



KLW HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 199504141D)

CONDITIONAL SALES AND PURCHASE OF LAND BY JOINT VENTURE - COMPLETION OF LAND ACQUISITION

1. INTRODUCTION

1.1 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, 2 March 2018 and 15 November 2018 (the “**15 Nov 2018 Announcement**”) in relation to, *inter alia*, the joint venture in Indonesia through the joint venture company, PT Ambertree Development Jakarta (“**PTADJ**”) and the entry into two (2) master agreements and a conditional sale and purchase agreement (the “**CSPA**”) for sale and purchase of land located in Jakarta. Unless otherwise defined, all capitalised terms herein shall bear the same meanings ascribed to them in the 15 Nov 2018 Announcement.

1.2 As mentioned in the 15 Nov 2018 Announcement, the CSPA is conditional upon PT KPI obtaining the Rights to Build certificates in respect of the Land (comprising three (3) land parcels) (the “**Rights to Build Certificates**”) to be issued by the Land Office of South Jakarta Administrative City (the “**Land Office**”) no later nine (9) months after the execution of the CSPA. On obtaining the Rights to Build Certificates, PTADJ and PT KPI shall immediately enter into the deeds of sale and purchase to complete the Land Acquisition (the “**Completion**”).

1A. COMPLETION OF LAND ACQUISITION

1A.1 Further to the 15 Nov 2018 Announcement, the Company wishes to announce that PT KPI has obtained the Rights to Build Certificates and PTADJ and PT KPI had on 9 May 2019 entered into the three (3) separate deeds of sale and purchase dated 9 May 2019 in relation to each of the three (3) land parcels (collectively, the “**Deeds of Sale and Purchase**”).

1A.2 The Completion of the Land Acquisition has taken place concurrently with the signing of the Deeds of Sale and Purchase and PTADJ has paid the Sale Price (as defined below) (further details of which are set out in paragraph 2.3 of this announcement). To perfect the title and interests in the Land, the Rights to Build Certificates will have to be re-registered in the name of PTADJ with the Land Office, and PTADJ is in the process of such re-registration.

2. FURTHER INFORMATION ON THE LAND ACQUISITION

2.1 Information on the Land

It was previously mentioned in the 15 Nov 2018 Announcement, the Land, comprising three (3) land parcels, covers an aggregate area of approximately 460 m². However, further to re-measurements of the Land by the Land Office for the purpose of issuing the Rights to Build Certificates (the “**Re-measurements**”), and based on the Rights to Build Certificates, the aggregate area of the Land is 457 m² (the “**Re-measured Land Area**”). The Land is located at Lebak Bulus District, Cilandak Sub-Regency, South Jakarta, Indonesia. For more details, please refer to the Schedule of this announcement.



The Land is currently vacant and does not generate any profits. PTADJ intends to develop a mixed use residential development with retail and commercial components on the Land.

2.2 **Information on PT KPI**

PT KPI is an affiliate of PT Codefin, which is the joint venture partner of the 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.

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

2.3 **Sale Price**

It was previously mentioned in the 15 Nov 2018 Announcement that the sale price of the Land (the “**Sale Price**”) was approximately IDR 17.480 billion. Following the Re-measurements, the aggregate sale price of the Land (as revised by the parties following the Re-measurements) is approximately IDR 17.37 billion (equivalent to approximately S\$1.66 million)⁽¹⁾ and was arrived at on a willing buyer willing seller basis after taking into account, *inter alia*, the Re-measured Land Area and the valuation of the Land in the Valuation Report (as defined below). Pursuant to the terms of the CSPA, the Sale Price shall be paid by way of cheque upon the signing of the Deeds of Sales and Purchase.

The Sale Price was funded from PTADJ’s internal resources (instead of via shareholders’ loans in proportion to the respective shareholders’ shareholdings in PTADJ as previously announced in the 15 Nov 2018 Announcement), and PTADJ has paid the Sale Price, by way of cheque, to PT KPI upon signing of the Deeds of Sale and Purchase.

Based on a valuation report dated 2 November 2018 (the “**Valuation Report**”) commissioned by the Company and prepared by the independent valuer, Roma Appraisals Limited (the “**Valuer**”), the market value of the Land as at 30 October 2018 was IDR 18.86 billion (equivalent to approximately S\$1.80 million)⁽¹⁾. In arriving at its opinion of value, the Valuer adopted the direct comparison approach by making reference to comparable sales evidence as available in the relevant markets and also took into account the cost and fees to be incurred to complete the developments to reflect the quality of the completed development.

2.4 **Other information**

Further details on the Land Acquisition which include, *inter alia*, the conditions in the CSPA and the rationale of the Land Acquisition, were set out in the 15 Nov 2018 Announcement.

3. **ILLUSTRATIVE FINANCIAL EFFECTS**

For illustrative purposes only, the financial effects of the Land Acquisition have been computed based on the audited full year financial statements of the Group for the financial year ended 31 March 2018. 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.

(1) For the purpose of this announcement, all currency exchange rate throughout this announcement is S\$1: IDR10492. 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.

3.1 Net Tangible Assets (“NTA”)

Assuming that the Land Acquisition had been effected on 31 March 2018, being the end of the most recently completed financial year of the Group, the *pro forma* financial effects on the NTA per share of the Group would be as follows:

	Before the Land Acquisition	After the Land Acquisition
NTA (S\$'000)	86,186	86,186
Number of issued shares in the capital of the Company (excluding treasury shares) ('000)	5,380,556	5,380,556
NTA per share (Singapore cents)	1.60	1.60

3.2 Loss per share (“LPS”)

Assuming that the Land Acquisition had been effected on 1 April 2017, being the beginning of the most recently completed financial year of the Group, the *pro forma* financial effects on the LPS of the Group would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Loss attributable to shareholders (S\$'000)	7,972	7,972
Weighted average number of issued Shares ('000)	5,380,556	5,380,556
LPS (Singapore cents)	0.148	0.148

4. 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”) (the “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 Land acquired, compared with the Group’s net profit / (loss).	Not applicable ⁽¹⁾
(c)	The aggregate value of the consideration given compared with the Company’s market capitalisation ⁽²⁾ based on the total number of issued shares of the Company (the “Shares”) excluding treasury shares.	7.7%



Rule 1006	Bases	Relative Figures
(d)	The number of equity securities issued by the Company as consideration for an acquisition, 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 as the Land is currently vacant.
- (2) Market capitalisation of approximately S\$21.5 million has been calculated on the basis of 5,380,556,316 Shares in issue multiplied by the weighted average price of such Shares transacted on the SGX-ST on 8 May 2019, being the market day preceding the date of the Deeds of Sale and Purchase (i.e. 9 May 2019) on which Shares were last traded on the SGX-ST, of S\$0.004.

As the relative figure computed under Rule 1006(c) exceeds 5% but does not exceed 75%, the Land Acquisition constitutes a discloseable transaction as defined in Chapter 10 of the Catalist Rules.

5. FURTHER INFORMATION

5.1. 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.

5.2. 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 in the Land Acquisition, other than through their respective shareholding interests in the Company (if any).

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Deeds of Sale and Purchase and the Valuation Report will be made available for inspection 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.

7. 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
Executive Director
13 May 2019

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 SGX-ST assumes 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.

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Schedule

DETAILS ON THE LAND

No.	Location	Title Holder	Build Certificate Number	Land area (m ²)	Sale Price (IDR)
1.	Jl. R.A Kartini, RT 009, RW 007, Lebak Bulus, Cilandak, Jakarta	PT KPI	04859/Lebak Bulus	28	1,064,000,000
2.	Jl. R.A Kartini, RT 009, RW 07, Lebak Bulus, Cilandak, Jakarta	PT KPI	04860/Lebak Bulus	80	3,040,000,000
3.	Jl. TB Simatupang, RT 007, RW 007, Lebak Bulus, Cilandak, Jakarta	PT KPI	04838/Lebak Bulus	349	13,262,000,000
Total				457	17,366,000,000