



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

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## SETTLEMENT WITH THE ASL GROUP

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*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the Company's announcement dated 8 January 2020 ("**Previous Announcement**").*

Further to the Previous Announcement, the Board of Directors of the Company wishes to announce that:

1. The Koon Group (of which the Company and KCTC are members) had on 13 April 2020 entered into a settlement deed with the ASL Group for the resolution of mutual debts owed between the two groups (the "**Settlement Deed**").

### **Background**

2. Historically, the Koon Group and ASL Group had a strong trading relationship and over the years, their member companies have accrued significant mutual claims between them. When the Koon Group was financially healthy, both Groups would engage in arrangements to set-off the mutual debts owed between their companies.
3. As a result of these arrangements, some companies in the ASL Group were creditors of KCTC, and were originally intended to be subject to the KCTC Scheme. These companies are:
  - (a) ASL Marine Contractor Pte Ltd ("**AMC**");
  - (b) ASL Offshore & Marine Pte Ltd ("**AOM**");
  - (c) ASL Shipyard Pte Ltd ("**ASPL**");
  - (d) PT.ASL Shipyard Indonesia ("**PTASI**")
  - (e) PT Awak Samudera Transportasi ("**PTAST**");
  - (f) Vosta LMG Dredges B.V. ("**Vosta Dredges**");
  - (g) Vosta LMG Design GMBH ("**Vosta Design**"); and
  - (h) Vosta LMG Components & Services B.V. ("**Vosta Components**").
4. Some of the companies in the Koon Group and the ASL Group have common shareholders ("**Common Shareholders**"). These Common Shareholders own a controlling stake in KHL.

### **Recent events and rationale for entering into the Settlement Deed**

5. After the KCTC Scheme Meeting was passed on 25 February 2020, at the request of the ASL Group, the Koon Group undertook serious discussions with ASL Group about implementing a set-off of existing mutual debts between certain companies of both groups. This was because some of the Common Shareholders had indicated that they would be prepared to agree to issue new shares in KHL provided that such a set-off takes place in accordance with past practice between the ASL Group and the Koon Group.
6. As you would recall, it is a key feature of the KHL and KCTC Schemes that KHL issues shares to Scheme Creditors of both Schemes. Based on currently available information:
  - (a) Under the KHL Scheme, KHL will issue approximately 207,517,036 new shares to Scheme Creditors with Class B Claims under the KHL Scheme; and
  - (b) Under the KCTC Scheme, KCTC will procure KHL to issue approximately 416,227,546 new shares to Unsecured Creditors under the KCTC Scheme.
7. Additionally, beyond its restructuring efforts by way of the Schemes, both KHL and KCTC have also sought investment into either KHL or KCTC. KHL is currently in advanced talks with an investor wishing to inject capital into KHL in exchange for new shares in KHL to be issued.
8. After careful consideration and with the benefit of advice, KHL and KCTC decided to accede to the ASL Group's request to set-off the existing mutual claims between the ASL Group and the Koon Group:
  - (a) This was done to secure the issuance of new KHL shares, which are critical to the implementation of both the KHL and KCTC Schemes and more broadly, the Koon Group's restructuring efforts. Without the issuance of new KHL shares, both Schemes will fail and the Koon Group's restructuring plans will be jeopardised – in such a scenario, KHL and KCTC would very likely quickly face liquidation thereafter, which would result in a significantly lower return to their creditors.
  - (b) Further, the proposed set-off would not jeopardise KHL's and KCTC's ability to make the payments to their creditors contemplated under the Schemes, since the funds for such repayments would come from sources other than the companies from the ASL Group.

### ***The Settlement Deed***

9. In light of this, the Settlement Deed was entered into on 13 April 2020 between:
  - (a) the following members of the Koon Group:
    - (i) KHL;
    - (ii) KCTC;
    - (iii) Reem Island Pte Ltd;
    - (iv) Petra I Pte Ltd;
    - (v) Entire Engineering Pte Ltd;
  - (b) the following members of the ASL Group:
    - (i) AMC;
    - (ii) AOM;

- (iii) ASPL;
- (iv) PTASI;
- (v) PTAST;
- (vi) Singa Tenaga Investments Pte Ltd
- (vii) Vosta Dredges;
- (viii) Vosta Design;
- (ix) Vosta Components;

(c) the following Common Shareholders:

- (i) Ang Ah Nui;
- (ii) Ang Sin Liu; and
- (iii) Oh Koon Sun.

10. Under the Settlement Deed, the Common Shareholders agreed to, subject to the terms and conditions in the Settlement Deed, unconditionally exercise their voting rights in KHL to allow:
- (a) the sale of KHL's or KCTC's assets under the KHL or KCTC Schemes;
  - (b) the issuance of ordinary shares in KHL to the Scheme Creditors in accordance with the KHL and KCTC Schemes; and
  - (c) the issuance of ordinary shares in KHL to any investor that may wish to inject capital into KHL and/or KCTC by way of a share deal.
11. In exchange, specified members of the Koon Group and ASL Group will undertake a series of transactions, the result of which is that:
- (a) claims between them totaling S\$8,978,923.81 will be effectively netted off; and
  - (b) the Koon Group will receive an aggregate sum of S\$44,067.13 from the ASL Group.

This sum has since been paid on 15 April 2020.

12. The Company and KCTC thank their creditors for their support. The Company and KCTC will in April 2020 apply to obtain the Court's sanction pursuant to the Companies Act and will update creditors accordingly thereafter.

This announcement was authorised for release by the Company's Acting Managing Director.

**Shareholders and holders of the Company's securities are advised to read this announcement and any further announcements by the Company carefully. Shareholders and holders of the Company's securities should consult their stockbrokers, bank managers, solicitors, or other professional advisors if they have any doubt about the actions they should take.**

#### **BY ORDER OF THE BOARD**

Oh Koon Sun  
Acting Managing Director  
16 April 2020