



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 HALF YEAR RESULTS ENDED 30 SEPTEMBER 2020**

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 4 December 2020 in relation to the Company's unaudited results for the half year ended 30 September 2020 ("1H2021") announced via the SGXNet on 11 November 2020, as set out below:

Question 1:

We refer to the half year results for the period ended 30 September 2020. We noted a significant increase in the gain on disposal of property, plant and equipment of 506% from \$24,650 to \$149,359 due to the sale of modified portable lavatories. Please elaborate on the reason for classifying these modified portable lavatories under property, plant and equipment as well as the reason for its disposal.

Company's response:

Sale of modified portable lavatories does not fall under the principal activities of the Group. The Group operates and rents the portable lavatories and therefore classifies these modified portable lavatories as property, plant and equipment. Due to unprecedented COVID-19 pandemic, the Group has modified portable lavatories by tapping on its Mechanical & Electrical ("M&E") skills to install shower unit and wash basin, and sold them to meet current market demand in need for such lavatories.

Question 2:

We noted a significant increase in sundry income of 367% from \$17,323 to \$80,838. Please provide a breakdown of the significant items in sundry income which contributed to the increase.

Company's response:

The increase in sundry income is mainly made up of cancellation charges on rental of lavatories amounting to \$11,000 and backcharge of meal expenses to dormitory tenants amounting to \$47,000.

Question 3:

We noted the significant net fair value loss in equity securities of \$2.2 million. Please disclose what are these securities held by the Company which caused the significant losses.

Company's response:

These securities pertain to investment in quoted equity shares of Kaset Thai International Sugar Corporation Public Company Limited ("KTIS") listed on Thailand Stock Exchange. The fair value of the quoted equity shares of KTIS are based on the quoted closing market prices on the last market day of the financial year. The significant net fair value loss is due to decrease in the quoted closing market prices to THB 2.42 per share as at 30 September 2020 from THB 2.88 per share as at 31 March 2020.

BY ORDER OF THE BOARD

Chua Eng Eng
Managing Director
8 December 2020