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

APPROVAL FROM MALAYSIA TIMBER INDUSTRY BOARD ON MOVEMENT CONTROL ORDER

The Board of Directors (the "**Board**") of KLW Holdings Limited (the "**Company**") refers to the Company's previous announcements dated 19 March 2020 and 2 April 2020 on the impact of compliance with the Directive by the Malaysian federal government to temporarily restrict nationwide movement as part of efforts to contain the COVID-19 outbreak ("**Previous Announcement**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning ascribed to them in the Previous Announcement.

The Board wishes to update the shareholders that its Johor factory had on 6 April 2020 received an approval letter from Malaysia Timber Industry Board whereby it allows our Johor factory to resume operation during the Extended Effective Period ("**Approval**").

In compliance with the requirements imposed under the Approval, the Group has taken additional precautions in ensuring safe distancing between workers. As such, the Group will allow half of the workforce to resume work and continue to implement measures such as temperature checks, wearing face masks at all times while on the premises and distributing disinfectant sprays at factory building and its surroundings.

As previously disclosed, the extension of the Directive could negatively impact the Company's cashflow and financial position as certain fixed costs such as wages and overheads will need to be paid despite the lack of revenue arising from ceasing or scaling down operations in accordance with the Directive. While the COVID-19 outbreak remains uncertain, the Board is unable to ascertain the full financial impact of the Extended Effective Period on the financial performance of the Group.

However, based on the unaudited third quarter financial statements announced on 14 February 2020, the Group has sufficient financial reserves to cover all of its current liabilities. The Company will continue to assess the impact of the Directive on its business, and will provide updates on this and any other material developments to shareholders as soon as practicable.

In the meantime, shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

KLW Holdings Limited
Ms Gloria Wong
Executive Director
8 April 2020

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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