



KING WAN CORPORATION LIMITED

(Company Registration No. 200001034R)

Reply to SGX Query dated 19 July 2016

In response to the following query received from the Singapore Exchange Limited on 19 July 2016 in relation to the Company's Annual Report for the Financial Year ended 31 March 2016, the Company's response is as follows:-

Query 1 : On page 56 "Related Party Transactions", please elaborate on who are the related parties and explain why they are not interested persons. If these are interested person transactions, please reconcile with page 107 and explain how the Company has complied with the provisions under Chapter 9 and disclose the interested person transactions in the format required under Listing Rule 907.

Response:

The related parties presented on page 56 of the annual report refer to associates/ joint ventures that the Company or its subsidiaries have invested in. Identities of these related parties are presented on page 66 and 67 of the annual report.

By the definition of "associates" in the Listing Rules, these associates/joint ventures are not associates of any director, chief executive officer, or controlling shareholder (collectively "interested persons") of the Company.

There are thus no interested person transactions during the financial year as the related parties presented on page 56 of the annual report are not associates of any interested persons of the Company or its subsidiaries.

Query 2 : On page 59, please explain why the Company continue to increase transaction in providing advances to associates and joint ventures in FY2016 when Company disclosed allowance for amounts owing by the associates and joint venture.

Response:

For all investments made by the Company, funds can be injected via capital injection and/or loans into the associates/joint venture.

The decision to extend loans to associates/joint ventures is made based on the merits and requirements of the individual associates. This is an investment strategy adopted by the Company and allowance made on loans due from one associate will not affect the Company's decision to extend loans to other associates as they operate in different business settings.

BY ORDER OF THE BOARD
King Wan Corporation Limited

Chua Eng Eng
Executive Director