

20008

2008



our core values

Commitment

We are fully committed to our customers, our staff and our shareholders to give them returns that exceed their expectations.

Quality & Reliability

We aim to provide services that are unsurpassed in quality and reliability attained through regulated, coordinated planning and management, while ensuring competitive cost execution.

Integrity & Professionalism

We do our jobs with the highest level of integrity and professionalism.

People

We value the contribution of each and every member of our team and seek to develop all staff to their fullest potential.

Passion

We approach every task with heart and passion.

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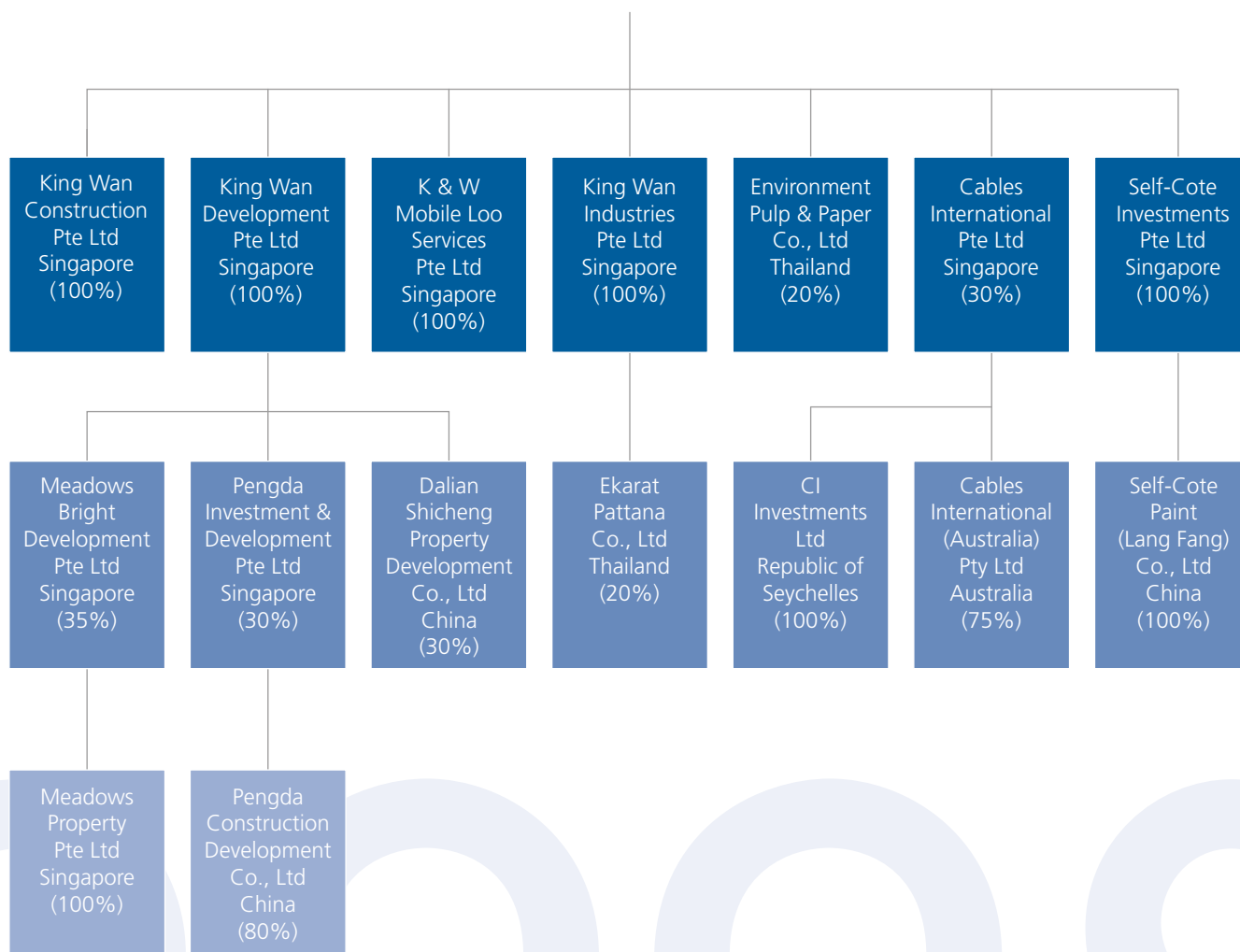
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KING WAN CORPORATION LIMITED



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King Wan was founded in 1977 as King Wan Construction Pte Ltd (“KWC”) offering an entire spectrum of Mechanical and Electrical engineering services for Housing Development Board (HDB) residential projects.

In 1993, KWC moved into the private sector with her first Private Residential Condominium project - The Melville Park. In the same year, we secured our first HDB design and build project at Tampines Neighbourhood 4 Contract 25. The design and build scheme was launched by HDB in 1991 to give a unique and high class design for public housing with participation of private architects and engineers.

KWC was awarded her first HDB upgrading project in Bukit Ho Swee Contracts 1 & 3 in 1994. Older HDB estates came into focus with the launch of the interim upgrading programme in 1993 – to improve and upgrade these estates to bring their standards on par with newer HDB towns. Also in 1994, our services was extended to include the industrial sector – namely JTC factories @ Tuas Link

1996 saw the expansion of our business into the rental and cleaning of portable chemical lavatories for use at property development showrooms, construction worksites and public events. K&W Mobile Loo Services Pte Ltd (“K&W”) has grown to become one of the leading players in the market with a fleet of more than 1,000 portable lavatories and accessories.

KWC was awarded its first Executive Condominium project in 1998 – The Rivervale. The Executive Condominium Housing scheme was launched by HDB in late 1995 to give HDB residents more choice to upgrade their living standards.



In recognition of our quality system for our services, the European Quality Assurance Limited awarded KWC and K&W with the ISO 9002 certification in 1999.

In 2000, King Wan Corporation Limited was listed on the Singapore Stock Exchange. That year, St Michael's school became our first foray into the education and institution sector.

With our impeccable records, we secured Cisco Recall Centre II in year 2001. This marked the beginning of many more commercial projects that KWC undertook.

We witnessed the birth of Self Cote Paint in 2002, specializing in the production and sale of environmentally friendly water-based paint in China.

King Wan Corporation Limited was upgraded to the Singapore Exchange Mainboard in 2003. Cables International Pte Ltd ("CI") was acquired in the same year. It is a leading supplier of Electrical Cables and is also an Accessories Solution Provider to international energy sectors with operations across Asia Pacific and the Middle East.

2004 was a busy year for us. Our geographical footprint was enlarged as we penetrated Thailand's pulp and paper industry by acquiring a 20% stake in Thailand-based Environmental Pulp and Paper Co., Ltd ("EPPCO"). In the same year, we subscribed for a 20% interest in ethanol production firm Ekarat Pattana Co., Ltd ("Ekarat Pattana"), who has the license to produce absolute, super fine and industrial alcohol.

Apart from our ventures in Thailand, we also entered into the property market through our 30% associate Dalian Shicheng Property Development Co., Ltd ("Dalian Shicheng") and 35% associate Meadows Bright Development Pte Ltd ("Meadows Bright"). KWC was accredited ISO 9001-2000 in the same year.



Dalian Shicheng successfully launched the 1st phase of her Singapore Garden project in Dalian, China in 2005. The Singapore Garden project, when completed, will comprise approximately 3000 units of high and low rise apartments, terrace houses, commercial buildings, hotels and shop fronts.

In 2006, Meadows Bright - "The Inspira", the company's first development located at Robertson Quay, sold 100% of its 120 units. In the same year, KWC was awarded The Pinnacle@Duxton. This special, unique housing project is located at historically significant Duxton Plain, where the first two HDB blocks in the area were built. The result of an international design competition, The Pinnacle@Duxton is HDB's first 50-storey development with unique features like sky bridges, and integrated car park, and a host of commercial and social facilities.

KWC secured Scotts Square in 2007. This is the newest upscale residential and retail development set apart by its integration with artworks by world-renowned artists. In the same year, the Group successfully placed out 24 million new ordinary shares for cash at the price of S\$0.29 per share.

The beginning of 2008 saw Ekarat Pattana's completion of its ethanol production plant and commencement of commercial production. KWC re-affirmed her commitment to building safety and health by attaining bizsafe level 2 awarded by Singapore's Work Safety and Health Advisory Committee (WSHAC)

The Group continues to maintain a vast and diversified portfolio giving our clients greater value.

TO MY FELLOW SHAREHOLDERS,

It has been a busy but fulfilling year for King Wan. On behalf of the Board of Directors, I am pleased to present the Group's performance for the financial year ended 31 March 2008 (FY2008).

Singapore's construction sector continued its recovery in the last year. While there are many projects available for bidding, there are many continuing challenges in the industry, including the availability of manpower to complete projects and the unrelenting increase in the prices of construction material. To properly manage our project risks, we have remained focused on our strategy of staying focused on our core Mechanical and Electrical engineering business and will only undertake projects that pass our stringent criteria.

At the same time, the Group has continued to nurture and grow its other investments. I am pleased to inform you that the Group is beginning to reap the benefits from its strategic business diversification.

Property Development in Singapore & PRC

The Group's ventures in property development in Singapore and China have done well. Developments launched by the Group's associates have been very well received by the market. In Singapore, the development has been totally sold out.

Pulp and Paper Company in Thailand

Environment Pulp & Paper Co., Ltd ("EPPCO"), the Group's 20% associate in Thailand that produces pulp from sugarcane bagasse, turned around from a loss last year and contributed S\$4.6 million to the Group's profits. With the stabilization of the pulp production process, as well as a higher demand and higher selling price for its products, we expect EPPCO to do well in the next financial year.

Cables International

Other associates in the Group's investment portfolio have also taken significant steps forward in the review year. 30%-held associate Cables International Pte Ltd ("CI"), a leading supplier of electrical cables and an accessories solution provider in the energy sector, has established a name for itself in Singapore and has also extended its reach in the region. In fact, it came out tops for International Excellence in Singapore's second SME Excellence Award ceremony held recently.

The good performances turned in by the associates gave management the added confidence that the decision to diversify its investment is correct and the Group is now moving towards the right business direction.

Issue of New Shares

In July 2007, the Group successfully placed out 24 million new ordinary shares for cash at a price of S\$0.29 per share. This successful exercise reflects the confidence investors have in the Group and serves as a vote of confidence to the direction that the Group is heading.

OUTLOOK FOR FY2009

Mechanical and Electrical Engineering

The construction sector in Singapore has continued its recovery, albeit at a slower pace. We expect the competition for new projects to remain very competitive and profit margins will generally remain thin. With the strong tempo of construction activities this year, coupled with escalating commodity prices, the price of basic construction materials and labour costs are expected to increase, putting further pressures on profit margins in the next twelve months.

The Group will continue to be selective in the tender of new projects and will only undertake projects that yield reasonable returns.

The Group currently has approximately S\$137 million worth of construction contracts on hand, with completion dates ranging from years 2008 to 2011.

K&W Mobile Loo Services

Demand for our portable toilets services from event organizers and customers from the construction sector should remain strong in view of the brisk construction activities and the number of events lined up for 2008. We expect this business to maintain its profitability into FY2009.

Property Development Business

The "Singapore Garden" project, developed by Dalian Shicheng, had successfully launched more than 1500 units of residential and commercial space so far. To date, over 85% of the launched units had been sold. Depending on how buying sentiments evolve in the second half of 2008, Dalian Shicheng plans to launch more residential units progressively from July 2008 till the end of the financial year.

Cables International

With oil and gas sector continuing to remain bullish, the Group expects the performance of this associate to remain strong and will continue to contribute positively to the Group's results in FY2009.

EPPCO

Demand for the bagasse pulp produced by the associate should remain strong and sales prices of bagasse pulp is expected to remain stable. EPPCO is expected to continue its positive contribution to the Group's results in FY2009.

Ekarat Pattana – Ethanol Plant in Thailand

With the completion of the plant in early 2008, the associate should be able to commence commercial production and sales of its products in the current year. With the global increase in oil prices at a staggering rate, we expect the demand for ethanol to increase and that sale prices of ethanol will see more upside.

DIVIDEND

In view of the Group's performance in this financial year, the Board of Directors is pleased to recommend a first and final dividend of 0.225 cents per share which represents a 200% increase over the payment made in the last financial year. The payment of dividend is subject to the approval of the shareholders at the AGM to be convened on 31 July 2008.

PERSONAL THANKS

I would like to express my heartfelt appreciation to each and every shareholder for your support and confidence in the Company.

I would also like to say a big thank you to our customers, business partners and associates for your support in the past year and I look forward to your continuing support in the coming years.

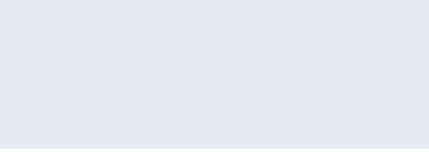
I would like to acknowledge the valuable contributions made by the Board members. Their continuing guidance and support will continue to be the guiding force behind the Company's success.

Last but not least, I would also like to thank our staff for their loyalty and hard work in the past year. Their dedication and commitment to the Group will be instrumental in helping the Group achieve its stated goals.

CHUA KIM HUA

Chairman

:: highlights on group's business



Environment Pulp and Paper Co., Ltd (“EPPCO”)

EPPCO is engaged in the production, sales and distribution of chemically bleached pulp derived from sugar cane bagasse, a by-product derived from the process in which cane sugar is extracted from sugar using the Elemental Chlorine-free (ECF) environmentally friendly production process. The pulp derived possesses desirable qualities that are well suited for the manufacture of paperboard, fine paper, napkin paper & sanitary paper.

The plant is strategically located in the Nongpho district of Nakhonsawan province, approximately 200 km from Bangkok, which is the sugar heartland of Thailand. It has the capacity to produce 75,000 metric tons of dry bagasse pulp and 25,000 tonnes of wet bagasse pulp annually.

EPPCO has the unique advantage of having access to Thailand's readily available and relatively cheap raw materials. With the growing paper industry, the primary customer base will be in the domestic market as well as for export to countries such as USA, Germany, Italy, China and Japan.

Our customers in the region includes: Kimberly-Clark, SCG Paper, SAPPI Fine Papers, Nippon Paper Group, Inc., J Rettenmaier, Yuen Foong Yu Paper Mfg. Co, Ltd and Cheng Loong Corporation.

Ekarat Pattana Co., Ltd (“Ekarat Pattana”)

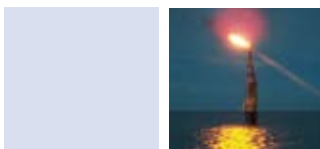
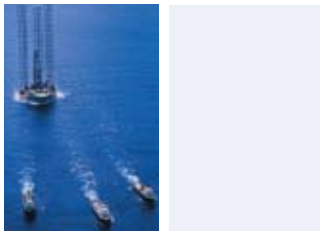
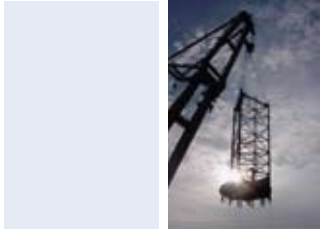
Ekarat Pattana is engaged in the production, sale and distribution of ethanol. The plant has the capacity and licence to produce 200 kilo-litres of quality ethanol per day.

It is environmentally designed to produce absolute, superfine and industrial alcohol, using the latest technologies in continuous fermentation and multi pressure distillation systems.

Ethanol can be mixed with gasoline to produce gasohol. It is a good constituent because it is renewable, a good octane booster and a clean fuel component. With the implementation of gasohol programmes in Thailand and neighboring countries such as China, India, Australia, Japan and South Korea, the demand for natural ethanol is expected to increase.

The growth of potable, cosmetics, pharmaceuticals, cigarettes and chemical industries in the region will further boost the demand for natural ethanol.





Cables International ("CI")

CI is Asia Pacific's leading supplier of specialty cables to the Offshore and Mining sectors. Headquartered in Singapore, the company has an established presence across South East Asia, Australia and the Middle East.

CI has recently been recognized as SME Growth Excellence award winner - Top Internationalising SME, and Singapore's Fastest Growing 50 award winner.

In the Offshore sector, CI continues to extend its market leadership in supporting major fabrication projects in Singapore, Malaysia, Indonesia, Vietnam, U.A.E., Qatar, Yemen, India and Australia. Backed up by the region's largest inventory of offshore cables, CI provides its unique cable management expertise offering the complete cables solution in the fabrication of all offshore structures including jack-up rigs, harsh environment semi-submersibles, platforms, FPSOs and FDPSOs.

In Australia, CI has further diversified into the Mining sector where again the company is providing the complete cables solution for new mines and mine expansion projects.

In the unique markets in which CI operates, the company is proud to be associated with the industry leaders such as Transocean, Prosafe, SBM, Keppel and Semcorp, McDermotts and Conoco Phillips, FMG and Aker.

CI prides herself in its keen understanding of customer requirements and value added solutions backed-up by its highly trained and highly motivated team.



K&W Mobile Loo Services Pte Ltd ("K&W")

K&W was set up in 1996 to provide rental and cleaning services of portable chemical lavatories to property development showrooms, construction worksites and public events. It is now one of the leading players with a fleet of more than 1,000 portable toilets.

We have been given the thumbs up since our establishment by public and government bodies alike.

Our clients comprise - Building Contractors, Event Organizers and Tentage Operators. We have worked in partnership with various organizations for major events like Chingay Parade of Dreams, National Day Parade, JP Morgan Corporate Chase Challenge, Singapore River Hongbao, Standard Chartered Marathon, Sheares Bridge Run, The Crystal Mirror and many more.

Other than portable lavatories, we also boast a wide selection of related accessories that allow our clients to enjoy the amenities of home when outdoors for any occasion. This range of services include the provision of:

- Wash Basin
- Portable Shower
- Men's Room
- Handicap Unit
- Customised Ladies and Men's Washroom
- Polylift
- Container Toilet

CHUA KIM HUA

First appointed - 8 February 2000, re-elected - 27 July 2007

Age 68, serves as the Group's Chairman. He brings with him more than 30 years of experience in the building and construction industry. He started his career in 1967 as a licensed PUB electrician. He joined the Group as a Director in July 1983 and paved the way for its expansion and diversification. Mr Chua actively seeks new business opportunities for the Group and is responsible for the Group's long-term growth and development. Mr Chua had been conferred the Long Service Award by the Ministry of Education and had also been awarded the Public Service Medal, Pingat Bakti Masyarakat (PBM).

CHUA HAI KUEY

First appointed - 8 February 2000, re-elected - 21 July 2006

Age 57, is an Executive Director of the Group and the Managing Director of King Wan Construction Pte Ltd. He holds an advance level General Certificate of Education. Mr Chua is responsible for the Group's overall day-to-day operations. His job scope includes project management, project tenders and quality management. He is also in charge of the technical, engineering and quality control aspects of all projects. In addition, he oversees the supervision of projects, troubleshooting and monitors wastage to control cost.

CHUA ENG ENG

First appointed - 9 November 2000, re-elected - 22 July 2005

Age 38, serves as the Managing Director of the Group and is a member of the Remuneration Committee. She holds a Bachelor of Arts Degree in Economics from the National University of Singapore. Ms Chua is responsible for business development, planning, and implementing policies and activities for the Group. She is also responsible for all administration, financial, investment, recruitment, legal and corporate affairs.

GOH CHEE WEE

First appointed - 9 November 2000, re-elected - 21 July 2006

Age 62, is an Independent Non-Executive Director. He is the Chairman of the Remuneration Committee and is also a member of the Audit Committee and Nomination Committee. Mr Goh is currently a Director of a number of public listed companies as well as the Chairman and Director of a number of NTUC Co-operatives and SLF subsidiary companies. He was formerly a member of Parliament and Minister of State for Trade & Industry, Labour & Communications. He was also the Group Managing Director of listed firm Comfort Group Ltd.



GANOKTIP SIRIVIRIYAKUL

First appointed - 24 December 2004, re-elected - 27 July 2007

Age 61, is a Non-Executive Director. She holds a degree in Bachelor of Education from Chulalongkorn University and a Master of Education from Southwestern Oklahoma State University. She was the first dean of Chaopraya University and now serves as a committee member in the board of Chaopraya University Council. She is currently the Director of Ekarat Pattana Co., Ltd.

LIM HOCK BENG

First appointed – 22 June 2001, re-elected – 21 July 2006

Age 68, is an Independent Non-Executive Director of our Company. He serves as the Chairman of the Audit Committee and is a member of the Remuneration Committee and the Nomination Committee. Since 1996, he has been the Managing Director of Aries Investments Pte Ltd, a private investment holding company with its principal interests in the investment of quoted securities and properties. Prior to that, he founded Lim Associates (Pte) Ltd (now known as Boardroom Corporate & Advisory Services Pte Ltd) in 1968 and was its Managing Director until his retirement at the end of 1995. Lim Associates (Pte) Ltd provides comprehensive corporate secretarial services to private and public listed companies. He has more than 30 years experience and knowledge in the corporate secretarial field, which includes advising listed companies on compliance with the listing rules. Mr. Lim holds a Diploma in Management Accounting & Finance and is a fellow member of the Singapore Institute of Directors. He currently serves on the Board as well as on the Audit Committee of various public listed companies, including Huan Hsin Holdings Ltd, GP Industries Ltd, Colex Holdings Ltd, VicPlas International Ltd and LMA International N.V.

FOO KOK SWEE @ PU KOK SWI

First appointed - 9 November 2000, re-elected - 27 July 2007

Age 70, is an Independent Non-Executive Director. He serves as the Chairman of the Nomination Committee and is also a member of the Audit Committee. He holds a Bachelor of Science degree (Electrical Engineering) and a Masters of Science degree (Engineering) from the University of Pennsylvania and a MBM from the Asian Institute of Management Philippines. Mr Foo was formerly a council member of the Singapore Chinese Chamber of Commerce & Industry and Singapore's Non-Resident Ambassador to Slovak Republic. He currently serves on the board of directors in Eng Wah Organization. Mr Foo had been awarded the Public Service Medal, Pingat Bakti Masyarakat (PBM) and the Public Service Star, Bintang Bakti Masyarakat (BBM). He had also been awarded the "Friend of Labour" by NTUC.

ANG MONG SENG

(Advisor)

Age 58, joined King Wan as an Advisor in September 2002. He holds a Bachelor of Arts degree from the former Nanyang University, Singapore. He has more than 30 years of experience in estate management. He is presently a Member of Parliament for Hong Kah GRC (Bukit Gombak), Chairman of Hong Kah Town Council and Chief Operation Officer of EM Services Pte Ltd. He also serves as the Independent Non-Executive Director on various listed companies, including Vicplas International Ltd, United Fiber System Ltd, Chip Eng Seng Corporation Ltd, AnnAik Ltd, Ecowise Holdings Ltd and Hoe Leong Corporation Ltd.

CHUA YAN PENG

Director of King Wan Construction Pte Ltd ("KWC")

Age 54, joined our Group in Oct 1977 as the Human Resource and Purchasing Manager. She is now a Director of KWC. She plans, organizes, directs and controls all of the Group's purchases and inventory. She is also responsible for the Group's purchasing systems and ensures that purchasing requirements are met.

Ms Chua holds a Diploma in Business Management from the Singapore Institute of Management.

SIOW NGET YUEN, PRISCILLA

Director of King Wan Construction Pte Ltd ("KWC")

Age 57, was appointed a Director of KWC in Nov 2000. She first joined KWC in August 1978 as an Administration and Finance officer. She was subsequently promoted to Administration and Finance Manager in 1994. Today, as its Director, she assists the executive directors in the areas of human resource management, administration and finance.

CHEW CHEE YUEN, FRANCIS

Chief Finance Officer

Age 38, oversees the Group's overall financial, accounting and tax matters. He is also responsible for financial and management reporting of the Group and the compliance with the regulations of the Singapore Exchange Securities Trading Limited.

Prior to joining the Group in June 2000, he was the Corporate Auditor of General Motors Asia Pacific Pte Ltd. He had also been with Price Waterhouse (now known as Price WaterhouseCoopers) as an auditor.

Mr Francis Chew holds a Bachelor of Accountancy Degree from the Nanyang Technological University. He is a non-practicing member of the Institute of Certified Public Accountants of Singapore.

WONG LAM LIM

General Manager of King Wan Construction Pte Ltd ("KWC")

Age 63, joined KWC in Dec 2000 as a General Manager. With more than 38 years experience in both private and public sectors of the Mechanical and Electrical Engineering field, he is responsible for the overall operations and project management of KWC. He also oversees KWC's contracts negotiations and ensures quality compliance and smooth execution of all projects.

Prior to joining KWC, he was a Director at Bintai Kindenko Pte Ltd for 22 years undertaking major public projects like Changi Airport Terminal 1. He had also worked as a Manager at Reliance Electric Pte Ltd for 14 years, handling numerous local and overseas projects.

Mr Wong is a member of both the Institute of Incorporated Engineers (MIIE) and the Institute of Electrical and Electronics Engineers (MIEEE).

SEAH SYE MUI

Assistant General Manager of King Wan Construction Pte Ltd ("KWC")

Age 49, oversees all documentation works relating to tender submissions and internal costing. She is also actively involved with contracts negotiation and ensuring the quality compliance of projects. With more than 28 years experience in Mechanical and Electrical Engineering field, Ms Seah is also responsible for project management.

Prior to joining the Group in Dec 2000, she was with Bintai Kindenko Pte Ltd for 21 years serving as the Assistant Vice President. She was the key personnel steering many prominent projects including UOB Plaza 1, Republic Plaza 2, Bank of China Building and Concourse building.

Ms Seah holds a diploma in Electrical Engineering from Singapore Polytechnic.

:: five-year financial highlights

	2004	2005	2006	2007	2008
	\$'000	\$'000	\$'000	\$'000	\$'000
Profit & Loss Account					
Turnover	31,829	58,241	37,983	35,808	23,820
Net (Loss) Profit for the financial year	(4,853)	617	419	1,184	6,011
Proposed Dividends (Net)	0	488	244	262	786
Balance Sheet					
Property, plant and equipment and investment properties	15,862	15,381	14,690	14,145	13,409
Current and other assets	25,864	39,405	42,241	44,618	58,203
Total Assets	41,726	54,786	56,931	58,763	71,612
Shareholders' Funds	27,311	41,758	41,698	42,595	55,529
Long and short term borrowings	3,966	3,796	6,283	8,295	9,533
Other liabilities	10,449	9,232	8,950	7,873	6,550
Total Reserves and Liabilities	41,726	54,786	56,931	58,763	71,612
Per Share Data (Cents)					
Net (Loss) Earnings After Tax	(2.34)	0.23	0.13	0.36	1.76
Dividends (Gross)	-	0.15	0.08	0.08	0.23
Dividends (Net)	-	0.15	0.08	0.08	0.23
Dividends Cover	-	1.55	1.72	4.85	7.82
Net Assets	13.17	12.84	12.82	13.10	15.90
Financial Ratios					
Return on Shareholders' Funds (%)	-17.8%	1.5%	1.0%	2.8%	10.8%
Return on Total Assets Employed (%)	-11.6%	1.1%	0.7%	2.0%	8.4%
Debt-Equity Ratio	0.15	0.09	0.15	0.19	0.17

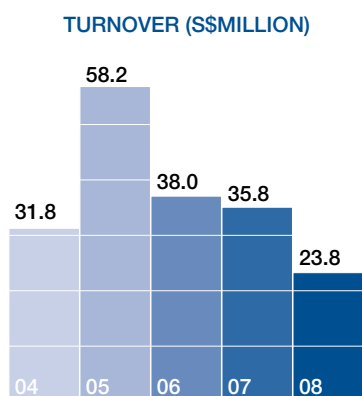
Performance Overview

For the financial year, the Group's turnover decreased by 33% from S\$35.8 million to S\$23.8 million as explained below.

The Mechanical and Electrical (M&E) business accounted for the main decrease in turnover from S\$33.4 million to S\$20.8 million as fewer M&E projects were secured between the years from 2005 to 2006 when the construction industry was facing a slow down. This resulted in fewer projects available for revenue recognition in the current financial year.

The Portable Toilet Rental business performed better, posting an increase in turnover from S\$1.56 million to S\$2.08 million, contributing 8.7% to the Group's turnover. There were increased business from the construction sector, event organizers and there was also higher income from the servicing of holding tanks. Income from the rental of container toilets had also increased.

The Paint manufacturing and distribution business in China also experienced an increase in turnover from S\$0.81 million to S\$0.95 million in the current year, as it was able to secure new customers and obtain repeat orders from existing customers.



Profit before Income Tax

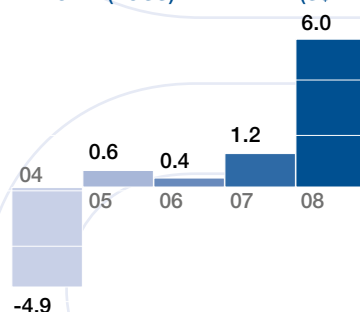
The Group's net profit before income tax improved by 484% from S\$1.03 million to S\$6.01 million due mainly to substantial contributions from the Group's associates.

Environment Pulp & Paper Co., Ltd ("EPPCO"), the Group's 20% associate in Thailand that produces pulp from sugarcane bagasse, turned around from a loss last year and contributed S\$4.64 million to the Group's profits. The turnaround was due to the stabilization of the pulp production process as well as a higher demand and higher selling price for its products.

There were also increased contributions from the Group's property development business, Dalian Shicheng Property Development Co., Ltd ("Dalian Shicheng") (30% owned associate) and Meadows Bright Development Pte Ltd ("Meadows Bright") (35% owned associate). Contributions from these two associates amounted to S\$3.27 million, an increase of 213% over last year.

Our 30% owned associate, Cables International ("CI"), also contributed S\$1.38 million to the Group's profits, an increase of 159% over last year. The improved performance was attributable to the bullish oil and gas industry.

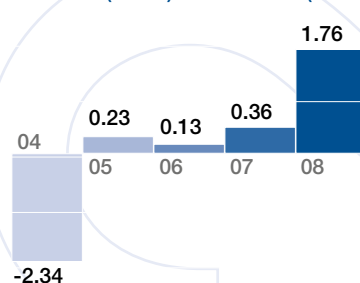
NET PROFIT (LOSS) AFTER TAX (S\$Million)



Earnings (Loss) Per Share (EPS)

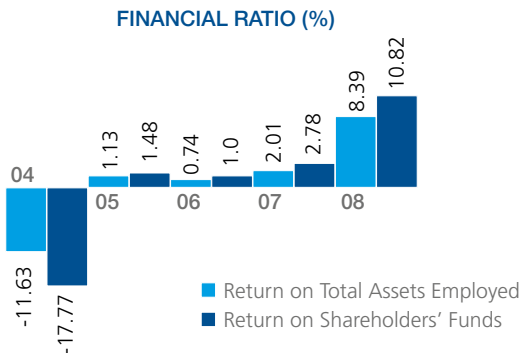
EPS increased from 0.36 cents to 1.76 cents due to a higher net profit after taxation achieved for the current financial year as compared to the last financial year.

EARNINGS (LOSS) PER SHARE (CENTS)



Balance Sheet Review

The Group's equity base improved from S\$42.6 million to S\$55.5 million mainly due to profits of S\$6.0 million for the current year (FY2007 : S\$1.2 million) and net proceeds of S\$6.7 million from a share placement exercise during the year. Consequently, net asset value per share increased from 13.10 cents to 15.90 cents per share.



Total current assets increased by 13.8% or from S\$27.1 million to S\$30.8 million. This increase was due mainly to increase in amounts advanced to associated companies and deposits placed. This increase was partially offset by decrease in construction work-in-progress balance due to fewer ongoing projects and a decrease in inventory holding.

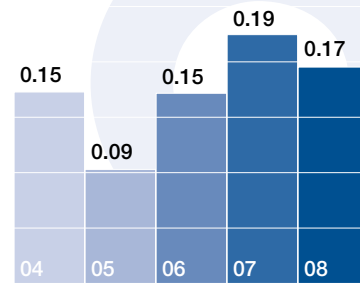
Non-current assets was higher at S\$40.8 million from S\$31.7 million due to the Group's share of associates' profits during the year.

Current liabilities had decreased from S\$16.1 million to S\$15.9 million due mainly to lower trade payables and bills payables. Current ratio had increased from 1.69 to 1.94 as a result.

Compared to FY2007, net asset value per share increased from 13.10 cents to 15.90 cents per share due to profits and net proceeds from the share placement exercise during the year.

The debt equity ratio decreased from 0.19 to 0.17 due mainly to the increase in paid up share capital of the Group and higher profits for the financial year.

DEBT EQUITY RATIOS



Cashflows & Liquidity

In FY2008, net cash used in operating activities amounted to S\$3.93 million compared to a net inflow of S\$0.44 million in FY2007. The funds outflow was due mainly to the financing of trade payables and bills payables, trade and other receivables and prepayments as at financial year-end.

Net cash used in investing activities increased from S\$0.89 million to S\$3.30 million as there were more loans and capital injected into associated companies, in particular, Meadows Bright and Ekarat Pattana during the financial year.

Net cash from financing activities amounted to S\$7.36 million as compared to S\$0.78 million in the previous financial year. The net inflow was due mainly to net proceeds of S\$6.72 million from the share placement exercise during the year.

Utilisation of Funds from Shares Placement Exercise

During the financial year, the Company issued 24 million shares at S\$0.29 each through a shares placement exercise.

Net proceeds amounting to S\$6.72 million were received. The proceeds were applied in the following areas:

	S\$ Million
Working Capital	3.56
Advance to Associates	3.16
Total	6.72

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The directors present their report together with the audited consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended March 31, 2008.

1 DIRECTORS

The directors of the Company in office at the date of this report are:

Mr Chua Kim Hua	(Chairman)
Ms Chua Eng Eng	(Managing Director)
Mr Chua Hai Kuey	
Mr Foo Kok Swee @ Pu Kok Swi	
Mr Goh Chee Wee	
Mr Lim Hock Beng	
Ms Ganoktip Siriviriyakul	
Mr Nathapun Siriviriyakul	(Alternate to Ms Gantoktip Siriviriyakul)

2 AUDIT COMMITTEE

The Audit Committee ("AC") comprises of the following members as at the date of this report:

Mr Lim Hock Beng (Chairman)
Mr Goh Chee Wee
Mr Foo Kok Swee @ Pu Kok Swi

The Audit Committee met four times during the year. The Audit Committee had also met up with the external and internal auditors during the year and other directors were also invited to attend some of the meetings. The Audit Committee had also met with the external auditors and the internal auditors without the presence of the management. All minutes of the meetings are circulated to all members of the Board. The Company secretary is also the secretary to the Audit Committee.

The key responsibility of the Audit Committee is to assist the Board in fulfilling its responsibilities for the Group's financial reporting, management of financial and control risks and monitoring of the internal control system. The Audit Committee will make enquiries in order to satisfy themselves on the adequacy of the processes supporting the Group's financial reporting, its system of internal control, risk identification and management, its internal and external audit processes, and the Group's process for monitoring compliance with laws and regulations and its own code of business conduct.

The primary functions of the AC are as follows:

- review with the external auditors, their audit plan, recommendations to management, audit report and management's response thereto and any matters which the external auditors wish to discuss, without the presence of management;
- review with the internal auditors, the scope and the results of internal audit procedures and their evaluation of the internal control system together with management's responses thereto and any matters which the internal auditors wish to discuss, without the presence of management;
- review the half year and full year financial statements and other announcements to shareholders and the SGX-ST prior to submission to the Board;
- make recommendations to the Board on the appointment of the external auditors and the audit fee;
- review any related party transactions;
- review assistance given by the Group's officers to the external and internal auditors and ensure that the internal audit function is adequately resourced;
- carry out such other functions as may be agreed by the Audit Committee and the Board.

To effectively discharge its responsibilities, the Audit Committee has full access to and the co-operation of the management and full discretion to invite any director or executive to attend its meetings. It is also able to obtain external professional advice, when necessary. Adequate resources have also been made available to the Audit Committee to enable it to discharge its functions properly.

The Audit Committee has reviewed the scope of work proposed by the external auditors and is satisfied with their independence and objectivity. The Audit Committee has recommended to the Board the nomination of Deloitte & Touche LLP for reappointment as auditors of the Company. The Audit Committee has also undertaken a review of all non-audit services provided by the auditors and is of the opinion that they will not affect the independence of the auditors. There were no non-audit services provided by the auditors in the financial year just ended.

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

4 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50 except as follows:

<u>Names of directors and Company in which interests are held</u>	<u>At beginning of year</u>	<u>At end of year</u>	<u>At April 21, 2008</u>
<u>King Wan Corporation Limited</u>		<u>Ordinary shares</u>	
Chua Kim Hua	44,113,319	44,113,319	44,113,319
Chua Eng Eng	29,695,906	32,445,906	32,445,906
Chua Hai Kuey	22,247,676	22,247,676	22,247,676
Foo Kok Swee @ Pu Kok Swi	100,000	100,000	100,000
Ganoktip Siriviriyakul	76,875,000	76,875,000	76,875,000

By virtue of Section 7 of the Singapore Companies Act, Ms Ganoktip Siriviriyakul is deemed to have an interest in all the related corporations of the Group.

5 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements.

6 SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no option to take up unissued shares of the Company or any Corporation in the Group was granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any Corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company or any Corporation in the Group under option.

7 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Chua Kim Hua

Chua Eng Eng

June 20, 2008

We have audited the accompanying financial statements of King Wan Corporation Limited (the Company) and its subsidiaries (the Group) which comprise the balance sheets of the Group and the Company as at March 31, 2008, the profit and loss statement, statement of changes in equity and cash flow statement of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 23 to 73.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

to the members of King Wan Corporation Limited

Opinion

In our opinion,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at March 31, 2008 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Jeremy Toh Yew Kuan
Partner
Appointed on July 1, 2005

June 20, 2008

	Note	Group		Company	
		2008 \$	2007 \$	2008 \$	2007 \$
ASSETS					
Current assets					
Cash and cash equivalents	6	2,550,344	1,444,069	233,143	237,619
Trade receivables	7	11,472,480	9,863,126	-	-
Other receivables and prepayments	8	9,897,932	5,405,031	43,346	33,312
Amount due from subsidiaries	9	-	-	17,919,885	14,460,627
Other investments	10	69,879	186,164	-	-
Inventories	11	1,600,003	2,107,209	-	-
Construction work-in-progress	12	5,200,698	8,063,662	-	-
Total current assets		30,791,336	27,069,261	18,196,374	14,731,558
Non-current assets					
Property, plant and equipment	13	6,353,334	6,129,768	-	-
Investment properties	14	7,056,025	8,015,715	-	-
Investment in subsidiaries	16	-	-	20,730,189	17,730,189
Investment in associates	17	27,411,688	17,548,158	10,441,334	10,441,334
Total non-current assets		40,821,047	31,693,641	31,171,523	28,171,523
Total assets		71,612,383	58,762,902	49,367,897	42,903,081
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	18	6,882,084	4,908,391	-	-
Construction work-in-progress	12	172,933	108,198	-	-
Trade payables and bills payables	19	4,737,689	7,127,877	-	-
Other payables	20	1,569,003	1,329,868	161,311	128,691
Provision for contract costs	21	2,300,081	2,309,430	-	-
Current portion of finance leases	23	125,625	56,503	-	-
Income tax payable		109,100	222,073	-	-
Total current liabilities		15,896,515	16,062,340	161,311	128,691
Non-current liabilities					
Finance leases	23	134,106	85,165	-	-
Deferred tax liability	24	53,000	20,000	-	-
Total non-current liabilities		187,106	105,165	-	-
Capital and reserves					
Share capital	25	46,813,734	40,089,296	46,813,734	40,089,296
Retained earnings		8,460,614	2,711,007	2,392,852	2,685,094
Currency translation (deficit) surplus		254,414	(204,906)	-	-
Total equity		55,528,762	42,595,397	49,206,586	42,774,390
Total liabilities and equity		71,612,383	58,762,902	49,367,897	42,903,081

See accompanying notes to financial statements.

:: consolidated profit and loss statement

Financial year ended March 31, 2008

	<u>Note</u>	<u>Group</u>	
		<u>2008</u> \$	<u>2007</u> \$
Revenue	26	23,820,239	35,808,071
Cost of sales		(21,836,456)	(31,622,031)
Gross profit		1,983,783	4,186,040
Other operating income	27	1,262,076	1,254,848
Distribution costs		(118,048)	(114,073)
Administrative expenses		(5,935,584)	(5,214,135)
Share of profit of associates		9,224,551	1,264,733
Finance costs	28	(409,402)	(348,262)
Profit before income tax		6,007,376	1,029,151
Income tax credit	29	4,114	155,081
Profit for the financial year	30	<u>6,011,490</u>	<u>1,184,232</u>
Earnings per share (cents)			
Basic	31	<u>1.76</u>	<u>0.36</u>
Diluted	31	<u>1.76</u>	<u>0.36</u>

See accompanying notes to financial statements.

statements of changes in equity

Financial year ended March 31, 2008

<u>Group</u>	<u>Share capital</u> \$	<u>Retained earnings</u> \$	<u>Currency translation (deficit) surplus</u> \$	<u>Total</u> \$
Balance at April 1, 2006	40,089,296	1,770,658	(162,241)	41,697,713
Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	(42,665)	(42,665)
Profit for the financial year	-	1,184,232	-	1,184,232
Total recognised income and expense for the financial year	-	1,184,232	(42,665)	1,141,567
Dividends paid (Note 32)	-	(243,883)	-	(243,883)
Balance at March 31, 2007	40,089,296	2,711,007	(204,906)	42,595,397
Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	459,320	459,320
Profit for the financial year	-	6,011,490	-	6,011,490
Total recognised income for the financial year	-	6,011,490	459,320	6,470,810
Dividends paid (Note 32)	-	(261,883)	-	(261,883)
Issue of share capital (net of expenses) (Note 25)	6,724,438	-	-	6,724,438
Balance at March 31, 2008	46,813,734	8,460,614	254,414	55,528,762

statement of changes in equity

Financial year ended March 31, 2008

Company

	<u>Share capital</u> \$	<u>Retained earnings</u> \$	<u>Total</u> \$
Balance at April 1, 2006	40,089,296	2,719,129	42,808,425
Profit for the financial year	-	209,848	209,848
Dividends paid (Note 32)	-	(243,883)	(243,883)
Balance at March 31, 2007	40,089,296	2,685,094	42,774,390
Loss for the financial year	-	(30,359)	(30,359)
Dividends paid (Note 32)	-	(261,883)	(261,883)
Issue of share capital (net of expenses) (Note 25)	6,724,438	-	6,724,438
Balance at March 31, 2008	<u>46,813,734</u>	<u>2,392,852</u>	<u>49,206,585</u>

See accompanying notes to financial statements.

consolidated cash flow statement

Financial year ended March 31, 2008

	<u>2008</u>	<u>Group</u>	<u>2007</u>
	\$		\$
Operating activities			
Profit before income tax	6,007,376		1,029,151
Adjustments for:			
Depreciation	1,218,667		1,115,845
Allowance for (Writeback of) doubtful trade receivables	31,591		(77,221)
Change in fair value and gain on disposal of held-for-trading investments	(75,545)		(227,903)
Allowance for (Writeback of) inventories obsolescence	23,283		(7,856)
Interest income	(28,697)		(32,157)
Interest expense	409,402		348,262
Gain on disposal of investment property	(145,695)		-
Gain on disposal of plant and equipment	-		(28,669)
Plant and equipment written off	6,492		-
Dividend income from held-for trading investments	(4,222)		(6,113)
Share of associates' results	(9,224,551)		(1,264,733)
Inventories written off	106,893		49,952
Available-for-sale investments written off	19,000		-
Provision for foreseeable loss on construction work-in-progress	101,500		-
Provision for contract costs	1,297,275		915,300
Operating (loss) profit before working capital changes	<u>(257,231)</u>		<u>1,813,858</u>
Trade receivables	(1,640,504)		240,753
Other receivables and prepayments	(1,330,739)		(5,579)
Construction work-in-progress	2,833,743		(1,070,525)
Inventories	379,049		(315,541)
Trade payables and bill payables	(2,389,079)		1,336,442
Other payables	234,343		475,170
Provisions utilised	(1,306,624)		(1,304,628)
Cash (used in) generated from operations	<u>(3,477,042)</u>		<u>1,169,950</u>
Income tax paid	(75,859)		(410,588)
Interest received	28,697		32,157
Interest paid	(409,402)		(348,262)
Net cash (used in) from operating activities	<u>(3,933,606)</u>		<u>443,257</u>

consolidated cash flow statement

Financial year ended March 31, 2008

	Group	
	2008	2007
	\$	\$
Investing activities		
Advances to associates	(3,162,113)	(714,645)
Dividends received from held-for-trading investments	4,222	6,113
Dividends received from an associate	157,950	145,800
Proceeds from disposal of held-for-trading investments	172,830	255,000
Proceeds from disposal of investment property	646,000	-
Purchase of plant and equipment [Note (a)]	(774,369)	(624,342)
Proceeds from the disposal of plant and equipment	-	44,709
Acquisition of interest in associates [Note (b)]	(344,125)	-
Net cash used in investing activities	<u>(3,299,605)</u>	<u>(887,365)</u>
Financing activities		
Dividends paid	(261,883)	(243,883)
Repayments of finance leases	(99,337)	(59,836)
Proceeds on issue of shares (net of expenses)	6,724,438	-
Proceeds from short-term borrowings	1,000,000	1,082,580
Net cash from financing activities	<u>7,363,218</u>	<u>778,861</u>
Net effect of exchange rate changes in consolidating a foreign subsidiary	<u>2,575</u>	<u>(13,346)</u>
Net increase in cash and cash equivalents	132,582	321,407
Overdrawn at beginning of financial year	(1,464,322)	(1,785,729)
Overdrawn at end of financial year (Note 6)	<u>(1,331,740)</u>	<u>(1,464,322)</u>

Note (a):

	2008	2007
	\$	\$
Purchase of property, plant and equipment	991,769	624,342
Less: Assets purchased under finance leases	(217,400)	-
Net	<u>774,369</u>	<u>624,342</u>

Note (b):

In 2008, the Group increased its investment in one of its associate by subscribing for Thai Baht 8,000,000 (S\$344,125 equivalent) [2007 : S\$Nil] in the increased share capital of the associate.

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 200001034R) is incorporated in the Republic of Singapore with its registered office and principal place of business at No 8 Sungei Kadut Loop, Singapore 729455. The Company is listed on the mainboard of Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of an investment holding company. The subsidiaries in the Group are principally engaged in activities as disclosed in Note 16 to the financial statements.

The consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended March 31, 2008 were authorised for issue by the Board of Directors on June 20, 2008.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (“FRS”).

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the Group and the Company have adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods beginning on or after April 1, 2007. The adoption of these new/revised FRS and INT FRS does not result in changes to the Group’s and Company’s accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below.

FRS 107 - Financial Instruments: Disclosures and amendments to FRS 1 Presentation of Financial Statements relating to capital disclosures

The Group has adopted FRS 107 with effect from annual periods beginning on or after April 1, 2007. The new Standard has resulted in an expansion of the disclosures in these financial statements regarding the Group’s financial instruments. The Group has also presented information regarding its objectives, policies and processes for managing capital (see Note 4) as required by the amendments to FRS 1 which are effective from annual periods beginning on or after April 1, 2007.

At the date of authorisation of these financial statements, the following FRS that are relevant to the Group and the Company were issued but not effective:

FRS 1 (Revised)	-	<i>Presentation of Financial Statements (Revised)</i>
FRS 23	-	<i>Borrowing Costs (Revised)</i>
FRS 108	-	<i>Operating Segments</i>

Consequential amendments were also made to various standards as a result of these new/revised standards.

March 31, 2008

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

Management anticipates that the adoption of the above FRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in the profit and loss statement.

BUSINESS COMBINATIONS - The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal Groups) that are classified as held for sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell*.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the consolidated profit and loss statement.

FINANCIAL INSTRUMENT - Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

Financial assets

Investments are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Other financial assets are classified into the following specified categories: financial assets “at fair value through profit or loss”, “held-to-maturity investments”, “available-for-sale” financial assets and “loans and receivables”. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Trade and other receivables and amounts due from subsidiaries

Trade and other receivables and amounts due from subsidiaries that are not quoted in an active market are classified as “loans and receivables”. Loans and receivable measured at amortised cost using the effective interest rate method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Other investments

Investments are classified as either investments held-for-trading or as available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held-for-trading purposes, gains and losses arising from changes in fair value are included in the profit and loss for the period. The net gain or loss recognised in profit or loss incorporates any dividend and interest earned on the financial asset. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss for the period. Impairment losses recognised in the profit and loss statement for equity investments classified as available-for-sale are not subsequently reversed through the profit and loss statement. Impairment losses recognised in the profit and loss statement for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

March 31, 2008

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the profit and loss statement. Changes in the carrying amount of the allowance account are recognised in the profit and loss statement.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual right to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfer nor retains substantially all the risks and rewards or ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue cost.

Financial liabilities

Trade and other payables and bills payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of the amount of obligation recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

The Company provides financial guarantee to banks in respect of facilities borrowed by certain subsidiary and associates. No adjustment was required in the separate financial statements of the Company to recognise the fair value of the financial guarantee liability as the management is of the view that the relevant amounts were not material.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

LEASES – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss statement, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below).

Rentals payable under operating leases are charged to the profit and loss statement on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INVENTORIES - Inventories comprising raw materials and consumables are measured at the lower of cost (first-in-first-out) and net realisable value. Cost includes all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. Allowance is made where necessary for obsolete, slow-moving and defective inventories.

CONSTRUCTION WORK-IN-PROGRESS – Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

March 31, 2008

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised in the profit and loss statement as an expense immediately. Costs include costs that relate directly to the contract, costs that are attributable to the contract activities in general and costs that are specifically chargeable to the customer. Progress payments received and receivable are deducted against construction work-in-progress.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold buildings and properties	-	1% to 4%
Land use rights	-	2%
Plant and machinery	-	5% to 20%
Office equipment	-	10% to 50%
Motor vehicles	-	10% to 20%
Portable toilets	-	20%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss statement.

Fully depreciated assets still in use are retained in the financial statements.

INVESTMENT PROPERTIES – Investment properties held to earn rentals and for capital appreciation are stated at cost, less accumulated depreciation and any accumulated impairment losses where the recoverable amount of the investment property is estimated to be lower than its carrying amount.

Depreciation is charged so as to write off the cost of the investment properties over their estimated useful lives of 28 to 99 years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss statement.

GOODWILL - Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described under 'Associates' below.

IMPAIRMENT OF TANGIBLE ASSETS EXCLUDING GOODWILL - At each balance sheet date, the Group reviews the carrying amounts of its tangible assets excluding goodwill to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the tangible asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss statement.

March 31, 2008

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

ASSOCIATES - An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the profit and loss statement.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts (see above).

Rendering of services

Revenue from rendering of services of short-term nature is recognised when the services are completed.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rental income

Rental income from leasehold property and investment properties on operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the profit and loss statement in the period in which they are incurred.

March 31, 2008

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the profit and loss statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the profit and loss statement, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the balance sheet of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's currency translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents comprise cash at bank less bank overdrafts and are subject to an insignificant risk of changes in value.

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3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Management is of the opinion that there are no critical judgements made in applying the Group's accounting policies which may have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Investment in subsidiaries

In determining whether there is any indication that the investment in certain subsidiaries have suffered an impairment loss, it is necessary for management to exercise certain degree of judgement. Based on management's review of their order books and cash flow projections, management is of the view that there are no further impairment in the net investment in subsidiaries amounting to \$20,730,189 (2007 : \$17,730,189) as at March 31, 2008.

Allowances for doubtful debts

The Group makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables and amount due from subsidiaries. Allowances are applied to trade and other receivables and amount due from subsidiaries when events or changes in circumstances indicate that the balance may not be collectible. The identification of doubtful debts requires the use of judgements and estimates. Where the expectation is different from the original estimate, such differences will impact the carrying value of trade and other receivables and allowances for doubtful debts in the period in which such estimate has been charged. The carrying amount of trade and other receivables and amount due from subsidiaries are disclosed in Notes 7, 8 and 9 respectively.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTD)

Construction contracts

Revenue and profit recognition on uncompleted projects are dependent on estimating the total outcome of the construction contract, as well as work done to date. Actual outcome in terms of actual costs or revenue may be higher or lower than estimated at the balance sheet date, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date. As at March 31, 2008, the management considered that all costs to complete and revenue can be reliably estimated. As at March 31, 2008, the carrying amount of the Group's net construction work-in-progress amounted to \$5,027,765 (2007 : \$7,955,464).

Provision for contract costs

Provision for contract costs were made by the Group in respect of completed projects during the year. These provisions were made based on management's best estimates of the expected costs which are to be incurred pending the finalisation of the final account between the Group and its respective sub-contractors. For the financial year ended March 31, 2008 the Group has provided for \$2,300,081 (2007 : \$2,309,430) in respect of certain completed projects.

Provision for foreseeable losses

The Group reviews its construction work-in-progress to determine whether there is any indication of foreseeable losses. Identified foreseeable losses are recognised immediately in the profit and loss statement when it is probable that total contract costs will exceed total contract revenue. For the financial year ended March 31, 2008, the Group has provided for \$101,500 (2007 : \$Nil) in respect of foreseeable loss for a project.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the balance sheet date:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$	\$
Financial Assets				
Loans and receivables (including cash and cash equivalents)	23,895,037	16,688,284	18,187,924	14,723,308
Fair value through profit and loss (FVTPL): Held for trading	69,879	167,164	-	-
Available-for-sale financial assets	-	19,000	-	-

March 31, 2008

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTD)

(a) Categories of financial instruments (contd)

The following table sets out the financial instruments as at the balance sheet date:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$	\$
Financial Liabilities				
Amortised cost	13,448,507	13,507,804	161,311	128,691

(b) Financial risk management policies and objectives

The Group's overall risk management programme seeks to minimise potential adverse effect on the financial performance of the Group.

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group does not hold or issue derivative financial instruments for speculative purpose.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group transacts mainly in Singapore dollars and Renminbi. Exposure to United States dollar and Australian dollar is limited.

At the reporting date, the carrying amounts of monetary assets denominated in currencies other than the respective Group entities' functional currencies are as follows:

	<u>Group</u>	
	<u>2008</u>	<u>2007</u>
	\$	\$
United States dollar	2,072,028	395,414
Australian dollar	275,928	132,738

The Company has a number of investments in foreign associates and subsidiary, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTD)

(b) *Financial risk management policies and objectives (contd)*

(i) Foreign exchange risk management (contd)

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, profit or loss will decrease by:

	United States		Australian	
	dollar impact		dollar impact	
	2008	2007	2008	2007
	\$	\$	\$	\$
<u>Group</u>				
Profit or loss	(207,203) ⁽ⁱ⁾	(39,541) ⁽ⁱⁱ⁾	(27,593)	(13,274) ⁽ⁱⁱ⁾

If the relevant foreign currency strengthens by 10% against the functional currency of each Group entity, profit or loss will increase by:

	United States		Australian	
	dollar impact		dollar impact	
	2008	2007	2008	2007
	\$	\$	\$	\$
<u>Group</u>				
Profit or loss	207,203 ⁽ⁱ⁾	39,541 ⁽ⁱⁱ⁾	27,593	13,274 ⁽ⁱⁱ⁾

⁽ⁱ⁾ This is mainly attributable to the exposure on outstanding receivables and cash at year end.

⁽ⁱⁱ⁾ This is mainly attributable to the exposure to cash at year end.

March 31, 2008

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTD)

(b) *Financial risk management policies and objectives (contd)*

(ii) Interest rate risk management

The Group is exposed to cash flow interest rate risk in relation to short-term bank borrowings and bills payable. The Group does not have interest rate hedge policy and management monitors interest rate exposure closely.

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date and the stipulate change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's:

- profit for the year ended March 31, 2008 would decrease/increase by \$46,366 (2007 : decrease/increase by \$40,767). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

(iii) Equity price risk management

The Group's exposure to equity risks arising from equity investments classified as held- for-trading and available-for-sale is minimal. Further details of these equity investments can be found in Note 10.

The Group's sensitivity to equity prices has not changed significantly from the prior year.

(iv) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed periodically by the management.

The Group maintains an allowance for doubtful accounts based upon the recoverability of all accounts receivables and the customers' financial conditions. Concentration of credit risk with respect to trade receivables in the construction industry in which the Group operates does exist in view of the limited number of main contractors that the Group has been dealing with, and in respect of other receivables, the Group has a balance from associates of \$8,346,548 (2007 : \$5,184,435)

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTD)

(b) *Financial risk management policies and objectives (contd)*

(iv) Credit risk management (contd)

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade and other receivables are disclosed in Notes 7 and 8 respectively.

(v) Liquidity risk management

The Group manages its liquidity risk by matching the payment and receipt cycle. The directors of the Group are of the opinion that liquidity risk is contained given that the Group has sufficient equity funds to finance its operations and that if required, financing can be obtained from its lines of banking credit facilities.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the balance sheet.

	<u>Weighted average effective interest rate</u> %	<u>On demand or within 1 year</u> \$	<u>Within 2 to 5 years</u> \$	<u>Adjustment</u> \$	<u>Total</u> \$
Group					
2008					
Non-interest bearing	-	3,915,677	-	-	3,915,677
Variable interest rate instruments	4.00	9,273,099	-	-	9,273,099
Finance lease liability (fixed rate)	6.27	139,340	148,976	(28,585)	259,731
		<u>13,328,116</u>	<u>148,976</u>	<u>(28,585)</u>	<u>13,448,507</u>

March 31, 2008

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTD)

(b) Financial risk management policies and objectives (contd)

(v) Liquidity risk management (contd)

<u>Group</u>	<u>Weighted average effective interest rate</u> %	<u>On demand or within 1 year</u> \$	<u>Within 2 to 5 years</u> \$	<u>Adjustment</u> \$	<u>Total</u> \$
2007					
Non-interest bearing	-	5,212,764	-	-	5,212,764
Variable interest rate instruments	5.14	8,153,372	-	-	8,153,372
Finance lease liability (fixed rate)	4.73	62,766	95,100	(16,198)	141,668
		<u>13,428,902</u>	<u>95,100</u>	<u>(16,198)</u>	<u>13,507,804</u>
Company					
2008					
Non-interest bearing	-	161,311	-	-	161,311
		<u>161,311</u>	<u>-</u>	<u>-</u>	<u>161,311</u>
2007					
Non-interest bearing	-	128,691	-	-	128,691
		<u>128,691</u>	<u>-</u>	<u>-</u>	<u>128,691</u>

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipates that the cash flow will occur in a different period.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTD)**(b) Financial risk management policies and objectives (contd)****(v) Liquidity risk management (contd)**

<u>Group</u>	Weighted average effective interest rate %	On demand or within 1 year \$
2008		
Non-interest bearing	-	23,513,079
Variable interest rate instrument	1.24	<u>451,837</u>
		<u>23,964,916</u>
2007		
Non-interest bearing	-	16,580,448
Variable interest rate instrument	2.25	<u>294,000</u>
		<u>16,874,448</u>
<u>Company</u>		
2008		
Non-interest bearing	-	<u>18,187,924</u>
2007		
Non-interest bearing	-	<u>14,723,308</u>

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, bank borrowings and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTD)

(C) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The capital structure of the Group consist of debt, which includes the borrowings disclosed in Note 18, 19 and 23, cash and cash equivalents and equity attributable to the equity holders of the parent, comprising issued capital and retained earnings as disclosed in Note 25.

Management have reviewed the Group's compliance with the financial covenants for its bank facilities and are satisfied that the Group has complied with them.

Management review the capital structure on a yearly basis. As a part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share as well as the issue of new debt or the redemption of existing debt.

The Group's overall strategy remains unchanged from 2007.

5 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

During the financial year, the Group entered into the following trading transactions with related parties:

	<u>Group</u>	
	<u>2008</u>	<u>2007</u>
	\$	\$
<u>Transactions with associates</u>		
Sales of goods	(140,144)	(220,721)
Rental income	(277,650)	(207,796)
Management fee income	(60,000)	(60,000)
Other income	(1,976)	(2,007)
	<hr/>	<hr/>
<u>Transactions with entities with common directors</u>		
Purchases of goods	830,580	1,172,663
Purchase of plant and equipment	-	30,000
	<hr/>	<hr/>

5 RELATED PARTY TRANSACTIONS (CONTD)***Compensation of directors and key management personnel***

The remuneration of directors and other members of key management during the year was as follows:

	<u>Group</u>	
	<u>2008</u>	<u>2007</u>
	\$	\$
Short-term benefits	1,698,270	1,526,569
Post-retirement benefits	57,780	48,639
	<u>1,756,050</u>	<u>1,575,208</u>

The remuneration of directors and key management is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash, bank balances and fixed deposits, less bank overdrafts as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$	\$
Cash and bank balances	2,098,507	1,150,069	233,143	237,619
Fixed deposits	451,837	294,000	-	-
Total	<u>2,550,344</u>	<u>1,444,069</u>	<u>233,143</u>	<u>237,619</u>
Less: Bank overdrafts (Note 18)	(3,882,084)	(2,908,391)	-	-
Net	<u>(1,331,740)</u>	<u>(1,464,322)</u>	<u>233,143</u>	<u>237,619</u>

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximate their fair values.

Fixed deposits bear interest at an average rate of 1.45% (2007 : 2.57%) per annum and are for a tenure of approximately 1 to 3 months (2007 : 1 to 3 months).

Significant cash and cash equivalents that are not denominated in the functional currencies of the respective entities are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$	\$
United States dollars	829,128	395,414	-	-
Australian dollars	<u>275,928</u>	<u>132,738</u>	-	-

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7 TRADE RECEIVABLES

	<u>2008</u>	<u>Group</u>	<u>2007</u>
	\$		\$
Accrued trade receivables for construction contracts	8,156,734		8,749,128
Amounts receivable from construction contract customers	3,366,801		1,446,340
Amounts receivable from the sale of goods	502,282		343,348
Amounts receivable from rendering of services	599,320		552,805
Less: Allowance for doubtful debts	(1,152,657)		(1,228,495)
Net	<u>11,472,480</u>		<u>9,863,126</u>

The average credit period is 30 days (2007 : 30 days). No interest is charged on overdue trade receivables.

An allowance has been made for the estimated irrecoverable amounts from the rendering of services (including construction services) and the sale of goods. The allowance has been determined by reference to past default experience.

Before accepting any new customer, the Group performs a background search on the credit worthiness and litigation status. The credit limit of the customers is reviewed periodically by the management.

Included in the Group's trade receivables balance are debtors with a carrying amount of \$3,878,126 (2007 : \$1,442,362) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables are 141 days (2007 : 35 days). The above analysis does not include the accrued trade receivables for construction contracts of \$8,156,734 (2007 : \$8,749,128) as these amounts have not been billed to the customers yet. The accrued trade receivables are pending the finalisation of the final account with the customers before billings are rendered.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Concentration of credit risk with respect of trade receivables in the construction industry does exist in view of the limited number of main contractors that the Group has dealings with. The management believes that there is no further credit provision required in excess of the allowance for doubtful debts.

Trade receivables that are determined to be impaired at the balance sheet date relates to debtors that are in significant financial difficulties and have defaulted on payments. The impairment recognised represents the difference between the carrying amount of the specific trade receivables and present value of the expected future cash flows. The Group does not hold any collateral over these balances. The Group's trade receivables comprises 5 debtors (2007: 6 debtors) that individually represent more than 5% of the total balance of trade receivables.

At March 31, 2008, retention monies held by customers for contract work amounted to \$1,186,325 (2007 : \$1,709,810). Retention monies of \$518,088 (2007: \$Nil) are due for settlement after more than 12 months. They have been classified as current because they are expected to be realised in the normal operating cycle of the Group.

7 TRADE RECEIVABLES (CONTD)

Movement in the above allowance for doubtful debts:

	<u>2008</u>	<u>2007</u>
	\$	\$
Balance at beginning of the year	1,228,495	1,440,436
Utilised	(108,739)	(130,428)
Increase (Decrease) in allowance recognised in profit and loss	31,591	(77,221)
Translation differences	1,310	(4,292)
Balance at end of the year	<u>1,152,657</u>	<u>1,228,495</u>

8 OTHER RECEIVABLES AND PREPAYMENTS

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$	\$
Associates (Note 17)	8,346,548	5,184,435	33,857	22,289
Other receivables	1,362,002	51,156	1,039	2,773
Prepayments	25,719	23,942	8,450	8,250
Advances to staff	4,296	2,366	-	-
Deposits	159,367	143,132	-	-
Total	<u>9,897,932</u>	<u>5,405,031</u>	<u>43,346</u>	<u>33,312</u>

The amounts receivable from associates and other receivables are interest-free, unsecured and repayable on demand.

In determining the recoverability of receivable from the associates and other receivables, the Group considers the financial strength and performance of the associates and other receivables. Accordingly, the management believes that no allowance for doubtful debts is needed.

Other receivables that are not denominated in the functional currencies of the respective entities are as follows:

	<u>Group</u>	
	<u>2008</u>	<u>2007</u>
	\$	\$
United States dollars	<u>1,242,900</u>	-

March 31, 2008

9 AMOUNT DUE FROM SUBSIDIARIES

	<u>Company</u>	
	<u>2008</u>	<u>2007</u>
	\$	\$
Loan to subsidiaries - non-trade (Note 16)	17,919,885	14,460,627

The loans granted to the subsidiaries are interest-free, unsecured and repayable on demand.

An allowance has been made for estimated irrecoverable amount of \$100,000 (2007 : \$100,000). The allowance has been determined by reference to past default experience.

In determining the recoverability of receivable from the subsidiaries, the Company considers the financial strength and performance of the subsidiaries. Accordingly, the management believes that there is no further credit provision required in excess of the allowance for doubtful debts.

10 OTHER INVESTMENTS

	<u>Group</u>	
	<u>2008</u>	<u>2007</u>
	\$	\$
Held-for-trading investments:		
Quoted equity shares, at fair value	69,879	167,164
Available-for-sale investments:		
Unquoted equity shares, at cost	-	19,000
	<u>69,879</u>	<u>186,164</u>

The investments above include investments in quoted and unquoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of the quoted securities are based on closing quoted market prices on the last market day of the financial year.

The unquoted equity shares represent a subscription to the share capital of a Company, CitiCare Management Pte Ltd, incorporated in Singapore. The effective equity interest in the Company is 19%. The investment is stated at cost less any impairment in net recoverable value as the management are of the view that there is no reliable measure of the fair values of these unquoted equity shares. The Group has written off the investment in the current financial year as the planned business venture of the investment did not take off.

Significant other investments that are not denominated in the functional currencies of the respective entities are as follows:

	<u>Group</u>	
	<u>2008</u>	<u>2007</u>
	\$	\$
Malaysian ringgit	69,077	73,839

11 INVENTORIES

	<u>2008</u>	<u>Group</u>	<u>2007</u>
	\$		\$
Raw materials and consumables	1,600,003		2,107,209

12 CONSTRUCTION WORK-IN-PROGRESS

	<u>2008</u>	<u>Group</u>	<u>2007</u>
	\$		\$
Contract costs incurred plus recognised profits (less recognised losses to date)	17,796,929		26,448,742
Less: Progress billings	(12,667,664)		(18,493,278)
Less: Provision for foreseeable losses	(101,500)		-
	<u>5,027,765</u>		<u>7,955,464</u>
Analysed as:			
Contracts-in-progress at balance sheet date:			
Construction work-in-progress	5,200,698		8,063,662
Excess of progress billings over construction work-in-progress	(172,933)		(108,198)
	<u>5,027,765</u>		<u>7,955,464</u>

During the financial year ended March 31, 2008, provision for foreseeable loss of \$101,500 (2007 : \$Nil) has been recognised in the consolidated profit and loss statement.

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13 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold buildings and properties \$	Land use rights \$	Plant and machinery \$	Office equipment \$	Motor vehicles \$	Portable toilets \$	Total \$
Cost:							
At April 1, 2006	7,735,374	273,656	1,305,077	1,027,406	2,858,901	1,158,473	14,358,887
Additions	321,717	-	8,085	87,007	114,430	93,103	624,342
Disposals	-	-	(12,000)	(46,509)	(88,827)	(11,577)	(158,913)
Translation differences	(18,012)	(8,128)	(8,322)	(1,012)	(3,662)	-	(39,136)
At March 31, 2007	8,039,079	265,528	1,292,840	1,066,892	2,880,842	1,239,999	14,785,180
Additions	52,482	-	68,996	113,614	527,786	228,891	991,769
Disposals	-	-	-	(23,879)	-	(9,815)	(33,694)
Translation differences	3,020	1,354	1,414	192	610	-	6,590
At March 31, 2008	8,094,581	266,882	1,363,250	1,156,819	3,409,238	1,459,075	15,749,845
At April 1, 2006	3,201,725	24,447	1,000,076	713,645	2,194,776	1,010,661	8,145,330
Depreciation for the year	274,343	5,358	37,940	114,842	184,428	42,083	658,994 ⁽¹⁾
Disposals	-	-	(2,700)	(46,054)	(88,827)	(5,292)	(142,873)
Translation differences	(1,582)	(774)	(1,833)	(726)	(1,124)	-	(6,039)
At March 31, 2007	3,474,486	29,031	1,033,483	781,707	2,289,253	1,047,452	8,655,412
Depreciation for the year	310,715	5,302	37,106	117,866	218,184	77,653	766,826 ⁽¹⁾
Disposals	-	-	-	(22,446)	-	(4,756)	(27,202)
Translation differences	373	183	470	151	298	-	1,475
At March 31, 2008	3,785,574	34,516	1,071,059	877,278	2,507,735	1,120,349	9,396,511
Carrying amount:							
At March 31, 2008	4,309,007	232,366	292,191	279,541	901,503	338,726	6,353,334
At March 31, 2007	4,564,593	236,497	259,357	285,185	591,589	192,547	6,129,768

Certain plant and equipment with carrying amount of \$397,862 (2007 : \$259,100) are secured under finance leases (Note 23)

⁽¹⁾ Included herein are depreciation expenses amounting to \$7,544 (2007 : \$3,386) which have been allocated to and recorded under the construction work-in-progress (Note 12).

13 PROPERTY, PLANT AND EQUIPMENT (CONTD)

Particulars of major properties are as follows:

<u>Location</u>	<u>Description</u>	<u>Tenure</u>
8 Sungei Kadut Loop Singapore 729455	Single storey build warehouse with a 3-storey ancillary office block on leased land from JTC	30-year leasehold commencing from March 16, 1991
Huan Yuan Road Langfang Economic Development Zone DC 065001 Langfang, Hebei, China	Single storey build production floor with a 3-storey ancillary office block	Land use right of 50-year commencing from July 30, 2001

14 INVESTMENT PROPERTIES

	<u>2008</u>	<u>Group</u>	<u>2007</u>
	\$		\$
Cost:			
At beginning of financial year	12,441,394		12,441,394
Disposal	(840,600)		-
At end of financial year	<u>11,600,794</u>		<u>12,441,394</u>
Accumulated depreciation:			
At beginning of financial year	4,174,407		3,714,170
Depreciation for the financial year	459,385		460,237
Disposal	(89,023)		-
At the end of financial year	<u>4,544,769</u>		<u>4,174,407</u>
Accumulated impairment losses:			
At beginning of financial year	251,272		251,272
Disposal	(251,272)		-
At end of financial year	<u>-</u>		<u>251,272</u>
Carrying amount:			
At beginning of financial year	<u>8,015,715</u>		<u>8,475,952</u>
At end of financial year	<u>7,056,025</u>		<u>8,015,715</u>

March 31, 2008

14 INVESTMENT PROPERTIES (CONTD)

At March 31, 2008, the fair value of the Group's investment property as assessed by the directors of the Group approximates the carrying value of the property.

At March 31, 2007, the fair value of the Group's investment properties as assessed by directors of the Group and based on the income approach and market values of similar properties approximates the carrying value of these properties.

There was an impairment loss recognised on a property of the Group, Maysprings Apartments situated at 2 Petir Road, #20-06, Singapore 678265. The carrying amount was written down to the recoverable amount as estimated by the management based on market values of similar apartments in the Maysprings property. This investment property was disposed off in the current financial year and a gain on disposal of \$145,695 was recorded.

The property rental income earned by the Group from its investment properties amounted to \$691,158 (2007 : \$537,363).

Direct operating expenses arising on the investment properties in the year amounted to \$355,218 (2007 : \$225,202).

Particulars of investment property as at March 31, 2008 is as follows:

<u>Location</u>	<u>Description</u>	<u>Tenure</u>
22 Jurong Port Road Singapore 619114	4-storey factory with a basement carpark on leased land from JTC	28-year leasehold commencing from August 1, 1996

15 GOODWILL

	Group \$
Cost:	
At beginning and end of financial year	<u>71,056</u>
Impairment loss:	
At beginning and end of financial year	<u>(71,056)</u>
Net	<u>-</u>

The above goodwill relates to the investment in a subsidiary (Note 16), Self-Cote Investment Pte Ltd. Management is of the view that there are uncertainty to the future economic benefits accruing from this goodwill and hence had written off the goodwill in prior years.

16 INVESTMENT IN SUBSIDIARIES

	<u>Company</u>	
	<u>2008</u>	<u>2007</u>
	\$	\$
Unquoted equity shares - at cost	20,956,789	17,956,789
Less: Allowance for impairment	(226,600)	(226,600)
Net	<u>20,730,189</u>	<u>17,730,189</u>

The subsidiaries of the Group at March 31, 2008 are set out below are:

<u>Name of subsidiaries</u>	<u>Principal activities/ Place of operation and country of incorporation</u>	<u>Proportion of ownership interest and voting power held</u>	
		<u>2008</u>	<u>2007</u>
		%	%
King Wan Construction Pte Ltd ^{(1) (2)}	Provision of mechanical and electrical (M&E) engineering services/ Singapore	100	100
K&W Mobile Loo Services Pte Ltd ⁽¹⁾	Owner, renters and operators of mobile lavatories and other facilities/ Singapore	100	100
King Wan Industries Pte Ltd ⁽¹⁾	Investment holding/ Singapore	100	100
King Wan Development Pte Ltd ⁽¹⁾	Investment holding and property development/ Singapore	100	100
Self-Cote Investment Pte Ltd ⁽³⁾	Investment holding/ Singapore	100	100
Self-Cote Paint (Lang Fang) Co., Ltd ^{(3) (4)}	Manufacture and sale of paints, varnishes and painting inks/ People's Republic of China	100	100

March 31, 2008

16 INVESTMENT IN SUBSIDIARIES (CONTD)

- (1) Audited by Deloitte & Touche LLP, Singapore.
- (2) During the financial year, the Company subscribed for 3,000,000 ordinary shares in this subsidiary by capitalising the amount due from the subsidiary amounting to \$3,000,000.
- (3) Audited by another firm of auditors, Lee Seng Chan & Co, Certified Public Accountants, Singapore.
- (4) Wholly-owned subsidiary of Self-Cote Investment Pte Ltd.

17 INVESTMENT IN ASSOCIATES

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$	\$
Unquoted equity shares – at cost	16,328,985	15,984,860	10,441,334	10,441,334
Share of post-acquisition accumulated profits net of dividends received	10,629,899	1,563,298	-	-
Share of currency translation reserve	452,804	-	-	-
Net	<u>27,411,688</u>	<u>17,548,158</u>	<u>10,441,334</u>	<u>10,441,334</u>

Carrying value as at year end include goodwill on acquisition amounting to \$559,803 (2007 : \$559,803).

The associates of the Group are set out below:

<u>Name of associates</u>	<u>Principal activities/ Place of operation and country of incorporation</u>	<u>Proportion of ownership interest and voting power held</u>	
		<u>2008</u>	<u>2007</u>
		%	%
Pengda Investment & Development Pte Ltd ⁽¹⁾	Investment holding/ Singapore	30	30
Pengda Construction & Development Co., Ltd ⁽²⁾	Property development and investment holding/ People's Republic of China	24	24

March 31, 2008

17 INVESTMENT IN ASSOCIATES (CONTD)

<u>Name of associates</u>	<u>Principal activities/ Place of operation and country of incorporation</u>	<u>Proportion of ownership interest and voting power held</u>	
		<u>2008</u> %	<u>2007</u> %
Cables International Pte Ltd ⁽³⁾	Supply of specialised electrical cables and accessories to offshore and onshore oil and gas sectors/ Singapore	30	30
Cables International (Australia) Pty Ltd ⁽⁴⁾	Supply of specialised electrical cables and accessories to international energy sector/Australia	22.5	22.5
CI Investment Ltd ⁽⁵⁾	Commission agent/ Republic of Seychelles	30	30
Meadows Bright Development Pte Ltd ⁽⁶⁾	Property development/ Singapore	35	35
Meadows Property (Singapore) Pte Ltd ⁽⁷⁾	Property development/ Singapore	35	-
Dalian Shicheng Property Development Co., Ltd ⁽⁸⁾	Development, marketing, sale and management of residential and commercial properties/ People's Republic of China	30	30
Environment Pulp & Paper Co., Ltd ⁽⁹⁾	Production and sale of chemically bleached bagasse pulp/ Thailand	20	20

March 31, 2008

17 INVESTMENT IN ASSOCIATES (CONTD)

<u>Name of associates</u>	<u>Principal activities/ Place of operation and country of incorporation</u>	<u>Proportion of ownership interest and voting power held</u>	
		<u>2008</u> %	<u>2007</u> %
Ekarat Pattana Co., Ltd ⁽¹⁰⁾	Production, distribution and sale of ethanol/ Thailand	20	20

(1) 30% owned by the Company's subsidiary, King Wan Development Pte Ltd (Note 16). Audited by another firm of auditors, SP Tan & Partners, Singapore.

(2) 80% owned by the Company's associate, Pengda Investment & Development Pte Ltd. Audited by another firm of auditors, Zhang Hao Certified Public Accountants Office Ltd, Ganzhou.

(3) Audited by another firm of auditors, Quek & Co, Singapore.

(4) 75% owned by the Company's associate, Cables International Pte Ltd. Audited by another firm of auditors, Peter Edwards & Associates Pty.

(5) 100% owned by the Company's associate, Cables International Pte Ltd. Audited by Quek & Co, Singapore for the purpose of consolidation.

(6) 35% owned by the Company's subsidiary, King Wan Development Pte Ltd (Note 16). Audited by another firm of auditors, Chan Leng Leng & Co, Singapore.

(7) 100% owned by the Company's associate, Meadows Bright Development Pte Ltd. Audited by another firm of auditors, Chan Leng Leng & Co, Singapore.

(8) 30% owned by the Company's subsidiary, King Wan Development Pte Ltd (Note 16). Audited by another firm of auditors, Liaoning Haoda Certified Public Accountants Co., Ltd.

(9) Audited by another firm of auditors, M.R. & Associates Co., Ltd, Thailand.

(10) 20% owned by the Company's subsidiary, King Wan Industries Pte Ltd (Note 16). Audited by another firm of auditors, Weera Wiboonwattanakij, CPA, Thailand.

During the current financial year, the Group increased its investment in this associate by subscribing for Thai Baht 8,000,000 (\$344,125 equivalent) in the share capital of the associate.

17 INVESTMENT IN ASSOCIATES (CONTD)

The audited financial statements of Dalian Shicheng Property Development Co. Ltd and Ekarat Pattana Co. Ltd are made up to December 31, each year. For the purpose of applying the equity method of accounting, the unaudited management accounts of the two associates for the year ended March 31, 2008 have been used.

The summarised financial information in respect of the Group's associates are set out below:

	<u>2008</u>	<u>2007</u>
	\$	\$
Total assets	429,811,816	307,175,637
Total liabilities	(312,246,096)	(224,337,176)
Net assets	<u>117,565,720</u>	<u>82,838,461</u>
Group's share of associates' net assets	<u>26,851,885</u>	<u>16,988,355</u>
Revenue	<u>215,506,119</u>	<u>114,081,857</u>
Profit for the financial year	<u>37,274,918</u>	<u>3,264,539</u>
Group's share of associates' profit for the financial year	<u>9,224,551</u>	<u>1,264,733</u>

18 BANK BORROWINGS

	<u>2008</u>	<u>2007</u>
	\$	\$
Bank overdrafts	3,882,084	2,908,391
Short-term bank borrowings	3,000,000	2,000,000
	<u>6,882,084</u>	<u>4,908,391</u>

The bank overdrafts are unsecured and repayable on demand. The bank overdrafts bear interest at rates ranging from 5.25% to 5.5% (2007 : 5.25% to 5.5%) per annum and are arranged at floating rates.

The short-term bank borrowings extended by a bank to a subsidiary of the Company, King Wan Construction Pte Ltd, are on a 1 to 12 month revolving basis and are borrowed for the purpose of short-term cash commitments. The borrowings are guaranteed by the Company and bear interest at rates ranging from 3.29% to 5.27% (2007 : 4.88% to 5.35%) per annum and are arranged at floating rates thus exposing the Group to cash flow interest rate risks.

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19 TRADE PAYABLES AND BILLS PAYABLES

	<u>Group</u>	
	<u>2008</u>	<u>2007</u>
	\$	\$
Bills payables	2,391,015	3,244,981
Outside parties	2,125,166	3,525,654
Related parties (Note 5)	221,508	357,242
	<u>4,737,689</u>	<u>7,127,877</u>

Bills payables are repayable between 1 to 4 months (2007 : 1 to 4 months) from the date the bills are first issued. The carrying amount of the bills payables approximates its fair value due to its short- term maturity. Bills payables bear interest at rates ranging from 3.25% to 4.75% (2007 : 4.75% to 5.85%) per annum and are supported by a corporate guarantee given by the Company.

The average credit period on purchases of goods from outside parties and related parties is 3 months (2007 : 3 months). No interest is charged on overdue trade payables. Trade payables principally comprise amounts outstanding for trade purchases.

20 OTHER PAYABLES

	<u>Group</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$	\$
Other payables	607,504	605,560	36,311	39,378
Advance from a third party	-	588,000	-	-
Related parties (Note 5)	3,600	3,600	-	-
Associates (Note 17)	832,899	43,395	-	-
Directors	125,000	89,313	125,000	89,313
	<u>1,569,003</u>	<u>1,329,868</u>	<u>161,311</u>	<u>128,691</u>

The amounts due to the other payables, related parties, associates and directors are unsecured, interest-free and repayable on demand.

The advance obtained from a third party was unsecured, interest-free and repayable on demand.

21 PROVISION FOR CONTRACT COSTS

Movement for provision for contract costs of the Group during the year are as follows:

	<u>2008</u>	<u>Group</u>	<u>2007</u>
	\$		\$
At beginning of year	2,309,430		2,698,758
Additions during the year	1,297,275		1,432,384
Utilised during the year	(1,306,624)		(1,304,628)
Reversal during the year	-		(517,084)
	<u>2,300,081</u>		<u>2,309,430</u>

The provision for contract costs represents management's best estimate of the expected costs which are to be incurred pending the finalisation of the final account between the Group and its respective subcontractors, based on past experience and assessment of the projects.

22 DEFINED CONTRIBUTION PLANS

The employees of the Company and its subsidiaries that are located in Singapore are members of a state-managed retirement benefit plan, the Central Provident Board Fund, operated by the Government of Singapore. The Company and the subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The Group operates defined contribution retirement benefit plans for all qualifying employees of its manufacturing and sales divisions in the People's Republic of China. The assets of the plans are held separately from those of the Group in funds under the control of trustees. Where employees leave the plans prior to the contributions fully vesting, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The total expense recognised in the profit and loss statement of \$369,111 (2007 : \$441,071) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at March 31, 2008, contributions of \$112,783 (2007 : \$105,126) due in respect of current financial year had not been paid over to the plans. The amounts were paid over subsequent to the balance sheet date.

March 31, 2008

23 FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$	\$
<u>Group</u>				
Amounts payable under finance leases:				
Within one year	139,340	62,766	125,625	56,503
In the second to fifth year inclusive	148,976	95,100	134,106	85,165
	<u>288,316</u>	<u>157,866</u>	<u>259,731</u>	<u>141,668</u>
Less: Future finance charges	(28,585)	(16,198)		
Present value of lease obligations	<u>259,731</u>	<u>141,668</u>		
Less: Amount due for settlement within 12 months	(125,625)	(56,503)		
Amount due for settlement after 12 months	<u>134,106</u>	<u>85,165</u>		

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 5 years (2007 : 5 years). For the financial year ended March 31, 2008, the average effective borrowing rate was 6.27% (2007 : 4.73%) per annum. Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the lease obligations approximates their carrying amount.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets (Note 13).

24 DEFERRED TAX LIABILITY

	Group	
	<u>2008</u>	<u>2007</u>
	\$	\$
At beginning of the financial year	20,000	-
Charge to profit and loss for the financial year (Note 29)	33,000	20,000
At end of the financial year	<u>53,000</u>	<u>20,000</u>

This represented tax effect of accelerated tax over book depreciation.

24 DEFERRED TAX LIABILITY (CONTD)

At the balance sheet date, the aggregate amount of temporary differences associated with undistributed earnings of associates of \$4,845,052 (2007: \$88,059) for which deferred tax liabilities have not been recognised is \$ 827,740 (2007: \$ 8,806). No liability has been recognised in respect of these differences because it is probable that such differences will not reverse in the foreseeable future.

25 SHARE CAPITAL

	<u>Group and Company</u>			
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	Number of ordinary shares		\$	\$
Issued and paid-up:				
At beginning of financial year	325,176,870	325,176,870	40,089,296	40,089,296
Issuance of new shares	24,000,000	-	6,960,000	-
Share issue expenses	-	-	(235,562)	-
At end of financial year	<u>349,176,870</u>	<u>325,176,870</u>	<u>46,813,734</u>	<u>40,089,296</u>

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

During the financial year, 24,000,000 new ordinary shares of the Company were issued for cash at \$0.29 each. The new shares rank pari-passu in all respects with the existing ordinary shares in the capital of the Company.

26 REVENUE

	<u>Group</u>	
	<u>2008</u>	<u>2007</u>
	\$	\$
Amounts recognised from contracts	19,667,457	32,563,951
Sale of goods	2,075,251	1,683,208
Rendering of services	2,077,531	1,560,912
	<u>23,820,239</u>	<u>35,808,071</u>

March 31, 2008

27 OTHER OPERATING INCOME

	Group	
	2008	2007
	\$	\$
Rental income	916,069	722,502
Gain on disposal of plant and equipment	-	28,669
Gain on disposal of investment property	145,695	-
Sundry income	31,848	171,955
Management fee income	60,000	60,000
Interest income	28,697	32,157
Foreign currency exchange adjustment gain	-	5,549
Dividend income from held-for-trading investments	4,222	6,113
Change in fair value and gain on disposal of held-for-trading investments	75,545	227,903
	<u>1,262,076</u>	<u>1,254,848</u>

28 FINANCE COSTS

	Group	
	2008	2007
	\$	\$
Interest expense from:		
Bank borrowings	398,592	341,564
Finance leases	10,810	6,698
Total	<u>409,402</u>	<u>348,262</u>

29 INCOME TAX CREDIT

	Group	
	2008	2007
	\$	\$
Current	67,000	135,000
Deferred	33,000	20,000
Overprovision in prior years – current tax	(104,114)	(310,081)
	<u>(4,114)</u>	<u>(155,081)</u>

29 INCOME TAX CREDIT (CONTD)

The income tax expense of the Group varied from the amount of income tax determined by applying the Singapore tax rate of 18 % (2007 : 18%) to profit before income tax as a result of the following differences:

	Group	
	2008	2007
	\$	\$
Income tax expense at statutory rate	1,081,328	185,247
Non-allowable items	280,395	244,001
Non-taxable items	(28,447)	(2,576)
Tax effect of share of results of associates	(1,660,419)	(227,652)
Tax exemptions	(27,450)	(54,900)
Deferred tax benefits not recognised	482,713	17,841
Utilisation of deferred tax benefits previously not recognised	(10,307)	-
Effects of different tax rates in other countries	(3,192)	-
Others	(14,621)	(6,961)
	<u>100,000</u>	<u>155,000</u>
Overprovision in prior years	(104,114)	(310,081)
	<u>(4,114)</u>	<u>(155,081)</u>

The Group has tax losses carryforwards and timing differences available for offsetting against future taxable income as follows:

	Accelerated tax depreciation	Tax losses	Provisions	Net
	\$	\$	\$	\$
Balance at April 1, 2006	(327,570)	1,750,109	470,584	1,893,123
Adjustment in respect of prior years	-	(1,029,096)	-	(1,029,096)
Movement during the year	30,150	68,972	(8)	99,114
Balance at March 31, 2007	<u>(297,420)</u>	<u>789,985</u>	<u>470,576</u>	<u>963,141</u>
Adjustment in respect of prior years	-	(240,690)	-	(240,690)
Movement during the year	76,474	2,524,722	23,283	2,624,479
Balance at March 31, 2008	<u>(220,946)</u>	<u>3,074,017</u>	<u>493,859</u>	<u>3,346,930</u>

Net deferred tax benefits not recorded

- March 31, 2008

602,447

- March 31, 2007

173,365

The realisation of the future income tax benefits from tax losses carryforwards and timing differences is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

No deferred tax asset has been recognised in respect of the tax losses carryforwards and timing differences due to the unpredictability of future income streams of the relevant entities in the Group.

March 31, 2008

30 PROFIT FOR THE FINANCIAL YEAR

Profit for the financial year is arrived at after charging (crediting):

	<u>2008</u>	<u>Group</u>	<u>2007</u>
	\$		\$
Directors' remuneration:			
Company	782,478		654,795
Subsidiaries	224,452		213,196
Directors' fees:			
Company	125,000		89,313
Staff costs (including directors' remuneration)	5,121,479		5,686,149
Costs of defined contribution plans included in staff costs	369,111		441,071
Allowance (Writeback of allowance) for doubtful trade receivables	31,591		(77,221)
Gain on disposal of investment property	(145,695)		-
Gain on disposal of plant and equipment, net	-		(28,669)
Plant and equipment written off	6,492		-
Allowance (Writeback of allowance) for inventories obsolescence	23,283		(7,856)
Inventories written off	106,893		49,952
Cost of inventories recognised as expense	7,192,482		15,152,267
Foreign currency exchange adjustment loss (gain) - net	205,580		(5,549)
Change in fair value and gain on disposal of held-for-trading investments	(75,545)		(227,903)
Available-for-sale investments written off	19,000		-

31 EARNINGS PER SHARE (CENTS)

The basic earnings per ordinary share is calculated by dividing the Group's profit for the financial year of \$6,011,490 (2007 : \$1,184,232) by the weighted average number of ordinary shares of 341,570,313 (2007 : 325,176,870) in issue during the financial year.

The fully diluted earnings per share is calculated using the same weighted number of ordinary shares as there is no dilutive potential ordinary shares.

32 DIVIDENDS PAID

During the financial year ended March 31, 2007, the directors of the Company declared and paid a final one-tier tax exempt dividend of 0.075 cents per share totalling \$243,883 in respect of the financial year ended March 31, 2006.

During the financial year ended March 31, 2008, the directors of the Company declared and paid a final one-tier tax exempt dividend of 0.075 cents per share totalling \$261,883 in respect of the financial year ended March 31, 2007.

32 DIVIDENDS PAID (CONTD)

Subsequent to March 31, 2008, the directors of the Company proposed a final one-tier tax exempt dividend of 0.225 cents per share totalling \$785,648 in respect of the financial year ended March 31, 2008. This dividend is subject to approval by shareholders at the Company's Annual General Meeting and has not been included as a liability in these financial statements.

33 COMMITMENTS AND CONTINGENT LIABILITIES

	<u>Group</u>	
	<u>2008</u>	<u>2007</u>
	\$	\$
Corporate guarantee given to a third party in connection with credit facilities provided to/services provided by:		
- associates	19,577,145	20,950,497
Share of associate's guarantee to The Controller of Residential Property	1,855,000	1,855,000
Share of associate's guarantee to the bank for bank facilities	579,920	-
Commitments for the acquisition of plant and equipment	-	161,200

34 OPERATING LEASE ARRANGEMENTSThe Group as lessor

The Group rents out its leasehold property and investment properties in Singapore under operating leases. Rental income earned during the year was \$916,069 (2007 : \$722,502).

At the balance sheet date, the Group has contracted with tenants for the following lease receipts:

	<u>2008</u>	<u>2007</u>
	\$	\$
Within 1 year	720,722	807,511
Within 2 to 5 years	32,999	392,743
Total	753,721	1,200,254

Operating lease receipts represents rental receivable from tenants by the Group. Leases are negotiated for an average term of 2 years and rentals are fixed for an average of 2 years.

March 31, 2008

34 OPERATING LEASE ARRANGEMENTS (CONTD)

The Group as lessee

	<u>2008</u>	<u>Group</u>	<u>2007</u>
	\$		\$
Minimum lease payments under operating leases included in the profit and loss statement	297,425		286,009

At the balance sheet date, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<u>2008</u>	<u>Group</u>	<u>2007</u>
	\$		\$
Within 1 year	302,378		290,784
Within 2 to 5 years	1,209,510		1,163,137
After 5 years	2,776,761		2,961,046
Total	<u>4,288,649</u>		<u>4,414,967</u>

Operating lease payments represent rentals payable by the Group for land spaces where its leasehold and investment properties are located. These leases are negotiated at a range from 28 to 30 years and rentals are fixed annually. The rental commitments are computed based on the existing rate as at March 31, 2008.

35 SEGMENT INFORMATION

Business segments

i) The Group operates along four major business segments as follows:

(a) Plumbing and sanitary

Provision of plumbing and sanitary services includes the design and installation of water distribution systems and pipe network for sewage and waste water drainage.

(b) Electrical

Provision of electrical engineering services includes the design and installation of electricity distribution systems, fire protection, alarm systems, communications and security systems as well as air conditioning and mechanical ventilation systems.

35 SEGMENT INFORMATION (CONTD)

(i) The Group operates along four major business segments as follows:

(c) Toilet rental

Renting and operating of mobile lavatories and other facilities.

(d) Paint

Manufacture and sale of paints, varnishes and painting inks.

(ii) Segment revenue and results

Segment revenue and results are the operating revenue and results reported in the Group's profit and loss statement that are directly attributable to a segment and the relevant portion of such revenue and results that can be allocated on a reasonable basis to a segment.

(iii) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of cash, trade receivables, construction work-in-progress and property, plant and equipment. Capital expenditure includes the total cost incurred to acquire property, plant and equipment directly attributable to the segment.

Segment liabilities include all operating liabilities and consist principally of bank overdraft, bank borrowings, trade payables and accrued expenses.

Geographical segments

The Group operates mainly in Singapore and the People's Republic of China. Revenue is reported based on the location of customers regardless of where the goods are produced or services rendered. Assets and capital expenditure are shown by the geographical areas in which these assets are located.

March 31, 2008

35 SEGMENT INFORMATION (CONTD)

GROUP SEGMENTAL REPORTING

Primary reporting format - Business segments

	Plumbing and sanitary		Electrical		Toilet rental		Paint		Others		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Revenue	\$ 13,227,150	\$ 15,966,466	\$ 7,563,943	\$ 17,468,772	\$ 2,077,531	\$ 1,560,912	\$ 951,615	\$ 811,921	\$ -	\$ -	\$ 23,820,239	\$ 35,808,071
External sales												
Results												
Segment result	(2,141,195)	(2,003,964)	(1,914,287)	779,529	759,597	662,446	(54,474)	(84,332)			(3,350,359)	(646,321)
Unallocated expenses											(713,604)	(270,645)
Net other operating income											1,256,190	1,029,646
Share of associates' results											9,224,551	1,264,733
Finance costs											(409,402)	(348,262)
Profit before income tax											6,007,376	1,029,151
Income tax credit											4,114	155,081
Profit after income tax											6,011,490	1,184,232
Other information												
Capital expenditure additions	8,106	2,497	8,106	4,995	597,333	178,412	6,183	7,691	372,041	430,747	991,769	624,342
Depreciation	8,570	6,543	8,570	13,085	113,552	49,633	43,980	49,407	1,051,539	1,000,563	1,226,211	1,119,231
Allowance for (Writeback of allowance) doubtful debts	(40,817)	(47,328)	(12,700)	(49,520)	13,348	(13,317)	71,760	32,944	-	-	31,591	(77,221)

* Depreciation expense amounting to \$7,544 (2007 : \$3,386) has been allocated to construction work-in-progress.

35 SEGMENT INFORMATION (CONTD)

Primary reporting format - Business segments

	Plumbing and sanitary		Electrical		Toilet rental		Paint		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Assets										
Segment assets	11,479,704	10,768,915	5,721,570	8,310,088	1,859,349	922,342	2,204,950	2,057,869	21,265,573	22,059,214
Investment in associates									27,411,688	17,548,158
Unallocated assets									22,935,122	19,155,530
Consolidated total assets									<u>71,612,383</u>	<u>58,762,902</u>
Liabilities										
Segment liabilities	1,904,004	2,920,023	2,658,563	3,141,080	96,232	68,876	918,565	150,865	5,577,364	6,280,844
Unallocated liabilities									10,506,257	9,886,661
Consolidated total liabilities									<u>16,083,621</u>	<u>16,167,505</u>

Secondary reporting format - geographical segments

	Revenue		Carrying amount of segment assets		Additions to property, plant and equipment	
	2008	2007	2008	2007	2008	2007
Singapore	22,868,624	34,996,150	69,411,378	56,709,224	985,586	616,651
People's Republic of China	951,615	811,921	2,201,005	2,053,678	6,183	7,691
	<u>23,820,239</u>	<u>35,808,071</u>	<u>71,612,383</u>	<u>58,762,902</u>	<u>991,769</u>	<u>624,342</u>

:: statement of directors

In the opinion of the directors, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 23 to 73 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at March 31, 2008 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE DIRECTORS

Chua Kim Hua

Chua Eng Eng

June 20, 2008

REPORT ON CORPORATE GOVERNANCE

Your Company is dedicated to implementing the highest standards of corporate governance at all levels.

Your Board of Directors supports the principles of corporate governance as laid out in the new Code of Corporate Governance 2005 (the "2005 Code") and is committed to ensuring that the highest standards of corporate governance are implemented and maintained throughout in enhancing shareholder's value and the long term value of the Company.

This report outlines the Company's corporate governance processes and structures that were in place throughout the financial year.

A. BOARD MATTERS

Principle 1: Board's Conduct of its Affairs

Besides discharging its fiduciary duties and statutory responsibilities, the principal function of the Board includes:

- formulation of corporate strategies and charting the business direction of the Group, including the evaluation and approval of major funding, investments and divestments;
- overseeing the business and affairs of the Group by establishing strategies and financial objectives to be achieved;
- ensuring that necessary financial and human resources are in place for the Group to meet its objectives;
- implementing procedures in the evaluation of internal controls, risk assessment and management, and business reporting;
- review management performance;
- approving the nomination of directors;
- assuming responsibility for the adoption of good corporate governance practices.

Regular Board meetings are held to discuss and decide on specific issues including significant transactions with related and non-related parties, investments and divestments of assets, annual budget review, review of the Group's financial performance and to approve the release of the half-year and full-year financial results.

Although specific guidelines have not been formulated to set forth the matters that require Board's approval, the Board, in general, deals with matters such as conflict of interest issues relating to directors and substantial shareholders, major acquisition and disposal of assets, dividend and other distribution to shareholders, and those transactions or matters which require Board's approval under the provisions of the SGX-ST Listing Manual or any applicable regulations.

The Group has in place an orientation program for new directors to ensure that incoming directors are familiar with the Group's business, corporate governance policies, disclosure of interests in securities, disclosure of any conflict of interest in a transaction involving the Group, prohibitions in dealing in the Company's securities and restrictions on disclosure of price sensitive information.

The Board is mindful of the best practice in the Code to initiate programs for directors to meet their relevant training needs. In this regard, the Group is supportive of members in the participation of industry conferences and seminars and in the funding of members' attendance at any courses or training programs in connection with their duties as a director. The Company relies on the directors to update themselves on new laws, regulations and changing commercial risks.

To assist in the execution of its responsibilities, the Board has established a number of Board Committees including an Audit Committee, a Nomination Committee and a Remuneration Committee. These committees function within clearly defined written terms of reference and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly monitored.

The attendance of the Directors Board and Board Committee meetings in FY2008, as well as the frequency of such meetings, is disclosed in the table below. Notwithstanding such disclosure, the Board is of the view that the contributions of each director extend beyond his/her attendance at these meetings and their contribution also come in other forms such as through the sharing of expertise, advice, experience and strategic networking relationships that are outside the confine of the Boardroom.

Name	No. of Board Meetings Attended (No. of meetings held: 4)	No. of Audit Committee Meetings Attended (No. of meetings held: 4)	No. of Nomination Committee Meetings Attended (No. of meeting held: 1)	No. of Remuneration Committee Meeting Attended (No. of meetings held: 1)
Chua Kim Hua	3	NA	NA	NA
Chua Hai Kuey	4	NA	NA	NA
Chua Eng Eng	4	NA	NA	NA
Goh Chee Wee	4	4	1	1
Foo Kok Swee	3	3	0	0
Lim Hock Beng	4	4	1	1
Ganoktip Siriviriyakul	0	NA	NA	NA
Nathapun Siriviriyakul (alternate to Ganoktip Siriviriyakul)	1	NA	NA	NA

Principle 2: Board Composition and Balance

The current Board of Directors comprise of seven directors and one alternate director, three of whom are considered by the Nomination Committee to be independent. Details of the directors' shareholdings in the Company are set out in the Directors' Report.

The three independent, non-executive directors are Mr. Lim Hock Beng, Mr. Goh Chee Wee, and Mr. Foo Kok Swee. The definition of an "independent director" in the Code of Corporate Governance ("Code") has also been adopted by the Board. To fulfill the criteria of independence, an independent director is one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the director's decision making process.

Every director is expected to act in good faith and always in the interest of the Company. Collectively, the directors not only bring with them a wide range of diverse experience and knowledge in business, accounting, finance, engineering, technology and management experience but also the importance of independence in decision-making at Board level.

The Nomination Committee is also of the view that the current board size of seven directors is adequate, taking into consideration the nature and scope of the Group's operations and that every director shares equal responsibility on the Board.

Principle 3: Chairman and Chief Executive Officer

Mr. Chua Kim Hua, the founder of the Group and executive Director also assumes the role of Chairman of the Board. He plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. As the Chairman, he ensures that board meetings are held when necessary and sets the meeting agenda in consultation with the Managing Director. He reviews the Board papers before they are presented to the Board and ensures that Board members are provided with adequate, timely and clear information. He facilitates the effective contributions of the Board members, encourages constructive relations among the Board members and promotes high standards of corporate governance.

All major decisions made by the Executive Directors and Chairman are reviewed by the Audit Committee. The performance of Executive Directors to the Board is reviewed periodically by the Nomination Committee and their remuneration packages are reviewed periodically by the Remuneration Committee. Furthermore, the roles of the Executive Directors have to a certain extent been balanced by the presence of three independent directors within the Board.

Mr. Lim Hock Beng, an independent, non-executive director, is the Lead Independent Director of the Company. He is available to shareholders when they have any concerns where contact through the normal channels of the Chairman or Managing Director has failed to resolve or for which such contact is inappropriate.

Principle 4: Board Membership

The Nomination Committee is made up of three members, all of whom are independent non-executives. The Nomination Committee is chaired by Mr. Foo Kok Swee. The other members of the committee are Mr. Lim Hock Beng and Mr. Goh Chee Wee.

The Nomination Committee is entrusted with the specific task of recommending to the Board on all Board members appointments. This function extends to the recommendation on re-nomination of directors for re-election having regard to their contributions, performance and their ability to carry out duties as a directors notwithstanding their multiple board representations. It is also charged with determining, on an annual basis, whether a director is independent. The Nomination Committee also identifies gaps in the mix of skills, experience and other qualities required in an effective board so as to better nominate or recommend suitable candidates to fill the gaps. It is also mandated to undertake reviews on the performance of the Board.

The Nomination Committee regulates under its own written terms of reference, which includes the calling of meetings, notice to be given of such meetings, the voting and proceedings. Minutes of the deliberations and proceedings of the Nomination Committee are recorded by the Company Secretary. The number of meetings held and attendance at the meetings during the last financial year are presented under "Board Matters" in this report.

The Nomination Committee had reviewed the independence of each non-executive director for the financial year ended 31 March 2008 and is of the view that the three independent directors of the Company satisfy the criteria of independence and each and every director shares equal responsibility on the Board.

The Company's Articles of Association currently require one-third of the Board to retire and subject to re-election by shareholders at every annual general meeting ("AGM"). The directors must submit themselves for re-nomination and re-election at regular intervals of at least once every three years. In addition, a newly appointed director will submit himself for retirement and re-election at the AGM immediately following his appointment. Thereafter, he is subject to retirement by rotation once every three years.

The directors standing for re-election at the forthcoming AGM under Article 89 are Ms. Chua Eng Eng and Mr. Goh Chee Wee while Mr. Foo Kok Swee will be up for re-election under Section 153(6) of the Companies Act, Cap.50 at the forthcoming AGM, after assessing their contribution and performance (including attendance, preparedness and participation), and their effectiveness as directors.

Other key information on the individual directors of the Company is set out in this Annual Report. Their shareholdings in the Company are also disclosed in the Directors' Report. None of the directors hold shares in the subsidiaries of the Company.

Principle 5: Board Performance

The Nomination Committee has established a process for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual director. It considers a set of quantitative and qualitative performance criteria in evaluating the Board's performance that has remained unchanged from the previous year. The performance criteria for the Board evaluation includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes, Board performance in relation to discharging its principal responsibilities in terms of the financial indicators as set out in the Code.

The Board and the Nomination Committee have ensured that directors appointed to the Board have the relevant experience, knowledge and skills that are critical to the Group's business. This will enable the Board to make the correct decisions on all business matters.

The performance of all directors, both executive and non-executive is reviewed periodically by the Nomination Committee.

Principle 6: Access to Information

Board members have separate and independent access to senior management and the Company Secretary at all times in carrying out their duties. Requests for information from the Board are dealt with promptly by management.

The Board is kept informed of all relevant information on material events and transactions accurately and promptly as and when they arise. Management also consults the Board whenever necessary. Detailed Board papers are prepared for each meeting and are normally circulated a week in advance of each meeting. The Board papers include sufficient background explanatory information from the Management on financial, business and corporate issues to enable the directors to be properly briefed on issues to be considered at Board meetings. Such explanatory information may also be in the form of briefings to the directors or formal presentations made by senior management staff in attendance at Board meetings, or by external consultants engaged on specific projects. The Board takes independent professional advice as and when necessary to enable it or the independent directors to discharge its or their responsibilities effectively.

The Company Secretary attended all Board meetings and Board committee meetings conducted during the year. The Company Secretary ensures that Board procedures are followed and that the Company complies with the requirements of the Singapore Companies Act and other rules and regulations of the SGX, which are applicable to the Company.

B. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

Remuneration Committee

The Remuneration Committee is made up of three independent non-executive directors, namely, Mr. Goh Chee Wee as chairman with Mr. Lim Hock Beng and Mr. Foo Kok Swee as members. The Remuneration Committee has access to expert advice in the field of executive compensation outside the Company, when required.

The principal roles of the Committee include the following:

- reviews and approves recommendations on remuneration policies and packages for key executives;
- recommends to the Board a framework of remuneration for the Board members including all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, and benefits-in-kind;
- determines specific remuneration packages including the terms of appointment for each executive director. No director is involved in deciding his own remuneration;
- to do all other things that may form part of the responsibilities of the remuneration committee under the provision of the Code.

The Committee meets at least once annually and the Committee's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the Board.

The number of meetings held and attendance at the meetings during the last financial year are presented under "Board Matters" in this report.

Principle 8: Level and Mix of Remuneration

When setting remuneration packages, the Company takes into consideration current practices of companies in the same industry and companies that are comparable in size and operations. The Group's financial performance and the performance of individual directors are also taken into consideration.

The non-executive directors will receive a basic fee and a fee for their appointments in the various Board Committees in financial year 2008. They will also receive additional fees if they are chairpersons of these Board Committees. The Company is fully aware of the need to pay competitive fees to attract, retain and motivate the directors. Directors' fees are recommended by the Board for approval at the Company's AGM.

The executive director each has a service agreement with the Company for a period of 3 years commencing 15 November 2005 and subject to extension for further period of 2 years. Each service agreement may be terminated by either party giving the other party at least three months prior written notice. The remuneration for the executive directors comprises a basic salary component and a variable component in the form of annual bonus, which is based on the performance of the Group as a whole and their individual performance.

The annual review of directors' remuneration is carried out by the Remuneration Committee to ensure that the remuneration of the executive directors commensurate with their performance.

Principle 9: Disclosure on Remuneration

The breakdown of remuneration of the Directors of the Company for the year ended 31 March 2008 is set out below:

Remuneration Band & Name of Director	Salary	Performance related income / bonus	Director's Fees	Total Remuneration
	%	%	%	%
<i>S\$500,000 to S\$1,000,000</i>	-	-	-	-
<i>S\$250,000 to S\$499,999</i>	-	-	-	-
Chua Kim Hua	77%	23%	-	100%
Chua Hai Kuey	77%	23%	-	100%
<i>Below S\$250,000</i>				
Chua Eng Eng	77%	23%	-	100%
Goh Chee Wee	-	-	100%	100%
Foo Kok Swee	-	-	100%	100%
Lim Hock Beng	-	-	100%	100%
Ganoktip Siriviriyakul	-	-	100%	100%

The salary and bonus amounts shown are inclusive of allowances and Central Provident Fund contributions.

Remuneration of Top Five Key Executives:

The remuneration of each individual key executive of the Group is not disclosed as the Company believes that disclosure may be prejudicial to its business interest given that it is operating in a highly competitive environment. The Remuneration Committee will continue to review the practice of the industry in this regard, weighing the advantages and disadvantages of such disclosure. Instead, the Company is disclosing the remuneration of the key executives in bands of \$250,000 as shown below:

Remuneration Band	No. of Executives
S\$500,000 to S\$1,000,000	-
S\$250,000 to S\$499,999	1
Below S\$250,000	4

Remuneration amounts are inclusive of salary, performance bonus, allowances and Central Provident Fund contributions. Currently, the Company does not have a share options scheme.

Employees who are immediate family members of a director did not receive remuneration exceeding S\$150,000 during the financial year.

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

When presenting the annual financial statements and half-yearly announcements to shareholders, the Board aims to provide the shareholders with an accurate analysis, explanation and assessment of the Group's financial position and the business environment in which the Group operates. The Management currently provides the Board with management accounts of the Group's performance, position and prospects on a quarterly basis.

Principle 11: Audit Committee

The Audit Committee comprises of three members, all of whom are independent non-executive directors. The members of the Audit Committee are Mr. Lim Hock Beng, the Chairman, Mr. Goh Chee Wee and Mr. Foo Kok Swee, all with invaluable managerial and professional expertise in both financial and business management matters. The Audit Committee met four times during the year. The Audit Committee had also met up with the external and internal auditors without the presence of the management during the year and other directors were also invited to attend some of the meetings. All minutes of the meetings are circulated to all members of the Board. The Company Secretary is also the secretary to the Audit Committee.

The key responsibility of the Audit Committee is to assist the Board in fulfilling its responsibilities for the Group's financial reporting, management of financial and control risks and monitoring of the internal control system. The Audit Committee will make enquiries in order to satisfy themselves on the adequacy of the processes supporting the Group's financial reporting, its system of internal control, risk identification and management, its internal and external audit processes, and the Group's process for monitoring compliance with laws and regulations and its own code of business conduct.

Under its written terms of reference, the Audit Committee's responsibilities include the following functions:

- Review with the external auditors, their audit plan, evaluate the internal accounting controls, audit report, report on internal control weaknesses arising from the audit report and management's response thereto and any matters which the external auditors wish to discuss, without the presence of management;
- Review with the internal auditors, internal audit plan, the scope and the results of internal audit procedures and their evaluation of the internal control system together with management's responses thereto and any matters which the internal auditors wish to discuss, without the presence of management;
- Review the half year and full year financial statements and other announcements to shareholders and the SGX-ST prior to submission to the Board;
- Make recommendations to the Board on the appointment of the external auditors and the audit fee;

- Review the adequacy of the company's internal controls;
- Review any related party transactions;
- Review assistance given by the Group's officers to the external and internal auditors and ensure that the internal audit function properly adequately resourced;
- Carry out such other functions as may be agreed by the Audit Committee and the Board.

The Whistle Blowing Policy has been implemented for the King Wan Group since financial year 2007. This policy provides a channel to employees and other parties to report in confidence, without fear of reprisals, concerns about possible improprieties in matters of financial reporting or other matters. The Audit Committee ensures that arrangements are in place for the independent investigation of such matters and appropriate follow up actions are taken.

To effectively discharge its responsibilities, the Audit Committee has full access to and the co-operation of the Management and full discretion to invite any director or executive to attend its meetings. It is also able to obtain external professional advice, when necessary. Adequate resources have also been made available to the Audit Committee to enable it to discharge its function properly.

The Audit Committee has reviewed the scope of work proposed by the external auditors and is satisfied with their independence and objectivity. The Audit Committee has recommended to the Board the nomination of Deloitte & Touche LLP for reappointment as auditors of the Company. No non-audit service was provided by the auditors in the financial year just ended.

Principle 12: Internal Control

The Group's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets. Procedures are in place to identify major business risks and evaluate potential financial effects. There are also ongoing reviews on the adequacy of the Group's system of internal controls and management information systems, including systems for compliance with applicable laws, regulations, rules, directive and guidelines. The Board and the Audit Committee are also informed of all control issues pertaining to internal controls and regulatory compliances and based on the internal audit reports and the management controls in place, are satisfied that there are adequate internal controls in the Group.

Principle 13: Internal Audit

The Group's internal audit function is outsourced to an international accounting firm that is not the Company's auditors. The Partner-in-charge of the internal audit reports directly to the Audit Committee and assists in the identification of risks and assessing the adequacy of internal controls systems implemented. The Internal Auditors also made recommendations on how best to address material risks identified in the Group. The findings of the Internal Auditors are presented to the Audit Committee for review.

D. COMMUNICATION WITH SHAREHOLDERS

Principle 14: Communication with Shareholders

Principle 15: Greater Shareholder Participation

The Board believes in regular, timely and effective communications with shareholders on all major developments that impact the Group. The Company does not practice selective disclosure. Pertinent information is communicated to shareholders on a regular and timely basis through:

- the Company's annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all relevant information about the Group, including future developments and other disclosures required by the Singapore Companies Act, the Singapore Financial Reporting Standards and the SGX Listing Manual;
- financial statements containing a summary of the financial information and affairs of the Group for the period that are published on the SGX-NET
- disclosures to the Singapore Exchange; and
- the Group's website at www.kingwan.com from which shareholders can access information on the Group. The website provides annual reports and profiles of the Group.

In addition, shareholders are encouraged to attend the AGM to ensure a greater level of shareholder participation and for them to be kept up to date as to the Group's strategies and goals. The notice of the AGM is dispatched to shareholders, together with explanatory notes or a circular on items of special business, at least 10 market days before the meeting. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution.

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues and ask the directors or Management questions regarding the Company and its operations.

Any queries and concerns regarding the Group can be conveyed to the following person:

Mr. Francis Chew, Chief Financial Officer
Telephone No. : 65-6866 9246
Fax No.: 65-6365 7675
E-mail: francisc@kingwan.com.sg

:: analysis of shareholdings

as at 20 June 2008

Issued and Fully paid up capital: S\$46,813,734

Class of Shares: Ordinary Shares with equal voting rights

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 to 999	3	0.20	545	0.00
1,000 to 10,000	478	30.98	2,798,001	0.80
10,001 to 1,000,000	1,030	66.75	81,334,612	23.29
1,000,001 AND ABOVE	32	2.07	265,043,712	75.91
TOTAL	1,543	100.00	349,176,870	100.00

TOP 20 SHAREHOLDERS AS AT 20 JUNE 2008

NO.	NAME OF SHAREHOLDERS	NUMBER OF SHARES	%
1	Ganoktip Siriviriyakul	76,875,000	22.02
2	Chua Kim Hua	43,938,319	12.58
3	Citibank Nominees Singapore Pte Ltd	27,230,906	7.80
4	Chua Hai Kuey	22,247,676	6.37
5	Chong Thim Pheng	17,866,000	5.12
6	UOB Kay Hian Pte Ltd	8,722,000	2.50
7	Liong Kiam Teck	8,155,000	2.33
8	Ong Tze King	7,934,000	2.27
9	Kim Eng Securities Pte. Ltd.	7,829,000	2.24
10	OCBC Securities Private Ltd	4,687,000	1.34
11	OCBC Capital Investment Private Limited	4,000,000	1.15
12	Thian Yim Pheng	3,831,000	1.10
13	Chua Eng Eng	2,750,000	0.79
14	Hong Leong Finance Nominees Pte Ltd	2,635,000	0.75
15	DBS Vickers Securities (S) Pte Ltd	2,066,000	0.59
16	Hong Heng Co Pte Ltd	2,000,000	0.57
17	United Overseas Bank Nominees Pte Ltd	1,961,000	0.56
18	Lim Chye Huat @ Bobby Lim Chye Huat	1,920,000	0.55
19	Koh Gek Huang	1,885,000	0.54
20	Poh Seng Kui	1,800,000	0.52
	TOTAL	250,332,901	71.69

SUBSTANTIAL SHAREHOLDERS AS AT 20 JUNE 2008

[according to the Register to be kept by the Company]

NO.	NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST		DEEMED INTEREST	
		NUMBER OF ORDINARY SHARES	%	NUMBER OF ORDINARY SHARES	%
1.	Ganoktip Siriviyakul	76,875,000	22.02	Nil	Nil
2.	Chua Kim Hua	44,113,319	12.63	Nil	Nil
3.	Chua Eng Eng	32,445,906	9.30	Nil	Nil
4.	Chua Hai Kuey	22,247,676	6.37	Nil	Nil
5.	Chong Thim Pheng, Winstedt	17,600,000	5.04	Nil	Nil

DEALING IN SECURITIES

The Company has adopted its own internal Code of Best Practices on Securities Transactions (“Securities Transaction Code”).

The Securities Transaction Code (the “Code”) provides guidelines to the Company’s directors and key officers of the Group in the dealing of Company’s securities. The Code emphasizes the law on insider trading which is applicable at all times during the year. Circulars are issued to its directors and key officers that they must not trade in the listed securities of the Company one month before the release of the half-year and full-year financial results. Outside this window period, Directors are required to notify the Company of their dealings within two business days.

The Board of Directors confirms that for the financial year ended 31 March 2008, the Company has complied with its Securities Transaction Code.

INTERESTED PERSON TRANSACTIONS

When a potential conflict of interest arises, the director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

As a listed company on the Singapore Exchange, the Company is required to comply with Chapter 9 of the Singapore Exchange Listing Manual on interested person transactions.

The Audit Committee regularly reviews any interested person transactions and their cumulative values. In the event that the Company intends to enter into an interested person transaction that was not previously approved by shareholders, the Audit Committee will review and ensure that the Company complies with the requisite rules under Chapter 9.

During the financial year ended 31 March 2008, the Company did not enter into any interested person transaction, which require announcement or shareholders’ approval under Chapter 9.

MATERIAL CONTRACTS

Save as disclosed in the report of the directors and financial statements, there was no other material contracts entered into by the Company or any of its subsidiaries involving the interest of the Chairman, Managing Director, any Director or controlling shareholders.

SHAREHOLDINGS IN THE HAND OF PUBLIC AS AT 20 JUNE 2008

The percentage of shareholdings in the hand of the public is about 44.3%. Hence, the Company has complied with Rule 723 of the SGX-ST Listing Manual.

:: notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of **KING WAN CORPORATION LIMITED (the "Company")** will be held at the Board Room, 8 Sungei Kadut Loop, Singapore 729455 on **Thursday, 31 July 2008 at 2.30 p.m.** for the following purposes:

As Ordinary Business:

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31 March 2008 and the Auditors' Report thereon **[Resolution No.1]**
2. To re-elect the following Directors retiring by rotation pursuant to Article 89 of the Company's Articles of Association:
 - (a) Ms. Chua Eng Eng **[Resolution No. 2]**
 - (b) Mr. Goh Chee Wee **[Resolution No. 3]**
3. To approve Directors' Fee of S\$125,000 for the year ended 31 March 2008 (2007: \$89,313). **[Resolution No. 4]**
4. To approve the proposed first and final one-tier tax exempt dividend of 0.225 cents per ordinary share for the year ended 31 March 2008 **[Resolution No. 5]**
5. To re-appoint Auditors and to authorise the Directors to fix their remuneration. **[Resolution No. 6]**

As Special Business:

6. To consider and if thought fit, to pass the following Ordinary Resolutions:

That pursuant to Section 161 of the Companies Act, Cap 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors to issue shares in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that: -

- (i) the aggregate number of shares to be issued pursuant to this Resolution does not exceed 50 per cent (50%) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20 per cent (20%) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) notwithstanding the provisions of Article 4 of the Articles of Association of the Company but subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time this Resolution is passed, after adjusting for:-
 - a. new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time this Resolution is passed; and
 - b. any subsequent consolidation or subdivision of shares; and

- (iii) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[Resolution No. 7]

ORDER OF THE BOARD

Lim Bee Lian Eliza
Company Secretary
Singapore, 16 July 2008

Explanatory Notes on Ordinary Resolutions to be transacted:

- a. Ms. Chua Eng Eng is the Managing Director of the Company.
- b. Mr. Goh Chee Wee is an Independent Non-Executive Director, Chairman of the Remuneration Committee and also a member of the Audit Committee and Nomination Committee. If he is re-elected, he will continue as the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.
- c. The Audit Committee has recommended that Deloitte & Touche LLP be re-appointed as Auditors.

Explanatory Notes on Special Business to be transacted:

- d. Resolution No. 7 is to empower the Directors to issue shares in the capital of the Company up to an amount not exceeding in total 50 per cent (50%) of the issued share capital of the Company, with a sub-limit of 20 per cent (20%) for shares issued other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued share capital shall be based on the issued share capital of the Company at the time that Resolution No. 8 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time that Resolution No. 8 is passed, and (b) any subsequent consolidation or subdivision of shares. The share options referred to are to those granted by the Company pursuant to share option scheme governed by Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Notes:

A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead and the proxy need not also be a Member of the Company. The instrument appointing a proxy must be deposited at the Registered Office of the Company at least 48 hours before the time appointed for the Meeting.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that registerable transfers received by the Company's Registrar, M&C Services Private Limited at 138 Robinson Road #17-00 The Corporate Office, Singapore 068906, not later than **5:00 p.m. on 15 August 2008** will be registered before entitlements to the first and final 1-tier tax exempt dividend of 0.225 cents per ordinary share in respect of the financial year ended 31 March 2008 are determined.

Members whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares as at **5:00 p.m. on 15 August 2008** will be entitled to the proposed first and final 1-tier tax exempt dividend for the financial year ended 31 March 2008.

Payment of the proposed first and final dividend, if approved by the Company at the forthcoming Annual General Meeting, will be made on **5 September 2008**.

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Company Secretary
Singapore, 16 July 2008

KING WAN CORPORATION LIMITED

Important:

1. For investors who have used their CPF monies to buy King Wan Corporation Limited's shares, the Annual Report is forwarded to them at the request of their CPF Approved nominee and is sent solely for information only.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

I/We _____ (Name)

of _____ (Address)

being a member/members of King Wan Corporation Limited ("the Company") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be on 31 July 2008 and at any adjournment thereof.

I/We have indicated with an "X" in the appropriate box against such item how I/we wish my/our proxy/proxies to vote. If no specific direction as to voting is given, my/our proxy/proxies may vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.

Resolutions relating to:		For	Against
1	Adoption the Reports and Accounts for year ended 31 March 2008		
2	Re-election of Ms. Chua Eng Eng as Director		
3	Re-election of Mr. Goh Chee Wee as Director		
4	Approval of Directors' fees for year ended 31 March 2008		
5	Approval of the first and final one-tier tax exempt dividend of 0.225 cents per ordinary share		
6	Re-appointment of Deloitte & Touche as auditors		
7	Authority for allotment and issuance of shares pursuant to Section 161 of the Companies Act, Cap. 50.		

Signed this day of July 2008

Total Number of Shares Held in:

CDP Register	
Register of Members	

Signature of Shareholder(s)
or Common Seal of Corporate Shareholder

Important: Please read notes overleaf



Postage
Stamp

To: The Company Secretary
KING WAN CORPORATION LIMITED
8 Sungei Kadut Loop,
Singapore 729455

Fold along dotted line

Fold along dotted line

NOTES :

- a. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares entered against your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument of proxy will be deemed to relate to all the Shares held by you.
- b. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint no more than two proxies to attend and vote on his behalf and such proxy need not be a member of the Company. Where a member appoints two proxies, the appointment shall be deemed to be alternative unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- c. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy by resolution of its directors or other governing body such person as it thinks fit to vote on its behalf.
- d. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 8 Sungei Kadut Loop, Singapore 729455 not less than 48 hours before the time appointed for the Annual General Meeting.
- e. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
- f. In the case of members whose Shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company shall be entitled to reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Annual General Meeting as certified by the CDP to the Company.
- g. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- h. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.