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

PROPOSED ACQUISITION OF TWO UNITS IN 2 KALLANG AVE, CT HUB, SINGAPORE

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1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of KLW Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that the Company has entered into an option to purchase ("**OTP**") in relation to the acquisition of two (2) units located at 2 Kallang Avenue, CT Hub, #07-03 and #07-04, Singapore 339407 (the "**Acquired Units**"") in Singapore (the "**Proposed Acquisition**") from Ultra Group Pte Ltd and Magnitude Pte Ltd respectively (collectively the "**Vendors**"), who are unrelated and independent third parties.

2. DETAILS OF THE ACQUIRED UNITS

CT Hub is an eleven storey business space building located at the southern junction of Kallang Avenue and Kallang Bahru, off Lavender Street and some 5km from the city centre.

Both units are sold in vacant possession with adjoining roof terrace and toilet. The total floor area is 252 square metres.

3. CONDITION PRECEDENT TO THE COMPLETION OF THE PROPOSED ACQUISITION

Completion of the Proposed Acquisition is conditional on the occurrence of the payment by the Company to the Vendor of the Balance Consideration (as defined below). Completion of the Proposed Acquisition is expected to be completed on or before 7 May 2016 ("**Completion**").

4. PURCHASE CONSIDERATION AND FUNDING

The total purchase consideration for the two units is S$2,278,508.40 ("**Total Consideration**").

The Company has paid as deposit to the Vendor of the Proposed Acquisition an amount of $227,850.84 (the **"Initial Deposit"**). The remaining balance of S$2,050,657.56 (the "**Balance Consideration**") shall be paid on the date of Completion.

The Total Consideration will be funded through internal resources.

5. BASES FOR THE TOTAL CONSIDERATION

The Total Consideration was arrived at on a willing buyer willing seller basis after arm's length negotiations, its easy access to the Lavender Mass Rapid Transit ("**MRT**") station and the future Bendemeer MRT station, and also taking into account the value of S$2,380,000 from the Valuation Report dated 23 February 2016 issued by Savills Valuation And Professional Services (S) Pte Ltd on an as-is-basis.

6. RATIONALE FOR THE ACQUIRED UNITS

The Acquired Units will act as an office, showroom, display and base for project operations of the Company, as the Company's current office lease will cease on 14 July 2016. The Acquired Units will also add tangible benefits to the Group in terms of their potential value as described in point 5 above, and also provide cost savings as the Group's project operations may then be housed together in the Acquired Units.

7. RELATIVE FIGURES COMPUTED ON RULE 1006 of the CATALIST RULES

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Section B: Rules of Catalist of the Listing Manual (**"Catalist Rules"**) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") are as follows:

Rule	Bases	Relative figures (%)
1006 (a)	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
1006 (b)	Net profits attributable to the assets acquired, compared with the Group's net profits.	Not applicable
1006 (c)	Aggregate value of consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	7.1%[(1)]
1006 (d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
1006 (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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Note:

(1) The Company's market capitalisation is computed based on the Company's issued and paid-up share capital of 5,380,556,316 shares in issue as at the date of this announcement and on a

volume weighted average price of $0.006 for each share traded on the SGX-ST on 4 March 2016 (being the full market day immediately preceding the date of this announcement).

As the relative figures under Rule 1006 (c) exceeds 5%, the Proposed Acquisition constitutes a discloseable transaction under the provisions of Rule 1010 of the Catalist Rules.

8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

(a) For purposes of illustration, the financial effects of the Proposed Acquisition is based on, *inter alia,* the following assumptions:

(i) the financial effects of the Proposed Acquisition are purely for illustrative purposes and should not be taken as an indication of the actual financial performance or position of the Group following the Proposed Acquistion nor a projection of the future financial performance or position of the Group after completion of the Proposed Acquisition;

(ii) for the purpose of computing the financial effects of the Proposed Acquisition on the earnings of the Group, the Proposed Acquisition is assumed to have been completed on 1 April 2014;

(iii) for the purpose of computing the financial effects of the Proposed Acquisition on the net tangible assets of the Group, the Proposed Acquisition is assumed to have been completed on 31 March 2015; and

(iv) the financial effects of the Proposed Acquisition are based on the Group's audited financial statements for the financial year ended 31 March 2015.

(b) Earnings per Share (**"EPS")**

	For financial year ended 31 March 2015	
	Before the Proposed Acquisition	**After the Proposed Acquisition**
Net loss attributable to shareholders	S$6,316,267	S$6,355,552
Weighted average number of shares used	4,740,792,407	4,740,792,407
Basic EPS (Singapore cents)	(0.133)	(0.134)

(c) Net Tangible Assets (**"NTA")**

	For financial year ended 31 March 2015	
	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTA	S$76,338,612	S$76,338,612
No. of shares	5,380,556,316	5,380,556,316
NTA per share (Singapore cents)	1.42	1.42

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and none of the controlling shareholders, has any interest, direct or indirect in the Proposed Acquisition, other than through their shareholding interests in the Company.

	Number of Shares			
	Direct Interest		**Deemed Interest**	
	Number of Shares	%	Number of Shares	%
Directors				
Prince Abdul Qawi	500,000,000 (1)	9.3	-	
Substantial Shareholders				
Quek Chek Lan	1,044,185,000 (2)	19.4		
Prince Abdul Qawi	500,000,000 (1)	9.3	-	

Notes:

(1) Prince Abdul Qawi's direct interest comprises 500,000,000 shares of the Company held in the name of UOB Kay Hian Pte. Ltd.

(2) Quek Chek Lan's direct interest comprises 11,000,000 shares of the Company held in the name of Maybank Kim Eng Securities Pte Ltd.

10. SERVICE CONTRACTS

No person will be appointed to the board of directors of the Company in connection with the Proposed Acquisition and accordingly, no service contracts in relation thereto will be entered into by the Company.

11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the OTP and Valuation Report will be made available for inspection during normal business hours (9.00 a.m. to 5.30p.m.) at the Company's registered office at 39 Kaki Bukit Industrial Terrace, Singapore 416119 for a period of three (3) months commencing from the date of this announcement.

12. FOLLOW UP ANNOUNCEMENTS / FURTHER INFORMATION

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

Shareholders are advised to exercise caution when dealing in the securities of the Company and to refrain from taking any action in relation thereto, until they have sought their own financial and legal advice where appropriate.

13. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company

and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

BY ORDER OF THE BOARD
KLW Holdings Limited

7 March 2016

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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.

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