



**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 UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 MARCH 2024**

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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 6 June 2024 in relation to the Company's unaudited condensed financial statements for the second half and full year ended 31 March 2024 ("FY2024") announced via the SGXNet on 30 May 2024, as set out below:

**Question 1:**

With respect to the other receivables of S\$41.3 million disclosed under Note 14 of Page 17, please explain the material items contributing to the significant balance for the amounts due from associates and joint venture of S\$84.3 million, as well as the loss allowance for the amounts due from associates of S\$43.1 million that aggregates to half of the total amounts due from associates and joint venture. To also disclose the aging profile of the respective material items, who are these associates/ joint venture and the corresponding interest held by the Company.

**Company's response:**

The amounts due from associates and joint venture of S\$84.3 million are mainly made up of advances made to Dalian Shicheng Property Development (S) Pte Ltd ("DSPDS"), Soon Zhou Investments Pte Ltd ("SZI") and Nexus Point Investments Pte Ltd ("Nexus") amounting to S\$31.0 million, S\$24.4 million and S\$13.5 million respectively. These advances were made to DSPDS for property development in the People's Republic of China ("PRC") since 2009, SZI to purchase properties in the PRC since 2013 and Nexus to support the operations of a workers' dormitory since 2014 respectively.

The Group had assessed the recoverability of these amounts due from associates and joint venture by considering their respective financial position, estimate of the net realisable value of the tangible assets held by them, and/or the estimates of the future cash flows from their operations which took into consideration their financial performance, market conditions, historical and forward-looking information and valuation of their assets performed by external professional valuers. The loss allowance for the amounts due from associates and joint venture of S\$43.1 million are mainly made on advances made to DSPDS and SZI amounting to S\$31.0 million and S\$7.7 million respectively.

The Group holds 46.2%, 50.0% and 19.0% in DSPDS, SZI and Nexus respectively.

**Question 2:**

We note from Page 24 that the Company had declared no dividends for the current financial period reported on. Please explain the reason(s) for this decision pursuant to Paragraph 12 of Appendix 7.2 in the Listing Manual.

**Company's response:**

No dividend has been declared for the current financial period ended 31 March 2024 to preserve the Group's working capital and prioritise for use in the Group's operations as the economic outlook remains challenging.

**BY ORDER OF THE BOARD**

Chua Eng Eng  
Managing Director  
7 June 2024