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

UPDATE ON SALE OF 30% EQUITY INTEREST IN DOOR BUSINESS: -

PROFIT GUARANTEE TO KOPERASI PERMODALAN FELDA MALAYSIA BERHAD ("KPF")

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1. Introduction

Reference is made to the announcement issued by the Company dated 20 August 2010 relating to the proposed sale of the 30% interest in KLW Resources Sdn Bhd (the "**Resources**") and the announcement dated 3 December 2012 relating to the profit guarantee to Koperasi Permodalan Felda Malaysia Berhad ("**KPF**").

The Company had entered into a sale and purchase agreement dated 20 August 2010 as amended by a supplemental agreement dated 28 February 2013 (collectively, the "**S&P**") with KPF to sell 13,016,053 Class A Shares in Resources ("**Sale Shares**") representing 30% of the equity interest in Resources to KPF for a consideration ("**Consideration**") of RM17 million or approximately S$7.3 million (the "**Sale**").

In relation to the Sale, the Company had executed a put option agreement dated 20 August 2010, as amended by a supplemental agreement dated 28 February 2013 (collectively, the "**Put Option Agreement**") to grant KPF an irrevocable option ("**Put Option**") to sell the Sale Shares back to the Company if a trigger event under the Put Option Agreement occurs.

2. Variation of the S&P and Put Option Agreement

Pursuant to the S&P and Put Option Agreement, the Board has requested and is pleased to announce that the parties have agreed to vary the S&P and the Put Option Agreement as follows:

(1) that the audited average profit after tax for Resources for the financial year ending ("**FYE**") 2012 and FYE2013 shall not be less than RM11,321,000.00 ("**Profit Guarantee**"), will be extended to the financial periods of the Company from 1 April 2014 to 31 March 2015 and 1 April 2015 to 31 March 2016;

(2) the proposed IPO of the Resources and its subsidiaries on Bursa Securities Malaysia or such other reputable stocks exchange to be undertaken on or before 31 December 2015, will be extended to 31 December 2016; and

(3) the entitlement to a cumulative participating preference dividend of RM0.1024 per share (equivalent to 8% return on the Consideration) from Resources for FYE2011 to FYE2015, will be extended to 31 December 2016.

3. Further Developments

The appropriate supplemental agreements to record the parties' agreement as set out above will be executed in due course.

By order of the Board
KLW Holdings Limited

Lee Boon Teck
Executive Chairman
8 April 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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