages of approving the Joint Venture outweigh the disadvantages of approving it to the Non-Associated Shareholders; and

— on balance, the disadvantages of rejecting the Joint Venture outweigh the advantages of rejecting it to the Non-Associated Shareholders.

General Advice and Other

General advice

In forming our opinion, we have considered the interests of the Non-Associated Shareholders as a whole. This advice therefore does not consider the financial situation, objectives or needs of the individual Non-Associated Shareholders. It is neither practical nor possible to assess the implications of the Proposed Transaction on individual Non-Associated Shareholders as their individual financial circumstances are not known.

Some Non-Associated Shareholders may place a different emphasis on various aspects of the Joint Venture from that adopted in our Report. Accordingly, individual Non-Associated Shareholders may reach different conclusions on whether or not the Joint Venture is fair and reasonable to them and each individual Shareholder must take into account his or her own circumstances when deciding whether or not to vote in favour or against the resolutions relating to the Joint Venture. Shareholders should seek their own independent professional advice to assist them in their decision, taking into account their preferences and expectations.

Other

William Buck is an Authorised Representative under an appropriate Australian Financial Services Licence. Accordingly, we are required to provide a Financial Services Guide in situations where we may be taken as providing financial product advice. A copy of William Buck's Financial Services Guide is set out in the annexure hereto.

The above opinion should be considered in conjunction with, and not independently of, the information set out in the remainder of this Report including the appendices.

Yours faithfully,
William Buck Corporate Advisory Services (NSW) Pty Limited
ABN 50 133 845 637
Authorised Representative No. 333393
AFSL 240769

Daniel Coote
Director

Mark Calvetti
Director

Financial Services Guide

Dated: 3 April 2017

William Buck Corporate Advisory Services (NSW) Pty Ltd ABN 50 133 845 637 (“**William Buck**” or “**we**” or “**us**” or “**our**” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“**FSG**”). This FSG is designed to help retail clients make a decision as to their use of general financial product advice and to ensure that we comply with our obligations as an authorised representative of a financial services licensee.

The FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide as an Authorised Representative of William Buck Wealth Advisors (NSW) Pty Ltd (Licence No: 240769);
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial Services we are Licensed to Provide

We are an authorised representative of William Buck Wealth Advisors (NSW) Pty Ltd who holds an Australian Financial Services Licence. We are authorised to provide financial product advice in relation to various financial products such as securities, derivatives, interests in managed fund investment schemes, stocks or bonds to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as an authorised representative of a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may Receive

We are entitled to receive a fee of $17,500, excluding GST, for preparation of this Report. These fees were agreed with, and paid by, the person who engaged us to provide the Report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither William Buck, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other Benefits Received by our Employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are authorised to provide.

Associations and Relationships

William Buck Corporate Advisory Services (NSW) Pty Ltd is a wholly owned subsidiary of William Buck (NSW) Pty Ltd.

Complaints Resolution

Internal Complaints Resolution Process

As an authorised representative of a holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Compliance Manager, William Buck, Level 29, 66 Goulburn Street, Sydney NSW 2000.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service. The Financial Ombudsman Service is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry.

Further details about the Financial Ombudsman Service are available at the website www.fos.org.au or by contacting them directly at: The Financial Ombudsman Service, GPO Box 3, Melbourne VIC 3001, or by telephone on 1300 780 808.

Professional Indemnity Insurance

William Buck has professional indemnity insurance in place which covers any work done by us, as an authorised representative of William Buck Wealth Advisors (NSW) Pty Ltd and by representatives/employees after they cease to work for us. The compensation arrangements we have in place comply with sec.912B of the Corporations Act.

Contact Details

You may contact us at William Buck, Level 29, 66 Goulburn Street, Sydney, NSW 2000 or by telephone on (02) 8263 4000

Table of Contents

1. The Joint Venture

1.1 Background to the Joint Venture

Koon moved into the upstream precast concrete (“**Precast**”) industry through the acquisitions of Econ Precast Pte Ltd (“**Econ Precast**”) and Contech Precast Pte Ltd (“**Contech Precast**”) in 2010. The addition of the Precast division allowed Koon to provide greater service and product offerings to its construction customers.

Econ Precast and Contech Precast are approved Precast works suppliers to Singapore’s Housing and Development Board projects with the highest grading (L6) from Singapore’s Building and Construction Authority (“**BCA**”), which allows these companies to tender for Precast works with no tendering value limit. Koon’s Precast customer base also includes Singapore’s Land Transport Authority.

Koon manufactures and markets a comprehensive selection of Precast products ranging from standard reinforced concrete piles to other more complex products including space adding items, staircase flights integrated with walls and mid-landings, façades with cast-in window frames and planter boxes.

Econ Precast conducts Precast production operations at production multiple sites in Singapore and Malaysia.

As part of Koon’s expansion strategy and in order to satisfy high demand from Singaporean construction projects for Precast products, Koon established a Precast production plant in Batam, Indonesia. In order to achieve this, Koon entered into a joint venture arrangement, through its subsidiary Econ Precast, with Intan Overseas Investments Pte Ltd (“**IOI**”), a subsidiary of ASL (the “**Joint Venture**”) in 2012 and shareholder approval of the Joint Venture in its original form was obtained in April 2014.

ASL was selected by Koon as an appropriate party to partner with for the Joint Venture for two key reasons:

- ASL owns, or had access to, significant land holdings in Batam, Indonesia, on which to locate a Precast production plant; and
- ASL specialises in, amongst other things, marine vessel charter and logistics and so plays an integral role in the transport of raw materials to Batam and finished goods from Batam to Singapore.

William Buck was engaged by the Directors of Koon to prepare an Independent Expert’s Report, dated 26 March 2014 in relation to the original form of the Joint Venture (“**March 2014 IER**”). We concluded in the March 2014 IER that the original form of the Joint Venture was fair and reasonable to the non-associated shareholders of Koon. The March 2014 IER is available through Koon’s website or through the ASX.

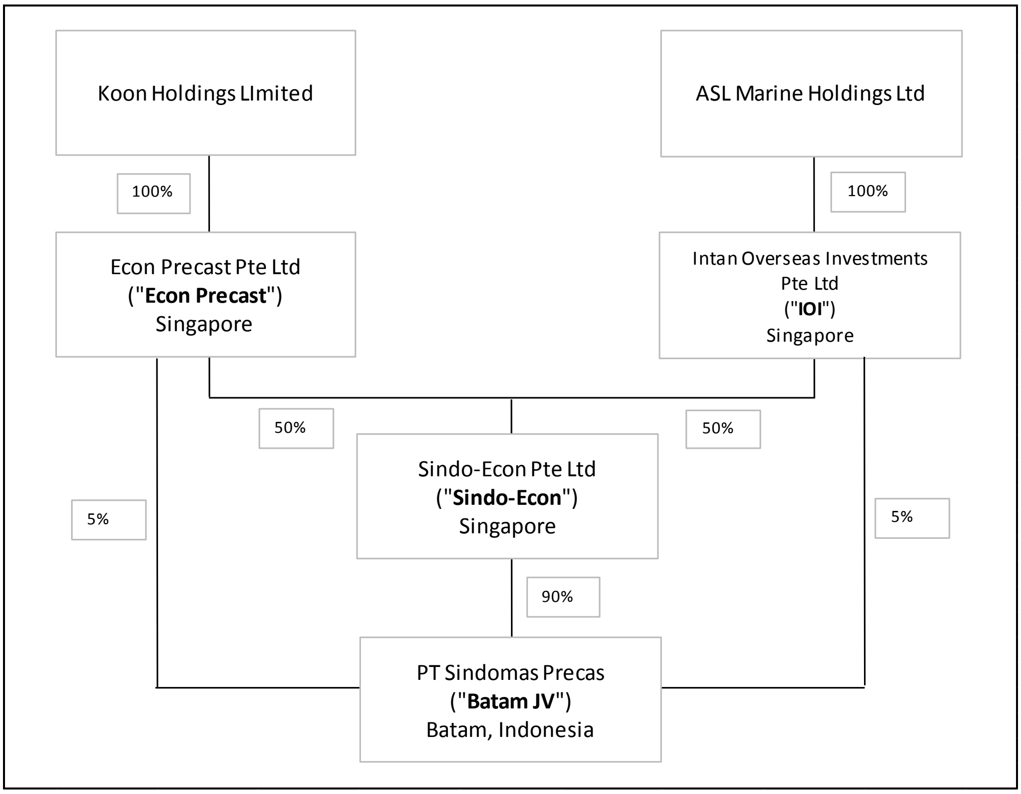
1.2 Overview of the Joint Venture

The Joint Venture has two forms: a legal form and a commercial / operating form. These two forms of the Joint Venture are discussed in turn below.

1.2.1 *Legal form of the Joint Venture*

The following figure outlines the legal form of the Joint Venture.

Figure 1 – Joint Venture shareholding structure



Source: Koon ASX announcements on 22 November 2013 and 13 May 2013

As set out in the figure above, the legal form of the Joint Venture takes effect through Koon and ASL's respective interests in Sindo-Econ Pte Ltd, which is incorporated in Singapore, and PT Sindomas Precas, which is incorporated in Indonesia.

Sindo-Econ Pte Ltd

On 13 May 2013, Koon announced that its wholly owned subsidiary, Econ Precast had subscribed for 100,000 ordinary S$1 shares, representing 50% of the issued share capital, of a newly incorporated joint venture company in Singapore, Sindo-Econ Pte. Ltd. ("**Sindo-Econ**"). The remaining 50% of the issued and paid up share capital of Sindo-Econ is held by IOI which is an investment holding company wholly owned by ASL.

Sindo-Econ was incorporated with equal board representation from Econ Precast and IOI. The principal activity of Sindo-Econ is the provision of business and management consultancy services. Sindo-Econ was incorporated to acquire 90% of the issued share capital of PT Sindomas Precas, and will manage the precast operations of PT Sindomas Precas.

On 14 August 2013, Koon, Econ Precast, ASL and IOI entered into a shareholders' agreement ("**Shareholders' Agreement**") which sets out broad intentions of the parties with respect to Sindo-Econ. Key terms of the Shareholders' Agreement are as follows:

— Sindo-Econ has been incorporated to acquire 90% of the issued share capital of PT Sindomas Precas, an Indonesian entity engaged in the business of concrete precast operations;

- At all times, Koon and ASL will each ultimately own exactly 50% of the issued share capital of Sindo-Econ;
- Two directors of Sindo-Econ will be nominated by Econ Precast and two directors will be nominated by IOI; and
- Each party will maintain equal amounts of investment, capital outlay, shareholder loans or any other form of fund injection into or contribution to Sindo-Econ.

PT Sindomas Precas

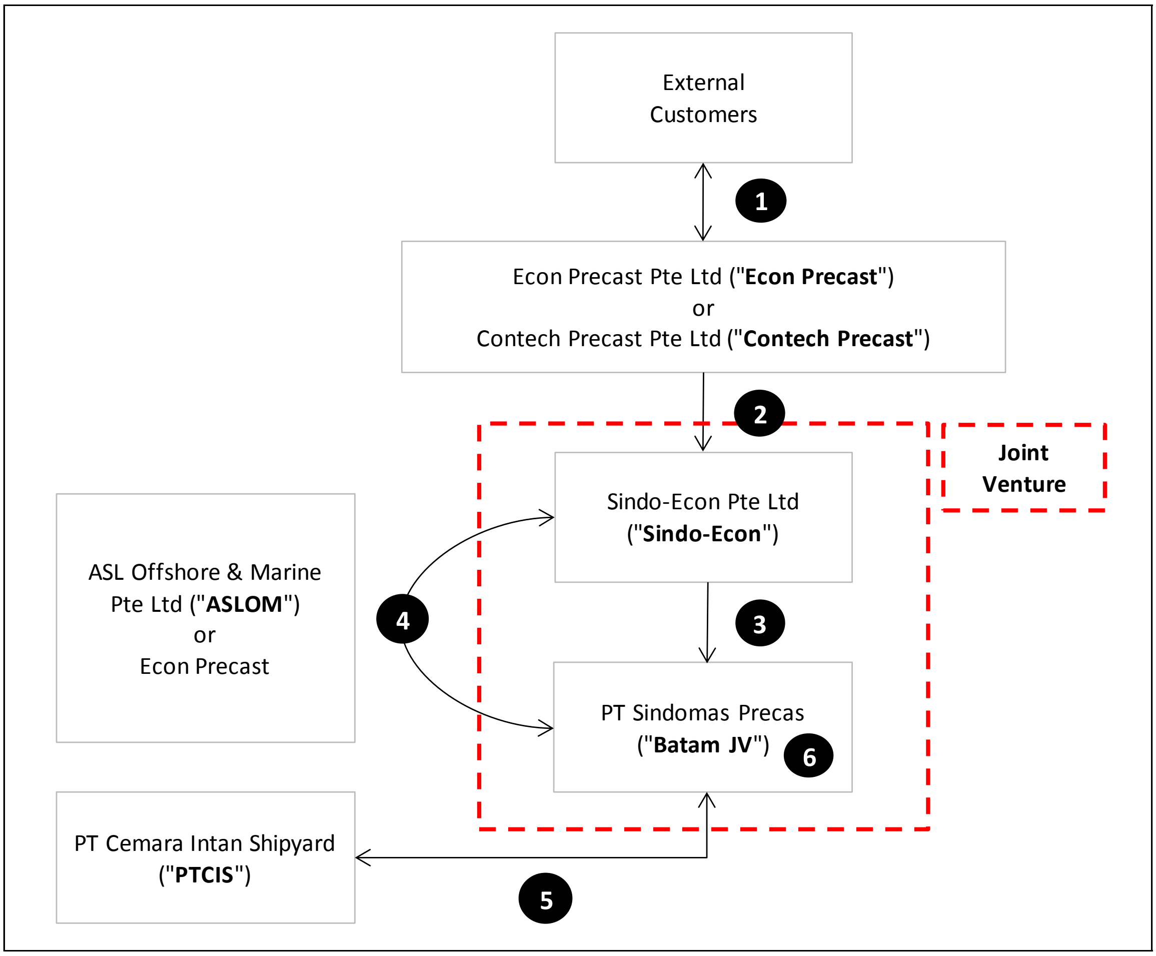
On 22 November 2013, Koon announced the acquisition of a joint venture company, PT Sindomas Precas (“**Batam JV**”), a company incorporated in Indonesia and engaged in the production of Precast products.

Cash consideration for Batam JV was IDR 1 billion (approximately S$108k) and was paid by Econ Precast, Sindo-Econ and IOI in the proportions set out in the figure above. The consideration was based on the unaudited net assets of Batam JV as at 30 September 2013 of S$92,000.

1.2.2 Commercial / Operating form of the Joint Venture

The following figure outlines the commercial / operating form of the Joint Venture.

Figure 2 – Joint Venture commercial / operating structure



Source: Information provided by Koon management

Each of the stages of the commercial / operating form of the Joint Venture are discussed in the table below.

Table 2 – Joint Venture commercial / operating structure

1	Econ Precast or Contech Precast will contract with customers to supply precast concrete products.
2	Econ Precast or Contech Precast will subcontract production of precast concrete products to Sindo-Econ on an external customer order-by-order basis. As set out in Figure 1, Sindo-Econ is the Singaporean entity of the Joint Venture. There is no requirement for Econ Precast or Contech Precast to subcontract precast concrete production to the Joint Venture. The subcontracting rate between Econ Precast / Contech Precast and Sindo-Econ will be 92% of the contract price agreed between Econ Precast and the external customer ("**Initial Subcontract Price**"). In effect, Econ Precast retains 8% of the external customer contract price as an agency fee.
3	Sindo-Econ will subcontract casting of precast concrete products to Batam JV in Indonesia. Some raw materials, including reinforcing bar, wire mesh, steel strand wire and steel cast-in items, will be supplied by Sindo-Econ to Batam JV. Sindo-Econ will not charge Batam JV for these items. The subcontracting rate between Sindo-Econ and Batam JV is decided on a project by project basis.
4	Raw materials will be shipped from Singapore to Indonesia and finished goods will be shipped from Indonesia to Singapore under transportation agreements between Sindo-Econ and either ASL Offshore & Marine Pte Ltd ("**ASLOM**") or Econ Precast. ASLOM is a wholly owned subsidiary of ASL.
5	Batam JV will lease the precast production sites in Batam, Indonesia from PT Cemara Intan Shipyard ("**PTCIS**") per the terms of land lease agreement signed between Batam JV and PTCIS ("**Land Lease Agreements**"). PTCIS is a wholly owned subsidiary of ASL.
6	Casting of precast concrete products will be performed by Batam JV at the Batam site. All costs of production, apart from raw materials to be supplied by Sindo-Econ, shipping fees and rent of plant and equipment to be supplied by Sindo-Econ, will be borne by Batam JV. Batam JV costs of production will include labour, other raw materials (cement, sand, aggregate and concrete), site rental and utilities.

Source: Information provided by Koon management

2. Scope and Limitations

2.1 Regulatory Background

ASX Listing Rules

ASX Listing Rule 10.1 provides that an entity must ensure 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 of a substantial holder or an associate of them. The purpose of ASX Listing Rule 10.1 is to ensure that a person of influence cannot benefit from a significant acquisition of disposal involving the listed entity.

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 5% of 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 ASX, Koon's equity interests as at 31 December 2016, excluding redeemable preference share capital and outside equity interests, were S$58,174,000. Accordingly, an asset will be considered substantial if the value of the asset is at least S$2,908,700, being 5% of the Company's equity interests. While entering into the Joint Venture did not itself exceed this threshold, the Company expects that over time the value of its dealings with the Joint Venture will exceed this threshold.

Mr Ang Sin Liu is the Non-Executive Chairman of Koon and Mr Ang Ah Nui is a Non-Executive Director of Koon. Mr Ang Sin Liu is the father of Mr Ang Ah Nui. Mr Ang Sin Liu and Mr Ang Ah Nui have an aggregate interest of 53.68% of the share capital of Koon and other immediate family members have an interest of approximately 0.11% of the share capital of Koon.

Mr Ang Sin Liu and Mr Ang Ah Nui are also shareholders of ASL holding 10.79% (of which 1.47% is held under nominees) and 14.79% (of which 12.31% is held under nominees), respectively, of the share capital of ASL. Mr Ang Sin Liu and Mr Ang Ah Nui hold an aggregate interest in ASL of 25.58%, which increases to 67.22% if other immediate family members are also included in the aggregate interest.

Accordingly, Koon is seeking shareholder approval of the Joint Venture for the purposes of ASX Listing Rule 10.1. This Report is to accompany the Notice of Annual General Meeting ("**NOM**") being provided to the shareholders of Koon ("**Shareholders**") and has been prepared to assist the Directors in fulfilling their obligation to provide Shareholders with full and proper disclosure so as to enable them to assess the merits of the Joint Venture and to assist them in their consideration of whether or not to approve resolutions relating to the Joint Venture.

2.2 Purpose and Scope

Purpose

William Buck has been appointed by the Directors of Koon to prepare an independent expert's report expressing our opinion as to whether or not the Joint Venture is fair and reasonable to the non-associated shareholders of Koon. The non-associated shareholders are those shareholders in Koon whose votes are not to be disregarded in voting on the resolutions relating to the Joint Venture ("**Non-Associated Shareholders**").

Our Report has been prepared solely for use of the Directors of Koon, and for the purpose set out herein. William Buck does not accept any responsibility for the use of our Report outside this purpose. Except in accordance with the stated purpose, no extract, quote, or copy of our Report, in whole or in part, should be reproduced without the written consent of William Buck, as to the form and context in which it may appear.

This Report is to accompany the Notice of Annual General Meeting ("**NOM**") being provided to the shareholders of Koon ("**Shareholders**") and has been prepared to assist the Directors in fulfilling their obligation to provide Shareholders with full and proper disclosure so as to enable them to assess the merits of the Joint Venture and to assist them in their consideration of whether or not to approve resolutions relating to the Joint Venture.

Scope

The scope of our procedures undertaken have been limited to those procedures we believed are required in order to form our opinion. Our procedures, in the preparation of this Report, may have involved an analysis of financial information and accounting records. However, the procedures did not include verification work nor did they constitute:

- an audit in accordance with AUS;
- an assurance engagement in accordance with ASAE; or
- a review in accordance with ASRE.

The assessment of whether or not the Joint Venture is fair and reasonable primarily relates to whether or not the legal and commercial terms of the Joint Venture are no more favourable to either Koon or ASL (the "**Joint Venture Parties**") than would otherwise be obtained through arm's length negotiations with independent third parties.

We have not considered the effect of the Joint Venture on the particular circumstances of individual shareholders. Some individual shareholders may place a different emphasis on various aspects of the Joint Venture from the one adopted in this Report. Accordingly, individuals may reach different conclusions on whether or not the Proposed Transaction is fair and reasonable to them.

An individual shareholder's decision voting on resolutions relating to the Joint Venture may be influenced by their particular circumstances and, therefore, shareholders should seek independent advice.

2.3 Basis of Evaluation

As there is no legal definition of the expression fair and reasonable in the Corporations Act 2001 Cth (the "**Act**"), we have therefore considered guidance provided by ASIC in its RGs in assessing whether the Proposed Transaction is fair and reasonable from the perspective of the Non-Associated Shareholders. Specifically, we will have regard to the provisions of the following:

- RG 111: Content of Expert Reports;
- RG 112: Independence of Experts; and
- RG 76: Related party transactions.

RG 111 suggests that, where an expert assesses whether a related party transaction is "fair and reasonable" for the purposes of ASX Listing Rule 10.1, this should not be applied as a composite test. That is, there should be a separate assessment of whether the transaction is "fair" and “reasonable”, as in a control transaction. An expert should not assess whether the transaction is “fair and reasonable” based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Joint Venture to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Joint Venture as if it were not a control transaction.

In forming our opinion as to whether or not the Joint Venture is fair to the Non-Associated Shareholders, we have considered the following:

— whether, in all material aspects, the legal and commercial terms giving effect to the Joint Venture are equivalent or an improvement on the terms that could otherwise have been agreed at arm’s length between un-related third parties; and
— whether the legal and commercial terms giving effect to the Joint Venture are more favourable to one of the Joint Venture parties than to the other.

In forming our opinion as to whether or not the Joint Venture is fair to the Non-Associated Shareholders, we have also given consideration to RG 76: Related party transactions.

RG 76 sets out ASIC’s guidance regarding disclosure and governance of related party transactions for public companies and other disclosing entities.

RG 76 provides guidance for companies to consider whether or not transactions with related parties reflect ‘arm’s length’ terms. RG 76 requires consideration of the following factors:

— how the terms of the transaction compare with comparable arm’s length transactions;
— the nature and content of the bargaining process;
— the impact of the transaction on the company;
— other options available to the company; and
— expert advice received by the entity.

In forming our opinion as to whether or not the Proposed Transaction is reasonable to the Non-Associated Shareholders, we have considered the following:

— the advantages and disadvantages to the Non-Associated Shareholders if the Joint Venture is approved; and
— the advantages and disadvantages to the Non-Associated Shareholders if the Joint Venture is not approved.

In our opinion, the Joint Venture is to be judged in terms of their overall effect. It is not meaningful to assess the individual elements of the Joint Venture separately.

2.4 Reliance on Information

This Report is based upon financial and other information provided by Koon and ASL. We have considered and relied upon this information. We believe the information provided to be reliable, complete and not misleading, and have no reason to believe that any material facts have been withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Joint Venture is fair and reasonable.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

Where we have relied on the views and judgement of management the information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of direct external verification or validation. In the context of this Report, the views not capable of direct external verification or validation related principally to matters such as the likely future actions of management and/or the likely future behaviour of competitors.

2.5 Prospective Financial Information

The information reviewed included high level prospective financial information with respect to the Joint Venture. The achievability of the prospective financial information is not warranted or guaranteed by either Koon, ASL or William Buck.

In our opinion, given the way in which we have used prospective financial information regarding the Joint Venture in this Report, detailed disclosure of forecasts for the Joint Venture would unduly focus the attention of this Report on those forecasts, rather than on our opinion of the fairness and reasonableness of the Joint Venture.

Further, the Directors of Koon are of the view that detailed disclosure of financial forecasts for the Joint Venture would release commercially sensitive information regarding Koon's business plans to competitors and would not be in the interests of Koon or its shareholders.

2.6 Current Market Conditions

Our opinion is based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time. Accordingly, changes in those conditions may result in our opinions becoming quickly outdated and in need of revision. We reserve the right to revise our opinions, in the light of material information existing at the date of this Report that subsequently becomes known to us.

2.7 Sources of Information

Appendix A to this report sets out details of information referred to and relied upon by us during the course of preparing this Report and forming our opinion.

Koon has agreed to indemnify William Buck, and its owner practice, their partners, directors, employees, officers and agents (as applicable) against any claim arising out of misstatements or omissions in any material supplied by the Company, its subsidiaries, directors or employees, on which we have relied.

2.8 Assumptions

In forming our opinion, the following has been assumed:

— all relevant parties have complied, and will continue to comply, with all applicable laws and regulations and existing contracts and there are no alleged or actual material breaches of the same or disputes (including, but not limited to, legal proceedings), other than as publicly disclosed and that there has been no formal or informal indication that any relevant party wishes to terminate or materially renegotiate any aspect of any existing contract, agreement or material understanding, other than as publicly disclosed;

- that matters relating to title and ownership of assets (both tangible and intangible) are in good standing, and will remain so, and that there are no material legal proceedings, or disputes, other than as publicly disclosed;
- information in relation to the Joint Venture provided to Koon shareholders or any statutory authority by the parties is complete, accurate and fairly presented in all material respects;
- the Joint Venture will continue to be operated in accordance with its disclosed terms; and
- the legal mechanisms to implement the Joint Venture are correct and effective.

3. Economic and Industry Overview

3.1 Introduction

Koon and ASL have entered into a joint venture to produce and ship pre-cast concrete products to Singapore. The ongoing success of this venture depends on the overall economic conditions prevailing in Singapore and in particular the construction industry where the Joint Venture is expected to generate the majority of its cash flows. As a result, in preparing our Report, we have given consideration to current expectations with regards to Singaporean economic conditions and in particular Singapore's construction sector.

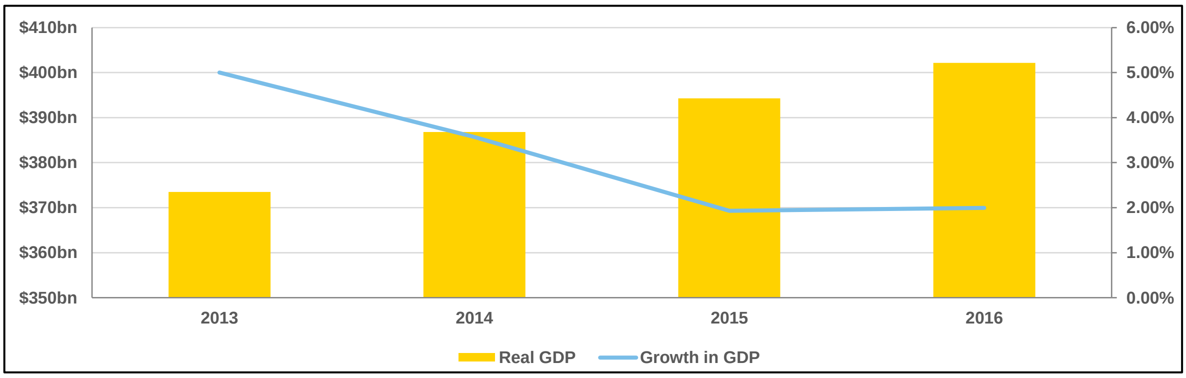
3.2 Overview of General Singaporean Economic Conditions

In preparing this Report, we have considered Singapore's general economic conditions and the performance of its building and construction industry. Our observations are based on William Buck's review of generally available economic analysis reports published by the Ministry of Trade and Industry of the Republic of Singapore, Singapore's Building and Construction Authority ("**BCA**"), Singapore's Ministry of National Developments and relevant economic readings performed during March 2017.

3.2.1 Singaporean Economic Conditions

During 2016 Singapore's GDP grew by 2.0%, in line with 2015 growth of 1.9%. 2016 GDP growth was predominantly driven by strong manufacturing, transportation & storage and other services industries in the economy. Overall all sectors grew in 2016 with the exception of business services.

Figure 3 – Annual nominal growth in GDP

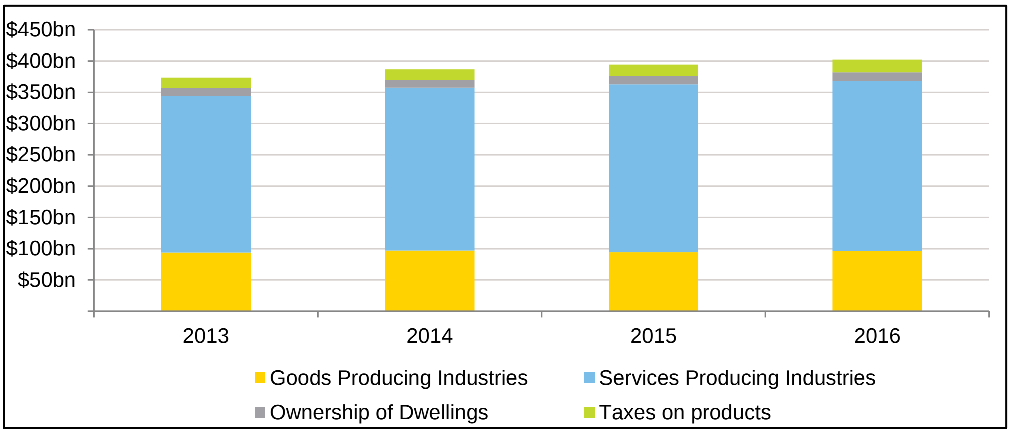


Source: Ministry of Trade and Industry of the Republic of Singapore

Industries which recorded the highest growth in 2016 included Manufacturing (3.6%), Other Services Industries (3.1%), Transportation & Storage (2.3%) and Information and Communication (2.3%). The construction sector on other hand expanded only marginally by 0.2% only, due to weakening private sector construction demand.

Manufacturing growth was driven by the electronics and biometrical manufacturing clusters. Other Services Industries growth was driven largely by the education, health & social services segment. Transportation & Storage sector growth was attributable mainly to the water transport segment. Information and Communication growth was driven by increased broadband as well as a more profitable 4G subscriptions.

Figure 4 - Contribution to GDP by sector



Source: Ministry of Trade and Industry of the Republic of Singapore

Labour market conditions remained sluggish with overall employment increasing moderately by 0.4% (16,400) in 2016 as a result of slower economic growth and the continued slowdown in foreign manpower growth. The overall unemployment rate increased from 1.9% in 2015 to 2.1% in 2016. The largest contributor of the employment growth in 2016 was from the Other Services Industries (20,700), followed by Business Services (8,500) and Accommodation & Food Services (5,500). In contrast the manufacturing and construction sectors experienced job losses at 15,700 and 11,300 respectively.

Consumer Price Index ("**CPI**" or inflation) in 2016 decreased by 0.5%, similar to 0.5% decrease in 2015. The main component for 0.5% inflation decrease was housing & utilities with prices declining by 4.1%, attributable to fall in accommodation costs and electricity tariffs which more than offset the effects of higher housing maintenance charges. Another major contributor to the inflation decrease was transport costs falling by 2.4% as a result of lower petrol and car prices which outweighed the effect of higher vehicle repair and maintenance fees. These declines outweighed the positive contribution from food (price increasing by 2.1%) driven by more expensive hawker food and restaurant meals. Education costs also increased 3.1% as a result of higher fees at commercial institutions, universities, polytechnics, kindergartens and childcare centres.

In Finance, the Singapore benchmark interest rate being the three month SIBOR rate saw declining trend during the first three quarters of 2016 before improving to end at 0.97% in the last quarter of 2016. The interest rate increased to 1.19% in 2015 from a low of 0.46% in 2014, before declining slightly in 2016. SIBOR is highly correlated to US Federal rates and has increased in the wake of US presidential elections. The recent increase in US Federal rate might further impact Singapore's slowing economy. The higher interest rates could further dampen spending and also companies' investment plans.

Singapore's Ministry of Trade and Industry expects the global economic outlook to improve modestly in 2017, supported by faster pace growth in US and modest key ASEAN economies growth, even as China's growth continues to moderate. China's economy can slow down if its monetary conditions further tightens.

In light of the continued sustainable domestic demand and developments in the global economies, Singapore's Ministry of Trade and Industry expects its economy to grow modestly by 1.0% to 3.0% in 2017. Externally-oriented sectors such as manufacturing and transportation & storage are likely to continue to recover and provide support to growth, in tandem with the recovery in global demand for semiconductors and semiconductor equipment as well as the expected improvement in global trade flows. However, the outlook for construction sector is still weak due to drop in contracts awarded in the last two years, mainly due to sluggish private sector demand.

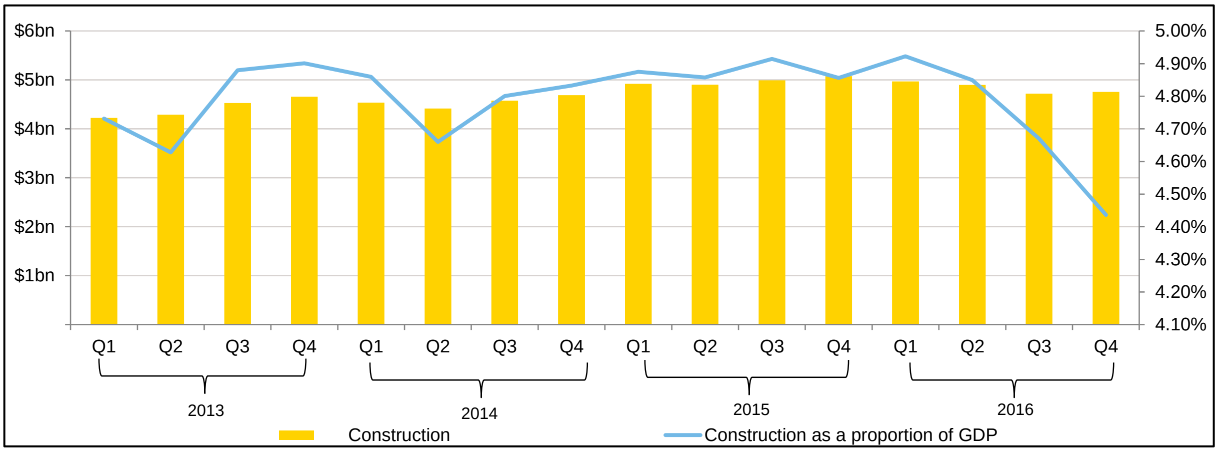
3.3 Singaporean Building and Construction Industry

3.3.1 Overview of Singaporean Building and Construction Industry

The building and construction sector in Singapore plays a critical role in the development of the Singaporean economy. The country's densely built urban environment with limited space and natural resources has been a catalyst for the government to continually roll out initiatives to address the issues of efficient raw material usage and innovative production processes. The BCA is responsible for the development, innovation and sustainability of this industry and offers a range of incentives to encourage businesses.

From 2013 to 2016 annual growth in the construction sector has seen a declining trend shrinking to 0.2% growth rate in 2016 after growing at 6.6% in 2014. 2016 was the second consecutive year of decline in annual growth rate, after a reduced 3.9% growth in 2015. This has been mainly due to weakness in private sector construction demand and activity which shrank as a result of decline in private residential and private industrial works. However as a percentage of overall GDP, the construction sector has maintained an average of 4.7% annually during the 2013 to 2016 period. The graph below shows the relative size of the construction sector and the proportion of GDP from 2013 to 2016.

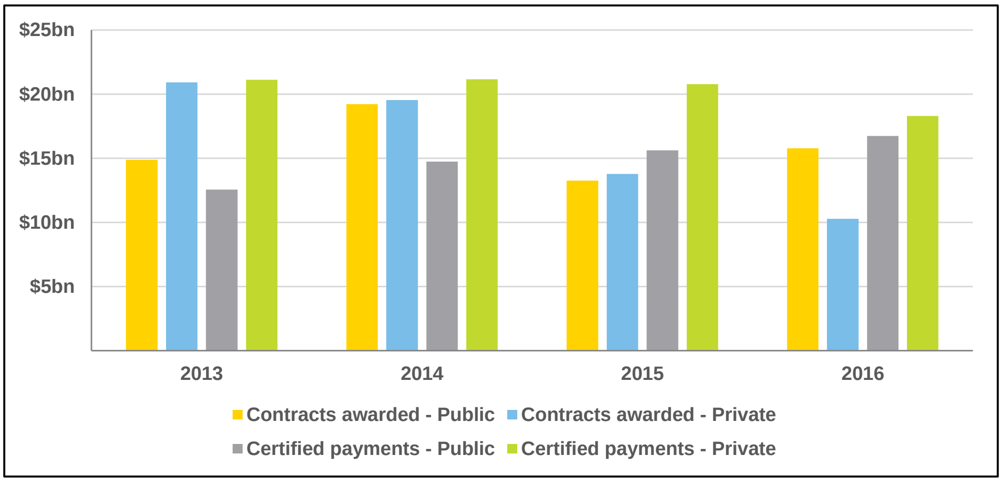
Figure 5 - Construction performance



Source: Ministry of Trade and Industry of the Republic of Singapore

Growth of the construction industry is measured by the performance of the two key construction indicators: the level of construction demand and the level of construction activity. The level of construction demand measures the value of contracts awarded by both the public and private sectors and the level of construction activity measures the value of output using the value of payments made as a proxy. The levels of contracts awarded and payments for the construction industry are shown in the figure below.

Figure 6 - Building and construction activity by sector



Source: Ministry of Trade and Industry of the Republic of Singapore

Construction demand contracted by 3.6% to S$26 billion in 2016 due to weakness in private sector construction demand. The private sector construction demand shrank by 25% ($4 billion) in 2016 largely due to declining demand for residential, industrial, institutional and other building works. In contrast the contracts awarded for commercial developments (such as Woods Square) provided some support.

This was offset by public sector demand which increased by 19% to reach $16 billion in 2016, driven by a surge in demand for civil engineering works such as the Thomson-east Coast Line (TEL), among others. In contrast the demand for public building works declined mainly in residential, industrial and institutional and other segments, similar to decline witnessed in private sector.

Construction activity (measured by output value or payments) contracted by 3.7% to $35 billion, primarily due to a decline in overall residential building works. The public sector construction output increased by 7.3%, largely supported by strong onsite construction activities for industrial, institutional and civil engineering activities. Major public sector projects under construction included the expansion of the Liquefied Natural Gas (LNG) Terminal (Phase 3), Sengkang General and Community Hospital, TEL, and land preparation works for Changi Airport. In contrast the private sector construction output fell by 12% in 2016 due to lower output from residential and industrial building works.

BCA forecasts total construction demand in 2017 to be between $28 billion and $35 billion. Demand from the public sector is expected to strengthen to between $20 billion and $24 billion, contributing to approximately 70% of projected total construction demand. The boost to overall demand is likely to come from anticipated increase in demand for building construction works and civil engineering works. On the other hand, private sector demand is projected to soften to between $8 billion and $11 billion due to the weakness in the property market and continued economic uncertainties. Total construction output in 2017 is projected to moderate to between $30 billion and $32 billion, due to slowdown in construction demand since 2015.

4. Profile of Koon Holdings Limited

4.1 Background and Activities

Koon Holdings Limited (“**Koon**” or the “**Company**”) was incorporated on 9 April 2003 and was listed on the ASX (ASX: KNH) and SGX (SGX: 5DL) on 11 July 2003 and 21 July 2003 respectively. Koon’s principal business activities comprise of providing engineering and construction services, machinery and equipment rental and precast concrete work in Asia together with the supply of energy within the Australian market.

The Company is one of the leading infrastructure and civil engineering service providers in Singapore and has accumulated more than four decades of experience and expertise in providing comprehensive solutions to its customers in infrastructure, construction and offshore industries.

4.2 Business Operations

Koon’s operations are divided into three core business divisions, being Infrastructure Construction and Civil Engineering, Precast Concrete Work, and Electric Power Generation.

4.2.1 Infrastructure Construction and Civil Engineering division

Koon is engaged in a wide range of infrastructure and civil engineering services, from infrastructure works such as terminal projects, to reclamation works such as shore protection.

The Company is registered under the A1 category in civil engineering with the BCA which allows tendering for civil engineering projects of unlimited value in Singapore. This status is testament to Koon’s niche expertise and capabilities in the infrastructure construction and civil engineering space and the Company has successful partnered with other well-known infrastructure and construction companies to secure projects domestically and regionally.

4.2.2 Precast Concrete Work division

The Company manufactures and markets a comprehensive range of precast products ranging from standard reinforced concrete piles to other more complex products such as prefabricated toilets, space adding items, staircase flights integrated with wall and mid landing, facades with cast-in window frames and planter boxes. Koon has the highest grading (L6) from the BCA, enabling it to tender for precast works of unlimited value.

4.2.3 Electric Power Generation division

The investment in Tesla, an energy infrastructure company, provides the Group a direct channel into the growing energy market in Australia.

Koon is also certified under ISO standards which covers quality (ISO9001:2008), Environmental (ISO 14001:2004) and occupational health and safety (OHSAS 18001:2007).

4.3 Board of Directors

Koon's Board of Directors is shown in the table below.

Table 3 – Koon Board of Directors

Name	Position	Secondary position
Ang Sin Liu*	Non-Executive Chairman	None
Yuen Kai Wing	Managing Director	None
Oh Keng Lim	Executive Director	None
Oh Koon Sun	Executive Director	None
Ang Ah Nui*	Non-Executive Director	Member of the Remuneration Committee
Glenda Mary Sorrell-Saunders	Non-Executive and Independent Director	Chairman of the Nominating Committee and a member of the Audit & Risk and Remuneration Committees
Ko Chuan Aun	Non-Executive and Independent Director	Chairman of the Remuneration Committee and a member of the Audit & Risk and Nominating Committees
Heather Chong	Non-Executive and Independent Director	Chairman of the Audit & Risk Committee and a member of the Nominating Committee

Source: Koon Holding's website

**Ang Sin Liu and Ang Ah Nui together are controlling shareholders in ASL.*

4.4 Capital Structure

Koon's capital structure as at 20 March 2017 comprises of 263,097,800 fully paid ordinary shares. The top 20 largest shareholders are listed in the table below.

Table 4 - Shareholders of Koon

Security holder	Shares	% Interest
Ang, Ah Nui	77,571,819	29.48%
CMB Securities (Singapore) Pte. Ltd.	45,809,010	17.41%
United Overseas Bank Nominees (Private) Limited	18,746,800	7.13%
SAMSU	12,000,000	4.56%
Oh, Keng Lim	10,159,996	3.86%
Oh, Lian Ling	7,238,487	2.75%
Oh, Koon Sun	7,205,378	2.74%
Ang, Jui Khoon	4,276,700	1.63%
Ong, Soh Hoon	4,000,000	1.52%
Ong, Lye Beng	3,344,024	1.27%
Phillip Securities Pte Ltd	3,098,010	1.18%
Yeo, See Tee	3,000,000	1.14%
Harry Oh Tuay Kee	2,966,000	1.13%
Maybank Kim Eng Securities Pte. Ltd., Brokerage and Securities Investments	2,514,800	0.96%
Aw Kim Beng	2,323,000	0.88%
Lim, Pang Hern	1,894,000	0.72%
Tee, Swee Kheng	1,758,196	0.67%
Lau, Koi Fong	1,580,800	0.60%
Tan, Tong Guan	1,400,000	0.53%
Kim Hock Bee Marine Pte Ltd	1,280,000	0.49%
Others	50,930,780	19.36%
Total	**263,097,800**	**100.00%**

Source: Information provided by management

Note: Ang Ah Nui and Ang Sin Liu hold an aggregate interest of 46.58% and 7.09% respectively in Koon (both direct and deemed)

We note that the top 20 shareholders hold an aggregate interest of nearly 80.64% (direct and deemed) of issued fully paid ordinary shares in Koon and that Ang Ah Nui holds 46.58% (both direct and deemed). We understand that there has been no material change in the above details at the date of this Report.

4.5 Corporate Structure

The corporate structure of Koon is shown below.

Table 5 – Koon's corporate structure

Koon's Direct Investment		Investment through Subsidiary	
Ownership interest	Company name	Ownership interest	Company name
100%	**Koon Construction & Transport Co Pte Ltd**	50%	Koon Zinkcon Pte Ltd
		37.5%	Jurong & Tuas Rock Contractors JV (75% owned by Koon Zinkon Pte Ltd)
		50%	Mesco (B) Sdn Bhd
		5%	Penta-Ocean/Koon/Hyundai/ Van Oord Joint Venture - JV 1
		20%	Penta-Ocean/Koon-Ham-Dredging International-Boskalis Joint Venture - JV 2
		20%	Penta-Ocean/Koon/Dredging International/Boskalis/Ham Joint Venture - JV 3
		20%	Penta-Ocean/Hyundai/Koon Joint Venture - JV 4
		20%	Penta-Ocean/Koon Joint Venture - JV 5
		50%	POC - K Joint Venture - JV 6
		100%	Koon Construction & Transport Sdn Bhd
		67%	PT.Koon Construction Indonesia
100%	**Entire Construction Pte Ltd**	NA	NA
100%	**Entire Engineering Pte Ltd**	NA	NA
100%	**Reem Island Pte Ltd**	NA	NA
100%	**Koon Properties Pte Ltd**	100%	Metro Coast Sdn Bhd
		100%	Seven Star Development Sdn Bhd
		100%	Triumph Heights Sdn Bhd
		100%	Unison Progress Sdn Bhd
100%	**Econ Precast Pte Ltd**	100%	Econ Precast Sdn Bhd
		100%	Contech Precast Pte Ltd
		100%	Bukit Intan Pte Ltd
		50%	Sindo-Econ Pte Ltd (50% owned by ASL)
		50%	PT Sindomas Precast - (90% held by Sindo-Econ Pte Ltd, 5% by Econ Precast Pte Ltd, 5% by ASL Marine Holdings Group)
74.1%	**Tesla Holdings Pty Ltd**	100%	Tesla Corporation Management Pty Ltd
		100%	Tesla Corporation Pty Ltd
		100%	Tesla Geraldton Pty Ltd
		100%	Tesla Kemerton Pty Ltd
		100%	Tesla Northam Pty Ltd

Source: Information provided by Management

4.6 Financial Performance

Details of Koon's financial performance based on its audited accounts for the year ended 31 December 2014, 2015 and 2016 are set out below.

Table 6 – Koon's Financial Performance

	Year ended 31 December		
	2014 S$'000	2015 S$'000	2016 S$'000
Revenue	163,917	236,342	202,726
Cost of sales	(137,271)	(200,415)	(182,303)
Gross profit	**26,646**	**35,927**	**20,423**
Gross profit margin	***16.26%***	***15.20%***	***10.07%***
Other income	3,796	1,542	2,515
Distribution expenses	(5,308)	(8,596)	(1,642)
Administrative expenses	(17,472)	(21,114)	(15,422)
Finance costs	(1,888)	(2,615)	(2,836)
Share of profit/(loss) of joint venture and associates	882	3,492	(1,527)
Profit/(loss) before income tax	**6,656**	**8,636**	**1,511**
Net proft margin before tax	***4.06%***	***3.65%***	***0.75%***
Income tax expense	(348)	(889)	165
Profit/(loss) for the year	**6,308**	**7,747**	**1,676**
Profit for the year from discontinued operations	**-**	**-**	**-**
Other comprehensive income/(loss)			
Fair value gain/ (loss) on available for sale investments	193	212	-
Exchange rate difference on translation of foreign operations	(1,541)	(2,875)	(114)
Total comprehensive inome/(loss) for the year	**4,960**	**5,084**	**1,562**

Source: Koon Annual Report 31 December 2015 and full year financial statements for 31 December 2016

We note the following in relation to Koon's historical financial performance:

— FY16 revenue decreased by $33.6m (14.2%) mainly due to to the poor performance of its Construction and Precast divisions. Construction revenue fell by $16.2m (9.4%) in FY16 due to fewer projects completed during the year. Precast division revenues declined significantly by $49.7m (50.8%) due to lower volume of precast product sales in 2016.

— The Precast division had major orders delivered in FY15 for certain projects including supply to the land preparation works for airport development and construction of a container stacking yard at PSA Pasir Panjang Terminal. FY15 revenue from this division as a result had increased by $25.3m (34.9%). Since the projects were substantially completed in FY15, there was significant decline in FY16 sales volume.

— Koon's gross profit margin declined from 16.26% in FY14 to 15.2% in FY15. This decline was attributable mainly to the lower gross profit from Electric Power Generation division due to lower revenue and additional costs. The gross profit margin for FY16 further declined to 10.07% as a result of lower gross profit recorded by its Precast division, owing to the division's sales volume below the breakeven level.

— Net profit margin before tax declined from 4.06% in FY14 to 0.75% in FY16. The decline in FY16 was mainly due to significant decline in gross margin as mentioned above. The other factors impacting change in net profit margin before tax are as follows:

  — Distribution expenses increased by $3.2m (62%) in FY15 due to higher delivery and handling costs incurred by Precast division. However this decreased by $6.9m in FY16 as a result of above mentioned lower revenue of the Precast division in FY16 and also partly due to transportation costs being recorded under Sindo-Econ Pte. Ltd., effective from the last quarter of FY16 due to a change in the terms of the Joint Venture in the last quarter of FY16;

— The decline of $5.7m in administrative expenses in FY16 is attributable mainly to goodwill impairment of $3.5m provided in FY15 for the Electric Power Generation division and other expenses being lower in FY16;

— The finance cost increased by $727k (38.5%) in FY15 due to increase in borrowings for purchase of property, plant and equipment for the Construction division; and

— Koon reported a share of loss of $1.5m in FY16 from investment in joint ventures and associates as against profit share of $3.5m in FY15. This loss in FY16 is attributable to 50% share of loss from the precast operation at Batam Indonesia under Sindo-Econ Pte. Ltd. and its Indonesia subsidiary PT Sindomas Precas due to lower sales of precast products. The loss also included 67% share of start-up loss of $0.1m from PT Koon Construction Indonesia, a joint venture newly incorporated in Indonesia under the Construction division.

4.7 Financial Position

Set out below is a summary of Koon’s financial position based on its audited accounts for the years ended 31 December 2014, 2015 and 2016. Balances are denominated in Singaporean dollars.

Table 7 – Koon's financial position

	As at 31 December		
	2014 S$'000	2015 S$'000	2016 S$'000
Cash and cash equivalents	17,094	26,702	14,997
Pledged fixed deposits	800	194	197
Trade and other receivables	53,343	53,307	63,089
Inventories	6,873	8,591	3,403
Contract Work in progress	10,334	23,744	21,695
Held for trading investments	36	30	26
Total current assets	**88,480**	**112,568**	**103,407**
Other receivables	239	116	117
Development properties	16,388	14,188	13,885
Joint Ventures	1,332	4,971	3,772
Property, plant and equipment	61,152	99,015	103,632
Available for sale investments	731	-	-
Goodwill on consolidation	3,536	-	-
Deferred income tax	-	-	320
Total non-current assets	**83,378**	**118,290**	**121,726**
Bank loans	21,660	31,211	24,175
Trade and other payables	57,040	69,014	68,913
Contract Work in progress	1,910	8,747	11,238
Finance leases	15,016	12,107	15,278
Income tax payable	528	1,033	634
Total current liabilities	**96,154**	**122,112**	**120,238**
Bank loans	8,920	5,595	2,009
Finance leases	8,681	40,710	40,105
Other payables	89	90	97
Deferred income tax	1,261	919	1,005
Total non-current liabilities	**18,951**	**47,314**	**43,216**
Net assets	**56,753**	**61,432**	**61,679**
Equity			
Share capital	25,446	25,446	25,446
Retained profits	21,470	29,461	30,009
Reserves	5,167	2,879	2,719
Non-controlling interests	4,670	3,646	3,505
Total equity	**56,753**	**61,432**	**61,679**

Source: Koon Annual Report 31 December 2015 and full year financial statements for the year ended 31 December 2016

We note the following in relation to Koon's historical financial position:

— Cash and cash equivalents decreased by $11.7m in FY16 primarily due to increase in trade and other receivables by $9.8m and increase in property, plant and equipment by $4.6m;

— Trade and other receivables increased by $9.8m in FY16 as a result of increases in receivables from Sindo-Econ, Koon's 50% joint venture;

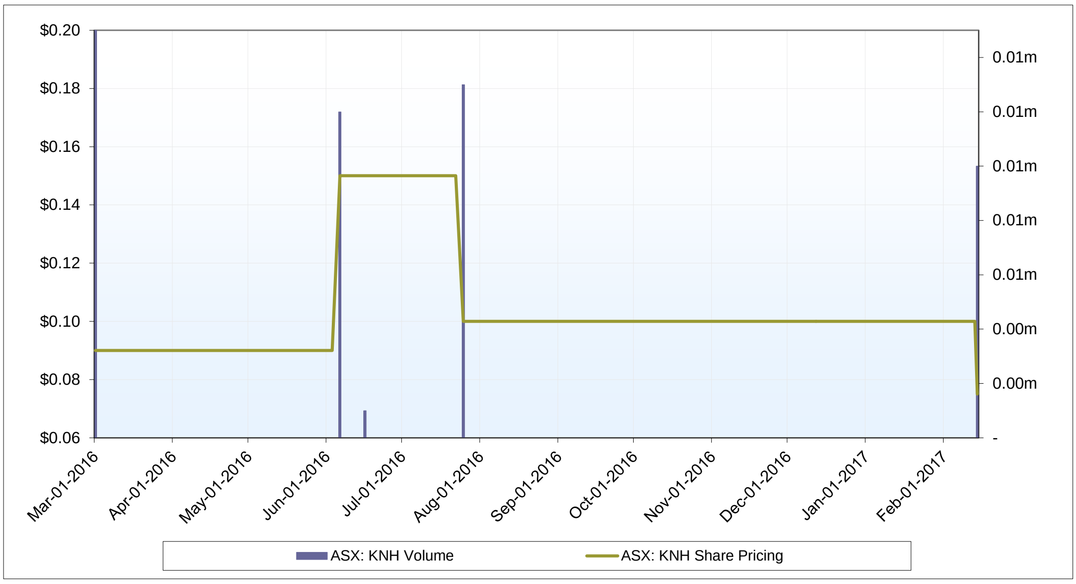
- Inventories in FY16 decreased by $5.2m in relation to decrease in Precast Division and partly attributable to the inventories at Batam Indonesia being recorded under the Sindo-Econ, arising from a change in the terms of the Joint Venture;
- PP&E increased significantly in FY15 and FY16 mainly due to purchase of plant and equipment in order to support the new project requirements under the Construction division. The increase in FY16 was partially offset by depreciation charges of $21m during the year;
- Non-current portion of finance lease in FY15 increased by $32m mainly to fund the financing of capital expenditure under the Construction division. This reduced slightly by $600k in FY16; and
- Current and non-current portion of bank loans decreased by a total of $10.6m during FY16.

4.8 Share Price Trading Performance

As noted in Section 4.1, Koon Holding's shares are listed and quoted for trading on the ASX.

We have reviewed the historical market trading in Koon's shares over the 12 months ended 28 February 2017. The figure below sets out the daily share price and trading volume of Koon's shares for the 12 months to 28 February 2017.

Figure 7 – Daily Volume and Share Price History



Source: Capital IQ, William Buck's Analysis

Based on our analysis we note that Koon's shares are infrequently traded and no active liquid market exists for its shares.

We have reviewed Koon's price sensitive announcements released on the ASX over the 12 months ended December 2016 as set out on the following page:

Table 8 – Koon's Price Sensitive Announcements

Date	Announcement
30-August-2016	Interim Financial Report - 30 June 2016
30-August-2016	Appendix 4D - Half-year ended 30 June 2016
29-April-2016	Results of AGM
04-April-2016	SGX Dividend Announcement
01-April-2016	Dividend/Distribution - KNH
31-March-2016	FY15 Annual Report
29-March-2016	Annual Financial Statements 31 December 2015
25-February-2016	Appendix 4E and Full-Year Financial Statements

Source: ASX

5. Profile of ASL Marine Holdings Ltd

5.1 Background

ASL is a Singaporean marine services group principally engaged in shipping, marine logistics and other related services for customers in Asia Pacific, South Asia, Europe, Australia and the Middle East.

ASL is headquartered in Singapore and was listed on SGX on 17 March 2003.

5.2 Business operations

ASL's operations are divided into five segments, being shipbuilding, ship repair and conversion, ship chartering and rental, engineering and investment holding.

5.2.1 Shipbuilding

Shipbuilding is ASL's largest service by revenue and operating profit. ASL has an established track record for building specialised niche vessels such as:

— Offshore support vessels: heavy-lift pipelay, subsea operations, anchor handling towing supply, platform supply, maintenance, accommodation, rescue and standby;

— Dredgers: cutter suction and water injection;

— Barges: accommodation, pipe laying and work; and

— Commercial vessels: chemical tanker, bunkering tanker, product tanker.

ASL performs its shipbuilding activities through four shipyards, with two in Batam Indonesia, one in Singapore and another in Guangdong, China.

ASL experienced difficult trading conditions in FY14 and FY15 due to deterioration in Singapore's oil and gas industry. During FY14 and FY15, ASL had major shipbuilding contracts for three offshore support vessels ("**OSV**") cancelled by the oil and gas exploration companies. One of the vessels cancelled was scheduled for delivery in last quarter of FY14 and the remaining two in the first and third quarter of FY15, respectively. These cancellations resulted in reversal of shipbuilding revenue in both FY14 and FY15 however, FY15 revenues were most affected.

Consistent with market practise, ASL was not protected by guarantees for the cancelled vessel orders, allowing customers to cancel orders with few significant penalties.

5.2.2 Ship repair and conversion

ASL provides a range of repair and conversion services including retrofitting, life-extension and repair of various types of vessels.

5.2.3 *Ship chartering*

ASL owns a fleet of 229 vessels consisting mainly barges, towing tugs, anchor handling tugs, anchor handling towing, supply vessels and other vessels.

ASL's customers are from industries such as offshore oil and gas, marine infrastructure, dredging, land reclamation and marine transportation and are deployed in locations such as Singapore, Indonesia, Australia and other South East Asian countries.

5.2.4 *Engineering*

ASL provides engineering services ranging from the supply of dredging equipment to the project management of dredge construction.

5.3 Board of Directors

ASL's Board of Directors is shown below.

Table 9 - ASL Board of Directors

Name	Position
Ang Kok Tian	Chairman and Managing Director
Ang Ah Nui*	Deputy Managing Director
Ang Kok Eng	Executive Director
Ang Kok Leong	Executive Director
Andre Yeap Poh Leong	Independent Director
Christopher Chong Meng Tak	Independent Director
Tan Sek Khee	Independent Director

Source: ASL Marine Holding's website
**Ang Ah Nui is on the Board of Directors of Koon Holdings Limited.*

5.4 Capital Structure

ASL's capital structure as at the date of this Report comprises of 629,266,941 fully paid ordinary shares. The top 6 shareholders are listed below.

Table 10 - Shareholders of ASL

Security holder	Shares	% Interest
Ang, Kok Tian	88,162,800	14.01%
Ang, Kok Eng	73,799,100	11.73%
Ang, Kok Leong	72,841,500	11.58%
Ang, Sin Liu	58,633,350	9.32%
Ang, Sw ee Kuan	27,195,000	4.32%
Ang, Ah Nui	15,660,000	2.49%
Others	292,975,191	46.56%
Total	**629,266,941**	**100.00%**

Source: Information provided by Management
Note: Ang Sin Liu and Ang Ah Nui together hold an aggregate interest of 25.58% (both direct and deemed) in ASL

We note that the top 6 shareholders currently hold an aggregate interest of 67.2% (direct and deemed) of issued fully paid ordinary shares in ASL and Ang Ah Nui holds the largest share.

Furthermore Ang Ah Nui is also the largest shareholder in Koon and ASL's top six shareholders are relatives and are deemed to have an interest in the shares held by the other. We understand that there has been no material change in the above details to the date of this Report.

5.5 Corporate Structure

The corporate structure of ASL is shown below.

Table 11 – ASL's corporate structure

Divisions	Ownership interest	Company name
Ship building and ship repair	100%	ASL Shipyard Pte Ltd
	100%	PT. ASL Shipyard Indonesia
	60%	Hongda Investments Pte Ltd
	60%	Jiang Men Hongda Shipyard Ltd
	100%	Intan Overseas Investments Pte Ltd
	100%	PT Cemara Intan Shipyard
	100%	PT Sukses Shipyard Indonesia
Ship chartering	100%	ASL Offshore & Marine Pte Ltd
	100%	Capitol Marine Pte Ltd
	75%	PT. Cipta Nusantara Abadi
	100%	PT Bina Kontinental Lestari
	100%	PT. Awak Samudera Transportasi
	100%	Capitol Offshore Pte Ltd
	100%	Capitol Shipping Pte Ltd
	100%	Capitol Tug & Barge Pte Ltd
	100%	Lightmode Pte Ltd
	100%	Capitol Logistics Pte Ltd
	100%	Capitol Navigation Pte Ltd
	100%	Capitol Aquaria Pte Ltd
	100%	Capitol Oceans Pte Ltd
	100%	ASL Maritime Services Pte Ltd
	100%	Intan Maritime Investments Pte Ltd
	100%	Intan Synergy Pte Ltd
	100%	Intan Offshore Pte Ltd
	100%	Intan Oceans Pte Ltd
	100%	Intan Scorpio Pte Ltd
	100%	Intan OSV Pte Ltd
	60%	Offshore Pte Ltd
	100%	Harmony PSV-Pte Ltd
	100%	ASL Leo Pte Ltd
	100%	ASL Marine Contractor Pte Ltd
	100%	ASL Project Logistics Pte Ltd
	100%	ASL Towage & Sajvage Pte Ltd
Jointly controlled entities/associates	50%	HKR-ASL Joint Venture Limited
	45%	Fastcoat Industries Pte Ltd
	45%	PT. Fastcoat Industries
	36%	PT. Capitol Nusantara Indonesia
	49%	PT. Hafar Capitol Nusantara
	50%	Sindo-Econ Pte Ltd
Engineering	100%	Singa Tenaga Investments Pte Ltd
	100%	Leo Dynamische Investering B.V.
	100%	Vosta LMG IP & Software B.V.
	100%	Vosta LMG International B.V.
	100%	Vosta LMG Design GmbH
	100%	Vosta LMG B.V.
	100%	Vosta Inc
	100%	CFT Nertherlands
	100%	Vosta LMG Dredges B.V.
	100%	Vosta LMG Components & Services B.V.
	100%	Vosta LMG India Pvt Ltd
	100%	Vosta LMG (Zhuhai) Ltd
	100%	Vosta LMG (Asia Pacific) Pte Ltd

Source: Information provided by Management

5.6 Financial Performance

Details of ASL's financial performance based on its audited accounts for the year ended 30 June 2014, 2015, 2016 and the six months ending 31 December 2016 are set out below:

Table 12 – Financial Performance

	Year ended 30 June			Six months ended 31 December 2016 S$'000
	2014 S$'000	2015 S$'000	2016 S$'000	
Revenue	509,797	184,156	364,439	180,356
Cost of sales	(450,969)	(146,059)	(313,977)	(157,209)
Gross profit	**58,828**	**38,097**	**50,462**	**23,147**
Gross profit margin	*11.54%*	*20.69%*	*13.85%*	*12.83%*
Other income	11,072	10,664	5,532	2,641
Administrative expenses	(32,538)	(25,609)	(23,368)	(11,005)
Other operating costs	(1,319)	(2,799)	(9,727)	(1,646)
Finance costs	(13,764)	(15,624)	(19,126)	(9,175)
Share of profit/(loss) from joint ventures and associates	3,860	3,882	(3,253)	(1,456)
Profit/(loss) before income tax	**26,139**	**8,611**	**520**	**2,506**
Net proft margin before tax	*5.13%*	*4.68%*	*0.14%*	*1.39%*
Income tax expense	(5,376)	(1,150)	423	(1,697)
Profit/(loss) for the year	**20,763**	**7,461**	**943**	**809**

Source: ASL Annual Report for 30 June 2015 and 2016 and ASL's Interim Financial Report for the half year ended 31 December 2016

We note the following in relation to ASL's historical financial performance:

— ASL's revenue declined by $325m (64%) in FY15 mainly due to a $308m decline in shipbuilding revenue following the cancellation of orders for vessels noted in Section 5.2.1. Shipbuilding revenue was negative $30m in FY15 due to reversals of revenue necessitated by cancelled orders.

— The significant increase in FY16 revenue is attributable to the following divisional results:

  — Shipbuilding revenue increased significantly to $189m (from a negative $30.2m in FY15) as a result of progressive recognition of tugs, barges and tankers and absence of the reversal of revenue experienced in FY15 in relation to cancelled OSV contracts. ASL is now focused on delivering more tugs and barges in preference to non-OSV shipbuilding contracts;

  — Shiprepair and Conversion revenues fell by $34.6m (35.9%) mainly due to the absence of large rig repair work;

  — ASL also reported a decrease in revenue by $18.6m (40.3%) from its engineering segment due to absence of orders for new shipbuilding projects and also lower orders for spare parts and cutting/ coupling products; and

  — Shipchartering revenue increased by $14m (19.7%) mainly due to increased demand for tug boats, grab dredgers and hopper barges from domestic marine infrastructure project customers.

— In relation to ASL's historical gross profit:

  — Gross profit margin increased from 11.54% in FY14 to 20.69% in FY15 due to strong margin contribution from business segments not affected by the cancellation of OSV orders; and

  — FY16 gross profit increased as a result of increase in shipbuilding revenue offset by lower margin contributions from shiprepair, shipchartering and engineering segments. FY16 gross profit margin fell to 13.85% due primarily to ASL's shipchartering segment for which gross profit margin fell from 14.5% in FY15 to 3.3% in FY16 due to lower demand and drop in charter rates from OSVs together with lower utilisation rate of it's fleet.

- ASL's net profit margin before tax decreased from 5.1% in FY14 to 0.1% in FY16 due to the following reasons –
  - Other income reduced from a high of $11m in FY14 to $5.5m in FY16 due to lower gain realised on disposal of vessels;
  - Other operating costs increased by $1.5m in FY15 and then by $6.9m in FY16. The increase in FY16 was a result of higher allowance for impairment of doubtful receivables over FY15 and impairment loss on vessels held as inventories and property or property and equipment;
  - Finance costs also increased from $13.5m in FY14 to $19.1m in FY16 mainly due to increase in borrowings for vessels and yard financing as well as rising interest rates;
  - ASL reported a profit of $3.8m each during FY14 and FY15 from investment in joint ventures and associates. However in FY16, it reported a share of loss of $3.2m primarily in relation to ASL's share of losses of the Joint Venture.
- Revenue for the six months ended 31 December 2016 increased by $4.7m (2.7%) in comparison to the corresponding period ended 31 December 2015 primarily due to higher revenue from ASL's shipchartering segment as a result of the commencement of large marine infrastructure projects in Singapore and South Asia in the last quarter of FY16.
- Gross profit for the six months ended 31 December 2016 decreased by $4.8m (32.5%) over the corresponding six month period primarily due to higher costs for ASL's shipbuilding segment in relation to overruns in subcontractors cost for the construction of certain OSVs and barges.

5.7 Financial Position

Set out below is a summary of ASL's financial position based on its audited accounts for the year ended 30 June 2014, 2015 and 2016 and unaudited accounts for the half year ended 31 December 2016. Balances are denominated in Singaporean dollars.

Table 13 – ASL - Financial Position

	As at 30 June			As at 31 December 2016 S$'000
	2014 S$'000	2015 S$'000	2016 S$'000	
Cash and cash equivalents	73,155	77,919	24,710	40,930
Trade and other receivables	287,658	238,907	248,767	218,876
Inventories	72,655	216,876	238,481	242,964
Construction Work in Progress	199,318	48,542	108,958	111,583
Financial assets	-	542	963	724
Assets classified as held-for-sale	-	-	3,708	3,128
Total current assets	**632,786**	**582,786**	**625,587**	**618,205**
Property, plant & equipment	542,777	582,872	603,114	604,860
Interest in joint ventures and associates	13,375	18,108	14,726	13,840
Other assets	5,817	6,032	14,406	14,922
Intangible assets	22,190	18,674	17,840	17,649
Total non-current assets	**584,159**	**625,686**	**650,086**	**651,271**
Trust receipts	100,204	68,847	72,196	38,711
Trade and other payables	193,916	180,461	223,371	224,664
Progress billings in excess of construction work-in-progress	35,012	34,625	6,862	9,900
Other liabilities	5,384	3,319	2,864	5,074
Financial liabilities	168,570	152,434	291,621	300,878
Total current liabilities	**503,086**	**439,686**	**596,914**	**579,227**
Other liabilities	3,746	3,327	9,272	13,905
Financial liabilities	277,035	323,075	229,266	204,783
Deferred income tax	16,570	17,075	15,816	15,663
Total non-current liabilities	**297,351**	**343,477**	**254,354**	**234,351**
Net assets	**416,508**	**425,309**	**424,405**	**455,898**
Equity				
Share capital	83,092	83,092	83,092	108,056
Treasury shares	(923)	(923)	(923)	(923)
Retained earnings and reserves	328,433	337,354	337,465	345,396
Non-controlling interests	5,906	5,786	4,771	3,369
Total equity	**416,508**	**425,309**	**424,405**	**455,898**

Source: ASL Annual Report for 30 June 2015 and 2016 and ASL's Interim Financial Report for the half year ended 31 December 2016

We note the following in relation to significant movement in ASL's FY15 and FY16:

— Cash and bank balances have decreased significantly in FY16 due to reduced cash flow from operating activities in relation to the increased inventories and construction work-in-progress (net of progressive billings);

— Trade and other receivables decreased in FY15 as a result of lower progress billings for shipbuilding projects;

— Inventories increased significantly in FY15 as a result of construction costs of the three offshore support vessels, the contracts for which were cancelled by buyers in FY14 and FY15. The further increase in FY16 was due to costs incurred for progressive building of certain vessels;

- Construction work-in-progress (net of progress billings) decreased significantly in FY15 mainly due to completion and delivery of vessels and cancellation of the two shipbuilding contracts. This increased in FY16 as a result of higher project contractual payment terms (ranging from 70-90% on delivery) for certain shipbuilding projects requiring higher work-in-progress build up;
- Assets held for sale in FY16 relates to six pontoons and a crane bridge, which ASL is in discussions for sale;
- PP&E has increased over the years as a result of purchase of vessels in the normal course of business;
- Increases in trade and other payables in FY16 relate to higher construction work-in-progress for shipbuilding and shiprepair projects; and
- Other liabilities increased in 2016 due to advance payment received for a shipchartering project.

5.8 Share Price Trading Performance

As noted in 5.1, ASL Marine Holding's shares are listed and quoted for trading on the SGX.

We have reviewed the historical market trading in ASL's shares over the 12 months ended 28 February 2017. The figure below sets out the daily share price and trading volume of ASL's shares for the 12 months to 28 February 2017.

Figure 8 – Daily Volume and Share Price History

Source: Capital IQ, William Buck's Analysis

Based on our analysis we note that ASL's shares are frequently traded in low volumes and an active liquid market exists for its shares.

We have reviewed ASL's price sensitive announcements released on the SGX over the 12 months ended 31 December 2016 as set out in the table below:

Table 14 – ASL's Price Sensitive Announcements

Date	Announcement
28-November-2016	ASL announces FY2017 first quarter results
28-October-2016	ASL announces incorporation of a wholly owned subsidiary, ASL Towage & Salvage Pte. Ltd.
29-August-2016	ASL announces full year results for FY2016
12-May-2016	ASL announces securing of new contracts worth S$156m
12-May-2016	ASL announces FY2016 third quarter results
04-February-2016	ASL announces FY2016 half yearly results

Source: SGX and William Buck

6. Assessment of the terms of the Joint Venture

6.1 Fairness Assessment

In forming our opinion as to whether or not the Joint Venture is fair to the Non-Associated Shareholders, we have considered the following:

- whether, in all material aspects, the legal and commercial terms giving effect to the Joint Venture reflect terms that could otherwise have been agreed at arm's length between un-related third parties; and
- whether the legal and commercial terms giving effect to the Joint Venture are more favourable to one of the Joint Venture parties than to the other.

In forming our opinion as to whether or not the Joint Venture is fair to the Non-Associated Shareholders we have also considered ASIC's guidance provided in RG 76: Related party transactions.

Our review of the revised terms of the Joint Venture has identified the following key risk areas with the respect to the fairness of the Joint Venture:

- Corporate structure of the Joint Venture, including the paid-up share capital of Sindo-Econ and Batam JV, board composition of those entities and voting rights of the investors ("**Joint Venture Corporate and Capital Structure**");
- Adequacy of the 8% agency fee to be retained on external customer sales contracts by Econ Precast or Contech Precast ("**Koon Agency Fee**");
- Whether or not transportation agreements between Sindo-Econ and either ASLOM or Econ Precast reflect arm's length terms ("**Transportation Agreement Assessment**");
- Whether or not the Land Lease Agreement reflects arm's length terms ("**Land Lease Agreement Assessment**");

These risk areas are each addressed and concluded on in the remainder of this section.

6.2 Joint Venture Corporate and Capital Structure

There has been no change in the legal or capital structure of the Joint Venture since that which we opined on in the March 2014 IER.

In the March 2014 IER, we concluded that the key risk with respect to the Joint Venture Corporate and Capital Structure is the potential for inequality between the Joint Venture parties in the corporate or capital structure of Sindo-Econ / Batam JV, and found, on review of Sindo-Econ's capital structure, voting rights, board representation and funding requirements, no indication of any inequality between the Joint Venture parties.

We conclude, as at the date of this Report, that the Joint Venture Corporate and Capital Structure treats the Joint Venture parties equally.

6.3 Koon Agency Fee

As set out in Section 1.2.2, Econ Precast or Contech Precast will subcontract production of precast concrete products to Sindo-Econ (the Joint Venture) on an external customer order-by-order basis. There is no requirement for Econ Precast or Contech Precast to subcontract precast concrete production to the Joint Venture.

The subcontracting rate between Econ Precast and the Joint Venture has been revised to 92% of the contract price agreed between Econ Precast and external customers. In effect, Econ Precast retains 8% of the external customer contract price as an agency fee ("**Koon Agency Fee**").

The rate of the Koon Agency Fee impacts the profitability to Koon of external precast concrete sales where production is outsourced to the Joint Venture, and the profitability of the Joint Venture itself. We note that under the original operating terms of the Joint Venture, the agency fee collected by either Econ Precast or Contech Precast was 10% of the external customer contract price.

Consistent with our findings set out in Section 3, Koon management has informed us that construction activity in Singapore has slowed in recent years. In the building sector, Koon's precast products are primarily used in the construction of high-rise public housing. Activity in the public housing construction sector has remained reasonably consistent. However, reduced activity in the wider construction market has intensified competition in public housing construction resulting in tightening profit margins in this space for prime contractors. Consequently, Koon has experienced downward pressure on precast product pricing and has had to consider reducing its agency fee in order to maintain sufficient profitability in the Joint Venture.

Koon management has also reconfirmed to us that the Koon Agency Fee has been bench-marked against the agency fee charged by Econ Precast or Contech Precast when these entities subcontract precast orders to Econ Precast Sdn Bhd, which is Koon's wholly owned precast production facility in Malaysia.

In the March 2014 IER, we reviewed forecasts for the Joint Venture prepared by Koon management which demonstrated that the Koon Agency Fee, given the operating structure of the original Joint Venture, had been set at a level which maximised Koon profits in relation to external precast orders subcontracted to the Joint Venture, while ensuring that the Joint Venture remained sufficiently profitable and able to service interest costs in relation bank financed plant and equipment purchases. An extract of this analysis, shown on an illustrative basis is set out in the table below.

Table 15 – Analysis Extract from March 2014 IER – Koon Agency Fee and profitability

P&L Description	Basis	Pro-forma P&L (S$)				
		r = 8%	r = 9%	r = 10%	r = 11%	r = 12%
Econ Precast contract revenue	S$X / m3	100.0	100.0	100.0	100.0	100.0
Initial Subcontract Price	(1 - r) * S$X	92.0	91.0	90.0	89.0	88.0
Bukit Intan cost of sales						
Raw materials purchases		(42.5)	(42.5)	(42.5)	(42.5)	(42.5)
ASLOM freight charges		(11.6)	(11.6)	(11.6)	(11.6)	(11.6)
Initial Subcontract Price after raw materials and freight	S$Y	37.9	36.9	35.9	34.9	33.9
Production Subcontract Price	97% * S$Y	(36.8)	(35.8)	(34.8)	(33.9)	(32.9)
JV Agency Fee	8% * S$Y	(2.9)	(2.9)	(2.8)	(2.7)	(2.6)
Other Bukit Intan costs		(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Consolidated Econ Precast / Bukit Intan contract profit		**5.7**	**6.7**	**7.8**	**8.8**	**9.9**

Source: March 2014 IER

As discussed in Section 1.2.2, the operating structure of the Joint Venture has been revised so that now Econ Precast or Contech Precast subcontract directly to the Joint Venture. Previously, Econ Precast or Contech Precast subcontracted to Bukit Intan, a wholly owned subsidiary of Koon, which in turn subcontracted production of precast products to the Joint Venture and supplied the Joint Venture with some raw materials and marine freight.

As shown above, the analysis regarding the Koon Agency Fee set out in the March 2014 IER showed that at a Koon Agency Fee of 10%, Koon (through its subsidiaries) retained approximately 7.8% of the value of sales to external customers, before sharing in the profits / losses of the Joint Venture.

As discussed above, the operating structure of the Joint Venture has been streamlined so that now Econ Precast or Contech Precast subcontracts directly to the Joint Venture for an agency fee of 8%. This 8% agency fee is received by Koon before sharing in the profits / losses of the Joint Venture and is comparable to the estimated 7.8% of external customer sales received by Koon under the original Joint Venture structure before sharing in the profits / losses of the Joint Venture.

Conclusion

Our view is that the key risk with respect to the Koon Agency Fee is that if set too low, the fee risks transfer of excess profitability into the Joint Venture, profits of which are then shared on an equal basis with ASL, rather than being 100% retained by Koon.

Based on the analysis set out above, which partly relies on the findings of the March 2014 IER, Koon appears no worse off with the reduction in the Koon Agency Fee from 10% to 8%, given the other changes noted to the operation of the Joint Venture.

6.4 Transportation Agreement Assessment

As discussed in Section 1, ASLOM has provided marine transport to the Joint Venture since 1 August 2013. ASLOM is a wholly owned subsidiary of ASL. Additionally, Econ Precast, a wholly owned subsidiary of Koon, also began providing marine transport to the Joint Venture in January 2017.

Our primary concern regarding the Transportation Agreements relates to whether or not the agreements reflect terms no worse than the Joint Venture would have been able to obtain in the market, dealing with an unrelated third party. Non-arm's length shipping terms could otherwise be a mechanism by which value is unfairly transferred from one Joint Venture party to the other.

This concern is mitigated to a large extent by the fact that wholly owned subsidiaries of both Koon and ASL are now providing marine transport to the Joint Venture on identical terms and pricing. Koon management estimates that ASLOM and Econ Precast will each provide approximately 50% of the Joint Venture's marine transport requirements.

Historically, ASLOM has transported cargo on behalf of the Joint Venture between Singapore and Batam (and between Batam and Singapore) at a rate of S$800 per trailer. We understand that a "trailer" holds between 30 and 40 Revenue Tonnes ("**RT**"). ASLOM utilises specially designed and constructed ships called landing craft tanks ("**LCT**") on to which semi-trailers loaded with precast products can be driven on and off directly. This method of precast product transport achieves significant goods handling cost savings, enabling ASLOM to offer shipping freight logistics services at lower costs than other shipping providers.

For the purposes of preparation of this Report, Koon obtained quotes from independent third party shipping and freight logistics companies for transport of cargo (raw materials and precast concrete products) in between Singapore and Batam. These quotes are summarised in the table below. Koon management confirmed that the shipping quotes were obtained from independent third parties with no knowledge of the terms of the ASL Transportation Agreement.

A summary of these quotes and comparison to the pricing set out in the Transportation Agreements is set out below.

Table 16 – Transportation Agreements and third party shipping quotes

Shipping Quote Provider	Date of Quote	Document Rate	Singapore to Batam	Batam to Singapore	Compare to ASLOM pricing	
			S$ / RT	S$ / RT	30 RT / Trailer	40 RT / Trailer
Winstar Shipping Pte Ltd	25-Feb-17	S$150.00	S$30.00	S$32.00	S$1,110.00	S$1,430.00
Trans-Orient Shipping Pte Ltd	24-Mar-17	-	S$35.00	S$38.00	S$1,140.00	S$1,520.00
Average of comparable shipping quotes					**S$1,125.00**	**S$1,475.00**
ASLOM shipping quote					**S$800.00**	**S$800.00**

Source: Shipping quotes obtained by Koon management

For both shipping quotes set out above, the per trailer comparison rate was calculated based on the estimated number of RTs per trailer, multiplied by the highest rate per RT provided by the quote provider.

In both instances the range of rates per trailer provided by the comparable quote providers was considerably higher than the per trailer rate being charged by ASLOM and Econ Precast.

Conclusion

Based on the comparable shipping quotes obtained by Koon, the shipping rates per trailer being provided by ASLOM and Econ Precast appear to provide the Joint Venture with better pricing than could otherwise have been obtained by through negotiation with independent third parties.

Additionally, wholly owned subsidiaries of both ASL and Koon now provide marine transport to the Joint Venture in equal proportions and on identical terms and pricing. This mitigates the risk of value transfer from one Joint Venture party to the other.

6.5 Land Lease Agreement Assessment

As discussed in Section 1, Batam JV leases land and precast production and processing workshops from PTCIS, a wholly owned subsidiary of ASL

The first lease agreement between Batam JV and PTCIS was entered into on 2 January 2014 and was a three year lease in relation to a 41,250m^2 site. As summarised below, this initial lease agreement was revised on 1 July 2015 and was renewed on 10 February 2017. Several other leases have been entered into recently as the needs of the Joint Venture have expanded.

Table 17 – Summary of Batam JV lease agreements

Lease	Date of Lease Agreement	Description	Rental period		Area size	Rate	Current monthly rental	Current annual rental
			From	To	m^2	S$ / m^2	S$	S$
1a	02-Jan-14	Leased premises of 41,250m^2	01-Jan-14	31-Dec-16	41,250	1.50		
1b	01-Jul-15	Leased premises revised to 62,700m^2	01-Jul-15	30-Jun-17	62,700	1.50	94,050	1,128,600
1c	10-Feb-17	Leased premises of 62,700m^2 - renewal	01-Jul-17	30-Jun-19	62,700	1.50		
2	10-Feb-17	Segment Production Area	01-May-16	30-Apr-18	50,350	1.50	75,525	906,300
3	10-Feb-17	Storage Area for segment	01-May-16	30-Apr-18	7,500	1.50	11,250	135,000
4	10-Feb-17	Wiremesh Processing Workshop	01-May-16	30-Apr-18	3,120	2.00	6,240	74,880
5	10-Feb-17	Segment Production Workshop	01-May-16	30-Apr-18	6,240	2.00	12,480	149,760
		Total			**129,910**		**199,545**	**2,394,540**

Source: Signed lease agreements provided by Koon

Our primary concern with respect to the Land Lease Agreements relates to whether or not the agreements reflect terms no worse than Batam JV would have been able to obtain in the market, dealing with an unrelated third party.

For the purposes of the March 2014 IER, we utilised the services of KJPP. Sarwono, Indrastuti & Rekan, a specialist Indonesian public valuers and consultants, to assess a market rate of rent in relation to the site being leased by Batam JV from PTCIS. A copy of KJPP. Sarwono, Indrastuti & Rekan's report, titled 'Study of Market Rental Vacant Land and Site Improvement' can be found at Appendix D of the March 2014 IER.

As set out in the table below, which has been extracted from the March 2014 IER, KJPP. Sarwono, Indrastuti & Rekan's assessment of the market rate of rent in relation to the Batam property and site improvements supported a rate of rent per m^2 that was higher than the S$1.50 / m^2 / month per the 2 January 2014 lease agreement.

Table 18 – March 2014 IER Extract - KJPP. Sarwono, Indrastuti & Rekan market rent assessment

Description	S$ / m^2 / month
Land	0.942
Constructed assets:	
Crane Beam	0.081
Yard Slab	0.348
Service Road	0.045
Drainage	0.02
Utility infrastructure:	
Pipe line system and piping system	0.034
Electrical system	0.034
Prestress bulkhead system	0.074
Gantry crane track system	0.218
Total	**1.796**
Site rent payable per Land Lease Agreement	**1.500**

Source: Extract from March 2014 IER

Subsequent lease agreements, with the excpetion of two leases which are discussed below, entered into between Batam JV and PTCIS all reference the S$1.50 / m^2 rental rate supported by KJPP. Sarwono, Indrastuti & Rekan's assessment of the market rate of rent for the Batam site.

Leases 4 and 5 noted above, have been agreed at S$2.00 / m^2 rather than S$1.50 / m^2. Koon management has informed us that the higher rate reflects additional plant and equipment provided with these premises for the precast production process. We note that the leases agreed at a rate of S$2.00 / m^2 represent a low proportion (approximately 9.3% of total site rental costs for Batam JV.

Conclusion

The majority of site rental cost incurred by the Joint Venture in Batam is consistent with the market rent assessment provided by KJPP. Sarwono, Indrastuti & Rekan in the March 2014 IER. Consequently, it does not appear that Batam JV will pay greater than a market rate of rent through the lease agreements it has entered into with PTCIS.

7. Evaluation of the Joint Venture

7.1 Basis of the Evaluation of the Joint Venture

In our opinion, the Joint Venture will be fair and reasonable if:

— in all material aspects, the legal and commercial terms giving effect to the Joint Venture are equivalent or an improvement on the terms that could otherwise have been agreed at arm's length between un-related third parties;

— the legal and commercial terms giving effect to the Joint Venture are no more favourable to one of the Joint Venture Parties than to the other;

— on balance, the advantages to the Non-Associated Shareholders of approving the Joint Venture outweigh the disadvantages; and

— on balance, the disadvantages to the Non-Associated Shareholders of not approving the Joint Venture outweigh the advantages.

7.2 Assessment of Fairness of the Joint Venture

Based on our analysis, we set out below a summary of our opinions relating to the fairness of the Joint Venture. Our fairness opinion is focused on an analysis of the following factors:

— whether, in all material aspects, the legal and commercial terms giving effect to the Joint Venture are equivalent or an improvement on the terms that could otherwise have been agreed at arm's length between un-related third parties; and

— whether the legal and commercial terms giving effect to the Joint Venture are more favourable to one of the Joint Venture parties than to the other.

Table 19 – Joint Venture Fairness Assessment Summary

Identified Areas of Risk	Key Risk	Summary of Findings
Joint Venture Corporate and Capital Structure (**Section 6.2**)	— Inequality between the Joint Venture Parties with regards to capital structure, voting rights, board representation and commitment to ongoing funding requirements of the Joint Venture.	— Our review of Sindo-Econ's capital structure, voting rights, board representation and funding requirements does not indicate any inequality between the Joint Venture parties.
Koon Agency Fee (**Section 6.3**)	— The key risk with respect to the Econ Precast Agency Fee is that if it is set too low, the fee risks transfer of excess profitability into the Joint Venture and consequently, to ASL through ASL's interest in the Joint Venture.	— The operating structure of the Joint Venture has been revised and streamlined. However, Koon's interest in external customer sales has remained unchanged at around 8% before sharing in the profit / loss of the Joint Venture. — Analysis presented in the March 2014 IER demonstrated that Koon's agency fees had been agreed at a level which maximised profitability to Koon while maintaining sufficient profitability in the

Identified Areas of Risk	Key Risk	Summary of Findings
		Joint Venture for those entities to continue as going concerns and maintain debt serviceability.
Transportation Agreement Assessment (**Section 6.4**)	— Value transfer to either of the Joint Venture Parties if the Joint Venture pays higher than a market rate for the shipping of raw materials to Batam and finished precast goods from Batam to Singapore.	— Koon and ASL are now providing marine transport to the Joint Venture on identical terms and pricing. Koon management estimates that ASLOM and Econ Precast will each provide approximately 50% of the Joint Venture's marine transport requirements. — Additionally, comparable shipping quotes obtained by Koon demonstrate that the shipping rate per trailer being charged to the Joint Venture provide better pricing than could otherwise have been obtained by through negotiation with independent third parties.
Land Lease Agreement Assessment (**Section 6.5**)	— Value transfer to ASL if the Joint Venture pays higher than a market rental for the Batam production site.	— The majority of site rental cost incurred by the Joint Venture in Batam is consistent with the market rent assessment provided by KJPP. Sarwono, Indrastuti & Rekan in the March 2014 IER. Consequently, it does not appear that Batam JV will pay greater than a market rate of rent through the lease agreements it has entered into with PTCIS.

Source: William Buck analysis

Accordingly, in our opinion, the Joint Venture is considered fair from the perspective of the Non-Associated Shareholders of Koon.

7.3 Assessment of Reasonableness of the Joint Venture

We have considered the following factors in determining whether or not the Joint Venture is reasonable to the Non-Associated Shareholders of Koon.

7.3.1 Advantages of approving the Joint Venture

The following may be considered advantages of approving the Joint Venture:

— **Terms are fair:** The terms of the Joint Venture are "fair";

— **Access to additional production capacity:** The Joint Venture has significantly increased Koon's precast production capacity which Koon uses to service customer demand for precast products in excess of current production capacity;

- **Diversification of production capacity:** The Joint Venture has resulted in geographical diversification of Koon's precast production capacity, reducing reliance on individual production sites and the risk associated with production issues at individual sites;
- **Potential pricing advantage through arrangements with ASL:** Particularly with regards to the Transportation Agreements, the terms at which the Joint Venture will acquire services from ASL appear favourable in comparison with market rates; and
- **Potential to increase market capitalisation:** The production capacity to be provided by the Joint Venture is planned to enable Koon to increase precast revenues and profitability. Increased precast revenues and profitability may increase Koon's share price and market capitalisation.

7.3.2 Disadvantage of approving the Joint Venture

The following may be considered a disadvantage of approving the Joint Venture:

- **Sharing of profits:** In comparison with Koon's existing precast production operations which are wholly owned by Koon, a portion of the profits in relation to sales of precast products produced by the Joint Venture will be shared with ASL

7.3.3 Advantages and disadvantages of not approving the Joint Venture

In our view, the significant advantages or disadvantages of rejecting the Joint Venture include the reverse of the matters noted above.

7.3.4 Overall conclusion on advantages and disadvantages of the Joint Venture

In our opinion, based on a consideration of the above, the Joint Venture is considered reasonable from the perspective of the Non-Associated Shareholders of Koon as:

- on balance, the advantages of approving the Joint Venture outweigh the disadvantages of approving it to the Non-Associated Shareholders; and
- on balance, the disadvantages of rejecting the Joint Venture outweigh the advantages of rejecting it to the Non-Associated Shareholders.

7.4 Conclusion on Joint Venture

In our opinion the Joint Venture is, on balance, fair and reasonable to the Non-Associated Shareholders of Koon.

8. Qualifications

8.1 Qualifications

William Buck is an authorised representative of William Buck Wealth Advisors (NSW) Pty Ltd which holds an Australian Financial Services Licence issued by ASIC for giving expert reports pursuant to the Listing Rules of the ASX and NSX and the Act.

The William Buck personnel responsible for the preparation of this Report are Mr Daniel Coote and Mr Mark Calvetti.

Mr Daniel Coote is a Director of William Buck, is a Chartered Accountant, and holds Bachelor of Commerce and Master of Applied Finance degrees from Macquarie University. Mr Coote has over 15 years' experience in Chartered Accounting and regularly advises clients on corporate transactions and is experienced in the provision of valuations of shares and businesses for a variety of applications. Accordingly, Mr Coote has the appropriate experience and professional qualifications to provide the advice offered.

Mr Mark Calvetti is a Director of William Buck. He holds a Bachelor of Business (Accounting and Finance) degree from the University of Technology, Sydney. Mr Calvetti has over 28 years' experience in Corporate Finance and has had extensive experience in the areas of mergers and acquisitions, litigation support, preparation and review of business feasibility studies, financial investigations, business valuations, independent expert's reports and due diligence reviews. His experience covers a wide range of industries for both public and private companies. Accordingly, Mr Calvetti has the appropriate experience and professional qualifications to provide the advice offered.

8.2 Independence and Declarations

William Buck is not aware of any matter or circumstance that would preclude it from preparing this report on the grounds of independence either under regulatory or professional requirements. In particular, we have had regard to the provisions of applicable pronouncements and other guidance statements relating to professional independence issued by Australian professional accounting bodies and ASIC.

William Buck considers itself to be independent in terms of RG 112: Independence of Experts, issued by ASIC.

William Buck has acted in a similar capacity for Koon in the past but has had no direct prior dealings with ASL. We are not aware of any matters or relationships that could be regarded as capable of affecting our ability to provide an unbiased opinion in relation to the Joint Venture.

William Buck is entitled to receive a fee for the preparation of this Report of approximately $17,500 plus GST and disbursements. This fee is not contingent on the outcome of the Report. Except for this fee William Buck has not received and will not receive any pecuniary or other benefit, whether direct or indirect, for or in connection, with the preparation of this Report and accordingly, does not have any pecuniary or other interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the Joint Venture.

One draft of this Report was provided to the Directors of Koon for review of factual accuracy, as opposed to opinions, which are the responsibility of William Buck alone. Certain changes were made to the report as a result of the circulation of the draft report. However, no changes were made to the methodology, conclusions or recommendations made to the Non- Associated Shareholders as a result of issuing the draft reports.

The statements contained in this Report are given in good faith and have been derived from information believed to be reliable and accurate. We have examined this information and have no reason to believe that any material factors have been withheld from us.

9. Appendices

9.1 Appendix A – Sources of Information

a) Koon and ASL announcements in relation to the terms of the Joint Venture;

b) Draft Notice of Annual General Meeting and Explanatory Memorandum to be issued in relation to the Joint Venture;

c) Copy of Koon and ASL share registers;

d) Koon and ASL's annual reports;

e) Historical share trading data for Koon and ASL obtained from Capital IQ;

f) Various agreements between Koon (and its subsidiaries) and ASL (and its subsidiaries) giving effect to the Joint Venture;

g) Publicly available economic analysis reports published by Singapore's Ministry of Trade and Industry;

h) Publicly available industry analysis reports published by industry research companies; and

i) Discussions and correspondence with management of Koon.

9.2 Appendix B – Abbreviations and Definitions

Term	Definition
Act	Corporations Act 2001
APES	Accounting Professional and Ethical Standard
ASAE	Australian Standards on Assurance Assignments
ASIC	Australian Investments and Securities Commission
ASL	ASL Marine Holdings Ltd
ASL Transportation Agreement	The shipping transportation agreement between Bukit Intan and ASLOM
ASLOM	ASL Offshore & Marine Pte Ltd
ASRE	Australian Standards on Review Assignments
ASX	ASX Limited ACN 008 624 691
ASX Listing Rules	Rules of ASX which are applicable while the Company
ASX Listing Rule 10	The provisions set out in Chapter 10 of the ASX Listing Rules
AUS	Australian Auditing Standards
Batam JV	PT Sindomas Precas
BCA	Building and Construction Authority of Singapore
Contech Precast	Contech Precast Pte Ltd
CPI	Consumer Price Index
Directors	The directors of Koon
Econ Precast	Econ Precast Pte Ltd
Initial Subcontract Price	The subcontracting rate between Econ Precast / Contech Precast and Bukit Intan
IOI	Intan Overseas Investments Pte Ltd
Joint Venture	The joint venture between Koon and ASL
JV Agreement	The joint venture agreement between Koon, Econ Precast, Contech Precast, Bukit Intan, ASL, ASLOM, PTCIS, Sindo Econ and Batam JV
Koon or the Company	Koon Holdings Limited
Land Lease Agreement	Land lease agreement signed between Batam JV and PTCIS
LCT	Landing craft tanks
NOM	Notice of Meeting
Non-Associated Shareholders	Those shareholders in Koon whose votes are not to be disregarded in voting on the resolutions relating to the Proposed Transaction
Precast	Precast concrete products

PTCIS	PT Cemara Intan Shipyard
Report	This report prepared by William Buck dated 28 March 2017
RG	Regulatory Guides issued by ASIC
RG 111	Regulatory Guide 111: Content of Expert Reports
RG 112	Regulatory Guide 112: Independence of Experts
RG 76	Regulatory Guide 76: Related Party Transactions
RT	Revenue Tonnes
Shareholders	The holders of fully paid ordinary shares in Koon
Shareholders' Agreement	The shareholders agreement between Koon, Econ Precast, ASL and IOI
Sindo-Econ	Sindo-Econ Pte Ltd
William Buck , we, us, our	William Buck Corporate Advisory Services (NSW) Pty Ltd ACN 133 845 637

Changing Lives.

williambuck.com
CHARTERED ACCOUNTANTS & ADVISORS

Praxity
GLOBAL ALLIANCE OF INDEPENDENT FIRMS