

gaining ground annual report 2005

King Wan Corporation Limited



Just like how the butterfly enables the pollination of flowers, so too does King Wan see itself as an enabler of advancement – both for its own businesses, and its partners' interests. When this winning strategy is complemented with the devoted nurturing of its assets, it is obvious King Wan can look forward to ever-expanding, ever-blooming fields. Success breeds success after all.

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

Integrity and 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



Chairman's Statement

To my fellow shareholders,

After a challenging yet fulfilling year for King Wan, I am pleased to present to you the Group's performance for the financial year ended 31 March 2005 ("FY2005") in which the Group bounced resolutely back into the black after a disappointing year in 2004 ("FY2004"), in line with tough conditions in Singapore's construction sector.

The Group has stuck closely to its business two-pronged strategy of staying focused on its core Mechanical and Electrical ("M&E") engineering business but keeping tight reins on budgeting for project tender proposals; as well as diversifying both geographically and by business activities through prudent mid-term investments to reduce its dependence on Singapore's construction market and enhance earnings base.

However, while overall market sentiments picked up during 2004, intense competition still maintained its grip on the construction industry in Singapore, placing immense pressures on all players in the industry, King Wan included.

The Group's turnover in FY2005 jumped 83% to S\$58.2 million compared to S\$31.8 million in the previous year. The marked improvement in turnover was boosted mainly by higher contributions from the Group's core M&E business. Revenue from the M&E segment was S\$56.1 million in FY2005, due mainly to the completion of more major contracts. The Group recorded a net profit of S\$0.6 million in FY2005 which rebounded sharply from a net loss of S\$4.9 million in FY2004.

Our strategy to expand our investment portfolio in the past has begun to bear fruits for the review year. Both 30%-held associate Cables International Pte Ltd ("CI"), a leading supplier of electrical cables and an accessories solution provider in the energy sector, and Environment Pulp and Paper Company Limited ("EPPCO"), a 20% owned Thai producer of pulp derived from sugar cane bagasse, contributed positively to the Group's results in FY2005.

FY2005 also saw the expansion of the Group into the property development market in China. The Group subscribed for a 35% stake in Dalian Shicheng Property



Development Co.,Ltd, which has since acquired a piece of land of aggregate 236,000 square metres for the development of an integrated commercial cum residential hub in Greater Dalian to capitalize on Dalian's thriving industrial sector.

In FY2005, the Group also invested in a 20% stake in a Thai company, Ekarat Pattana ("EK"), which is primarily involved in the production, sale and distribution of ethanol in Thailand for chemical applications and consumption. This associate is currently in the setting up stage and has not commenced operations.

Outlook for FY2006

Mechanical and Electrical Engineering

Despite a weak construction market, King Wan Construction Pte Ltd managed to build up an order book of S\$87 million as at 31 March 2005, with project completion dates extending up to 2009. The Group will continue to be vigilant in its pursuit of tenders for new projects with tenable margins.

The difficulties faced by the construction sector in the last few years had prompted the review of many practices in the industry such as the introduction of the Security of Payments Bill to ensure fairer practices in the construction industry. As a result, our operating environment is expected to improve and become more conducive for high quality contractors like ourselves to discharge its contractual obligations and duties.

Although the difficult times faced by the construction industry had weeded out numerous weaker players in this business sector, the Group still expects competition to remain intense in the coming year. With signs of continued improvements in the Singapore economy, and in anticipation of the much needed stimulus to the building industry from prospective sizeable new projects in the horizon vis-à-vis Singapore's two Integrated Resorts, the Group is hopeful that it is well positioned to leverage on an improved market going forward.

Despite the improving outlook, we will continue to maintain a cautiously optimistic outlook for our M&E business, prudently expanding on the present client base and remain on the lookout for opportunities to extend our service range and expertise.

Paint Manufacturing and Distribution

This China-centric business continues to face intense competition from both local and overseas paint manufacturers. Efforts are being made to reposition the business and rationalize its distribution and marketing network.

The rationalization process will include detailed studies on the product mix, operation cost structure and marketing-related strategies as well as reviewing better ways to meet customer demands.

Cables International Pte Ltd (CI)

FY2005 was the second year in which our 30% equity interest in CI has contributed to the Group's performance since acquisition. With the buoyant oil and gas sector, we expect CI to maintain, if not improve on its contribution to the Group.

Environment Pulp & Paper Co., Ltd (EPPCO)

Production at EPPCO's new 100,000 metric tons bagasse pulp plant has been picking up and EPPCO had since commenced marketing its environment friendly bagasse

pulp to both the local Thai and international markets and had started contributing positively to the Group's results. We are hopeful that with EPPCO completing its initial phase, it should continue to contribute to the Group's results in the current financial year ending 31 March 2006.

Dalian Shicheng Property Development Co.,Ltd (DLSC)

Since the successful tender for the piece of land in Lushunkou, Dalian, the company has begun preparatory works in anticipation of the construction phase. Our plan is for the first phase of the project to be ready for launch by the end of 2005. With the demand for good quality housing steadily increasing in China and Dalian's continued industrial boom, the Group is hopeful that the first phase will be well received by prospective buyers.

Personal thanks

I would like to take this opportunity to extend my heartfelt gratification to all members on the Board for their valuable contribution, continuous support and incessant efforts to improve the performance of the Group. We have, through the years, built a cohesive team that would be instrumental in lifting the Group to greater heights.

On behalf of the Board of Directors, it gives me great pleasure to welcome Ms Ganoktip Siriviriyakul onto the Board of Directors. I am sure Ms. Ganoktip, with her vast experience in Thailand's business arena, will be in an excellent position to contribute tremendously to the Group's business.

I would also like to thank all staff members for their determination, dedication, commitment and hard work during these difficult times.

I would also like to thank our shareholders, customers, business partners and associates for their support in the past year and look forward to your continuing support in the coming year.



Chua Kim Hua

Chairman

Board of Directors

Chua Kim Hua, aged 65, serves as the Group's Chairman. He brings with him more than 30 years of experience in the building and construction industry. As a licensed PUB electrician, he started his career in 1967. 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 he 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). He is also the Director and Non-Executive Chairman of Vicplas International Ltd.

Chua Eng Eng, aged 35, 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.

Foo Kok Swee @ Pu Kok Swi, aged 67, 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 Phillipines. Mr Foo was formerly a council member of the Singapore Chinese Chamber of Commerce & Industry. His past experience includes the appointment as Executive Chairman of International Factors (Singapore) Limited and the Chief Executive Officer of ECICS Holdings Limited. He is currently the Director of NTUC Income Insurance Co-operative and serves on the board of directors of various listed companies in Singapore such as Eng Wah Organization and Horizon Education & Technologies. In addition, he serves as Singapore's Non-Resident Ambassador to Slovak Republic. 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.

Chua Hai Kuey, aged 54, 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 monitoring wastage to control cost.

Lim Hock Beng, aged 65, 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. 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 this, he founded Lim Associates (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 of 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 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, Action Asia Ltd and LMA International N.V.

Ng Eng Kiong, aged 55, is an Independent Non-Executive Director. He also serves as a member of the Nomination Committee. He holds a Bachelor of Electrical Engineering degree from the then University of Singapore and a Masters of Science degree majoring in Property and Maintenance Management from the National University of Singapore. He is a Registered Professional Engineer in Singapore and a Registered Chartered Engineer in the United Kingdom. Mr Ng was formerly with HDB for 15 years. He joined as an Engineer in 1974 and was promoted to Head of Computer Services Department in 1989. He is currently the Managing Director and Shareholder of Squire Mech Pte Ltd.



Chua Kim Hua



Chua Eng Eng



Foo Kok Swee @ Pu Kok Swi



Chua Hai Kuey



Lim Hock Beng



Ng Eng Kiong



Goh Chee Wee



Ganokthip Siriviriyakul



Ang Mong Seng (Advisor)

Goh Chee Wee, aged 59, 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 was formally the Minister of State for Trade and Industry, Labour and Communications. He was also the Group Managing Director of Comfort Group Ltd. He is currently the Chairman of NTUC Media, NTUC Childcare and NTUC Foodfare, and a Consultant to NTUC Fairprice. He is also a Director of a number of public listed companies in Singapore.

Ganokthip Siriviriyakul, aged 58, 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 managing director of many companies, including T.I.S.S. Co., Ltd., one of the largest sugar exporters in Thailand. She also serves as a director in both Environment Pulp and Paper Co.,Ltd. and Ekarat Pattana Co.,Ltd., two of our Group's new ventures in Thailand.

Ang Mong Seng, aged 55, joined King Wan as an Advisor in September 2002. He holds a Bachelor of Arts degree from the former Nanyang University of Singapore. He has more than 25 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 Operating 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 and Ecowise Holdings Ltd.

Corporate Information

Board of Directors

Chua Kim Hua (Chairman)
Chua Eng Eng (Managing Director)
Chua Hai Kuey
Lim Hock Beng
Foo Kok Swee @ Pu Kok Swi
Goh Chee Wee
Ng Eng Kiong
Ganoktip Siriviriyakul

Advisor

Ang Mong Seng

Company Secretary

Eliza Lim Bee Lian, ACIS

Audit Committee

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

Remuneration Committee

Goh Chee Wee (Chairman)
Lim Hock Beng
Chua Eng Eng

Nomination Committee

Foo Kok Swee @ Pu Kok Swi (Chairman)
Goh Chee Wee
Ng Eng Kiong

Auditors

Deloitte & Touche
Certified Public Accountants
6 Shenton Way
#32-00, DBS Building Tower 2
Singapore 068809

Audit Partner

Dr Ernest Kan Yaw Kiong
(First appointed on 20 July 2000)

Share Registrar

M&C Services Private Limited
138 Robinson Road
#17-00
The Corporate Office
Singapore 068906

Bankers

Oversea-Chinese Banking Corporation Limited
Maybank Banking Berhad
DBS Bank
United Overseas Bank

Registered Office

8 Sungei Kadut Loop
Singapore 729455
Tel : 65-6368 4300
Fax : 65-6365 7675
E-mail: kwc@kingwan.com.sg
Website: www.kingwan.com

Group Structure



Calendar of Corporate Events

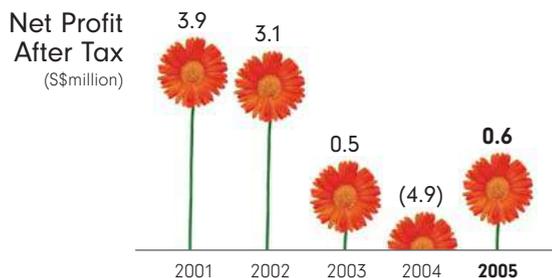
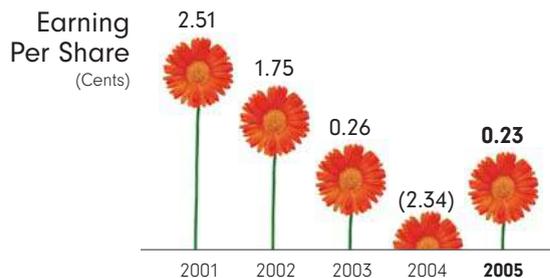
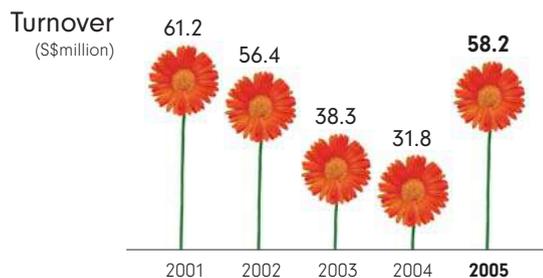
24 Apr 2004	Expiry of Bonus Warrants W040424
03 May 2004	Successful placement of 41,000,000 ordinary shares of \$0.10 each
17 May 2004	Announcement of the acquisition of a 20% stake in Ekarat Pattana Co., Ltd
21 Jul 2004	Announcement of the subscription of a 35% stake in Dalian Shicheng Property Development Co., Ltd
09 Nov 2004	Announcement of Financial Year 2005 Half Year Financial Results
24 Dec 2004	Successful acquisition of 20% stake in Environment Pulp & Paper Company Limited (EPPCO) thru the issuance of 76,875,000 ordinary shares in the Company
25 May 2005	Announcement of Financial Year 2005 Full Year Financial results
06 Jul 2005	Issuance of FY2005 Annual Report
22 Jul 2005	6th Annual General Meeting
05 Aug 2005	Books closure date for proposed First & Final dividend
19 Aug 2005	Proposed payment of First & Final dividend at 0.15 cents per ordinary share



Five Year Financial Highlights

As at 31 March

	2001 S\$'000	2002 S\$'000	2003 S\$'000	2004 S\$'000	2005 S\$'000
Profit & Loss Account					
Turnover	61,167	56,447	38,326	31,829	58,241
Net Profit After Tax	3,933	3,104	518	(4,853)	617
Proposed Dividends (Net)	669	691	0	0	488
Balance Sheet					
Fixed Assets	19,053	17,812	17,201	15,862	15,381
Current and other assets	20,843	22,815	25,028	25,864	38,461
Total Assets	39,896	40,627	42,229	41,726	53,842
Shareholders' Funds	23,896	26,268	32,243	27,311	41,758
Long and short term borrowings	367	363	776	3,966	3,796
Other liabilities	15,633	13,996	9,210	10,449	8,288
Total Reserves and Liabilities	39,896	40,627	42,229	41,726	53,842
Per Share Data (Cents)					
Net Earnings After Tax	2.51	1.75	0.26	(2.34)	0.23
Dividends (Gross)	0.50	0.50	-	-	0.15
Dividends (Net)	0.38	0.39	-	-	0.15
Dividends Cover	6.65	4.49	-	-	1.55
Net Tangible Assets	15.24	14.80	15.55	13.17	12.84
Financial Ratios					
Return on Shareholders' Funds (%)	16.5%	11.8%	1.6%	-17.8%	1.5%
Return on Total Assets Employed	9.9%	7.6%	1.2%	-11.6%	1.1%
Debt-Equity Ratio	0.02	0.01	0.02	0.15	0.09



Operations Review

Performance Overview The Group's turnover improved by 83% to S\$58.24 million in the financial year just ended.

The Mechanical and Electrical (M&E) business segment contributed significantly to this increase, recording an improvement in turnover from S\$29.4 million in FY2004 to S\$56.09 million as a result of the completion of more major projects. This was a marked improvement over the last financial year where there were generally fewer projects in progress.

The Paint manufacturing and distribution business in China experienced a slight dip in turnover from S\$1.02 million in FY2004 to S\$998,000 in the current year.

The Portable toilet rental business experienced a slight decrease in turnover from S\$1.30 million to S\$1.15 million, contributing 2% to the Group's turnover. There was a slight decrease in the demand for our services in the construction sector and the servicing of holding tanks despite steady increases in rental from tentage operators and event organizers.

Profit after Taxation The Group's profits after taxation for the financial year was S\$617,000, a reversal from the loss after tax of S\$4.85 million in the previous financial year. The improved performance was due mainly to better performance turned in by the M&E business segment as a result of more work completed. There was also net write back of provision for doubtful debts in the current year compared to hefty provisions in the last financial year that were made for main contractors who were unable to pay for work completed.

There was no impairment deemed necessary in the value of fixed assets in the current year as compared to a provision of S\$251,000 in the last financial year for a leasehold property owned by the Group. There were also higher gains from the disposal of fixed assets in the current year.

At the Group level, there was higher share of profits from 2 associated companies, namely Cables International Pte Ltd, who improved on last year's performance and newly acquired EPPCO. The improvements above were partly

negated by provisions for the loss in diminution in value of investments for both quoted and unquoted securities.

Earnings Per Share (EPS) EPS reversed from a loss of 2.34 cents to a gain of 0.23 cents as a result of the higher profits for the financial year just ended. The increase was possible even though there was an increase in the weighted average number of ordinary shares in issue during the year from 207.3 million to 264.4 million.

Balance Sheet Review The Group's equity base strengthened by 52.9% or from \$27.3 million to S\$41.8 million as at 31.3.2005. The improvement was due to the issuance of new ordinary shares of the company during the financial year, once through a share placement exercise of 41 million new ordinary shares at S\$0.10 each and the other through the issuance of 76.9 million ordinary shares at S\$0.128 each as purchase consideration for a 20% stake in associated company, Environment Pulp & Paper Co., Ltd ("EPPCO").

Total current assets decreased by 4.9% or from \$23.5 million to \$22.4 million. This decrease was due to repayment by associated companies for amounts owing during the year, coupled with lower value of construction works that are in progress. There were also lower cash balances due to applications in operations and investments. These decreases were partially offset by an increase in trade receivables due to the timing of receipts and a higher inventory holding.

Non-current assets increased by 77.8% or from \$17.7 million to \$31.5 million largely due to investments in associates during the year.

Payment of income tax liabilities and a decrease in trade payables due to timing differences at year-end accounted for the bulk of the decrease in current liabilities from \$13.8 million to \$11.9 million. Current ratio had increased from 1.70 to 1.87.

Compared to FY2004, net asset value per share decreased marginally by 2.5% to 12.84 cents per share due mainly to the increased number of ordinary shares in issue as at year-end.

The debt equity ratio decreased from 0.15 to 0.09 due to a larger equity base.

Cashflows & Liquidity In FY2005, net cash used in operating activities amounted to \$0.11 million compared to \$0.98 million in FY2004. The decrease was due mainly to more funds generated from operations in the current financial year due to higher profits earned by the Group. There was also lower financing of work-in-progress compared to the previous financial year. These net inflows were partly negated by increases in working capital requirements for trade receivables and trade payables accounts due mainly to timing differences in collections and payments respectively.

In investing activities, funds were primarily applied in the acquisition of interest in associated companies in China (Dalian Shicheng Property Development Co., Ltd) and Thailand (Ekarat Pattana Co., Ltd). The funds used were mainly raised from a share placement exercise during the financial year where 41,000,000 ordinary shares were

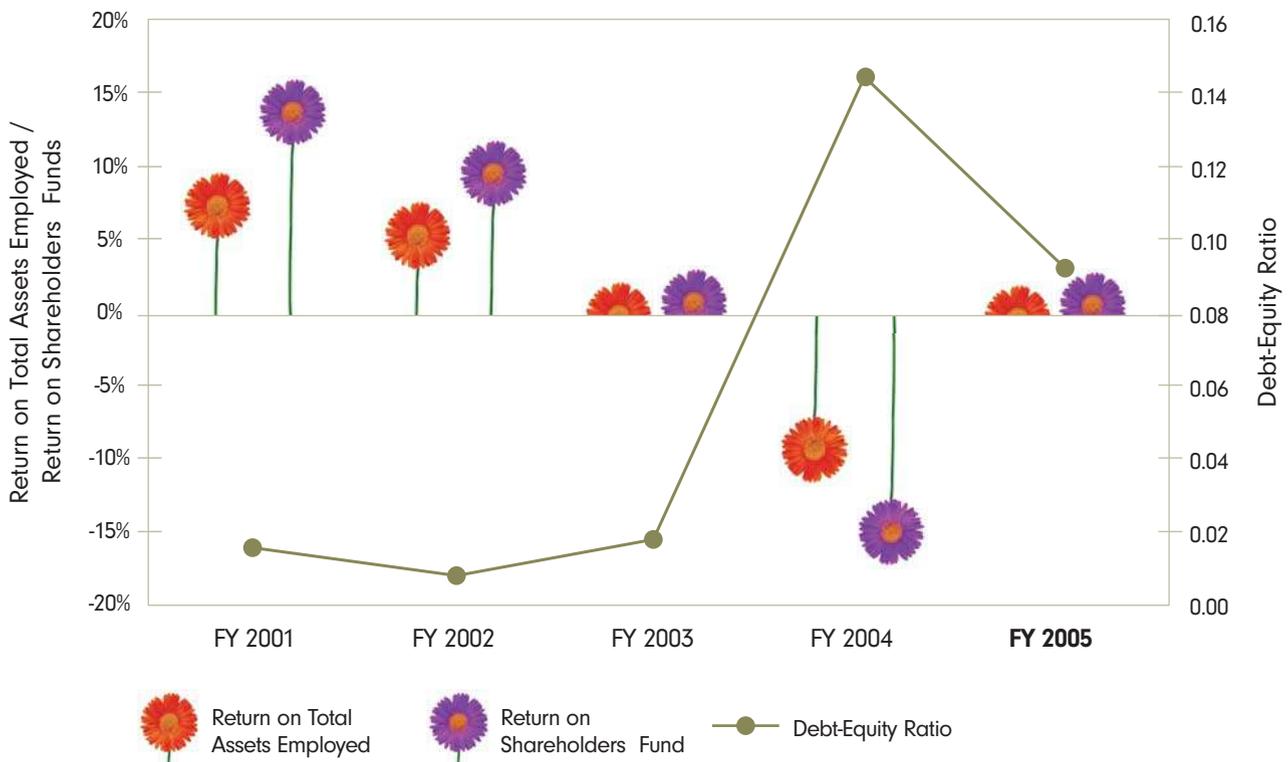
issued at S\$0.10 each, raising a gross amount of S\$4,100,000 for the Group.

Cashflows generated from financing activities were higher compared to FY2004 due to funds raised from the share placement exercise mentioned in the above paragraph.

Utilisation of Funds from Shares Placement Exercise During the financial year, the Company issued 41 million shares at S\$0.10 each through a shares placement exercise.

Net proceeds amounting to approximately S\$4 million was received. The amounts raised was fully utilized in the investment in associates, namely in Dalian Shicheng Property Development Co., Ltd (~S\$2.36 million) and in Ekarat Pattana Co., Ltd (~S\$1.82 million).

Financial Ratios



Dalian Shicheng Property Development Co., Ltd

Dalian Shicheng Property Development Co., Ltd ("DSPD") is incorporated in June 2004 in The People's Republic of China with a registered share capital of USD4million. Its principal activities include the development, marketing and sale of both residential and commercial properties in China. Since incorporation, DSPD had successfully tendered and obtained the development and land use rights to a piece of land situated at Lushunkou District about 45mins drive from Dalian city center.

The land occupies approximately 236,000 sqm with a plot ratio of 1.2 and will be used to develop both residential and commercial properties. This multi-phase development is aptly named "Shicheng Huayuan", and will be modeled after the Singapore's blueprint.

"Shicheng Huayuan", when completed will house approximately 3,000 units of high and low-rise apartments,



terrace houses, commercial buildings and shopfronts with amenities such as landscaped recreational facilities, club houses and childcare centers.

Dalian, dubbed as "the pearl of northern China" is developing with great speed. With the Chinese Central Government's objective in building the city and creating an environment most suitable for business and dwelling, the demand for residential and commercial properties are expected to increase.

There is also an upward trend in the demand for good quality residential and commercial properties in Dalian as the population becomes more affluent and possesses higher spending power. Planning and construction on the 1st phase of the development commenced in 2005 and is expected to be launched by the end of this year.



With the Chinese Central Government's objective in building the city and creating an environment most suitable for business and dwelling, the demand for residential and commercial properties are expected to increase.

Environment Pulp and Paper Co Ltd

Environment Pulp and Paper Co Ltd ("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 Japan and Taiwan.

EPPCO commenced operations in Nov 2004 has been granted promotion privileges from the Board of Investment of Thailand which will accord them tax exemption benefits for 8 years from the date that it earns its first income, and reduced income tax rate for the next 2 years.

Cables International

Since 2003, Cables International has evolved into a full service provider to the international energy sector with a focus on the provision of top of the range electrical products, namely - Cables and Accessories.

Representing the best brands in the industry, Cables International is now one of the largest stockist of offshore cables and accessories in the world. Pirelli, one of the world's largest cable manufacturer and Jinro, a leading offshore and marine cable manufacturer are amongst our stable of cable suppliers offering the most comprehensive range of offshore cables. With both European and Korean options, we are able to meet stringent quality and deadline with very competitive pricing. On board with us for accessories, we have Pirelli Bicon for glands and fittings, Walsall for their hazardous areas junction boxes and Rig A Lite for their explosion proof lightings.

With the increased offshore activities in this region, we have been able to work with our customers in designing products and services packages to suit their needs, such as stock management, production scheduling, non-agency products sourcing etc.



Our services and products have reached the continents of Africa, Australia, Europe, India and Asia Pacific. We continue to explore new areas for growth and the years ahead for both the industry and Cables International are expected to be very exciting.

Financial Statement

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Report of the Directors

KING WAN CORPORATION LIMITED AND ITS SUBSIDIARIES

The directors present their report together with the audited financial statements of the company and the consolidated financial statements of the group for the financial year ended March 31, 2005.

The directors have described the nature and extent of the functions performed by the audit committee in the annual report in pursuant to the Singapore Companies Act for the current financial year.

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 Ng Eng Kiong	
Mr Foo Kok Swee @ Pu Kok Swi	
Mr Goh Chee Wee	
Mr Lim Hock Beng	
Ms Ganoktip Siriviriyakul	(Appointed on December 24, 2004)

2 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.

3 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 except as follows:

Names of directors and company in which interests are held	At beginning of year or date of appointment	At end of year	At April 21, 2005
King Wan Corporation Limited	Shares of \$0.10 each		
Chua Kim Hua	31,613,319	44,113,319	44,113,319
Chua Hai Kuey	22,247,676	22,247,676	22,247,676
Chua Eng Eng	11,745,906	28,295,906	28,295,906
Ng Eng Kiong	1,972,811	1,972,811	1,972,811
Foo Kok Swee @ Pu Kok Swi	100,000	100,000	100,000
Ganoktip Siriviriyakul	76,875,000	76,875,000	76,875,000
	Warrants to subscribe for ordinary shares at \$0.10 each at an exercise price of \$0.19 each		
Chua Kim Hua	296,597	-	-
Chua Hai Kuey	70	-	-
Ng Eng Kiong	300,124	-	-
Foo Kok Swee @ Pu Kok Swi	40,000	-	-

4 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 as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5 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. The 70,920,748 warrants which can be converted into the company's ordinary share at any time up to April 24, 2004 for cash at the exercise price of \$0.19 per ordinary share, have lapsed and are unexercised at the date of this report.

6 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.

7 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.

8 AUDITORS

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

ON BEHALF OF THE DIRECTORS

Chua Kim Hua

Chua Eng Eng

May 16, 2005

Auditors' Report

TO THE MEMBERS OF KING WAN CORPORATION LIMITED

We have audited the financial statements of King Wan Corporation Limited for the financial year ended March 31, 2005 set out on pages 17 to 42. These financial statements are the responsibility of the company's directors. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our 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 Singapore Companies Act, Cap. 50 (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, 2005 and of the results of the group, changes in equity of the group and of the company and cash flows of the group 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
Certified Public Accountants

Ernest Kan Yaw Kiong
Partner

Singapore
May 16, 2005

Balance Sheets March 31, 2005

KING WAN CORPORATION LIMITED AND ITS SUBSIDIARIES

	Note	Group		Company	
		2005 \$	2004 \$	2005 \$	2004 \$
ASSETS					
Current assets:					
Cash and cash equivalents		4,239,652	5,125,754	1,369,118	1,692,652
Trade receivables	5	7,417,057	7,005,905	-	-
Other receivables and prepayments	6	525,533	1,047,265	41,099	558,193
Amount due from subsidiaries	7	-	-	13,199,830	8,618,948
Inventories	8	2,040,301	1,866,596	-	-
Construction work-in-progress – net	9	8,132,930	8,472,269	-	-
Total current assets		22,355,473	23,517,789	14,610,047	10,869,793
Non-current assets:					
Long-term portion of other receivables	6	-	125,000	-	-
Investment in associates	10	15,846,922	1,391,065	10,441,334	600,001
Investment in subsidiaries	11	-	-	17,956,789	17,956,789
Property, plant and equipment	12	15,380,511	15,862,268	-	-
Other investments	13	187,957	221,812	-	-
Goodwill	14	71,056	106,584	-	-
Total non-current assets		31,486,446	17,706,729	28,398,123	18,556,790
Total assets		53,841,919	41,224,518	43,008,170	29,426,583
LIABILITIES AND EQUITY					
Current liabilities:					
Bank borrowings	15	3,569,484	3,836,772	-	-
Trade payables	16	6,936,687	7,825,760	-	-
Other payables	17	834,306	875,398	164,869	156,579
Current portion of finance lease	18	74,595	47,587	-	-
Income tax payable		516,138	1,245,926	-	-
Total current liabilities		11,931,210	13,831,443	164,869	156,579
Non-current liability:					
Finance lease	18	152,397	81,992	-	-
Total non-current liability		152,397	81,992	-	-
Capital and reserves:					
Issued capital	19	32,517,687	20,730,187	32,517,687	20,730,187
Share premium	20	7,579,609	5,512,951	7,579,609	5,512,951
Accumulated profits		1,351,543	1,222,454	2,258,240	3,026,866
Dividend reserve		487,765	-	487,765	-
Currency translation reserves		(178,292)	(154,509)	-	-
Total equity		41,758,312	27,311,083	42,843,301	29,270,004
Total liabilities and equity		53,841,919	41,224,518	43,008,170	29,426,583

See accompanying notes to financial statements.

Consolidated Profit and Loss Statement

Financial year ended March 31, 2005

KING WAN CORPORATION LIMITED AND ITS SUBSIDIARIES

	Note	Group	
		2005 \$	2004 \$
Revenue	21	58,241,397	31,828,959
Cost of sales		(52,966,014)	(29,737,899)
Gross profit		5,275,383	2,091,060
Other operating income	22	921,912	842,058
Distribution costs		(345,276)	(414,527)
Administrative expenses		(5,325,256)	(7,255,971)
Profit (Loss) from operations		526,763	(4,737,380)
Finance cost		(134,253)	(120,703)
Share of associates' results before tax		402,698	171,015
Profit (Loss) before income tax	23	795,208	(4,687,068)
Income tax expense	24	(178,354)	(165,459)
Profit (Loss) for the financial year		616,854	(4,852,527)
Earning (Loss) per share (cents)			
Basic	25	0.23	(2.34)
Diluted	25	0.23	(2.34)

See accompanying notes to financial statements.

Statements of Changes in Equity Financial year ended March 31, 2005

KING WAN CORPORATION LIMITED AND ITS SUBSIDIARIES

	Issued capital \$	Share premium \$	Accumulated profits \$	Dividend reserve \$	Currency translation reserves \$	Total \$
Group						
Balance at April 1, 2003	20,730,187	5,512,951	6,074,981	-	(74,928)	32,243,191
Currency translation differences	-	-	-	-	(79,581)	(79,581)
Net loss after income tax	-	-	(4,852,527)	-	-	(4,852,527)
Balance at March 31, 2004	20,730,187	5,512,951	1,222,454	-	(154,509)	27,311,083
Currency translation differences	-	-	-	-	(23,783)	(23,783)
Net profit after income tax	-	-	616,854	-	-	616,854
Proposed dividend ⁽¹⁾	-	-	(487,765)	487,765	-	-
Issued shares	11,787,500	2,152,500	-	-	-	13,940,000
Share issue expenses	-	(85,842)	-	-	-	(85,842)
Balance at March 31, 2005	32,517,687	7,579,609	1,351,543	487,765	(178,292)	41,758,312
Company						
Balance at April 1, 2003	20,730,187	5,512,951	2,780,895	-	-	29,024,033
Net profit after income tax	-	-	245,971	-	-	245,971
Balance at March 31, 2004	20,730,187	5,512,951	3,026,866	-	-	29,270,004
Net loss after income tax	-	-	(280,861)	-	-	(280,861)
Proposed dividend ⁽¹⁾	-	-	(487,765)	487,765	-	-
Issued shares	11,787,500	2,152,500	-	-	-	13,940,000
Share issue expenses	-	(85,842)	-	-	-	(85,842)
Balance at March 31, 2005	32,517,687	7,579,609	2,258,240	487,765	-	42,843,301

⁽¹⁾ Subsequent to March 31, 2005, the directors of the company recommended that a final dividend be paid at \$0.0015 per ordinary share (tax exempt) for the financial year just ended.

Consolidated Cash Flow Statement

Financial year ended March 31, 2005

KING WAN CORPORATION LIMITED AND ITS SUBSIDIARIES

	2005 \$	2004 \$
Cash flows from operating activities:		
Profit (Loss) before income tax	795,208	(4,687,068)
Adjustments for:		
Depreciation	1,072,510	1,318,898
(Writeback) Allowance for doubtful trade receivables	(112,100)	1,339,769
Allowance (Writeback) for quoted investments	121,554	(190,859)
Allowance for inventories	50,228	21,590
Amortisation of goodwill	35,528	35,528
Write-off of trade receivables	-	28,721
Interest income	(25,808)	(11,400)
Interest expense	134,253	120,703
Gain on disposal of plant and equipment	(153,662)	(6,655)
Dividend income from quoted investments	(83)	(4,344)
Loss on sale of quoted investments	12,035	97,219
Share of associates' results	(402,698)	(171,015)
Impairment loss of property	-	251,272
Operating profit (loss) before working capital changes	1,526,965	(1,857,641)
Trade receivables	(498,772)	3,512,024
Other receivables and prepayments	646,034	638,491
Construction work in progress - net	342,103	(3,563,500)
Inventories	(243,103)	(270,027)
Trade payables	(888,762)	1,255,769
Other payables	(39,274)	(9,345)
Cash generated from (used in) operations	845,191	(294,229)
Income tax paid	(844,241)	(577,573)
Interest received	25,808	11,400
Interest paid	(134,253)	(120,703)
Net cash used in operating activities	(107,495)	(981,105)
Cash flows (used in) from investing activities:		
Dividends received	83	4,344
Proceeds from disposal of quoted investments	90,585	302,711
Purchase of property, plant and equipment [Note (a)]	(495,643)	(310,422)
Proceeds from the disposal of plant and equipment	182,449	51,214
Acquisition of interest in associates [Note (b)]	(4,277,059)	(850,000)
Net cash used in investing activities	(4,499,585)	(802,153)
Cash flows from (used in) financing activities:		
Obligations under finance lease	(52,588)	(95,826)
Proceeds from issuing shares [Note (b)]	4,100,000	-
(Decreased) Increased in Short-term bank borrowings	(29,697)	1,676,721
Expenses incurred to raise equity capital	(85,842)	-
Net cash from financing activities	3,931,873	1,580,895
Net effect of exchange rate changes in consolidating a foreign subsidiary	26,696	48,836
Net decrease in cash and cash equivalents	(648,511)	(153,527)
Cash and cash equivalents at beginning of financial year	2,965,703	3,119,230
Cash and cash equivalents at end of financial year [Note (c)]	2,317,192	2,965,703

Note (a):

	2005 \$	2004 \$
Purchase of property, plant and equipment	645,643	349,924
Less: Assets purchased under finance lease	(150,000)	(39,502)
Net	<u>495,643</u>	<u>310,422</u>

Note (b):

The purchase consideration of \$9,840,000 in an associate, Environment Pulp and Paper Company Limited is satisfied by the issuance of 76,875,000 new ordinary shares at an agreed issued price of \$0.128 each.

	2005 \$	2004 \$
Investment in associates	14,117,059	850,000
Less: Non-cash consideration satisfied by the issuance of 76,875,000 new ordinary shares at an agreed issued price of \$0.128 each	(9,840,000)	-
Net	<u>4,277,059</u>	<u>850,000</u>
Proceeds from issuance of shares	13,940,000	-
Less: Non-cash consideration satisfied by the issuance of 76,875,000 new ordinary shares at an agreed issued price of \$0.128 each	(9,840,000)	-
Net	<u>4,100,000</u>	<u>-</u>

Note (c):

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

	2005 \$	2004 \$
Cash and bank balances	3,964,567	3,848,495
Fixed deposits	275,085	1,277,259
Total	<u>4,239,652</u>	<u>5,125,754</u>
Less: Bank overdrafts	(1,922,460)	(2,160,051)
Net	<u>2,317,192</u>	<u>2,965,703</u>

Notes to Financial Statements March 31, 2005

KING WAN CORPORATION LIMITED AND ITS SUBSIDIARIES

1 GENERAL

The company (Registration No. 200001034R) is incorporated in the Republic of Singapore with its registered office at No 8 Sungei Kadut Loop, Singapore 729455. The company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are measured and 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 11 to the financial statements.

The financial statements of the company and the consolidated financial statements of the group for the financial year ended March 31, 2005 were authorised for issue by the Board of Directors on May 16, 2005.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost convention and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the company and enterprises controlled by the company (its subsidiaries) made up to March 31 each year. Control is achieved when the company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities. On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. All significant intercompany transactions and balances between group enterprises are fully eliminated on consolidation. In the company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in the profit and loss statement.

FINANCIAL ASSETS – The company's and group's principal financial assets are cash and bank balances, trade and other receivables and other investments. Trade and other receivables are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts.

ASSOCIATES – Associates are entities over which the group exercises significant influence, through participation in the financial and operating policy decisions of the investee. The carrying amounts of such investments are adjusted to recognise the share of post-acquisition accumulated results using the equity method of accounting. Investments in the associates are carried at cost less any impairment in net recoverable value that has been recognised in the profit and loss statement.

FINANCIAL LIABILITIES AND EQUITY – Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include trade and other payables, bank overdrafts, term loans and finance lease obligations. Trade and other payables are stated at their nominal values. Interest-bearing bank overdrafts and term loans are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Equity instruments are recorded at the fair value of the consideration received, net of direct issue costs. Dividends on ordinary shares are recognised in shareholders' equity in the period in which they are declared.

OTHER INVESTMENTS – Investments comprise quoted and unquoted equities. Unquoted equities are stated at cost less any impairment in net recoverable value.

Quoted equity instruments are carried at the lower of cost or market value at the balance sheet date. Increases or decreases in the carrying amounts of these short-term investments are recognised in the profit and loss statement.

INVENTORIES – Inventories comprising raw material 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 CONTRACTS – 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. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probably 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 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 impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

The gain or loss arising on the disposal or retirement of an asset 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.

Depreciation is computed using the straight-line method to write off the cost of these assets over their estimated useful lives based upon the following rates per annum:

Leasehold buildings and properties	-	1% to 4%
Plant and machinery	-	5% to 20%
Office equipment	-	10% to 50%
Motor vehicle	-	10% to 20%
Portable toilets	-	20%

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

GOODWILL – Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill is recognised as an asset and amortised on a straight-line basis over its estimated useful life of 5 years.

Goodwill arising from an acquisition of an associate is included within the carrying amount of the associate.

IMPAIRMENT OF ASSETS – At each balance sheet date, the company and the group review the carrying amounts of their assets 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 asset is estimated in order to determine the extent of the impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent 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 in prior years. A reversal of an impairment loss is recognised as an income immediately.

PROVISIONS – Provisions are recognised when the group has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

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.

Assets held under finance leases are recognised as assets of the group at their fair value or, if lower, at the present value of the minimum lease payments, determined at the inception of the lease. 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 against profit and loss statement.

Rentals payable under operating leases are charged to profit and loss statement on a straight-line basis over the term of the relevant lease.

REVENUE RECOGNITION – Revenue on construction contracts is recognised by reference to the stage of completion of the transaction of the balance sheet date determined by the proportion of the cost incurred to-date in relation to the estimated total cost of the transaction. Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer and the amount of revenue and the costs of the transaction can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the interest rate applicable. Dividend income from investments is recognised when the right to receive payment has been established. Rental income is recognised based on a time apportionment basis.

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans (including state-managed retirement benefit schemes, such as the Singapore Central Provident Fund) are charged as an expense as they are incurred.

INCOME TAX – Tax expense is determined on the basis of tax effect accounting, using the liability method, and it is applied to all significant temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, except the potential tax saving relating to a tax loss carryforward is not recorded as an asset unless there is a reasonable expectation of realisation in the foreseeable future.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited to the profit and loss statement. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – Transactions in foreign currencies are recorded in Singapore dollars at the rates ruling at the dates of the transactions. At each balance sheet date, recorded monetary balances and balances carried at fair value that are denominated in foreign currencies are reported at the rate ruling at the balance sheet date. All realised and unrealised exchange adjustment gains and losses are dealt with in the profit and loss statement.

For inclusion in the consolidated financial statements, assets and liabilities of the foreign entities are translated at the rate of exchange approximating those ruling at the balance sheet date. The profit and loss statements are translated at the average rates of exchange for the year, and the opening net investment in the foreign entities are translated at the historical rates. The resulting currency translation differences are taken to the currency translation reserve.

3 FINANCIAL RISK AND MANAGEMENT RISK POLICIES

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

(i) Foreign Exchange Risk

The foreign currency risk arises from subsidiaries and associates operating in China and Thailand, which generate revenue and incur costs in foreign currencies. Transactions and balances of the local subsidiaries and associates are mainly denominated in Singapore dollars.

(ii) Interest Rate Risk

The group's interest-bearing financial liability is bank overdraft and term loans. Utilisation of these facilities to meet its obligations is required only when necessary.

Interest-yielding financial assets are not significant and accordingly the interest rate risk is limited.

(iii) Credit Risk

Credit risk or the risk of counterparties defaulting, is managed through the application of credit approvals, credit limits and monitoring procedures. 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 numbers of main contractors that the group has been dealing with.

The group places its cash with creditworthy financial institutions.

The carrying amount of financial assets recorded in the financial statements, net of any allowance of losses, represents the group's maximum exposure to credit risk.

(iv) Liquidity Risk

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.

(v) Fair Values of Financial Assets and Financial Liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and payables, recorded in the financial statements approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

4 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 company'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, without fixed repayment terms and interest-free unless stated otherwise.

Significant related party transactions:

	Group	
	2005	2004
	\$	\$
Purchases of goods	1,477,117	1,720,358
Rental income	(133,503)	(79,975)
Office management service income	(3,200)	(4,800)
Management fee income	(5,000)	-
Sundry income	-	(10,885)
Other income	(9,133)	-

5 TRADE RECEIVABLES

	Group		Company	
	2005	2004	2005	2004
	\$	\$	\$	\$
Outside parties	8,835,730	8,729,803	-	-
Less: Allowance for trade receivables	(1,418,673)	(1,723,898)	-	-
Net	7,417,057	7,005,905	-	-

6 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2005	2004	2005	2004
	\$	\$	\$	\$
Current:				
Associates	109,518	339,723	69,080	331,524
Allowance for doubtful debts	(41,347)	-	(41,347)	-
	68,171	339,723	27,733	331,524
Related parties (Note 4)	141,438	162,500	-	-
Other receivables	127,975	172,600	1,049	95,799
Prepayments	84,641	33,985	3,917	6,575
Tax refundable	-	124,295	-	124,295
Advances to staff	200	6,662	-	-
Deposits	103,108	207,500	8,400	-
Total	525,533	1,047,265	41,099	558,193
Non-current:				
Related parties (Note 4)	-	125,000	-	-

Receivables from a related party amounting to \$137,500 (2004 : \$287,500) are interest-free, unsecured and repayable over 36 monthly instalments beginning on February 1, 2003. These receivables arose from disposal of the company's plant and machinery.

Balances due from associates are interest-free, unsecured and have no fixed repayment terms.

7 AMOUNT DUE FROM SUBSIDIARIES

	Company	
	2005	2004
	\$	\$
Loan to subsidiaries - non-trade (Note 11)	13,199,830	8,618,948

The loans granted to the subsidiaries are interest-free, unsecured and have no fixed repayment terms.

8 INVENTORIES

	Group		Company	
	2005	2004	2005	2004
	\$	\$	\$	\$
At cost:				
Raw materials and consumables	2,040,301	1,866,596	-	-

9 CONSTRUCTION WORK-IN-PROGRESS - NET

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Excess of work-in-progress over billings:				
Cost incurred and attributable profits	45,225,587	26,729,916	-	-
Less: Progress billings received and receivable	(36,148,869)	(17,392,811)	-	-
Net	9,076,718	9,337,105	-	-
Excess of billings over work-in-progress:				
Cost incurred and attributable profits	2,767,961	3,154,441	-	-
Less: Progress billings received and receivable	(3,711,749)	(4,019,277)	-	-
Net	(943,788)	(864,836)	-	-
Total	8,132,930	8,472,269	-	-

10 INVESTMENT IN ASSOCIATES

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Unquoted equity shares - at cost	15,417,060	1,300,001	10,441,334	600,001
Share of post-acquisition accumulated profits	429,862	91,064	-	-
Net	15,846,922	1,391,065	10,441,334	600,001

The associates are:

Name of associates	Principal activities/ Place of operation and country of incorporation	Effective equity interest held by the group		Cost			
				Group		Company	
		2005	2004	2005	2004	2005	2004
		%	%	\$	\$	\$	\$
Global Star Investments Pte Ltd ⁽¹⁾	Investment holding/ Singapore	50	50	1	1	1	1
Global Star (Lang Fang) Industries Co. Ltd ⁽²⁾	Manufacturing of construction-related materials/ People's Republic of China	-	50	-	-	-	-
Pengda Investment & Development Pte Ltd ⁽³⁾	Investment holding/ Singapore	30	30	450,000	450,000	-	-

Name of associates	Principal activities/ Place of operation and country of incorporation	Effective equity interest held by the group		Group		Cost Company	
		2005	2004	2005	2004	2005	2004
		%	%	\$	\$	\$	\$
Pengda Construction & Development Co., Ltd ⁽⁴⁾	Property development and investment holding/ People's Republic of China	24	24	-	-	-	-
Cables International Pte Ltd ⁽⁵⁾	Supply of specialised electrical cables and accessories to offshore and onshore oil and gas sectors/ Singapore	30	25	601,333	600,000	601,333	600,000
Meadows Bright Development Pte Ltd ⁽⁶⁾	Property development/ Singapore	35	25	350,000	250,000	-	-
Dalian Shicheng Property Development Co. Ltd ⁽⁷⁾	Development, marketing, sale and management of residential and commercial properties/ People's Republic of China	35	-	2,357,131	-	-	-
Environment Pulp & Paper Company Ltd ⁽⁸⁾	Production and sale of chemically bleached bagasse pulp/ Thailand	20	-	9,840,000	-	9,840,000	-
Ekarat Pattana Co. Ltd ⁽⁹⁾	Production, distribution and sale of ethanol/ Thailand	20	-	1,818,595	-	-	-
				15,417,060	1,300,001	10,441,334	600,001

⁽¹⁾ Audited by Deloitte & Touche, Singapore.

⁽²⁾ Associate was deregistered during the current financial year.

⁽³⁾ 30% owned by the company's subsidiary, King Wan Development Pte Ltd (Note 11). Audited by another firm of auditors, SP Tan & Partners, Singapore (2004 : PricewaterhouseCoopers, Singapore).

⁽⁴⁾ 80% owned by Pengda Investment & Development Pte Ltd. Audited by another firm of auditors, Zhang Hao Certified Public Accountants Office Ltd, Guangzhou.

⁽⁵⁾ Audited by another firm of auditors, Quek & Co, Singapore.

⁽⁶⁾ 35% owned by the company's subsidiary, King Wan Development Pte Ltd (Note 11). Audited by another firm of auditors, Chan Leng Leng & Co, Singapore.

⁽⁷⁾ 35% owned by the company's subsidiary, King Wan Development Pte Ltd (Note 11). Audited by another firm of auditors, Dalian Liaoquan Certified Public Accountants Co. Ltd.

⁽⁸⁾ Audited by another firm of auditors, KPMG, Thailand. The investment is funded through a share swap deal where King Wan Corporation Limited issued 76,875,000 new ordinary shares at an agreed issue price of \$0.128 each.

⁽⁹⁾ The associate has not commenced operations at the end of the financial year.

11 INVESTMENT IN SUBSIDIARIES

	Company	
	2005	2004
	\$	\$
Unquoted equity shares - at cost	17,956,789	17,956,789

The subsidiaries are:

Name of subsidiaries	Principal activities/ Place of operation and country of incorporation	Effective equity interest held by the company		Cost	
		2005	2004	2005	2004
		%	%	\$	\$
King Wan Construction Pte Ltd ⁽¹⁾	Provision of mechanical and electrical (M&E) engineering services/ Singapore	100	100	17,425,408	17,425,408
K&W Mobile Loo Services Pte Ltd ⁽¹⁾	Owner, renters and operations of mobile lavatories and other facilities/ Singapore	100	100	304,777	304,777
King Wan Industries Pte Ltd ⁽¹⁾	Investment holding and manufacture of UPVC pipes and fittings/ Singapore	100	100	2	2
King Wan Development Pte Ltd ⁽¹⁾	Investment holding and property development/ Singapore	100	100	2	2
Self-Cote Investment Pte Ltd ⁽²⁾	Investment holding/ Singapore	100	100	226,600	226,600
Self-Cote Paint (Lang Fang) Co.,Ltd ^{(2) (3)}	Manufacture and sale of paints, varnishes and painting inks/ People's Republic of China	100	100	-	-
				17,956,789	17,956,789

⁽¹⁾ Audited by Deloitte & Touche, Singapore.

⁽²⁾ Audited by another firm of auditors, Lee Seng Chan & Co, Certified Public Accountants, Singapore.

⁽³⁾ Wholly-owned subsidiary of Self-Cote Investment Pte Ltd.

12 PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings and properties	Plant and machinery	Office equipment	Motor vehicle	Portable toilets	Total
	\$	\$	\$	\$	\$	\$
<u>Group</u>						
Cost:						
At beginning of year	20,437,638	1,268,962	883,928	2,722,814	994,631	26,307,973
Additions	12,422	23,776	120,314	398,376	90,755	645,643
Disposals	-	-	(26,942)	(394,354)	(13,292)	(434,588)
Translation differences	(17,398)	(5,545)	(652)	(2,262)	-	(25,857)
At end of year	<u>20,432,662</u>	<u>1,287,193</u>	<u>976,648</u>	<u>2,724,574</u>	<u>1,072,094</u>	<u>26,493,171</u>
Accumulated depreciation:						
At beginning of year	5,460,757	914,616	563,286	2,305,001	950,773	10,194,433
Depreciation for the year	739,365	49,011	80,484	173,001	33,412	1,075,273 ⁽¹⁾
Disposals	-	-	(4,057)	(390,212)	(11,532)	(405,801)
Translation differences	(1,075)	(715)	(308)	(419)	-	(2,517)
At end of year	<u>6,199,047</u>	<u>962,912</u>	<u>639,405</u>	<u>2,087,371</u>	<u>972,653</u>	<u>10,861,388</u>
Impairment loss:						
At beginning and end of year ⁽²⁾	<u>(251,272)</u>	-	-	-	-	<u>(251,272)</u>
Depreciation for last year	<u>743,140</u>	<u>55,717</u>	<u>90,372</u>	<u>381,817</u>	<u>63,172</u>	<u>1,334,218 ⁽¹⁾</u>
Net book value:						
At beginning of year	<u>14,725,609</u>	<u>354,346</u>	<u>320,642</u>	<u>417,813</u>	<u>43,858</u>	<u>15,862,268</u>
At end of year	<u>13,982,343</u>	<u>324,281</u>	<u>337,243</u>	<u>637,203</u>	<u>99,441</u>	<u>15,380,511</u>

Certain motor vehicle with net book value of \$393,344 (2004 : \$196,719) are under finance leases.

⁽¹⁾ Included herein are depreciation expenses amounting to \$2,763 (2004 : \$15,320) which have been allocated to the construction work-in-progress (Note 9).

⁽²⁾ There was an impairment loss on a property of the group, Maysprings Apartments situated at 22 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.

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
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
2 Petir Road #20-06 Singapore 678265	3-bedroom apartment on the 20th storey block within a condominium known as Maysprings	99-year leasehold commencing from December 1, 1994
Huan Yuan Road Langfang Economic Development Zone DC 065001 Langfang, Hebei, China	Single storey build production floor with a 3-storey ancillary office block	50-year leasehold commencing from July 30, 2001

13 OTHER INVESTMENTS

	Group		Company	
	2005	2004	2005	2004
	\$	\$	\$	\$
At cost:				
Unquoted equity shares	71,699	52,700	-	-
Quoted equity shares	1,162,753	1,094,053	-	-
	<u>1,234,452</u>	<u>1,146,753</u>	-	-
Less:				
Allowance for impairment in value of quoted equity	(1,046,495)	(924,941)	-	-
	<u>187,957</u>	<u>221,812</u>	-	-
Market value of:				
Quoted shares	116,258	169,112	-	-
	<u>116,258</u>	<u>169,112</u>	-	-
Movements in above allowance:				
Balance at beginning of financial year	924,941	1,115,800	-	-
Charge (Reversal) to profit and loss	121,554	(190,859)	-	-
Balance at end of financial year	<u>1,046,495</u>	<u>924,941</u>	-	-

14 GOODWILL

	Group	
	2005	2004
	\$	\$
Cost:		
At beginning of financial year	199,999	289,436
Goodwill written off	-	(89,437)
At end of financial year	<u>199,999</u>	<u>199,999</u>
Accumulated amortisation:		
At beginning of financial year	93,415	57,887
Charge for the year	35,528	35,528
At end of financial year	<u>128,943</u>	<u>93,415</u>
Carrying amount:		
At end of financial year	<u>71,056</u>	<u>106,584</u>
At beginning of financial year	<u>106,584</u>	<u>231,549</u>

15 BANK BORROWINGS

	Group	
	2005	2004
	\$	\$
Bank overdrafts	1,922,460	2,160,051
Short-term bank borrowings	1,647,024	1,676,721
	<u>3,569,484</u>	<u>3,836,772</u>

The bank overdrafts are unsecured and are repayable on demand. The bank overdrafts bear interest at rates ranging from 5.25% to 5.5% (2004 : 5% to 5.25%) per annum.

The short-term bank borrowings extended by a bank to a subsidiary, Self-Cote Paint (Lang Fang) Co., Ltd, are repayable on demand and are borrowed for the purpose of short-term cash commitments. The borrowings are guaranteed by the company and bear interest ranging from 2.39% to 3.57% (2004 : 2.39% to 2.42%) per annum.

16 TRADE PAYABLES

	Group		Company	
	2005	2004	2005	2004
	\$	\$	\$	\$
Outside parties	6,581,255	7,248,440	-	-
Related parties (Note 4)	355,432	577,320	-	-
	<u>6,936,687</u>	<u>7,825,760</u>	<u>-</u>	<u>-</u>

17 OTHER PAYABLES

	Group		Company	
	2005	2004	2005	2004
	\$	\$	\$	\$
Other payables	709,946	689,591	69,369	46,579
Related parties (Note 4)	3,600	3,600	-	-
Associates	25,260	12,207	-	-
Directors	95,500	170,000	95,500	110,000
	834,306	875,398	164,869	156,579

The amounts due to the directors and associates are unsecured, interest-free and have no fixed repayment terms.

18 FINANCE LEASE

	Minimum lease payments		Present value of minimum lease payments	
	2005	2004	2005	2004
	\$	\$	\$	\$
Group				
Amounts payable under finance lease:				
Within one year	84,010	53,950	74,595	47,587
In the second to fifth years inclusive	171,178	93,514	152,397	81,992
	255,188	147,464	226,992	129,579
Less: Future finance charges	(28,196)	(17,885)		
Present value of lease obligations	226,992	129,579		
Less: Amount due for settlement within 12 months	(74,595)	(47,587)		
Amount due for settlement after 12 months	152,397	81,992		

For the financial year ended March 31, 2005, the average effective borrowing rate is 4.85% (2004 : 4.96%).

19 ISSUED CAPITAL

	Group and Company			
	2005	2004	2005	2004
	Number of ordinary shares of \$0.10 each		\$	\$
Authorised	500,000,000	500,000,000	50,000,000	50,000,000
Issued and paid-up:				
At beginning of financial year	207,301,870	207,301,870	20,730,187	20,730,187
Issued during the financial year	117,875,000	-	11,787,500	-
At end of financial year	325,176,870	207,301,870	32,517,687	20,730,187

20 SHARE PREMIUM

	Group and Company	
	2005	2004
	\$	\$
Balance at beginning of financial year	5,512,951	5,512,951
Issue of share capital	2,152,500	-
Share issue expenses	(85,842)	-
Balance at end of financial year	<u>7,579,609</u>	<u>5,512,951</u>

21 REVENUE

	Group	
	2005	2004
	\$	\$
Amounts recognised from contracts	54,177,140	27,714,889
Sale of goods	2,912,760	2,717,756
Rendering of services	1,151,497	1,303,000
Investment income	-	93,314
	<u>58,241,397</u>	<u>31,828,959</u>

22 OTHER OPERATING INCOME

	Group	
	2005	2004
	\$	\$
Rental income	610,490	556,234
Gain on disposal of property, plant and equipment	176,590	12,576
Sundry income	91,992	40,731
Management fee income	5,000	-
Interest income from:		
Non-related companies	16,675	11,400
Related parties	9,133	-
Foreign exchange adjustment gain	11,949	418
Dividend income from quoted investments	83	4,344
Reversal of impairment loss on quoted shares	-	190,859
Profit on sale of quoted investments	-	17,500
Bad trade debts recovered	-	7,996
	<u>921,912</u>	<u>842,058</u>

23 PROFIT (LOSS) BEFORE INCOME TAX

	Group	
	2005	2004
Number of employees at end of financial year	169	169

Number of directors of the company in remuneration bands is as follows:

	Company	
	2005	2004
\$500,000 and above	-	-
\$250,000 to \$499,999	1	-
\$0 to \$249,999	7	7
Total	8	7

	Group	
	2005	2004
	\$	\$
Directors' remuneration:		
Company	659,785	553,787
Subsidiaries	229,070	307,993
Directors' fees:		
Company	95,500	110,000
Subsidiaries	-	-
Staff costs (including directors' remuneration)	4,870,497	4,766,115
Costs of defined contribution plans included in staff costs	444,980	433,326
(Writeback) Allowance for doubtful trade receivables	(112,100)	1,339,769
Gain on disposal of plant and equipment, net	(153,662)	(6,655)
Impairment loss arising from property ^{(1) (2)}	-	251,272
Allowance for inventories	50,228	21,590
Amortisation of goodwill ⁽¹⁾	35,528	35,528
Foreign exchange adjustment (gain) loss-net	(1,233)	54,485
Charge (Reversal) of impairment loss on quoted investments ⁽¹⁾	121,554	(190,859)

⁽¹⁾ This is included under administrative expenses.

⁽²⁾ Please refer to Note 12 Property, plant and equipment for circumstances which led to the recognition of the impairment.

24 INCOME TAX EXPENSE

	Group	
	2005	2004
	\$	\$
Current	29,000	110,000
Associate - Current	63,900	24,500
Underprovision in prior years	85,454	30,959
	178,354	165,459

The income tax expense of the group varied from the amount of income tax determined by applying the Singapore tax rate of 20% (2004 : 20%) to profit (loss) before income tax as a result of the following differences:

	Group	
	2005	2004
	\$	\$
Income tax expense (credit) at statutory rate	159,042	(937,414)
Non-allowable items	250,938	257,903
Associate tax at statutory rate	(80,540)	(34,203)
Tax exemptions	(10,500)	(10,500)
Utilisation of deferred tax benefits previously not recognised	(311,928)	-
Deferred tax assets unrecorded	-	834,439
Others	21,988	(225)
	29,000	110,000
Share of tax of associate	63,900	24,500
Underprovision in prior years	85,454	30,959
	178,354	165,459

The group has tax losses carryforwards available for offsetting against future taxable income as follows:

	2005	2004
	\$	\$
Balance at beginning of financial year	4,172,195	-
(Utilised) Arising during the financial year	(1,559,640)	4,172,195
Balance at end of financial year	2,612,555	4,172,195
Deferred tax benefit on above not recorded	522,511	834,439

No deferred tax asset has been recognised in respect of the tax losses carryforwards due to the unpredictability of future income streams.

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

25 EARNING (LOSS) PER SHARE

The basic earning (loss) per ordinary share is calculated by dividing the group's profit after income tax of \$616,854 (2004 : loss of \$4,852,527) by the weighted average number of ordinary shares of 264,392,966 (2004 : 207,301,870) in issue during the financial year.

On a fully diluted basis, EPF is calculated based on 264,392,966 (2004 : 207,301,870) shares of \$0.10 each in issue during the financial year. The 70,920,748 unexercised warrants in issue during the year had not been taken into account as they were anti-dilutive in nature.

26 CONTINGENT LIABILITIES

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Guarantees (unsecured)	24,561,180	23,420,198	18,252,791	17,814,242

27 OPERATING LEASE COMMITMENTS

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Minimum lease payments under operating leases included in the profit and loss statement	290,922	274,581	-	-

At the balance sheet date, the commitments in respect of non-cancellable operating leases for the rental of warehouse spaces and office premises were as follows:

	Group		Company	
	2005 \$	2004 \$	2005 \$	2004 \$
Within 1 year	272,087	293,353	-	-
Within 2 to 5 years	1,088,348	1,088,348	-	-
After 5 years	3,310,855	3,582,942	-	-

28 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.

(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, term loans, 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.

GROUP SEGMENTAL REPORTING

Primary_reporting_format - Business segments

	Plumbing and sanitary		Electrical		Toilet rental		Paint		Others		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Revenue:												
External sales	19,563,013	16,750,031	36,528,461	12,657,858	1,151,497	1,303,000	998,426	1,024,756	-	93,314	58,241,397	31,828,959
Results:												
Segment result	(1,567,844)	(3,788,670)	1,827,276	(1,431,429)	177,311	423,086	(465,339)	(518,449)	421,106	457,379	392,510	(4,858,083)
Share of associates' results	-	-	-	-	-	-	-	-	402,698	171,015	402,698	171,015
Income tax expense											(178,354)	(165,459)
Profit (Loss) after income tax											616,854	(4,852,527)
Other information:												
Capital expenditure												
additions	7,925	2,587	15,851	2,587	90,755	16,619	36,980	64,570	494,133	263,561	645,643	349,924
Depreciation	6,134	13,153	12,268	13,153	74,850	118,990	50,480	43,578	931,541	1,145,344	1,075,273	1,354,218*
Amortisation	-	-	-	-	-	-	-	-	35,528	35,528	35,528	35,528
(Writeback) Allowance												
for doubtful debts	(113,489)	780,213	(211,908)	524,057	76,089	35,499	100,961	-	36,247	-	(112,100)	1,339,769

* Depreciation expense amounting to \$2,763 (2004 : \$15,320) has been allocated to construction work-in-progress.

	Plumbing and sanitary		Electrical		Toilet rental		Paint		Others		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets:												
Segment assets	8,759,145	9,422,333	7,254,140	6,222,081	835,466	1,031,780	2,898,351	4,346,187	5,904,322	15,790,297	25,651,424	36,812,678
Investment in associates	-	-	-	-	-	-	-	-	15,846,922	1,391,065	15,846,922	1,391,065
Unallocated corporate assets	-	-	-	-	-	-	-	-	12,343,573	3,020,775	12,343,573	3,020,775
Total assets	8,759,145	9,422,333	7,254,140	6,222,081	835,466	1,031,780	2,898,351	4,346,187	34,094,817	20,202,137	53,841,919	41,224,518
Liabilities:												
Segment liabilities	3,127,333	3,858,919	3,745,316	3,932,370	175,639	214,460	1,788,118	1,793,627	3,082,332	3,957,480	11,918,738	13,756,856
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	164,869	156,579	164,869	156,579
Total liabilities	3,127,333	3,858,919	3,745,316	3,932,370	175,639	214,460	1,788,118	1,793,627	3,247,201	4,114,059	12,083,607	13,913,435

Secondary reporting format - geographical segments

	Revenue		Carrying amount of segment assets		Additions to property, plant and equipment	
	2005	2004	2005	2004	2005	2004
	\$	\$	\$	\$	\$	\$
Singapore	57,260,060	30,854,730	50,996,603	37,916,279	608,748	288,898
People's Republic of China	981,337	974,229	2,845,316	3,308,239	36,895	61,026
	<u>58,241,397</u>	<u>31,828,959</u>	<u>53,841,919</u>	<u>41,224,518</u>	<u>645,643</u>	<u>349,924</u>

29 RECLASSIFICATIONS

A reclassification has been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been amended on the face of the balance sheet, profit and loss statement and cash flow statement and the related notes to the financial statements. Comparative figures have been adjusted to conform with the current year's presentation.

The items reclassified were as follows:

	Previously reported	Reclassification	After reclassification
	\$	\$	\$
<u>Balance sheet</u>			
Trade receivables	7,507,439	(501,534)	7,005,905
Trade payables	<u>8,327,294</u>	<u>(501,534)</u>	<u>7,825,760</u>
<u>Cash flow statement</u>			
Trade receivables	3,010,490	501,534	3,512,024
Trade payables	1,757,303	(501,534)	1,255,769
(Decreased) Increased in Short-term bank borrowings	-	1,676,721	1,676,721
<u>Notes to financial statements</u>			
Note 5 - Trade receivables (Group):			
Outside parties	<u>9,231,337</u>	<u>(501,534)</u>	<u>8,729,803</u>
Note 16 - Trade payables (Group):			
Outside parties	<u>7,749,974</u>	<u>(501,534)</u>	<u>7,248,440</u>

Statement of Directors

KING WAN CORPORATION LIMITED AND ITS SUBSIDIARIES

In the opinion of the directors, the financial statements of the company and consolidated financial statements of the group set out on pages 17 to 42 are drawn up so as to give a true and fair view of the state of affairs of the company and of the group as at March 31, 2005 and of the results of the group, changes in equity of the company and the group and cash flows of the group 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

May 16, 2005

Report on Corporate Governance

The Board of Directors ("The Board") and Management of King Wan Corporation Limited (the "Company") are committed to maintaining a high standard of corporate governance by complying with the various benchmarks set by the Code of Corporate Governance (the "Code") issued by the Corporate Governance Committee ("CGC").

The Board understands that good corporate governance is an important trait of a good corporate citizen that will enable a company to be self-disciplined and transparent in its business dealings. In addition, sound corporate governance will also serve as an effective safeguard against fraud and dubious financial reporting. This will help create long-term value and protect the interests of its shareholders.

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

A. BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company.

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;
- Implementing procedures in the evaluation of internal controls, risk management and business reporting;
- 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.

A total of three board meetings were held during the financial year. Ad-hoc meetings are also convened when necessary to address specific issues. Board papers are sent to members at least five days prior to the Board meeting so that there is sufficient time for the members to obtain any explanations from management where necessary and to get themselves adequately prepared for the meeting. The Board members have unrestricted access to management to assist with the gathering and verification of information. The Company recognizes that it is extremely important for the Board to be informed of all significant developments in the organization. Information is disseminated to the members on a timely manner so that they can discharge their duties with all the relevant information available.

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.

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 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 at meetings of the Board and Board committees, as well as the frequency of such meetings, is disclosed at the end of this Report.

Board Composition and Balance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The current Board of Directors comprise of eight experienced members of which four are independent non-executive directors who are independent of management. These four members make up 50% of the Board. Details of the directors' shareholdings in the Company are set out in the Directors' Report.

The four independent non-executive directors are Mr. Lim Hock Beng, Mr. Goh Chee Wee, Mr. Foo Kok Swee @Pu Kok Swi and Mr. Ng Eng Kiong. 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, the following key elements are taken into consideration:

- the director is not a member of management;
- the director is free of any relationship with the Company, related companies or its officers that can potentially interfere with the exercise of their judgment or their ability to act in the interest of the Company.

Every director is expected to act in the best interest of the Company. They are to contribute positively to the Company with their expertise and knowledge in business, accounting, finance, engineering, technology and management. They should also bring with them impartial judgment and independence, in both fact and appearance.

The Nomination Committee had reviewed the independence of each non-executive director for the financial year ended 31 March 2005 and is of the view that the four independent directors of the Company satisfy the criteria of independence and each and every director shares equal responsibility on the Board. The Nomination Committee is also of the view that the current board size of eight directors is adequate, taking into consideration the nature and scope of the Group' operations.

The Board meets regularly to review the Company's operations and financial results. They also approve the Company's strategies, policies and major business decisions. Each Board member has equal responsibility to oversee the business and affairs of the Company.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities at the top of the company—the working of the Board and the executive responsibility of the company’s business—which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Mr. Chua Kim Hua, the founder of the Group and executive Director also assumed 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 and timely information. He also assists to ensure that the Company complies with the Code.

The Board is mindful of the dual roles held but is of the view that there are sufficient experience and expertise on the Board to provide independent opinions and that there are adequate check and balance in all decision-making processes. All major decisions made by the Executive Directors and Chairman are reviewed by the Audit Committee. His performance and appointment to the Board is reviewed periodically by the Nomination Committee and his remuneration package is reviewed periodically by the Remuneration Committee. Further, the dual roles have to a certain extent been balanced by the presence of four independent directors within the Board. As such, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board. As a principle of good corporate governance, all directors should be required to submit themselves for re-nomination and re-election at regular intervals.

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 @ Pu Kok Swi with Mr. Goh Chee Wee and Mr. Ng Eng Kiong as members.

The Nomination Committee is entrusted with the specific task of recommending to the Board on all Board appointments. This function extends to the recommendation on re-nomination having regard to the director’s contribution and performance. It is charged with determining, on an annual basis, whether a director is independent and where a director has multiple board representations, whether the director is able to and has been adequately carrying out his duties as a director of the Company. 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 its own procedures, which includes the calling of meetings, notice to be given of such meetings, the voting and proceedings. The Company also maintains records of the deliberations and proceedings of the Nomination Committee. The number of meetings held and attendance at the meetings during the last financial year are presented at the end of this report.

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 Mr. Chua Kim Hua, Ms. Chua Eng Eng and Mr. Foo Kok Swee@Pu Kok Swi and Ms. Ganoktip Siriviriyakul will be standing for re-election under Article 88. The Nomination Committee recommends the re-election of Mr. Chua Kim Hua, Ms. Chua Eng Eng and Mr. Foo Kok Swee@Pu Kok Swi, after assessing their contribution and performance (including attendance, preparedness and participation), and their effectiveness as directors. The Nomination Committee also assessed the qualifications and experience of newly appointed director, Ms. Ganoktip Siriviriyakul, a director appointed during the year, and recommends her for re-election as a director at the forthcoming AGM.

The directors last elected/ re-elected dates are as follows:

Director	Date of Election / Re-election
Mr. Chua Kim Hua	8 February 2000
Ms. Chua Eng Eng	23 August 2002
Mr. Chua Hai Kuey	28 July 2004
Mr. Lim Hock Beng	8 July 2004
Mr. Goh Chee Wee	22 August 2003
Mr. Foo Kok Swee @ Pu Kok Swi	23 August 2002
Mr. Ng Eng Kiong	22 August 2003
Ms. Ganoktip Siriviriyakul	24 December 2004

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.

Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

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 Nominating 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.

Access to Information

Principle 6: In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.

Board members have separate and independent access to senior management and the company secretary at all times. The Board or an individual Board member may also take independent professional advice, if necessary, at the Company's expense.

The agenda for Board meetings is prepared in consultation with the Executive Chairman. 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 has separate and independent access to the Company Secretary and to other senior management executives of the Company and of the Group at all times in carrying out their duties. 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: There should be a formal and transparent procedure for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Remuneration Committee

The Remuneration Committee is made up of two independent non-executive directors namely Mr. Goh Chee Wee as chairman and Mr. Lim Hock Beng, and an executive director, Ms Chua Eng Eng. The Remuneration Committee will have 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, share options, 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 entire Board.

The number of meetings held and attendance at the meetings during the last financial year are presented at the end of this report.

Level and Mix of Remuneration

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more for this purpose. A proportion of the remuneration, especially that of executive directors, should be linked to performance.

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 receive directors' fees in accordance with their effort and contribution to the Company. The Company is also 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 Annual General Meeting ("AGM").

The remuneration for the executive directors comprise 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. The performance of all directors, both executive and non-executive is reviewed periodically by the Remuneration Committee.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report.

The breakdown of remuneration of the Directors of the Company for the year ended 31 March 2005 is set out below:

Remuneration Band & Name of Director	Salary	Performance related income / bonus	Director's Fees	Total Remuneration
	%	%	%	%
S\$500,000 to S\$1,000,000				
S\$250,000 to S\$499,999				
Chua Kim Hua	88%	12%	-	100%
Below S\$250,000				
Chua Hai Kuey	88%	12%	-	100%
Chua Eng Eng	88%	12%	-	100%
Goh Chee Wee	-	-	100%	100%
Foo Kok Swee@ Pu Kok Swi	-	-	100%	100%
Lim Hock Beng	-	-	100%	100%
Ng Eng Kiong	-	-	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:

Remuneration Band	No. of Executive
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, bonus, allowances and Central Provident Fund contributions. There were no share options granted to employees during the financial year.

C. ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board is accountable to the shareholders while the Management is accountable to the Board.

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 prospects. The Management currently provides the Board with management accounts of the Group's performance, position and prospects on a monthly basis.

Audit Committee

Principle 11: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

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 @Pu Kok Swi, all with invaluable managerial and professional expertise in both financial and business management matters. The Audit Committee met at least twice 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. At least once a year, the Audit Committee met with the external 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 Audit Committee performs the following functions:

- review with the external auditors, their audit plan, evaluate the internal accounting controls, 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 had recommended to the Board the nomination of Deloitte & Touche 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. No non-audit fees were paid to the auditors.

Internal Control

Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

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.

Internal Audit

Principle 13: The company should establish an internal audit function that is independent of the activities it audits.

The Group's internal audit function was 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

Communication with Shareholders

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Greater Shareholder Participation

Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company

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 and the Singapore Financial Reporting Standards;
- 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 14 working 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

E. DEALING IN SECURITIES & COMPLIANCE WITH BEST PRACTICES GUIDE

The Company has adopted its own internal Code of Best Practices on Securities Transactions ("Securities Transaction Code"), which is in line with SGX-ST Best Practices Guide with some modification.

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 24 hours.

The Board of Directors confirms that for the financial year ended 31 March 2005, the Company has complied with the principal corporate governance recommendations set out in the Best Practices Guide issued by the Singapore Exchange

F 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 Board of Directors is updated regularly on any interested person transactions and their cumulative values. If the Company intends to enter into an interested person transaction that was not previously approved by shareholders, the Board of Directors will ensure that the Company complies with the requisite rules under Chapter 9.

There were no interested person transactions during the financial year.

G SUPPLEMENTARY INFORMATION

Material Contacts

There were no material contracts of the Company or its subsidiaries involving the interests of the Chief Executive Officer (as defined in the SGX-ST Listing Manual), each director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Directors' Attendance at Board and Board Committee Meetings

Name	Board		Audit Committee		Nomination Committee		Remuneration Committee	
	No of Meeting Held	No of Meeting Attended	No of Meeting Held	No of Meeting Attended	No of Meeting Held	No of Meeting Attended	No of Meeting Held	No of Meeting Attended
Chua Kim Hua	3	3	NA	NA	NA	NA	NA	NA
Chua Hai Kuey	3	3	NA	NA	NA	NA	NA	NA
Chua Eng Eng	3	3	NA	NA	NA	NA	1	1
Goh Chee Wee	3	3	2	2	1	1	1	1
Foo Kok Swee @ Pu Kok Swi	3	3	2	2	1	1	NA	NA
Lim Hock Beng	3	3	2	2	NA	NA	1	1
Ng Eng Kiong	3	2	NA	NA	1	1	NA	NA
Ganoktip Siriviriyakul*	3	0	NA	NA	NA	NA	NA	NA

* appointed on 24.12.2004. No Board meetings were held subsequent to this date up to the last day of the financial year ended 31.3.2005.

Analysis of Shareholdings AS AT 15 JUNE 2005

Authorised Share Capital: S\$50,000,000.00

Issued and Fully Paid Up: S\$32,517,687.00

Class of Shares: Ordinary Shares of S\$0.10 each with equal voting rights

ANALYSIS OF SHAREHOLDINGS BY RANGE AS AT 15 JUNE 2005

SIZE OF HOLDINGS	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 to 999	3	0.23	205	0.00
1,000 to 10,000	408	31.73	1,920,001	0.59
10,001 to 1,000,000	853	66.33	79,728,700	24.52
1,000,001 AND ABOVE	22	1.71	243,527,964	74.89
TOTAL	1,286	100.00	325,176,870	100.00

KING WAN CORPORATION LIMITED

TOP TWENTY SHAREHOLDERS AS AT 15 JUNE 2005

NO.	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	%
1	GANOKTIP SIRIVIRYAKUL	76,875,000	23.64
2	CHUA KIM HUA	33,938,319	10.44
3	CHUA ENG ENG	25,180,906	7.74
4	CHUA HAI KUEY	22,247,676	6.84
5	KIM ENG SECURITIES PTE LTD	16,918,000	5.20
6	MERRILL LYNCH (S'PORE) PTE LTD	10,000,000	3.08
7	TOH GIAP ENG	8,500,000	2.61
8	ONG TZE KING	7,707,000	2.37
9	LIONG KIAM TECK	7,450,000	2.29
10	LIM TIANG CHUAN	7,000,000	2.15
11	CHUA YAN PENG	4,977,252	1.53
12	LEE KEE HONG	4,327,000	1.33
13	UOB KAY HIAN PTE LTD	3,858,000	1.19
14	OCBC SECURITIES PRIVATE LTD	2,365,000	0.73
15	HONG HENG CO PTE LTD	2,000,000	0.62
16	NG ENG KIONG	1,972,811	0.61
17	LEOW POH SENG	1,500,000	0.46
18	TAY THO BOK	1,500,000	0.46
19	DBS NOMINEES PTY LTD	1,451,000	0.45
20	CHIP ENG SENG CORPORATION	1,300,000	0.40
	TOTAL	241,067,964	74.13

Substantial Shareholdings AS AT 15 JUNE 2005

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

Ordinary Shares of S\$0.10 each

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
Ganoktip Siriviriyakul	76,875,000	23.64	-	-
Chua Kim Hua	44,113,319	13.57	-	-
Chua Eng Eng	28,295,906	8.70	-	-
Chua Huay Kuey	22,247,676	6.84	-	-

Shareholdings in hand of Public as at 15 June 2005

The percentage of shareholdings in the hand of public is about 45.74%. Hence, the company has complied with Rule 723 of the ST-SGX Listing Manual

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of KING WAN CORPORATION LIMITED will be held at the Board Room, 8 Sungei Kadut Loop, Singapore 729455, on Friday, 22 July 2005 at 10.00 a.m. to transact the following business: -

As Ordinary Business

1. To receive and adopt the Directors' Report and Audited Accounts for the financial year ended 31 March 2005 and the Auditors' Report thereon. [Resolution 1]
2. (a) To re-elect Mr. Chua Kim Hua who is retiring in accordance with Article 89 of the Company's Articles of Association, as Director of the Company. [Resolution 2(a)]
 - (b) To re-elect Ms. Chua Eng Eng who is retiring in accordance with Article 89 of the Company's Articles of Association, as Director of the Company. [Resolution 2(b)]
 - (c) To re-elect Mr. Foo Kok Swee @ Pu Kok Swi who is retiring in accordance with Article 89 of the Company's Articles of Association, as Director of the Company. [Resolution 2(c)]

(Note: Mr. Foo Kok Swee @ Pu Kok Swi, if re-elected, will remain as the Chairman of the Nomination Committee and as a member of the Company's Audit Committee and will be considered as an independent director for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.)

3. To re-elect Ms. Ganoktip Siriviriyakul who is retiring in accordance with Article 88 of the Company's Articles of Association, as Director of the Company. [Resolution 3]
4. To approve the proposed final dividend of 0.15 cents per ordinary share for the financial year ended 31 March 2005. [Resolution 4]
5. To approve the sum of S\$95,500.00 as Directors' fees for the year ended 31 March 2005. (2004: S\$110,000.00). [Resolution 5]
6. To appoint auditors and to authorise the Directors to fix their remuneration. [Resolution 6]

As Special Business

7. To consider and, if thought fit, to pass the following as Ordinary Resolution, with or without modifications: -

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 7]

By Order of the Board

Eliza Lim Bee Lian
Company Secretary
Singapore, 6 July 2005

Explanatory Notes on Ordinary Business to be transacted: -

- a) Mr. Chua Kim Hua is the executive Chairman of the Board of Directors.
- b) Ms. Chua Eng Eng is the Managing Director of the Company.
- c) Mr. Foo Kok Swee @ Pu Kok Swl is a non-executive Director, the Chairman of the Nomination Committee and a member of the Audit Committee. If he is re-elected, he will continue as the Chairman of the Nomination Committee and as a member of the Audit Committee.

Explanatory Notes on Special Business to be transacted: -

- d) Resolution 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 7 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 7 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 Annual General Meeting may appoint not more than two proxies to attend and vote on his behalf and where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. A proxy need not be a member of the Company. 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 set for the Annual General Meeting.

Proxy Form

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.

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 Friday, 22 July 2005 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 of Reports and Accounts		
2[a]	Re-election of Mr. Chua Kim Hua as Director		
2[b]	Re-election of Ms. Chua Eng Eng as Director		
2[c]	Re-election of Mr. Foo Kok Swee @ Pu Kok Swi as Director		
3	Re-election of Ms. Ganoktip Siriviyakul as Director		
4	To approve the proposed final dividend of 0.15 cents per ordinary share		
5	Approval of Directors' fees amounting to \$95,500.00		
6	Appointment of Deloitte & Touche as auditors		
7	Authority to allot and issue shares		

Signed this day of July 2005

Total Number of Shares Held in:	
CDP Register	
Register of Members	

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

NOTES:

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 registered in 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, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.

Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

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.

The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorized in writing. Where a corporation executes the instrument appointing a proxy or proxies, it must execute the instrument either under its seal or under the hand of an officer or attorney duly authorized.

A corporation, which is a member, may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

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. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.





KING WAN CORPORATION LIMITED

8 Sungei Kadut Loop Singapore 729455 Tel: +65 6368 4300 Fax: +65 6365 7675
www.kingwan.com