



KING WAN CORPORATION LIMITED
(Company Registration No. 200001034R)
(Incorporated in the Republic of Singapore)

CALL ON PERFORMANCE BOND BY LAGUNA HOTEL HOLDINGS PTE LTD

The Board of Directors (“**Board**” or “**Directors**”) of King Wan Corporation Limited (the “**Company**”) wishes to announce that its wholly owned subsidiary, King Wan Construction Pte Ltd (“**KWC**”) has, on 3 June 2022, received a notification that a performance bond (“**Performance Bond**”) issued on behalf of KWC, amounting to S\$1.167 million had been called by Laguna Hotel Holdings Pte Ltd (“**LHH**”). The Performance Bond was issued in favour of LHH in relation to a contract for the air-conditioning mechanical ventilation works and other related works (the “**Contract**”) entered into between KWC and LHH.

By way of background, LHH’s Laguna Hotel has already received its Temporary Occupation Permit and has already started operations since November 2020. To date, KWC is claiming work done under contract of S\$0.5 million from LHH, in addition to the retention monies of S\$0.6 million withheld by LHH.

Further, KWC has, on 18 February 2022, received a notice from LHH purporting to terminate the Contract (the “**Notice**”), alleging certain breaches relating to rectification works, testing and commissioning, and submission of certain documents as required under the Contract. On 21 February 2022, KWC has replied to LHH to dispute LHH’s allegations and inform LHH that the termination of the Contract was wrongful. The remaining outstanding works under the Contract is approximately S\$32,000.

KWC intends to defend against all LHH’s allegations and claims, including the call on the Performance Bond. KWC has also further reserved all its rights under the Contract, including the right to seek compensation for all loss, damages, costs and expenses from LHH. KWC is currently considering its legal options in these regards with its advisors.

The Company will provide updates on material developments on this matter.

BY ORDER OF THE BOARD

Chua Eng Eng
Managing Director

3 June 2022