KING WAN CORPORATION LIMITED

ANNUAL REPORT

2010

YEAR
ANNIVERSARY

10-Year Milestone

2000
Successful listing on the Singapore Stock Exchange

2003
Upgraded to the Singapore Exchange Mainboard

Subscribed for 30% interest in Cables International Pte Ltd (Cables International)

2004
Acquired a 20% stake in Thailand-based Environment Pulp and Paper Co., Ltd (EPPCO)

Subscribed for a 20% interest in ethanol production firm Ekarat Pattana Co., Ltd (Ekarat Pattana)

Entered the property market through our associate Dalian Shicheng Property Development Co., Ltd (Dalian Shicheng) and associate, Meadows Bright Development Pte Ltd (Meadows Bright)

M&E Engineering arm – King Wan Construction Pte Ltd (King Wan Construction) accredited ISO 9001-2000

2006
"The Inspira", Meadows Bright's first development fully sold

King Wan Construction was awarded the iconic and significant HDB project – The Pinnacle@Duxton

Contents

10 YEAR ANNIVERSARY 2000 • 2010

2007

Successfully placed out 24 million new ordinary shares

2008

Completion of Ekarat Pattana's production plant and commencement of commercial production.

King Wan Construction attained bizsafe level 2 awarded by Singapore's Work Safety and Health Advisory Committee (WSHAC)

2009

Environment Pulp and Paper Co., Ltd (EPPCO) expanded into the non-wood fibre market to include the food and food packaging industry

Subscribed for 30% stake in S.I Property Co., Ltd in Thailand

Meadows Bright launched 2nd project – "Starlight Suites"

2010

King Wan Construction accredited ISO 9001-2008

Proposed divestment of 30% associate Cables International

Our Core Values

COMMITMENT

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

QUALITY & RELIABILITY

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

INTEGRITY & PROFESSIONALISM

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

PEOPLE

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

PASSION

We approach every task with heart and passion.

Listed on the Singapore Stock Exchange since 2000, **King Wan Corporation Limited** has journeyed far since its beginnings dating back to 1977 as a Mechanical and Electrical (M&E) Engineering company.

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

Lead Independent Director
Lim Hock Beng

Audit Committee
Lim Hock Beng (Chairman)
Goh Chee Wee
Nathapun Siriviriyakul

Remuneration Committee
Goh Chee Wee (Chairman)
Lim Hock Beng
Nathapun Siriviriyakul

Nomination Committee
Goh Chee Wee (Chairman)
Lim Hock Beng
Chua Kim Hua

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

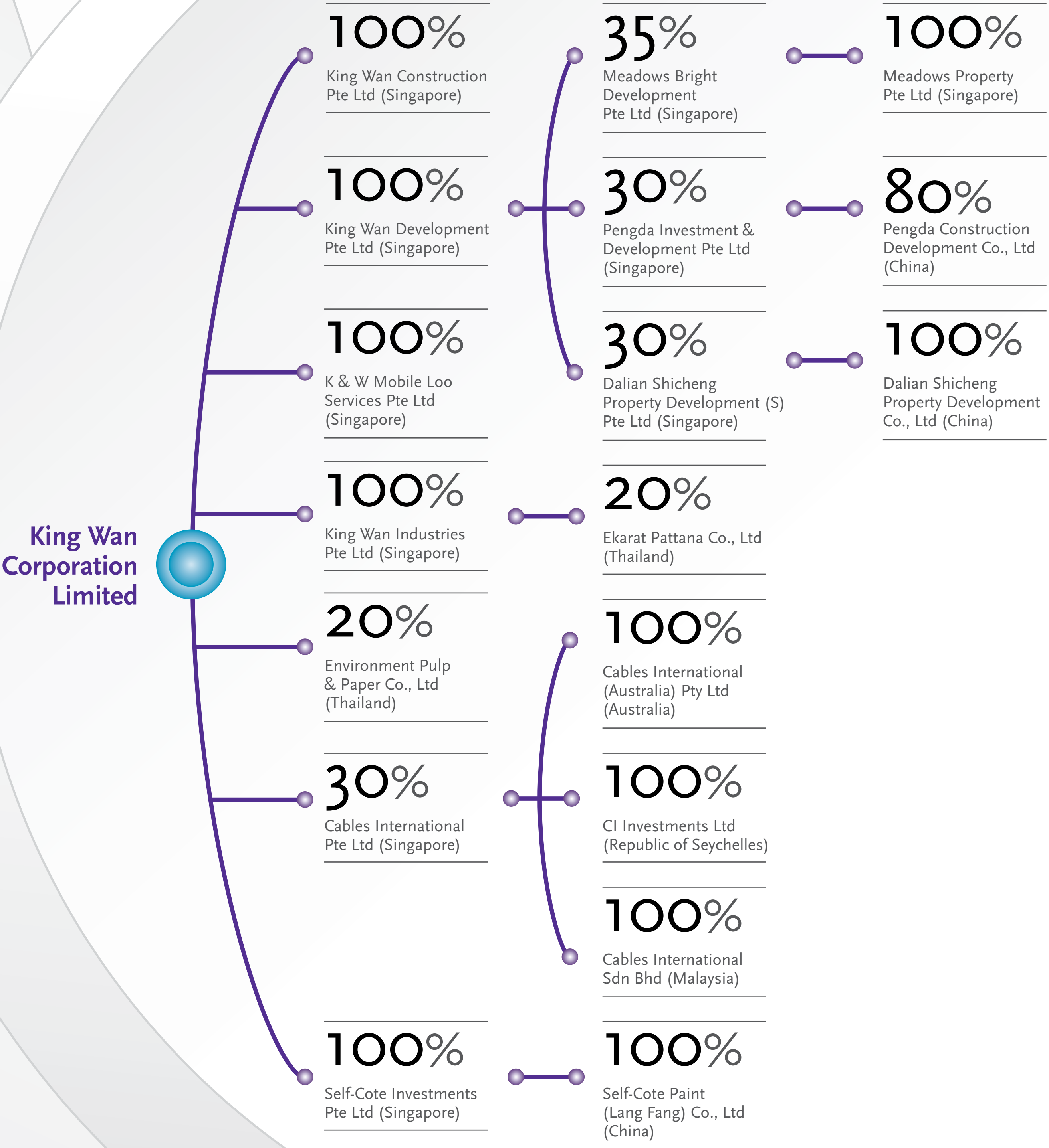
Audit Partner
Jeremy Toh Yew Kuan
(First appointed in financial year 2006)

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
ANZ Singapore

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



Chairman's Statement

Dear Shareholders,

I am pleased to report that our Company is benefiting from its strategic diversification of business and continues to remain healthy and profitable. Although the recovery of the world economy is nascent, the impact to our businesses has been positive. Our overseas investments benefited from the vibrant regional business environment while our Mechanical & Electrical (M&E) business rode the wave of recovery with the revival of the Singapore economy. The Company was able to strike a good balance between focusing on the Group's core M&E business and nurturing its associates.

Our Group's turnover had increased by 58% to S$70.5 million from S$44.7 million in the previous financial year. We have also reported a higher gross profit margin of 12% compared to 9% in the previous year and we achieved a higher profit after income tax of S$9.48 million compared with S$5.23 million in 2009. As a result, our earnings per share for the year rose 81% to 2.72 cents from 1.50 cents in the preceding year. Our Group's revenue and profit are our best performance by the Group in the last 10 years and I am confident that the Group's performance will continue to impress.

Our net assets have improved by 16% to S$70.2 million while the net asset value per share is 20.12 cents as at 31 March 2010.

M&E ENGINEERING

Our M&E division accounted for the main increase in revenue this year as we begin to recognise the revenue from projects that were secured in 2008 and 2009.

During the financial year, some of the completed projects include:

- The Vida
- The Rivergate
- The Inspira
- Parkview Eclat
- Sembawang N4C15
- No.1 Newton Road
- The Tate Residence
- One North Gateway
- Scotts Highpark Condominium

During the year, we have managed to secure 11 contracts with a total value of S$51 million. Some of the projects that we have secured during the year include:

- The Hamilton
- The Silversea
- Goodwood Residences
- 8@Woodleigh
- Oasis@Elias Road
- Punggol West
- Anderson 18
- Punggol Spectra and
- The Sophia Residence

The M&E division has a current order book of approximately S$131 million that will be recognised over the next three years. We look forward to a positive contribution from this division in the coming financial year.

PULP AND PAPER

Our 20% associate, Environment Pulp and Paper Co., Ltd (EPPCO) in Thailand, continued its positive contribution to the Group's results. It contributed S$3.31 million in the current year, which is an improvement over the S$1.3 million in the previous financial year. The prospects for this associate remain bright with the continued strong demand for its products.

ETHANOL

Our 20% associate, Ekarat Pattana Co., Ltd (Ekarat Pattana) in Thailand, continued its positive contribution to the Group's results. The associate is successfully producing quality ethanol that can be used for drinking and as alternative fuel.

Ekarat Pattana contributed S$2.6 million to the Group's result. With the strong support from the Thai Government for the usage of alternative fuel (gasohol), our expectation for this associate remains high.

ELECTRICAL CABLES AND ACCESSORIES

Cables International Pte Ltd (Cables International), our 30% associate, continues to perform well this year, contributing S$1.0 million to the Group's bottom line in this financial year.

On 18 June 2010, King Wan entered into a share sale agreement with Halcyon Energy Corporation Pte Ltd to sell its entire 30% shareholding interest in Cables International for a consideration of S$9 million in cash.

King Wan's decision to sell its stake in Cables International is consistent with its commitment to actively manage and optimise its portfolio of businesses. This is the result of a strategic evaluation of our business portfolio and represents an opportunity for us to realise significant value on an investment made seven years ago. We have received an attractive offer and the sales proceeds will enable us to pursue other strategic and growth opportunities.

This disposal is expected to have a positive effect of S$4.3 million on the Company's earnings for financial year ending 31 March 2011.

Completion of this disposal is expected to close on or before 16 September 2010 if and when the conditions precedent in the Agreement are fulfilled or waived.

Subject to relevant approvals, proceeds from the sale may be applied towards a dividend payout to shareholders, to fund the expansion of our business, to pursue other strategic investment opportunities as well as for the Group's working capital purpose.

PROPERTY DEVELOPMENT

The property market in Singapore is still undergoing consolidation after the surge in sales prices and volume of private properties in the later part of 2009. The Group will continue to monitor the market situation closely. Similarly, the property market in China is adjusting to measures implemented by the PRC Government to cool the property market.

During the year, Dalian Shicheng Property Development Co., Ltd (Dalian Shicheng), a 30% associate in China was involved in a case whereby an ex-Director cum General Manager misappropriated RMB30.76 million (approximately S$6.41 million) from the associate company. The Group's share of loss amounted to S$1.92 million. As at the date of this report, the case is still being investigated by the relevant authorities. We will continue to monitor this investment closely.

THE YEAR AHEAD

With the world economy still recovering, we will continue to be watchful of our cost, overheads, the erratic fluctuations on material prices and cashflows that will affect the profitability of the Group.

Our order book for the M&E business has been increasing and the Company will continue to be selective of the projects that it tenders for to ensure profitability and collectibility.

The Group has, through its 35% associate Meadows Bright Development Pte Ltd (Meadows Bright), recently launched the "Starlight Suites" development located at River Valley Close. The response has been encouraging.

The Group's Thai associates dealing in the production and sales of paper pulp and ethanol are expected to continue with their good performance. We will work closely with our business partners to determine the best ways to extend the products' market reach and improve productivity.

To continue in our pursuit to diversify the Group's income stream, we will continue to look out for new markets and strategic investments that can enhance our growth and at the same time boost our performance.

DIVIDEND

In view of the Group's performance during this financial year, the Board of Directors is pleased to recommend a first and final dividend of 0.286 cents per share. The payment of this dividend is subject to the approval of shareholders at the Annual General Meeting to be convened on 28 July 2010.

PERSONAL THANKS

I am grateful to our customers, business partners and associates for your support and confidence in our team and I look forward to your continuing support in the coming years.

To our staff, who are the very essence of our progress and success, my deepest appreciation to you for your loyalty, hard work and dedication.

I would also like to express my utmost gratitude to my fellow directors for your guidance and contributions. It has been a privilege to work with you.

Last but not least, to each and every shareholder, I thank you for the trust and confidence that you have bestowed upon my team and we shall continue to do our best.

CHUA KIM HUA
Chairman

Board of Directors

CHUA KIM HUA

Group Chairman

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

Age 70, serves as the Group's Chairman. He brings with him more than 40 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 ENG ENG

Managing Director

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

Age 40, 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 strategic operation, business development, corporate planning, and implementing policies and activities for the Group. She is also responsible for all administration, financial, investment, recruitment, legal and corporate affairs.

CHUA HAI KUEY

Executive Director

First appointed – 8 February 2000,
re-elected – 28 July 2009

Age 59, 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.

GOH CHEE WEE

Independent Non-Executive Director

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

Age 64, 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.

10 YEAR ANNIVERSARY 2000 • 2010

NATHAPUN SIRIVIRIYAKUL

Independent Non-Executive Director

First appointed – 6 November 2008,
re-elected – 28 July 2009

Age 45, 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

Independent Non-Executive Director

First appointed – 22 June 2001,
re-elected – 28 July 2009

Age 70, 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 and LMA International N.V.

Management & Key Executives

CHUA YAN PENG

Director
King Wan Construction Pte Ltd ("KWC")

Age 56, 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, organises, 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
King Wan Construction Pte Ltd ("KWC")

Age 59, 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 40, 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 served in the Audit and Business Advisory Services Division of Price Waterhouse (now known as Price WaterhouseCoopers).

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
King Wan Construction Pte Ltd ("KWC")

Age 65, 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
King Wan Construction Pte Ltd ("KWC")

Age 51, 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

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

EPPCO is engaged in the production, sales and distribution of eco-friendly bleached non-wood pulp derived from sugar cane bagasse.

With the mounting emphasis on recycling and its benefits to the environment, the worldwide demand for non-wood pulp has been growing at a steady rate. Ever since EPPCO commenced operations in November 2004, we have seen an increase in our production capacity from 100,000 tons to 130,000 tons of bagasse pulp annually.

The plant is strategically located in the Nongpho district of Nakhonsawan province, the sugar heartland of Thailand. It has the unique advantage of having access to Thailand's readily available cheap raw materials.

Thanks to a mature processing technology and a highly synergised team, 2009 saw our first foray into the food and food packaging industry where our product has been used to produce environmentally-friendly non-toxic cellulose powder and bio-degradable tableware packaging respectively.

We are positioning and moving in exciting directions as we envision becoming the world's leading non-wood fibre supplier.

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

Ekarat Pattana is engaged in the production, sale and distribution of ethanol. In 2010, the plant has boosted its capacity and increased its production from 200 kilo-litres to 230 kilo-litres of quality ethanol per day.

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

We have a proven track record as a reliable source to our international clients like Cargill, Itochu and Mitsubishi as well as to our Thai-based clients like PTT Petrolium, Bangchak Petrolium, IRPC, Thai Oil and Chevron Texaco.

The outlook for the industry is positive. With the growth in demand for potable alcohol, cosmetics, pharmaceuticals, cigarettes and the chemical industry worldwide, there will be a continuous demand for our products.

Upgraded to Singapore Exchange Mainboard in 2003, King Wan is now engaged principally in four business segments, namely M&E Engineering Services, Property Development, Manufacturing and Services.

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

For 14 years, K&W has grown through the years to become one of the leading players in Singapore, providing rental and cleaning services of portable chemical lavatories to property development showrooms, construction worksites and public events.

With extensive experience and a strong track record built up over more than a decade, we are mindful of the responsibility that our business have on our community. At K&W, our team is selective of the chemicals we use for our products and we are able to recommend the quantity, quality and type of portable restrooms that will best serve our client's purpose as well as the level of maintenance that will meet health regulations and keep our clients happy and satisfied.

K&W boasts a wide range of portable toilets and related accessories that allow our clients to enjoy the amenities of home when they are outdoors and for any occasion. Our latest product – the chic cabin (see photo above) – a luxurious portable container toilet was specially designed and launched in 2009. It has since garnered rave reviews at various prestigious events.

MEADOWS BRIGHT DEVELOPMENT PTE LTD ("MEADOWS BRIGHT")

Meadows Bright was incorporated in 2000 in response to the changing property market conditions in Singapore. We successfully launched "The Inspira", our first development located at Robertson Quay in September 2006. This boutique development with 120 freehold residences in a 13-storey three-winged tower was fully sold within nine months.

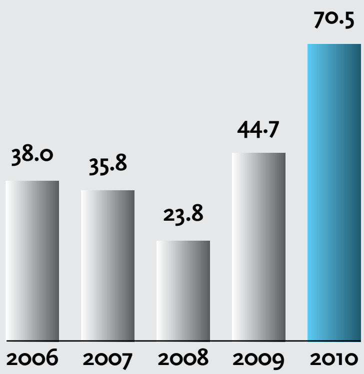
With that, we assuredly progressed to our second residential development project - "Starlight Suites". This 35-storey iconic building is nestled in River Valley, a stone's throw away from Singapore's renowned shopping district in Orchard Road. Its 105 freehold units are lavishly designed with a panoramic view. The development is expected to obtain its Temporary Occupation Permit by mid-2014.

Operations Review

PERFORMANCE OVERVIEW

The Group's turnover for the full year ended 31 March 2010 increased by 58% to S$70.5 million from S$44.7 million in the last financial year. The Mechanical and Electrical (M&E) business contributed significantly to the increase in turnover due to a larger order book.

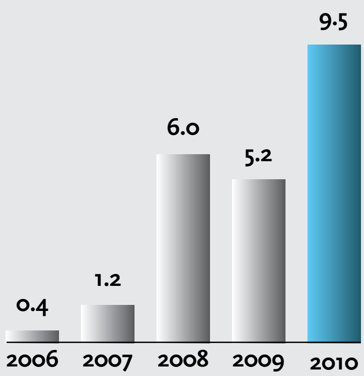
Turnover (S$million)



PROFIT BEFORE INCOME TAX

The Group's net profit before income tax improved from S$5.3 million to S$10.1 million. This was due mainly to substantial contributions from the Group's M&E business and better contributions from the associates.

Net Profit After Tax (S$million)



The Group's 20% associate in Thailand, Ekarat Pattana Co., Ltd (Ekarat Pattana), which produces and distributes ethanol, contributed S$2.6 million to the Group's profits, an improvement over the S$1.3 million in the previous financial year.

Environment Pulp and Paper Co., Ltd (EPPCO), the Group's 20% associate in Thailand that produces pulp from sugarcane bagasse, contributed S$3.3 million to the Group's results. This was a 50% increase over the S$2.2 million contributed in the last financial year.

The Group's associate in property development, Meadows Bright Development Pte Ltd (Meadows Bright), 35%-owned associate, contributed S$0.9 million to the Group's results in the current financial year. This is a decrease of S$0.3 million compared to the previous year due to the lower profits available for recognition from the "The Inspira", a development under Meadows Bright, which had since been completed and handed over to buyers.

Our 30% associate Cables International Pte Ltd (Cables International), contributed S$1.0 million to the Group's results for the financial year, a decrease of S$1.0 million compared to the previous year.

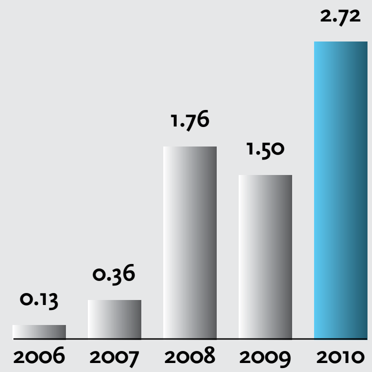
The Group's share of loss in Dalian Shicheng Property Development Co., Ltd (Dalian Shicheng), 30%-owned associate, amounted to S$0.3 million for the current year. Dalian Shicheng would have recorded a profit of S$5.3 million if not for the misappropriation of funds by an ex-Director-cum-General Manager of the associate. After taking into account the amount misappropriated of RMB30.8 million (approximately S$6.4 million), the associate instead suffered a full year loss of S$1.1 million.

The Group's 30% share of the loss from this unfortunate event amounted to S$1.9 million.

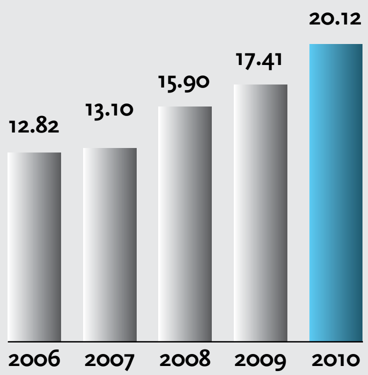
EARNINGS PER SHARE (EPS)

EPS increased from 1.50 cents to 2.72 cents due to a higher net profit achieved for the current financial year.

Earnings Per Share (cents)



NTA Per Share (cents)



BALANCE SHEET REVIEW

The Group's equity base improved to S$70.2 million from S$60.8 million mainly due to profits achieved in the current financial year.

Consequently, net asset value per share for the Group increased from 17.41 cents to 20.12 cents per share.

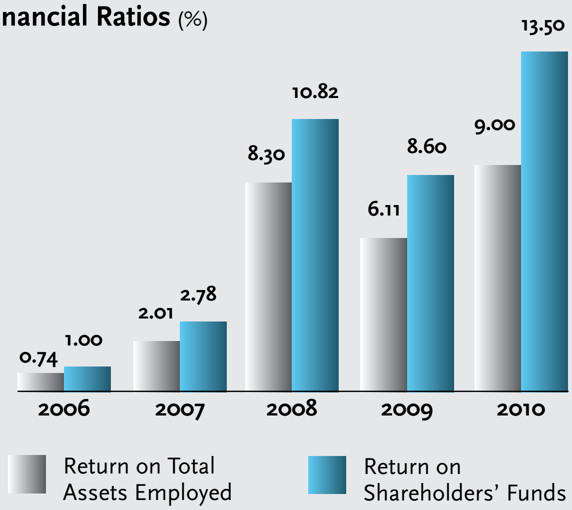
Total current assets increased by 36.5% or from S$34.7 million to S$47.4 million. This increase was due mainly to a higher cash position that resulted from collections from more ongoing contracts.

Non-current assets was higher at S$57.4 million from S$50.8 million due to the Group's share of associates' profits, which are partly offset by depreciation on the Group's property, plant and equipment, and investment properties.

Current liabilities increased by 28.4% or from S$24.6 million to S$31.6 million due mainly to increased trade payables as a result of higher M&E volume. Non-current liabilities increased from S$0.09 million to S$2.99 million due to the draw-down of long-term loans from banks to finance increased M&E activities.

The debt equity ratio increased slightly to 0.24 from 0.22 due to more bank borrowings to finance the increased business volume.

Financial Ratios (%)



CASHFLOWS & LIQUIDITY

Net cash from operating activities amounted to S$10.2 million for the financial year compared to S$8.55 million in the last financial year. The better cash inflow was due to better cashflows resulting from ongoing M&E projects.

Net cash from investing activities amounted to S$0.73 million from a net utilisation of S$7.55 million in the previous financial year resulting from lesser funds injected into associates via loans and capital injections. There was also receipt of a dividend from an associate and lower capital expenditure in the current year.

Net cash from financing activities increased to S$3.71million due mainly to the draw-down of additional term loans from banks to finance increased M&E activities.

Five-Year Financial Highlights

as at 31 March

	2006 (S$million)	2007 (S$million)	2008 (S$million)	2009 (S$million)	2010 (S$million)
Profit & Loss Account					
Turnover	38.0	35.8	23.8	44.7	70.5
Net Profit after Tax	0.4	1.2	6.0	5.2	9.5
Proposed Dividends (Net)	0.2	0.3	0.8	0.0	1.0
Balance Sheet					
Fixed Assets	14.7	14.1	13.4	13.5	12.7
Current and Other Assets	42.2	44.6	59.0	72.0	92.1
Total Assets	56.9	58.8	72.4	85.5	104.8
Shareholders' Funds	41.7	42.6	55.5	60.8	70.2
Long and Short Term Borrowings	6.3	8.3	9.5	13.6	13.7
Other Liabilities	9.0	7.9	7.4	11.2	20.9
Total Reserves and Liabilities	56.9	58.8	72.4	85.5	104.8
Per Share Data (Cents)					
Net Earnings after Tax	0.13	0.36	1.76	1.50	2.72
Dividends (Gross)	0.08	0.08	0.23	-	0.29
Dividends (Net)	0.08	0.08	0.23	-	0.29
Dividends Cover	1.72	4.85	7.82	-	9.51
Net Assets	12.82	13.10	15.90	17.41	20.12
Financial Ratios					
Return on Shareholders' Funds	1.0%	2.8%	10.8%	8.6%	13.5%
Return on Total Assets Employed	0.7%	2.0%	8.3%	6.1%	9.0%
Debt-Equity Ratio	0.15	0.19	0.17	0.22	0.24

Financial Statements

Contents

Report of the Directors

The directors present their report together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended March 31, 2010.

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

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

The AC met five times during the year. The AC 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 AC 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 AC.

The key responsibility of the AC 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 AC 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 quarterly 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; and
- carry out such other functions as may be agreed by the AC and the Board.

To effectively discharge its responsibilities, the AC 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 AC to enable it to discharge its functions properly.

The AC has reviewed the scope of work proposed by the external auditors and is satisfied with their independence and objectivity. The AC has recommended to the Board the nomination of Deloitte & Touche LLP for reappointment as auditors of the Company. The AC 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	34,260,906
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, 2010.

Report of the Directors

5 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

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

6 SHARE OPTIONS

(a) *Options to take up unissued shares*

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

(b) *Options exercised*

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

(c) *Unissued shares under option*

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

7 AUDITORS

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

ON BEHALF OF THE DIRECTORS

Chua Kim Hua

Chua Eng Eng

July 8, 2010

Statement of Directors

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 24 to 81 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, 2010 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 when they fall due.

ON BEHALF OF THE DIRECTORS

Chua Kim Hua

Chua Eng Eng

July 8, 2010

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 statements of financial position of the Group and the Company as at March 31, 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 page 24 to 81.

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 sheets 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 qualified audit opinion.

Basis for Qualified Opinion

The Group's investment in Dalian Shicheng Property Development Co. Ltd (the "associate") was carried at $7,644,192 (2009: $7,617,639) as at March 31, 2010, and the Group's share of the associate loss was $340,301 (2009: share of associate's profit of $235,514) for the financial year then ended. During the financial year, the associate appointed special auditors to investigate the alleged misappropriation of funds by a former director of the associate. Based on the report dated April 30, 2010 by the special auditors, the total discrepancies, relating mainly to the write off of other receivables, inventories and development cost-in-progress, amounted to approximately $6.4 million.

The auditors of the associate were unable to verify the completeness of the discrepancies identified by the special auditors, as well as the accounting period(s) in which such discrepancies arose because the misappropriation of finds affected many of the accounting records and other related documents and have stretched over the period from July 2005 to June 2009. As a result, the auditors of the associate had expressed a disclaimer of opinion on the financial statements of the associate for the year ended March 31, 2010. The Group had included its share of the above discrepancies amounting to $1.92 million in the current financial year's share of the associate's results. Consequently, we were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Group's investment in the associate as at March 31, 2010 and March 31, 2009, and the Group's share of the associate's results for the financial years ended March 31, 2010 and March 31, 2009, as well as the Group's opening retained earnings as at April 1, 2008, and whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraphs,

(a) the consolidated financial statements of the Group and the statement of financial position 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, 2010 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the 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
July 8, 2010

Statements of Financial Position

March 31, 2010

	Note	Group		Company	
		2010	2009	2010	2009
		$	$	$	$
ASSETS					
Current assets					
Cash and cash equivalents	6	13,457,397	2,209,534	127,155	446,403
Trade receivables	7	10,743,798	7,622,069	-	-
Other receivables and prepayments	8	10,854,635	11,955,221	18,349	47,262
Amount due from subsidiaries	9	-	-	4,883,778	4,375,131
Other investments	10	43,540	35,523	-	-
Inventories	11	1,439,360	1,644,511	-	-
Construction work-in-progress	12	10,878,177	11,261,709	-	-
Total current assets		47,416,907	34,728,567	5,029,282	4,868,796
Non-current assets					
Property, plant and equipment	13	6,552,371	6,928,426	-	-
Investment property	14	6,145,563	6,600,794	-	-
Investment in subsidiaries	16	-	-	34,230,187	34,230,187
Investment in associates	17	44,730,749	37,260,088	10,441,334	10,441,334
Total non-current assets		57,428,683	50,789,308	44,671,521	44,671,521
Total assets		104,845,590	85,517,875	49,700,803	49,540,317

	Note	Group 2010 $	Group 2009 $	Company 2010 $	Company 2009 $
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	18	4,013,825	6,358,505	-	-
Construction work-in-progress	12	3,791,929	725,684	-	-
Trade payables and bills payables	19	18,763,338	14,163,465	-	-
Other payables	20	1,890,517	1,802,427	761,515	500,846
Amount due to a subsidiary	21	-	-	1,051,613	588,500
Provision for contract costs	22	2,374,861	1,374,313	-	-
Current portion of finance leases	24	52,460	103,967	-	-
Income tax payable		716,034	97,763	-	-
Total current liabilities		31,602,964	24,626,124	1,813,128	1,089,346
Non-current liabilities					
Bank borrowings	18	2,809,345	-	-	-
Finance leases	24	104,128	30,139	-	-
Deferred tax liabilities	25	80,507	59,507	-	-
Total non-current liabilities		2,993,980	89,646	-	-
Capital and reserves					
Share capital	26	46,813,734	46,813,734	46,813,734	46,813,734
Retained earnings		22,389,221	12,904,402	1,073,941	1,637,237
Foreign currency translation reserve	27	1,045,691	1,083,969	-	-
Total equity		70,248,646	60,802,105	47,887,675	48,450,971
Total liabilities and equity		104,845,590	85,517,875	49,700,803	49,540,317

See accompanying notes to financial statements.

Consolidated Statement of Comprehensive Income

Financial year ended March 31, 2010

	Note	Group 2010 $	Group 2009 $
Revenue	28	70,518,435	44,656,249
Cost of sales		(62,218,638)	(40,605,637)
Gross profit		8,299,797	4,050,612
Other operating income	29	2,047,323	1,450,256
Distribution costs		(82,639)	(110,351)
Administrative expenses		(7,000,166)	(6,349,241)
Share of profit of associates	17	7,421,218	6,824,295
Finance costs	30	(574,478)	(530,247)
Profit before income tax		10,111,055	5,335,324
Income tax expense	31	(626,236)	(105,888)
Profit for the financial year	32	9,484,819	5,229,436
Other comprehensive income			
Exchange differences on translation of foreign operations		(38,278)	829,555
Total comprehensive income for the year		9,446,541	6,058,991
Earnings per share (cents)			
Basic	33	2.72	1.50
Diluted	33	2.72	1.50

See accompanying notes to financial statements.

Statements of Changes in Equity

Financial year ended March 31, 2010

	Share capital $	Retained earnings $	Foreign currency translation reserve $	Total $
Group				
Balance at April 1, 2008	46,813,734	8,460,614	254,414	55,528,762
Total comprehensive income 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
Total comprehensive income for the financial year	-	9,484,819	(38,278)	9,446,541
Balance at March 31, 2010	46,813,734	22,389,221	1,045,691	70,248,646

	Share capital $	Retained earnings $	Total $
Company			
Balance at April 1, 2008	46,813,734	2,392,852	49,206,586
Total comprehensive income for the financial year	-	30,033	30,033
Dividends paid (Note 34)	-	(785,648)	(785,648)
Balance at March 31, 2009	46,813,734	1,637,237	48,450,971
Total comprehensive income for the financial year	-	(563,296)	(563,296)
Balance at March 31, 2010	46,813,734	1,073,941	47,887,675

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

Financial year ended March 31, 2010

	Group	
	2010	2009
	$	$
Operating activities		
Profit before income tax	10,111,055	5,335,324
Adjustments for:		
Depreciation of property, plant and equipment and investment property	1,326,929	1,269,602
Allowance for doubtful trade receivables	333,153	54,984
Change in fair value and gain on disposal of held-for-trading investments	(8,017)	34,356
Reversal of allowance for inventories obsolescence	(1,100)	(78,535)
Interest income	(12,759)	(11,893)
Interest expense	574,478	530,247
(Gain) Loss on disposal of property, plant and equipment	(66,875)	8,902
Dividend income from other investments	(2)	(25)
Share of associates' results	(7,421,218)	(6,824,295)
Inventories written off	586	126,422
Provision (Write back of provision) for contract costs	1,292,306	(131,306)
Operating cash flows before working capital changes	6,128,536	313,783
Trade receivables	(3,489,371)	4,641,936
Other receivables and prepayments	(120,418)	1,334,023
Construction work-in-progress	3,454,511	(5,502,650)
Inventories	182,887	(55,340)
Trade payables and bill payables	4,609,466	8,608,452
Other payables	263,801	640,447
Provisions utilised	(291,758)	(794,462)
Cash generated from operations	10,737,654	9,186,189
Income tax paid	13,035	(110,718)
Interest paid	(574,478)	(530,247)
Net cash from operating activities	10,176,211	8,545,224

	Group	
	2010	2009
	$	$
Investing activities		
Interest received	12,759	11,893
Advances to associates	(4,790,046)	(3,910,320)
Repayments from associates	5,880,471	-
Dividends received from held-for-trading investments	2	25
Dividends received from an associate	651,608	923,400
Purchase of property, plant and equipment [Note (a)]	(464,033)	(1,282,328)
Proceeds from the disposal of property, plant and equipment	74,669	18,312
Acquisition of interest in associates [Note (b)]	(636,120)	(3,306,646)
Net cash from (used in) investing activities	729,310	(7,545,664)
Financing activities		
Dividends paid	-	(785,648)
Repayments of finance leases	(111,407)	(125,625)
Repayments of bank borrowings	(176,830)	-
Proceeds from bank borrowings	4,000,000	-
Net cash from (used in) financing activities	3,711,763	(911,273)
Net effect of exchange rate changes in consolidating a foreign subsidiary	(10,916)	94,482
Net increase in cash and cash equivalents	14,606,368	182,769
Overdrawn at beginning of financial year	(1,148,971)	(1,331,740)
Cash and bank balances (Overdrawn) at end of financial year (Note 6)	13,457,397	(1,148,971)

Note (a):

Purchase of property, plant and equipment	597,922	1,282,328
Less: Assets purchase under finance leases (Note 24)	(133,889)	-
	464,033	1,282,328

Note (b):

In 2010, the Group had invested in an associate by subscribing for THB 15,000,000 (S$636,120 equivalent) [2009 : US$2,310,000 (S$3,306,646 equivalent)] in the share capital of the associate.

See accompanying notes to financial statements.

Notes to Financial Statements
March 31, 2010

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 and associates in the Group are principally engaged in activities as disclosed in Note 16 and 17 to the financial statements respectively.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended March 31, 2010 were authorised for issue by the Board of Directors on July 8, 2010.

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, 2009. The adoption of these new/revised FRS and INT FRS does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below:

FRS 1 - *Presentation of Financial Statements (Revised)*

FRS 1 (2008) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the entity applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

Amendments to FRS 107 *Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments*

The amendments to FRS 107 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FRS 108 - *Operating Segments*

The Group adopted FRS 108 with effect from April 1, 2009. 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 maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (FRS 14 Segment Reporting) required 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 has changed (see Note 38).

The comparatives have been restated to conform to the requirements of FRS 108.

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

FRS 27 (Revised) - Consolidated and Separate Financial Statements,
FRS 103 (Revised) - Business Combinations
FRS 28 (Revised) - Investments in Associates

The management anticipates that the adoption of other FRSs, INT FRSs 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 except for the following:

FRS 27 (Revised) will be effective for the Group and the Company for annual periods beginning on or after July 1, 2010. 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. 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) will be 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 July 1, 2010. 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.

Notes to Financial Statements

March 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In FRS 28 (Revised), the principle adopted under FRS 27 (Revised) (see above) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendment to FRS 28 (Revised); therefore, when significant influence is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss.

FRS 28 (Revised) will be adopted for periods beginning on or after July 1, 2009 and will be applied prospectively in accordance with the relevant transitional provisions and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

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

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income 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 or loss.

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 or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENT - Financial assets and financial liabilities are recognised on the Group's statement of financial position 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.

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 or 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 in other comprehensive income, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in the profit or loss for the period. Impairment losses recognised in the profit or loss for equity investments classified as available-for-sale are not subsequently reversed through the profit or loss. Impairment losses recognised in the profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Notes to Financial Statements
March 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. 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 or loss.

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 the end of each reporting period. 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.

Notes to Financial Statements

March 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 statement of financial position 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 or loss.

Rentals payable under operating leases are charged to the profit or loss 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 end of the reporting period, 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 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:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leasehold buildings and properties	-	over the term of the lease which are from 2% to 31/3%
Land use rights	-	2%
Plant and machinery	-	5% to 20%
Office equipment	-	10% to 331/3%
Motor vehicles	-	10% to 20%
Portable toilets	-	20%

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

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

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

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 or loss.

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.

Notes to Financial Statements

March 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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 or loss.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 statement of financial position 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 or loss.

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 end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

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

Notes to Financial Statements

March 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 (cont'd)

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 profit or loss 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 profit or loss 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 end of the reporting period.

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 statement of comprehensive income 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 subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the 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.

Notes to Financial Statements

March 31, 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 end of the reporting period.

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 profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), 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 statement of financial position and statement of changes in equity 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 the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

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 at the end of each reporting period. 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 recognised in other comprehensive income and accumulated in the Group's currency translation reserve. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation accumulated in the Group's currency translation reserve, shall be reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

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.

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.

Notes to Financial Statements
March 31, 2010

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

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.

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

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, 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.

<u>Investment in subsidiaries</u>
In determining whether there is any indication that the investment in certain subsidiaries has 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 (2009 : $34,230,187) as at March 31, 2010.

<u>Allowances for doubtful debts</u>
The Group and Company 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. Judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer and on-going dealings with them. 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.

<u>Construction contracts</u>
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 end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date. As at March 31, 2010, management considered that all costs to complete and revenue can be reliably estimated. As at March 31, 2010, the carrying amount of the Group's net construction work-in-progress amounted to $7,086,248 (2009 : $10,536,025).

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

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, 2010 the Group has provided for $2,374,861 (2009 : $1,374,313) 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 or loss when it is probable that total contract costs will exceed total contract revenue. For the financial year ended March 31, 2010, the Group has assessed that no provision for foreseeable losses is necessary (see Note 12).

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 end of the reporting period:

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Financial Assets				
Loans and receivables (including cash and cash equivalents)				
- Cash and cash equivalents	13,457,397	2,209,534	127,155	446,403
- Trade receivables	10,743,798	7,622,069	-	-
- Other receivables (excluding prepayments)	10,836,901	11,925,932	10,299	39,812
- Amount due from subsidiaries	-	-	4,883,778	4,375,131
	35,038,096	21,757,535	5,021,232	4,861,346
Fair value through profit and loss (FVTPL): Held for trading	43,540	35,523	-	-

Notes to Financial Statements
March 31, 2010

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(a) *Categories of financial instruments*

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Financial Liabilities				
Amortised cost				
- Bank borrowings	6,823,170	6,358,505	-	-
- Trade payables and bills payables	18,763,338	14,163,465	-	-
- Other payables	1,890,517	1,802,427	761,515	500,846
- Provision for contract costs	2,174,318	1,234,527	-	-
- Amount due to a subsidiary	-	-	1,051,613	588,500
- Finance leases	156,588	134,106	-	-
	29,807,931	23,693,030	1,813,128	1,089,346

(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 (cont'd)

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

	Group	
	2010	2009
	$	$
United States dollar	71,042	107,988
Australian dollar	19,636	201,194

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	
	2010	2009	2010	2009
	$	$	$	$
Group				
Profit or loss	(7,104) [(i)]	(10,799) [(i)]	(1,964)	(20,119) [(i)]

Notes to Financial Statements
March 31, 2010

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

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	
	2010	2009	2010	2009
	$	$	$	$
Group				
Profit or loss	7,104 [i]	10,799 [i]	1,964 [i]	20,119 [i]

[i] 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 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 has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period and the stipulated 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, 2010 would decrease/increase by $63,292 (2009 : decrease/increase by $67,108). 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.

(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.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(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 $10,516,785 (2009 : $11,736,593).

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.

Liquidity and interest risk analyses

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

Notes to Financial Statements

March 31, 2010

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$	$	$	$	$
<u>Group</u>						
2010						
Non-interest bearing	-	34,810,156	-	-	-	34,810,156
Fixed interest rate instruments	1.71	228,590	-	-	(650)	227,940
		35,038,746	-	-	(650)	35,038,096
2009						
Non-interest bearing	-	21,687,981	-	-	-	21,687,981
Fixed interest rate instruments	0.72	69,596	-	-	(42)	69,554
		21,757,577	-	-	(42)	21,757,535
<u>Company</u>						
2010						
Non-interest bearing	-	5,021,232	-	-	-	5,021,232
2009						
Non-interest bearing	-	4,861,346	-	-	-	4,861,346

<u>Non-derivative financial liabilities</u>

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 statement of financial position.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$	$	$	$	$
Group						
2010						
Non-interest bearing	-	13,169,805	-	-	-	13,169,865
Variable interest rate instruments	3.87	13,148,247	-	-	(489,879)	12,658,368
Fixed interest rate instruments	5.00	1,181,846	2,999,039	-	(357,715)	3,823,170
Finance lease liability (fixed rate)	5.50	58,641	101,088	16,777	(19,918)	156,588
		27,558,539	3,100,127	16,777	(867,512)	29,807,931
2009						
Non-interest bearing	-	10,137,369	-	-	-	10,137,369
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
		24,250,316	33,369	-	(590,655)	23,693,030
Company						
2010						
Non-interest bearing	-	1,813,128	-	-	-	1,813,128
2009						
Non-interest bearing	-	1,089,346	-	-	-	1,089,346

The maximum amount that the Group and Company could be forced to settle under the financial guarantee contracts are $60.8 million and $97.1 million (2009 : $78 million and $104.4 million) respectively. The Group and Company consider that it's more likely than not that no amount will be payable under the arrangement.

Notes to Financial Statements

March 31, 2010

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

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, 2010, 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 Note 18, cash and cash equivalents and equity attributable to the owners of the parent, comprising issued capital and retained earnings. The Group is required to maintain a minimum Group's net worth, a maximum gearing ratio and a minimum current ratio in order to comply with the financial covenants in the loan agreements with the banks.

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.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Management reviews the capital structure on a yearly basis. As a part of this review, management considers 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 2009.

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	
	2010	2009
	$	$
Transactions with associates		
Sales of goods	(247,569)	(142,760)
Rental income	(547,871)	(468,721)
Management fee income	(60,000)	(60,000)
Transactions with entities with common directors		
Purchases of goods	-	138

Notes to Financial Statements
March 31, 2010

5 RELATED PARTY TRANSACTIONS (cont'd)

Compensation of directors and key management personnel

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

	Group	
	2010	2009
	$	$
Directors' and key management's remuneration:		
- Short-term benefits	2,243,706	1,829,145
- Post-retirement benefits	55,349	55,139
	2,299,055	1,884,284
Directors' fees	128,500	105,763
	2,427,555	1,990,047

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	
	2010	2009	2010	2009
	$	$	$	$
Cash and bank balances	13,229,457	2,139,980	127,155	446,403
Fixed deposits	227,940	69,554	-	-
Total	13,457,397	2,209,534	127,155	446,403
Less: Bank overdrafts (Note 18)	-	(3,358,505)	-	-
Net	13,457,397	(1,148,971)	127,155	446,403

6 CASH AND CASH EQUIVALENTS (cont'd)

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

Fixed deposits bear interest at an average rate of 1.71% (2009 : 0.72%) per annum and are for a tenure of approximately 1 to 3 months (2009 : 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	
	2010	2009	2010	2009
	$	$	$	$
United States dollars	71,042	107,988	-	-
Australian dollars	19,636	201,194	-	-

7 TRADE RECEIVABLES

	Group	
	2010	2009
	$	$
Accrued trade receivables for construction contracts	5,320,130	3,960,193
Amounts receivable from construction contract customers	5,875,246	3,777,305
Amounts receivable from the sale of goods	421,974	444,893
Amounts receivable from rendering of services	676,116	678,521
Less: Allowance for doubtful debts	(1,549,668)	(1,238,843)
Net	10,743,798	7,622,069

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 (2009 : 30 days). No interest is charged on overdue trade receivables.

Notes to Financial Statements
March 31, 2010

7 TRADE RECEIVABLES (cont'd)

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 $1,843,673 (2009 : $2,240,585) which are past due at the end of the reporting period for which the Group has not provided as there has not been a significant changes 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 is 180 days (2009 : 193 days). The above analysis does not include the accrued trade receivables for construction contracts of $5,320,130 (2009 : $3,960,193) 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 end of the reporting period. 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 end of the reporting period 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 6 debtors (2009 : 7 debtors) that individually represent more than 5% of the total balance of trade receivables.

At March 31, 2010, retention monies held by customers for contract work amounted to $1,031,682 (2009 : $499,912). Retention monies of $775,215 (2009 : $74,000) 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.

Movement in the above allowance for doubtful debts:

	Group	
	2010	2009
	$	$
Balance at beginning of year	1,238,843	1,152,657
Increase in allowance recognised in profit or loss	333,153	54,984
Translation differences	(22,328)	31,202
Balance at end of year	1,549,668	1,238,843

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Associates (Note 17)	10,516,785	11,736,593	9,634	-
Other receivables	208,112	135,888	665	39,812
Prepayments	17,734	29,289	8,050	7,450
Advances to staff	3,117	15,356	-	-
Deposits	108,887	38,095	-	-
Total	10,854,635	11,955,221	18,349	47,262

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.

9 AMOUNT DUE FROM SUBSIDIARIES

	Company	
	2010	2009
	$	$
Loan to subsidiaries - non-trade (Note 16)	4,883,778	4,375,131

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 (2009 : $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.

Notes to Financial Statements

March 31, 2010

10 OTHER INVESTMENTS

	Group	
	2010	2009
	$	$
Held-for-trading investments:		
Quoted equity shares, at fair value	43,540	35,523

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	
	2010	2009
	$	$
Malaysian ringgit	41,530	34,694

11 INVENTORIES

	Group	
	2010	2009
	$	$
Raw materials and consumables	1,439,360	1,644,511

12 CONSTRUCTION WORK-IN-PROGRESS

	Group	
	2010	2009
	$	$
Contract costs incurred plus recognised profits (less recognised losses to date)	92,473,924	55,314,205
Less: Progress billings	(85,387,676)	(44,778,180)
	7,086,248	10,536,025

12 CONSTRUCTION WORK-IN-PROGRESS (cont'd)

	Group 2010 $	Group 2009 $
Analysed as:		
Contracts-in-progress at statement of financial position date:		
Construction work-in-progress	10,878,177	11,261,709
Excess of progress billings over construction work-in-progress	(3,791,929)	(725,684)
	7,086,248	10,536,025

During the financial year ended March 31, 2010, no provision for foreseeable loss (2009 : $101,500) has been recognised in profit or loss.

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, 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
Additions	33,603	-	102,414	73,590	358,732	29,583	597,922
Disposals	-	-	-	(16,371)	(470,486)	(41,355)	(528,212)
Translation differences	(54,357)	(24,385)	(26,846)	(3,394)	(10,987)	-	(119,969)
At March 31, 2010	8,895,744	277,720	1,529,660	1,166,086	3,055,680	1,506,339	16,431,229

Notes to Financial Statements

March 31, 2010

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold buildings and properties $	Land use rights $	Plant and machinery $	Office equipment $	Motor vehicles $	Portable toilets $	Total $
Accumulated depreciation:							
At April 1, 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
Depreciation for the year	367,877	5,646	44,864	104,375	247,810	105,860	876,432
Disposals	-	-	-	(13,904)	(466,149)	(40,365)	(520,418)
Translation differences	(7,642)	(3,831)	(9,677)	(2,833)	(6,235)	-	(30,218)
At March 31, 2010	4,458,087	48,138	1,091,275	808,465	2,178,855	1,294,038	9,878,858
Carrying amount:							
At March 31, 2010	4,437,657	229,582	438,385	357,621	876,825	212,301	6,552,371
At March 31, 2009	4,818,646	255,782	398,004	391,434	774,992	289,568	6,928,426

Certain plant and equipment with carrying amount of $356,701 (2009 : $300,531) are secured under finance leases.

[1] Included herein are depreciation expenses amounting to $4,734 (2009 : $5,608) which have been allocated to and recorded under the construction work-in-progress (Note 12).

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 PROPERTY

	Group	
	2010	2009
	$	$
Cost:		
At beginning and end of financial year	11,600,794	11,600,794
Accumulated depreciation:		
At beginning of financial year	5,000,000	4,544,769
Depreciation for the financial year	455,231	455,231
At end of financial year	5,455,231	5,000,000
Carrying amount:		
At beginning of financial year	6,600,794	7,056,025
At end of financial year	6,145,563	6,600,794

As at March 31, 2010 and March 31, 2009, 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 $629,485 (2009 : $746,788).

Direct operating expenses arising on the investment properties in the year amounted to $231,311 (2009 : $238,282).

Particulars of investment property as at March 31, 2010 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

Notes to Financial Statements

March 31, 2010

15 GOODWILL

	Group	
	2010	2009
	$	$
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	
	2010	2009
	$	$
Unquoted equity shares - at cost	34,456,787	34,456,787
Less: Allowance for impairment	(226,600)	(226,600)
Net	34,230,187	34,230,187

Assessment of impairment in investment in subsidiaries is carried out at the end of each reporting period and the necessary allowance for impairment is accordingly made. For the year ended March 31, 2010, management has assessed that no additional allowance for impairment was required.

16 INVESTMENT IN SUBSIDIARIES (cont'd)

The subsidiaries of the Company at March 31, 2010 are set out below:

Name of subsidiaries	Principal activities/ Place of operation and country of incorporation	Proportion of ownership interest and voting power held	
		2010 %	2009 %
King Wan Construction Pte Ltd [1] [2]	Provision of mechanical and electrical (M&E) engineering services/Singapore	100	100
K&W Mobile Loo Services Pte Ltd [1]	Owner, renters and operators of mobile lavatories and other facilities/Singapore	100	100
King Wan Industries Pte Ltd [1]	Investment holding Singapore	100	100
King Wan Development Pte Ltd [1]	Investment holding and property development/Singapore	100	100
Self-Cote Investment Pte Ltd [3]	Investment holding/Singapore	100	100
Self-Cote Paint (Lang Fang) Co., Ltd [3] [4]	Manufacture and sale of paints, varnishes and painting inks/People's Republic of China	100	100

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

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

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

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

Notes to Financial Statements

March 31, 2010

17 INVESTMENT IN ASSOCIATES

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Unquoted equity shares – at cost	20,271,751	19,635,631	10,441,334	10,441,334
Share of post-acquisition accumulated profits net of dividends received	23,333,140	16,530,794	-	-
Share of foreign currency translation reserve	1,125,858	1,093,663	-	-
Net	44,730,749	37,260,088	10,441,334	10,441,334

Carrying value as at year end includes goodwill on acquisition amounting to $559,803 (2009 : $559,803).

Assessment of impairment in associates is carried out at the end of each reporting period and the necessary allowance for impairment is accordingly made. For the year ended March 31, 2010, 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	
		2010	2009
		%	%
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
CI Investments Ltd (5)	Commission agent/Republic of Seychelles	30	30

17 INVESTMENT IN ASSOCIATES (cont'd)

Name of associates	Principal activities/ Place of operation and country of incorporation	Proportion of ownership interest and voting power held	
		2010 %	2009 %
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 (S) Pte Ltd [8]	Property development and investment holding/ Singapore	30	-
Dalian Shicheng Property Development Co. Ltd [8]	Development, marketing, sale and management of residential and commercial properties/People's Republic of China	-	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
S.I. Property Co. Ltd. [11]	Owner and rental of office and commercial space/ Bangkok	30	-

(1) 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, BDO LLP (2009: IKA International), Certified Public Accountants, Singapore.

(4) 100% owned by the Company's associate, Cables International Pte Ltd. Audited by another firm of auditors, BDO LLP (2009 : Peter Edwards & Associates Pty), Certified Public Accountants, Singapore.

(5) 100% owned by the Company's associate, Cables International Pte Ltd. Audited by BDO LLP (2009 : IKA International), Certified Public Accountants, Singapore for the purpose of consolidation.

Notes to Financial Statements

March 31, 2010

17 INVESTMENT IN ASSOCIATES (cont'd)

(6) 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) Audited by another firm of auditors, UHY Lee Seng Chan & Co, Certified Public Accountants, Singapore (2009 : Liaoning Haoda Certified Public Accountants Co., Ltd) for the purpose of consolidation.

During the current financial year, the Group had transferred the shareholdings in Dalian Shicheng Property Development Co. Ltd. to Dalian Shicheng Property Development (S) Pte Ltd, incorporated in Singapore. The transfer was made through a share issuance and transfer agreement with no cash consideration.

The Group's investment in Dalian Shicheng Property Development Co. Ltd (the "associate") was carried at $7,644,192 (2009: $ 7,617,639) as at March 31, 2010, and the Group's share of the associate loss was $340,301 (2009: share of associate's profit of $235,514) for the financial year then ended. During the financial year, the associate appointed special auditors to investigate the alleged misappropriation of funds by a former director of the associate. Based on the report dated April 30, 2010 by the special auditors, the total discrepancies relating mainly to the write off of other receivables inventories and development cost in progress amounted to approximately $6.4 million.

The auditors of the associate were unable to verify the completeness of the discrepancies identified by the special auditors as well as the accounting period(s) in which such discrepancies arose because the misappropriation of funds affected many of the accounting records and other related documents and have stretched over the period from July 2005 to June 2009. As a result, the auditors of the associate had expressed a disclaimer of opinion on the financial statements of the associate for the year ended March 31, 2010. The Group had included its share of the above discrepancies amounting to $1.92 million in the current financial year's share of the associate's results.

(9) Audited by another firm of auditors, BPR Audit and Advisory Co., Ltd, Certified Public Accountants, Thailand.

(10) 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 2009, 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.

(11) The associate was acquired during the financial year for a cash consideration of $636,120 and is audited by another firm of auditors, Thanapan & Associates, CPA Thailand.

17 INVESTMENT IN ASSOCIATES (cont'd)

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

	Group	
	2010	2009
	$	$
Total assets	449,994,270	487,362,153
Total liabilities	(268,906,942)	(337,961,955)
Net assets	181,087,328	149,400,198
Group's share of associates' net assets	44,170,946	36,700,285
Revenue	252,703,050	269,885,854
Profit for the financial year	34,414,075	25,760,106
Group's share of associates' profit for the financial year	7,421,218	6,824,295

18 BANK BORROWINGS

	Group	
	2010	2009
	$	$
Bank overdrafts	-	3,358,505
Short-term bank borrowings	3,000,000	3,000,000
Long-term bank borrowings		
- current	1,013,825	-
- non-current	2,089,345	-
	6,823,170	6,358,505

The bank overdrafts are unsecured and repayable on demand. The bank overdrafts bear interest at rates ranging from 5.25% to 5.5% (2009 : 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 2.57% to 5% (2009 : 3.03% to 3.71%) per annum and are arranged at floating rates thus exposing the Group to cash flow interest rate risks.

The long-term bank borrowings extended by the banks to a subsidiary are for a term of 4 years and are repayable over 48 monthly instalments. These are borrowed for the purpose of financing on-going construction projects. The borrowings are guaranteed by the Company and bear fixed interest at rate of 5% per annum.

The carrying amounts of these borrowings approximate fair value as the interest rate approximates the prevailing market rate.

Notes to Financial Statements

March 31, 2010

19 TRADE PAYABLES AND BILLS PAYABLES

	Group	
	2010	2009
	$	$
Bills payables	9,658,368	7,063,050
Outside parties	9,104,970	7,100,415
	18,763,338	14,163,465

Bills payables are repayable between 1 to 4 months (2009 : 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 2.25% to 5.5% (2009 : 2.7% to 5.5%) 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 (2009 : 3 months). No interest is charged on overdue trade payables. Trade payables principally comprise amounts outstanding for trade purchases.

20 OTHER PAYABLES

	Group		Company	
	2010	2009	2010	2009
	$	$	$	$
Other payables	911,768	916,183	47,272	34,826
Related parties (Note 5)	5,768	3,600	-	-
Associates (Note 17)	258,738	416,624	-	-
Directors	128,500	105,800	128,500	105,800
Accrued bonus	585,743	360,220	585,743	360,220
	1,890,517	1,802,427	761,515	500,846

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

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	
	2010	2009
	$	$
At beginning of year	1,374,313	2,300,081
Additions during the year	1,361,953	116,016
Utilised during the year	(291,758)	(794,462)
Reversal during the year	(69,647)	(247,322)
At end of year	2,374,861	1,374,313

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 or loss of $522,551 (2009 : $497,809) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at March 31, 2010, contributions of $86,030 (2009: $119,532) due in respect of current financial year had not been paid over to the plans. The amounts were paid over the end of the subsequent reporting period.

Notes to Financial Statements
March 31, 2010

24 FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2010	2009	2010	2009
	$	$	$	$
Group				
Amounts payable under finance leases:				
Within one year	58,641	115,607	52,460	103,967
In the second to fifth year inclusive	101,088	33,369	104,128	30,139
After fifth year	16,777	-	-	-
	176,506	148,976	156,588	134,106
Less: Future finance charges	(19,918)	(14,870)		
Present value of lease obligations	156,588	134,106		
Less: Amount due for settlement within 12 months	(52,460)	(103,967)		
Amount due for settlement after 12 months	104,128	30,139		

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 5 years (2009 : 5 years). For the financial year ended March 31, 2010, the average effective borrowing rate was 5.5% (2009 : 9.03%) 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	
	2010	2009
	$	$
At beginning of financial year	59,507	53,000
Charge to profit or loss for the financial year (Note 31)	21,000	8,507
Effect of change in tax rate	-	(2,000)
At end of financial year	80,507	59,507

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

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of overseas associates amounted to $14,006,374 (2009 : $8,466,817). Except for a deferred tax liability of $39,507 (2009 : $39,507) recognised in respect of undistributed earnings amounted to $449,833 (2009 : $790,135) of an associate, deferred tax liabilities has not been recognised in respect of the remaining undistributed earnings amounted to $13,556,541 (2009 : $7,676,682) of other associates because these undistributed earnings are tax exempt.

26 SHARE CAPITAL

	Group and Company			
	2010	2009	2010	2009
	Number of ordinary shares		$	$
Issued and paid-up:				
At beginning and 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.

27 FOREIGN CURRENCY TRANSLATION RESERVE

Foreign currency translation reserve 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.

Notes to Financial Statements

March 31, 2010

28 REVENUE

	Group 2010 $	Group 2009 $
Amounts recognised from contracts	66,584,198	40,362,730
Sale of goods	1,478,697	1,732,359
Rendering of services	2,455,540	2,561,160
	70,518,435	44,656,249

29 OTHER OPERATING INCOME

	Group 2010 $	Group 2009 $
Rental income	1,440,471	1,223,700
Gain on disposal of property, plant and equipment	66,875	-
Sundry income	46,454	49,042
Jobs credit scheme	295,762	88,671
Management fee income	60,000	60,000
Interest income	12,759	11,893
Foreign exchange gain	116,983	16,925
Dividend income from other investments	2	25
Change in fair value and gain on disposal of held-for-trading investments	8,017	-
	2,047,323	1,450,256

30 FINANCE COSTS

	Group 2010 $	Group 2009 $
Interest expense from:		
Bank borrowings	561,853	516,526
Finance leases	12,625	13,721
Total	574,478	530,247

31 INCOME TAX EXPENSE

	Group	
	2010	2009
	$	$
Current	670,000	29,000
Deferred	21,000	23,507
Under (Over) provision in prior years		
- Current tax	(64,764)	70,381
- Deferred tax (Note 25)	-	(17,000)
	626,236	105,888

The income tax expense of the Group varied from the amount of income tax determined by applying the Singapore tax rate of 17% (2009 : 17%) to profit before income tax as a result of the following differences:

	Group	
	2010	2009
	$	$
Profit before income tax	10,111,055	5,335,324
Income tax expense at statutory rate	1,718,879	907,005
Non-allowable items	552,609	402,525
Non-taxable items	(79,761)	(15,074)
Tax effect of share of results of associates	(1,261,607)	(1,120,623)
Tax exemptions	(25,925)	(25,925)
Deferred tax benefits not recognised	7,332	28,960
Utilisation of deferred tax benefits previously not recognised	(284,820)	(112,099)
Effects of different tax rates in other countries	(7,818)	2,633
Effect of change in income tax rate	-	(2,000)
Others	64,293	(12,895)
	691,000	52,507
Under (Over) provision in prior years		
- Current tax	(64,764)	70,381
- Deferred tax	-	(17,000)
	626,236	105,888

Notes to Financial Statements
March 31, 2010

31 INCOME TAX EXPENSE (cont'd)

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, 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
Adjustment in respect of prior years	-	(617,797)	-	(617,797)
Movement during the year	(40,863)	(1,776,677)	185,256	(1,632,284)
Balance at March 31, 2010	(325,042)	404,405	325,042	404,405
Net deferred tax benefits not recorded				
- March 31, 2010				68,749
- March 31, 2009				451,263

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	
	2010	2009
	$	$
Directors' remuneration:		
Company	1,448,210	1,088,987
Subsidiaries	241,581	220,994
Directors' fees:		
Company	128,500	105,763
Staff costs (including directors' remuneration)	7,915,090	7,239,830
Costs of defined contribution plans included in staff costs	522,551	497,809
Allowance for doubtful trade receivables	333,153	54,984
(Gain) loss on disposal of property, plant and equipment, net	(66,875)	8,902
Reversal of allowance for inventories obsolescence	(1,100)	-
Inventories (write back) / written off	-	47,887
Cost of inventories recognised as expense	25,936,765	17,984,570
Foreign exchange gain - net	(116,983)	(16,925)
Change in fair value and gain on disposal of held-for-trading investments	(8,017)	34,356

33 EARNINGS PER SHARE (CENTS)

The basic earnings per ordinary share is calculated by dividing the Group's profit for the financial year of $9,484,819 (2009 : $5,229,436) by the weighted average number of ordinary shares of 349,176,870 (2009 : 349,176,870) in issue during the financial year.

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

Notes to Financial Statements
March 31, 2010

34 DIVIDENDS PAID

During the financial year ended March 31, 2010, the directors of the Company proposed a final one-tier tax exempt dividend of 0.286 cents per share to be paid to shareholders on September 13, 2010.

The dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend, if approved is payable to all shareholders on the register of members on August 27, 2010. The total estimated dividend to be paid is $998,646.

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 end of the reporting period, the total notional amount of outstanding forward foreign exchange contract to which the Group are as follows:

	Group	
	2010	2009
	$	$
Forward foreign exchange contracts	-	419,200

As at March 31, 2010, there was no outstanding forward foreign exchange contracts to which the Group was committed to.

36 COMMITMENTS AND CONTINGENT LIABILITIES

	Group	
	2010	2009
	$	$
Corporate guarantees given to banks in respect of credit facilities utilised by the associates	56,604,966	71,964,906
Share of associate's guarantee to The Controller of Residential Property	4,211,034	6,066,034

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.

At the end of each reporting period, the Group has contracted with tenants for the following lease receipts:

	Group	
	2010	2009
	$	$
Within 1 year	1,039,112	558,897
Within 2 to 5 years	77,963	113,752
Total	1,117,075	672,649

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	
	2010	2009
	$	$
Minimum lease payments under operating leases included in the profit or loss	286,390	297,577

At the end of each reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2010	2009
	$	$
Within 1 year	322,607	267,288
Within 2 to 5 years	1,290,427	1,069,152
After 5 years	2,322,005	2,187,311
Total	3,935,039	3,523,751

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, 2010.

Notes to Financial Statements

March 31, 2010

38 SEGMENT INFORMATION

Business segments

The segment information reported externally was analysed on the basis of the types of products and services provided by the Group's operating segments. The information reported to the Group's chief operating decision maker for the purposes of resources allocation and assessment of segment performance is focused on these operating segments. The reportable segments under FRS 108 are plumbing and sanitary, electrical, toilet rental, paint and investment holdings.

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.

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.

Toilet rental - Renting and operating of mobile lavatories and other facilities.

Paint - Manufacture and sale of paints, varnishes and painting inks.

Investment holdings - Group's investment in associates.

Others - For those other activities which do not fall into the above catogories.

Segment revenue and results are the operating revenue and results reported in the Group's statement of comprehensive income 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.

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.

Information regarding the Group's reportable segments is presented below. The measurement basis of the Group's reportable segment is in accordance with its accounting policy.

GROUP SEGMENTAL REPORTING

Group reportable segment

	Plumbing and sanitary		Electrical		Toilet rental		Paint		Investment holdings		Others		Eliminations		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Revenue																
External sales	31,909,034	26,266,406	35,455,346	15,064,741	2,466,695	2,561,160	694,444	763,942	-	-	-	-	(7,084)	-	70,518,435	44,656,249
Inter-segment sales	-	-	-	-	-	6,293	-	-	-	-	-	-	-	(6,293)	-	-
Total revenue	31,909,034	26,266,406	35,455,346	15,064,741	2,466,695	2,567,453	694,444	763,942	-	-	-	-	(7,084)	(6,293)	70,518,435	44,656,249
Results																
Segment result	2,937,226	98,494	(177,471)	(1,101,073)	344,395	289,783	(117,000)	(201,387)	7,421,218	6,824,295	-	-	203,258	456,577	10,611,626	6,366,689
Unallocated expenses															(1,901,128)	(1,930,894)
Net other operating income															1,975,035	1,429,776
Finance costs															(574,478)	(530,247)
Profit before income tax															10,111,055	5,335,324
Income tax (expense) credit															(626,236)	(105,888)
Profit for the year															9,484,819	5,229,436
Other information																
Capital expenditure additions	48,563	55,677	48,563	55,677	71,513	85,900	6,538	18,502	-	-	422,745	1,066,572	-	-	597,922	1,282,328
Depreciation *	11,779	10,594	11,779	10,594	154,869	156,480	45,495	56,818	-	-	1,107,741	1,040,724	-	-	1,331,663	1,275,210
Allowance for (Writeback of allowance) doubtful debts	273,560	(66,072)	(32,880)	88,501	29,628	23,549	62,845	9,006	-	-	-	-	-	-	333,153	54,984
Provision for (Writeback of provision) for contract costs	393,448	(51,171)	898,858	(80,135)	-	-	-	-	-	-	-	-	-	-	1,292,306	(131,306)

* Depreciation expense amounting to $4,734 (2009 : $5,608) has been allocated to construction work-in-progress.

Notes to Financial Statements
March 31, 2010

Group reportable segment

	Plumbing and sanitary		Electrical		Toilet rental		Paint		Investment holdings		Eliminations		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Assets														
Segment assets	13,992,731	11,306,702	8,376,472	8,270,634	3,884,923	3,978,785	3,587,219	4,008,119	55,247,535	48,996,681	(5,267,246)	(4,211,328)	79,821,634	72,349,593
Unallocated assets													25,023,956	13,168,282
Consolidated total assets													104,845,590	85,517,875
Liabilities														
Segment liabilities	6,941,784	3,485,017	7,608,196	5,147,713	3,652,018	3,031,663	3,344,684	3,545,375	258,738	416,624	(6,253,213)	(5,738,683)	15,552,207	9,887,709
Unallocated liabilities													19,044,737	14,828,061
Consolidated total liabilities													34,596,944	24,715,770

Geographical segments

The Group operates mainly in Singapore, Thailand 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.

	Revenue		Non-current asset	
	2010	2009	2010	2009
	$	$	$	$
Singapore	69,823,991	43,892,307	22,577,226	21,398,142
People's Republic of China	694,444	763,942	9,111,871	9,214,027
Thailand	-	-	25,739,586*	20,177,139*
	70,518,435	44,656,249	57,428,683	50,789,308

* Representing the Group's investments in its Thailand associates.

Information about major customer

There is no revenue from transactions with a single external customer amounts to 10% or more of the Group's revenue.

39 EVENTS AFTER THE REPORTING PERIOD

On June 18, 2010, the Company had entered into a share sale agreement with Cables International Pte Ltd (Cables International), the other shareholders of Cables International and Halcyon Energy Corporation Pte Ltd (HECPL). The Company has agreed to sell its entire shareholding interest of 30% in Cables International to HECPL for a consideration of $9 million.

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 “2005 Code”) and is committed to ensuring that the highest standards of corporate governance are implemented and maintained throughout in enhancing shareholder’s value and the long term value of the Company.

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

A. BOARD MATTERS

Principle 1: Board’s Conduct of its Affairs

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

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

Regular Board meetings are held to discuss and decide on specific issues including significant transactions with related and non-related parties, investments and divestments of assets, annual budget review, review of the Group’s financial performance and to approve the release of the quarter, 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 Board 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 ("AC"), a Nomination Committee ("NC") and a Remuneration Committee ("RC"). 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. All the Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group.

The attendance of the Directors at Board and Board Committee meetings in FY2010, 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. Adhoc non-scheduled board meetings are convened as warranted by particular circumstances. Telephonic attendance and conference via audio communication at board meetings are allowed under the Company's Articles of Association.

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	5	1	1
Chua Kim Hua	4	NA	1	NA
Chua Eng Eng	4	NA	NA	NA
Chua Hai Kuey	4	NA	NA	NA
Lim Hock Beng	4	5	1	1
Goh Chee Wee	4	5	1	1
Nathapun Siriviriyakul	3	4	NA	0

Report on Corporate Governance

Principle 2: Board Composition and Balance

The current Board of Directors comprise of six directors, three of whom are considered by the NC 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 2005 Code has also been adopted by the Board. The NC is satisfied that the independent Directors have an independent element that sufficiently enables the Board to exercise objective judgment on corporate affairs independently from Management.

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.

For FY2010, the NC is of the view that the Board's current size and composition is appropriate, taking into account the nature and scope of the Group's operations and the diversity of the Board members' experience and attributes; and no individual or small group of individuals dominates the Board's decision-making process.

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 AC. The performance and remuneration packages of Executive Directors are reviewed periodically by the NC. are Further, 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

As at the date of this Report, our board of directors (the "Board") comprises the following members: -

Chua Kim Hua	Executive Chairman
Chua Eng Eng	Managing Director
Chua Hai Kuay	Executive Director
Lim Hock Beng	Independent Lead Director
Goh Chee Wee	Independent Director
Nathapun Siriviriyakul	Independent Director

The NC is made up of three members, two of whom are independent. The NC is chaired by Mr. Goh Chee Wee. The other members of the Committee are Mr. Lim Hock Beng and Mr. Chua Kim Hua.

The NC 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 NC are recorded by the Company Secretary. The Committee meets at least once annually. The number of meetings held and attendance at the meetings during the last financial year are presented under "Board Matters" in this report.

The NC 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 gap. It uses its best efforts to ensure that the directors appointed to the Board possesses the relevant background, experience and knowledge and that each Independent Director brings to the Board an independent and objective perspective to enable the making of balanced and well-considered decisions.

The NC recommends, and the Board approves, a formal process for the selection of new Directors to increase transparency of the nominating process in indentifying and evaluating nominees for Directors. This function extends to the recommendation on nomination of directors for re-election or re-appointment having regard to their contributions, performance and their ability to carry out duties as a directors notwithstanding their multiple board representations. .

We believe the Board renewal should be an on-going process in order to ensure good corporate governance. The Company's Articles of Association require one-third of the Board to retire and subject to re-election by shareholders at every annual general meeting ("AGM"). The directors are required to 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. Goh Chee Wee while Mr. Chua Kim Hua and Mr. Lim Hock Beng will be up for re-appointment under Section 153(6) of the Companies Act, Cap 50, at the forthcoming AGM. The Committee, after assessing their contribution and performance (including attendance, preparedness and participation), and their effectiveness as directors had recommended the three retiring directors for re-election and re-appointment.

Report on Corporate Governance

The NC is also charged with determining, on an annual basis, whether a director is independent. It had reviewed the independence of each non-executive director for the financial year ended 31 March 2010 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.

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 NC reviews and evaluates the performance of the Board as a whole, taking into considerations, attendance records at respective Board and committee meetings as well as the contribution of each individual director to the Board's effectiveness. In evaluating the Board Performance, the NC implemented a self-assessment process that requires each director to submit the assessment of the performance of the Board as a whole during the year under review. This self-assessment process takes into account, inter alia, the board composition, maintenance of independence, board information, board process, board accountability, communication with top management and standard of conduct. The board assessment exercise provided an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes allowed him to discharge his duties effectively and the changes which should be made to enhance the effectiveness of the Board as a whole.

The NC took into account the results of the assessment of the Board, the respective Director's actual conduct on the Board, in making the determination, and is satisfied that all the Directors have been able to and have adequately carried out their duties as Directors.

Principle 6: Access to Information

All Directors are provided with the names and contact details of the Company's senior management and the Company Secretary to facilitate unrestricted access to senior management and the Company Secretary 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.

Under the direction of the Managing Director, the Company Secretary ensures good information flows within the Board and its committees and between Management, Non-Executive Directors and Independent Directors. An agenda for Board meetings together with the relevant papers are prepared in consultation with the Managing Director and usually circulated before the holding of each Board and committee meetings. This allows control over the quality, quantity and timeliness of the flow of information between Management and the Board. 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 members may, at any time, in the furtherance of their duties, request for independent professional advice and receive training at the Company's expense.

The Company Secretary attends 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

As at the date of this Report, the RC comprises the following independent non-executive directors: -

Goh Chee Wee, Chairman
Lim Hock Beng
Nathapun Siriviriyakul

The RC has at least one member who is knowledgeable in the field of executive compensation. It has access to expert advice in the field of executive compensation outside the Company, when required.

Our Board has approved the terms of reference of our RC. The RC recommends to the Board for endorsement a framework of remuneration (which covers all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options and benefits in kind). It also determines specific remuneration packages for each Executive Director, the Chairman and our Managing Director for endorsement by the entire Board. No director is involved in deciding his own remuneration. The review covers all aspects of remuneration including but not limited to directors' fees, salaries, allowance, bonuses and benefits in kind. In the event that a member of our RC is related to the employee under review, he will abstain from the review.

The Committee meets at least once annually.

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

Principle 8: Level and Mix of Remuneration

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

The non-executive directors will receive a basic fee and a fee for their appointments in the various Board Committees in financial year 2010. 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.

Report on Corporate Governance

Our Executive Directors have entered into service contracts with the Company, subject to renewal every three (3) years. The review of service contracts for Executive Directors come under the purview of the RC to ensure that fair and reasonable terms of service is tie in to performance. The service contracts of the Executive Directors were last renewed in November 2008. Each service contract 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.. Executive Directors do not receive directors' fees.

Principle 9: Disclosure on Remuneration

The breakdown of remuneration of the Directors of the Company for the year ended 31 March 2010 is set out below:

Name of Director	Fixed Component (1)	Variable Component (2)	Provident Fund (3)	Directors' Fees (4)	Total Compensation
	%	%	%	%	%
Above S$500,000					
Chua Kim Hua (Chairman)	46%	54%	1%	0%	100%
Chua Hai Kuey	44%	55%	1%	0%	100%
Above S$250,000 but below S$500,000					
Chua Eng Eng (Managing Director)	52%	45%	3%	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%

Notes

(1) Fixed Component refers to base salary for the financial year ended 31 March 2010.

(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 2010

Name of Executive	Fixed Component (1)	Variable Component (2)	Provident Fund (3)	Total Compensation
	%	%	%	%
Above S$250,000 but below S$500,000				
Wong Lam Lim	85%	13%	1%	100%
Below S$250,000				
Chua Yan Peng	86%	10%	4%	100%
Siow Nget Yuen	77%	19%	4%	100%
Seah Cheah Sye Mui	83%	13%	4%	100%
Chew Chee Yuen Francis	74%	18%	8%	100%

Notes

(1) Fixed Component refers to base salary for the financial year ended 31 March 2010.

(2) Variable Component refers to variable bonus paid in the financial year ended 31 March 2010.

(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 2010.

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

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

When presenting the annual financial statements and half-yearly and quarterly results 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.

Report on Corporate Governance

Principle 11: Audit Committee

As at the date of this Report, the AC comprises the following independent non-executive directors who do not have any existing business or professional relationship with our Group, our Directors or Substantial Shareholders: -

Lim Hock Beng, Chairman
Goh Chee Wee
Nathapun Siriviriyakul

The members of the AC bring with them invaluable managerial, accounting and financial management expertise to discharge the AC's functions.

The key responsibility of the AC 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 AC 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 AC'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 quarter, 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 their audit fee;
- Review the adequacy of the Group'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 AC and the Board.

The AC has explicit authority to investigate any matters relating to the Group's accounting, auditing, internal controls and/or financial practices brought to its attention, To effectively discharge it responsibilities, the AC 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 AC to enable it to discharge its functions properly.

The AC had reviewed with the external auditor and the Management, the quarterly and annual financial statements before submission to the Board for its approval.

It had reviewed transactions in respect of Interested Person Transaction falling within the scope of the AC terms of reference and the Listing Manual of the SGX-ST.

In addition, it had also reviewed and discussed with the external auditors and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response.

The external auditors have unrestricted access to the AC. The AC had met with the external auditors, without the presence of Management and had reviewed the independence and objectivity of the external auditors through discussions with the external auditors. It had also reviewed the volume of non-audit services provided by the external auditors to the Company. It noted that no non-audit service was provided by the Deloitte & Touche in the financial year just ended. It is satisfied that the independence and objectivity of the external auditors is not compromised and has therefore has recommended to the Board of directors that the auditors, Deloitte & Touche LLP be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Whistle Blowing Policy

Management had on the recommendation of the AC put in place the Whistle Blowing Policy 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 AC ensures that arrangements are in place for the independent investigation of such matters and appropriate follow up actions are taken.

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 AC are also informed of all control issues pertaining to internal controls and regulatory compliances. Based on the internal audit reports and the management controls in place, the Board and the AC are satisfied that there are adequate internal controls in the Group.

Risk Management

Our Company does not have a Risk Management Committee. However, our Management regularly reviews our Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Our Management reviews all significant control policies and procedures and highlights all significant matters to our directors and AC.

Report on Corporate Governance

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 AC 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 AC 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 Group and its operations.

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

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

E. STATEMENT OF COMPLIANCE

Our Board confirms that for FY2010, our Company has complied with the principal corporate governance recommendations.

Analysis of Shareholdings

As at 15 June 2010

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

Class of Shares: Ordinary Shares with equal voting rights

SIZE OF HOLDINGS	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 to 999	3	0.22	545	0.00
1,000 to 10,000	443	32.08	2,545,253	0.73
10,001 to 1,000,000	907	65.67	75,796,360	21.71
1,000,001 AND ABOVE	28	2.03	270,834,712	77.56
TOTAL	1,381	100.00	349,176,870	100.00

TOP 20 SHAREHOLDERS AS AT 15 JUNE 2010

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	31,145,906	8.92
4	Chong Thim Pheng	27,000,000	7.73
5	Chua Hai Kuey	22,247,676	6.37
6	Kim Eng Securities Pte. Ltd.	15,937,000	4.57
7	Liong Kiam Teck	8,404,000	2.41
8	Ong Tze King	7,748,000	2.22
9	OCBC Securities Private Ltd	4,938,000	1.42
10	Thian Yim Pheng	4,378,000	1.25
11	UOB Kay Hian Pte Ltd	2,318,000	0.66
12	Hong Leong Finance Nominees Pte Ltd	2,297,000	0.66
13	Loh Bak Cham	2,053,000	0.59
14	Hong Heng Co Pte Ltd	2,000,000	0.57
15	Lim Chye Huat @ Bobby Lim Chye Huat	1,920,000	0.55
16	Koh Gek Huang	1,885,000	0.54
17	Poh Seng Kui	1,800,000	0.52
18	Ang Chai Cheng	1,545,000	0.44
19	DBS Nominees Pte Ltd	1,445,000	0.41
20	United Overseas Bank Nominees Pte Ltd	1,402,000	0.40
	TOTAL	261,276,901	74.83

Substantial Shareholders

As at 15 June 2010

[accordingly 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	34,260,906	9.81	Nil	Nil
4.	Chong Thim Pheng, Winstedt	27,000,000	7.73	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 who have access to 'price sensitive' information, 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 two weeks before the release of the quarterly financial results and one month before the release of the full-year financial results, ending on the date of announcement of the relevant 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 2010, the Company has complied with the principal corporate governance recommendations set out in the Best Practices Guide issued by the Singapore Exchange.

INTERESTED PERSON TRANSACTIONS

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

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

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

During the financial year ended 31 March 2010, 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 15 JUNE 2010

The percentage of shareholdings in the hand of public is about 41.2%. Hence, the Company has complied with Rule 723 of the SGX-ST Listing Manual.

APPOINTMENT OF AUDITORS FOR SUBSIDIARIES AND SIGNIFICANT ASSOCIATES

The Company's Board and Audit Committee are satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Group. Thus, the Company has complied with Rule 716 of the SGX-ST Listing Manual.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of **KING WAN CORPORATION LIMITED** (the "Company") will be held at the Board Room, 8 Sungei Kadut Loop, Singapore 729455 on **Wednesday, 28 July 2010 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 2010 and the Auditors' Report thereon. **[Resolution No. 1]**

2. To re-elect Mr. Goh Chee Wee who is retiring by rotation under Article 89 of the Company's Articles of Association. **[Resolution No. 2]**

3. To pass a resolution pursuant to Section 153(6) of the Companies Act, Cap 50 to re-appoint Mr. Chua Kim Hua as Director of the Company to hold office until the next annual general meeting of the Company. **[Resolution No. 3]**

4. To pass a resolution pursuant to Section 153(6) of the Companies Act, Cap 50 to re-appoint Mr. Lim Hock Beng as Director of the Company to hold office until the next annual general meeting of the Company. **[Resolution No. 4]**

5. To approve Directors' Fee of S$128,500 for the year ended 31 March 2010 (2009: S$105,763). **[Resolution No. 5]**

6. To approve the payment of a final dividend of 0.286 cent per ordinary share for the year ended 31 March 2010. **[Resolution No. 6]**

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

As Special Business:

8. 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. 8]**

ORDER OF THE BOARD
Lim Bee Lian Eliza
Company Secretary
Singapore, 13 July 2010

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

b. Mr. Chua Kim Hua is the Executive Chairman of the Company. If re-appointed, he will remain as member of the Nominating Committee.

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

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

e. Resolution No. 8 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. 8 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. 8 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.

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of King Wan Corporation Limited (the "Company") will be closed at 5.00 p.m. on 27 August 2010 (the "Books Closure Date") for the purpose of determining the entitlements of shareholders in respect of the proposed final ordinary dividend of 0.286 cent per ordinary share.

Shareholders whose securities accounts with The Central Depository (Pte) Ltd are credited with shares as at 5.00 p.m. on the Books Closure Date will be entitled to the dividend.

Registrable transfers (in respect of Share not registered in the name of CDP) together with all relevant documents of title received by the Company's Registrar, M&C Services Private Ltd at 138 Robinson Road #17-00 The Corporate Office Singapore 068906, up to 5:00 p.m. on the Books Closure Date will, subject to the Articles of Association of the Company, be registered before entitlements to the dividend are determined.

The Final Ordinary Dividend if approved by shareholders, will be paid on or about 13 September 2010.

By Order of the Board
Eliza Lim Bee Lian
Company Secretary
13 July 2010

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 Wednesday, 28 July 2010 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 the year ended 31 March 2010 and the Auditors' Report thereon.		
2	Re-election of Mr. Goh Chee Wee as Director.		
3	Re-appointment of Mr. Chua Kim Hua as Director.		
4	Re-appointment of Mr. Lim Hock Beng as Director.		
5	Approval of Directors' fee of S$128,500		
6	To approve the payment of Final Dividend of 0.286 cent per ordinary share.		
7	Re-appointment of Auditors.		
8	Authority for allotment and issuance of shares pursuant to Section 161 of the Companies Act, Cap. 50.		

Signed this .... day of July 2010

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

____

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

Important: Please read notes overleaf

Postage Stamp

To: The Company Secretary

KING WAN CORPORATION LIMITED

8 Sungei Kadut Loop

Singapore 729455

Fold along dotted line

Fold along dotted line

NOTES:

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

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

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

d. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company 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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