



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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE COMPANY'S UNAUDITED SECOND HALF AND FULL YEAR RESULTS ENDED 31 MARCH 2022

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 2022 in relation to the Company's unaudited results for the second half and full year ended 31 March 2022 ("FY2022") announced via the SGXNet on 30 May 2022, as set out below:

Question 1:

We note that the Group reported a "loss allowance on trade receivables, other receivables and contract assets" of S\$2.506 million for the full year ended 31 March 2022.

Please disclose:

- (i) a breakdown of the allowance on trade receivables, other receivables and contract assets; and
- (ii) who the debtors are and whether they are related parties.

Company's response:

Please refer to the breakdown below:

	31.03.2022
	\$'million
Loss allowance for:	
- trade receivables	1.302
- other receivables	0.006
- contract assets	0.360
- amounts due from associates	0.838
Total	2.506

- (i) Please find the breakdown of the allowance on trade receivables, other receivables and contract assets by debtors below:

	31.03.2022	Relationship with the Group
	\$'million	
Remco Electrical Engineering Pte Ltd	1.100	External party - subcontractor
Greatearth Corporation Pte Ltd	0.367	External party - main contractor
Greatearth Construction Pte Ltd	0.185	External party - main contractor
Dalian Shicheng Property Development (S) Pte Ltd	0.125	Associate
Chang Li Investments Pte Ltd	0.339	Associate
Li Ta Investments Pte Ltd	0.295	Associate
Soon Li Investments Pte Ltd	0.079	Associate
Other debtors	0.016	External parties
Total	2.506	

Question 2:

Please disclose a breakdown of the trade payables and bills payables of \$36.965 million, including the nature of such payables and whether the counterparties are related parties.

Company's response:

Please refer to the breakdown of trade payables and bills payables amounting to S\$36.965 million below:

	31.03.2022	Relationship with the Group
	\$'million	
Trade payables – external parties	13.235	External parties
Bills payables	21.472	External parties
Accrual for subcontractor costs	2.258	External parties
Total	36.965	

Trade payables principally comprise amounts outstanding for trade purchases. The average credit period on purchases of goods from outside parties is 3 months. No interest is charged on overdue trade payables.

Bills payables are repayable between 2 to 5 months from the date the bills are first issued. The carrying amount of the bills payables approximate their fair values due to their short-term maturity. Bills payables bear interest at rates ranging from 1.62% to 2.50% per annum and are supported by a corporate guarantee of the Company.

BY ORDER OF THE BOARD

Chua Eng Eng
Managing Director
8 June 2022