



KING WAN CORPORATION LIMITED

(Company Registration No. 200001034R)

(Incorporated in the Republic of Singapore)

UPDATES ON CALL ON PERFORMANCE BOND BY LAGUNA HOTEL HOLDINGS PTE LTD

The Board of Directors (“**Board**” or “**Directors**”) of King Wan Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce an update in relation to the previous announcements dated 3 June 2022 and 8 June 2022, wherein it had informed that its wholly owned subsidiary, King Wan Construction Pte Ltd (“**KWC**”) had, on 3 June 2022, received a notification that a performance bond (the “**Performance Bond**”) issued on behalf of KWC, amounting to S\$1.167 million had been called on 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. On 8 June 2022, KWC had made an application to the High Court of Singapore for an injunction on the LHH’s call on the Performance Bond (the “**Injunction Application**”).

On 13 September 2022, KWC and LHH entered into a Settlement Agreement. Among others, KWC will pay LHH a sum of S\$1,000,000.00 without admission of any liability to fully and finally settle all claims and disputes that the parties have or may have against each other. The terms of the settlement agreement are confidential. The Board is of the view that the settlement agreement is in the best interests of the Company and KWC.

The Board has taken into account, amongst other things, the longer-term effect on the Company and the Group of prolonged legal proceedings.

The settlement payment will be funded through internal resources.

The Board is of the view that Settlement Agreement is likely to have a near term negative impact on the earnings of the Company and the Group for the financial year ending 31 March 2023.

BY ORDER OF THE BOARD

Chua Eng Eng
Managing Director

14 September 2022