



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

MATERIAL ADJUSTMENTS BETWEEN AUDITED FINANCIAL STATEMENTS AND UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (“FY2020”)

The Board of Directors (the “Board”) of King Wan Corporation Limited (the “Company” and together with its subsidiaries, the “Group”) refers to its announcement on the unaudited full year financial results (“Unaudited Results”) for FY2020 which was released to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 30 July 2020.

Pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, the Board wishes to announce that subsequent to the release of the Unaudited Results FY2020 and the finalisation of the audit, there were material adjustments between the Audited Financial Statements FY2020 and Unaudited Results FY2020.

Details and clarifications of the material adjustments are set out below:

Consolidated statement of profit or loss and other comprehensive income for FY2020

Group	Note	Audited \$’000	Unaudited \$’000	Increase/ (Decrease)	Change
Revenue	a	72,398	71,061	1,337	1.9%
Loss allowance for amounts due from associates	b	(2,004)	(581)	(1,423)	>100%
Income tax expense	c	(813)	(586)	(227)	38.7%
Profit for the year	d	420	733	(313)	-42.7%

Statements of financial position as at 31 March 2020

Group	Note	Audited \$’000	Unaudited \$’000	Increase/ (Decrease)	Change
Current assets					
Contract assets	a	25,300	23,963	1,337	5.6%
Non-current assets					
Other receivables	b	42,535	43,958	(1,423)	-3.2%
Current liabilities					
Income tax payable	c	992	765	227	29.7%
Capital and reserves					
Retained earnings	d	38,746	39,059	(313)	-0.8%
Company					
Non-current assets					
Amount due from subsidiaries	e	5,003	10,063	(5,060)	-50.3%
Capital and reserves					
Retained earnings	e	7,421	12,481	(5,060)	-40.5%

- a. This was due to subsequent account finalisation of variation orders that were completed before 31 March 2020 for a construction project relating to plumbing and sanitary services.
- b. This was due to higher loss allowances made for amounts due from associates which operate in Dalian, PRC. Higher loss allowances were made after the management had further assessed the recoverability of amounts due from these associates with concurrence by the auditors, having taken into account the prevailing property market conditions in Dalian, PRC which was impacted by the local government's containment measures in response to COVID-19 pandemic.
- c. Additional income tax expense was accounted for the increase in revenue as explained in Note (a) above.
- d. As a result of adjustments as explained in Notes (a), (b) and (c), the Group's profit for the year had decreased by \$313,000 or 42.7%, and retained earnings had decreased by \$313,000 or 0.8% as compared to Unaudited Results.
- e. As a result of the completion of assessment in Note (b), there was allowance made for amounts due from subsidiaries amounting to \$5,060,000. Correspondingly, the retained earnings has decreased by \$5,060,000.

BY ORDER OF THE BOARD

Chua Eng Eng
Managing Director
14 September 2020