KING WAN CORPORATION LIMITED

ANNUAL REPORT
2009

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OUR CORE VALUES

庆源企业

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.

CORPORATE INFORMATION

Board of Directors

Chua Kim Hua (Chairman)
Chua Eng Eng (Managing Director)
Chua Hai Kuey
Lim Hock Beng
Goh Chee Wee
Nathapun Siriviriyakul
(Appointed on 6 November 2008)

Lead Independent Director

Lim Hock Beng

Audit Committee

Lim Hock Beng (Chairman)
Goh Chee Wee
Nathapun Siriviriyakul
(Appointed on 6 November 2008)

Remuneration Committee

Goh Chee Wee (Chairman)
Lim Hock Beng
Nathapun Siriviriyakul
(Appointed on 6 November 2008)

Nomination Committee

Goh Chee Wee (Chairman)
Lim Hock Beng
Chua Kim Hua
(Appointed on 6 November 2008)

Advisor

Ang Mong Seng

Company Secretary

Eliza Lim Bee Lian, ACIS

Auditors

Deloitte & Touche LLP
Certified Public Accountants
6 Shenton Way
#32-00, DBS Building Tower Two
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
Royal Bank of Scotland

Registered Office

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

GROUP STRUCTURE

CORPORATE PROFILE

Listed on the Singapore Stock Exchange in 2000 and upgraded to the Singapore Exchange Mainboard in 2003, King Wan Corporation Limited began in 1977 as King Wan Construction Pte Ltd ("KWC"), an integrated Building Services firm, offering an entire range of Mechanical and Electrical (M&E) engineering services in the building and construction industry in Singapore.

With more than 30 years of experience, KWC, a wholly owned subsidiary of the Group, has established itself as a reliable M&E contractor with a proven track record. In recognition of our quality system for our services, we have been certified ISO 9001–2000 by the European Quality Assurance Limited. Our commitment to building safety and health is affirmed by attaining bizsafe level 2 by Singapore's Work Safety and Health Advisory Committee (WSHAC).

KWC's ability to be multi disciplined with expertise in Design & Build has been affirmed through a diversity of completed projects such as Ascott Raffles Place Service Apartment, Cisco Recall Centre (II), Civil Service College, HDB's Grid-Tied Solar Power System @ Serangoon North N5C17 and Sembawang N5C7, Oil Tanking (Jurong Island), Parakou Building, Rivergate, Savannah Condo Park, Suites @ Central, The National Library Board Building, Toa Payoh RC 30 and Trinity Methodist Church.

Other projects under development include – Eurochem @ International Business Park, Marina Collection @ Sentosa Cove, Newton One Condominium, Oasia Hotel & Novena Specialist Center, Parkview Eclat, Pinnacle@Duxton, REC Wafer at Tuas, Scotts Square, Singapore Arts School, The Arte and The Peak @ Toa Payoh.

KWC continues to undertake the Group's core business of integrated M&E building services.

To furthur add value to our services, the Group, in 1996 expanded it's business to include the rental and cleaning of portable chemical lavatories and accessories for use at property development showrooms, construction worksites and public events. K&W Mobile Loo Services Pte Ltd ("K&W") has grown to become one of the leading players in the market.

The Group's strategy of diversification was escalated in 2003 through the acquisition of Cables International Pte Ltd ("CI"), a leading supplier of Electrical Cables and an Accessories Solution Provider to international energy sectors with operations across Asia Pacific and the Middle East.

Our geographical footprint was subsequently enlarged in 2004 as we penetrated Thailand and acquired Environmental Pulp and Paper Co., Ltd ("EPPCO") and Ekarat Pattana Co., Ltd ("Ekarat Pattana")

EPPCO uses fibrous residue from sugarcane (bagasse) as raw material and has the capacity to produce 75,000 metric tones of dry bagasse pulp and 25,000 tonnes of wet bagasse pulp annually.

Ekarat Pattana is licensed and is capable of producing 200 kilo-litres of quality ethanol per day. The plant has entered it's first full year of commercial production and has made headway in securing a steady base of reputable local and overseas customers.

Apart from our ventures in Thailand, the Group had entered the property market through our associate Dalian Shicheng Property Development Co., Ltd (Dalian Shicheng) and Meadows Bright Development Pte Ltd (Meadows Bright).

Dalian Shicheng had successfully sold more than 1400 units, comprising both retail and residential space, since it first launched her Singapore Garden project in Dalian, China, in 2005.

Meadows Bright - "The Inspira", the company's first development located at Robertson Quay, sold 100% of its 120 units. It is expected to obtain its Temporary Occupation Permit by December 2009.

King Wan continues to be committed to the Group's founding core values, through approaching every task with passion and hardwork as we strive to provide our customers and stakeholders with unsurpassed returns.

CHAIRMAN'S STATEMENT

Our turnover increased by 87% to $44.7 million from $23.8 million in the previous financial year and we achieved a profit before income tax of $5.34 million. Our net asset value per share has also improved from 15.90 cents per share to 17.41 cents per share.

DEAR SHAREHOLDERS

This financial year began with much pessimism and fear caused by the financial illness that has infected the world economy. Despite the challenges, I am pleased to report that our company remains healthy and profitable and is currently reaping the benefits of diversification.

M&E Engineering

The Group's Mechanical & Electrical ("M&E") division accounted for the main increase in turnover this year as we began to recognize more projects that were secured in year 2007 and early 2008.

During the financial year, we have successfully completed four projects. They are Ascott Raffles Place Service Apartment, Keppel Shipyard, HDB's Grid Tied Solar Power System @ Serangoon North N5C17 and Sembawang N5C7 and Suites @Central.

While the market is cautious, we have still managed to secure eight projects with a total contract value of $ 47.1 million during this financial year. Oasia Hotel and Novena Specialist Centre, REC wafer at Tuas, The Peak @ Toa Payoh and HDB's Queenstown RC 25 are some of the projects we have secured in the year.

Our current order book from the M&E division is about $146 million that will be recognized over the next two and a half years and we are looking forward to a positive contribution from this division in the coming financial year.

Pulp and Paper

The economic condition for commodities has deteriorated. The drop in demand has reduced prices for the products we offer. Despite operating under difficult conditions, I am pleased to report that our pulp and paper associate was able to effectively implement cost control measures and contributed $2.2 million to the Group's profit in the current financial year.

Ethanol

This year marks the first positive contribution from our 20% associate, Ekarat Pattana Co Ltd in Thailand. This associate has operated for a full year and is successfully producing

quality ethanol that can be used for drinking and as alternative fuel. Ekarat has contributed $1.3 million to the Group's result in the current financial year. With the strong support of the Thai government for the usage of alternative renewable fuel (gasohol), our expectation for this associate remains high.

Electrical Cables and Accessories

Cables International, our 30% associate, continues to perform well this year, contributing $1.9 million to the Group's bottom line this financial year.

During the year, the associate won several awards which recognizes the growth of the company and success of the management. The awards include the Prestigious Enterprise 50 award.

Property Development

The property market in Singapore and China was difficult this financial year. Despite the difficult market conditions, our property development in China and Singapore has continued to contribute positively to the Group.

THE YEAR AHEAD

The economy is uncertain. We will continue to focus on containing our costs, try to minimize the effects of fluctuations of material prices and keep a close watch on cash flow.

Our property development project " The Inspira" is expected to obtain its Temporary Occupation Permit by December 2009. The Group currently has one new development located at River Valley Close. We will be monitoring the market sentiment closely before deciding when to the launch the sale of this development.

While the market conditions remain difficult, we will continue to look out for opportunities which can add value to the Group.

DIVIDEND

In view of the Group's need to conserve cash during these uncertain times, the board of directors does not recommend the payment of a dividend for the financial year.

PERSONAL THANKS

It had been a difficult year. I am grateful to our customers, business partners and associates for their support.

To our staff, who is the very essence of our progress and success, my personal thanks to you for your loyalty, hardwork and dedication.

I would also like to express my gratitude to our former Directors, Mr Foo Kok Swee and Ms Ganoktip Siriviriyakul who retired from the Board during the year. It has been a privilege and pleasure to work with them. Mr Foo and Ms Ganoktip's guidance and contributions to the company will be greatly missed.

To our shareholders, thank you for your support and continued confidence in our company.

CHUA KIM HUA
Chairman

BOARD OF DIRECTORS

CHUA KIM HUA

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

Age 69, serves as the Group's Chairman. He brings with him more than 30 years of experience in the building and construction industry. He started his career in 1967 as a licensed PUB electrician. He joined the Group as a Director in July 1983 and paved the way for its expansion and diversification. Mr Chua actively seeks new business opportunities for the Group and is responsible for the Group's long-term growth and development. Mr Chua had been conferred the Long Service Award by the Ministry of Education and had also been awarded the Public Service Medal, Pingat Bakti Masyarakat (PBM) and the Public Service Star, Bintang Bakti Masyarakat (BBM). Mr Chua is also a member of the Nomination Committee.

CHUA HAI KUEY

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

Age 58, is an Executive Director of the Group and the Managing Director of King Wan Construction Pte Ltd. He holds an advance level General Certificate of Education. Mr Chua is responsible for the Group's overall day-to-day operations. His job scope includes project management, project tenders and quality management. He is also in charge of the technical, engineering and quality control aspects of all projects. In addition, he oversees the supervision of projects, troubleshooting and monitors wastage to control cost.

CHUA ENG ENG

First appointed – 9 November 2000, re-elected – 31 July 2008

Age 39, serves as the Managing Director of the Group. She holds a Bachelor of Arts Degree in Economics from the National University of Singapore. Ms Chua is responsible for business development, planning, and implementing policies and activities for the Group. She is also responsible for all administration, financial, investment, recruitment, legal and corporate affairs.

GOH CHEE WEE

First appointed – 9 November 2000, re-elected – 31 July 2008

Age 63, is an Independent Non-Executive Director. He is the Chairman of the Remuneration Committee and Nomination Committee. He is also a member of the Audit Committee. Mr Goh is currently a Director of a number of public listed companies as well as the Chairman and Director of a number of NTUC Co-operatives and SLF subsidiary companies. He was formerly a member of Parliament and Minister of State for Trade & Industry, Labour & Communications. He was also the Group Managing Director of listed firm Comfort Group Ltd.

NATHAPUN SIRIVIRIYAKUL

First appointed – 6 November 2008

Age 44, is an Independent Non-Executive Director. He was appointed a Director of the Group on 6 November 2008. He was the Alternate Director to Ms Ganoktip Siriviriyakul since 28 November 2006 before being appointed a full Director of the Company. He is currently a Director of Thai Identity Sugar Factory Co Ltd. He holds a Bachelor of Engineering degree from Chulalongkorn University and a MBA from Washington State University. He is a member of the Audit and Remuneration Committee.

LIM HOCK BENG

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

Age 69, is an Independent Non-Executive Director of our Company. He serves as the Chairman of the Audit Committee and is a member of the Remuneration Committee and the Nomination Committee. Since 1996, he has been the Managing Director of Aries Investments Pte Ltd, a private investment holding company with its principal interests in the investment of quoted securities and properties. Prior to that, he founded Lim Associates (Pte) Ltd (now known as Boardroom Corporate & Advisory Services Pte Ltd) in 1968 and was its Managing Director until his retirement at the end of 1995. Lim Associates (Pte) Ltd provides comprehensive corporate secretarial services to private and public listed companies. He has more than 30 years experience and knowledge in the corporate secretarial field, which includes advising listed companies on compliance with the listing rules. Mr. Lim holds a Diploma in Management Accounting & Finance and is a fellow member of the Singapore Institute of Directors. He currently serves on the Board as well as on the Audit Committee of various public listed companies, including Huan Hsin Holdings Ltd, GP Industries Ltd, Colex Holdings Ltd, VicPlas International Ltd and LMA International N.V.

ANG MONG SENG (ADVISOR)

Age 59, joined King Wan as an Advisor in September 2002. He holds a Bachelor of Arts degree from the former Nanyang University, Singapore. He has more than 30 years of experience in estate management. He is presently a Member of Parliament for Hong Kah GRC (Bukit Gombak), Chairman of Hong Kah Town Council and Chief Operation Officer of EM Services Pte Ltd. He also serves as the Independent Non-Executive Director on various listed companies, including Vicplas International Ltd, United Fiber System Ltd, Chip Eng Seng Corporation Ltd, AnnAik Ltd, Ecowise Holdings Ltd and Hoe Leong Corporation Ltd.

MANAGEMENT & KEY EXECUTIVES

CHUA YAN PENG

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

Age 55, joined our Group in Oct 1977 as the Human Resource and Purchasing Manager. She has since been appointed Director of KWC and she currently plans, organizes, directs and controls all of the Group's purchases and inventory. She is also responsible for the Group's purchasing systems and ensures that purchasing requirements are met.

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

SIOW NGET YUEN, PRISCILLA

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

Age 58, was appointed a Director of KWC in Nov 2000. She first joined KWC in August 1978 as an Administration and Finance officer. She was subsequently promoted to Administration and Finance Manager in 1994. She has since been promoted Director and now assists the executive directors in the areas of human resource management, administration and finance.

CHEW CHEE YUEN, FRANCIS

Chief Finance Officer

Age 39, oversees the Group's overall financial, accounting and tax matters. He is also responsible for financial and management reporting of the Group and the compliance with the regulations of the Singapore Exchange Securities Trading Limited.

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

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

WONG LAM LIM

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

Age 64, joined KWC in Dec 2000 as a General Manager. With more than 38 years experience in both private and public sectors of the Mechanical and Electrical Engineering field, he is responsible for the overall operations and project management of KWC. He also oversees KWC's contracts negotiations and ensures quality compliance and smooth execution of all projects.

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

Mr Wong is a member of both the Institution of Engineering and Technology (MIET) and the Institute of Electrical and Electronics Engineers (MIEEE).

SEAH SYE MUI

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

Age 50, oversees all documentation works relating to tender submissions and internal costing. She is also actively involved with contracts negotiation and ensuring the quality compliance of projects. With more than 29 years experience in Mechanical and Electrical Engineering field, Ms Seah is also responsible for project management.

Prior to joining the Group in Dec 2000, she was with an established engineering company for 21 years serving as the Assistant Vice President. She was the key personnel steering many prominent projects including UOB Plaza 1, Republic Plaza 2, Bank of China Building, 6 Battery Rd (former Standard Chartered Bank Building) and Concourse building.

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

HIGHLIGHTS ON GROUP'S BUSINESS

EKARAT PATTANA CO., LTD ("EKARAT PATTANA")

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

It uses the latest technologies in continuous fermentation and multi pressure distillation systems to produce absolute, superfine and industrial alcohol. The alcohol produced can be mixed with gasoline to produce gasohol.

Over the last year, we have garnered the support from international clients like Cargill, Itochu, Mitsubishi, ED&F Man, SK, Noble and Czarnikow. Our local clients are PTT Petrolium, Bangchak Petrolium, IRPC, Thai Oil, Chevron Texaco and ESSO.

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

K&W MOBILE LOO SERVICES PTE LTD ("K&W")

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

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

Our clients comprise - Building Contractors, Event Organizers and Tentage Operators. We have worked in partnership with various organizations for major events like Formula 1, Yacht Race Event @ Sentosa Cove, Great Eastern Women 10K, Nike+Human Race 10K, Adidas Sundown Marathon, Aviva Ironman 70.3 Race, National Day Parade @ Marina Bay, JP Morgan Corporate Chase Challenge, Runway Cycling, Sheare Bridge Run & Army Half Marathon, Singapore Biathlon, Standard Chartered Marathon, Anlene Orchard Mile, Chingay Parade and many more.

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

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

ENVIRONMENT PULP AND PAPER CO., LTD ("EPPCO")

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

The plant is strategically located in the Nongpho district of Nakhonsawan province, the sugar heartland of Thailand.

EPPCO has the unique advantage of having access to Thailand's readily available and relatively cheap raw materials. It has the capacity to produce 75,000 metric tones of dry bagasse pulp and 25,000 tonnes of wet bagasse pulp annually.

Our products are sold locally as well as exported to USA, Germany, Italy, China, Japan and South Africa. Our customers in the region includes: Kimberly-Clark, SCG Paper, Marubeni, SAPPI Fine Papers, Nippon Paper Group, Inc., Yuen Foong Yu Paper Mfg. Co, Ltd and Cheng Loong Coporation.

CABLES INTERNATIONAL ("CI")

CI was established in 2002 and has grown to be a leading specialist and supplier of electrical products to the International Energy sectors. It's operations span across Austral-Asia and the Middle East.

In the Offshore sector, CI continues to be the market leader in supporting major fabrication projects in Singapore, Malaysia, China, Vietnam, Indonesia, Qatar, Yemen, India and Australia. Backed by the region's largest offshore cables inventory, CI's unique cable management expertise offers clients a complete cables solution in the fabrication of offshore structures, including jack-up rigs, harsh environment semi-submersibles, platforms, FPSOs, FSRUs and FDPSOs.

In the Mining and Utilities sector, CI is also providing the complete cables supply and management services in Australia.

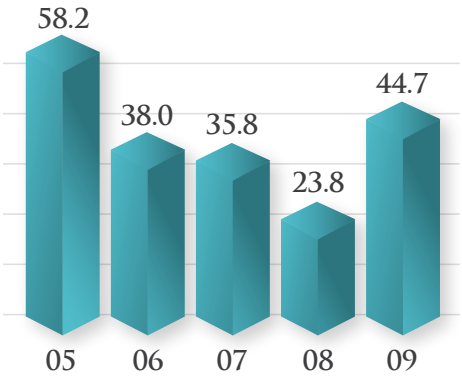
The company is proud to be awarded several accolades during the year. These awards includes the SME Growth Excellence for Internationalisation (2 years consecutively), SME Growth Excellence for Sales Turnover, Fastest Growing 50 (2 years consecutively) and also the Prestigious Enterprise 50 award.

FIVE YEARS FINANCIAL HIGHLIGHTS
AS AT 31 MARCH

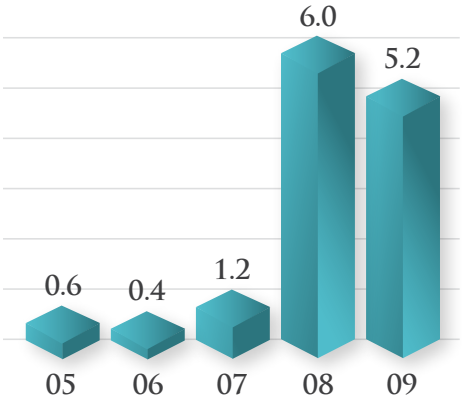
	2005	2006	2007	2008	2009
	$'000	$'000	$'000	$'000	$'000
Profit & Loss Account					
Turnover	58,241	37,983	35,808	23,820	44,656
Net Profit After Tax	617	419	1,184	6,011	5,229
Proposed Dividends (Net)	488	244	262	786	0
Balance Sheet					
Fixed Assets	15,381	14,690	14,145	13,409	13,529
Current and other assets	39,405	42,241	44,618	59,014	71,989
Total Assets	54,786	56,931	58,763	72,423	85,518
Shareholders' Funds	41,758	41,698	42,595	55,529	60,802
Long and short term borrowings	3,796	6,283	8,295	9,533	13,556
Other liabilities	9,232	8,950	7,873	7,361	11,160
Total Reserves and Liabilities	54,786	56,931	58,763	72,423	85,518
Per Share Data (Cents)					
Net Earnings After Tax	0.23	0.13	0.36	1.76	1.50
Dividends (Gross)	0.15	0.08	0.08	0.23	-
Dividends (Net)	0.15	0.08	0.08	0.23	-
Dividends Cover (Times)	1.55	1.72	4.85	7.82	-
Net Assets	12.84	12.82	13.10	15.90	17.41
Financial Ratios					
Return on Shareholders' Funds	1.5%	1.0%	2.8%	10.8%	8.6%
Return on Total Assets Employed	1.1%	0.7%	2.0%	8.3%	6.1%
Debt-Equity Ratio	0.09	0.15	0.19	0.17	0.22

OPERATIONS REVIEW

Turnover (S$Million)



Net Profit After Tax (S$Million)



Performance Overview

For this financial year, the Group's turnover increased by 87% to S$44.7 million from S$23.8 million in the last financial year.

The Mechanical and Electrical (M&E) business accounted for the main increase in turnover as the Group has a larger order book to work on. Revenue was derived from M&E projects that were secured in 2007 and the earlier part of 2008 when the construction industry was expanding and more projects were available in the market.

The Portable Toilet Rental business also performed better, posting an increase in turnover from S$2.08 million to S$2.56 million, contributing 5.7% to the Group's turnover.The higher turnover was brought about by the higher demand from the construction sector for rental toilets and for the clearance of holding tank.

Profit Before Income Tax

The Group's net profit before income tax was lower at S$5.34 million. This was mainly due to reduced contributions from associates, which was partially mitigated by better performance from its core M&E business.

Environment Pulp & Paper Co., Ltd ("EPPCO"), the Group's 20% associate in Thailand that produces pulp from sugarcane bagasse, contributed a profit of S$2.22 million to the Group's results, a decrease from S$4.64 million achieved in the last financial year. The decrease was due mainly to a drop in the demand and pricing for its products, as the world economy experience one of the worst recession in recent years.

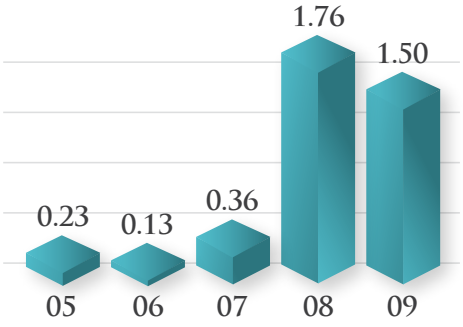
There were also decreased contributions from the Group's property development business, Meadows Bright Development Pte Ltd ("Meadows Bright")(35% owned associate) and Dalian Shicheng Property Development Co., Ltd ("Dalian Shicheng") (30% owned associate). Contributions from these two associates amounted to S$1.43 million, a decrease of S$3.27 million from the last financial year. This was due mainly to a muted property market in both Singapore and China.

Despite the decrease caused by the above associates, the other associates improved on their previous year's performance.

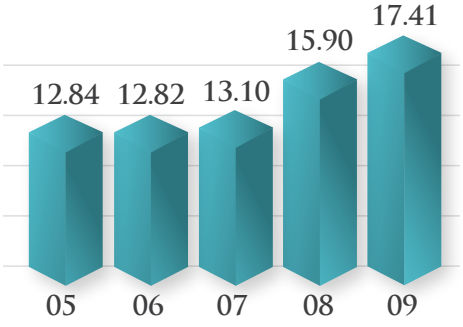
Ekarat Pattana Co., Ltd ("Ekarat"), the Group's 20% associate in Thailand that produces and distributes ethanol, made its maiden contribution to the Group's results in the current year as it entered its first full year of commercial production. It contributed S$1.26 million to the Group's results, as opposed to a loss of S$69,000 in the previous year.

OPERATIONS REVIEW

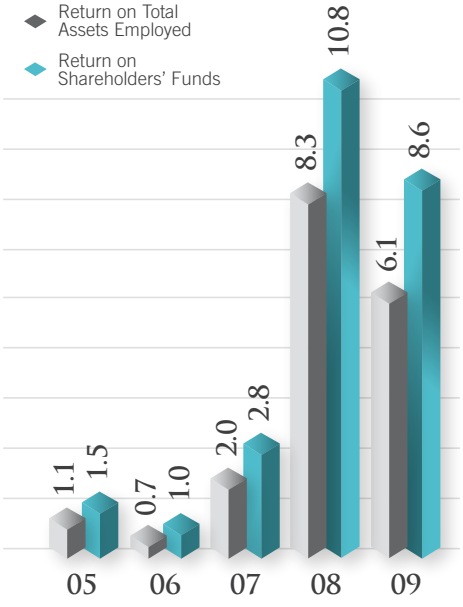
Earnings Per Share (Cents)



NTA Per Share (Cents)



Financial Ratios (%)



Our 30% owned associate, Cables International, also contributed S$1.92 million, an increase of 39% over last year. The improved performance was due to a healthy order book maintained by the associate during the year.

Earnings Per Share (EPS)

EPS decreased from 1.76 cents to 1.50 cents due to a lower net profit after taxation achieved for the current financial year as compared to the last financial year.

Balance Sheet Review

The Group's equity base improved to S$60.8 million from S$55.5 million mainly due to profits of S$5.23 million for the current year and currency translation reserve arising from the equity accounting for associates. Consequently, net asset value per share increased from 15.90 cents to 17.41 cents per share.

Total current assets increased by 9.89% or from S$31.6 million to S$34.7 million. This was due mainly to higher construction work-in-progress from more mechanical & electrical engineering works. In addition, there was also an increase in advances made to associates to finance their operations. This was partially offset by payments received from customers.

Non-current assets was higher at S$50.8 million from S$40.8 million due to additional investment in associates and share of associates' profits in the current year. There were also additions to the Group's property, plant and equipment during the year.

Current liabilities had increased to S$24.6 million from S$16.7 million due mainly to increased trade payables and bills payables, to finance the Group's operations. As a result, current ratio was lower at 1.41.

The debt equity ratio increased to 0.22 from 0.17 due mainly to higher utilization of banking facilities to finance the Group's operations.

Cashflows & Liquidity

In FY2009, net cash from operating activities amounted to $8.55 million compared to a net outflow of $3.96 million in FY2008. The net funds inflow was due mainly to the collection of trade and other receivables and increase in trade and bill payables balances as at the financial year-end. This was partially offset by higher construction work-in-progress due to more ongoing jobs as at the financial year-end.

Net cash used in investing activities increased from S$3.27 million to S$7.55 million due to funds injected into Meadows Bright Development Pte Ltd and Dalian Shicheng Property Development Co., Ltd via loans and capital injections during the financial year.

Net cash used in financing activities amounted to S$0.91 million as compared to an inflow of S$7.36 million in the previous financial year. The net outflow was due to the payment of dividends and repayments of finance leases during the year.

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Proxy Form

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, 2009.

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 Goh Chee Wee	
Mr Lim Hock Beng	
Mr Nathapun Siriviriyakul	(Appointed on November 6, 2008)

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 Nathapun Siriviriyakul	(Appointed on November 6, 2008)

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

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

The primary functions of the AC are as follows:

- review with the external auditors, their audit plan, recommendations to management, audit report and management's response thereto and any matters which the external auditors wish to discuss, without the presence of management;

- review with the internal auditors, the scope and the results of internal audit procedures and their evaluation of the internal control system together with management's responses thereto and any matters which the internal auditors wish to discuss, without the presence of management;

- review the half year and full year financial statements and other announcements to shareholders and the SGX-ST prior to submission to the Board;
- make recommendations to the Board on the appointment of the external auditors and the audit fee;
- review any related party transactions;
- review assistance given by the Group's officers to the external and internal auditors and ensure that the internal audit function is adequately resourced;
- carry out such other functions as may be agreed by the Audit Committee and the Board.

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

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

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

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

4 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

Names of directors and Company in which interests are held	At beginning of year	At end of year
King Wan Corporation Limited	Ordinary shares	
Chua Kim Hua	44,113,319	44,113,319
Chua Eng Eng	32,445,906	32,445,906
Chua Hai Kuey	22,247,676	22,247,676

There was no change in any of the above mentioned interests between the end of the financial year and April 21, 2009.

5 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

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

6 SHARE OPTIONS

(a) *Options to take up unissued shares*

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

(b) *Options exercised*

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

(c) *Unissued shares under option*

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

7 AUDITORS

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

ON BEHALF OF THE DIRECTORS

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Chua Kim Hua

_____

Chua Eng Eng

June 26, 2009

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KING WAN CORPORATION LIMITED

We have audited the accompanying financial statements of King Wan Corporation Limited (the Company) and its subsidiaries (the Group) which comprise the balance sheets of the Group and the Company as at March 31, 2009, the profit and loss statement, statement of changes in equity and cash flow statement of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 23 to 76.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KING WAN CORPORATION LIMITED

Opinion

In our opinion,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at March 31, 2009 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

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

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore
June 26, 2009

BALANCE SHEETS

March 31, 2009

	Note	Group 2009 $	Group 2008 $	Company 2009 $	Company 2008 $
ASSETS					
Current assets					
Cash and cash equivalents	6	2,209,534	2,550,344	446,403	233,143
Trade receivables	7	7,622,069	12,283,900	-	-
Other receivables and prepayments	8	11,955,221	9,897,932	47,262	43,346
Amount due from subsidiaries	9	-	-	4,375,131	17,919,885
Other investments	10	35,523	69,879	-	-
Inventories	11	1,644,511	1,600,003	-	-
Construction work-in-progress	12	11,261,709	5,200,698	-	-
Total current assets		34,728,567	31,602,756	4,868,796	18,196,374
Non-current assets					
Property, plant and equipment	13	6,928,426	6,353,334	-	-
Investment properties	14	6,600,794	7,056,025	-	-
Investment in subsidiaries	16	-	-	34,230,187	20,730,189
Investment in associates	17	37,260,088	27,411,688	10,441,334	10,441,334
Total non-current assets		50,789,308	40,821,047	44,671,521	31,171,523
Total assets		85,517,875	72,423,803	49,540,317	49,367,897
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	18	6,358,505	6,882,084	-	-
Construction work-in-progress	12	725,684	172,933	-	-
Trade payables and bills payables	19	14,163,465	5,549,109	-	-
Other payables	20	1,802,427	1,569,003	500,846	161,311
Amount due to a subsidiary	21	-	-	588,500	-
Provision for contract costs	22	1,374,313	2,300,081	-	-
Current portion of finance leases	24	103,967	125,625	-	-
Income tax payable		97,763	109,100	-	-
Total current liabilities		24,626,124	16,707,935	1,089,346	161,311
Non-current liabilities					
Finance leases	24	30,139	134,106	-	-
Deferred tax liabilities	25	59,507	53,000	-	-
Total non-current liabilities		89,646	187,106	-	-
Capital and reserves					
Share capital	26	46,813,734	46,813,734	46,813,734	46,813,734
Retained earnings		12,904,402	8,460,614	1,637,237	2,392,852
Foreign currency translation surplus	27	1,083,969	254,414	-	-
Total equity		60,802,105	55,528,762	48,450,971	49,206,586
Total liabilities and equity		85,517,875	72,423,803	49,540,317	49,367,897

See accompanying notes to financial statements.

CONSOLIDATED PROFIT AND LOSS STATEMENT

Financial year ended March 31, 2009

	Note	Group 2009 $	2008 $
Revenue	28	44,656,249	23,820,239
Cost of sales		(40,605,637)	(21,836,456)
Gross profit		4,050,612	1,983,783
Other operating income	29	1,450,256	1,262,076
Distribution costs		(110,351)	(118,048)
Administrative expenses		(6,349,241)	(5,935,584)
Share of profit of associates		6,824,295	9,224,551
Finance costs	30	(530,247)	(409,402)
Profit before income tax		5,335,324	6,007,376
Income tax (expense) credit	31	(105,888)	4,114
Profit for the financial year	32	5,229,436	6,011,490
Earnings per share (cents)			
Basic	33	1.50	1.76
Diluted	33	1.50	1.76

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended March 31, 2009

	Share capital $	Retained earnings $	Foreign currency translation (deficit) surplus $	Total $
Group				
Balance at April 1, 2007	40,089,296	2,711,007	(204,906)	42,595,397
Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	459,320	459,320
Profit for the financial year	-	6,011,490	-	6,011,490
Total recognised income and expense for the financial year	-	6,011,490	459,320	6,470,810
Dividends paid (Note 34)	-	(261,883)	-	(261,883)
Issue of share capital (net of expenses) (Note 26)	6,724,438	-	-	6,724,438
Balance at March 31, 2008	46,813,734	8,460,614	254,414	55,528,762
Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	829,555	829,555
Profit for the financial year	-	5,229,436	-	5,229,436
Total recognised income and expense for the financial year	-	5,229,436	829,555	6,058,991
Dividends paid (Note 34)	-	(785,648)	-	(785,648)
Balance at March 31, 2009	46,813,734	12,904,402	1,083,969	60,802,105

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended March 31, 2009

	Share capital $	Retained earnings $	Total $
Company			
Balance at April 1, 2007	40,089,296	2,685,094	42,774,390
Loss for the financial year	-	(30,359)	(30,359)
Dividends paid (Note 34)	-	(261,883)	(261,883)
Issued of share capital (net of expenses) (Note 26)	6,724,438	-	6,724,438
Balance at March 31, 2008	46,813,734	2,392,852	49,206,586
Profit for the financial year	-	33,033	33,033
Dividends paid (Note 34)	-	(785,648)	(785,648)
Balance at March 31, 2009	46,813,734	1,637,237	48,450,971

See accompanying notes to financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Financial year ended March 31, 2009

	Group	
	2009	2008
	$	$
Operating activities		
Profit before income tax	5,335,324	6,007,376
Adjustments for:		
Depreciation of property, plant and equipment and investment property	1,269,602	1,218,667
Allowance for doubtful trade receivables	54,984	31,591
Change in fair value and gain on disposal of held-for-trading investments	34,356	(75,545)
Allowance for inventories obsolescence	-	23,283
Interest income	(11,893)	(28,697)
Interest expense	530,247	409,402
Gain on disposal of investment property	-	(145,695)
Loss on disposal of property, plant and equipment, net	8,902	6,492
Dividend income from other investments	(25)	(4,222)
Share of associates' results	(6,824,295)	(9,224,551)
Inventories written off	47,887	106,893
Available-for-sale investments written off	-	19,000
Provision for foreseeable loss on construction work-in-progress	-	101,500
(Write back of provision) provision for contract costs	(131,306)	1,297,275
Operating cash flows before working capital changes	313,783	(257,231)
Trade receivables	4,641,936	(2,451,924)
Other receivables and prepayments	1,334,023	(1,330,739)
Construction work-in-progress	(5,502,650)	2,833,743
Inventories	(55,340)	379,049
Trade payables and bill payables	8,608,452	(1,557,659)
Other payables	640,447	234,343
Provisions utilised	(794,462)	(1,306,624)
Cash generated from (used in) operations	9,186,189	(3,477,042)
Income tax paid	(110,718)	(75,859)
Interest paid	(530,247)	(409,402)
Net cash from (used in) operating activities	8,545,224	(3,962,303)

CONSOLIDATED CASH FLOW STATEMENT

Financial year ended March 31, 2009

	Group	
	2009	2008
	$	$
Investing activities		
Interest received	11,893	28,697
Advances to associates	(3,910,320)	(3,162,113)
Dividends received from held-for-trading investments	25	4,222
Dividends received from an associate	923,400	157,950
Proceeds from disposal of held-for-trading investments	-	172,830
Proceeds from disposal of investment property	-	646,000
Purchase of property, plant and equipment [Note (a)]	(1,282,328)	(774,369)
Proceeds from the disposal of property, plant and equipment	18,312	-
Acquisition of interest in associates [Note (b)]	(3,306,646)	(344,125)
Net cash used in investing activities	(7,545,664)	(3,270,908)
Financing activities		
Dividends paid	(785,648)	(261,883)
Repayments of finance leases	(125,625)	(99,337)
Proceeds on issue of shares (net of expenses)	-	6,724,438
Proceeds from short-term borrowings	-	1,000,000
Net cash (used in) from financing activities	(911,273)	7,363,218
Net effect of exchange rate changes in consolidating a foreign subsidiary	94,482	2,575
Net increase in cash and cash equivalents	182,769	132,582
Overdrawn at beginning of financial year	(1,331,740)	(1,464,322)
Overdrawn at end of financial year (Note 6)	(1,148,971)	(1,331,740)

Note (a):

	2009	2008
	$	$
Purchase of property, plant and equipment	1,282,328	991,769
Less: Assets purchase under finance leases (Note 24)	-	(217,408)
	1,282,328	774,369

Note (b):

In 2009, the Group increased its investment in one of its associate by subscribing for US$2,310,000 (S$3,306,646 equivalent) [2008 : Thai Baht 8,000,000 (S$344,125 equivalent)] in the increased share capital of the associate.

See accompanying notes to financial statements.

1 GENERAL

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

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

The consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended March 31, 2009 were authorised for issue by the Board of Directors on June 26, 2009.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the Group and the Company have adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2008. The adoption of these new/revised FRS and INT FRS does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

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

FRS 1 (Revised)	-	Presentation of Financial Statements (Revised)
FRS 27 (Revised)	-	Consolidated and Separate Financial Statements
FRS 103 (Revised)	-	Business Combinations
FRS 108	-	Operating Segments

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

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

FRS 1 - Presentation of Financial Statements (Revised)
FRS 1 (Revised) will be effective for annual periods beginning on or after January 1, 2009, and will change the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

FRS 27 (Revised) - Consolidated and Separate Financial Statements
FRS 27(Revised) is effective for annual periods beginning on or after 1 July 2009. Apart from matters of presentation, the principal amendments to FRS 27 that will impact the Group concern the accounting treatment for transactions that result in changes in a parent's interest in a subsidiary. It is likely that these amendments will significantly affect the accounting for such transactions in future accounting periods, but the extent of such impact will depend on the detail of the transactions, which cannot be anticipated. The changes will be adopted prospectively for transactions after the date of adoption of the revised Standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

FRS 103 (Revised) - Business Combinations
FRS 103(Revised) is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. FRS 103 is concerned with accounting for business combination transactions. The changes to the Standard are significant, but their impact can only be determined once the detail of future business combination transactions is known. The amendments to FRS 103 will be adopted prospectively for transactions after the date of adoption of the revised Standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption

FRS 108 - Operating Segments
FRS 108 will be effective for annual financial Statements beginning on or after January, 1, 2009 and supersedes FRS 14 - *Segment Reporting*. FRS 108 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision market in order to allocate resources to the segment and to assess its performance. In contrast, FRS 14 requires an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. As a result, following the adoption of FRS 108, the identification of the Group's reportable segments may change.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

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 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal Groups) that are classified as held for sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

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

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

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

Financial assets

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

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

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

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

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

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

Financial liabilities and equity instruments

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

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

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

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

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

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

Derivative financial instruments and hedge accounting
The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates.

The Group uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss statement.

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

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

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

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

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised in the profit and loss statement as an expense immediately.

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

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

Leasehold buildings and properties	-	over the term of the lease which are from 2% to 3⅓%
Land use rights	-	2%
Plant and machinery	-	5% to 20%
Office equipment	-	10% to 33⅓%
Motor vehicles	-	10% to 20%
Portable toilets	-	20%

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

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

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

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

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

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

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

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

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

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

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

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

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

Dividends to shareholders are recognised as a liability to the period in which the dividends are approved by the Company's shareholders.

Provision for profit sharing
The Group recognises a liability and an expense for profit sharing if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensation, on a systematic basis.

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

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

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

Management fee income
Management fee income is recognised in the profit and loss statement as and when services are rendered.

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

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

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

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

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

SEGMENT REPORTING – A business segment is a distinguishable component of the Group that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environment.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying the Group's accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and there have the most significant effect on the amounts recognised in the financial statements.

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

Going concern assumption

The global financial and capital markets have experienced severe credit crunch and volatility. The ability of the Group's customers to maintain operations and profitability and to pay their debts as they mature may be dependent to a large extent on the effectiveness of the fiscal measures and other actions, beyond their control, undertaken to achieve economic recovery. Nevertheless, the Group maintains considerable financial resources, together with approximately $146 million worth of mechanical and electrical ("M&E") engineering contracts on hand, with completion dates ranging from financial years 2010 to 2012.

The management has a reasonable expectation that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The management believes that the Group has adequate resources to continue in operational existence for the foreseeable future and the banks will continue to provide bank facilities to the Group. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Key sources of estimation uncertainty

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

Investment in subsidiaries

In determining whether there is any indication that the investment in certain subsidiaries have suffered an impairment loss, it is necessary for management to exercise certain degree of judgement. Based on management's review of their order books and cash flow projections, management is of the view that there are no further impairment in the net investment in subsidiaries amounting to $34,230,187 (2008 : $20,730,189) as at March 31, 2009.

Allowances for doubtful debts

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

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, 2009, management considered that all costs to complete and revenue can be reliably estimated. As at March 31, 2009, the carrying amount of the Group's net construction work-in-progress amounted to $10,536,025 (2008 : $5,027,765).

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

Provision for contract costs

Provision for contract costs were made by the Group in respect of completed projects during the year. These provisions were made based on management's best estimates of the expected costs which are to be incurred pending the finalisation of the final account between the Group and its respective sub-contractors. For the financial year ended March 31, 2009 the Group has provided for $1,374,313 (2008 : $2,300,081) in respect of certain completed projects.

Provision for foreseeable losses

The Group reviews its construction work-in-progress to determine whether there is any indication of foreseeable losses. Identified foreseeable losses are recognised immediately in the profit and loss statement when it is probable that total contract costs will exceed total contract revenue. For the financial year ended March 31, 2009, the Group has assessed that no provision for foreseeable losses is necessary. In 2008, the Group has provided for $101,500 in respect of foreseeable loss for a project.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

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

	Group		Company	
	2009	2008	2009	2008
	$	$	$	$
Financial Assets				
Loans and receivables (including cash and cash equivalents)				
- Cash and cash equivalents	2,209,534	2,550,344	446,403	233,143
- Trade receivables	7,622,069	12,283,900	-	-
- Other receivables (excluding prepayments)	11,925,932	9,872,213	39,812	34,896
- Amount due from subsidiaries	-	-	4,375,131	17,919,885
	21,757,535	24,706,457	4,861,346	18,187,924
Fair value through profit and loss (FVTPL): Held for trading	35,523	69,879	-	-

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

(a) *Categories of financial instruments (contd)*

	Group		Company	
	2009	2008	2009	2008
	$	$	$	$
Financial Liabilities				
Amortised cost				
- Bank borrowings	6,358,505	6,882,084	-	-
- Trade payables and bills payables	14,163,465	5,549,109	-	-
- Other payables	1,802,427	1,569,003	500,846	161,311
- Amount due to a subsidiary	-	-	588,500	-
- Finance leases	134,106	259,731	-	-
	22,458,503	14,259,927	1,089,346	161,311

(b) *Financial risk management policies and objectives*

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

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

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

(i) Foreign exchange risk management

Foreign currency risk occurs as a result of the Group's transactions that are not denominated in their respective functional currencies. These transactions are from the Group's ordinary course of business.

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

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

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

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

	Group	
	2009	2008
	$	$
United States dollar	107,988	2,072,028
Australian dollar	201,194	275,928

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

Foreign currency sensitivity

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

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

	United States dollar impact		Australian dollar impact	
	2009	2008	2009	2008
	$	$	$	$
Group				
Profit or loss	(10,799) [ii]	(207,203) [i]	(20,119) [ii]	(27,593) [ii]

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

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

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

	United States dollar impact		Australian dollar impact	
	2009	2008	2009	2008
	$	$	$	$
Group				
Profit or loss	10,799 (ii)	207,203 (i)	20,119 (ii)	27,593 (ii)

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

(ii) Interest rate risk management

Interest rate risk refers to the risk faced by the Group as a result of fluctuation in interest rates.

The Group is exposed to cash flow interest rate risk in relation to short-term bank borrowings and bills payable. The interest rate payable for the finance lease is fixed at the inception of the finance lease. Interest of the finance lease is disclosed in Note 24. The Group does not have interest rate hedge policy and management monitors interest rate exposure closely.

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

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

- profit for the year ended March 31, 2009 would decrease/increase by $67,108 (2008 : decrease/increase by $46,366). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Group's sensitivity to interest rate has increased during the current period due to increase in variable rate debt instrument.

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

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

(iii) Equity price risk management

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

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

(iv) Credit risk management

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

The Group maintains an allowance for doubtful accounts based upon the recoverability of all accounts receivables and the customers' financial conditions. Concentration of credit risk with respect to trade receivables in the construction industry in which the Group operates does exist in view of the limited number of main contractors that the Group has been dealing with, and in respect of other receivables, the Group has a balance from associates of $11,736,593 (2008 : $8,346,548).

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

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

(v) Liquidity risk management

Liquidity risk arises when the Group is unable to meet its obligations towards other counterparties.

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 INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (contd)

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

Liquidity and interest risk analyses

Non-derivative financial liabilities

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

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%	$	$	$	$
Group					
2009					
Non-interest bearing	-	8,902,842	-	-	8,902,842
Variable interest rate instruments	4.29	13,997,340	-	(575,785)	13,421,555
Finance lease liability (fixed rate)	9.03	115,607	33,369	(14,870)	134,106
		23,015,789	33,369	(590,655)	22,458,503
2008					
Non-interest bearing	-	4,727,097	-	-	4,727,097
Variable interest rate instruments	4.00	9,644,023	-	(370,924)	9,273,099
Finance lease liability (fixed rate)	7.02	139,340	148,976	(28,585)	259,731
		14,510,460	148,976	(399,509)	14,259,927
Company					
2009					
Non-interest bearing	-	1,089,346	-	-	1,089,346
		1,089,346	-	-	1,089,346
2008					
Non-interest bearing	-	161,311	-	-	161,311
		161,311	-	-	161,311

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

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

Derivative financial instruments
The following table details the liquidity analysis for derivative financial instruments. The table has been drawn up based on the undiscounted net cash outflows on the derivative that required gross settlement.

	On demand or within 1 year $
2009	
Gross settled:	
Foreign exchange forward contracts	390,440

At March 31, 2008, there was no outstanding foreign exchange forward contract to which the Group was committed to.

(vi) Fair value of financial assets and financial liabilities

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

(c) ***Capital risk management policies and objectives***

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

The capital structure of the Group consist of debt, which includes the borrowings disclosed in Notes 18, 19 and 24, cash and cash equivalents and equity attributable to the equity holders of the parent, comprising issued capital and retained earnings.

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

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

The Group's overall strategy remains unchanged from 2008.

5 RELATED PARTY TRANSACTIONS

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

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

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

	Group	
	2009	2008
	$	$
Transactions with associates		
Sales of goods	(142,760)	(140,144)
Rental income	(468,721)	(277,650)
Management fee income	(60,000)	(60,000)
Other income	-	(1,976)
Transactions with entities with common directors		
Purchases of goods	138	830,580

Compensation of directors and key management personnel

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

	Group	
	2009	2008
	$	$
Directors' and key management's remuneration:		
- Short-term benefits	1,829,145	1,573,270
- Post-retirement benefits	55,139	57,780
	1,884,284	1,631,050
Directors' fees	105,763	125,000
	1,990,047	1,756,050

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	
	2009	2008	2009	2008
	$	$	$	$
Cash and bank balances	2,139,980	2,098,507	446,403	233,143
Fixed deposits	69,554	451,837	-	-
Total	2,209,534	2,550,344	446,403	233,143
Less: Bank overdrafts (Note 18)	(3,358,505)	(3,882,084)	-	-
Net	(1,148,971)	(1,331,740)	446,403	233,143

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 0.72% (2008 : 1.45%) per annum and are for a tenure of approximately 1 to 3 months (2008 : 1 to 3 months).

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

	Group		Company	
	2009	2008	2009	2008
	$	$	$	$
United States dollars	107,988	829,128	-	-
Australian dollars	201,194	275,928	-	-

7 TRADE RECEIVABLES

	Group	
	2009	2008
	$	$
Accrued trade receivables for construction contracts	3,960,193	8,156,734
Amounts receivable from construction contract customers	3,777,305	4,178,221
Amounts receivable from the sale of goods	444,893	502,282
Amounts receivable from rendering of services	678,521	599,320
Less: Allowance for doubtful debts	(1,238,843)	(1,152,657)
Net	7,622,069	12,283,900

7 TRADE RECEIVABLES (contd)

Accrued trade receivables represent the remaining balances of the contract sum on the construction contracts to be billed. In accordance with the Group's accounting policy, income is recognised on the progress of the construction work. Upon completion of the construction work, the balance of the contract sum to be billed is included as accrued trade receivables.

The average credit period is 30 days (2008 : 30 days). No interest is charged on overdue trade receivables.

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

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

Included in the Group's trade receivables balance are debtors with a carrying amount of $2,240,585 (2008 : $2,233,600) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables are 193 days (2008 : 135 days). The above analysis does not include the accrued trade receivables for construction contracts of $3,960,193 (2008 : $8,156,734) as these amounts have not been billed to the customers yet. The accrued trade receivables are pending the finalisation of the final account with the customers before billings are rendered.

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

Trade receivables that are determined to be impaired at the balance sheet date relates to debtors that are in significant financial difficulties and have defaulted on payments. The impairment recognised represents the difference between the carrying amount of the specific trade receivables and present value of the expected future cash flows. The Group does not hold any collateral over these balances. The Group's trade receivables comprises 7 debtors (2008 : 5 debtors) that individually represent more than 5% of the total balance of trade receivables.

At March 31, 2009, retention monies held by customers for contract work amounted to $499,912 (2008 : $1,186,325). Retention monies of $74,000 (2008 : $518,088) are due for settlement after more than 12 months. They have been classified as current because they are expected to be realised in the normal operating cycle of the Group.

7 TRADE RECEIVABLES (contd)

Movement in the above allowance for doubtful debts:

	Group	
	2009	2008
	$	$
Balance at beginning of year	1,152,657	1,228,495
Utilised	-	(108,739)
Increase in allowance recognised in profit and loss	54,984	31,591
Translation differences	31,202	1,310
Balance at end of year	1,238,843	1,152,657

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2009	2008	2009	2008
	$	$	$	$
Associates (Note 17)	11,736,593	8,346,548	-	33,857
Other receivables	135,888	1,362,002	39,812	1,039
Prepayments	29,289	25,719	7,450	8,450
Advances to staff	15,356	4,296	-	-
Deposits	38,095	159,367	-	-
Total	11,955,221	9,897,932	47,262	43,346

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

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

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

	Group	
	2009	2008
	$	$
United States dollars	-	1,242,900

9 AMOUNT DUE FROM SUBSIDIARIES

	Company	
	2009	2008
	$	$
Loan to subsidiaries - non-trade (Note 16)	4,375,131	17,919,885

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 (2008 : $100,000). The allowance has been determined by reference to past default experience.

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

10 OTHER INVESTMENTS

	Group	
	2009	2008
	$	$
Held-for-trading investments:		
Quoted equity shares, at fair value	35,523	69,879

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

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

	Group	
	2009	2008
	$	$
Malaysian ringgit	34,694	69,077

11 INVENTORIES

	Group	
	2009	2008
	$	$
Raw materials and consumables	1,644,511	1,600,003

12 CONSTRUCTION WORK-IN-PROGRESS

	Group	
	2009	2008
	$	$
Contract costs incurred plus recognised profits (less recognised losses to date)	55,314,205	17,796,929
Less: Progress billings	(44,778,180)	(12,667,664)
Less: Provision for foreseeable losses	-	(101,500)
	10,536,025	5,027,765
Analysed as:		
Contracts-in-progress at balance sheet date:		
Construction work-in-progress	11,261,709	5,200,698
Excess of progress billings over construction work-in-progress	(725,684)	(172,933)
	10,536,025	5,027,765

During the financial year ended March 31, 2009, no provision for foreseeable loss (2008 : $101,500) has been recognised in the consolidated profit and loss statement.

The provision for foreseeable loss of $101,500 was utilised in 2009.

13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings and properties $	Land use rights $	Plant and machinery $	Office equipment $	Motor vehicles $	Portable toilets $	Total $
Group							
Cost:							
At April 1, 2007	8,039,079	265,528	1,292,840	1,066,892	2,880,842	1,239,999	14,785,180
Additions	52,482	-	68,996	113,614	527,786	228,891	991,769
Disposals	-	-	-	(23,879)	-	(9,815)	(33,694)
Translation differences	3,020	1,354	1,414	192	610	-	6,590
At March 31, 2008	8,094,581	266,882	1,363,250	1,156,819	3,409,238	1,459,075	15,749,845
Additions	744,471	-	129,858	231,566	112,279	64,154	1,282,328
Disposals	(1,070)	-	(75,636)	(281,027)	(358,966)	(5,118)	(721,817)
Translation differences	78,516	35,223	36,620	4,903	15,870	-	171,132
At March 31, 2009	8,916,498	302,105	1,454,092	1,112,261	3,178,421	1,518,111	16,481,488
Accumulated depreciation:							
At April 1, 2007	3,474,486	29,031	1,033,483	781,707	2,289,253	1,047,452	8,655,412
Depreciation for the year	310,715	5,302	37,106	117,866	218,184	77,653	766,826 (1)
Disposals	-	-	-	(22,446)	-	(4,756)	(27,202)
Translation differences	373	183	470	151	298	-	1,475
At March 31, 2008	3,785,574	34,516	1,071,059	877,278	2,507,735	1,120,349	9,396,511
Depreciation for the year	304,366	8,015	45,256	105,167	248,640	108,535	819,979 (1)
Disposals	-	-	(70,042)	(265,254)	(358,966)	(341)	(694,603)
Translation differences	7,912	3,792	9,815	3,636	6,020	-	31,175
At March 31, 2009	4,097,852	46,323	1,056,088	720,827	2,403,429	1,228,543	9,553,062
Carrying amount:							
At March 31, 2009	4,818,646	255,782	398,004	391,434	774,992	289,568	6,928,426
At March 31, 2008	4,309,007	232,366	292,191	279,541	901,503	338,726	6,353,334

Certain plant and equipment with carrying amount of $300,531 (2008 : $397,862) are secured under finance leases.

(1) Included herein are depreciation expenses amounting to $5,608 (2008 : $7,544) which have been allocated to and recorded under the construction work-in-progress (Note 12).

13 PROPERTY, PLANT AND EQUIPMENT (contd)

Particulars of major properties are as follows:

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
Huan Yuan Road Langfang Economic Development Zone DC 065001 Langfang, Hebei, China	Single storey build production floor with a 3-storey ancillary office block	Land use right of 50-year commencing from July 30, 2001

14 INVESTMENT PROPERTIES

	Group	
	2009 $	2008 $
Cost:		
At beginning of financial year	11,600,794	12,441,394
Disposal	-	(840,600)
At end of financial year	11,600,794	11,600,794
Accumulated depreciation:		
At beginning of financial year	4,544,769	4,174,407
Depreciation for the financial year	455,231	459,385
Disposal	-	(89,023)
At end of financial year	5,000,000	4,544,769
Accumulated impairment losses:		
At beginning of financial year	-	251,272
Disposal	-	(251,272)
At end of financial year	-	-
Carrying amount:		
At beginning of financial year	7,056,025	8,015,715
At end of financial year	6,600,794	7,056,025

14 INVESTMENT PROPERTIES (contd)

At March 31, 2009 and March 31, 2008, the fair value of the Group's investment property as assessed by the directors of the Group approximates the carrying value of the property.

The property rental income earned by the Group from its investment properties amounted to $746,788 (2008 : $691,158).

Direct operating expenses arising on the investment properties in the year amounted to $238,282 (2008 : $355,218).

Particulars of investment property as at March 31, 2009 is as follows:

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

15 GOODWILL

	Group	
	2009 $	2008 $
Cost:		
At beginning and end of financial year	71,056	71,056
Impairment loss:		
At beginning and end of financial year	(71,056)	(71,056)
Net	-	-

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

16 INVESTMENT IN SUBSIDIARIES

	Company	
	2009	2008
	$	$
Unquoted equity shares - at cost	34,456,787	20,956,789
Less: Allowance for impairment	(226,600)	(226,600)
Net	34,230,187	20,730,189

Assessment of impairment in investment in subsidiaries is carried out at each balance sheet date and the necessary allowance for impairment is accordingly made. For the year ended March 31, 2009, management has assessed that no additional allowance for impairment was required.

The subsidiaries of the Company at March 31, 2009 are set out below are:

Name of subsidiaries	Principal activities/ Place of operation and country of incorporation	Proportion of ownership interest and voting power held	
		2009	2008
		%	%
King Wan Construction Pte Ltd [1] [2]	Provision of mechanical and electrical (M&E) engineering services/Singapore	100	100
K&W Mobile Loo Services Pte Ltd [1]	Owner, renters and operators of mobile lavatories and other facilities/Singapore	100	100
King Wan Industries Pte Ltd [1]	Investment holding Singapore	100	100
King Wan Development Pte Ltd [1] [5]	Investment holding and property development/Singapore	100	100
Self-Cote Investment Pte Ltd [3]	Investment holding/Singapore	100	100
Self-Cote Paint (Lang Fang) Co.,Ltd [3] [4]	Manufacture and sale of paints, varnishes and painting inks/ People's Republic of China	100	100

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) During the financial year, the Company subscribed for 3,500,000 (2008 : 3,000,000) ordinary shares in this subsidiary by capitalising the amount due from the subsidiary amounting to $3,500,000 (2008 : $3,000,000).

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

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

(5) During the financial year, the Company subscribed for 9,999,998 (2008 : Nil) ordinary shares in this subsidiary by capitalising the amount due from the subsidiary amounting to $9,999,998 (2008 : $Nil).

17 INVESTMENT IN ASSOCIATES

	Group		Company	
	2009 $	2008 $	2009 $	2008 $
Unquoted equity shares – at cost	19,635,631	16,328,985	10,441,334	10,441,334
Share of post-acquisition accumulated profits net of dividends received	16,530,794	10,629,899	-	-
Share of foreign currency translation reserve	1,093,663	452,804	-	-
Net	37,260,088	27,411,688	10,441,334	10,441,334

Carrying value as at year end include goodwill on acquisition amounting to $559,803 (2008 : $559,803).

Assessment of impairment in associates is carried out at each balance sheet date and the necessary allowance for impairment is accordingly made. For the year ended March 31, 2009, management has assessed that allowance for impairment was not required.

The associates of the Group are set out below:

Name of associates	Principal activities/ Place of operation and country of incorporation	Proportion of ownership interest and voting power held	
		2009 %	2008 %
Pengda Investment & Development Pte Ltd [1]	Investment holding/Singapore	30	30
Pengda Construction & Development Co., Ltd [2]	Property development and investment holding/People's Republic of China	24	24
Cables International Pte Ltd [3]	Supply of specialised electrical cables and accessories to offshore and onshore oil and gas sectors/ Singapore	30	30
Cables International (Australia) Pty Ltd [4]	Supply of specialised electrical cables and accessories to international energy sector/Australia	30	30

17 INVESTMENT IN ASSOCIATES (contd)

Name of associates	Principal activities/ Place of operation and country of incorporation	Proportion of ownership interest and voting power held 2009 %	2008 %
CI Investments Ltd [5]	Commission agent/ Republic of Seychelles	30	30
Meadows Bright Development Pte Ltd [6]	Property development/Singapore	35	35
Meadows Property (Singapore) Pte Ltd [7]	Property development/Singapore	35	35
Dalian Shicheng Property Development Co. Ltd [8]	Development, marketing, sale and management of residential and commercial properties/People's Republic of China	30	30
Environment Pulp & Paper Company Ltd [9]	Production and sale of chemically bleached bagasse pulp/Thailand	20	20
Ekarat Pattana Co. Ltd [10]	Production, distribution and sale of ethanol/Thailand	20	20

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

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

(3) Audited by another firm of auditors, IKA International (2008 : Quek & Co), Certified Public Accountants, Singapore.

(4) 100% owned by the Company's associate, Cables International Pte Ltd. Audited by another firm of auditors, Peter Edwards & Associates Pty.

(5) 100% owned by the Company's associate, Cables International Pte Ltd. Audited by IKA International (2008 : Quek & Co), Certified Public Accountants, Singapore for the purpose of consolidation.

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

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

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

During the current financial year, the Group increased its investment in this associate by subscribing for US$2,310,000 ($3,306,646 equivalent) in the share capital of the associate.

The audited financial statements of Dalian Shicheng Property Development Co. Ltd are made up to December 31, each year. For the purpose of applying the equity method of accounting, the unaudited management accounts of the associate for the year ended March 31, 2009 have been used.

17 INVESTMENT IN ASSOCIATES (contd)

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

(10) 20% owned by the Company's subsidiary, King Wan Industries Pte Ltd (Note 16). Audited by another firm of auditors, BPR Audit and Advisory Co., Ltd, Certified Public Accountants, Thailand for the purpose of consolidation.

The associate is audited by Weera Wiboonwattanakij, CPA, Thailand for statutory reporting purpose.

In 2008, the Group increased its investment in this associate by subscribing for Thai Baht 8,000,000 ($344,125 equivalent) in the share capital of this associate.

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

	2009 $	2008 $
Total assets	487,362,153	429,811,816
Total liabilities	(337,961,955)	(312,246,096)
Net assets	149,400,198	117,565,720
Group's share of associates' net assets	36,700,285	26,851,885
Revenue	269,885,854	215,506,119
Profit for the financial year	25,760,106	37,274,918
Group's share of associates' profit for the financial year	6,824,295	9,224,551

18 BANK BORROWINGS

	Group	
	2009 $	2008 $
Bank overdrafts	3,358,505	3,882,084
Short-term bank borrowings	3,000,000	3,000,000
	6,358,505	6,882,084

The bank overdrafts are unsecured and repayable on demand. The bank overdrafts bear interest at rates ranging from 5.25% to 5.5% (2008 : 5.25% to 5.5%) per annum and are arranged at floating rates.

The short-term bank borrowings extended by a bank to a subsidiary of the Company, King Wan Construction Pte Ltd, are on a 1 to 6 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 3.03% to 3.71% (2008 : 3.29% to 5.27%) per annum and are arranged at floating rates thus exposing the Group to cash flow interest rate risks.

19 TRADE PAYABLES AND BILLS PAYABLES

	Group	
	2009	2008
	$	$
Bills payables	7,063,050	2,391,015
Outside parties	7,100,415	2,936,586
Related parties (Note 5)	-	221,508
	14,163,465	5,549,109

Bills payables are repayable between 1 to 4 months (2008 : 1 to 4 months) from the date the bills are first issued. The carrying amount of the bills payables approximates its fair value due to its short- term maturity. Bills payables bear interest at rates ranging from 2.7% to 5.5% (2008 : 3.25% to 4.75%) per annum and are supported by a corporate guarantee given by the Company.

The average credit period on purchases of goods from outside parties and related parties is 3 months (2008 : 3 months). No interest is charged on overdue trade payables. Trade payables principally comprise amounts outstanding for trade purchases.

20 OTHER PAYABLES

	Group		Company	
	2009	2008	2009	2008
	$	$	$	$
Other payables	916,183	607,504	34,826	36,311
Related parties (Note 5)	3,600	3,600	-	-
Associates (Note 17)	416,624	832,899	-	-
Directors	105,800	125,000	105,800	125,000
Accrued bonus	360,220	-	360,220	-
	1,802,427	1,569,003	500,846	161,311

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

The accrued bonus represents provision for profit sharing payable to certain employees of the Company. It comprised a current provision of $194,777 and an underprovision of $165,443 relating to the previous financial year.

21 AMOUNT DUE TO A SUBSIDIARY

Amount due to a subsidiary is unsecured, interest-free and repayable on demand.

22 PROVISION FOR CONTRACT COSTS

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

	Group	
	2009	2008
	$	$
At beginning of year	2,300,081	2,309,430
Additions during the year	116,016	1,297,275
Utilised during the year	(794,462)	(1,306,624)
Reversal during the year	(247,322)	-
At end of year	1,374,313	2,300,081

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

23 DEFINED CONTRIBUTION PLANS

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

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

The total expense recognised in the profit and loss statement of $497,809 (2008 : $369,111) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at March 31, 2009, contributions of $119,532 (2008 : $112,783) 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.

24 FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2009 $	2008 $	2009 $	2008 $
Group				
Amounts payable under finance leases:				
Within one year	115,607	139,340	103,967	125,625
In the second to fifth year inclusive	33,369	148,976	30,139	134,106
	148,976	288,316	134,106	259,731
Less: Future finance charges	(14,870)	(28,585)		
Present value of lease obligations	134,106	259,731		
Less: Amount due for settlement within 12 months	(103,967)	(125,625)		
Amount due for settlement after 12 months	30,139	134,106		

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 5 years (2008 : 5 years). For the financial year ended March 31, 2009, the average effective borrowing rate was 9.03% (2008 : 7.02%) per annum. Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

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

25 DEFERRED TAX LIABILITIES

	Group	
	2009 $	2008 $
At beginning of financial year	53,000	20,000
Charge to profit and loss for the financial year (Note 31)	8,507	33,000
Effect of change in tax rate	(2,000)	-
At end of financial year	59,507	53,000

25 DEFERRED TAX LIABILITIES (contd)

This represented tax effect of accelerated tax over book depreciation and temporary difference associated with undistributed earnings of an associate.

At the balance sheet date, the aggregate amount of temporary differences associated with undistributed earnings of overseas associates amounted to $8,466,817 (2008 : $4,845,052). Except for a deferred tax liability of $39,507 (2008 : $Nil) recognised in respect of undistributed earnings amounted to $790,135 (2008 : $Nil) of an associate, deferred tax liabilities has not been recognised in respect of the remaining undistributed earnings amounted to $7,676,682 (2008 : $4,845,052) of other associates because these undistributed earnings are tax exempt.

26 SHARE CAPITAL

	Group and Company			
	2009	2008	2009	2008
	Number of ordinary shares		$	$
Issued and paid-up:				
At beginning of financial year	349,176,870	325,176,870	46,813,734	40,089,296
Issuance of new shares	-	24,000,000	-	6,960,000
Share issue expenses	-	-	-	(235,562)
At end of financial year	349,176,870	349,176,870	46,813,734	46,813,734

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

In 2008, 24,000,000 new ordinary shares of the Company were issued for cash at $0.29 each. The new shares rank pari-passu in all respects with the existing ordinary shares in the capital of the Company.

27 FOREIGN CURRENCY TRANSLATION SURPLUS

Foreign currency translation surplus represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of Group's presentation currency.

28 REVENUE

	Group	
	2009	2008
	$	$
Amounts recognised from contracts	40,362,730	19,667,457
Sale of goods	1,732,359	2,075,251
Rendering of services	2,561,160	2,077,531
	44,656,249	23,820,239

29 OTHER OPERATING INCOME

	Group	
	2009	2008
	$	$
Rental income	1,223,700	916,069
Gain on disposal of investment property	-	145,695
Sundry income	49,042	31,848
Job credit scheme	88,671	-
Management fee income	60,000	60,000
Interest income	11,893	28,697
Foreign exchange gain	16,925	-
Dividend income from other investments	25	4,222
Change in fair value and gain on disposal of held-for-trading investments	-	75,545
	1,450,256	1,262,076

30 FINANCE COSTS

	Group	
	2009	2008
	$	$
Interest expense from:		
Bank borrowings	516,526	398,592
Finance leases	13,721	10,810
Total	530,247	409,402

31 INCOME TAX EXPENSE (CREDIT)

	Group	
	2009	2008
	$	$
Current	29,000	67,000
Deferred	23,507	33,000
Under (Over) provision in prior years		
- Current tax	70,381	(104,114)
- Deferred tax (Note 25)	(17,000)	-
	105,888	(4,114)

31 INCOME TAX EXPENSE (CREDIT) (contd)

The income tax expense of the Group varied from the amount of income tax determined by applying the Singapore tax rate of 17% (2008 : 18%) to profit before income tax as a result of the following differences:

	Group	
	2009	2008
	$	$
Profit before income tax	5,335,324	6,007,376
Income tax expense at statutory rate	907,005	1,081,328
Non-allowable items	402,525	280,395
Non-taxable items	(15,074)	(28,447)
Tax effect of share of results of associates	(1,120,623)	(1,660,419)
Tax exemptions	(25,925)	(27,450)
Deferred tax benefits not recognised	28,960	482,713
Utilisation of deferred tax benefits previously not recognised	(112,099)	(10,307)
Effects of different tax rates in other countries	2,633	(3,192)
Effect of change in income tax rate	(2,000)	-
Others	(12,895)	(14,621)
	52,507	100,000
Under (Over) provision in prior years		
- Current tax	70,381	(104,114)
- Deferred tax	(17,000)	-
	105,888	(4,114)

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

	Accelerated tax depreciation	Tax losses	Provisions	Net
	$	$	$	$
Balance at April 1, 2007	(297,420)	789,985	470,576	963,141
Adjustment in respect of prior years	-	(240,690)	-	(240,690)
Movement during the year	76,474	2,524,722	23,283	2,624,479
Balance at March 31, 2008	(220,946)	3,074,017	493,859	3,346,930
Adjustment in respect of prior years	(105,975)	-	(97,414)	(203,389)
Movement during the year	42,742	(275,138)	(256,659)	(489,055)
Balance at March 31, 2009	(284,179)	2,798,879	139,786	2,654,486

31 INCOME TAX EXPENSE (CREDIT) (contd)

Net deferred tax benefits not recorded	
- March 31, 2009	451,263
- March 31, 2008	602,447

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

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

32 PROFIT FOR THE FINANCIAL YEAR

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

	Group	
	2009 $	2008 $
Directors' remuneration:		
Company	1,088,987	782,478
Subsidiaries	220,994	224,452
Directors' fees:		
Company	105,763	125,000
Staff costs (including directors' remuneration)	7,239,830	5,121,479
Costs of defined contribution plans included in staff costs	497,809	369,111
Allowance for doubtful trade receivables	54,984	31,591
Gain on disposal of investment property	-	(145,695)
Loss on disposal of property, plant and equipment, net	8,902	6,492
Allowance for inventories obsolescence	-	23,283
Inventories written off	47,887	106,893
Cost of inventories recognised as expense	17,984,570	7,192,482
Foreign exchange (gain) loss - net	(16,925)	205,580
Change in fair value and gain on disposal of held-for-trading investments	34,356	(75,545)
Available-for-sale investments written off	-	19,000

33 EARNINGS PER SHARE (CENTS)

The basic earnings per ordinary share is calculated by dividing the Group's profit for the financial year of $5,229,436 (2008 : $6,011,490) by the weighted average number of ordinary shares of 349,176,870 (2008 : 341,570,313) in issue during the financial year.

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

34 DIVIDENDS PAID

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

During the financial year ended March 31, 2009, the directors of the Company declared and paid a final one-tier tax exempt dividend of 0.225 cents per share totalling $785,648 in respect of the financial year ended March 31, 2008.

35 DERIVATIVE FINANCIAL INSTRUMENTS

The Group utilises forward foreign exchange contracts to manage its exchange rate exposure.

At the balance sheet date, the total notional amount of outstanding forward foreign exchange contract to which the Group are as follows:

	Group	
	2009	2008
	$	$
Forward foreign exchange contracts	419,200	-

The Group has not recognised the fair value of the forward foreign exchange contracts of approximately $26,123 (2008 : $Nil) as the management is of the view that it is not material.

36 COMMITMENTS AND CONTINGENT LIABILITIES

	Group	
	2009	2008
	$	$
Corporate guarantee given to a third party in connection with credit facilities provided to/services provided by:		
- associates	64,771,489	19,577,145
Share of associate's guarantee to The Controller of Residential Property	6,066,034	1,855,000

37 OPERATING LEASE ARRANGEMENTS

The Group as lessor

The Group rents out part of its leasehold property and investment properties in Singapore under operating leases. Rental income earned during the year was $1,223,700 (2008 : $916,069).

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

	Group	
	2009	2008
	$	$
Within 1 year	558,897	720,722
Within 2 to 5 years	113,752	32,999
Total	672,649	753,721

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

The Group as lessee

	Group	
	2009	2008
	$	$
Minimum lease payments under operating leases included in the profit and loss statement	297,577	297,425

37 OPERATING LEASE ARRANGEMENTS (contd)

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

	Group	
	2009	2008
	$	$
Within 1 year	267,288	302,378
Within 2 to 5 years	1,069,152	1,209,510
After 5 years	2,187,311	2,776,761
Total	3,523,751	4,288,649

Operating lease payments represent rentals payable by the Group for land spaces where its leasehold and investment properties are located. These leases are negotiated at a range from 28 to 30 years and rentals are fixed annually. The rental commitments are computed based on the existing rate as at March 31, 2009.

38 SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rate of return are affected predominantly by differences in products and services produced. Secondary information is provided geographically.

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.

38 SEGMENT INFORMATION (contd)

(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.

Inter-segment sales relates to sales between business segments and are stated at prevailing market prices. These sales are eliminated on consolidation.

(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. Unallocated assets comprise investment properties, advances to associates and other assets that are not directly attributable to the segment. 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 trade payables, provision for contract costs and accrued expenses. Unallocated liabilities comprise bank overdrafts, bank borrowings, finance leases, income tax payable, deferred tax liabilities and other liabilities that are not directly attributable to the segment.

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.

38 SEGMENT INFORMATION (contd)

GROUP SEGMENTAL REPORTING

Primary reporting format - Business segments

	Plumbing and sanitary		Electrical		Toilet rental		Paint		Others		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Revenue														
External sales	26,266,406	13,227,150	15,064,741	7,563,943	2,561,160	2,077,531	763,942	951,615	-	-	-	-	44,656,249	23,820,239
Inter-segment sales	-	-	-	-	6,293	5,923	-	-	-	-	(6,293)	(5,923)	-	-
Total revenue	26,266,406	13,227,150	15,064,741	7,563,943	2,567,453	2,083,454	763,942	951,615	-	-	(6,293)	(5,923)	44,656,249	82,820,239
Results														
Segment result	98,494	(2,159,982)	(1,101,073)	(1,921,644)	289,783	637,462	(201,387)	(54,474)	-	-	456,577	128,058	(457,606)	(3,370,580)
Unallocated expenses													(1,930,894)	(694,816)
Net other operating income													1,429,776	1,257,623
Share of associates' results													6,824,295	9,224,551
Finance costs													(530,247)	(409,402)
Profit before income tax													5,335,324	6,007,376
Income tax (expense) credit													(105,888)	4,114
Profit after income tax													5,229,436	6,011,490

NOTES TO FINANCIAL STATEMENTS

March 31, 2009

38 SEGMENT INFORMATION (contd)

GROUP SEGMENTAL REPORTING

Primary reporting format - Business segments

	Plumbing and sanitary		Electrical		Toilet rental		Paint		Others		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Other information														
Capital expenditure additions	55,677	8,106	55,677	8,106	85,900	597,333	18,502	6,183	1,066,572	372,041	-	-	1,282,328	991,769
Depreciation	10,594	8,570	10,594	8,570	156,480	113,552	56,818	43,980	1,040,724	1,051,539	-	-	1,275,210	1,226,211
Allowance for (Writeback of allowance) doubtful debts	(66,072)	(40,817)	88,501	(12,700)	23,549	13,348	9,006	71,760	-	-	-	-	54,984	31,591

* Depreciation expense amounting to $5,608 (2008 : $7,544) has been allocated to construction work-in-progress.

38 SEGMENT INFORMATION (contd)

GROUP SEGMENTAL REPORTING

Primary reporting format - Business segments

	Plumbing and sanitary		Electrical		Toilet rental		Paint		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
		$	$	$	$	$	$	$	$	$	$	$
Assets												
Segment assets	11,306,702	11,699,022	8,270,634	6,313,672	3,978,785	1,860,426	4,008,119	4,715,202	(4,211,328)	(2,511,329)	23,352,912	22,076,993
Investment in associates											37,260,088	27,411,688
Unallocated assets											24,904,875	22,935,122
Consolidated total assets											85,517,875	72,423,803
Liabilities												
Segment liabilities	3,485,017	2,123,317	5,147,713	3,250,670	3,031,663	817,653	3,545,375	3,739,766	(5,738,683)	(3,542,622)	9,471,085	6,388,784
Unallocated liabilities											15,244,685	10,506,257
Consolidated total liabilities											24,715,770	16,895,041

38 SEGMENT INFORMATION (contd)

GROUP SEGMENTAL REPORTING

Secondary reporting format - geographical segments

	Revenue		Carrying amount of segment assets		Additions to property, plant and equipment	
	2009	2008	2009	2008	2009	2008
	$	$	$	$	$	$
Singapore	43,892,307	22,868,624	83,523,764	70,222,798	1,263,826	985,586
People's Republic of China	763,942	951,615	1,994,111	2,201,005	18,502	6,183
	44,656,249	23,820,239	85,517,875	72,423,803	1,282,328	991,769

39 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.

As a result, certain line items have been amended on the face of balance sheet and cash flow statements, and the related notes to the financial statements. Comparative figures have been adjusted to conform with the current year's presentation.

Accordingly, the prior year's financial statements have been reclassified as follows:

	Group 2008	
	As previously reported	As reclassified
	$	$
Balance sheet		
Trade receivables	11,472,480	12,283,900
Trade payables and bills payables	4,737,689	5,549,109
Cash flow statement		
Operating activities		
Trade receivables	(1,640,504)	(2,451,924)
Trade payables and bills payables	(2,389,079)	(1,577,659)

STATEMENT OF DIRECTORS

In the opinion of the directors, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 23 to 76 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, 2009 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 26, 2009

REPORT ON CORPORATE GOVERNANCE

Your Company is dedicated to implementing the highest standards of corporate governance at all levels within the Company and its subsidiaries (the 'Group').

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

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

A. BOARD MATTERS

Principle 1: Board's Conduct of its Affairs

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

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

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

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

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

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

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

The attendance of the Directors Board and Board Committee meetings in FY2009, as well as the frequency of such meetings, is disclosed in the table below. Notwithstanding such disclosure, the Board is of the view that the contributions of each director extend beyond his/her attendance at these meetings and their contribution also come in other forms such as through the sharing of expertise, advice, experience and strategic networking relationships that are outside the confine of the Boardroom.

Name	No. of Board Meetings Attended	No. of Audit Committee Meetings Attended	No. of Nomination Committee Meetings Attended	No. of Remuneration Committee Meetings Attended
No. of meetings held	**4**	**4**	**1**	**1**
Chua Kim Hua	3	NA	NA	NA
Chua Eng Eng	4	NA	NA	NA
Chua Hai Kuey	4	NA	NA	NA
Lim Hock Beng	4	4	1	1
Goh Chee Wee	3	3	1	1
Nathapun Siriviriyakul (3)	2	2	NA	NA
Ganoktip Siriviriyakul (2)	2	NA	NA	NA
Foo Kok Swee (1)	1	1	1	1

1 *Foo Kok Swee retired at the Annual General Meeting held on 31 July 2008 and did not seek re-election.*

2 *Ms. Ganoktip Siriviriyakul resigned as director wef 6.11.2008. 2 Board Meetings were held during her period of appointment and were attended by her alternate director, Mr Nathapun Siriviriyakul.*

3 *Mr. Nathapun Siriviriyakul was appointed as director and appointed as member of the Audit Committee and Remuneration Committee, all wef 6.11.2008. 2 Board Meetings and 2 Audit Committee Meetings were held during his period of appointment in these 2 committees.*

Principle 2: Board Composition and Balance

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

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

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

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

Principle 3: Chairman and Chief Executive Officer

Mr. Chua Kim Hua, the founder of the Group and executive Director also assumes the role of Chairman of the Board. He plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision.

As the Chairman, he ensures that board meetings are held when necessary and sets the meeting agenda in consultation with the Managing Director. He reviews the Board papers before they are presented to the Board and ensures that Board members are provided with adequate, timely and clear information. He facilitates the effective contributions of the Board members, encourages constructive relations among the Board members and promotes high standards of corporate governance.

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

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

Principle 4: Board Membership

The Nomination Committee is made up of three members of whom two are independent. The committee is chaired by Mr. Goh Chee Wee, who was appointed as chairman with effect from 6 November 2008. Mr Goh Chee Wee had filled the position that had been left vacant since 31 July 2008 following the retirement of Mr. Foo Kok Swee. The other members of the committee are Mr. Lim Hock Beng and Mr. Chua Kim Hua. Mr. Chua Kim Hua was appointed on 6 November 2008.

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

The Nomination Committee regulates under its own written terms of reference, which includes the calling of meetings, notice to be given of such meetings, the voting and proceedings. Minutes of the deliberations and proceedings of the Nomination Committee are recorded by the Company Secretary.

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

The Nomination Committee had reviewed the independence of each non-executive director for the financial year ended 31 March 2009 and is of the view that the three independent directors of the Company satisfy the criteria of independence and each and every director shares equal responsibility on the Board.

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

The directors standing for re-election at the forthcoming AGM under Article 89 are Mr. Lim Hock Beng and Mr. Chua Hai Kuey while Mr. Nathapun Siriviriyakul will be up for re-election under Article 88, at the forthcoming AGM, after assessing their contribution and performance (including attendance, preparedness and participation), and their effectiveness as directors.

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

Principle 5: Board Performance

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

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

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

Principle 6: Access to Information

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

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

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

B. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

Remuneration Committee

The Remuneration Committee is made up of three independent non-executive directors, namely, Mr. Goh Chee Wee as chairman with Mr. Lim Hock Beng and Mr. Nathapun Siriviriyakul as members. Mr. Nathapun Siriviriyakul was appointed on 6 November 2008 and replaced Mr. Foo Kok Swee who retired from the board on 31 July 2008. The Remuneration Committee has access to expert advice in the field of executive compensation outside the Company, when required. The principal roles of the Committee include the following:

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

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

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

Principle 8: Level and Mix of Remuneration

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

The non-executive directors will receive a basic fee and a fee for their appointments in the various Board Committees in financial year 2009. They will also receive additional fees if they are chairpersons of these Board Committees. The Company is fully aware of the need to pay competitive fees to attract, retain and motivate the directors. Directors' fees are recommended by the Board for approval at the Company's AGM.

The executive director each has a service agreement with the Company for a period of 3 years commencing 15 November 2008 and subject to extension for further period of 2 years. Each service agreement may be terminated by either party giving the other party at least three months prior written notice. The remuneration for the executive directors comprises a basic salary component and a variable component in the form of annual bonus and profit sharing, which is based on the performance of the Group as a whole and their individual performance. The annual review of directors' remuneration is carried out by the Remuneration Committee to ensure that the remuneration of the executive directors commensurate with their performance.

Principle 9: Disclosure on Remuneration

The breakdown of remuneration of the Directors of the Company for the year ended 31 March 2009 is set out below:

Name of Director	Fixed Component (1)	Variable Component (2)	Provident Fund (3)	Directors' Fees (4)	Total Compensation
	%	%	%	%	%
Above S$250,000 but below S$500,000					
Chua Kim Hua (Chairman)	59%	40%	1%	0%	100%
Chua Eng Eng (Managing Director)	65%	32%	4%	0%	100%
Chua Hai Kuey	57%	41%	1%	0%	100%
Below S$250,000					
Lim Hock Beng	0%	0%	0%	100%	100%
Goh Chee Wee	0%	0%	0%	100%	100%
Nathapun Siriviriyakul	0%	0%	0%	100%	100%
Ganoktip Siriviriyakul	0%	0%	0%	100%	100%
Foo Kok Swee	0%	0%	0%	100%	100%

Notes

(1) Fixed Component refers to base salary for the financial year ended 31 March 2009.

(2) Variable Component refers to variable bonus and profit sharing paid or payable.

(3) Provident Fund represents payment in respect of the company's statutory contributions to the Singapore Central Provident Fund.

(4) Directors' Fees will be subjected to approval by shareholders in the Company's upcoming AGM.

Remuneration of Top Five Key Executives:

The following information relates to the remuneration of the Company's top five key executives (not being directors) for the financial year ended 31 March 2009

Name of Executive	Fixed Component (1)	Variable Component (2)	Provident Fund (3)	Total Compensation
	%	%	%	%
Below S$250,000				
Chua Yan Peng	87%	7%	6%	100%
Siow Nget Yuen	89%	7%	4%	100%
Wong Lam Lim	91%	7%	1%	100%
Seah Cheah Sye Mui	88%	7%	5%	100%
Chew Chee Yuen Francis	74%	18%	7%	100%

Notes

(1) Fixed Component refers to base salary for the financial year ended 31 March 2009.

(2) Variable Component refers to variable bonus paid in the financial year ended 31 March 2009.

(3) Provident Fund represents payment in respect of the company's statutory contributions to the Singapore Central Provident Fund.

No employee of the Company and its subsidiary companies is an immediate family member of a director and whose remuneration exceeded S$150,000 during the financial year ended 31 March 2009.

Currently, the Company does not have a share options scheme.

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

When presenting the annual financial statements and half-yearly announcements to shareholders, the Board aims to provide the shareholders with an accurate analysis, explanation and assessment of the Group's financial position and the business environment in which the Group operates. The Management currently provides the Board with management accounts of the Group's performance, position and prospects on a quarterly basis. With effect from Year 2009, the Company will release quarterly results.

Principle 11: Audit Committee

The Audit Committee comprises of three members, all of whom are independent non-executive directors. The members of the Audit Committee are Mr. Lim Hock Beng, the Chairman, Mr. Goh Chee Wee and Mr. Nathapun Siriviriyakul, all with invaluable managerial and professional expertise in both financial and business management matters. Mr. Nathapun Siriviriyakul was appointed on 6 November 2008 and replaced Mr. Foo Kok Swee who retired from the board on 31 July 2008. The Audit Committee met four times during the year. The Audit Committee had also met up with the external and internal auditors without the presence of the management during the year and other directors were also invited to attend some of the meetings. All minutes of the meetings are circulated to all members of the Board. The Company Secretary is also the secretary to the Audit Committee. The key responsibility of the Audit Committee is to assist the Board in fulfilling its responsibilities for the Group's financial reporting, management of financial and control risks and monitoring of the internal control system. The Audit Committee will make enquiries in order to satisfy themselves on the adequacy of the processes supporting the Group's financial reporting, its system of internal control, risk identification and management, its internal and external audit processes, and the Group's process for monitoring compliance with laws and regulations and its own code of business conduct.

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

- Review with the external auditors, their audit plan, evaluate the internal accounting controls, audit report, report on internal control weaknesses arising from the audit report and management's response thereto and any matters which the external auditors wish to discuss, without the presence of management;

- Review with the internal auditors, internal audit plan, the scope and the results of internal audit procedures and their evaluation of the internal control system together with management's responses thereto and any matters which the internal auditors wish to discuss, without the presence of management;

- Review the half year and full year financial statements and other announcements to shareholders and the SGX-ST prior to submission to the Board;

- Make recommendations to the Board on the appointment of the external auditors and the audit fee;

- Review the adequacy of the company's internal controls;

- Review any related party transactions;

- Review assistance given by the Group's officers to the external and internal auditors and ensure that the internal audit function is adequately resourced;

- Carry out such other functions as may be agreed by the Audit Committee and the Board.

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

To effectively discharge 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 LLP for reappointment as auditors of the Company. No non-audit service was provided by the auditors in the financial year just ended.

Principle 12: Internal Control

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

Principle 13: Internal Audit

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

D. COMMUNICATION WITH SHAREHOLDERS

Principle 14: Communication with Shareholders

Principle 15: Greater Shareholder Participation

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

- the Company's annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all relevant information about the Group, including future developments and other disclosures required by the Singapore Companies Act, the Singapore Financial Reporting Standards and the SGX Listing Manual;

- financial statements containing a summary of the financial information and affairs of the Group for the period that are published on the SGX-NET;

- disclosures to the Singapore Exchange; and

- the Group's website at www.kingwan.com from which shareholders can access information on the Group. The website provides annual reports and profiles of the Group.

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

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

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

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

ANALYSIS OF SHAREHOLDINGS
AS AT 17 JUNE 2009

Issued and Fully paid up capital: S$46,813,734
Class of Shares: Ordinary Shares with equal voting rights

SIZE OF SHAREHOLDINGS	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 to 999	3	0.20	545	0.00
1,000 to 10,000	471	31.40	2,748,253	0.79
10,001 to 1,000,000	994	66.27	80,994,360	23.19
1,000,001 AND ABOVE	32	2.13	265,433,712	76.02
TOTAL	1,500	100.00	349,176,870	100.00

TOP 20 SHAREHOLDERS AS AT 17 JUNE 2009

NO.	NAME OF SHAREHOLDERS	NUMBER OF SHARES	%
1	Ganoktip Siriviriyakul	76,875,000	22.02
2	Chua Kim Hua	43,938,319	12.58
3	Chua Eng Eng	29,330,906	8.40
4	Chong Thim Pheng	25,610,000	7.33
5	Chua Hai Kuey	22,247,676	6.37
6	Liong Kiam Teck	8,155,000	2.34
7	Ong Tze King	7,934,000	2.27
8	Kim Eng Securities Pte. Ltd.	7,660,000	2.19
9	OCBC Securities Private Ltd	5,279,000	1.51
10	Thian Yim Pheng	4,326,000	1.24
11	Hong Leong Finance Nominees Pte Ltd	2,589,000	0.74
12	UOB Kay Hian Pte Ltd	2,243,000	0.64
13	Hong Heng Co Pte Ltd	2,000,000	0.57
14	Lim Chye Huat @ Bobby Lim Chye Huat	1,920,000	0.55
15	Koh Gek Huang	1,885,000	0.54
16	Leow Ban Leong	1,835,000	0.53
17	Poh Seng Kui	1,800,000	0.52
18	Citibank Nominees Singapore Pte Ltd	1,750,000	0.50
19	Ang Chai Cheng	1,700,000	0.49
20	Yeo Lai Huat	1,700,000	0.49
	TOTAL	250,777,901	71.82

SUBSTANTIAL SHAREHOLDERS

AS AT 17 JUNE 2009

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

NO.	NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST		DEEMED INTEREST	
		NO OF ORDINARY SHARES	%	NO OF ORDINARY SHARES	%
1.	Ganoktip Siriviyakul	76,875,000	22.02	Nil	Nil
2.	Chua Kim Hua	44,113,319	12.63	Nil	Nil
3.	Chua Eng Eng	32,445,906	9.29	Nil	Nil
4.	Chong Thim Pheng, Winstedt	25,510,000	7.31	Nil	Nil
5.	Chua Hai Kuey	22,247,676	6.37	Nil	Nil

SUPPLEMENTARY INFORMATION

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").

The Securities Transaction Code (the "Code") provides guidelines to the Company's directors and key officers of the Group in the dealing of Company's securities. The Code emphasizes the law on insider trading which is applicable at all times during the year. Circulars are issued to its directors and key officers that they must not trade in the listed securities of the Company one month before the release of the half-year and full-year financial results. Outside this window period, Directors are required to notify the Company of their dealings within two business days under Sections 165 and 166 of the Companies Act, Cap. 50.

The Board of Directors confirms that for the financial year ended 31 March 2009, the Company has complied with the principal corporate governance recommendations set out in the Best Practices Guide issued by the Singapore Exchange.

SUBSTANTIAL SHAREHOLDERS

AS AT 17 JUNE 2009

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

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 2009, the Company did not enter into any interested person transaction, which require announcement or shareholders' approval under Chapter 9.

MATERIAL CONTRACTS

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

SHAREHOLDINGS IN THE HAND OF PUBLIC AS AT 17 JUNE 2009

The percentage of shareholdings in the hand of public is about 42.1%. Hence, the Company has complied with Rule 723 of the SGX-ST Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of **KING WAN CORPORATION LIMITED (the "Company")** will be held at the Board Room, 8 Sungei Kadut Loop, Singapore 729455 on **Tuesday, 28 July 2009 at 11.00 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 2009 and the Auditors' Report thereon **[Resolution No.1]**

2. To re-elect the following Directors who are retiring by rotation under the Company's Articles of Association:

   Rotation under the Article 89: -
   (a) Mr. Chua Hai Kuey **[Resolution No. 2]**
   (b) Mr. Lim Hock Beng **[Resolution No. 3]**

   Retirement under the Article 88: -
   (c) Mr. Nathapun Siriviriyakul **[Resolution No. 4]**

3. To approve Directors' Fee of S$105,763 for the year ended 31 March 2009 (2008: S$125,000). **[Resolution No. 5]**

4. To re-appoint Auditors and to authorise the Directors to fix their remuneration. **[Resolution No. 6]**

As Special Business:

5. 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: -

   (A) (i) issue shares in the capital of the Company ("shares') whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, 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; and

   (B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force,

provided that:

1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution):

   (a) by way of renounceable rights issues on a pro rata basis to shareholders of the Company ("Renounceable Rights Issues") shall not exceed 100 per cent. of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in paragraph (3) below); and

   (b) otherwise than by way of Renounceable Rights Issues ("Other Share Issues') shall not exceed 50 per cent. of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with paragraph (3) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20 per cent of the total number of Issued shares In the capital of the Company excluding treasury shares (as calculated in accordance with paragraph (3) below);

2) the Renounceable Rights Issues and Other Share Issues shall not, in aggregate, exceed 100 per cent of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in paragraph (3) below);

3) (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 paragraphs (1)(a) and (1)(b) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company excluding treasury shares at the time this Resolution is passed, after adjusting for:

   (i) new share 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

   (ii) any subsequent bonus issue or consolidation or subdivision of shares; and

4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

5) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. **[Resolution No. 7]**

ORDER OF THE BOARD
Lim Bee Lian Eliza
Company Secretary
Singapore, 13 July 2009

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.

Explanatory Notes on Ordinary Resolutions to be transacted:

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

b. 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.

c. Mr. Nathapun Siriviriyakul was appointed on 6 November 2008 and he is a Non-Executive Director and also a member of the Audit Committee and Remuneration Committee.

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

e. Resolution No. 7 is to empower the Directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible Into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding (i) 100% for Renounceable Rights Issues and (ii) 50% for Other Share Issues, of which up to 20% may be issued other than on a pro rata basis to shareholders, provided that the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares (excluding treasury shares) in the capital of the Company. For the purpose of determining the aggregate number of shares that may be Issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Resolution No.7 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution No. 7 Is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

   The authority for 100% Renounceable Rights Issues is proposed pursuant to the SGX news release of 19 February 2009 which introduced further measures to accelerate and facilitate listed issuers' fund raising efforts.

KING WAN CORPORATION LIMITED

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

PROXY FORM

I/We _____ (Name)

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

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at the Board Room, 8 Sungei Kadut Loop, Singapore 729455 on Tuesday, 28 July 2009 at 11.00 a.m. 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 2009		
2	Re-election of Mr. Chua Hai Kuey as Director		
3	Re-election of Mr. Lim Hock Beng as Director		
4	Re-election of Mr. Nathapun Siriviriyakul as Director		
5	Approval of Directors' fee of S$105,763		
6	Re-appointment of Auditors		
7	Authority for allotment and issuance of shares pursuant to Section 161 of the Companies Act, Cap. 50.		

Signed this ..... day of July 2009

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

_____

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

Important: Please read notes overleaf

Postage Stamp

To: The Company Secretary

KING WAN CORPORATION LIMITED

8 Sungei Kadut Loop
Singapore 729455

Fold along dotted line

Fold along dotted line

NOTES:

a. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares entered against 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 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.

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