KING WAN CORPORATION LIMITED

Fives Stones is a traditional game, that to be played well, requires the execution of perfect moves at exactly the right moment.

Contents

Commitment

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

Quality & Reliability

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

Integrity & Professionalism

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

People

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

Passion

We approach every task with heart and passion.

KING WAN
CORPORATION
LIMITED

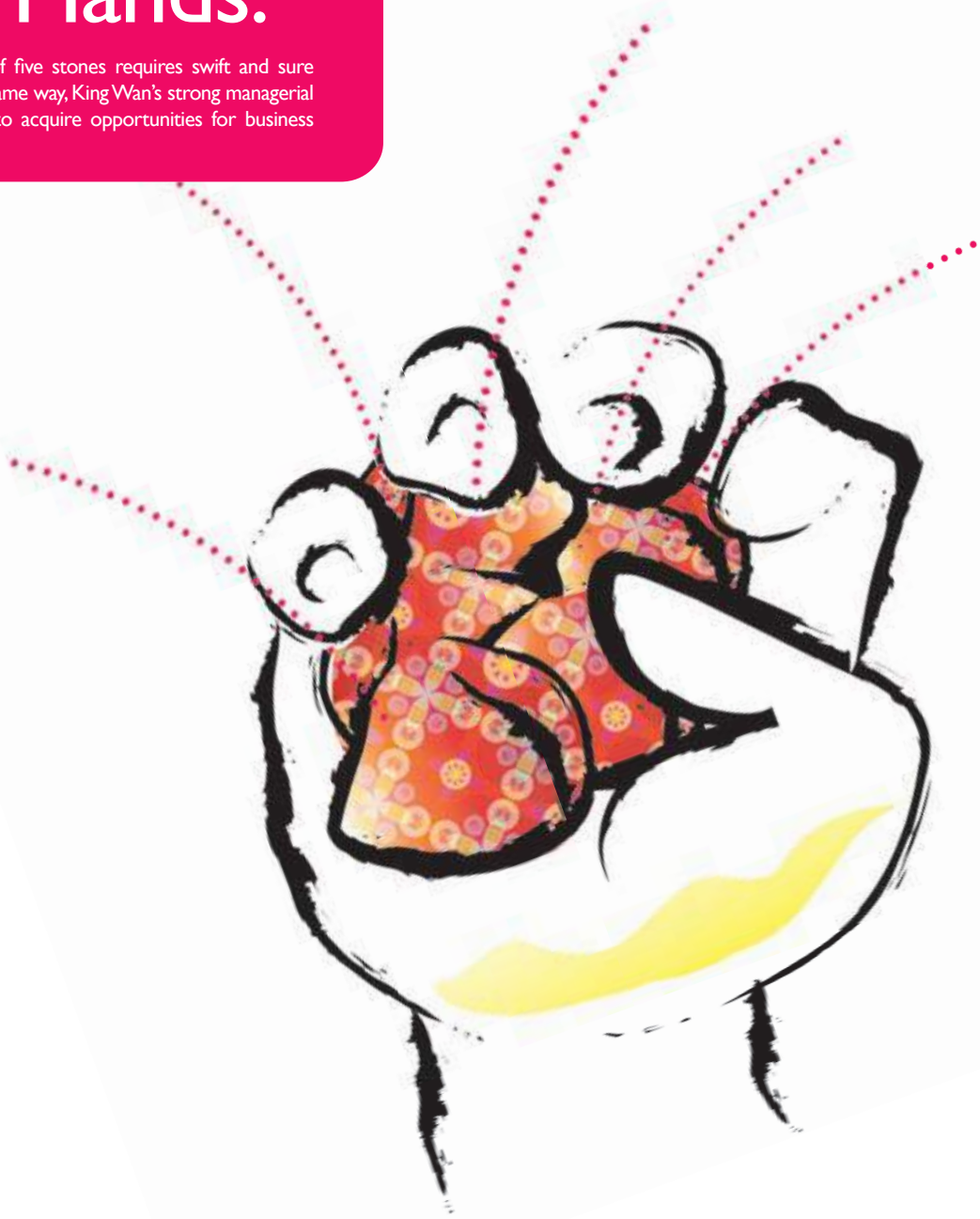
ANNUAL REPORT 2006

One Path.

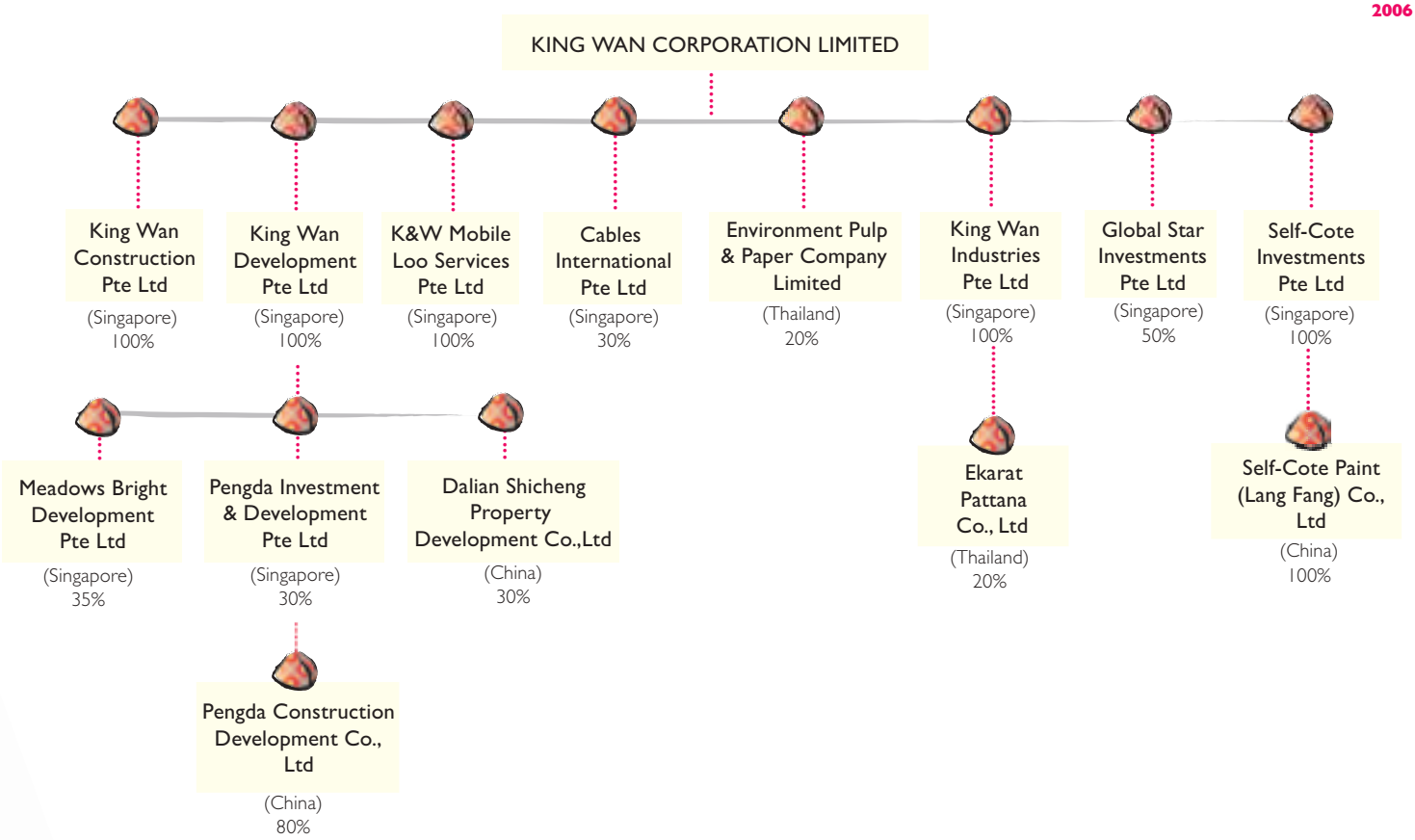
A clear vision of the way to play the stones differentiates the players who anticipates moves and the player who reacts to moves. It is exactly this clear leadership vision, executed at precisely the right opportunity, that has set a straight path of business success for King Wan.

Swift Hands.

Excelling in a game of five stones requires swift and sure actions. In much the same way, King Wan's strong managerial hands move skilfully to acquire opportunities for business expansion.



Group Structure 2006



Financial Calendar

8 November 2005
Announcement of Financial Year 2006 Half Year Financial Results

24 May 2006
Announcement of Financial Year 2006 Full Year Financial results

6 July 2006
Issuance of FY2006 Annual Report

21 July 2006
7th Annual General Meeting

4 August 2006
Books closure date for proposed First & Final dividend

18 August 2006
Proposed payment of First & Final dividend at 0.075 cents per ordinary share

Chairman's Statement

To my fellow shareholders,

It had been another 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 2006 ("FY2006") in which the Group managed to maintain its performance despite the tough conditions in Singapore's construction sector.

The Group has stuck closely to its two-pronged business strategy of staying focused on its core Mechanical and Electrical ("M&E") engineering business and keeping tight reins on budgeting for project tender proposals; as well as continue to grow its investments, both locally and overseas. This is done to reduce the Group's dependence on the Singapore's construction market and to diversify the Group's revenue stream.

Despite the outlook for the Singapore economy remaining positive, intense competition still prevails in the construction industry in Singapore, placing immense pressures on all players in the industry, King Wan included.

The Group's turnover in FY2006 decreased by 35% to S$38 million compared to S$58.2 million in the previous year. The Mechanical and Electrical (M&E) business segment accounted for the main decrease in turnover from S$56.1 million in FY2005 to S$35.9 million in FY2006 as a result of fewer projects in progress that are available for revenue recognition.

Despite the decrease in Group's turnover, the Group's profits before income tax for the financial year was S$0.85 million, an improvement of S$0.11 million over the previous financial year.

The Group's investment portfolio has also taken significant steps forward in the review year. 30%-held associate Cables International Pte Ltd ("CI"), a leading supplier of electrical cables and an accessories solution provider in the energy sector, has contributed positively to the Group's results for three years running. Environment Pulp and Paper Company Limited ("EPPCO"), a 20%-owned Thai producer of bagasse pulp derived from sugar cane bagasse, has also begun commercial production and sales of its environment friendly pulp. Property development projects under 35% owned Meadows Bright Development Pte Ltd and 30% owned Dalian Shicheng Property Development Co., Ltd had also launched or plans to launch their projects in 2006.

OUTLOOK FOR FY2007

Mechanical and Electrical Engineering

Although the Building and Construction Authority had forecast construction demand in Singapore to improve from $11.3 billion in 2005 to $12.0 - $13.5 billion in 2006, business conditions for the Group's construction activities are expected to remain competitive. Prices for construction projects are expected to remain soft and increases in material prices will further erode profit margins. The Group will continue to commit to this core business and remain selective in all tenders to ensure reasonable margins.

In FY2006, the Group successfully secured additional contracts worth approximately $30.3 million.

As at 31 March 2006, the Group has approximately $68.7 million worth of construction contracts on hand, with completion dates ranging from 2006 to 2009.

The Group 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

The Group's paint manufacturing and distribution business continue to face stiff competition in China. Nevertheless, efforts to re-organize and re-strategize the business in the last twelve months had begun to reap results with marked reductions in distribution and marketing costs. More efforts will be put in place to secure customers with good payment records.

Cables International Pte Ltd ("CI")

FY2006 was the third year in which our 30% equity interest in CI has contributed to the Group's performance since acquisition. With oil and gas sector expected to maintain a positive outlook, we expect CI to maintain, if not improve on its contribution to the Group.

Environment Pulp & Paper Co., Ltd ("EPPCO")

With the successful completion of trial production in 2005, the Group's 20% owned associate, EPPCO, had commenced full commercial production in early 2006. EPPCO is expected to contribute positively to the Group's results for financial year ending 31 March 2007.

Property Development Business

The Group's 30% owned associate in China, Dalian Shicheng Property Development Co., Ltd had successfully launched the first phase of its Singapore Garden Project in the second half of the financial year ended 31 March 2006. Over 90% of the 138 units available for sale had been sold. The favourable response had strengthened our confidence for subsequent phases of the project. The next phase of the project had already started and is expected to be launched towards the end of July 2006.

Also in the works is The Inspira, a development undertaken by the Group's 35% owned associate, Meadows Bright Development Pte Ltd. The project is also expected to be launched before the end of July 2006.

Personal Thanks

I would like to take this opportunity to extend my heartfelt gratification to all members on the Board for their leadership, 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 Directors, I would like to express my utmost gratitude to Mr. Ng Eng Kiong, who left the Board during the year. His invaluable contribution to the Group during his five year term both as an independent director and as a member of the Nomination Committee, will be felt in years to come.

I would also like to thank all staff for their determination, dedication, commitment and hard work in the past one year.

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


Lim Hock Beng


Goh Chee Wee


Chua Eng Eng


Foo Kok Swee @ Pu Kok Swi


Chua Hai Kuey


Ganoktip Siriviriyakul


Ang Mong Seng (Advisor)

Board of Directors

Chua Kim Hua, aged 66, 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 Hai Kuey, aged 55, 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.

Chua Eng Eng, aged 36, serves as the Managing Director of the Group and is a member of the Remuneration Committee. She holds a Bachelor of Arts Degree in Economics from the National University of Singapore. Ms Chua is responsible for business development, planning, and implementing policies and activities for the Group. She is also responsible for all administration, financial, investment, recruitment, legal, and corporate affairs.

Goh Chee Wee, aged 60, 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 formerly the Minister of State for Trade & Industry, Labour & Communications. He was also the Group Managing Director of Comfort Group Ltd. He is currently the Chairman of 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.

Ganoktip Siriviriyakul, aged 59, 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. and Ekarat Pattana Co.,Ltd, two of our Group's new ventures in Thailand.

Lim Hock Beng, aged 66, is an Independent Non-Executive Director of our Company. He serves as the Chairman of the Audit Committee and is a member of the Remuneration Committee and the Nomination Commitee. Since 1996, he has been the Managing Director of Aries Investments Pte Ltd, a private investment holding company with its principal interests in the investment of quoted securities and properties. Prior to that, he founded Lim Associates (Pte) Ltd 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.

Foo Kok Swee @ Pu Kok Swi, aged 68, 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 currently serves on the board of directors in Eng Wah Organization. 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.

Ang Mong Seng, aged 56, joined King Wan as an Advisor in September 2002. He holds a Bachelor of Arts degree from the former Nanyang University, Singapore. He has more than 28 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, Ecowise Holdings Ltd and Hoe Leong Corporation Ltd.

Management and Key Executives

Chua Yan Peng

Chua Yan Peng joined the Group as a Human Resource and Purchasing Manager in October 1977. She is now a Director of King Wan Construction Pte Ltd. She plans, organizes, directs and controls all of the Group's purchases and inventory control. She is also responsible for the Group's purchasing systems and ensures that purchasing requirements are met. She holds a Diploma in Business Management from the Singapore Institute of Management.

Siow Nget Yuen, Priscilla

Siow Nget Yuen, Priscilla joined the Group in August 1978 as an Administration and Finance Officer. She has, over the years, risen through the ranks and is currently a Director of King Wan Construction Pte Ltd. She currently assists the executive directors in the areas of human resource management, administration and finance. She is also overall in charge of the paint business in China. She has a LCCI intermediate certificate.

Chew Chee Yuen, Francis

As the Chief Financial Officer, Francis is responsible for the overall financial, accounting and tax matters of the Group. He is also the key personnel involved in planning and installation of reporting systems to support the decisions of management. Prior to joining the Group in June 2000, he was the Corporate Auditor of General Motors Asia Pacific Pte Ltd. He was also formally an auditor at Price Waterhouse (now known as Price WaterhouseCoopers). Mr Francis Chew holds a Bachelor of Accountancy from the Nanyang Technological University in Singapore and is a non-practicing member of the Institute of Certified Public Accountants of Singapore.

Wong Lam Lim

Wong Lam Lim is the General Manager of King Wan Construction Pte Ltd. He has more than 35 years of experience in both the private and public sectors of the M&E engineering field. He is overall responsible for contracts negotiation and project management to ensure the smooth execution of all projects. Prior to joining the Group in December 2000, he was a Director at Bintai Kindenko Pte Ltd for 22 years, undertaking major public projects like Changi Airport Terminal1. He was also a Manager in Reliance Electric Pte Ltd for 14 years, handling numerous overseas projects. He is a member of both the Institute of Incorporated Engineers (MIIE) and the Institute of Electrical and Electronics Engineers (MIEEE).

Seah Sye Mui

As the Assistant General Manager, Ms Seah overseas all documentation works relating to tender submissions and internal costing. She is also involved with contracts negotiation and ensuring the quality compliance of projects. With more than 25 years experience in Mechanical and Electrical Engineering field, Ms Seah also assists in project management. Prior to joining the Group in December 2000, she was with Bintai Kindenko Pte Ltd for 21 years serving as the Assistant Vice President. Ms Seah holds a diploma in Electrical Engineering from Singapore Polytechnic.

Operations Review

Performance Overview

For the financial year, the Group's turnover decreased by 35% from $58.24 million to S$37.98 million as explained below.

The Mechanical and Electrical (M&E) business segment accounted for the main decrease in turnover from S$56.1 million in FY2005 to S$35.9 million as a result of fewer projects in progress that are available for revenue recognition.

The Portable Toilet Rental business performed better, posting an increase in turnover from S$1.16 million to S$1.46 million, contributing 3.8% to the Group's turnover. There was a general increase in the demand for our services by event organizers, tentage operators and construction sites. These are attributable to a recovering construction industry and more outdoor social events being held.

The Paint manufacturing and distribution business in China experienced a dip in turnover from S$981,000 to S$680,000 in the current year as the company focus its business around the Beijing area in the second half of the year.

Profit before Income Tax

The Group's profits before income tax for the financial year was S$846,000, an improvement of S$115,000 over the previous financial year. The improved performance was due mainly to better performance turned in by the Portable Toilet Rental business due to higher turnover. There were also reductions in distribution and administrative expenses in the Paint Manufacturing & Distribution business and lower overhead spendings at the Corporate level. The better showing mentioned above was partly offset by lower contributions from the M&E business segment as a result of lesser work completed.

Contributions from associates were lower as a result of the Group's share of start-up costs incurred by EPPCO, a 20% associate located in Thailand. EPPCO has since commenced full production and commercial sales of its bagasse pulp in the last quarter of FY2006. Cables International Pte Ltd, a 30% associate, continued to maintain its profits in the current year.

The effective income tax rate for the current financial year is higher than that of FY2005 due to the lower amount of tax losses available.

Earnings Per Share (EPS)

EPS decreased from 0.233 cents to 0.129 cents due mainly to an increase in the weighted average number of ordinary shares in issue from 264.4 million to 325.2 million as well as lower profits for the year.

Balance Sheet Review

The Group's equity base decreased from $41.8 million to S$41.7 million as at 31.3.2006. The decrease was due to profits for the current year less dividends paid out for the previous financial year.

Total current assets increased by 10% or from $23.5 million to $25.8 million. This increase was due to increased trade receivables caused by billings for progress claims made towards the end of the financial year and the net accrual of retention sums for M&E contracts completed during the financial year. Further increase in current assets was due to loans made to an associate. A lower amount of work in progress has resulted in a lower construction work-in-progress balance.

Non-current assets decreased slightly from $31.3 million to $31.1 million largely due to depreciation of property, plant & equipment offset by additional investment into existing associate, Dalian Shicheng Property Development Co., Ltd, during the year.

Current liabilities had increased from $12.9 million to $15.1 million due to an increase in trade payables arising from accruals for sub-contractors fees for contracts completed during the financial year and the utilization of banking facilities. Current ratio had therefore decreased from 1.82 to 1.71.

Compared to FY2005, net asset value per share decreased marginally from 12.84 cents to 12.82 cents per share due to profits generated during the year less dividends paid out for the previous financial year.

The debt equity ratio increased from 0.09 to 0.15 due mainly to the higher utilization of bank borrowings/ facilities to finance the Group's working capital and business expansion.

Cashflows and Liquidity

In FY2006, net cash used in operating activities amounted to $1.9 million compared to $0.11 million in FY2005. The increase was due mainly to loans granted to an associate and the increase in trade receivables at financial year end. This increase in net cash used in operating activities is partially offset by higher profit before tax earned by the Group in the current year and lower financing of work-in-progress, inventories and trade payables and a lower amount of income tax paid compared to the previous financial year.

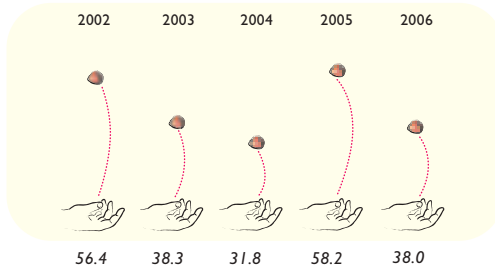
Net cash used in investing activities decreased from $4.5 million to $0.9 million as there were more capital injected into associated companies in the previous financial year.

Five Year Financial Highlights

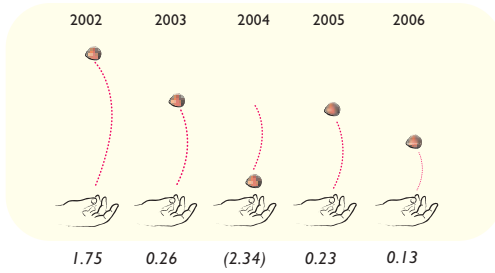
As at 31 March

	2002 S$'000	2003 S$'000	2004 S$'000	2005 S$'000	2006 S$'000
Profit & Loss Account					
Turnover	56,447	38,326	31,829	58,241	37,983
Net Profit After Tax	3,104	518	(4,853)	617	419
Proposed Dividends (Net)	691	0	0	488	244
Balance Sheet					
Fixed Assets	17,812	17,201	15,862	15,381	14,690
Current and other Assets	22,815	25,028	25,864	39,405	42,241
Total Assets	**40,627**	**42,229**	**41,726**	**54,786**	**56,931**
Shareholders' Funds	26,268	32,243	27,311	41,758	42,026
Long and Short Term Borrowings	363	776	3,966	3,796	6,283
Other Liabilities	13,996	9,210	10,449	9,232	8,622
Total Reserves & Liabilities	**40,627**	**42,229**	**41,726**	**54,786**	**56,931**
Per Share Data (Cents)					
Net Earnings After Tax	1.75	0.26	(2.34)	0.23	0.13
Dividends (Gross)	0.50	-	-	0.15	0.08
Dividends (Net)	0.39	-	-	0.15	0.08
Dividends Cover	4.49	-	-	1.55	1.72
Net Assets	14.80	15.55	13.17	12.84	12.82
Financial Ratios					
Return on Shareholders' Funds	11.8%	1.6%	-17.8%	1.5%	1.0%
Return on Total Assets Employed	7.6%	1.2%	-11.6%	1.1%	0.7%
Debt-Equity Ratio	0.01	0.02	0.15	0.09	0.15

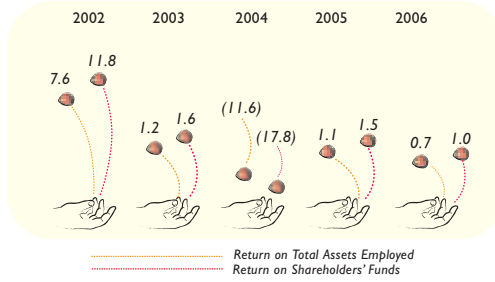
Turnover ($million)



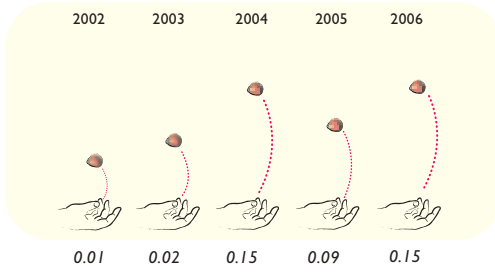
Earnings Per Share (Cents)



Financial Ratios (%)



Debt Equity Ratios



Highlights on Subsidiaries

King Wan Construction Pte Ltd specializes in providing a full spectrum of M&E engineering services to main contractors in Singapore. Registered under the Building and Construction Authority of Singapore (BCA), we have differentiated ourselves from our competitors by becoming an ISO certified M&E Engineering specialist providing integrated solutions.

Our spectrum of services includes:

- Integrated Building Services
- Plumbing and Sanitary Systems
- Electrical Engineering Systems
- Fire Prevention and Protection Systems
- Air-conditioning and Mechanical Ventilation Systems
- Communications and Security Systems
- Underground Pipeline Communication Systems
- Civil Engineering
- Repair & Redecoration

Based on the Building and Construction Authority of Singapore (BCA) Registration requirements, BCA grades M&E contractors on a scale ranging from L1 (lowest) to L6 (highest). We have achieved and maintained the highest grading of L6 grading for Integrated Building Services, Plumbing and Sanitary Systems and Electrical Engineering Systems. This is attributed to our strong financials, impeccable and substantial track record and our cohesive team of qualified technical professionals.

Backed by more than 30 years of experience in the building and construction industry, a sound and stable foundation and a team of dedicated and professional staff, our ability to be multi-disciplined with expertise in Design & Build and the integration of various M&E services in achieving synergy has been affirmed through residential, commercial/ institutions and industrial projects.

Highlights of some of the projects undertaken with Mechanical and/or Electrical Engineering services includes:

Residential

- The Pinnacle @ Duxton
- Rivergate
- Ritz Residences
- Citylights Condominium
- Viz @ Holland
- Vida
- 8 units of Terrace houses at Sentosa Cove
- Seaview Condominium
- Park Infinia
- Queenstown Redevelopment Contract 21
- The Inspira

Commercial/ Institutions

- SIF building at 96 Robinson Road
- Bishan Library
- Jesus Christ of the Latter-Day Saints Church At Bukit Timah

K&W Mobile Loo Services Pte Ltd was set up in 1996 to provide rental and cleaning services of portable chemical lavatories to property development showrooms, construction worksites and public events. It is now one of the leading players with a fleet of more than 700 portable toilets.

We have been given the thumbs up since our establishment by public and government bodies alike. We have worked in partnership with various organizations for major events this year like the Singapore Biathlon 2006, JP Morgan Chase Corporate Challenge, River Hong Bau 2006, New Paper Big Walk 2006, Runway Cycling 2006 and many more.

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

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

Self-Cote specializes in the production of environmentally friendly water-based paint. We have a manufacturing plant in Hebei Province, located in the northern region of PRC. We have strengthened our distribution network and created brand awareness in the local market.

The rapid economic growth in the PRC have boosted its architectural premises and infrastructures where we are able to meet the requirements and demands for decoration and paint works. With the increased inauguration of our Singapore brand, we are definitely out to paint a new China.

Financial Statement
Contents

Report of the Directors

The directors present their report together with the audited consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended March 31, 2006.

1 Directors

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

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

2 Audit Committee

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

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

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

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

The primary functions of the AC are as follows:

- review with the external auditors, their audit plan, 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. There were no non-audit services provided by the auditors in the financial year just ended.

3 Arrangements to Enable Directors to Acquire Benefits By Means of the Acquisition of Shares and Debentures

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

4 Directors' Interests in Shares and Debentures

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

Name of directors and Company in which interests are held	At beginning of year	At end of year	At April 21, 2006
King Wan Corporation Limited		Ordinary shares	
Chua Kim Hua	44,113,319	44,113,319	44,113,319
Chua Eng Eng	28,295,906	28,295,906	28,295,906
Chua Hai Kuey	22,247,676	22,247,676	22,247,676
Foo Kok Swee @ Pu Kok Swi	100,000	100,000	100,000
Ganoktip Siriviriyakul	76,875,000	76,875,000	76,875,000

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

5 Directors' Receipt and Entitlement to Contractual Benefits

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

6 Option 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.

7 Option 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.

8 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.

9 Auditors

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

On Behalf of the Directors

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Chua Kim Hua

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Chua Eng Eng

June 23, 2006

Auditors' Report to the Members of King Wan Corporation Limited

We have audited the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of King Wan Corporation Limited for the financial year ended March 31, 2006 set out on pages 18 to 55. 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, 2006 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche
Certified Public Accountants

Jeremy Toh
Partner
Appointed on July 1, 2005

Singapore
June 23, 2006

King Wan Corporation Limited and its Subsidiaries

Balance Sheets
March 31, 2006

	Note	Group 2006 $	Group 2005 $	Company 2006 $	Company 2005 $
ASSETS					
Current assets:					
Cash and cash equivalents	6	1,266,872	4,239,652	177,743	1,369,118
Trade receivables	7	10,106,086	7,417,057	-	-
Other receivables and prepayments	8	4,685,239	525,533	57,419	41,099
Amount due from subsidiaries	9	-	-	14,572,854	13,199,830
Other investments	10	145,262	187,957	-	-
Inventories	11	1,849,524	2,040,301	-	-
Construction work-in-progress	12	7,759,332	9,076,718	-	-
Total current assets		25,812,315	23,487,218	14,808,016	14,610,047
Non-current assets:					
Property, plant and equipment	13	14,689,509	15,380,511	-	-
Goodwill	14	-	71,056	-	-
Subsidiaries	15	-	-	17,730,189	17,956,789
Associates	16	16,429,225	15,846,922	10,441,334	10,441,334
Total non-current assets		31,118,734	31,298,489	28,171,523	28,398,123
Total assets		56,931,049	54,785,707	42,979,539	43,008,170
LIABILITIES AND EQUITY					
Current liabilities:					
Bank borrowings	17	3,998,106	3,569,484	-	-
Construction work-in-progress	12	877,779	943,788	-	-
Trade payables	18	8,491,853	6,936,687	-	-
Other payables	19	856,352	834,306	171,114	164,869
Current portion of finance leases	21	59,836	74,595	-	-
Income tax payable		807,742	516,138	-	-
Total current liabilities		15,091,668	12,874,998	171,114	164,869

Balance Sheets (cont'd)

	Note	Group 2006 $	Group 2005 $	Company 2006 $	Company 2005 $
Non-current liability:					
Finance leases	21	141,668	152,397	-	-
Total non-current liability		141,668	152,397	-	-
CAPITAL AND RESERVES					
Share capital	22	40,089,296	32,517,687	40,089,296	32,517,687
Share premium	23	-	7,579,609	-	7,579,609
Retained earnings		1,770,658	1,839,308	2,719,129	2,746,005
Currency translation reserves		(162,241)	(178,292)	-	-
Total equity		41,697,713	41,758,312	42,808,425	42,843,301
Total liabilities and equity		56,931,049	54,785,707	42,979,539	43,008,170

See accompanying notes to financial statements.

Consolidated Profit and Loss Statement
Financial year ended March 31, 2006

	Note	Group 2006 $	Group 2005 $
Revenue	24	37,983,447	58,241,397
Cost of sales		(32,236,030)	(52,966,014)
Gross profit		5,747,417	5,275,383
Other operating income	25	971,544	921,912
Distribution costs		(207,495)	(345,276)
Administrative expenses		(5,421,987)	(5,325,256)
Share of profit of associates		14,503	338,798
Finance costs	26	(257,941)	(134,253)
Profit before income tax		846,041	731,308
Income tax expense	27	(426,926)	(114,454)
Profit for the financial year	28	419,115	616,854
Earnings per share (cents)			
Basic	29	0.13	0.23
Diluted	29	0.13	0.23

See accompanying notes to financial statements.

King Wan Corporation Limited and its Subsidiaries

Statements of Changes in Equity

Financial year ended March 31, 2006

	Share capital $	Share premium $	Retained earnings $	Currency translation reserves $	Total $
Group					
Balance at April 1, 2004	20,730,187	5,512,951	1,222,454	(154,509)	27,311,083
Currency translation differences	-	-	-	(23,783)	(23,783)
Profit for the financial year	-	-	616,854	-	616,854
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	1,839,308	(178,292)	41,758,312
Adjustment arising from abolition of par value of shares (Note 22)	7,571,609	(7,571,609)	-	-	-
Currency translation differences	-	-	-	16,051	16,051
Profit for the financial year	-	-	419,115	-	419,115
Dividends paid (Note 30)	-	-	(487,765)	-	(487,765)
Share issue expenses relating to prior year	-	(8,000)	-	-	(8,000)
Balance at March 31, 2006	40,089,296	-	1,770,658	(162,241)	41,697,713
Company					
Balance at April 1, 2004	20,730,187	5,512,951	3,026,866	-	29,270,004
Loss for the financial year	-	-	(280,861)	-	(280,861)
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	2,746,005	-	42,843,301
Adjustment arising from abolition of par value of shares (Note 22)	7,571,609	(7,571,609)	-	-	-
Profit for the financial year	-	-	460,889	-	460,889
Dividends paid (Note 30)		-	(487,765)	-	(487,765)
Share issue expenses relating to prior year	-	(8,000)	-	-	(8,000)
Balance at March 31, 2006	40,089,296	-	2,719,129	-	42,808,425

See accompanying notes to financial statements.

King Wan Corporation Limited and its Subsidiaries

Consolidated Cash Flow Statement
Financial year ended March 31, 2006

	2006 $	2005 $
Cash flows used in operating activities:		
Profit before income tax	846,041	731,308
Adjustments for:		
Depreciation	1,141,642	1,072,510
Allowance (Writeback) for doubtful trade receivables	20,579	(112,100)
Impairment loss on other investments	-	121,554
Change in fair value of held-for-trading investments	42,888	-
(Writeback of) Allowance for inventories	(32,286)	50,228
Amortisation of goodwill	-	35,528
Write-off of trade and other receivables	47,297	-
Interest income	(80,157)	(25,808)
Interest expense	257,941	134,253
Gain on disposal of property, plant and equipment	(44,061)	(153,662)
Dividend income from other investments	(899)	(83)
(Gain) Loss on sale of other investments	(6,560)	12,035
Share of associates' results	(14,503)	(338,798)
Goodwill written off	71,056	-
Operating profit before working capital changes	2,248,978	1,526,965
Trade receivables	(2,749,066)	(498,772)
Other receivables and prepayments	(4,158,363)	646,034
Construction work-in-progress	1,255,567	342,103
Inventories	233,938	(243,103)
Trade payables	1,554,487	(888,762)
Other payables	22,224	(39,274)
Cash (used in) generated from operations	(1,592,235)	845,191
Income tax paid	(135,322)	(844,241)
Interest received	80,157	25,808
Interest paid	(257,941)	(134,253)
Net cash used in operating activities	(1,905,341)	(107,495)
Cash flows used in investing activities:		
Dividends received	899	83
Proceeds from disposal of other investments	27,960	90,585
Purchase of property, plant and equipment [Note (a)]	(426,377)	(495,643)
Proceeds from the disposal of property, plant and equipment	90,465	182,449
Acquisition of interest in associates	(567,800)	(4,277,059)
Acquisition of other investments	(21,000)	-
Net cash used in investing activities	(895,853)	(4,499,585)

	2006 $	2005 $
Cash flows (used in) from financing activities:		
Dividends paid	(487,765)	-
Obligations under finance leases	(82,154)	(52,588)
Proceeds from issue of shares	-	4,100,000
Repayment of short-term bank borrowings	(726,348)	(29,697)
Expenses incurred to raise equity capital	(8,000)	(85,842)
Net cash (used in) from financing activities	(1,304,267)	3,931,873
Net effect of exchange rate changes in consolidating a foreign subsidiary	2,540	26,696
Net decrease in cash and cash equivalents	(4,102,921)	(648,511)
Cash and cash equivalents at beginning of financial year	2,317,192	2,965,703
(Overdrawn) Cash and cash equivalents at end of financial year (Note 6)	(1,785,729)	2,317,192

Note (a):

	2006 $	2005 $
Purchase of property, plant and equipment	483,043	645,643
Less: Assets purchased under finance leases	(56,666)	(150,000)
Net	426,377	495,643

Note (b):

During the financial year, the Group increased its investment in one of its associate by subscribing for US$340,000 in the increased share capital of the associate.

In 2005, the purchase consideration of $9,840,000 in an associate, Environment Pulp & Paper Company Ltd was satisfied by the issuance of 76,875,000 new ordinary shares at an agreed issued price of $0.128.

	2005 $
Investment in associates	14,117,059
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	4,277,059
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	4,100,000

See accompanying notes to financial statements.

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 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 15 to the financial statements.

The consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended March 31, 2006 were authorised for issue by the Board of Directors on June 23, 2006.

2 Summary of Significant Accounting Policies

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

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") issued by the Council on Corporate Disclosure and Governance that are relevant to its operations and effective for annual periods beginning on or after April 1, 2005. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

At the date of authorisation of these financial statements, the following FRSs and INT FRSs and amendments to FRSs were issued but not effective:

FRS 40	-	Investment Property
FRS 106	-	Exploration for and Evaluation of Mineral Resources
FRS 107	-	Financial Instruments: Disclosures
INT FRS 104	-	Determining whether an Arrangement contains a Lease
INT FRS 105	-	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
INT FRS 106	-	Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
INT FRS 107	-	Applying the restatement Approach under FRS 29 Financial Reporting in Hyper-inflationary Economies

Amendments to the following:

FRS 1	-	Presentation of Financial Statements on Capital Disclosures
FRS 19	-	Employee Benefits on Actuarial Gains and Losses, Group Plans and Disclosures
FRS 21	-	The Effects of Changes in Foreign Exchange Rates on net Investment in a Foreign Operation
FRS 39	-	Recognition and measurement on hedge accounting provisions, fair value and financial guarantee contracts.
FRS 101	-	First-time Adoption of Financial Reporting Standards on Comparative Disclosures for FRS 106 Exploration for and Evaluation of Mineral Resources
FRS 104	-	Insurance Contracts on financial guarantee contracts

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

2 *Summary of Significant Accounting Policies (cont'd)*

The directors anticipate that the adoption of the above FRS, INT FRS and amendments to FRS that were issued but not yet effective in future periods will not have a material impact on the financial statements of the Company and the Group.

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

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

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

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

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

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

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

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

Cash and cash equivalents

Cash and bank balances comprise cash at bank, bank overdrafts and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables and amount due from subsidiaries

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit and loss statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Other investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and is initially measured at fair value.

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

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Bank borrowings

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

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2 *Summary of Significant Accounting Policies (cont'd)*

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

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value 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 or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

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 WORK-IN-PROGRESS - Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customers.

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

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised 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.

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

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

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

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

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

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

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

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

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

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

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

2 *Summary of Significant Accounting Policies (cont'd)*

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

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

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

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

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

PROVISIONS - Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

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

Rental income is recognised on an accrual basis, using the straight-line method over the period of the leases.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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

BORROWING COSTS - Borrowing costs are recognised in the profit and loss statement in the period in which they are incurred.

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

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

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

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

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

2 *Summary of Significant Accounting Policies (cont'd)*

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

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

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

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

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

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Critical judgements in applying the Group's accounting policies

In the process of applying the entity's accounting policies, which are described in Note 2, management did not make any judgements that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions used and the uncertainties associated with making estimations that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Allowances for doubtful debts

The Group makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables when events or changes in circumstances indicate that the balance may not be collectible. The identification of doubtful debts requires the use of judgements and estimates. Where the expectation is different from the original estimate, such differences will impact the carrying value of trade and other receivables and allowances for doubtful debts in the period in which such estimate has been charged. As at March 31, 2006, the carrying amount of trade and other receivables of the Group amounted to $10,106,086 (2005 : $7,417,057) and $4,685,239 (2005 : $525,533) respectively.

3 *Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)*

Construction contracts

Revenue and profit recognition on uncompleted projects are dependent on estimating the total outcome of the construction contract, as well as work done to date. Actual outcome in terms of actual costs or revenue may be higher or lower than estimated at the balance sheet date, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date. As at March 31, 2006, the management considered that all costs to complete and revenue can be reliably estimated. As at March 31, 2006, the carrying amount of the Group's net construction work-in-progress amounted to $6,881,553 (2005 : $8,132,930).

4 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 liabilities are bank overdrafts, bank loans and finance leases. 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.

4 *Financial Risk and Management Risk Policies (cont'd)*

(v) **Fair values of financial assets and financial liabilities**

The carrying amounts of short-term financial assets and liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

5 Related Party Transactions

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

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

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

	Group	
	2006 $	2005 $
Sales of goods	(449,969)	-
Purchases of goods	1,473,898	1,477,117
Rental income	(157,812)	(133,503)
Office management service income	-	(3,200)
Management fee income	(60,000)	(5,000)
Other income	(3,476)	(9,133)

Sales of goods to related parties were made at the Group's usual list prices. Purchases were made at market price discounted to reflect the quantity of goods purchased.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. In 2005, $41,347 was recognised for bad or doubtful debts in respect of the amounts owed by related parties.

5 *Related Party Transactions (cont'd)*

Compensation of directors and key management personnel

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

	Group	
	2006 $	2005 $
Short-term benefits	1,473,075	1,414,388
Post-retirement benefit	62,563	72,958
	1,535,638	1,487,346

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

6 Cash and Cash Equivalents

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

	Group		Company	
	2006 $	2005 $	2006 $	2005 $
Cash and bank balances	724,890	3,964,567	177,743	1,369,118
Fixed deposits	541,982	275,085	-	-
Total	1,266,872	4,239,652	177,743	1,369,118
Less: Bank overdrafts (Note 17)	(3,052,601)	(1,922,460)	-	-
Net	(1,785,729)	2,317,192	177,743	1,369,118

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

Fixed deposits bear interest at an average rate of 1.6% (2005 : 1.55%) per annum and are for a tenure of approximately 31 days (2005 : 31 days).

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

	Group	
	2006 $	2005 $
United States dollars	103,778	351,574
Australian dollars	1,930	-
Thailand baht	3,584	3,584
Malaysian ringgit	14,319	14,175

7 Trade Receivables

	Group	
	2006 $	2005 $
Outside parties	11,546,521	8,835,730
Less: Allowance for doubtful debts	(1,440,435)	(1,418,673)
Net	10,106,086	7,417,057

The allowance has been determined by reference to past default experience.

8 Other Receivables and Prepayments

	Group		Company	
	2006 $	2005 $	2006 $	2005 $
Associates (Note 16)	4,469,790	109,518	50,453	69,080
Allowance for doubtful debts	-	(41,347)	-	(41,347)
	4,469,790	68,171	50,453	27,733
Related parties (Note 5)	-	141,438	-	-
Other receivables	61,641	127,975	991	1,049
Prepayments	28,311	84,641	5,975	3,917
Advances to staff	6,941	200	-	-
Deposits	118,556	103,108	-	8,400
Total	4,685,239	525,533	57,419	41,099

The amount receivable from associates and related parties are interest-free, unsecured and repayable on demand.

9 Amount Due From Subsidiaries

	Company	
	2006 $	2005 $
Loan to subsidiaries - non-trade (Note 15)	14,572,854	13,199,830

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

An allowance has been made for estimated irrecoverable amount of $100,000 (2005: Nil). The allowance has been determined by reference to past default experience.

10 Other Investments

	Group	
	2006 $	2005 $
Held-for-trading investments:		
Quoted equity shares, at fair value	126,262	116,258
Available-for-sale investments:		
Unquoted equity shares, at cost	19,000	71,699
	145,262	187,957

The investments above include investments in quoted and unquoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. The fair values of the quoted securities are based on closing quoted market prices on the last market day of the financial year.

The unquoted equity shares represents a subscription to the share capital of a company, CitiCare Management Pte Ltd, incorporated in Singapore. The effective equity interest in the company is 19%. The investment is stated at cost less any impairment in net recoverable value as the directors are of the view that there is no reliable measure of the fair values of these unquoted equity shares.

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

	Group	
	2006 $	2005 $
Malaysian ringgit	56,466	86,248

11 Inventories

	Group	
	2006 $	2005 $
Raw materials and consumables	1,849,524	2,040,301

12 Construction Work-in-progress

	Group	
	2006 $	2005 $
Contracts-in-progress at balance sheet date:		
Amounts due from contract customers	7,759,332	9,076,718
Amounts due to contract customers	(877,779)	(943,788)
	6,881,553	8,132,930
Contract costs incurred plus recognised profits (less recognised losses) to date	30,563,847	47,993,547
Less: Progress billings	23,682,294	39,860,617
	6,881,553	8,132,930

At March 31, 2006, retention monies held by customers for a period of less than 12 months for contract work amounted to $1,775,411 (2005: $1,345,949) as included in trade receivables in Note 7 to the financial statements.

13 Property, Plant and Equipment

	Leasehold buildings and properties	Plant and machinery	Office equipment	Motor vehicle	Portable toilets	Total
	$	$	$	$	$	$
Group						
Cost:						
At April 1, 2004	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 March 31, 2005	20,432,662	1,287,193	976,648	2,724,574	1,072,094	26,493,171
Additions	4,714	13,726	105,746	260,938	97,919	483,043
Disposals	–	–	(55,473)	(128,442)	(11,540)	(195,455)
Translation differences	13,048	4,158	485	1,831	–	19,522
At March 31, 2006	20,450,424	1,305,077	1,027,406	2,858,901	1,158,473	26,800,281
Accumulated depreciation:						
At April 1, 2004	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 March 31, 2005	6,199,047	962,912	639,405	2,087,371	972,653	10,861,388
Depreciation for the year	740,673	36,804	112,135	215,913	40,308	1,145,833[1]
Disposals	–	–	(38,059)	(108,692)	(2,300)	(149,051)
Translation differences	622	360	164	184	–	1,330
At March 31, 2006	6,940,342	1,000,076	713,645	2,194,776	1,010,661	11,859,500
Impairment:						
Impairment loss as at beginning and end of year	(251,272)	–	–	–	–	(251,272)[2]
Carrying amount:						
At March 31, 2005	13,982,343	324,281	337,243	637,203	99,441	15,380,511
At March 31, 2006	13,258,810	305,001	313,761	664,125	147,812	14,689,509

Certain motor vehicle with net book value of $358,279 (2005 : $393,344) are under finance leases.

(1) Included herein are depreciation expenses amounting to $4,191 (2005 : $2,763) which have been allocated to the construction work-in-progress (Note 12).

(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.

13 *Property, Plant and Equipment (cont'd)*

Particulars of major properties are as follows:

Location	Description	Tenure
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, Hebai, China	Single storey build production floor with a 3-storey ancillary office block	50-year leasehold commencing from July 30, 2001

14 Goodwill

	Group	
	2006 $	2005 $
Cost:		
At beginning of financial year	199,999	199,999
Elimination of amortisation accumulated prior to the adoption of FRS 103	(128,943)	-
At end of financial year	71,056	199,999
Accumulated amortisation:		
At beginning of financial year	128,943	93,415
Elimination of amortisation accumulated prior to the adoption of FRS 103	(128,943)	-
Charge for the year	-	35,528
At end of financial year	-	128,943
Impairment loss recognised	(71,056)	-
Net	-	71,056

The above goodwill relates to the investment in Self-Cote Investment Pte Ltd. The directors are of the view that there are uncertainty to the future economic benefits accruing from this goodwill and hence had written off the goodwill.

15 Investment in Subsidiaries

	Company	
	2006 $	2005 $
Unquoted equity shares - at cost	17,956,789	17,956,789
Less : allowance for impairment	(226,600)	-
Net	17,730,189	17,956,789

The subdiaries of the Group at March 31, 2006 are set out below:

Name of subsidiaries	Principal activities/ Place of operation and country of incorporation	Effective equity interest and voting power held by the Group	
		2006 %	2005 %
King Wan Construction Pte Ltd [1]	Provision of mechanical and electrical (M&E) engineering services/ Singapore	100	100
K&W Mobile Loo Services Pte Ltd [1]	Owner, renters and operations of mobile lavatories and other facilities/ Singapore	100	100
King Wan Industries Pte Ltd [1]	Investment holding and manufacture of UPVC pipes and fittings/ Singapore	100	100
King Wan Development Pte Ltd [1]	Investment holding and property development/ Singapore	100	100
Self-Cote Investment Pte Ltd [2]	Investment holding/ Singapore	100	100
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

[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.

16 Associates

	Group		Company	
	2006 $	2005 $	2006 $	2005 $
Unquoted equity shares – at cost	15,984,860	15,417,060	10,441,334	10,441,334
Share of post-acquisition accumulated profits net of dividends received	444,365	429,862	-	-
Net	16,429,225	15,846,922	10,441,334	10,441,334

Carrying value as at year end include goodwill on aquisition amounting to $559,803 (2005: $559,803)

The associates of the Group are set out below:

Name of associates	Principal activities/ Place of operation and country of incorporation	Effective equity interest and voting power held by the Group	
		2006 %	2005 %
Global Star Investments Pte Ltd (1)	Investment holding/ Singapore	50	50
Pengda Investment & Development Pte Ltd (2)	Investment holding/ Singapore	30	30
Pengda Construction & Development Co., Ltd (3)	Property development and investment holding/ People's Republic of China	24	24
Cables International Pte Ltd (4)	Supply of specialised electrical cables and accessories to offshore and onshore oil and gas sectors/ Singapore	30	30
Meadows Bright Development Pte Ltd (5)	Property development/ Singapore	35	35
Dalian Shicheng Property Development Co. Ltd (6)	Development, marketing, sale and management of residential and commercial properties/ People's Republic of China	30	35
Environment Pulp & Paper Company Ltd (7)	Production and sale of chemically bleached bagasse pulp/ Thailand	20	20
Ekarat Pattana Co. Ltd (8)	Production, distribution and sale of ethanol/ Thailand	20	20

16 *Associates (cont'd)*

(1) 50% owned by the Company, the associate is in the process of applying for deregistration. Audited by Deloitte & Touche, Singapore.

(2) 30% owned by the company's subsidiary, King Wan Development Pte Ltd (Note 15). Audited by another firm of auditors, SP Tan & Partners, Singapore.

(3) 80% owned by Pengda Investment & Development Pte Ltd. Audited by another firm of auditors, Zhang Hao Certified Public Accountants Office Ltd, Ganzhou.

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

(5) 35% owned by the company's subsidiary, King Wan Development Pte Ltd (Note 15). Audited by another firm of auditors, Chan Leng Leng & Co, Singapore.

(6) 30% owned by the company's subsidiary, King Wan Development Pte Ltd (Note 15). Audited by another firm of auditors, Dalian Liaoquan Certified Public Accountants Co. Ltd.

(7) Audited by another firm of auditors, KPMG, Thailand.

(8) 20% owned by the company's subsidiary, King Wan Industries Pte Ltd. Audited by another firm of auditors, Veera Wibulwathanakij, CPA, Thailand.

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

	2006 $	2005 $
Total assets	233,695,059	156,086,825
Total liabilities	(162,189,702)	(85,813,339)
Net assets	71,505,357	70,273,486
Group's share of associates' net assets	15,869,422	15,287,119
Revenue	28,082,343	10,122,092
(Loss) Profit for the financial year	(251,690)	1,396,140
Group's share of associates' profit for the year	14,503	338,798

17 Bank Borrowings

	Group	
	2006 $	2005 $
Bank overdrafts	3,052,601	1,922,460
Short-term bank borrowings	945,505	1,647,024
	3,998,106	3,569,484

The bank borrowings that are not denominated in the functional currencies of the respective entities are as follow:

	Group	
	2006 $	2005 $
United States dollars	945,505	1,647,024

The bank overdrafts are unsecured and repayable on demand. The bank overdrafts bear interest at rates ranging from 5.25% to 5.5% (2005 : 5.25% to 5.5%) per annum and are arranged at floating rates.

The short-term bank borrowings extended by a bank to a subsidiary, Self-Cote Paint (Lang Fang) Co., Ltd, are on a 3 month revolving basis and are borrowed for the purpose of short-term cash commitments. The borrowings are guaranteed by the company and bear interest at rates ranging from 3.91% to 6.01% (2005: 2.39% to 3.57%) per annum and are arranged at floating rate.

18 Trade Payables

	Group	
	2006 $	2005 $
Outside parties	8,266,065	6,581,255
Related parties (Note 5)	224,284	355,432
Associates	1,504	-
	8,491,853	6,936,687

19 Other Payables

	Group		Company	
	2006 $	2005 $	2006 $	2005 $
Other payables	729,742	709,946	73,364	69,369
Related parties (Note 5)	3,600	3,600	-	-
Associates (Note 16)	25,260	25,260	-	-
Directors	97,750	95,500	97,750	95,500
	856,352	834,306	171,114	164,869

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

20 Defined Contribution Plans

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

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

The total expense recognised in the profit and loss statement of $372,876 (2005 : $386,555) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at March 31, 2006, contributions of $89,637 (2005 : $100,549) due in respect of current financial year had not been paid over to the plans. The amounts were paid over subsequent to the balance sheet date.

21 Finance Leases

	Minimum lease payments		Present value of minimum lease payments	
	2006 $	2005 $	2006 $	2005 $
Group				
Amounts payable under finance lease:				
Within one year	66,533	84,010	59,836	74,595
In the second to fifth years inclusive	157,867	171,178	141,669	152,397
	224,400	255,188	201,505	226,992
Less: Future finance charges	(22,895)	(28,196)		
Present value of lease obligations	201,505	226,992		
Less: Amount due for settlement within 12 months	(59,836)	(74,595)		
Amount due for settlement after 12 months	141,668	152,397		

It is the Group's policy to lease certain of its property, plant and equipment under finance leases. The average lease term is 5 (2005 : 5 years). For the year ended March 31, 2006, the average effective borrowing rate was 4.73% (2005 : 4.85%) per annum. Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

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

22 Share Capital

	Group and Company			
	2006	2005	2006 $	2005 $
	Number of ordinary shares			
Issued and paid-up:				
At beginning of financial year	325,176,870	207,301,870	32,517,687	20,730,187
Issued during the financial year	-	117,875,000	-	11,787,500
Transfer from share premium account (Note 23)	-	-	7,571,609	-
At end of financial year	325,176,870	325,176,870	40,089,296	32,517,687

22 *Share Capital (cont'd)*

As a result of the Companies (Amendment) Act 2005, the concept of authorised share capital and par value has been abolished. Any amount standing to the credit of share premium account has been transferred to the Company's share capital account in the current financial year.

The company has one class of ordinary shares which carry no right to fixed income.

23 Share Premium

	Group and Company	
	2006 $	2005 $
Balance at beginning of financial year	7,579,609	5,512,951
Issue of share capital	-	2,152,500
Transfer to share capital account (Note 22)	(7,571,609)	-
Share issue expenses	-	(85,842)
Share issue expenses relating to prior year	(8,000)	-
Balance at end of financial year	-	7,579,609

24 Revenue

	Group	
	2006 $	2005 $
Amounts recognised from contracts	34,710,907	54,177,140
Sale of goods	1,830,502	2,912,760
Rendering of services	1,442,038	1,151,497
	37,983,447	58,241,397

25 Other Operating Income

	Group	
	2006 $	2005 $
Rental income	742,495	610,490
Gain on disposal of property, plant and equipment	44,061	176,590
Sundry income	28,499	91,992
Management fee income	60,000	5,000
Interest income from:		
Non-related companies	76,681	16,675
Related parties	3,476	9,133
Foreign currency exchange adjustment gain	3,523	11,949
Dividend income from held-for-trading investments	899	83
Profit on sale of held-for-trading investments	11,910	-
	971,544	921,912

26 Finance Costs

	Group	
	2006 $	2005 $
Interest expense from:		
Bank borrowings	247,241	127,315
Finance leases	10,700	6,938
Total	257,941	134,253

27 Income Tax Expense

	Group	
	2006 $	2005 $
Current	411,000	29,000
Underprovision in prior years	15,926	85,454
	426,926	114,454

27 *Income Tax Expense (cont'd)*

The income tax expense of the Group varied from the amount of income tax determined by applying the Singapore tax rate of 20% (2005 : 20%) to profit before income tax as a result of the following differences:

	Group	
	2006 $	2005 $
Income tax expense at statutory rate	169,208	146,262
Non-allowable items	216,508	250,938
Effect of share of results of associates	(2,900)	(67,760)
Tax exemptions	(21,000)	(10,500)
Deferred tax benefits not recognised	124,266	-
Utilisation of deferred tax benefits previously not recognised	(64,225)	(311,928)
Others	(10,857)	21,988
	411,000	29,000
Underprovision in prior years	15,926	85,454
	426,926	114,454

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

	2006 $	2005 $
Balance at beginning of financial year	2,612,555	4,172,195
Adjustments	(657,513)	-
Utilisation in - current year	(321,126)	(1,559,640)
- prior year	(505,136)	-
Arising during the financial year	621,329	-
Balance at end of financial year	1,750,109	2,612,555
Deferred tax benefit on above not recorded	350,022	522,511

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

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

28 Profit for the Financial Year

Number of directors in the Company and their remuneration bands are as follows:

	Company	
	2006	2005
$500,000 and above	-	-
$250,000 to below $500,000	1	1
Below $250,000	6	7
Total	7	8

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

	Group	
	2006 $	2005 $
Directors' remuneration:		
Company	658,437	659,785
Subsidiaries	216,862	229,070
Directors' fees:		
Company	97,750	95,500
Staff costs (including directors' remuneration)	5,136,131	4,870,497
Costs of defined contribution plans included in staff costs	425,082	444,980
Allowance (Writeback) for doubtful trade receivables	20,579	(112,100)
Gain on disposal of plant and equipment, net	(44,061)	(153,662)
(Writeback of) Allowance for inventories	(32,286)	50,228
Inventories recognised as expense	1,628,429	2,532,062
Amortisation of goodwill	-	35,528
Goodwill written off [1]	71,056	-
Foreign currency exchange adjustment loss (gain) - net	3,523	(1,233)
Impairment loss on held-for-trading investments [1]	-	121,554
Change in fair value of held-for-trading investments	42,888	-

[1] This is included under administrative expenses

29 Earnings Per Share (Cents)

The basic earnings per ordinary share is calculated by dividing the Group's profit for the financial year of $419,115 (2005 : $616,854) by the weighted average number of ordinary shares of 325,176,870 (2005 : 264,392,966) in issue during the financial year.

The fully diluted earnings per share is calculated using the same weighted number of ordinary shares.

30 Dividend Paid

During the financial year ended March 31, 2006, the directors of the Company declared and paid a final one-tier tax exempt dividend of 0.15 cents per ordinary totalling $487,765 in respect of the financial year ended March 31, 2005.

Subsequent to March 31, 2006, the directors of the Company declared a final one-tier tax exempt dividend of 0.075 cents per ordinary share totalling $243,883 in respect of the financial year ended March 31, 2006.

31 Contingent Liabilities

	Group	
	2006 $	2005 $
Performance guarantees issued by subsidiary	4,446,387	4,176,687
Corporate guarantee given to a third party in connection with credit facilities provided to/ services provided by:		
- subsidiaries	9,707,681	5,487,339
- associates	16,756,447	724,792

32 Operating Lease Arrangements

The Group as lessor

The Group rents outs its properties in Singapore under operating leases. Property rental income earned during the year was $742,495 (2005 : $610,490).

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

	2006 $	2005 $
Within 1 year	527,595	459,170
Within 2 to 5 years	52,652	193,020
Total	580,247	652,190

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

The Group as lessee

	Group	
	2006 $	2005 $
Minimum lease payments under operating leases included in the profit and loss statement	275,002	290,922

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

	Group	
	2006 $	2005 $
Within 1 year	279,619	272,087
Within 2 to 5 years	1,118,476	1,088,348
After 5 years	3,127,008	3,310,855
	4,525,103	4,671,290

Operating lease payments represent rentals payable by the Group for land spaces where its leasehold properties are located. These leases range from 28 to 30 years.

33 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	
	2006 $	2005 $	2006 $	2005 $	2006 $	2005 $	2006 $	2005 $	2006 $	2005 $	2006 $	2005 $
Revenue:												
External sales	12,358,169	19,563,013	23,503,537	36,528,461	1,442,038	1,151,497	679,703	998,426	-	-	37,983,447	58,241,397
Results:												
Segment result	(231,661)	(1,567,844)	365,340	1,827,276	614,453	177,311	(352,466)	(465,339)	435,872	421,106	831,538	392,510
Share of associates' results	-	-	-	-	-	-	-	-	14,503	388,798	14,503	338,798
Income tax expense											(426,926)	(114,454)
Profit (Loss) after income tax											419,115	616,854
Other information:												
Capital expenditure additions	4,049	7,925	8,097	15,851	107,399	90,755	410	36,980	363,088	494,133	483,043	645,643
Depreciation	6,543	6,134	13,087	12,268	45,147	74,850	51,530	50,480	1,029,526	931,541	1,145,833	1,075,273
Amortisation (Writeback)	-	-	-	-	-	-	-	-	-	35,528	-	35,528
Goodwill written off	-	-	-	-	-	-	-	-	71,056	-	71,056	-
Allowance (Writeback) for doubtful debts	34,979	(113,489)	11,889	(211,908)	(54,177)	76,089	27,888	100,961	-	36,247	20,579	(112,100)

* Depreciation expense amounting to $4,191 (2005: $2,763) has been allocated to construction work-in-progress

33 *Segment Information (cont'd)*

GROUP SEGMENTAL REPORTING

Primary reporting format - Business segments

	Plumbing and sanitary		Electrical		Toilet rental		Paint		Others		Consolidated	
	2006 $	2005 $	2006 $	2005 $	2006 $	2005 $	2006 $	2005 $	2006 $	2005 $	2006 $	2005 $
Assets:												
Segment assets	9,558,638	8,330,201	8,927,318	8,626,872	713,324	835,466	2,529,114	2,898,351	18,538,266	5,904,322	40,266,660	26,595,212
Investment in associates	-	-	-	-	-	-	-	-	16,429,225	15,846,922	16,429,225	15,846,922
Unallocated corporate assets	-	-	-	-	-	-	-	-	235,164	12,343,573	235,164	12,343,573
Total assets	9,558,638	8,330,201	8,927,318	8,626,872	713,324	835,466	2,529,114	2,898,351	35,202,655	34,094,817	56,931,049	54,785,707
Liabilities:												
Segment liabilities	3,177,282	3,136,842	6,037,205	4,679,595	54,103	86,001	1,073,896	1,788,118	3,911,992	2,655,832	14,254,478	12,346,388
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	978,858	681,007	978,858	681,007
Total liabilities	3,177,282	3,136,842	6,037,205	4,679,595	54,103	86,001	1,073,896	1,788,118	4,890,850	3,336,839	15,233,336	13,027,395

33 *Segment Information (cont'd)*

Secondary Reporting Format - Geographical Segments

	Revenue		Carrying amount of segment assets		Additions to property, plant and equipment	
	2006 $	2005 $	2006 $	2005 $	2006 $	2005 $
Singapore	37,303,744	57,260,060	54,406,975	51,940,391	482,632	608,748
People's Republic of China	679,703	981,337	2,524,074	2,845,316	411	36,895
	37,983,447	58,241,397	56,931,049	54,785,707	483,043	645,643

34 Reclassifications and Comparative Figures

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements and following the Group's adoption of the FRSs that became effective during the year. As a result, certain line items have been amended on the face of the balance sheet, profit and loss statement and the related notes to the financial statements. Comparative figures have been adjusted to conform with the current year's presentation.

	Previously reported 2005 $	After reclassification 2005 $
Balance sheet		
Current assets:		
Held-for-trading investments	-	187,957
Construction work-in-progress-net	8,132,930	-
Construction work-in-progress	-	9,076,718
Non-current assets:		
Other investments	187,957	-
Current liabilities:		
Construction work-in-progress	-	943,788
Profit and loss statement		
Share of profit of associates	402,698	338,798
Income tax expense	(178,354)	(114,454)

King Wan Corporation Limited and its Subsidiaries

Statement of Directors

In the opinion of the directors, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 18 to 55 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at March 31, 2006 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On Behalf of the Directors

.....
Chua Kim Hua

.....
Chua Eng Eng

June 23, 2006

Statement 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. As part of this commitment, the Group subscribes to the Code of Corporate Governance (the "Code").

The Board understands that good corporate governance practices will serve as an effective safeguard against fraud and dubious financial reporting. This will translate into long-term value and ultimately, higher return to 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 four 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 seven experienced members of which three are independent non-executive directors who are independent of management. Details of the directors' shareholdings in the Company are set out in the Directors' Report.

The three independent non-executive directors are Mr. Lim Hock Beng, Mr. Goh Chee Wee, and Mr. Foo Kok Swee @Pu Kok Swi. 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 good faith and always in the interest of the Company. Collectively, the directors not only bring with them a wide range of diverse experience and knowledge in business, accounting, finance, engineering, technology and management, but also the importance of independence in decision-making at Board level.

The Nomination Committee had reviewed the independence of each non-executive director for the financial year ended 31 March 2006 and is of the view that the three independent directors of the Company satisfy the criteria of independence and each and every director shares equal responsibility on the Board. The Nomination Committee is also of the view that the current board size of seven directors is adequate, taking into consideration the nature and scope of the Group' 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 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. The performance and appointment of Executive Directors to the Board is reviewed periodically by the Nomination Committee and their remuneration packages are reviewed periodically by the Remuneration Committee. Further, the roles of the Executive Directors have to a certain extent been balanced by the presence of three 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. During the financial year, Mr. Ng Eng Kiong resigned as a member of the Nomination Committee and Mr. Lim Hock Beng was appointed as a member. The third member of the Nomination Committee is Mr. Goh Chee Wee.

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 Hai Kuey, Mr Goh Chee Wee and Mr. Lim Hock Beng. The Nomination Committee recommends the re-election of Mr. Chua Hai Kuey, Mr Goh Chee Wee and Mr. Lim Hock Beng at the forthcoming AGM, after assessing their contribution and performance (including attendance, preparedness and participation), and their effectiveness as directors.

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

Director	Date of Election / Re-election
Mr. Chua Kim Hua	22 July 2005
Ms. Chua Eng Eng	22 July 2005
Mr. Chua Hai Kuey	28 July 2004
Mr. Lim Hock Beng	28 July 2004
Mr. Goh Chee Wee	22 August 2003
Mr. Foo Kok Swee @ Pu Kok Swi	22 July 2005
Ms. Ganoktip Siriviriyakul	22 July 2005

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

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

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 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 AGM.

The remuneration for the executive directors comprises a basic salary component and a variable component in the form of annual bonus, which is based on the performance of the Group as a whole and their individual performance.

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

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 2006 is set out below:

Remuneration Band & Name of Director	Salary	Performance related income / bonus	Director's Fees	Total Remunation
	%	%	%	%
S$500,000 to S$1,000,000	-	-	-	-
S$250,000 to S$499,999	-	-	-	-
Chua Kim Hua	92%	8%	-	100%
Below S$250,000				
Chua Hai Kuey	92%	8%	-	100%
Chua Eng Eng	92%	8%	-	100%
Goh Chee Wee	-	-	100%	100%
Foo Kok Swee @ Pu Kok Swi	-	-	100%	100%
Lim Hock Beng	-	-	100%	100%
Ganoktip Siriviriyakul	-	-	100%	100%
Ng Eng Kiong*			100%	100%

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

* Resigned with effect from 3 September 2005

Remuneration of Top Five Key Executives:

Remuneration Band	No. of Executive
S$500,000 to S$1,000,00	-
S$250,000 to S$499,999	-
Below S$250,000	5

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 quarterly basis.

Audit Committee

Principle 11: The Board should establish an Audit Committee with written terms of reference that 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 five times during the year. The Audit Committee had also met up with the external and internal auditors during the year and other directors were also invited to attend some of the meetings. At least once a year, the Audit Committee met with the external auditors and the internal auditors without the presence of the management. All minutes of the meetings are circulated to all members of the Board. The company secretary is also the secretary to the Audit Committee.

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

The 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 there to 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 there to 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 it 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. There were no non-audit services provided by the auditors in the financial year just ended.

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 under Sections 165 and 166 of the Companies Act, Cap. 50.

The Board of Directors confirms that for the financial year ended 31 March 2006, the Company has complied with the principal corporate governance recommendations set out in the Best Practices Guide issued by the Singapore Exchange.

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.

During the financial year ended 31 March 2006, the company did not enter into any interested person transaction which require announcement or shareholders' approval under Chapter 9.

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	4	4	NA	NA	NA	NA	NA	NA
Chua Hai Kuey	4	4	NA	NA	NA	NA	NA	NA
Chua Eng Eng	4	4	NA	NA	NA	NA	1	1
Goh Chee Wee	4	3	5	4	1	1	1	1
Foo Kok Swee @ Pu Kok Swi	4	4	5	5	1	1	NA	NA
Lim Hock Beng	4	4	5	5	NA	NA	1	1
Ganoktip Siriviriyakul	4	2	NA	NA	NA	NA	NA	NA
Ng Eng Kiong*	4	2	NA	NA	1	1	NA	NA

* resigned wef 3 September 2005

Analysis of Shareholdings

Analysis of Shareholdings as at 16 June 2006

Issued and Fully Paid Up:	S$40,089,296
Class of Shares:	Ordinary Shares
Voting Rights:	1 vote per share

Distribution of Shareholdings

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 to 999	3	0.24	205	0.00
1,000 to 10,000	387	31.67	1,783,001	0.55
10,001 to 1,000,000	812	66.45	79,661,700	24.50
1,000,001 and above	20	1.64	243,731,964	74.95
Total	1,222	100.00	325,176,870	100.00

Top Twenty Shareholders as at 16 June 2006

No.	Name of Shareholders	Number of shares	%
1	Ganoktip Siriviriyakul	76,875,000	23.64
2	Chua Kim Hua	43,938,319	13.51
3	Kim Eng Securities Pte Ltd	27,203,000	8.37
4	Chua Eng Eng	25,180,906	7.74
5	Chua Hai Kuey	22,247,676	6.84
6	Toh Giap Eng	8,500,000	2.61
7	Ong Tze King	7,815,000	2.40
8	Liong Kiam Teck	7,450,000	2.29
9	Chua Yan Peng	4,977,252	1.53
10	Lee Kee Hong	4,327,000	1.33
11	Hong Heng Co Pte Ltd	2,000,000	0.62
12	Ng Eng Kiong	1,972,811	0.61
13	UOB Kay Hian Pte Ltd	1,828,000	0.56
14	OCBC Securities Pte Ltd	1,678,000	0.52
15	Tay Tho Bok	1,500,000	0.46
16	Chip Eng Seng Corporation Ltd	1,300,000	0.40
17	Neo Tiam Poon @ Neo Thiam Poon	1,271,000	0.39
18	DBS Nominees Pte Ltd	1,256,000	0.39
19	Tan Kheng Leong	1,210,000	0.37
20	Thian Yim Pheng	1,202,000	0.37
	Total	243,731,964	74.95

Substantial Shareholders as at 16 June 2006

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

	Direct Interest		Deemed Interest	
Name of Substantial Shareholder	No of Ordinary Shares	%	No of Ordinary Shares	%
Ganoktip Siriviyakul	76,875,000	23.64	Nil	Nil
Chua Kim Hua	44,113,319	13.57	Nil	Nil
Chua Eng Eng	28,295,906	8.7	Nil	Nil
Chua Hai Kuey	22,247,676	6.84	Nil	Nil

Supplementary Information

Shareholdings in the hand of Public as at 16 June 2006

Based on the information available to the Company as at 16 June 2006, approximately 45.1% of the issued ordinary shares of the Company are held by the public, and therefore, the Company is in compliance with Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited.

Material Contracts

There were no material contracts of the Company or its subsidiaries involving the interests of the Chairman, each director or controlling shareholder either still subsisting at the end of the financial year or if not subsisting, entered into since the end of the previous financial year.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of KING WAN CORPORATION LIMITED (the "Company") will be held at the Board Room, 8 Sungei Kadut Loop, Singapore 729455 on Friday, 21 July 2006 at 10.00 a.m. for the following purposes:

As Ordinary Business:

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31 March 2006 and the Auditors' Report thereon [Resolution No.1]

2. To re-elect the following Directors retiring by rotation pursuant to Article 89 of the Company's Articles of Association:
   (a) Mr. Chua Hai Kuey [Resolution No. 2]
   (b) Mr. Goh Chee Wee [Resolution No. 3]
   (c) Mr. Lim Hock Beng [Resolution No. 4]

3. To approve Directors' Fee of S$97,750 for the year ended 31 March 2006 (2005: $95,500). [Resolution No. 5]

4. To approve the proposed first and final one-tier tax exempt dividend of 0.075 cents per ordinary share for the year ended 31 March 2006 [Resolution No. 6]

5. To re-appoint Auditors and to authorise the Directors to fix their remuneration. [Resolution No. 7]

As Special Business:

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

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

   (i) the aggregate number of shares to be issued pursuant to this Resolution does not exceed 50 per cent (50%) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20 per cent (20%) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (ii) below);

   (ii) notwithstanding the provisions of Article 4 of the Articles of Association of the Company but subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time this Resolution is passed, after adjusting for:-

      a. new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time this Resolution is passed; and

      b. any subsequent consolidation or subdivision of shares; and

   (iii) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. [Resolution No. 8]

By Order of the Board

Lim Bee Lian Eliza
Company Secretary
Singapore, 6 July 2006

Explanatory Notes on Ordinary Resolutions to be transacted:

a. Mr. Chua Hai Kuey is an Executive Director of the Company.

b. Mr. Goh Chee Wee is an Independent Non-Executive Director, Chairman of the Remuneration Committee and also a member of the Audit Committee and Nomination Committee. If he is re-elected, he will continue as the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.

c. Mr. Lim Hock Beng is an Independent Non-Executive Director, Chairman of the Audit Committee and also a member of the Remuneration Committee and Nomination Committee. If he is re-elected, he will continue as the Chairman of the Audit Committee and also a member of the Remuneration Committee and Nomination Committee.

d. The Audit Committee has recommended that Deloitte & Touche be re-appointed as Auditors.

Explanatory Notes on Special Business to be transacted:

e. Resolution No. 8 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 8 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible and securities or share options which are outstanding or subsisting at the time that Resolution 8 is passed, (b) any subsequent consolidation or subdivision of shares. The share options referred to are to those granted by the Company pursuant to share option scheme governed by Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Notes:

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

Notice of Books Closure and Dividend Payment Date

NOTICE IS HEREBY GIVEN that registerable transfers received by the Company's Registrar, M&C Services Private Limited at 138 Robinson Road #17-00 The Corporate Office, Singapore 068906, no later than 5:00 p.m. on 4 August 2006 will be registered before entitlements to the first and final 1-tier tax exempt dividend of 0.075 cents per ordinary share in respect of the financial year ended 31 March 2006 are determined.

Members whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares as at 5:00 p.m. on 4 August 2006 will be entitled to the proposed first and final 1-tier tax exempt dividend for the financial year ended 31 March 2006.

Payment of the proposed first and final dividend, if approved by the Company at the forthcoming Annual General Meeting, will be made on 18 August 2006.

By Order of the Board

Lim Bee Lian Eliza
Company Secretary
Singapore, 6 July 2006

KING WAN CORPORATION LIMITED

PROXY FORM

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 21 July 2006 and at any adjournment thereof.

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

Resolutions relating to:		For	Against
1	Adoption the Reports and Accounts for year ended 31 March 2006		
2	Re-election of Mr. Chua Hai Kuey as Director		
3	Re-election of Mr. Goh Chee Wee as Director		
4	Re-election of Mr. Lim Hock Beng as Director		
5	Approval of the first and final one-tier tax exempt dividend of 0.075 cents per ordinary share		
6	Approval of Directors' fees of $97,750.00		
7	Re-appointment of Deloitte & Touche as auditors		
8	Authority for allotment and issuance of shares pursuant to Section 161 of the Companies Act, Cap. 50.		

Signed this _____ day of July 2006

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

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

Important: Please read notes overleaf

Cut Here

Affix
Postage
Stamp

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

Fold along dotted line

Fold along dotted line

NOTES :

a. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares entered against you name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument of proxy will be deemed to relate to all the Shares held by you.

b. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint no more than two proxies to attend and vote on his behalf and such proxy need not be a member of the Company. Where a member appoints two proxies, the appointment shall be deemed to be alternative unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

c. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy by resolution of its directors or other governing body such person as it thinks fit to vote on its behalf.

d. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 8 Sungei Kadut Loop, Singapore 729455 not less than 48 hours before the time appointed for the Annual General Meeting.

e. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

f. In the case of members whose Shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company shall be entitled to reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Annual General Meeting as certified by the CDP to the Company.

g. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

h. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

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
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
Lim Hock Beng (appointed on 24.5.2006)

Auditors
Deloitte & Touche
Certified Public Accountants
6 Shenton Way
#32-00, DBS Building Tower 2
Singapore 068809
Audit Partner
Jeremy Toh Yew Kuan
(First appointed in financial year 2006)

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

Bankers
DBS Bank
Oversea-Chinese Banking Corporation Limited
Maybank Banking Berhad
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

KING WAN CORPORATION LIMITED

8 Sungei Kadut Loop Singapore 729455 Tel: +65 6368 4300 Fax: +65 6365 7675

www.kingwan.com