



KLW HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 199504141D

(A) SETTING UP OF WHOLLY-OWNED SUBSIDIARIES

(B) ACQUISITION OF PROPERTY IN AUSTRALIA

(A) SETTING UP OF SUBSIDIARIES

The Board of Directors (the “**Board**” or the “**Directors**”) of KLW Holdings Limited (the “**Company**” and the Company together with its subsidiaries, the “**Group**”) wishes to announce that the Company has set up two subsidiaries as follows:

Ambertree Vic Mel (Lincoln) Pty Ltd (“Ambertree Lincoln”)

Ambertree Lincoln is a wholly-owned subsidiary incorporated in Australia with an initial issued and paid-up capital of A\$2.00 comprising of two (2) ordinary shares. It will hold the Acquired Property (as defined below) following completion of the Acquisition (as defined below).

Ambertree Development (Singapore) Pte Ltd (“Ambertree Development”)

Ambertree Development is a wholly-owned subsidiary incorporated in Singapore with an initial issued and paid-up capital of S\$1 million. This subsidiary will manage the developments of the Group’s property projects.

The incorporation of the subsidiaries is in line with the Group’s diversification plans into property business.

The incorporation of the two subsidiaries was funded through internal resources and is not expected to have any material financial impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the current financial year ending 31 March 2015.

None of the Directors, controlling shareholders or substantial shareholders of the Company has any interest in the said incorporations, save for their interests arising by way of their directorships and/or shareholdings, as the case may be, in the Company.

(B) ACQUISITION OF PROPERTY IN AUSTRALIA

1. INTRODUCTION

The Board of Directors of the Company is pleased to announce that the Company has entered into a purchase agreement (“**Purchase Agreement**”) with an unrelated and independent third party to acquire a property located at 23-31 Lincoln Square South, Carlton, Melbourne, Victoria (the “**Acquired Property**” or the “**Property**”) in Australia (the “**Acquisition**”).

2. **CONDITION PRECEDENT OF THE ACQUISITION**

Completion of the Acquisition is conditional on the occurrence of the payment of the Balance Consideration (as defined below). Completion of the Acquisition is expected to occur on 27 November 2015 (“**Completion**”).

3. **PURCHASE CONSIDERATION AND FUNDING**

The total purchase consideration for the Property is A\$12,520,000. The consideration was arrived at on a willing buyer willing seller basis after taking into account the location of the Property, its potential as a source of rental income with minor refurbishment and developmental potential.

The Company has paid as deposit of the Acquisition an amount of A\$1,252,000 (the “**Initial Deposit**”). The remaining balance of A\$11,268,000 (the “**Balance Consideration**”) shall be paid on date of Completion.

The consideration will be funded through a combination of internal resources and debt.

4. **THE PROPERTY**

The Property is a freestanding 5 level office building situated on the southern side of Lincoln Square just west from Swanston Street. This freehold property enjoys an outstanding city fringe location less than 500 metres north of the Melbourne CBD grid with two famous Australian universities RMIT and Melbourne University flanking the Property.

The Property has a building area of approximately 3,745 square metres sitting on land area of approximately 906 square metres. Currently, this Property is under mixed use zone under Melbourne’s Planning Scheme. However, the zoning is subject to Amendment C196 to rezone the site and surrounding area to Capital City Zone (Schedule 5).

The building benefits from its three street frontages by enabling ample natural light into it and there are terrific views overlooking Lincoln Square Gardens to the north and CBD views back to the South. The building is currently vacant with its lease ended on 31 January 2015.

Potential of the building includes:

- refurbishments of the existing office building and lease out with an expected rental yield of approximately 5%;
- multi-level residential apartments;
- student accommodation; and
- boutique hotel.

5. **RATIONALE FOR THE ACQUISITION**

The Directors believe that the Acquisition is a strategic investment and that the Acquired Property will add tangible benefit and value in terms of its potential described in point 3 above.

The Acquisition is in line with the Group's new diversification strategy into property business and this is the second property acquisition for the Group in Melbourne, Australia.

The consideration amounting to approximately S\$13,347,572 (based on an exchange rate of AUD 1: S\$1.0661 on 4 March 2015), constitutes approximately 17.7% of the market capitalisation of the Company of approximately S\$75,327,788 based on the market closing price of the Company's shares, excluding Treasury Shares as at 4 March 2015, being the date immediately preceding the date of the Purchase Agreement.

The Acquisition is in the Company's ordinary course of business and is not expected to have any material impact on the net tangible assets or earnings per share of the Company for the current financial year ending 31 March 2015. None of the Directors nor Substantial Shareholders of the Company has any interest, direct or indirect, in the abovementioned transaction.

The Company will make the necessary follow-up announcement(s) in respect of the Acquisition as and when required.

FOR AND ON BEHALF OF THE BOARD

Lee Boon Teck
Managing Director
KLW Holdings Limited

6 March 2015

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**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 announcement, 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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