KLW HOLDINGS LIMITED
(Company Registration Number 199504141D)
(Incorporated in the Republic of Singapore)

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 2,440,278,158 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY ("RIGHTS SHARES") AT AN ISSUE PRICE OF S$0.02 FOR EACH RIGHTS SHARE, WITH UP TO 2,440,278,158 FREE DETACHABLE WARRANTS ("WARRANTS"), EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY ("WARRANT SHARE") AT AN EXERCISE PRICE OF S$0.07 FOR EACH WARRANT SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE WITH ONE (1) WARRANT FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, HELD BY THE SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS CUM WARRANTS ISSUE")

- **RESULTS OF THE RIGHTS CUM WARRANTS ISSUE**

Where capitalised terms are used in this announcement and not otherwise defined, such capitalized terms shall bear the same meanings as ascribed to them in the offer information statement dated 10 June 2014 (the "Offer Information Statement") issued by the Company.

1. RESULTS OF THE RIGHTS CUM WARRANTS ISSUE

1.1 Level of Subscription

The Board of Directors of the Company wishes to announce that, based on the total issued share capital of the Company of 2,440,278,158 Shares as at the Books Closure Date, 2,440,278,158 Rights Shares with 2,440,278,158 Warrants were available for subscription under the Rights cum Warrants Issue and as at the close of the Rights cum Warrants Issue on 25 June 2014, valid acceptances and excess applications for a total of 2,895,976,790 Rights Shares with Warrants were received. This represents approximately 118.67% of the total number of Rights Shares with Warrants that were available for subscription under the Rights cum Warrants Issue.

Details of the valid acceptances and excess applications for the Rights Shares with Warrants received are as follows:

(a) valid acceptances were received for a total of 2,026,335,366 Rights Shares with Warrants representing approximately 83.04% of total number of Rights Shares with Warrants available for subscription under the Rights cum Warrants Issue; and

(b) excess applications were received for a total of 869,641,424 Rights Shares with Warrants, representing approximately 35.64% of the total number of Rights Shares with Warrants available for subscription under the Rights cum Warrants Issue (the "**Excess Applications**").

1.2 Allocation of Rights Shares with Warrants for Excess Applications

A total of 413,942,792 Rights Shares with Warrants which were not validly taken up by the Entitled Shareholders and/or the Purchasers will be allotted to satisfy the Excess Applications in such manner as the Directors, in their absolute discretion, deem fit in the interest of the Company. In compliance with the Company's obligations under the Listing Manual, in the allotment of the Excess Rights Shares with Warrants, preference will be given to Shareholders for the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the board of the Company will rank last in priority for the rounding of

odd lots and allotment of Excess Rights Shares with Warrants.

The Warrants will be issued free with the Rights Shares on the basis of one (1) Warrant for every one (1) Rights Share successfully subscribed for, fractional entitlements being disregarded.

2. ALLOTMENT OF RIGHTS SHARES

The Central Depository (Pte) Limited ("**CDP**") will send to Entitled Depositors and/or Purchasers with valid acceptances and successful applications of Excess Rights Shares with Warrants by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with CDP, a notification letter stating the number of Rights Shares with Warrants that has been credited to their respective Securities Accounts within ten (10) Market Days after the Closing Date.

In the case of Entitled Scripholders and their renouncees with valid acceptances for Rights Shares with Warrants and successful applications of the Excess Rights Shares with Warrants and who have, among others, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form comprised in the PAL, physical share certificate(s) representing such number of Rights Shares and Warrants will be sent to such subscribers within 10 Market Days from the Closing Date by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar.

3. REFUND AND PAYMENT

Where any acceptance for Rights Shares with Warrants and/or (if applicable) Excess Application is invalid or unsuccessful, the amount paid on acceptance and/or application and (if applicable) Excess Application will be returned or refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date by any one or a combination of the following:

(a) means of a crossed cheque drawn on a bank in Singapore (where the acceptance and (if applicable) application is through CDP) sent by ordinary post at their own risk to their mailing address as maintained with CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions; or

(b) means of a crossed cheque drawn on a bank in Singapore (where the acceptance and (if applicable) application is through the Share Registrar) sent by ordinary post at their own risk to their mailing address as maintained with the Share Registrar; or

(c) crediting their bank accounts with the relevant Participating Banks (where acceptance and (if applicable) application is through Electronic Application) at their own risk, the receipt by such bank being a good discharge by the Company and CDP of their obligations.

4. DISTRIBUTION OF NET SALE PROCEEDS OF "NIL-PAID" RIGHTS TO FOREIGN SHAREHOLDERS

A total of 24,836,000 Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders were sold "nil-paid" on the SGX-ST during the provisional allotments trading period.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and by means of a crossed cheque drawn on a bank in Singapore and sent to them by ordinary post at their own risk to their mailing address as recorded with CDP or the Share Registrar, as the case may be, or in such

other manner as they may have agreed with CDP for the payment of any cash distribution, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Sponsor or CDP in connection therewith. Where such provisional allotments of Rights Shares with Warrants are sold "nil-paid" on SGX-Catalist, they will be sold at such price or prices as the Company, may in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Sponsor, CDP, CPF Board or Share Registrar in connection therewith.

5. ISSUE AND LISTING OF THE RIGHTS SHARES

The Company expects that the Rights Shares with Warrants will be allotted and issued on or about 1 July 2014 pursuant to the Rights cum Warrants Issue.

The Company further expects that the Rights Shares will be listed and quoted on SGX-Catalist with effect from 9.00 a.m. on or about 3 July 2014 and the Warrants are expected to be listed and quoted on the SGX-Catalist with effect from 9.00 a.m. on or about 4 July 2014. The Company will be releasing an announcement to advise on the dates for the listing of and quotation for the Rights Shares and the Warrants on the SGX-Catalist in due course.

The Company wishes to take this opportunity to thank Shareholders for their support in ensuring the successful completion of the Rights cum Warrants Issue.

6. TRADING OF ODD LOTS

Shareholders who hold odd lots of Shares (that is, other than board lots of 1,000 Shares) and who wish to trade in odd lots are able to trade odd lots of Shares on the SGX-ST's Unit Share Market.

7. USE OF PROCEEDS

The Company will raise Net Rights Issue Proceeds of approximately S$48.30 million, after deducting professional fees and related expenses of approximately S$0.50 million incurred by the Company in connection with the Rights cum Warrants Issue.

The Company will make the necessary announcements and subsequently provide a status report on the use of Net Proceeds in its annual report.

Pending the deployment of the Net Rights Issue Proceeds from the Rights cum Warrants Issue, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purposes on a short term basis, as the Directors may deem appropriate in the interest of the Group.

FOR AND ON BEHALF OF THE BOARD

Lee Boon Teck
Executive Chairman
KLW Holdings Limited

27 June 2014

*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**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:

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