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

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**UPDATES TO 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**") refers to the Company's announcements dated 10 July 2019 and 10 October 2019 (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, 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 wishes to inform that further to the Side Agreement entered into between the Seller and the Purchaser dated 9 October 2019, the Seller had entered into a Second Side Agreement with the Purchaser dated 9 January 2020 for the extension of the Long Stop Date up to (and including) 9 March 2020. Save as aforesaid, all other terms and conditions of the CAA remain unchanged.

Shareholders are advised to exercise caution in dealing their Shares. The Proposed Disposal is subject to, *inter alia*, the Conditions Precedent. There is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed, or that no changes will be made to the terms therefore. The Company will make the necessary announcement(s) as and when there are material developments in relation to the Proposed Disposal and other matters contemplated in this announcement. Accordingly, Shareholders should exercise caution before making any decisions in respect of their dealings in the Shares. Shareholders are advised to read this announcement and any further update announcement(s) released by the Company carefully. Shareholders who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

**By Order of the Board**

KLW Holdings Limited
Ms Wong Gloria
10 January 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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