



KLW HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 199504141D)

ACQUISITION OF LAND BY THE JOINT VENTURE

1. INTRODUCTION

The Board of Directors (the “**Board**”) of KLW Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 1 March 2017, 24 August 2017, 27 September 2017 and 2 November 2017 (collectively, the “**Announcements**”) relating to, *inter alia*, the proposed joint venture in Indonesia through the joint venture company, PT Ambertree Development Jakarta (“**PTADJ**”). Unless otherwise defined, all capitalised terms herein shall bear the same meanings ascribed to them in the Announcements.

Further to the announcement on 2 November 2017 in relation to the Master Agreement for the sale and purchase of a land area of approximately 6,527 m² (“**First Master Agreement**”), the Company wishes to announce that the PTADJ, has entered into a second master agreement for sale and purchase of land and two (2) supplementary deeds of sale and purchase (collectively, the “**Acquisition Documents**”) with PT KPI on 2 March 2018 in relation to the acquisition of the Land located in South Jakarta (the “**Land Acquisition**”). The completion of the Land Acquisition has taken place concurrently with the signing of the Acquisition Documents.

Further details of the Land and the Acquisition Documents are set out in the Schedule hereto.

2. LAND ACQUISITION

Information on the Land

The Land that is the subject of the Land Acquisition covers an aggregate area of approximately 929 m² and is located at Jl. R.A. Kartini No. 18, Jakarta, Indonesia.

It is intended for PTADJ to develop a mixed use residential development with retail and commercial component on the Land. PT KPI has guaranteed in the Acquisition Documents that the plan to use the Land for building apartment and office buildings is in accordance with the zoning regulations, spatial planning regulations or other regulations or provisions or other laws. The Land does not currently generate any profits.

Information on the Vendor

PT KPI is an affiliate of PT Codefin, which is the joint venture partner of our Group in respect of the joint venture company, PTADJ. PT Codefin is a privately owned real estate development company that predominately operates in Jakarta, Indonesia. It specialises in the conceptualisation, building and developing of commercial portfolios ranging from hotels, malls and office buildings to high rise residential development units.



The shareholders of PT KPI and PT Codefin are independent third parties who are not related to any director or shareholder of the Company.

Consideration

The cash consideration of the Land Acquisition is approximately IDR 35.3 billion (equivalent to approximately S\$3.4 million)⁽¹⁾ (“**Consideration**”) and was arrived at on a willing buyer willing seller basis. Based on a valuation report dated 1 March 2018 (the “**Valuation Report**”) commissioned by the Company and carried out by an independent valuer, Roma Appraisals Limited (the “**Valuer**”), the market value of the Land as at 31 January 2018 was IDR 38.09 billion (equivalent to approximately S\$3.7 million)⁽¹⁾. The Consideration will be funded by PTADJ through shareholders’ loans in proportion with their respective shareholdings in PTADJ.

Completion

Immediately before the signing of the Acquisition Documents, PTADJ will pay the Consideration in full to PT KPI. Pursuant to the terms of the Acquisition Documents, PT KPI has, immediately after the execution of the Acquisition Documents, delivered the Land to PTADJ in a clear condition and free from any party occupying the Land.

Location Licence

Pursuant to the terms of the Acquisition Documents, PT KPI shall assist PTADJ in obtaining a location licence from the government authorities required for the acquisition and transfer of the Land issued by the Indonesian government which will permit PTADJ to build apartment and office buildings on the Land. If PTADJ is unable to obtain the location licence within six (6) months after the execution of the First Master Agreement, PT KPI shall refund the Consideration to PTADJ and the Acquisition Documents shall automatically terminate and the PT KPI shall indemnify PTADJ against all direct and indirect losses in connection with the Land Acquisition.

In connection with the above, a shareholder of PT KPI has granted a personal guarantee in favour of PTADJ to secure the due and punctual performance and observance of the obligations, commitments and undertakings of PT KPI to assist PTADJ in obtaining a location licence and to return the Consideration in the event the location licence is not obtained.

3. RATIONALE FOR THE LAND ACQUISITION

The Directors believe that the Land Acquisition is beneficial to the Group and its shareholders as:

- (a) it provides the Group with the opportunity to acquire land located in a prime district of South Jakarta and achieve a potential upside through the development of the Land;
- (b) it will allow the Group to expand its property investment and development portfolio into Indonesia; and

(1) For the purpose of this announcement, all currency exchange rate throughout this announcement is S\$1: IDR10340. Such exchange rate has been presented solely for information only and should not be construed as representations that the relevant amounts have been or could be converted at the rates indicated or at any other rate.

- (c) it allows the Group to tap on the expertise and network of its joint venture partners for the development of real estate projects into Indonesia.

4. ILLUSTRATIVE FINANCIAL EFFECTS

For illustrative purposes, the financial effects of the Land Acquisition have been computed and set out below based on the audited full year financial statements of the Group for the financial year ended 31 March 2017. Such financial effects have been prepared purely for illustrative purposes only and do not reflect a projection of the actual future financial performance of the Group.

4.1 Net Tangible Assets (“NTA”)

Assuming that the Land Acquisition had been effected on 31 March 2017, the effect of the Land Acquisition on the NTA per share of the Group is as follows:

SGD'000	As at 31 March 2017	After the completion of the Land Acquisition
NTA	89,331	89,331 ⁽¹⁾
NTA per share ⁽²⁾	1.66	1.66

Notes:

- (1) This refers to the post-acquisition consolidation of PTADJ's NTA that consist of this Land purchase of 929 m² and also on the basis that PTADJ is treated as a subsidiary of the Group and is controlled by the Company.
- (2) Calculated based on 5,380,556,316 issued shares of the Company as at 31 March 2017.

4.2 Earnings per share (“EPS”)

Assuming that the Land Acquisition had been effected on 1 April 2016, the EPS of the Group would have remained unchanged at 0.185 Singapore cents.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures in relation to the Land Acquisition computed on the relevant bases set out in Rule 1006 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”) are as follows:

Rule 1006	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
(b)	The net profit / (loss) attributable to the purchase of land, compared with the Group's net profit / (loss).	Not applicable ⁽¹⁾

Rule 1006	Bases	Relative Figures
(c)	The aggregate value of the consideration given compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares. ⁽²⁾	5.9%
(d)	The number of equity securities issued by the Company as consideration, compared with the number of equity securities of the Company previously in issue.	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable as the Company is not a mineral, oil and gas company

Notes:

- (1) The Land does not have any profit or loss attributable to it.
- (2) Market capitalisation of approximately S\$37.66 million has been calculated on the basis of 5,380,556,316 Shares in issue multiplied by the volume weighted average price of the Shares transacted on the SGX-ST on 1 March 2018, being the full market day prior to the date of the Acquisition Documents (i.e. 2 March 2018) on which Shares were last traded on the SGX-ST.

As the relative figure under Rule 1006(c) exceeds 5% but does not exceed 75%, the Land Acquisition constitutes a discloseable transaction pursuant to Rule 1010 of the Catalist Rules.

6. FURTHER INFORMATION

6.1. Directors' Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Land Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

6.2. Interests of Directors and Controlling Shareholders of the Company

None of the directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Land Acquisition.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Acquisition Documents and the Valuation Report will be made available during normal business office hours at the registered office of the Company at No. 2 Kallang Avenue, CT Hub, #07-03, Singapore 339407 for a period of three (3) months commencing from the date of this announcement.



8. CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in dealings with the Shares, and to read this announcement and any further update announcement(s) released by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

KLW Holdings Limited
Ms Wong Gloria
2 March 2018

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.

The contact person for the Sponsor is Mr Howard Cheam Heng Haw (Telephone: +65 6232 0685) at R & T Corporate Services Pte. Ltd., 9 Battery Road, #25-01, Singapore 049910.



Schedule

DETAILS ON THE LAND

Title Holder	Certificate number	Land area (m2)	Sale price (IRD)
PT KPI	4514/LEBAK BULUS	200	7,600,000,000
	4730/LEBAK BULUS	729	27,702,000,000