



KLW HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 199504141D)

PROPOSED CHANGE OF AUDITORS FROM CROWE HORWATH FIRST TRUST LLP TO BAKER TILLY TFW LLP

The board of directors (the “**Board**”) of KLW Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the Company’s intention to change its auditors from Crowe Horwath First Trust LLP (“**Crowe Horwath**”) to Baker Tilly TFW LLP (“**Baker Tilly**”) (the “**Proposed Change of Auditors**”).

The Company’s existing auditors, Crowe Horwath, were appointed as auditors of the Company since the financial year ended 31 December 2010. The Board, having reviewed Baker Tilly’s fee proposal, and in consultation with the Audit Committee, had determined that the proposal from Baker Tilly is best suited to meet the existing needs and audit requirements of the Group and the quantum of professional fees for the audit services proposed by Baker Tilly is more reasonable, competitive and cost effective in comparison to those charged by Crowe Horwath.

In connection with the above, the Company had, on 10 March 2016, received a notice from Crowe Horwath, informing the Company of its application to ACRA to resign as Auditors of the Company.

On 30 March 2016, Crowe Horwath informed the Company that ACRA had issued its consent dated 21 March 2016 to their resignation as Auditors and simultaneously gave notice of their resignation as Auditors by way of a letter dated 28 March 2016. On the same day, Baker Tilly gave their consent to be appointed as Auditors of the Company, subject to approval from Shareholders being obtained at the extraordinary general meeting (the “**EGM**”) of the Company for the Proposed Change of Auditors.

The resignation of Crowe Horwath will only take effect upon the appointment of Baker Tilly, which will be effective upon the approval of Shareholders being obtained at the EGM of the Company to be convened in due course. Upon the appointment, Baker Tilly will hold office until the conclusion of the next annual general meeting of the Company.

Following Shareholders’ approval of the Proposed Change of Auditors, Baker Tilly will be appointed as Auditors of the Company and its subsidiaries, in place of Crowe Horwath.

On 13 July 2015, the Company announced that Crowe Horwath has in their Independent Auditor’s report dated 8 July 2015 in respect of the audited financial statements of the Company and its subsidiaries for the financial year ended 31 March 2015 included a disclaimer of opinion. The Board would like to highlight that the Proposed Change of Auditors is in no way the result of any disagreement, if any, with the disclaimer of opinion issued by Crowe Horwath.

In accordance with Rule 712(3) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”):

- (a) Crowe Horwath had confirmed by way of their letter issued to Baker Tilly dated 28 March 2016 that it is not aware of any professional reasons why Baker Tilly should not accept appointment

as auditors of the Company, but Crowe Horwath drew attention in the letter to the audit report of the Company and its subsidiaries dated 8 July 2015 on matters noted during the audit for the financial year ended 31 March 2015;

- (b) the Company confirms that there were no disagreements with Crowe Horwath on accounting treatments within the last 12 months up to the date of this announcement;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the shareholders of the Company which has not been disclosed in this announcement. The Proposed Change of Auditors is neither due to the dismissal of Crowe Horwath nor Crowe Horwath declining to stand for election; and
- (d) the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of Baker Tilly as its new Auditors.

The Board wishes to express their appreciation for the services rendered by Crowe Horwath in the past.

A circular containing further details on the Proposed Change of Auditors, together with the notice of EGM, will be despatched to the Company's shareholders in due course.

BY ORDER OF THE BOARD

KLW Holdings Limited

31 March 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, R & T Corporate Services Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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