



KLW HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number: 199504141D

19 Senoko Loop Singapore 758169

Tel: (65) 6754 1854 Fax: (65) 6752 9908

www.klw.com.sg

PRESS RELEASE

KLW Holdings net profit jumps 913% to \$1.2 million in 1H2014

- *Revenue rises 19.3% year-on-year to \$20 million from \$17 million in 1H2014*
- *Growth in topline mainly due to stronger contribution from core door business, which benefited from higher export sales*

Financial Highlights (S\$ million)	6 Months Ended 30 Sep		
	1H 2014	1H 2013	Change (%)
Revenue	20.3	17.0	19.3
Cost of Sales	(14.5)	(13.4)	7.6
Gross Profit	5.9	3.6	63.3
Gross Profit Margin (%)	29.1	21.2	37.3
Profit Before Tax	1.2	0.1	913.2
Profit After Tax	1.2	0.1	913.2
*Earnings per share (cents)	0.03	0.01	200.0
#Net asset value per share (cents)	1.57	0.49	220.4

** Earnings per share was calculated based on the weighted average number of shares of 4,400,463,697 for the period ended 30 September 2014. (30 September 2013: 2,236,921,645 shares)*

** Net asset value per share was calculated based on 5,380,556,316 shares as at 30 September 2014. (30 September 2013: 2,440,278,158 shares)*

SINGAPORE (4 November) - KLW Holdings Limited (“**KLW**” and together with its subsidiaries, the “**Group**”), an investment holding company with an established business in the manufacturing and distribution of engineered doors, raked in a strong report card posting a net profit of \$1.2 million on revenue of \$20.3 million for the half year ended 30 June 2014 (“**1H 2014**”), up 913.2% and 19.3% year-on-year. For the corresponding period in 2013 (“**1H 2013**”), the Group registered a net profit of \$121,000 on revenue of \$17.0 million.

The rise in net profit was mainly attributable to stronger contribution from the Group’s core door business which achieved a 21.6% increase in revenue of approximately \$19.0 million in 1H 2014 as compared to \$15.7 million in 1H 2013, on the back of higher export sales supported by factories in Malaysia and China.

With an improved cost structure and greater efficiency at production facilities, cost of sales grew at a slower rate than the topline, resulting in a 63.3% jump in gross profit to \$5.9 million from \$3.6 million as at the end of the fiscal period.

In terms of other operating income, the Group registered a 73.5% decrease to \$118,000 from \$446,000, mainly due to a reduction in income received from government grants, lower contributions from the sale of obsolete materials in China as well as the disposal of property, plant and equipment.

On the cost front, distribution cost and administrative expenses grew by 16.3% and 25.7% to \$729,000 and \$3.7 million from \$627,000 and \$3.0 million respectively as at 30 September 2014. This was mainly due to an increase in travelling expenses in relation to the Group’s expansion efforts as well as higher employee remuneration and professional fees incurred during the period.

Managing Director of KLW Holdings Limited, Mr Lee Boon Teck said: “We are pleased with the strong improvement in our earnings and will strive to work harder to deliver greater value to our shareholders. At the same time, we will continue to source for new business opportunities in attractive growth sectors to create additional sources of revenue for the Group going forward.”

Outlook

Looking ahead, the Group plans to continue to source for new business opportunities to grow its existing business. To fund its growth plans, the Group recently completed a placement and rights issue in June and July this year, raising a total of \$58.8 million, before factoring in expenses.

With regards to the door business, export revenue is expected to continue to grow given a robust construction outlook in the UK as the economy recovers. Within Singapore, the Group's local project business has also secured several projects recently, some of which include the supply of doors to two Executive Condominium projects.

In terms of new facilities, the Group's Vietnam factory (which is currently under construction) is slated for completion by the end of the second quarter of 2015. The new facility is expected to contribute positively to the Group's topline in 2016.

Barring any unforeseen circumstances, the Group is confident that revenue growth will gain pace over the next 12 months.

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For media enquiries, please contact:

August Consulting

Tel: (65) 6733 8873 Fax: (65) 6733 9913

Michelle Tan: michelle@august.com.sg

Jeremy Sing: jeremysing@august.com.sg

KLW Holdings Limited

Tel: (65) 6754 1854 ext 218

Jaslin Gaw: Jaslin_gaw@klw.com.sg



About KLV Holdings Limited

First incorporated in Singapore on 15 June 1995, KLV Holdings Limited is an investment holding company mainly engaged in door manufacturing, residential projects management and property leasing.

With manufacturing bases in Malaysia and China, its high value and quality door sets are supplied to well-known quality home improvement and DIY chain-stores and distributors throughout Europe, USA, Middle East and Asia. In Singapore, it supplies quality doors to several residential developments, including The Wharf Residence, Waterfront Key, Sophia Residence and The Minton.

This press release has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this press release. This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this press release. The details of the contact person for the Sponsor are as follows:

Name : Mr Chew Kok Liang, Registered Professional

Address: Six Battery Road, #10-01 Singapore 049909

Tel : (65) 6381 6757