



## KLW HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 199504141D)

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## JOINT VENTURE AGREEMENT

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### 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 and 24 August 2017 (collectively, the “**Announcements**”) relating to, *inter alia*, the proposed joint venture in Indonesia. Unless otherwise defined, all capitalised terms herein shall bear the same meanings ascribed to them in the Announcements.

Further to the Announcements, the Company wishes to announce that its wholly-owned subsidiary, Ambertree Indonesia Ventures Pte Ltd (“**AIV**”), has entered into a joint venture agreement (“**JVA**”) with PT Karya Bintang Utara (an affiliate of PT Codefin) (“**PTKBU**”) on 27 September 2017 to regulate the operation and management of the joint venture company, PT Ambertree Development Jakarta (“**PTADJ**”) as the shareholders of PTADJ.

### 2. DETAILS OF THE JOINT VENTURE

#### 2.1. Business of PTADJ

As announced by the Company on 1 March 2017, the joint venture company, PTADJ, is established for the purpose of acquiring a piece of land located at Jalan R.A. Kartini No. 18, Jakarta, Indonesia (the “**Land**”) from PT Karya Propertindo Investama (“**PT KPI**”), an affiliate of PT Codefin, for an aggregate consideration of approximately IDR 285 billion. It is intended for PTADJ to develop a mixed used residential development with retail and commercial component on the Land (the “**Proposed Project**”).

#### 2.2. Capitalisation and Shareholding Proportion of PTADJ

Pursuant to the JVA, the capitalisation structure of PTADJ shall be as follows:

- (a) an authorised capital of US\$87,000,000 (equivalent to approximately S\$117.2 million)<sup>(1)</sup> divided into 174,000 shares in PTADJ, each having a nominal value of US\$500; and
- (b) following the capital injection by AIV and PTKBU, issued and paid-up capital of US\$21,750,000 (equivalent to approximately S\$29.3 million), divided into 43,500 shares in PTADJ.

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(1) For the purpose of this Announcement, all currency exchange rate throughout this Announcement is US\$1: S\$1.3475. 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.



The shareholding composition of PTADJ shall be as follows:

Shareholders	Capital Contribution	Number of shares in PTADJ	Percentage
PTKBU	US\$7,612,500 (equivalent to approximately S\$10.3 million)	15,225	35%
AIV	US\$14,137,500 (equivalent to approximately S\$19.1 million)	28,275	65%

Pursuant to the JVA, upon receipt of approval of Minister of Law for the incorporation of PTADJ and opening of a bank account registered under the name of PTADJ with a reputable bank nominated by AIV, AIV and PTKBU shall within 180 calendar days thereof (or other period mutually agreed by the parties), make payment of their respective capital contribution to PTADJ.

As at the date of this Announcement, PTADJ has completed the opening of its bank account and the issued share capital of PTADJ, being US\$21.75 million comprising 43,500 ordinary shares in PTADJ, remains unpaid. The capital contribution attributable to our Group amounts to approximately US\$14.14 million, divided into 28,275 shares in PTADJ (the "**Proposed Investment**").

The Board of Directors will update the Shareholders when the capital contribution to PTADJ has been completed.

### 2.3. Directors and Board of Commissioners of PTADJ

The board of directors of PTADJ shall consist of three directors and one of them shall be appointed as the president director of PTADJ. AIV is entitled to nominate two directors, one of whom will be the president director whereas PTKBU is entitled to nominate one director.

The Company intends to nominate the Company's executive directors, Wong Gloria and Lam Chi Yun, Terence, to the board of directors of PTADJ.

The board of commissioners of PTADJ shall consist of three members and one of them shall be appointed as the president commissioner. AIV is entitled to nominate two members, one of whom will be the president commissioner whereas PTKBU is entitled to nominate one member to the board of commissioners.

### 2.4. Reserved Matters

The terms of the JVA sets out certain customary matters which require (i) unanimous approval of all of the shareholders of PTADJ; or (ii) prior written approval from the board of commissioners prior to them being carried out by PTADJ.

## 3. **PROPOSED INVESTMENT AND THE JOINT VENTURE**

The Company believes that the Joint Venture is beneficial to the Company 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 Company to expand its property investment and development portfolio into Indonesia; and
- (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. FINANCIAL EFFECTS**

The Proposed Investment will be funded through internal resources.

Assuming that the Proposed Investment is effected on 31 March 2017, the Proposed Investment does not have any material impact on the net tangible assets per share of the Group for the financial year ended 31 March 2017. <sup>(1)</sup>

Assuming that the Proposed Investment is effected on 1 April 2016, the Proposed Investment does not have any material impact on the earnings per share of the Group for the financial year ended 31 March 2017. <sup>(2)</sup>

**Notes:**

- (1) On the basis that PTADJ is treated as a subsidiary of the Company and will also be controlled by the Company. The computation of the financial effects also excludes the proposed acquisition of the Land.
- (2) Refer to note (1) above. In addition, PTADJ is a newly formed company with no prior financial results.

**5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES**

The relative figures in relation to the Proposed Investment 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:

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figures</b>
(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 Proposed Investment, compared with the Group’s net profit / (loss).	Not applicable <sup>(1)</sup>
(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. <sup>(2)</sup>	39.3%
(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



Rule 1006	Bases	Relative Figures
(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) PTADJ is a newly established company pursuant to the JVA and does not have any profit or loss attributable to it.
- (2) Market capitalisation of approximately S\$48.43 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 26 September 2017, being the full market day prior to the date of the JVA (i.e. 27 September 2017) on which Shares were last traded on the SGX-ST. The Proposed Investment of US\$14.14 million is equivalent to approximately S\$19.05 million.

As the relative figure under Rule 1006(c) exceeds 5% but does not exceed 75%, the Proposed Investment 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 JVA and the Proposed Investment. 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 Proposed Investment.

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the JVA 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. STATUS OF THE AGREEMENT IN RELATION TO THE LAND**

PTADJ and PT KPI are currently negotiating the terms of the agreement for the sale and purchase of the Land. The Company will release a further announcement to update the Shareholders when the aforesaid has been entered into by PTADJ and PT KPI.

**9. CAUTIONARY STATEMENT**

Shareholders are advised that at this stage, no sale and purchase agreement in respect of the Land has been entered into and accordingly, there is no certainty or assurance that any transaction will result from the abovementioned subject and that if it does, it would be on the terms referred to above.



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  
27 September 2017

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*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.*