



**KLW HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)

Company Registration No.199504141D

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## **COMPLETION OF THE PROPOSED DISPOSAL OF THE ENTIRE PAID-UP CAPITAL CONTRIBUTION IN KEY BAY FURNITURE CO., LTD BY KLW RESOURCES SDN BHD**

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The Board of Directors (the “**Board**”) of KLW Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 10 July 2019, 10 October 2019, 10 January 2020 and 10 March 2020 (collectively, the “**Announcements**”) relating to the entry by KLW Resources Sdn Bhd (the “**Seller**”), which is a wholly-owned subsidiary of the Company, into a capital assignment agreement (the “**CAA**”) with BJTJ Industrial Co., Limited (the “**Purchaser**”) in respect of the sale by the Seller of its entire paid-up capital contribution in Key Bay Furniture Co., Ltd (“**Key Bay**”), free from all encumbrances, for a total cash consideration of US\$7.02 million (the “**Proposed Disposal**”). Capitalised terms used herein and not otherwise defined shall bear the same meanings ascribed to them in the Announcements.

The Board is pleased to announce that following the satisfaction of all the Conditions Precedent stated in the CAA, the Proposed Disposal has been completed on 9 May 2020. Following the completion of the Proposed Disposal, the Purchaser now holds the entire charter capital of Key Bay and the Company has ceased to hold any interests in Key Bay.

In accordance with the terms of the CAA, the Purchaser has paid to the Seller an amount of approximately US\$5.68 million (equivalent to approximately S\$8.01 million<sup>1</sup>), being an amount equivalent to 95% of the Sale Consideration minus the Deposit of approximately US\$0.99 million which was previously paid. Under the terms of the CAA, the balance amount of US\$0.35 million (approximately S\$0.49 million<sup>1</sup>), being an amount equivalent to the remaining 5% of the Sale Consideration, shall be payable on the date six (6) months after the Completion Date.

As disclosed in the Company’s announcement dated 10 July 2019, the Proposed Disposal is not expected to have a material impact on the business operations of the Group since the factory owned by Key Bay has not been in operation since the completion of construction, and the Group intends to use the proceeds from the Proposed Disposal for working capital needs for the Group’s door business.

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<sup>1</sup> For the purpose of this announcement, the currency exchange rate used throughout this announcement is US\$1:S\$1.41. 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.

**By Order of the Board**

KLW Holdings Limited  
Ms Wong Gloria  
Executive Director  
11 May 2020

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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 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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