



KLW HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No.199504141D

COMPLETION OF THE ACQUISITION OF BALANCE 30% OF THE ISSUED SHARE CAPITAL OF KLW RESOURCES SDN. BHD. AND USE OF PROCEEDS FROM THE 2014 RIGHTS ISSUE

The Board of Directors (the “**Board**”) of KLW Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement made by the Company on 1 January 2018 (the “**Announcement**”) in relation to the Company entering into a sale and purchase agreement (“**SPA**”) with Koperasi Permodalan Felda Malaysia Berhad (“**KPF**” or “**Seller**”) for the sale and purchase of 13,016,054 Class A shares (“**Sale Shares**”) in the share capital of KLW Resources Sdn. Bhd. (“**KLW Resources**”), the Company’s subsidiary (“**Proposed Acquisition**”).

Unless otherwise defined, all capitalised terms used in this announcement shall bear the meanings as ascribed to them in the Announcement.

The Board is pleased to announce that the Proposed Acquisition was completed on 12 February 2018 and the Sale Shares have been transferred to the Company. Consequently, the Company currently holds 100% of the issued share capital of KLW Resources and KLW Resources is now a wholly-owned subsidiary of the Company.

On Completion, in accordance with the terms of the SPA, the Company shall within three (3) business days make payment for the Consideration amount of RM25,000,000 (approximately S\$8,443,094¹), and as part of its deliverables for Completion:

- (a) the Company will procure KLW Resources to make payment of the outstanding coupon payment of RM1,360,000 (approximately S\$459,304¹) to the Seller; and
- (b) the Company issued a Letter of Undertaking to KPF dated 12 February 2018 to:
 - (i) waive its right to claim the balance acquisition sum from KPF amounting to an aggregate of RM2,000,000; and
 - (ii) confirm that KLW Resources will not be listed on the Bursa Securities Malaysia or such other reputable stock exchange during the period of 12 months from the date of the SPA.

The Company has funded the above payment through its internal resources and also the balance proceeds from the Company’s rights cum warrants issue undertaken by the Company in 2014 (“**2014 Rights Issue**”).

In view of the foregoing, the balance proceeds from the 2014 Rights Issue have henceforth been fully disbursed. The utilisation of proceeds from the 2014 Rights Issue is consistent with the intended use of proceeds, further details of which are set out as follows:-

Use of proceeds	Revised allocation	Balance brought forward as at 31 March 2017	Utilisation	Balance
Funding acquisition opportunities	S\$32.84 million	S\$1.62 million	S\$1.62 million	-
Working Capital	S\$9.66 million	-	-	-

Funding for the purchase or construction of premises or factory for operational and manufacturing use.	S\$5.80 million	-	-	-
Total	S\$48.30 million	S\$1.62 million	S\$1.62 million	-

¹ For the purpose of this announcement, all currency exchange rate throughout this announcement is S\$1:RM2.961. Such exchange rate has been presented solely for information only and should not be constructed as representations that the relevant amounts have been or could be converted at the rates indicated or at any other rate.

By order of the Board

KLW Holdings Limited

Terence Lam

13 February 2018

*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.

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