



**KING WAN CORPORATION LIMITED**

Incorporated in the Republic of Singapore  
(Company Registration No. 200001034R)

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**RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

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The Board of Directors (the "Board") of King Wan Corporation Limited (the "Company" and together with its subsidiaries, the "Group") hereby provides its response to the queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 25 July 2022 in relation to the Company's Annual Report for the financial year ended 31 March 2022 ("FY2022") announced via the SGXNet on 13 July 2022, as set out below:

**Question 1:**

With reference to page 37 of the annual report which discusses the whistle blowing policy of the Company, please disclose the following:

- a. Rule 1207(18B)(a) of the Mainboard Rules requires an explanation of how the issuer has complied with the requirement to designate "an independent function [emphasis added] to investigate whistleblowing reports made in good faith". To disclose whether the Company has designated an independent function to investigate whistle-blowing reports and the details of this "independent function" for the purpose of investigating whistleblowing reports.
- b. With respect to the conduct of "independent investigation[s]" to investigate whistleblowing reports made in good faith, to elaborate whether and how is the AC of the Company involved or independently investigates into matters raised; and
- c. It is stated that "the AC ensures that arrangements are in place for the independent investigation of" whistle blowing reports. Please explain how the Company ensures that investigations are independently conducted, the specific person(s) overseeing an independent investigation, how the identity of the whistleblower is kept confidential and how the whistleblower is protected against detrimental or unfair treatment as required under listing rule 1207(18B)(c).

**Company's response:**

- a. Employees have access to the whistle blowing policy of the Company where personal email of the Audit Committee ("AC") Chairman who is also the Lead Independent Director of the Company is provided. Where there is concern that any members of the internal escalation channel might be implicated or if the employee deemed it more appropriate, the employee could raise his concern directly to the AC Chairman.
- b. The whistle blower will be required to provide the specific relevant details and facts. The information will be handled in strict confidence. The Managing Director or the AC Chairman will review the information and may authorise investigation to be conducted by independent persons including internal or external auditors or external consultants as deemed appropriate.

- c. Refer to (a) and (b) above for the explanation on how the Company ensures that investigations are independently conducted and the specific person(s) overseeing an independent investigation.

The Company's whistle blowing policy contains clear provisions on protection for whistle blowers. Under the Company's whistle blowing policy, the Company will protect the personal interests of the whistle blower regardless of whether the report turns out to be genuine or otherwise, provided the whistle blower had raised the report in good faith. The Company will not tolerate any harassment or victimisation of the whistle blowers. Disciplinary action will be taken against employees who victimise or take any form of reprisal against the whistle blower.

## Question 2:

Listing Rule 1207(20) requires issuers to disclose in their annual report the use of IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 of the Mainboard Rules. In particular, Listing Rule 1207(20)(b) requires issuers to disclose a breakdown with specific details [emphasis added] on how the proceeds have been applied, where proceeds have been used for working capital purposes. These details have not been included in the Company's annual report. Please disclose them accordingly.

### Company's response:

On 8 September 2021, the Company had completed a renounceable non-underwritten rights issue of 349,176,870 new ordinary shares in the capital of the Company (the "Rights Shares") at an issue price of S\$0.02 for each Rights Share, on the basis of one (1) Rights Share for every one (1) ordinary share in the capital of the Company held by each shareholder of the Company (the "Rights Issue") with total gross proceeds amounted to approximately \$6.98 million.

As at the date of the Annual Report for FY2022, the status of the proceeds was as follows:

Intended use of gross proceeds	Amount allocated S\$'million	Amount utilised S\$'million	Balance of proceeds S\$'million
Expenses incurred in connection with the Rights Issue	0.23	(0.23) <sup>(1)</sup>	-
Expansion and growth of existing business and/or financing of potential strategic joint ventures	3.71	-	3.71
General working capital	3.04	(2.74) <sup>(2)</sup>	0.30
Total	6.98	(2.97)	4.01

<sup>(1)</sup> Expenses incurred in relation to the Rights Issue relate to professional fees, processing fee, admin and handling fee.

<sup>(2)</sup> General working capital utilised for payments made to suppliers for supply of materials and labour in relation to construction projects.

As at the date of this announcement, there is no change to the status of the proceeds as disclosed above.

**Question 3:**

Page 93 of the Company's annual report stated that post-employment benefits for directors and other members of the Key Management paid out in 2022 is S\$86,000. Page 32 of the Company's annual report however states that during FY2022, "there was no ... post-employment benefits granted to Directors and the key management personnel (who are not directors)". Please reconcile this difference.

**Company's response:**

On page 32, it should be corrected and read as *"During FY2022, there was no termination or retirement benefits granted to Directors and the key management personnel (who are not directors)."*

On page 93, the disclosure of post-employment benefits for directors and other members of the Key Management paid out in FY2022 amounting to S\$86,000 is correct.

**BY ORDER OF THE BOARD**

Chua Eng Eng  
Managing Director  
26 July 2022