



KING WAN CORPORATION LIMITED

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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) ON THE COMPANY’S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (“FY2021”)

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 23 July 2021 in relation to the Company’s Annual Report for the financial year ended 31 March 2021 (“FY2021”) announced via the SGXNet on 14 July 2021, as set out below:

Question 1:

Listing Rule 716(1) states that an issuer may appoint different auditing firms for its subsidiaries or significant associated companies (referred to in Rule 715(1)) provided that the issuer’s board and audit committee are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the issuer. It was disclosed on pages 101 and 102 of the Annual Report that Deloitte & Touche LLP, Singapore, Chan Leng Leng & Co, Singapore and First Assurance PAF, Singapore were the auditors of a few of the Company’s Singapore incorporated associated companies. Pursuant to Listing Rule 716(1), please disclose whether the Board and Audit Committee are satisfied that the appointment of the different auditing firms for the Company’s Singapore incorporated associated companies would not compromise the standard and effectiveness of the audit of the issuer.

Company’s response:

Nexus Point Investments Pte Ltd (“Nexus”)

Nexus, a 19% owned associate, operates Tuas South Dormitory, a workers’ dormitory. The auditor of Nexus has been Deloitte & Touche LLP, Singapore (“Deloitte”) since FY2016. Nexus is a subsidiary of another company listed on the Mainboard of the Singapore Exchange and whose auditor is Deloitte. In FY2021, the Company’s auditor, BDO LLP had issued a set of Group audit instructions to Deloitte which included the audit scope and reporting requirements, and obtained the audit clearance from Deloitte. BDO LLP had also reviewed Deloitte’s audit working papers to ensure the appropriateness of audit procedures performed, as well as adequacy and sufficiency of audit evidence obtained.

Chang Li Investments Pte. Ltd., Li Ta Investments Pte. Ltd. and Soon Li Investments Pte. Ltd. (“CLLTSL”)

CLLTSL, 49% owned associates, held properties under property development in the People’s Republic of China. The auditor of CLLTSL has been Chan Leng Leng & Co, Singapore (“CLL”) since FY2013. The audit partner in-charge, Ms. Chan Leng Leng has more than 30 years of public accounting experience and is a practising member of the Institute of Singapore Chartered Accountants. Ms Chan was conferred Fellow Chartered Accountant of Singapore under the Singapore Accountancy Commission (SAC) Act on 2 July 2013. She also had experiences in auditing businesses in the similar industry and scale, including associates of other listed companies.

Meadows Bright Development Pte Ltd (“MBD”)

MBD, a 40% owned associate, had completed its property development and fully sold all property units in 2016. There have been no active business operations since 2017. The auditor of MBD has changed from Deloitte & Touche LLP, Singapore to FIRST Assurance Public Accounting Firm (“FAPAF”), Singapore in FY2021. The audit partner in-charge, Mr. Teo Boon Huat has more than 18 years of collective experience in an international accounting firm (Deloitte) and mid-tier firms. He is a member of the Institute of Singapore Chartered Accountants, ASEAN Chartered Professional Accountant and a public accountant registered with the Accounting and Corporate Regulatory Authority. He had been involved in audits covering a wide range of industries including construction, manufacturing, shipping, transportation, hospitality, trading and retail. He also has the experience in both local and cross border IPO projects, financial due diligence exercise and business valuation. In a different capacity, he also played a key role in conducting training in accounting standards and audit methodology.

The Board and Audit Committee (“AC”) are satisfied that the appointment of the different auditing firms for the Company’s Singapore incorporated associates complied with Listing Rule 716(1) due to the following:

- (i) The Board and AC considered the experience, profile and independence of the auditors, Deloitte, CLL and FAPAF and are of the opinion that these auditors will be able to meet the audit requirements of the Company’s respective Singapore incorporated associates; and
- (ii) The Board and the AC consulted with the Company’s auditor, BDO LLP and were satisfied that the appointment of other auditors for these associates will not compromise the standard and effectiveness of the audit of the Company and the Group.

Question 2:

Listing Rules 907 and 1207 (17) requires the issuer to disclose in its annual report information on interested person transactions entered into during the financial year. It was disclosed on page 90 of the Annual Report that the Company had entered into related party transactions during the financial year ended 31 March 2021. Please explain whether these related party transactions constitute interested person transactions and disclose the relevant information required in the format prescribed in Listing Rule 907.

Company’s response:

The related party transactions disclosed on page 90 of the Company’s Annual Report for FY2021 refer to transactions between the Group and the associates or joint venture as disclosed on pages 101 to 102 of the Company’s Annual Report for FY2021.

As these associates or joint venture are not considered an associate of the Company’s director, chief executive officer, or controlling shareholder, these related party transactions do not constitute interested person transactions.

Pursuant to Listing Rules 907 and 1207 (17), there are no interested person transactions to be disclosed during FY2021.

Question 3:

Listing Rule 1207(6)(a) requires the issuer to disclose in its annual report the aggregate amount of fees paid to auditors, broken down into audit and non-audit services. If there are no audit or non-audit fees paid, to make an appropriate negative statement. Please disclose the required information.

Company's response:

Pursuant to Listing Rule 1207(6)(a), there are no non-audit fees paid to the auditors of the Company during FY2021.

BY ORDER OF THE BOARD

Chua Eng Eng
Managing Director
27 July 2021