



KLW HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number: 199504141D

ANNOUNCEMENT

The Board of Directors (the “**Board**”) of KLW Holdings Limited (the “**Company**”) wishes to announce that during the first half of 2014, certain Term Sheets were entered into by the Managing Director of the Company, Mr Lee Boon Teck, without the approval of the Board, on behalf of the Company and its wholly-owned subsidiary Ambertree Pte Ltd (collectively, the “**group companies**”). The Term Sheets contemplated the collaboration by the group companies with the counterparties under the Term Sheets in certain property development and hotel acquisition projects, in Bali, Indonesia (the “**Bali Term Sheet**”) and Zhangye Gangsu, the People’s Republic of China (the “**Zhangye Hotel Term Sheet**” and the “**Zhangye Property Term Sheet**” respectively). While the Term Sheets were generally non-binding, the Company contractually committed to paying and did pay substantial commitment fees under the Term Sheets, without the authorisation of the Board. The commitment fees were refundable in full in July 2014 and have been outstanding since then.

The Company has since recovered in part the commitment fees paid under two of the Term Sheets. Under the Bali Term Sheet, S\$1.8 million (“**M**”) of the commitment fee has been recovered with the balance S\$400,000 remaining outstanding from the counterparty PT Atlas Sutera Jaya. Under the Zhangye Hotel Term Sheet, S\$3M of the commitment fee has been recovered by the Company, and JLC Advisors LLP, the Company’s legal counsel in that matter, has received the balance S\$4M of the commitment fee in its clients account and has given its firm’s cheque to the Company for that sum which the Company has banked in for clearance tomorrow 28 May 2015.

As regards the commitment fee paid under the Zhangye Property Term Sheet, being the sum of S\$7M, the counterparty Straitsworld Advisory Limited (“**Straitsworld**”) and a director and shareholder of the counterparty Mr Michael Chan Ewe Teik have agreed in writing with the Company that the amount shall be paid within 90 days from 25 May 2015 on trust for the Company, and Mr Chan has further undertaken to fulfil the payment obligations of Straitsworld.

The Audit Committee of the Company (“**AC**”) is concerned about the internal controls lapses and corporate governance failures which have been uncovered, and will undertake a review into the matter. They will be appointing legal counsel to advise the Company and have also engaged with the Company’s sponsor and external auditors on the matter.

The external auditors are reviewing together with the Company the accounting treatment and impact on the financial statements of the Company, and the Company will make the necessary announcement(s) as and when these are finalised.

The Company will issue further announcements as appropriate, as and when there are any material developments in the matter.

Shareholders are advised to exercise caution when dealing in the securities of the Company and to refrain from taking any action in relation to their shares which may be prejudicial to their interests.

FOR AND ON BEHALF OF THE BOARD

Prince Abdul Qawi
Non-Executive Chairman
KLW Holdings Limited

27 May 2015

*This announcement has been reviewed by SAC Capital Private Limited (the "**Sponsor**") for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

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

*Name: Mr Ong Hwee Li, Registered Professional
Address: 1 Robinson Road #21-02 AIA Tower, Singapore 048542
Tel: (65) 6532 3829*