KLW HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199504141D)

RECLASSIFICATIONS BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

The Board of Directors of KLW Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the unaudited full year results announcement for the financial year ended 31 March 2018 ("**FY2018**") released on 30 May 2018 ("**Unaudited Results**"). Further reference is made to the audited financial statements of the Group for FY2018 ("**Audited Financial Statements**") contained in the Company's annual report for FY2018 which will be released via the SGXNET and despatched to the Company's shareholders in due course.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Company would like to announce that subsequent to the release of the Unaudited Results, the external auditors proposed certain reclassifications of certain items to be made to the Unaudited Results following the finalisation of the audit, which the management of the Company has adopted accordingly.

The reclassification between the audited financial statements for FY2018 and the Unaudited Results and the explanation thereon are set out as follows.

Balance Sheets as at 31 March 2018

	Audited Financial Statements	**Unaudited Results**	**Variance**		**Explanation**
	(S$'000)	**(S$'000)**	**(S$'000)**	**%**	
Group					
Non-current assets					
Land held for development	-	28,416	(28,416)	(100)	Due to reclassification to "development properties" under "Current assets" for a better presentation to reflect the intention of the land acquired for property development activities.
Current assets					
Development properties	41,775	13,359	28,416	N/M	Due to the above reclassification from "Non-current assets".
Company					
Non-Current assets					
Subsidiaries	53,509	32,197	21,312	66	Due to reclassification from "Prepayments, trade and other receivables" under "Current assets" as part of the loan has been treated as a net investment in the subsidiary and thus included as "Non-current assets".
Current assets					
Prepayments, trade and other receivables	20,905	42,217	(21,312)	(50)	Due to the above reclassification to "Non-current assets".

Consolidated Statement of Cash Flows for financial year ended 31 March 2018

	Audited Financial Statements	Unaudited Results	Variance		Explanation
	(S$'000)	(S$'000)	(S$'000)	%	
Cash flows from operating activities					
Changes in operating assets and liabilities: Development properties	(29,523)	-	(29,523)	N/M	Due to reclassification from "cash flows from investing activities" amounting $20.5 million and trade and other receivables amounting $9.0 million. As explained above, acquisition of land is reclassified as part of the property development activities, and should be presented as operating activities.
Trade and other receivables	8,315	(669)	8,984	N/M	Due to reclassification to "development properties" as this amount refers to the deposit that was placed with a bank in last financial year for proposed investment in subsidiary. The reclassification will reflect a better presentation on the cash outflow for the acquisition of land held for development activities.
Cash flows from investing activities					
Acquisition of land held for development	-	(20,539)	20,539	(100)	Due to reclassification to "cash flows from operating activities".
Loan from non-controlling interest	-	1,155	(1,155)	(100)	Due to reclassification to "cash flows from financing activities" as it is considered to be under financing activities during finalisation of audit.
Cash flows from financing activities					
Proceeds from borrowings	4,203	-	4,203	N/M	Due to reclassification from "repayment of borrowings" to present as a gross amount.
Repayment of borrowings	(18,651)	(14,448)	(4,203)	(29)	Due to reclassification to "proceeds from borrowings" to present as a gross amount.
Loan from non-controlling interest	1,155	-	1,155	N/M	Due to reclassification from "cash flows from investing activities" as it is considered as financing activities.

Following to the above reclassifications, there is no impact to the profit and loss of the Group as well as its net assets.

By order of the Board
KLW Holdings Limited

Terence Lam
Executive Director
6 July 2018

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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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