KING WAN CORPORATION LIMITED

GROWING IN STRENGTH

ANNUAL REPORT 2014

OUR VALUES

COMMITMENT

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

QUALITY & RELIABILITY

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

INTEGRITY & PROFESSIONALISM

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

PEOPLE

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

PASSION

We approach every task with heart and passion.

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Being firmly rooted in values fortifies the commitment of our people and empowers us to break new grounds – growing in strength.

CORPORATE PROFILE

Established in 1977, King Wan Corporation Limited is a Singapore-based integrated building services company with principal activities in the provision of Mechanical and Electrical (M&E) engineering services for the building and construction industry.

Over the past three decades, King Wan has grown from strength to strength to expand beyond its core business, and successfully ignited new growth engines to propel the Group for greater shareholders' value. The Group operates through its network of subsidiaries and associates in Singapore, China and Thailand.


Singapore Sports Hub


The Sky Woods

The Group operates principally in two major business segments as follows:

MECHANICAL & ELECTRICAL ENGINEERING AND SERVICES SEGMENT:
The Group provides multi-disciplined M&E engineering services such as the design and installation of plumbing and sanitary systems, air-conditioning and mechanical ventilation systems, electrical systems, fire protection and alarm systems, communications and security systems for the building and construction industry.

It also provides mobile chemical lavatories for rental and ancilliary facilities for construction worksites as well as public and nation-wide public events.

INVESTMENT PORTFOLIO SEGMENT:
Through direct investments, the Group now operates in three other business sectors i.e. Vessel Ownership and Chartering, Property Development, and Operation of Workers' Dormitory.

The Group was listed in 2000 on the Singapore Stock Exchange and upgraded to the Singapore Exchange Mainboard in 2003.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

2014 has been a year of stellar growth for King Wan Corporation Limited (King Wan or the Group) (庆源企业). Despite the tumultuous year before, which was fraught with economic uncertainties and impacts from the cooling measures on the Singapore property market, the Group has scaled up and expanded both in strength and in numbers.

Anchored on our strategy of building multi-country, multi-industry portfolio, we have not only strengthened our core Mechanical & Electrical (M&E) business, but also successfully ventured into a brand new business segment in workers' dormitory operations to augment the business portfolio for the Group.

YEAR IN REVIEW

We are pleased to announce a robust 44% growth in revenue to S$95.4 million for the full financial year ended 31 March 2014 (FY2014) as compared to S$66.3 million recorded in the last financial year (FY2013). The surge in revenue was due to a significant increase in the total revenue generated from M&E contracts.

Over the year, the Group has successfully completed a wide spectrum of M&E projects from both the private and public sectors. Among some of our noteworthy key projects completed are the Singapore Sports Hub; commercial projects such as The Carlton Hotel; and private condominiums such as the L'Viv

"EMERGING STRONGER FROM THE TUMULTUOUS YEAR BEFORE, THE GROUP HAS SCALED UP AND EXPANDED BOTH IN STRENGTH AND IN NUMBERS."

Condominium, The Hamilton, Jean Nouvel Residences and Goodwood Residence.

The investments in our investment portfolio has also successfully raked in steady recurring revenues streams. Our 30 per cent investment in a 'Supramax' Bulk Carrier, "Hai Jin", has reaped its first positive contribution to King Wan's bottomline since it commenced its maiden time charter contract in March 2013.

The Property Development segment remains challenging in view of the slowdown in the property sector in both Singapore and China. The Group is well invested into the growth cycle in these markets and will work towards realizing the investments progressively.

STRONG FINANCIAL POSITION

King Wan's financial position as at 31 March 2014 remained strong, backed by S$86.4 million of net assets. Net asset value per share for the Group stood at 24.75 cents per share as at 31 March 2014, an increase from 24.31 cents per share as at 31 March 2013.

The Group has approximately S$153 million worth of the M&E engineering contracts on hand, with completion dates ranging from years 2014 to 2017. The Group expects the M&E business segment to contribute positively to the Group's results in the next 12 months.

NEW GROWTH OPPORTUNITIES

Riding on the wave of new growth opportunities, the Group has successfully ventured into the new workers' dormitory business, by means of a 19% stake in a consortium which will be involved in the design, development and operations of one of the largest workers' dormitory projects in Singapore. The consortium has successfully secured a land tender awarded by Jurong Town Corporation that will be developed into a 9,200-bed workers' dormitory.

In line with the government's efforts to improve the welfare of foreign workers, the consortium is committed to provide a well-managed purpose built worker dormitory with comprehensive facilities that will meet the needs of the dormitory residents.

Together with our experienced business partners, we are confident that we will be able to make a fruitful foray into this growth sector and bring about higher value for our shareholders.

I am also pleased to announce that our long awaited investment in Kaset Thai International Sugar Corporation Public Company Limited (KTIS) has also bore fruit when KTIS received the approval from the Securities and Exchange Commission in Thailand ("SEC") for listing on 18 April 2014 and was successfully listed on the Stock Exchange of Thailand (SET) on 28 April 2014.

Based on the Sales & Purchase Agreement ("SPA") signed in 2012, the Group was allotted a total of 116.3 million shares. This is approximately 3.01% of KTIS issued common shares after the IPO and is worth approximately S$45.4 million. The net profits accruing from the completion of the SPA is approximately S$24 million.

EMBRACING CORPORATE SOCIAL RESPONSIBILITY

At King Wan, we are not only committed to deliver strong business performance and shareholders' value, but also uphold good practices for sustainable business conduct as well as social success and development.

In 2014, we have made a bold step to embrace corporate social responsibility within King Wan. The Group is committed to contribute to the welfare of society and encourage the spirit of volunteerism among the employees. In conjunction with the Holland-Bukit Timah GRC, we hosted a Corporate Social Responsibility (CSR) programme on 8 December 2013 in support of 20 beneficiaries from the lower income households residing in Hong Kah North division (Bukit Batok area).

Held at Universal Studios Singapore, volunteers from King Wan actively supported this project. With the overwhelming success, the Group will continue and expand our support for the community outreach programmes in the year ahead.

"WE WILL GROW FROM STRENGTH TO STRENGTH IN BUILDING OUR MARKET LEADERSHIP IN OUR CORE BUSINESSES AND NURTURE NEW GROWTH OPPORTUNITIES IN SINGAPORE AND BEYOND."

BUSINESS OUTLOOK

Based on the growth forecast by the Ministry of Trade and Industry on 20 May 2014, Singapore economy grew by 4.9 per cent on a year-on-year basis in the first quarter, similar to the rate of growth achieved in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy grew by 2.3 per cent, moderating from the 6.9 per cent growth in the preceding quarter.

The construction sector expanded by 6.7 per cent on a year-on-year basis, slower than the 7.3 per cent growth in the preceding quarter. The moderation in growth was largely due to weakness in private sector construction activities. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector grew by 0.6 per cent, sharply lower than the 10.6 per cent growth in the last quarter.

The industry outlook remains challenging in the next 12 months with increasing competition and anticipated increase in labour cost on foreign workers. The Group will endeavour to monitor and manage the labour supply as effectively as possible to keep its projects on time and within budget.

The Group will continue to focus on its core business by leveraging its strong track record in M&E engineering to secure more projects, as well as enhancing cost effectiveness and efficiency optimisation in the management of ongoing projects.

With sound financial backing, King Wan will be in a strong position to explore more strategic investments that will add value to shareholders. We will continue to deepen our reach in the markets we are operating in and explore opportunities in other geographical markets and business segments.

REWARDING SHAREHOLDERS

The Board of Directors is pleased to recommend a one-tier tax-exempt final dividend of 1.5 Singapore cents per share to be approved by shareholders at the forthcoming annual general meeting to be held on 29 July 2014. Upon approval, the dividend will be payable on 15 August 2014.

Together with the interim dividend of 0.5 Singapore cent paid out on 12 December 2013, the total dividend paid per share for FY2014 will be 2.0 Singapore cents. This is the company's way of showing appreciation to all its shareholders for their unrelenting support in the past one year.

NOTE OF APPRECIATION

On behalf of the Board, I would like to express my deepest appreciation to all stakeholders who have been instrumental in King Wan's success over the past years– customers, business associates, management team, staff and shareholders.

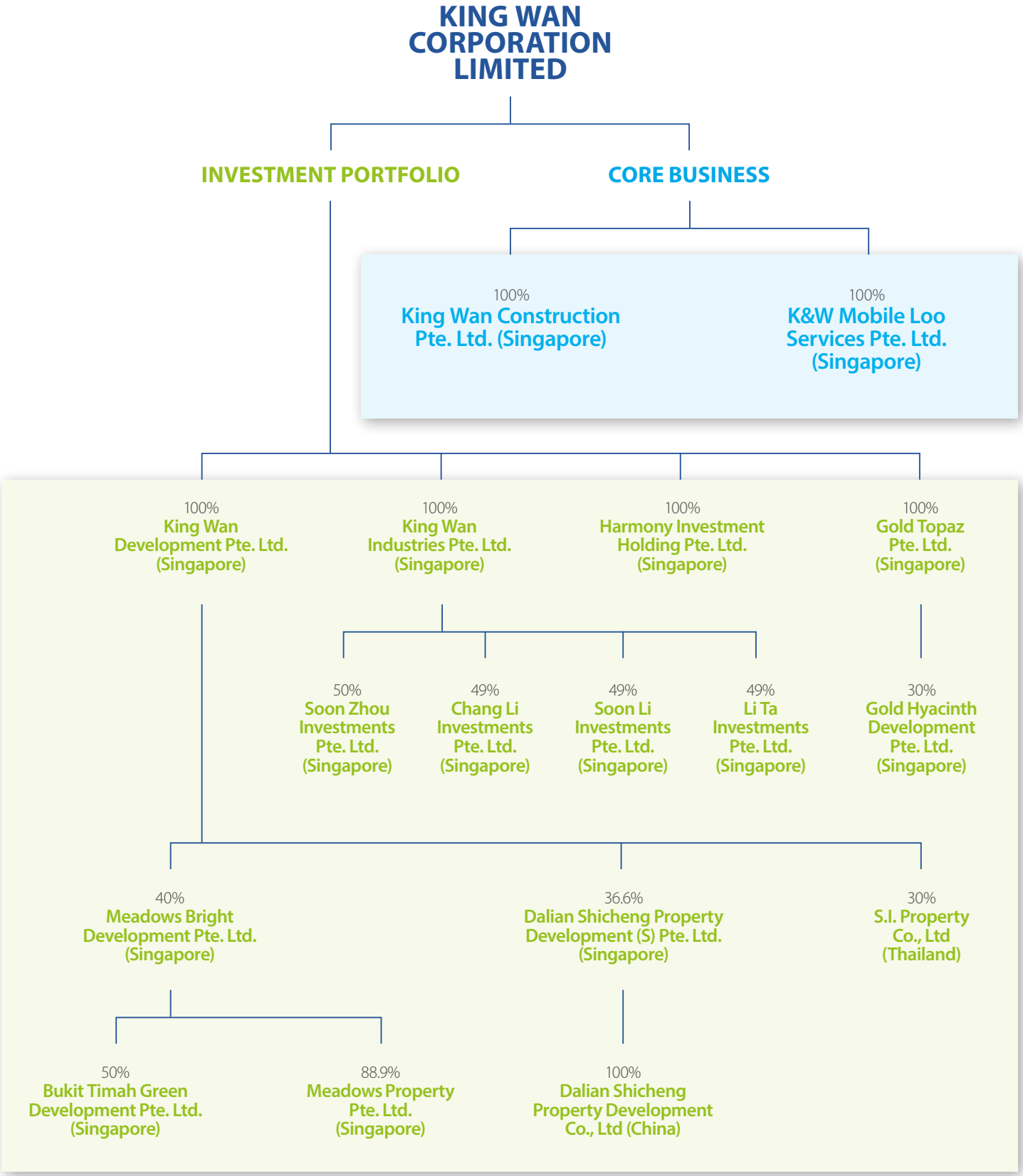
I am grateful for the loyal support of our customers and business associates through all these years. Our strategic partnership will ensure King Wan can nurture greater sustainability for our business operations as well as the communities we operate in.

I look forward to the unwavering commitment of our management team and staff who are pivotal to our success. We will grow from strength to strength in building our market leadership in our core businesses and nurture new growth opportunities in Singapore and beyond.

Last but not least, I like to thank the Board of Directors for their invaluable guidance. Together, we can drive innovation to scale new heights for King Wan and all our stakeholders.

CHUA KIM HUA
Chairman

GROUP STRUCTURE



BOARD OF DIRECTORS

3 1 2 4 6 5

1. CHUA KIM HUA

Group Chairman
First appointed – 8 February 2000,
re-appointed – 30 July 2013

Mr Chua Kim Hua, 74, serves as the Group's Chairman and is also a member of the Nomination Committee. Bringing with him more than 40 years of experience in the building and construction industry, he started his career in 1967 as a licensed Public Utilities Board electrician. He joined the Group as a Director in July 1983 and paved the way for its expansion and diversification. Mr Chua has been playing a pivotal role in steering and stabilizing the Group's businesses. He continues to lead its efforts to actively seek new business opportunities for the Group and is responsible for its long-term growth and development.

He has been conferred the Long Service Award by the Ministry of Education and has also been awarded the Public Service Medal, Pingat Bakti Masyarakat (PBM) and the Public Service Star, Bintang Bakti Masyarakat (BBM).

2. CHUA HAI KUEY

Executive Director
First appointed – 8 February 2000,
re-elected – 31 July 2012

Mr Chua Hai Kuey, 63, is an Executive Director of the Group and the Managing Director of King Wan Construction Pte Ltd. He is responsible for the Group's day-to-day operations including the technical, engineering and quality control aspects of all projects. In addition, he oversees the supervision of projects, troubleshoots when necessary and takes requisite measures to monitor wastage and control cost. His job scope also includes project management, project tenders and quality management.

He holds an advanced level General Certificate of Education.

3. CHUA ENG ENG

Managing Director
First appointed – 9 November 2000,
re-elected – 30 July 2013

Ms Chua Eng Eng, 44, serves as the Managing Director (MD) of the Group. She provides leadership and direction to deliver performance for the Group. As MD, she drives the Group strategy and overseas all of the Group's operation, business development, corporate planning, and the implementation of policies and activities. Ms Chua plays a crucial role in net working with key strategic partners and growing the leadership capabilities within the Group. She is also responsible for administration, investment, recruitment, and financial, legal and corporate affairs.

She holds a Bachelor of Arts in Economics from the National University of Singapore.

4. GOH CHEE WEE

Independent Non-Executive Director
First appointed – 9 November 2000,
re-elected – 30 July 2013

Mr Goh Chee Wee, 68, is an Independent Non-Executive Director. He is the Chairman of the Remuneration Committee and the Nomination Committee and a member of the Audit Committee. He is currently a Director of a number of public listed companies, NTUC Co-operatives and SLF subsidiary companies. He was formerly a Member of Parliament and Minister of State for Trade and Industry, Labour, and Communications. He was also the Group Managing Director of listed company, Comfort Group Ltd.

Mr Goh holds a Bachelor of Science (First-Class Honours) degree from the then University of Singapore and a Master in Science (Engineering) degree from the University of Wisconsin, USA.

5. NATHAPUN SIRIVIRIYAKUL

Independent Non-Executive Director
First appointed – 6 November 2008,
re-elected – 31 July 2012

Mr Nathapun Siriviriyakul, 49, is an Independent Non-Executive Director and a member of the Audit and the Remuneration Committees. He was Alternate Director to Ms Ganoktip Siriviriyakul since 28 November 2006 before being appointed a full Director on 6 November 2008. He is currently a Chief Executive Officer, Bio Energy and Products of Kaset Thai International Sugar Corporation Public Company Limited.

Mr Siriviriyakul holds a Bachelor of Engineering from Chulalongkorn University and a Master of Business Administration from Washington State University.

6. LIM HOCK BENG

Independent Non-Executive Director
First appointed – 22 June 2001,
re-appointed – 30 July 2013

Mr Lim Hock Beng, 74, is an Independent Non-Executive Director and serves as the Chairman of the Audit Committee and a member of the Remuneration and the Nomination Committees. 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. He has more than 30 years of experience and knowledge in the corporate secretarial field, which includes advising listed companies on compliance with the listing rules. 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 overseas properties.

He currently serves on the Board as well as on the Audit Committee of several listed companies in Singapore, among them, Huan Hsin Holdings Ltd, GP Industries Ltd, Colex Holdings Ltd and TA Corporation Ltd.

Mr Lim holds a Diploma in Management Accounting and Finance and is a Fellow member of the Singapore Institute of Directors.

MANAGEMENT & KEY EXECUTIVES

SIOW NGET YUEN, PRISCILLA
Director
King Wan Construction Pte Ltd (KWC)

Ms Siow Nget Yuen, Priscilla, 63, was appointed a Director of KWC in November 2000. She first joined KWC in August 1978 as an Administration and Finance Officer, and was 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
King Wan Corporation Ltd

Mr Chew Chee Yuen, Francis, 44, 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. Prior to joining the Group in June 2000, he was the Corporate Auditor of General Motors Asia Pacific Pte Ltd. He had also previously served in the Audit and Business Advisory Services Division of Price Waterhouse (now known as Price WaterhouseCoopers).

Mr Chew holds a Bachelor of Accountancy from the Nanyang Technological University. He is a non-practising member of the Institute of Singapore Chartered Accountants.

WONG LAM LIM
Director
King Wan Construction Pte Ltd (KWC)

Mr Wong Lam Lim, 69, was appointed Director on October 2011 and is responsible for the strategic business development, planning and overall performance of the company. He joined KWC in December 2000 and has more than 40 years' experience in mechanical and electrical engineering, both in the private and public sectors.

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-Life Member).

ER SOON KIAT, JOE
Deputy Director
Air-conditioning & Mechanical Ventilation Division
King Wan Construction Pte Ltd (KWC)

Mr Er Soon Kiat, Joe, 44, has been the company's Deputy Director for the Air-conditioning & Mechanical Ventilation (ACMV) Division since July 2013. He is responsible for overseeing the ACMV Division's operational, design, contracts negotiation, project management and performance. He first joined KWC in November 2001 as a mechanical engineer. From then, he was involved in various assignments, actively contributing to the design and project management of the Group's building construction projects as Project Manager and subsequently, Deputy Director.

With 20 years' of experience in the construction industry, Mr Er holds a Bachelor of Engineering (Mechanical) from the Engineering Council of the United Kingdom and a Master of Science (Building Science) from National University of Singapore. He is a Registered Chartered Engineer and also a Senior Member of the Institution of Engineers Singapore.

CHUA KOK CHUAN
Deputy Director
Plumbing and Sanitary Division
King Wan Construction Pte Ltd (KWC)

Mr Chua Kok Chuan, 42, has been the company's Deputy Director for the Plumbing and Sanitary (P&S) Division since July 2013. He oversees all operational, design and project management and is also currently responsible for the P&S Division's contracts negotiation, development, planning and overall performance. He joined KWC in October 1997 as a mechanical and electrical engineer. He was instrumental in expanding the Division's operations as the Group embarked on commercial and institutional projects.

Rising through the ranks over the years from Project Manager to Deputy Director, he has contributed significantly to the design, implementation and project management of the P&S component of the Group's building construction projects.

Mr Chua holds a Bachelor of Engineering (Mechanical) from the University of Glasgow.

BUSINESS REVIEW

Over the past three decades, King Wan has grown from strength to strength to expand beyond its core Mechanical and Electrical (M&E) business, and successfully ignited new growth engines to propel for greater shareholders' value.

Through direct investments, the Group now operates in three other business sectors i.e. Vessel Ownership and Chartering, Property Development, and Operation of Workers' Dormitory.


Singapore Sports Hub

MECHANICAL AND ELECTRICAL ENGINEERING & SERVICES

The Group's M&E business provides multi-disciplined engineering services, such as the design and installation of plumbing and sanitary systems, air-conditioning and mechanical ventilation systems, electrical systems, fire protection and alarm systems, communications and security systems, for the building and construction industry.

Over the years, the Group has consolidated its stature as a market leader as well as a cost-effective, multi-disciplined M&E engineering service provider in Singapore. It has successfully joined hands with reputable contractors, as well as property developers, for M&E projects covering commercial, institutional, educational, residential & industrial market segments.

Armed with a strong track record of successful public and private sectors projects, the Group remains in a very competitive position to augment its business reach and maintain the winning formula in securing new contract tenders in the years ahead.

In the past year, the M&E business has attained a robust 44% growth in revenue to S$95.4 million for the full financial year ended 31 March 2014 (FY2014) as compared to S$66.3 million recorded in the last financial year (FY2013). The surge in revenue was due to a significant increase in the total revenue generated from M&E contracts. This accounted for 96 per cent of the Group's total turnover in the FY2014. In terms of gross profits, the Group has achieved a significant 17% increase to S$13.34 million in FY2014 from S$11.37 million in FY2013.

As at end of May 2014, King Wan has amassed approximately S$153 million worth of the M&E engineering contracts on hand, with completion dates ranging from years 2014 to 2017. The Group expects the M&E business segment to continue contributing positively to the Group's results in the next 12 months.

In FY2014 alone, King Wan is proud to have participated in the successful completion of the M&E works for the iconic sports facility, the Singapore Sports Hub, our first foray into a project of such scale. Apart from the Singapore Sports Hub, King Wan has successfully completed commercial projects, such as The Carlton Hotel, and private condominiums including the L'Viv Condominium, The Hamilton, Jean Nouvel Residences and Goodwood Residence.

In its new order book, the Group has not only sustained the contract volume in both private and public residential projects, but also secure an increase in the variety of commercial developments. This clearly demonstrates the Group's technical competency to undertake commercial projects with a wide array of requirements. The proportion of commercial projects in the Group's contract portfolio is expected to rise in the short term.

Some of the new M&E projects secured for the residential sector recently include:

- Woodlands N7C29 & C30 – A plumbing, sanitary and gas installation project for 1,434 HDB units;
- The Crest – A plumbing and sanitary installation project located at Prince Charles Crescent, comprising of 469 condominium units;
- Jurong West N6C31 – A plumbing and sanitary installation project for 700 HDB units;
- The Watercolour – A plumbing and sanitary installation project located at Pasir Ris, comprising of 416 Executive Condominium units;
- Air conditioning and mechanical ventilation installation for the San Centre at Chin Swee Road.

Among some of the notable commercial projects secured in the current year include:

- Yishun Junction 9 – A mixed development comprising of a retail podium, residential towers and townhouses;
- San Centre – A commercial project located at Chin Swee Road;
- Overseas Family School – A private international school
- Royal Square at Novena – A mixed commercial development comprising of retail shops, restaurants and medical suites and hotel

Another component of King Wan's core services include the provision of mobile chemical lavatories for rental and other ancilliary facilities for construction worksites as well as public and nation-wide public events.

With more than 1,000 portable lavatories, King Wan is one of Singapore's leading players in this business. Our major clients include building contractors, event organisers and tentage operators.

This segment continued to provide a stable income for King Wan with increased revenue of 29 per cent to S$3.72 million. Contributing 4 per cent to the Group's total revenue, it has offered a steady recurring income stream for the past 18 years.

With ongoing business volume from the building and construction sector, and sports and outdoor entertainment activities in Singapore, the outlook for our portable toilet services is expected to remain steady.

The Hamilton Scotts

INVESTMENT PORTFOLIO

Through direct investments, the Group now operates in three other business portfolio i.e. Vessel Ownership and Chartering, Property Development, and Operation of Workers' Dormitory.

1) Property Development

The Property Development segment engages in the development, marketing and sale of residential and commercial properties in Singapore, China, and Thailand. This is made via investments in associate companies, in partnership with business partners.

In Singapore, the Group's investments in property developments are spearheaded by Meadows Bright Development Pte Ltd (Meadows Bright) via a 40 per cent stake in the associate company.

Comprising of 420 condominium units, the "Skywoods" is a residential development along Dairy Farm Road which is jointly developed by Meadows Bright and First Shine Properties Pte Ltd, a subsidiary of Hock Lian Seng Holdings Limited. First launched in August 2013, the project is expected to be completed by 2016.

Another ongoing project undertaken by Meadows Bright is "The Starlight Suites", a 35-storey block comprising 105 freehold apartments located at River Valley Close. First launched in August 2010, the project is scheduled to be completed by mid-2014.

In China, the Group owns a 36.6 per cent stake in Dalian Shicheng Property Development (S) Pte Ltd, which is responsible for its property developments in Dalian. Established in 2004, the company operates a multi-phased mixed development at LuShunKou District in Dalian with a land area of approximately 240,000 square metres.

The Sky Woods

Being a multi-phased development, the project is now into phase 7 of the project, which will consist of residential as well as shop front units. The last two phases of the development, comprising of commercial areas, will be launched progressively depending on the local market conditions.

The Group maintains a positive outlook on the property sector in Dalian because of the competitive land cost it has secured the project. With the LRT beside the development completed in 2014, we expect a steady demand from the targeted mass market of local population.

In Thailand, the Group has invested in the property sector through its 35% stake in the associate company, SI Property Co., Ltd. The associate owns and operates 17,308 square metres of office and commercial building in Liberty Plaza, which is located on Soi Thonglor (Sukhumvit 55) in Bangkok.

2) Vessel Ownership & Chartering

Since venturing into the vessel ownership and chartering business in January 2013, the Group made its first purchase in the form of a new Crown 58 'Supramax' Bulk Carrier, named "Hai Jin". Designed and built to carry dry bulk commodities, the carrier has a deadweight of 58,000 tons and a net tonnage of 19,582 tons.

This investment was made through Gold Hyacinth Development Pte Ltd (Gold Hyacinth), a 30 per cent owned associate company held via the Group's wholly-owned subsidiary, Gold Topaz Pte Ltd.

Since the commencement of the maiden time chartering contract in March 2013, this investment has since contributed positively to King Wan's bottomline in FY2014.

3) Workers' Dormitory

This year, King Wan has entered the growth sector of workers' dormitory operations via a 19% stake in a consortium which will be involved in the design, development and operations of one of the largest workers' dormitory projects in Singapore.

The consortium has successfully secured a land tender awarded by the Jurong Town Corporation ("JTC") that will be developed into a 9,200-bed workers' dormitory.

Moving into the new business segment in workers' accommodation has significantly augmented our core business portfolio. Together with our experienced business partners, King Wan is confident that we will be able to make a successful foray into this growth sector and bring about higher value for our shareholders.

The new facility will be developed on a 37,170.5 square metres plot of land located at Tuas South Street, Singapore and has a lease term of 20 years. The site will enable the consortium to design, develop and operate one of the largest workers' dormitory in Singapore. The dormitory will cater mainly to foreign workers in the marine, process and manufacturing industries. The dormitory is targeted to commence operations by 2016.

This purpose-built dormitory will be self-sufficient to meet the needs of its residents and will be outfitted with comprehensive communal facilities, which will include games rooms, TV rooms, multi-purpose halls, gymnasiums, reading rooms, a fitness corner, basketball courts, cricket fields, free Wi-Fi access at communal areas as well as sickbays and postal services. It will also have commercial facilities such as minimart, canteen, barber shop, beer garden and ATM.

The new facility will be conveniently located opposite one of the four planned recreation centres by the government for foreign workers, which is expected to be ready by end 2015.

As at the end of 2013, there were approximately 771,100 work permit holders in Singapore, a 3.9% increase from 742, 500 as at the end of 2012. The Group expects the growth in demand for foreign labour to be supported by the promising outlook for Singapore's offshore and marine industries as well as strong demand for public sector projects. As such, the demand for quality purpose built accommodation for these workers is expected to remain robust.

4) Kaset Thai International Sugar Corporation Public Company Limited (KTIS)

As a result of divesting its 20 per cent shares in both Environment Pulp and Paper Company Limited (EPPCO) and Ekarat Pattana Company Limited (EPC) on 25 April 2012, King Wan received THB 1,224 billion (approximately S$50.2 million), of which 5% in cash and the rest in listed Kaset Thai International Sugar Corporation Public Company Limited's (KTIS) shares.

Based on the Sales & Purchase Agreement signed in 2012 ("SPA"), the Group now holds approximately 3.01% of KTIS issued common shares after the IPO, which is worth approximately S$45.4 million when it was listed on the Stock Exchange of Thailand (SET) on 28 April 2014. The net profits accruing from the completion of the SPA is approximately S$24 million.

With the expected returns from the KTIS, we will be in a strong position to explore more strategic investments that will add value to shareholders. We will continue to deepen our reach in the markets we are operating in and explore opportunities in other geographical markets and business segments.

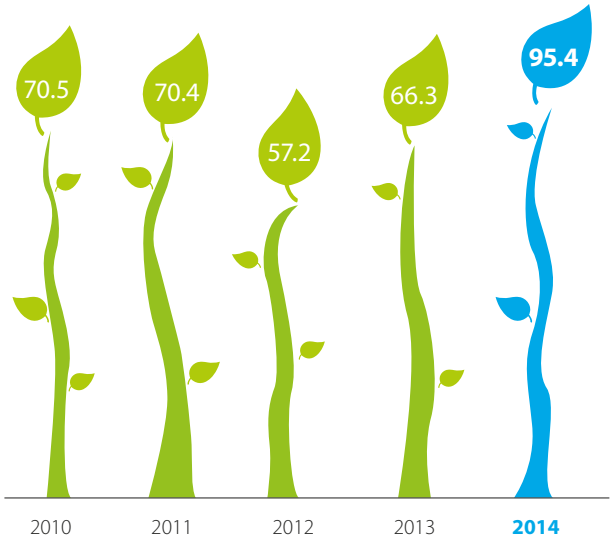
FIVE-YEAR FINANCIAL HIGHLIGHTS

YEAR ENDED 31 MARCH

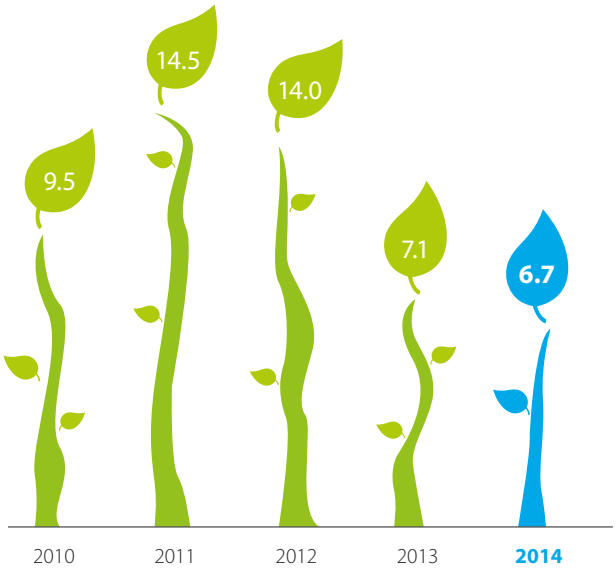
	2010 (S$million)	2011 (S$million)	2012 (S$million)	2013 (S$million)	2014 (S$million)
Profit & Loss Account					
Turnover	70.5	70.4	57.2	66.3	95.4
Net Profit after Tax	9.5	14.5	14.0	7.1	6.7
Balance Sheet					
Fixed Assets	12.7	11.5	5.9	5.3	5.6
Current and Other Assets	86.7	89.4	101.1	120.6	129.4
Total Assets	**99.4**	**100.9**	**107.0**	**125.9**	**135.0**
Short and Long Term Borrowings	16.6	8.4	6.1	15.5	26.2
Other Liabilities	18.0	17.2	17.3	25.5	22.4
Total Liabilities	34.6	25.6	23.4	41.0	48.6
Shareholders' funds	64.8	75.3	83.6	84.9	86.4
Total Reserves & Liabilities	**99.4**	**100.9**	**107.0**	**125.9**	**135.0**
Net Working capital	15.8	24.9	26.9	18.8	11.8
Per Share Data (Cents)					
No of Shares	349,176,870	349,176,870	349,176,870	349,176,870	349,176,870
EPS (Basic)	2.72	4.15	4.01	2.02	1.93
Net Assets	18.56	21.56	23.95	24.31	24.75
Dividend paid/payable (net)	0.29	1.30	1.50	1.50	2.00
Financial Ratios					
Return on Shareholders' Funds	14.7%	19.2%	16.7%	8.3%	7.8%
Return on Total Assets Employed	9.6%	14.4%	13.1%	5.6%	5.0%
Gross Debt to Total-Equity Ratio	23.6%	11.4%	7.3%	18.3%	30.3%
Dividend Payout	10.7%	31.3%	37.4%	74.3%	103.6%
Dividend Cover (times)	9.38%	3.19	2.67	1.35	0.97

FINANCIAL CHARTS

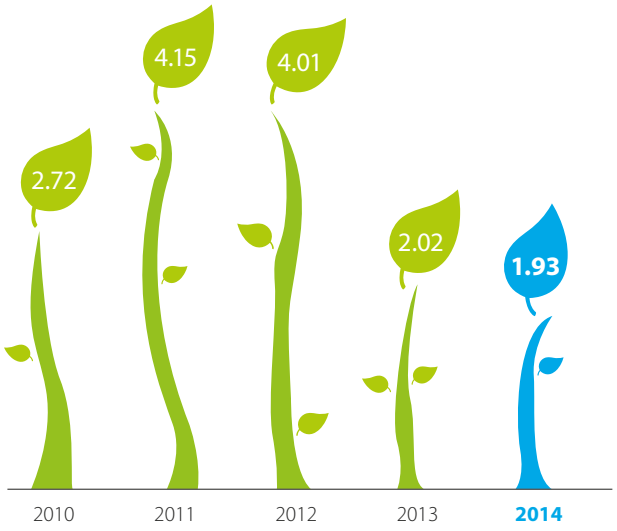
TURNOVER
(S$MILLION)



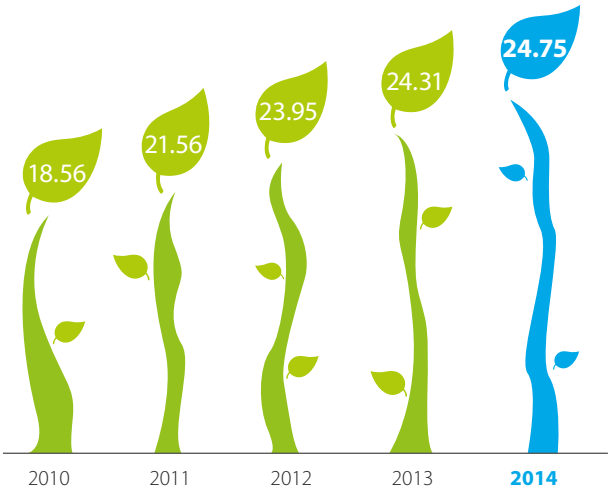
NET PROFIT AFTER TAX
(S$MILLION)



EARNINGS PER SHARE
(CENTS)

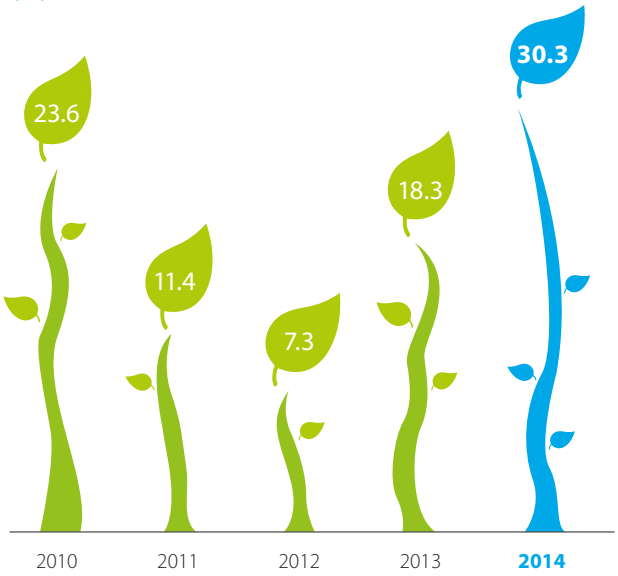


NTA PER SHARE
(CENTS)



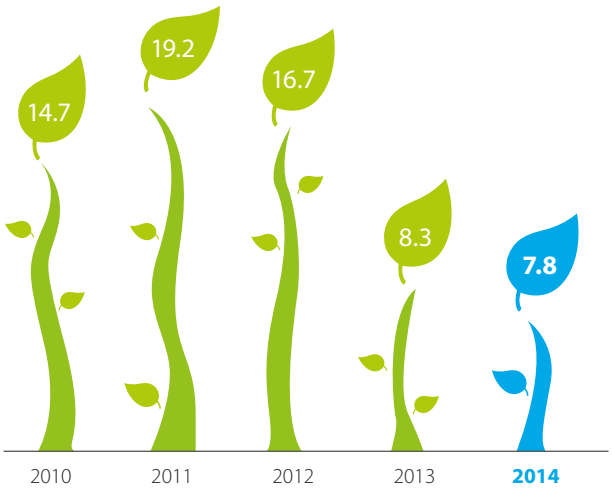
GROSS DEBT TO TOTAL-EQUITY RATIO

(%)



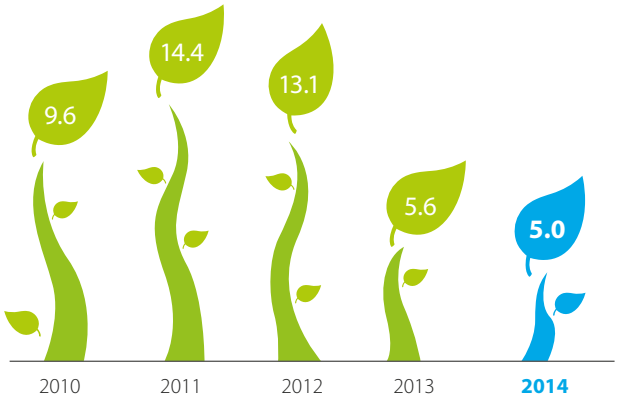
RETURN ON SHAREHOLDERS' FUNDS

(%)



RETURN ON TOTAL ASSETS EMPLOYED

(%)



CORPORATE SOCIAL RESPONSIBILITY

Members of Parliament for Holland-Bukit Timah GRC, Dr Vivian Balakrishnan (centre), (from left) Mr Christopher de Souza, Ms Sim Ann, Dr Teo Ho Pin & Mr Liang Eng Hwa, graced King Wan's CSR project held at the Universal Studio Singapore.

King Wan's volunteers joined the 20 beneficiaries from Hong Kah North Division for the excursion.

"AT KING WAN, WE BELIEVE THAT CORPORATE SUCCESS ALSO DEPENDS IN THE COMPANY'S RELATIONSHIP WITH ITS SOCIAL ENVIRONMENT."

At King Wan, we are not only committed to deliver strong business performance and shareholders' value, but also uphold good practices for sustainable business conduct as well as social success and development. As an active corporate citizen, King Wan enables community outreach as part of our staff development, where we highly encourage the spirit of volunteerism among staff in support of community programmes and charitable causes.

In 2014, we have made a bold step to embrace corporate social responsibility within King Wan. In conjunction with the Holland-Bukit Timah GRC, our Corporate Social Responsibility (CSR) programme was organized on 8 December 2013 in support of 20 beneficiaries from the lower income households residing in Hong Kah North division (Bukit Batok area). Held at Universal Studios Singapore, 39 volunteers from King Wan actively participated in supporting this project.

With the overwhelming success, the Group will endeavour to support and organise more community programmes in the next fiscal year.

Transforming lives with love by the staff volunteers from King Wan.

Our Managing Director, Ms Chua Eng Eng, led the King Wan team in bringing joy to the children

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
Public Accountants and
Chartered Accountants
Singapore
6 Shenton Way
OUE Downtown 2, #32-00
Singapore 068809

AUDIT PARTNER
Giam Ei Leen
(First appointed in financial year 2011)

REGISTRAR
M&C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

BANKERS
DBS Bank
OCBC Bank
Maybank
UOB
ANZ Singapore
HSBC
Standard Chartered Bank
CIMB

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

KING WAN CORPORATION LIMITED

8 Sungei Kadut Loop, Singapore 729455

Tel: +65 6368 4300 Fax: +65 6365 7675
Email: kwc@kingwan.com.sg Website: www.kingwan.com

STRENGTH IN NUMBERS

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05 Statement of Directors

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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, 2014.

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

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

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in name of director	
Names of directors and Company in which interests are held	**At beginning of year**	**At end of year**
The Company – King Wan Corporation Limited	**Ordinary shares**	
Chua Kim Hua	44,113,319	44,113,319
Chua Eng Eng	36,576,906	36,576,906
Chua Hai Kuey	22,247,676	22,247,676

The directors' interests in the shares of the Company at April 21, 2014 were the same at March 31, 2014.

REPORT OF THE DIRECTORS

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

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

5 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were 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 options

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

6 AUDIT COMMITTEE

The Audit Committee ("AC") of the Company, consists of all non-executive and independent directors, 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 has met four times during the financial 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.

REPORT OF THE DIRECTORS

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 financial statements of the Company and the consolidated financial statements of the Group before their submission to the Directors of the Company and the External Auditors' report on those financial statements;
- review the quarterly, half yearly and annual announcements as well as other announcements on to shareholders and the Singapore Exchange Securities Trading Ltd ("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 has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director or executive officer to attend its meetings. The external and internal auditors have unrestricted access to the AC.

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 directors the nomination of Deloitte & Touche LLP for reappointment as auditors of the Group at the forthcoming Annual General Meeting 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.

REPORT OF THE DIRECTORS

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 14, 2014

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 8 to 64 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, 2014, 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 14, 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KING WAN CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of King Wan Corporation Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at March 31, 2014, and the consolidated 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 information, as set out on pages 8 to 64.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for 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 accounts and balance sheets and to maintain accountability of assets.

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 about 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KING WAN CORPORATION LIMITED

Opinion

In our opinion, 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, 2014 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, 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
Chartered Accountants
Singapore

July 14, 2014

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2014

	Note	Group 2014 $	Group 2013 $	Company 2014 $	Company 2013 $
ASSETS					
Current assets					
Cash and cash equivalents	6	11,219,322	16,712,439	4,029,204	5,235,498
Trade receivables	7	9,335,580	7,808,456	-	-
Other receivables and prepayments	8	158,909	259,593	9,701	8,050
Amount due from subsidiaries	9	-	-	16,956,012	17,013,402
Held-for-trading investments	10	480,519	457,645	37,315	-
Inventories	11	1,013,781	1,132,952	-	-
Construction work-in-progress	12	15,694,127	11,483,202	-	-
		37,902,238	37,854,287	21,032,232	22,256,950
Non-current assets classified as held for sale	13	21,642,772	21,642,772	9,840,000	9,840,000
Total current assets		59,545,010	59,497,059	30,872,232	32,096,950
Non-current assets					
Other receivables	8	67,622,180	49,059,489	-	-
Property, plant and equipment	14	5,626,840	5,263,286	14,755	-
Investment in subsidiaries	15	-	-	35,268,954	35,088,297
Investment in associates and a joint venture	16	2,166,295	12,042,006	1,981,181	1,420,303
Total non-current assets		75,415,315	66,364,781	37,264,890	36,508,600
Total assets		134,960,325	125,861,840	68,137,122	68,605,550

STATEMENTS OF FINANCIAL POSITION (cont'd)

MARCH 31, 2014

	Note	Group 2014 $	Group 2013 $	Company 2014 $	Company 2013 $
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	17	12,673,931	7,624,745	-	-
Construction work-in-progress	12	505,560	4,144,535	-	-
Trade payables and bills payables	18	26,309,983	20,738,536	-	-
Other payables	19	5,308,059	5,459,417	3,472,641	3,600,006
Current portion of finance leases	20	244,290	55,658	-	-
Amount due to a subsidiary	21	-	-	992,454	6,037,599
Provision for rectification costs	22	986,864	1,062,119	-	-
Income tax payable		1,686,260	1,657,989	75,000	92,835
Total current liabilities		47,714,947	40,742,999	4,540,095	9,730,440
Non-current liabilities					
Finance leases	20	601,707	53,823	-	-
Deferred tax liabilities	24	214,859	194,859	-	-
Total non-current liabilities		816,566	248,682	-	-
Capital and reserves					
Share capital	25	46,813,734	46,813,734	46,813,734	46,813,734
Retained earnings		41,493,592	39,995,988	16,783,293	12,061,376
Foreign currency translation reserve	26	(1,878,514)	(1,939,563)	-	-
Total equity		86,428,812	84,870,159	63,597,027	58,875,110
Total liabilities and equity		134,960,325	125,861,840	68,137,122	68,605,550

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED MARCH 31, 2014

	Note	Group 2014 $	2013 $
Continuing operations			
Revenue	27	95,386,907	66,304,621
Cost of sales		(82,044,539)	(54,935,363)
Gross profit		13,342,368	11,369,258
Other operating income	28	3,899,331	3,415,627
Administrative expenses		(8,515,685)	(6,315,066)
Share of profit (loss) of associates	16	65,732	(567,082)
Finance costs	29	(523,251)	(228,031)
Profit before income tax		8,268,495	7,674,706
Income tax expense	30	(1,533,238)	(1,533,322)
Profit for the year from continuing operations	31	6,735,257	6,141,384
Discontinued operation			
Profit for the year from discontinued operation – share of profit of associates	16	-	910,806
Total profit for the year	31	6,735,257	7,052,190
Other comprehensive income (expense):			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations (associates)		61,049	(581,543)
Total comprehensive income for the year		6,796,306	6,470,647
Earnings per share (cents)			
From continuing and discontinued operations			
Basic	32	1.93	2.02
Diluted	32	1.93	2.02
From continuing operations			
Basic	32	1.93	1.76
Diluted	32	1.93	1.76

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED MARCH 31, 2014

	Share capital $	Retained earnings $	Foreign currency translation reserve $	Total $
Group				
Balance at April 1, 2012	46,813,734	38,181,451	(1,358,020)	83,637,165
Total comprehensive income for the year				
Profit for the year	-	7,052,190	-	7,052,190
Other comprehensive expense for the year	-	-	(581,543)	(581,543)
Total	-	7,052,190	(581,543)	6,470,647
Transactions recognised directly in equity				
Dividends (Note 33)	-	(5,237,653)	-	(5,237,653)
Balance at March 31, 2013	46,813,734	39,995,988	(1,939,563)	84,870,159
Total comprehensive income for the year				
Profit for the year	-	6,735,257	-	6,735,257
Other comprehensive income for the year	-	-	61,049	61,049
Total	-	6,735,257	61,049	6,796,306
Transactions recognised directly in equity				
Dividends (Note 33)	-	(5,237,653)	-	(5,237,653)
Balance at March 31, 2014	46,813,734	41,493,592	(1,878,514)	86,428,812

STATEMENTS OF CHANGES IN EQUITY (cont'd)

YEAR ENDED MARCH 31, 2014

	Share capital $	Retained earnings $	Total $
Company			
Balance at April 1, 2012	46,813,734	14,545,561	61,359,295
Profit for the year, representing total comprehensive income for the year	-	2,753,468	2,753,468
Transactions recognised directly in equity			
Dividends (Note 33)	-	(5,237,653)	(5,237,653)
Balance at March 31, 2013	46,813,734	12,061,376	58,875,110
Profit for the year, representing total comprehensive income for the year	-	9,959,570	9,959,570
Transactions recognised directly in equity			
Dividends (Note 33)	-	(5,237,653)	(5,237,653)
Balance at March 31, 2014	46,813,734	16,783,293	63,597,027

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2014

	Group	
	2014	**2013**
	$	**$**
Operating activities		
Profit before income tax (Note 30)	8,268,495	8,585,512
Adjustments for:		
Depreciation of property, plant and equipment	1,074,193	997,313
Net allowance (reversal of allowance) for doubtful trade receivables	357,194	(743,171)
Bad debts written off on trade receivables	3,313	10,268
Net allowance (reversal of allowance) for inventories obsolescence	171,854	(366)
Change in fair value of held-for-trading investments	15,939	(155,707)
Interest income	(1,771,372)	(1,421,883)
Interest expense	523,251	228,031
Loss on disposal of property, plant and equipment	4,630	47,982
Dividend income from held-for-trading investments	(12,602)	(11,665)
Share of associates' profit	(65,732)	(343,724)
Inventories written off	30,246	-
(Reversal of) provision for rectification costs	(54,893)	295,437
Fee income from financial guarantee to associates	(753,311)	(420,557)
Operating cash flows before movements in working capital	7,791,205	7,067,470
Trade receivables	(1,887,631)	2,210,277
Other receivables and prepayments	(500,632)	(206,810)
Construction work-in-progress	(7,846,816)	(3,137,735)
Inventories	(82,929)	136,914
Trade payables and bills payables	5,571,447	10,431,614
Other payables	601,953	(381,704)
Provision for rectification costs	(20,362)	(27,251)
Cash generated from operations	3,626,235	16,092,775
Income taxes paid	(1,484,967)	(1,828,824)
Interest paid	(523,251)	(228,031)
Net cash from operating activities	1,618,017	14,035,920

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

YEAR ENDED MARCH 31, 2014

	Group	
	2014	**2013**
	$	**$**
Investing activities		
Interest received	104,749	214,138
Investment in an associate	(450,000)	(30,000)
Investment in a joint venture	(500)	-
Advances to associates	(5,890,000)	(30,161,021)
Dividends received from held-for-trading investments	12,602	11,665
Dividends received from associates	-	3,667,678
Purchase of property, plant and equipment (Note A)	(583,149)	(425,920)
Purchase of held-for-trading investments	(38,813)	-
Proceeds from the disposal of property, plant and equipment	33,548	26,738
Advance received from sale of associates	-	2,595,728
Net cash used in investing activities	(6,811,563)	(24,100,994)
Financing activities		
Dividends paid	(5,237,653)	(5,237,653)
Repayments of obligations under finance leases (Note A)	(111,104)	(55,658)
Proceeds from bank borrowings	2,875,255	3,380,483
Net cash used in financing activities	(2,473,502)	(1,912,828)
Net decrease in cash and cash equivalents	(7,667,048)	(11,977,902)
Cash and cash equivalents at the beginning of the year	16,712,439	28,690,341
Cash and cash equivalents at end of the year (Note 6)	9,045,391	16,712,439

Note A:

During the year, the Group acquired property, plant and equipment with an aggregate cost of $1,479,009 (2013 : $425,920) of which $847,620 (2013 : $Nil) was acquired under finance lease arrangements. Deposits amounting to $48,240 had been made in the last financial year and was included in non-current other receivables.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

1 GENERAL

The Company (Registration No. 200001034R) is incorporated in 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 investment holding. The subsidiaries and associates in the Group are principally engaged in activities as disclosed in Notes 15 and 16 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, 2014 were authorised for issue by the Board of Directors on July 14, 2014.

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").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102, leasing transactions that are within the scope of FRS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS – On April 1, 2013, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs 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:

Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*

Under the amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*, the Group grouped items of other comprehensive income into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Other than the above mentioned presentation changes, the application of the amendments to FRS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

- FRS 27 (Revised)	Separate Financial Statements
- FRS 28	Investments in Associates and Joint Ventures
- FRS 110	Consolidated Financial Statements
- FRS 111	Joint Arrangements
- FRS 112	Disclosure of Interests in Other Entities
- FRS 110, FRS 111 and FRS 112	Transition Guidance
- Amendments to FRS 32	Financial Instruments: Presentation
- Amendments to FRS 36	Impairment of Assets

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

The management anticipates that the adoption of the above 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 110 *Consolidated Financial Statements* and FRS 27 *Separate Financial Statements*

FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12 Consolidation - Special Purpose Entities.

FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. It also provides more extensive application guidance on assessing control based on voting rights or other contractual rights. Under FRS 110, control assessment will be based on whether an investor has (i) power over the investee; (ii) exposure or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the returns. FRS 27 remains as a standard applicable only to separate financial statements.

FRS 110 will take effect from financial years beginning on or after January 1, 2014, with retrospective application subject to transitional provisions.

The Group is currently estimating the effects of FRS 110 on its investments in the period of initial adoption.

FRS 111 *Joint Arrangements* and FRS 28 *Investments in Associates and Joint Ventures*

FRS 111 supersedes FRS 31 *Interests in Joint Ventures* and INT FRS 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers.*

FRS 111 classifies a joint arrangement as either a joint operation or a joint venture based on the parties' rights and obligations under the arrangement. The existence of a separate legal vehicle is no longer the key factor. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets.

The joint venturer should use the equity method under the revised FRS 28 *Investments in Associates and Joint Ventures* to account for a joint venture. The option to use proportionate consolidation method has been removed. For joint operations, the Group directly recognises its rights to the assets, liabilities, revenues and expenses of the investee in accordance with applicable FRSs.

FRS 111 will take effect from financial years beginning on or after January 1, 2014, with retrospective application subject to transitional provisions.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

When the Group adopts FRS 111, a jointly controlled entity may be classified as a joint operation or joint venture, depending on the rights and obligations of the parties to the joint arrangement.

The Group is currently estimating the effects of FRS 111 on its investments in the period of initial adoption.

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

FRS 112 will take effect from financial years beginning on or after January 1, 2014.

The Group is currently estimating the extent of additional disclosures needed.

Amendments to FRS 32 Financial Instruments: Presentation

The amendments to FRS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of 'currently has a legal enforceable right of set-off' and 'simultaneous realisation and settlement'. The amendments to FRS 32 are effective for annual periods beginning on or after January 1, 2014, with retrospective application required.

The management does not anticipate that the application of these amendments to FRS 32 will have a significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

Amendments to FRS 36 Impairment of Assets

The amendments to FRS 36 restrict the requirement to disclose the recoverable amount of an asset or cash generating unit (CGU) to periods in which an impairment loss has been recognised or reversed. The amendments also expand and clarify the disclosure requirements applicable when such asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal, such as the level of 'fair value hierarchy' within which the fair value measurement of the asset or CGU has been determined, and where the fair value measurements are at Level 2 or 3 of the fair value hierarchy, a description of the valuation techniques used and any changes in that valuation technique, key assumptions used including discount rate(s) used.

Upon adoption of the amendments to FRS 36, the Group expects additional disclosures arising from any asset impairment loss or reversals, and where their respective recoverable amounts are determined based on fair value less costs of disposal.

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 and 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 in full on consolidation.

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BUSINESS COMBINATIONS - Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments*: *Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and
- 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* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

The policy described above is applied to all business combinations that take place on or after January 1, 2010.

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.

<u>Effective interest method</u>

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 (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets

All financial assets 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.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- On initial recognition, it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

Loans and receivables

Trade and other receivables and amount due from subsidiaries that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are 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 effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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 profit or loss.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights 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 transfers nor retains substantially all the risks and rewards of 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 substantially 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 costs.

Financial liabilities

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

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

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

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

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates. Further details of derivative financial instruments are disclosed in Note 34 to the financial statements.

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.

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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 as an expense over the lease term on the same basis as the lease income.

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, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

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. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NON-CURRENT ASSETS HELD FOR SALE – Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

INVENTORIES - Inventories comprising raw materials and consumables are stated at the lower of cost and net realisable value. Cost includes all cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using first-in, first-out 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.

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 the amount can be measured reliably and its receipt is considered probable.

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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

Leasehold property	-	over the terms of the lease which is 3⅓%
Plant and machinery	-	5% to 20%
Office equipment	-	10% to 33⅓%
Motor vehicles	-	10% to 20%
Portable toilets	-	20%

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

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 profit or loss.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. 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 its carrying amount, 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 or the relevant cash generating unit, 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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF TANGIBLE ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the 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. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 for which the estimates of future cash flows have not been adjusted.

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.

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.

INTERESTS IN JOINT VENTURES - A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where a group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The results and assets and liabilities of joint venture is 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, investment in joint venture is 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 joint venture, less any impairment in the value of individual investments. Losses of a joint venture in excess of the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

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 joint venture 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 the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

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

Accrual 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.

Provision for rectification costs

The Group recognises a liability and an expense for rectification costs upon completion of the construction work and the obligation is 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 based on past experience and assessment of the projects.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or losses in the period in which they become receivable.

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.

Income from providing financial guarantee is recognised in profit or loss over the guarantee period on a straight-line basis.

Rendering of services

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

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

Interest income

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

Dividend income

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

Rental income

The Group's policy for recognition of revenue from operating leases is described above.

Management fee income

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 OBLIGATIONS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. 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.

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. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, associates and interests in a joint venture, 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. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 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 rate 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.

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 in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised 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 the 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 foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation), all of the accumulated exchange differences in respect of that operation in the Group's currency translation reserve, are reclassified to profit or loss.

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), are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign 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 IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents comprise cash on hand, cash at bank, fixed deposits and bank overdrafts and are subject to an insignificant risk of changes in value.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying the entity's accounting policies

Management is of the opinion that there are no instances of application of judgements of the use of estimation techniques which may have a significant effect on the amounts recognised in the financial statements apart from those involving estimates, which are dealt with below.

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.

Investment in subsidiaries

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 indication of impairment in the net investment in subsidiaries amounting to $35,268,954 (2013 : $35,088,297) as at March 31, 2014.

Investment in associates

The Group assesses annually whether its investment in associates has any indication of impairment in accordance with the accounting policy. Management made assessment based on existing financial performance as well as operating profit forecasts of certain associates. The carrying value of the investment in associates is disclosed in Note 16 to the financial statements.

Allowances for doubtful debts

The Group and the 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 amount due from subsidiaries 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 to the financial statements respectively.

Construction contracts

Revenue and profit recognition on uncompleted projects are dependent on estimating the total outcome of the construction contract, as well as work done to date. Actual outcome in terms of actual costs or revenue may be higher or lower than estimated at the 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, 2014, management considered that all costs to complete and revenue can be reliably estimated. As at March 31, 2014, the carrying amount of the Group's net construction work-in-progress amounted to $15,188,567 (2013 : $7,338,667) as disclosed in Note 12 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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

Provision for rectification costs

Provision for rectification 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 based on past experience and assessment of the projects. For the financial year ended March 31, 2014, the Group has provided rectification costs of $986,864 (2013 : $1,062,119) in respect of certain completed projects as disclosed in Note 22 to the financial statements.

Provision for foreseeable losses

The Group reviews its construction work-in-progress to determine whether there is any indication of foreseeable losses. Provision for foreseeable losses were made based on management's assessment on total estimated contract costs that exceed total contract revenue. Management estimates total contract costs based on contracted amounts with subcontractors, and in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration current market conditions and historical trends of the amounts incurred.

Identified foreseeable losses are recognised immediately in profit or loss when it is probable that total contract costs will exceed total contract revenue. For the financial years ended March 31, 2014 and 2013, the Group has assessed that no provision for foreseeable losses is necessary (see Note 12).

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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	
	2014	2013	2014	2013
	$	$	$	$
FINANCIAL ASSETS				
Loans and receivables (including cash and cash equivalents):				
- Cash and cash equivalents	11,219,322	16,712,439	4,029,204	5,235,498
- Trade receivables	9,335,580	7,808,456	-	-
- Other receivables (excluding prepayments)	67,724,224	49,271,411	51	-
- Amount due from subsidiaries	-	-	16,956,012	17,013,402
- Amount due from customers for contracts-in-progress	15,694,127	11,483,202	-	-
	103,973,253	85,275,508	20,985,267	22,248,900
Fair value through profit and loss (FVTPL):				
- Held for trading	480,519	457,645	37,315	-
FINANCIAL LIABILITIES				
Amortised cost:				
- Bank borrowings	12,673,931	7,624,745	-	-
- Trade payables and bills payables	26,309,983	20,738,536	-	-
- Other payables	5,308,059	5,459,417	3,472,641	3,600,006
- Amount due to a subsidiary	-	-	992,454	6,037,599
- Finance leases	845,997	109,481	-	-
	45,137,970	33,932,179	4,465,095	9,637,605

(b) Financial risk management policies and objectives

The Group's overall risk management programme seeks to minimise potential adverse effects of 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 purposes.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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

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's subsidiaries operate mainly in Singapore and transact mainly in Singapore dollars. Exposures to foreign currency risks are minimal. The Group's associates operate mainly in Singapore and People's Republic of China ("PRC"). The Group is exposed to currency translation risk on the net assets in foreign operations mainly in PRC (Renminbi).

No sensitivity analysis is prepared as the Group and the Company does not expect any material effect on the Group and the Company's profit or loss and/or equity arising from the effects of reasonably possible changes to foreign currency risk at the end of the reporting period.

The Group uses forward exchange contracts to manage their exposure to foreign currency risk arising from trade payables for the purchase of raw materials. Further details on the forward exchange derivative instruments are found in Note 34 to the financial statements.

(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 payables and the effective interest rates are disclosed in Note 4(b)(v). The interest rate payable for the finance lease is fixed at the inception of the finance lease. Interest rate of the finance lease is disclosed in Note 20 to the financial statements. The Group does not have interest rate hedging policy and management monitors interest rate exposure closely.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings from financial institutions in Singapore at the end of the reporting period. For floating rates liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2014 would decrease/increase by $126,614 (2013 : $74,723).

(iii) Equity price risk management

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

In respect of held-for-trading equity investments, if equity prices had been 10% higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2014 would increase/decrease by $48,052 (2013 : $45,765).

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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 debts account 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 $67,578,180 (2013 : $48,965,249) and the Company has a balance from subsidiaries of $16,956,012 (2013 : $17,013,402).

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, and the exposure to defaults from financial guarantees above, 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, and financial guarantees are disclosed in Notes 7, 8, 9 and 35 to the financial statements 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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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

Liquidity and interest risk analyses

Non-derivative financial assets

The following tables detail 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 statements of financial position.

	Weighted average effective interest rate %	On demand or within 1 year $	Within 2 to 5 years $	After 5 years $	Adjustment $	Total $
Group						
2014						
Non-interest bearing	-	28,560,171	17,944,031	-	-	46,504,202
Fixed interest rate instruments	3.01	7,880,576	51,249,320	-	(1,660,845)	57,469,051
		36,440,747	69,193,351	-	(1,660,845)	103,973,253
2013						
Non-interest bearing	-	26,180,639	25,929,021	-	-	52,109,660
Fixed interest rate instruments	3.41	10,268,905	25,540,534	-	(2,643,591)	33,165,848
		36,449,544	51,469,555	-	(2,643,591)	85,275,508
Company						
2014						
Non-interest bearing	-	17,208,154	-	-	-	17,208,154
Fixed interest rate instruments	1.62	3,779,110	-	-	(1,997)	3,777,113
		20,987,264	-	-	(1,997)	20,985,267
2013						
Non-interest bearing	-	18,149,093	-	-	-	18,149,093
Fixed interest rate instruments	2.05	4,102,545	-	-	(2,738)	4,099,807
		22,251,638	-	-	(2,738)	22,248,900

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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

Non-derivative financial liabilities

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

	Weighted average effective interest rate %	On demand or within 1 year $	Within 2 to 5 years $	After 5 years $	Adjustment $	Total $
Group						
2014						
Non-interest bearing	-	18,161,899	-	-	-	18,161,899
Variable interest rate instruments	2.44	25,511,478	-	-	(188,717)	25,322,761
Finance lease liability (fixed rate)	2.96	265,870	624,296	-	(44,169)	845,997
Financial guarantee contract	-	130,720,728	-	-	(129,913,415)	807,313
		174,659,975	624,296	-	(130,146,301)	45,137,970
2013						
Non-interest bearing	-	17,253,624	-	-	-	17,253,624
Variable interest rate instruments	2.35	15,004,448	-	-	(59,862)	14,944,586
Fixed interest rate instruments	5.00	634,822	-	-	(10,077)	624,745
Finance lease liability (fixed rate)	13.49	60,600	59,699	-	(10,818)	109,481
Financial guarantee contract	-	118,521,579	-	-	(117,521,836)	999,743
		151,475,073	59,699	-	(117,602,593)	33,932,179
Company						
2014						
Non-interest bearing	-	3,619,276	-	-	-	3,619,276
Financial guarantee contract	-	158,639,794	-	-	(157,793,975)	845,819
		162,259,070	-	-	(157,793,975)	4,465,095
2013						
Non-interest bearing	-	8,607,588	-	-	-	8,607,588
Financial guarantee contract	-	137,763,009	-	-	(136,732,992)	1,030,017
		146,370,597	-	-	(136,732,992)	9,637,605

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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

Derivative financial instruments

The Group enters into forward foreign exchange contracts to manage its exchange rate exposure between the Australian dollars and its functional currency, which is the Singapore dollar. As at March 31, 2014, there are no outstanding forward foreign exchange contracts. As at March 31, 2013, the total notional amount of outstanding forward foreign exchange contracts for the period from May to December 2013 to which the Company is committed to is $1,113,200.

(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 financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can assess at the measurement date;

	Total $
Group	
2014	
Financial assets	
Fair value through profit or loss (FVTPL):	
Held-for-trading investments	480,519
2013	
Financial assets	
Fair value through profit or loss (FVTPL):	
Held-for-trading investments	457,645
Company	
2014	
Financial assets	
Fair value through profit or loss (FVTPL):	
Held-for-trading investments	37,315
2013	
Financial assets	
Fair value through profit or loss (FVTPL):	
Held-for-trading investments	-

The fair values of the held-for-trading investments are based on quoted bid prices in active markets.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

The fair value is based upon valuations provided by the financial institution.

	Maturity dates	Contract or notional amount $	Forward fair value adjustment $
Group			
2013			
Forward currency contracts	May to December 2013	1,113,200	971

The net fair values of the forward currency contracts were not included in the profit or loss as the amounts in prior year were not significant.

The Group's forward currency contracts are measured at fair value whereby future cash flows are estimated based on contracted rates and observable forward rates at the end of the reporting period, discounted at a rate that reflects the credit risk of the counterparty.

The Group and the Company have no financial instruments under Level 2 in 2014.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group and the Company have no financial instruments under Level 3.

There were no transfers of financial instruments between the levels of the fair value hierarchy in 2013 and 2014.

(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 balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Notes 17 and 18 to the financial statements, and equity attributable to 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.

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 2013.

The Group monitors capital based on the Group's gross gearing and net gearing. The Group's gross gearing is calculated as total borrowings divided by total equity, whilst net gearing is calculated as net borrowings divided by total equity. Net borrowings are calculated as total bank borrowings, bills payables and finance leases as disclosed in Notes 17, 18 and 20 to the financial statements respectively, less cash and bank balances as disclosed in note 6 to the financial statements.

	Group	
	2014	**2013**
	$	**$**
Total borrowings	26,168,758	15,527,282
Total equity	86,428,812	84,870,159
Gross gearing (times)	0.30	0.18
Net borrowings	14,949,436	-
Total equity	86,428,812	84,870,159
Net gearing (times)	0.17	-

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

5 RELATED PARTY TRANSACTIONS

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

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

	Group	
	2014	**2013**
	$	**$**
Rental income from an associate	(15,119)	(3,696)
Interest income from an associate	(1,666,623)	(1,207,745)
Management fee income from an associate	(105,357)	(71,089)
Advances to associates	5,890,000	30,161,021

In the prior financial year ended March 31, 2013, the Group had received 5% of the consideration for disposal of shares amounting to $2,595,728 from a related party, Kaset Thai Industry Sugar Company Limited in cash (Note 13).

In the current financial year ended March 31, 2014, loans amounting to $2.4 million (2013: $4.2 million) were advanced to associates of the Group to enter into sale and purchase agreements with another associate of the Group, Dalian Shicheng Property Development Co., Ltd to purchase property units (Note 8).

Compensation of directors and key management personnel

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

	Group	
	2014	**2013**
	$	**$**
Directors' and key management's remuneration:		
- Short-term benefits	3,166,896	3,055,204
- Post-employment benefits	101,150	103,250
	3,268,046	3,158,454
Directors' fees	176,000	176,000
	3,444,046	3,334,454

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

6 CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Cash and bank balances	6,780,634	11,460,984	252,091	1,135,691
Fixed deposits	4,438,688	5,251,455	3,777,113	4,099,807
	11,219,322	16,712,439	4,029,204	5,235,498
Less: bank overdrafts (Note 17)	(2,173,931)	-	-	-
Cash and cash equivalents in the statement of cash flows	9,045,391	16,712,439	4,029,204	5,235,498

Bank balances and cash comprise cash held by the Group and short-term bank deposits. The carrying amounts of these assets approximate their fair values.

Fixed deposits bear interest rate ranging from 1.50% to 2.20% per annum (2013 : 0.43% to 2.05% per annum) and for a tenure of approximately 14 days (2013 : 14 to 91 days).

Interest is earned on the cash balances held with certain banks amounting to $3,396,333 (2013 : $4,981,843) at an interest rate ranging from 1.00% to 3.00% (2013 : 1.00% to 3.00%).

7 TRADE RECEIVABLES

	Group	
	2014	2013
	$	$
Accrued trade receivables for construction contracts	5,532,007	5,728,346
Amounts receivable from construction contract customers	3,955,220	2,640,383
Amounts receivable from rendering of services	861,778	746,326
Less: Allowance for doubtful debts	(1,013,425)	(1,306,599)
Net	9,335,580	7,808,456

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, revenue 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 (2013 : 30 days). No interest is charged on overdue trade receivables.

An allowance has been made for the estimated irrecoverable amounts from the rendering of services (including construction services). The allowance has been individually 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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

7 TRADE RECEIVABLES (cont'd)

Included in the Group's trade receivables balance are debtors with a carrying amount of $720,985 (2013 : $560,193) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 50 days (2013 : 51 days). The above analysis does not include the accrued trade receivables for construction contracts of $5,532,007 (2013 : $5,728,346) 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 allowances required in excess of the allowance for doubtful debts.

Trade receivables that are determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. The allowances recognised represent the difference between the carrying amount of the specific trade receivables and present value of the expected future cash flows. The Group does not hold any collateral over these balances. The Group's trade receivables comprises 7 debtors (2013 : 8 debtors) that individually represent more than 5% of the total balance of trade receivables.

At March 31, 2014, retention monies held by customers for contract work amounted to $949,704 (2013 : $1,001,213). Retention sum of $265,085 (2013 : $359,250) 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.

Aging of receivables that are past due but not impaired:

	Group	
	2014	**2013**
	$	**$**
< 3 months	498,986	541,729
3 months to 6 months	221,999	18,464
	720,985	560,193

Movement in the allowance for doubtful debts:

	Group	
	2014	**2013**
	$	**$**
Balance at beginning of the year	1,306,599	2,049,770
Amounts written off during the year	(650,368)	-
Increase (Decrease) in allowance recognised in profit or loss (Note 31)	357,194	(743,171)
Balance at end of the year	1,013,425	1,306,599

As at March 31, 2013, reversal of allowance for doubtful debts amounting to $743,171 was a result of subsequent repayments made by certain customers.

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MARCH 31, 2014

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Current:				
Other receivables	45,234	15,717	51	-
Prepayments	56,865	47,671	9,650	8,050
Advances to staff	300	300	-	-
Deposits	56,510	195,905	-	-
	158,909	259,593	9,701	8,050
Non-current:				
Advances to associates (Notes 5 and 16)	67,578,180	48,965,249	-	-
Deposits	44,000	94,240	-	-
	67,622,180	49,059,489	-	-

Loans to associates amounting to $53,554,029 (2013 : $22,932,550) are unsecured, repayable on demand and bear an interest of 0.12% to 5.25% (2013 : 2.50% to 5.25%) per annum. The remaining loans to associates are unsecured, interest-free and repayable on demand. The management does not expect the loans to associates amounting to $67,578,180 (2013 : $48,965,249) will be repaid within the next 12 months. Management has assessed that the interest charged to associates approximate the market rates. Hence, the carrying amounts of these assets approximate their fair values.

In determining the recoverability of loans to associates, the Group considers the financial strength and performance of the associates. Accordingly, the management believes that no allowance for doubtful debts is required.

9 AMOUNT DUE FROM SUBSIDIARIES

	Company	
	2014	2013
	$	$
Subsidiaries - non-trade (Note 16)	16,956,012	17,013,402

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

In determining the recoverability of loans to subsidiaries, the Company considers the financial strength and performance of the subsidiaries. Accordingly, the management believes that no allowance for doubtful debts is required.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

10 HELD-FOR-TRADING INVESTMENTS

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Balance at beginning of the year	457,645	301,938	-	-
Additions during the year	38,813	-	38,813	-
Fair value change on held-for-trading investments (Note 31)	(15,939)	155,707	(1,498)	-
Balance at end of the year	480,519	457,645	37,315	-

Held-for-trading investments are investments in quoted equity securities that offer the Group and the Company 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 bid market prices on the last market day of the financial year.

11 INVENTORIES

	Group	
	2014	2013
	$	$
Raw materials and consumables	1,326,096	1,273,413
Less: Allowance for inventories obsolescence	(312,315)	(140,461)
	1,013,781	1,132,952
Movement in the allowance for inventories obsolescence:		
Balance at beginning of the year	140,461	140,827
Increase (Decrease) in allowance recognised in profit or loss (Note 31)	171,854	(366)
Balance at end of the year	312,315	140,461

NOTES TO FINANCIAL STATEMENTS

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12 CONSTRUCTION WORK-IN-PROGRESS

	Group	
	2014	2013
	$	$
Contract costs incurred plus recognised profits (less recognised losses to date)	116,383,850	78,946,746
Less: Progress billing	(101,195,283)	(71,608,079)
	15,188,567	7,338,667
Contracts-in-progress at end of the reporting period:		
Amounts due from contract customers	15,694,127	11,483,202
Amounts due to contract customers	(505,560)	(4,144,535)
	15,188,567	7,338,667

During the financial years ended March 31, 2014 and March 31, 2013, no provision for foreseeable losses has been recognised in profit or loss.

13 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On April 25, 2012, the Company entered into a share sale agreement with a related party, Kaset Thai Industry Sugar Company Limited ("Kaset Thai") to sell its entire 20% shareholding interest in an associate, Environmental Pulp & Paper Company Ltd ("EPPCO") for a consideration of THB 918,000,000 (equivalent to approximately $37.66 million).

On April 25, 2012, the Company's wholly owned subsidiary, King Wan Industries Pte Ltd ("KWI") entered into a share sale agreement with Kaset Thai to sell its entire 20% shareholding interest in an associate, Ekarat Pattana Company Limited ("EPC") for a consideration of THB 305,800,000 (equivalent to approximately $12.54 million).

The shareholders of the Company approved the disposal of shares in both associates, EPPCO and EPC, during the Extraordinary General Meeting held on June 23, 2012.

In the prior financial year, the Group had received 5% of the consideration amounting to $2,595,728 from Kaset Thai in cash (Note 19). The remaining 95% of the consideration for the proposed disposal will be paid by way of listed shares of Kaset Thai in accordance with the share sale agreements.

The management expected the share sale transactions to be completed within 12 months. Accordingly, the Group and the Company had classified the investment in these Thailand associates amounting to $21,642,772 as a disposal group held for sale as at March 31, 2013.

The proceeds of disposal are expected to exceed the carrying amount of the investment in associates and, accordingly, no impairment loss has been recognised on the classification of these operations as held for sale.

Kaset Thai was not listed on the stock Exchange of Thailand ("SET") at the end of the current reporting period. Management assessed and deemed that the delay in listing KTIS on SET to complete the sale does not preclude the investment in EPPCO and EPC from being classified as held for sale as the delay is caused by circumstances beyond the Group's control.

Subsequent to year end, Kaset Thai was listed on the Stock Exchange of Thailand on April 28, 2014. The Group was allotted a total of 116,318,000 ordinary shares in Kaset Thai with a market value of THB 1,163,180,000 (approximately $45.4 million). The net gain to be recognised from the completion of the share sale agreements is approximately $24 million.

NOTES TO FINANCIAL STATEMENTS

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14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings and properties $	Plant and machinery $	Office equipment $	Motor vehicles $	Portable toilets $	Total $
Group						
Cost:						
At April 1, 2012	8,279,323	1,298,247	1,348,858	3,734,572	1,580,567	16,241,567
Additions	-	39,646	52,264	294,355	39,655	425,920
Disposals	-	(214,860)	(44,538)	(167,711)	-	(427,109)
At March 31, 2013	8,279,323	1,123,033	1,356,584	3,861,216	1,620,222	16,240,378
Additions	-	50,844	175,251	1,230,169	22,745	1,479,009
Disposals	-	(102,299)	(187,665)	(365,459)	(2,109)	(657,532)
At March 31, 2014	8,279,323	1,071,578	1,344,170	4,725,926	1,640,858	17,061,855
Accumulated depreciation:						
At April 1, 2012	5,075,811	932,511	911,478	1,931,372	1,474,067	10,325,239
Depreciation for the year [1]	357,043	51,740	107,914	424,783	62,762	1,004,242
Disposals	-	(153,905)	(35,171)	(163,313)	-	(352,389)
At March 31, 2013	5,432,854	830,346	984,221	2,192,842	1,536,829	10,977,092
Depreciation for the year [1]	357,553	47,282	119,676	517,409	35,357	1,077,277
Disposals	-	(83,459)	(173,063)	(360,723)	(2,109)	(619,354)
At March 31, 2014	5,790,407	794,169	930,834	2,349,528	1,570,077	11,435,015
Carrying amount:						
At March 31, 2014	2,499,916	277,409	413,336	2,376,398	70,781	5,626,840
At March 31, 2013	2,846,469	292,687	372,363	1,668,374	83,393	5,263,286

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

14 PROPERTY, PLANT AND EQUIPMENTS (cont'd)

	Office equipment $	Total $
Company		
Cost:		
At April 1, 2012 and March 31, 2013	-	-
Additions	15,350	15,350
At March 31, 2014	15,350	15,350
Accumulated depreciation:		
At April 1, 2012 and March 31, 2013	-	-
Depreciation for the year	(595)	(595)
At March 31, 2014	(595)	(595)
Carrying amount:		
At March 31, 2014	14,755	14,755
At March 31, 2013	-	-

The Group's certain plant and equipment with carrying amount of $1,102,835 (2013 : $327,588) are secured under finance leases.

(1) Included herein are depreciation expenses amounting to $3,084 (2013 : $6,929) which have been allocated to and recorded under the construction work-in-progress (Note 12).

Details of the leasehold property held by the Group are set out below:

Location	Description	Area	Tenure
8 Sungei Kadut Loop Singapore 729455	Single storey build warehouse with a 3-storey ancillary office block on leased land from JTC	12,494 sq metre	Lease term of 30 years from March 16, 1991

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

15 INVESTMENT IN SUBSIDIARIES

	Company	
	2014	2013
	$	$
Unquoted equity shares - at cost	34,940,187	34,940,187
Deemed investment arising from financial guarantees provided to banks on behalf of subsidiaries	328,767	148,110
	35,268,954	35,088,297

Assessment of impairment in investment in subsidiaries is carried out at the end of each reporting period. Management has assessed that no allowance for impairment was required in 2013 and 2014.

The subsidiaries of the Company are set out below:

Name of subsidiaries	Principal activities/ Place of operation and country of incorporation	Proportion of ownership interest and voting power held	
		2014	2013
		%	%
King Wan Construction Pte Ltd [1]	Provision of mechanical and electrical (M&E) engineering services/ Singapore	100	100
K & W Mobile Loo Services Pte Ltd [1]	Owner, renters and 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/ Singapore	100	100
Gold Topaz Pte. Ltd. [1]	Investment holding/ Singapore	100	100

[1] Audited by Deloitte & Touche LLP, Singapore.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

16 INVESTMENT IN ASSOCIATES AND A JOINT VENTURE

	Group		Company	
	2014 $	2013 $	2014 $	2013 $
Unquoted equity shares				
- at cost	11,265,846	10,815,346	-	-
Share of post-acquisition accumulated results net of dividends received	(11,364,854)	(2,155,587)	-	-
Share of foreign currency translation reserve	123,162	62,113	-	-
Excess of nominal value over fair value of advances given to associates	160,960	1,899,831	-	-
Deemed investment arising from financial guarantees provided to banks on behalf of Group's associates	1,981,181	1,420,303	1,981,181	1,420,303
Net	2,166,295	12,042,006	1,981,181	1,420,303

Carrying value as at year end includes goodwill on acquisition amounting to $424,633 (2013 : $424,633).

Assessment of impairment in associates and the joint venture is carried out at the end of each reporting period. Management has assessed that allowance for impairment was not required in 2013 and 2014.

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	
		2014 %	2013 %
Held by the Company			
Environment Pulp & Paper Company Ltd [1] [2]	Production and sale of chemically bleached bagasse pulp/ Thailand	20	20
Held through the subsidiaries			
Ekarat Pattana Company Ltd [1] [2]	Production, distribution and sale of ethanol/ Thailand	20	20
Meadows Bright Development Pte Ltd [3] [9]	Property development/ Singapore	40	35
Gold Hyacinth Development Pte. Ltd. [3]	Chartering of vessels/ Singapore	30	30
Meadows Property (S'pore) Pte Ltd [4]	Property development/ Singapore	35.6	35
Dalian Shicheng Property Development (S) Pte. Ltd. [5]	Property development and investment holding/ Singapore	36.6	36.6
Dalian Shicheng Property Development Co., Ltd [5]	Development, marketing, sale and management of residential and commercial properties/ People's Republic of China	36.6	36.6

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

16 INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (cont'd)

Name of associates	Principal activities/ place of operation and country of incorporation	Proportion of ownership interest and voting power held	
		2014 %	2013 %
Held through the subsidiaries (cont'd)			
S.I. Property Co., Ltd. [6]	Owner and rental of office and commercial space/ Thailand	30	30
Soon Li Investments Pte. Ltd. [7]	Investment holding/ Singapore	49	49
Chang Li Investments Pte. Ltd. [7]	Investment holding/ Singapore	49	49
Li Ta Investments Pte. Ltd. [7]	Investment holding/ Singapore	49	49

Name of joint venture	Principal activities/ place of operation and country of incorporation	Proportion of ownership interest and voting power held	
		2014 %	2013 %
Soon Zhou Investments Pte. Ltd. [7] [8]	Investment holding/ Singapore	50	-

(1) Audited by PriceWaterHouseCoopers ABAS Ltd, Thailand.

(2) The investment in associates is classified as non-current assets held for sale when the approval to sell the Group's entire 20% shareholding interest to the related party, Kaset Thai Industry Sugar Company Limited was obtained from the shareholders during the Extraordinary General Meeting held on June 23, 2012.

Matters relating to investments in Environment Pulp & Paper Company Ltd and Ekarat Pattana Co. Ltd are fully described in Note 13 to the financial statements.

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

(4) 88.9% owned by the Group's associate, Meadows Bright Development Pte Ltd. Audited by Deloitte & Touche LLP, Singapore.

During the current financial year, an additional 125,000 shares of Meadows Property (S'pore) Pte Ltd were issued to an external party, resulting in a non-controlling interest of 11.1%.

(5) Dalian Shicheng Property Development Co., Ltd ("DSPC") is 100% owned by the Group's associate, Dalian Shicheng Property Development (S) Pte. Ltd ("DSPS"). 100% shareholdings in DSPC are pledged to a financial institution for banking facilities granted to Dalian Shicheng Property Development (S) Pte. Ltd.

DSPC is audited by Deloitte Touche Tohmatsu CPA Co., Ltd. DSPS is audited by Deloitte & Touche LLP, Singapore.

(6) Audited by another firm of auditors, Thanapan & Associates, Certified Public Accountants, Thailand.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

16 INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (cont'd)

(7) Audited by Chan Leng Leng & Co, Singapore.

(8) Soon Zhou Investments Pte. Ltd. ("SZI") was incorporated in November 2013. SZI is 50% owned by the Company's subsidiary, King Wan Industries Pte Ltd.

(9) In April 2013, the Group increased its shareholding in the associate from 35% to 40% by subscribing for 450,000 ordinary shares in the associate for a consideration of $450,000.

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

	2014 $	2013 $
Total assets	349,965,625	328,278,671
Total liabilities	(359,736,616)	(309,328,274)
Net (liabilities) assets	(9,770,991)	18,950,397
Group's share of associates' net (liabilities) assets	(3,211,286)	6,559,605
Revenue	46,985,492	43,881,627
Loss for the financial year	(3,378,158)	(6,740,049)
Group's share of associates' profit (loss) for the financial year:		
Continuing operations	65,732	(567,082)
Discontinued operations	-	910,806
	65,732	343,724

NOTES TO FINANCIAL STATEMENTS

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17 BANK BORROWINGS

	Group	
	2014	2013
	$	$
Bank overdrafts	2,173,931	-
Short-term bank borrowings	10,500,000	7,000,000
Long-term bank borrowings:		
Non-current	-	624,745
	12,673,931	7,624,745

The bank overdrafts are unsecured and repayable on demand. The bank overdrafts bear interest at rates ranging from 5.00% to 5.25% per annum and are arranged at floating rates.

The short-term bank borrowings extended by the banks to a subsidiary of the Company, King Wan Construction Pte Ltd, are on a 3 to 6 months 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 1.79% to 3.11% (2013 : 2.23% to 3.20%) per annum and are arranged at floating rates and 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. They have been fully repaid during the current financial year.

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

18 TRADE PAYABLES AND BILLS PAYABLES

	Group	
	2014	2013
	$	$
Bills payables	12,648,830	7,793,056
Outside parties	9,882,807	7,944,586
Accrual for subcontractor costs	3,778,346	5,000,894
	26,309,983	20,738,536

Bills payables are repayable between 3 to 5 months (2013 : 2 to 5 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 1.79% to 2.20% (2013 : 1.77% to 2.34%) per annum and are supported by a corporate guarantee given by the Company.

The average credit period on purchases of goods from outside parties is 3 months (2013 : 3 months). No interest is charged on overdue trade payables. Trade payables principally comprise amounts outstanding for trade purchases.

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MARCH 31, 2014

19 OTHER PAYABLES

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Other payables	1,096,064	992,959	189,659	122,779
Related parties (Notes 5 and 13)	2,387,580	2,595,728	1,791,270	1,947,432
Associates (Note 16)	371,209	371,209	-	-
Directors	221,430	46,690	221,430	46,690
Accrual for profit sharing	424,463	453,088	424,463	453,088
Financial guarantees	807,313	999,743	845,819	1,030,017
	5,308,059	5,459,417	3,472,641	3,600,006

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

Included in the Group's and Company's non-trade payables at the end of the reporting period were unamortised financial guarantee fee income of $807,313 and $845,819 (2013 : $999,743 and $1,030,017) respectively. The Company issued financial guarantees to financial institutions for credit facilities obtained by its subsidiary and certain associates, and recorded a deemed financial guarantee fee income in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*. The deemed income was amortised over the period of the guarantee. The guarantee fee was not charged by the Company to the subsidiary and associates. The full amount of the guarantee fee is deemed to be the additional investment in the associates and subsidiaries.

20 FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	2014	2013
	$	$	$	$
Group				
Amounts payable under finance leases:				
Within one year	265,870	60,600	244,290	55,658
In the second to fifth years inclusive	624,296	59,699	601,707	53,823
	890,166	120,299	845,997	109,481
Less: Future finance charges	(44,169)	(10,818)	N/A	N/A
Present value of lease obligations	845,997	109,481	845,997	109,481
Less: Amount due for settlement within 12 months			(244,290)	(55,658)
Amount due for settlement after 12 months			601,707	53,823

NOTES TO FINANCIAL STATEMENTS

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20 FINANCE LEASES (cont'd)

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 4 years (2013 : 4.5 years). For the financial year ended March 31, 2014, the average effective borrowing rate was 2.96% (2013 : 4.19%) per annum. Interest rates are fixed at the contract date, and thus exposing 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 14).

21 AMOUNT DUE TO A SUBSIDIARY

The amount due to a subsidiary was unsecured, interest-free and repayable on demand.

22 PROVISION FOR RECTIFICATION COSTS

The provision for rectification 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.

Movement for provision for rectification costs:

At beginning of the year	1,062,119	793,933
(Credit) Charge to profit or loss	(54,893)	295,437
Payments	(20,362)	(27,251)
At end of the year	986,864	1,062,119

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 total expense recognised in profit or loss of $635,038 (2013 : $591,665) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at March 31, 2014, contributions of $80,238 (2013 : $70,039) due in respect of current financial year had not been paid over to the plans. The amounts were paid over subsequent to the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

24 DEFERRED TAX LIABILITIES

	Group	
	2014	2013
	$	$
At beginning of financial year	194,859	89,859
Charge to profit or loss (Note 30)	20,000	105,000
At end of financial year	214,859	194,859

This represented tax effect of accelerated tax over book depreciation and temporary difference.

25 SHARE CAPITAL

	Group and Company			
	2014	2013	2014	2013
	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.

26 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.

27 REVENUE

	Group	
	2014	2013
	$	$
Amounts recognised from construction contracts	91,666,467	63,393,679
Rendering of services	3,720,440	2,910,942
	95,386,907	66,304,621

NOTES TO FINANCIAL STATEMENTS

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28 OTHER OPERATING INCOME

	Group	
	2014	2013
	$	$
Rental income	1,129,330	1,020,624
Sundry income	33,066	35,849
Jobs credit scheme	-	48,816
Wage credit scheme	41,054	-
Special Employment Credit	53,239	-
Management fee income (Note 5)	105,357	71,089
Interest income from:		
- Associates	1,666,623	1,207,745
- External parties	104,749	214,138
Fee income from financial guarantee to associates	753,311	420,557
Net foreign exchange gain	-	229,437
Dividend income from held-for-trading investments	12,602	11,665
Change in fair value of held-for-trading investments	-	155,707
	3,899,331	3,415,627

29 FINANCE COSTS

	Group	
	2014	2013
	$	$
Interest expense from:		
Bank borrowings	512,525	223,089
Finance leases	10,726	4,942
Total	523,251	228,031

30 INCOME TAX EXPENSE

	Group	
	2014	2013
	$	$
Current tax	1,619,746	1,572,870
Deferred tax (Note 24)	20,000	105,000
Overprovision of current tax in prior years	(106,508)	(144,548)
	1,533,238	1,533,322

Domestic income tax is calculated at 17% (2013 : 17%) of the estimated assessable profit for the year.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

30 INCOME TAX EXPENSE (cont'd)

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2014	**2013**
	$	**$**
Profit before income tax:		
Continuing operations	8,268,495	7,674,706
Discontinued operations	-	910,806
	8,268,495	8,585,512

Numerical reconciliation of income tax expense

	Group	
	2014	**2013**
	$	**$**
Profit before income tax	8,268,495	8,585,512
Income tax expense calculated at 17% (2013 : 17%)	1,405,644	1,459,537
Non-allowable items	614,818	552,671
Non-taxable items	(157,793)	(216,461)
Tax effect of share of results of associates	(11,175)	(58,433)
Tax exemptions	(124,946)	(85,736)
Deferred tax benefits not recognised	-	83,277
Utilisation of deferred tax benefits not recognised	(51,664)	-
Corporate tax rebate	(93,753)	(89,873)
Others	58,615	32,888
	1,639,746	1,677,870
Over provision in prior years:		
- Current tax	(106,508)	(144,548)
	1,533,238	1,533,322

The Group has temporary differences available for offsetting against future taxable income as follows:

	Accelerated tax depreciation	**Provisions**	**Net**
	$	**$**	**$**
Balance at April 1, 2012	(435,528)	549,354	113,826
Movement during the year	(22,900)	512,765	489,865
Balance at March 31, 2013	(458,428)	1,062,119	603,691
Movement during the year	(228,651)	(75,255)	(303,906)
Balance at March 31, 2014	(687,079)	986,864	299,785

Net deferred tax benefits not recorded:	
- March 31, 2014	50,963
- March 31, 2013	102,627

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

30 INCOME TAX EXPENSE (cont'd)

The realisation of the future income tax benefits from 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 temporary differences due to the unpredictability of future income streams of the relevant entities in the Group.

31 PROFIT FOR THE FINANCIAL YEAR

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

	Group	
	2014	**2013**
	$	**$**
Directors' remuneration:		
Company	1,734,993	1,570,078
Subsidiaries	571,111	582,201
Directors' fees:		
Company	176,000	176,000
Staff costs (including directors' remuneration)	12,041,404	10,381,973
Costs of defined contribution plans included in staff costs	635,038	591,665
Net allowance (reversal of allowance) for doubtful trade receivables	357,194	(743,171)
Bad debts written off on trade receivables	3,313	10,268
Net allowance (reversal of allowance) for inventories obsolescence	171,854	(366)
Inventories written off	30,246	-
Cost of inventories recognised as expense	33,621,516	21,367,524
Net foreign exchange loss (gain)	148,799	(229,437)
Change in fair value of held-for-trading investments	15,939	(155,707)
Loss on disposal of property, plant and equipment	4,630	47,982
Audit fees:		
Paid to auditors of the Company	147,600	139,900

There were no non-audit fees paid to the auditors of the Company.

32 EARNINGS PER SHARE (CENTS)

The basic earnings per ordinary share is calculated by dividing the Group's profit for the financial year, $6,735,257 (2013 : $6,141,384) from continuing operations and $Nil (2013 : $910,806) from discontinued operations by the weighted average number of ordinary shares of 349,176,870 (2013 : 349,176,870) in issue during the financial year. Basic and diluted earnings per ordinary share from continuing and discontinued operations are 1.93 cents (2013 : 1.76 cents) and Nil cents (2013 : 0.26 cents) respectively.

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, 2014

33 DIVIDENDS

On August 16, 2012, the directors of the Company declared and paid a final one-tier tax exempt dividend of 1.0 cents per share totalling $3,491,769 in respect of the financial year ended March 31, 2012.

On December 5, 2012, the directors of the Company declared and paid an interim one-tier tax exempt dividend of 0.5 cents per share totalling $1,745,884 in respect of the financial year ended March 31, 2013.

On August 16, 2013, the directors of the Company declared and paid a final one-tier tax exempt dividend of 1.0 cents per share totalling $3,491,769 in respect of the financial year ended March 31, 2013.

On December 12, 2013, the directors of the Company declared and paid an interim one-tier tax exempt dividend of 0.5 cents per share totalling $1,745,884 in respect of the financial year ended March 31, 2014.

34 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 is committed are as follows:

	Group 2013 $
Forward foreign exchange contracts	1,113,200

As at March 31, 2013, the fair value loss of the derivative financial instruments of $357 was not recognised in the profit or loss as it was not significant.

35 COMMITMENTS AND CONTINGENT LIABILITIES

	Group	
	2014 $	2013 $
Corporate guarantees given to banks in respect of credit facilities utilised by the associates	126,509,694	114,310,545
Letter of guarantee given in favour of The Controller of Residential Property in respect of land held by associates	4,211,034	4,211,034

The maximum amount that the Group and Company could be forced to settle under the financial guarantee contracts are $130.7 million and $158.6 million (2013 : $118.5 million and $137.8 million) respectively. The Group and Company consider that it is more likely than not that no amount will be payable under the arrangement.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

36 OPERATING LEASE ARRANGEMENTS

The Group as lessor

The Group rents out part of its leasehold property in Singapore under operating leases. Rental income earned during the year was $1,129,330 (2013 : $1,020,624).

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

	Group	
	2014	**2013**
	$	**$**
Within one year	293,256	391,111
2 to 5 years	3,065	-
	296,321	391,111

Operating lease payments represents rental receivable from tenants by the Group. Leases are negotiated for an average term of 1 year (2013 : 1 year) and rentals are fixed for an average of 1 year (2013 : 1 year).

The Group as lessee

	Group	
	2014	**2013**
	$	**$**
Minimum lease payments under operating leases included in profit or loss	239,286	230,030

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

	Group	
	2014	**2013**
	$	**$**
Within one year	243,778	234,404
In the second to fifth years inclusive	975,113	937,617
After five years	477,072	693,130
Total	1,695,963	1,865,151

Operating lease payments represent rentals payable by the Group for land spaces where its leasehold property is located. The lease is negotiated for a term of 30 years and rental is fixed annually. The rental commitment is computed based on the existing rate as at March 31, 2014.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

37 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 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.

Investment holdings - Group's investment in associates.

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

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 property 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 rectification costs and accrued expenses. Unallocated liabilities comprise 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 segments is in accordance with its accounting policy.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

37 SEGMENT INFORMATION (cont'd)

	Plumbing and sanitary		Electrical		Toilet rental	
	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$
REVENUE						
External sales	59,707,964	51,602,049	31,958,503	11,820,305	3,724,577	2,888,823
RESULTS						
Segment result	3,433,582	4,600,713	2,917,900	2,231,923	586,549	111,555
Unallocated expenses						
Net other operating income						
Finance costs						
Profit before income tax						
Income tax						
Profit for the year						
Other information						
Capital expenditure additions	25,422	19,334	25,422	19,334	978,517	40,634
Fee income from financial guarantee to associates	-	-	-	-	-	-
Depreciation *	18,678	20,931	18,678	20,931	202,806	175,417
Net allowance (reversal of) allowance for doubtful debts	206,529	(488,493)	154,473	(250,050)	(3,808)	(4,628)

* Includes depreciation expense of $3,084 (2013 : $6,929) allocated to construction work-in-progress.

Investment holdings		Others		Eliminations		Consolidated	
2014	2013	2014	2013	2014	2013	2014	2013
$	$	$	$	$	$	$	$
-	-	-	-	(4,137)	(6,556)	95,386,907	66,304,621
65,732	343,724	-	-	924,000	904,332	7,927,763	8,192,247
						(3,064,554)	(2,791,090)
						3,928,537	3,412,386
						(523,251)	(228,031)
						8,268,495	8,585,512
						(1,533,238)	(1,533,322)
						6,735,257	7,052,190
15,350	-	434,298	346,618	-	-	1,479,009	425,920
-	-	(925,733)	(538,396)	172,422	117,839	(753,311)	(420,557)
595	-	836,520	786,963	-	-	1,077,277	1,004,242
-	-	-	-	-	-	357,194	(743,171)

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

37 SEGMENT INFORMATION (cont'd)

	Plumbing and sanitary		Electrical		Toilet
	2014	2013	2014	2013	2014
	$	$	$	$	$
ASSETS					
Segment assets	20,375,411	16,331,510	4,947,199	3,557,633	5,278,903
Unallocated assets					
Consolidated total assets					
LIABILITIES					
Segment liabilities	16,403,885	13,633,935	10,877,887	12,264,934	4,628,442
Unallocated liabilities					
Consolidated total liabilities					

rental	Investment holdings		Eliminations		Consolidated	
2013	2014	2013	2014	2013	2014	2013
$	$	$	$	$	$	$
4,084,547	91,387,247	82,639,310	(2,001,958)	(2,001,076)	119,986,802	104,611,924
					14,973,523	21,249,916
					134,960,325	125,861,840
3,966,917	2,758,299	2,966,937	(3,471,657)	(3,695,474)	31,196,856	29,137,249
					17,334,657	11,854,432
					48,531,513	40,991,681

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

37 SEGMENT INFORMATION (cont'd)

Geographical segments

The Group operates mainly in Singapore, People's Republic of China and Thailand. 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 assets	
	2014	2013	2014	2013
	$	$	$	$
Singapore	95,386,907	66,304,621	74,990,722	65,841,606
Thailand	-	-	424,593	523,175
	95,386,907	66,304,621	75,415,315	66,364,781

Information about major customer

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

38 EVENTS AFTER THE REPORTING PERIOD

(a) On April 18, 2014, the Office of Securities and Exchange Commission in Thailand ("SEC") officially approved Kaset Thai's Initial Public Offering ("IPO") filing and Kaset Thai's shares were opened for subscription between April 21, 2014 to April 23, 2014. Kaset Thai's shares commenced trading on the SET on April 28, 2014. The Group was allotted a total of 116,318,000 ordinary shares in Kaset Thai with a market value of THB 1,163,180,000 (approximately $45.4 million), representing approximately 3.01% of Kaset Thai's issued common shares after the IPO. The net gain to be recognised from the completion of the share sale agreements to sell off the Group's entire 20% shareholding interests in EPPCO and EPC will be approximately $24 million.

(b) In May 2014, the Company invested in a wholly-owned subsidiary, Harmony Investment Holding Pte Ltd ("Harmony"). Harmony will be used as an investment vehicle to take up the Group's 19% stake in a consortium formed together with two external parties, TA Corporation Ltd and SKM Development Pte Ltd. The consortium has successfully secured a land tender awarded by the Jurong Town Corporation for $113.9 million that will be developed into a workers' dormitory. The site will enable the consortium to design, develop and operate one of the largest workers' dormitory in Singapore. The dormitory will cater mainly to foreign workers in the marine, process and manufacturing industries. The dormitory is targeted to commence operations by 2016.

REPORT ON CORPORATE GOVERNANCE

King Wan Corporation Limited (the "Company") and its subsidiaries (the "Group") is dedicated to implementing the highest standards of corporate governance at all levels within the Group and is committed to ensuring that the standards are maintained throughout so as to enhance the value for shareholders and the Group in the long term.

Your Board of Directors supports the principles of corporate governance as laid out in the Code of Corporate Governance 2012 (the "2012 Code"), which forms part of the continuing obligations of the Singapore Exchange Securities Trading Limited (SGX-ST)'s listing rule.

The Company has reviewed its best practices and ensured continued transparency and accountability in line with the principles of the 2012 code.

The Board is pleased to report to shareholders on the manner in which it has applied the principles of good governance and the extent to which it has complied with the best practices set out in the 2012 Code.

A. BOARD MATTERS
PRINCIPLE 1: Board's Conduct of its Affairs
Principle duties of the Board
The primary function of the Board of Directors (the "Board") is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders.

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; and
- assuming responsibility for the adoption of good corporate governance practices.

All directors exercise due diligence and independent judgment, and make decisions objectively in the best interest of the Group. This is one of the performance criteria for the peer and self assessment on the effectiveness of the individual directors.

Delegation by the Board
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 Board accepts that while these various board committees have the authority to examine particular issues and will report back to the Board with their decision and/or recommendations, the ultimate responsibility on all matters lies with the Board.

Key features of board processes
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 approval under the provisions of the SGX-ST Listing Manual or any applicable regulations.

The attendance of the Directors at Board and Board Committee meetings in FY2014, 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. Ad-hoc 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.

REPORT ON CORPORATE GOVERNANCE

Name	No. of Board Meetings Attended	No. of Audit Committee Meetings	No. of Nomination Committee Meetings	No. of Remuneration Committee Meetings
No. of meetings held	4	4	1	1
Chua Kim Hua	3	NA	1	NA
Chua Eng Eng	4	NA	NA	NA
Chua Hai Kuey	4	NA	NA	NA
Lim Hock Beng	4	4	1	1
Goh Chee Wee	4	4	1	1
Nathapun Siriviriyakul	3	3	NA	1

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 orientation program gives directors an understanding of the Group's business to enable them to assimilate into their new roles. The program also allows the new director to get acquainted with senior management, thereby facilitating board interaction and independent access to senior management.

The directors are provided with continuing briefings and updates in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards and issues which have a direct impact on financial statements, so as to enable them to properly discharge their duties as board or board committee members.

Briefings and updates provided for directors in Financial Year 2014 ("FY 2014")

- At AC meetings, the external auditor, Deloitte & Touche LLP, briefed the AC members on developments in accounting and governance standards.
- The Chairman, Managing Director and the Executive Director update the board at each meeting on business and strategic developments.

Directors can request for further explanations, briefings or information on any aspect of the Company's operations or business issues from management.

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.

PRINCIPLE 2: Board Composition and Guidance

The Board comprise of six members, three executive directors & three non-executive directors. Details of the directors' shareholdings in the Company are set out in the Directors' Report.

Directors' independence review

The Board comprised of three independent directors out of the total of six board members. The three independent non-executive directors are Mr. Lim Hock Beng, Mr. Goh Chee Wee, and Mr. Nathapun Siriviriyakul.

The concept of independence adopted by the Board is in accordance with the definition of an independent director in the 2012 Code. The independence of each director is assessed annually by the Nomination Committee ('NC"). Each independent direct is required to make annual declaration of Director's independence based on guidelines as set out in the 2012 Code.

REPORT ON CORPORATE GOVERNANCE

Directors who have no relationship with the Group, its related corporations, officers or its shareholders with shareholdings of 10% or more in the voting shares of the Company, that could interfere, or be reasonably perceived to interfere with the exercise of the director's independent business judgment in the best interests of the Group are considered to be independent.

The NC is tasked to determine on an annual basis and as and when the circumstances require whether or not a director is independent, bearing in mind the guidelines set forth in the 2012 Code and any other salient factors which would render a director to be deemed not independent. For the purpose of determining directors' independence, every director has provided declaration of their independence which is deliberated upon by the NC and the Board.

The Board recognizes that independent directors may over time develop significant insights in the Group's business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole. An independent director's contributions in terms of experience, expertise, integrity, objectivity and independent judgment in engaging and challenging the management in the best interests of the Company as he performs his duties are more critical measures in ascertaining his independence than the number of years he has served. Presently, Mr. Lim Hock Beng and Mr. Goh Chee Wee have served as independent directors of the Company for more than nine years. When there are such directors, the NC & the Board will do a rigorous review of their continuing contribution and independence and may exercise its discretion to extend their tenures in accordance to Guideline 2.4 of the 2012 Code.

Taking into account the views of the NC, the Board had concurred that both Mr. Lim Hock Beng and Mr. Goh Chee Wee continued to demonstrate strong independence in character and judgment in the discharge of their responsibilities as directors of the Company. They have continued to express their individual viewpoints, debated issues and objectively scrutinized and challenged management. They have sought clarification and amplification as they deemed required, including through direct access to the Group's employees.

Further, having gained in-depth understanding of the business and operating environment of the Group, they have provided the Company with much needed experience and knowledge of the industry. Based on the declaration of independence received from them, they have no association with management that could compromise their independence.

After taking into account all these factors, and also having weighted the need for Board's refreshment against tenure for relative benefit, the Board has determined that both Mr. Lim Hock Beng and Mr. Goh Chee Wee continue to be considered as independent directors, notwithstanding that they had served on the Board for more than nine years from the date of their first appointment.

The NC had reviewed the independence of each non-executive director for the financial year ended 31 March 2014 and is of the view that the three Independent Directors of the Company satisfy the criteria of independence and each and every Director share equal responsibility on the Board.

The independent directors make up half of the Board, which satisfies Guideline 2.2 of the 2012 Code. This provides a strong and independent element on the Board. This is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgment on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined.

Role of the non-executive directors

The Board and management fully appreciate that an effective and robust Board whose members engage in open and constructive debate, and challenge management on its assumptions and proposals, is fundamental to good corporate governance.

A Board should also aid in the development of strategic proposals and oversee effective implementation by management to achieve set objectives.

For this to happen, the Board and non-executive directors (NEDs), in particular, must be kept well informed of the Group's businesses and be knowledgeable about the industry the Group operates in.

To ensure that NEDs are well supported by accurate, complete and timely information, NEDs have unrestricted access to management.

REPORT ON CORPORATE GOVERNANCE

The Group has adopted initiatives to put in place processes to ensure that the Board and NEDs have sufficient time and resources to discharge their oversight functions effectively. These initiatives include:

- Regular informal meetings are held by management to brief the NEDs on prospective deals and potential developments at an early stage, before formal Board's approval is sought.
- Periodic information papers and board papers on the latest market developments and trends, and key business initiatives are circulated to NEDs on a timely basis to allow the directors to have sufficient time to review them.

A write-up of the individual directors is included in this annual report.

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, Mr. Chua Kim Hua 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.

Although the Managing Director and the Chairman are immediate family members, the balance of power and authority is provided by three committees, namely AC, NC and RC which are all chaired by the Independent Directors.

The Board had also appointed Mr. Lim Hock Beng to act as the Lead Independent Director. This is in line with Guideline 3.3 of the 2012 Code. Shareholders with concerns may contact him directly when contact through the normal channels via the Chairman, or Managing Director has failed to provide satisfactory resolution, or when such contact is inappropriate. All the independent directors, including Lead Independent Director, meet at least annually without the presence of other executive and non-independent directors to discuss matters of significance which are then reported to the Chairman accordingly. The Lead Independent Director also sits on the NC.

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 Kuey	Executive Director
Lim Hock Beng	Lead Independent Director
Goh Chee Wee	Independent Director
Nathapun Siriviriyakul	Independent Director

Continuous Board Renewal

The Board, in conjunction with the NC, reviews the composition of the Board and Board committees annually, taking into account the performance and contribution of each individual director. Board composition is also evaluated to ensure diversity of skills and experience is maintained within the Board and Board committees. Based on the NC's assessment of independence of each individual director and his or her relevant expertise, and with the aim of ensuring compliance with the requirements of the 2012 Code, the Board reviews, and reconstitutes as appropriate, the membership of the Board committees.

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, which has written terms of reference, is responsible for making recommendations to the Board on all board appointments and re-appointments. The key terms of reference of the NC include the following:

- Review and recommend to the Board on the appointment and re-appointment of directors (including alternate directors, if applicable).
- Review the skills required by the Board, and the size of the Board.

REPORT ON CORPORATE GOVERNANCE

- Ensure that the Company adheres to the board composition rules, including having independent directors make up 50% of the Board under certain circumstances.
- Identify 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.
- Evaluate whether or not a director is able to and has been adequately carrying out his/her duties as director of the Company and when he has multiple board representations.
- Develop a process for evaluating the performance of the Board, its board committees and the contribution of each director.
- Formal assessment of the effectiveness of the Board as a whole and individual director.
- Review the training and professional development programs for the Board.
- Review the Board's succession plans for directors.

The NC meets at least once annually, which will entail 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 number of meetings held and attendance at the meetings during the last financial year are presented under "Board Matters" in this report.

Recommendation of Directors

The NC is responsible for identifying candidates and reviewing all nominations for the appointment, re-appointment or termination of directors and Board committee members, taking into account the proper criteria for such appointments, the director's independence status, his or her participation and contributions during and outside Board meetings, the Code of Corporate Governance and other relevant factors as may be determined by the NC.

The Board recognises the contribution of its independent directors. They have, over time, developed deep insight into the Group's businesses and operations and are therefore able to provide invaluable contributions to the Group. As such, the Board has not set a fixed term of office for each of its independent directors so as to be able to retain the services of the directors as necessary.

Directors' time commitments and multiple directorships

All directors are required to declare their board representations. The limit on the number of listed company directorships that a director may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by different factors. A director with multiple directorships is expected to ensure that sufficient attention is given to the affairs of the Group. The NC believe that each individual director is best placed to determine and ensure that he is able to devote sufficient time and attention to discharge his duties and responsibilities as a director of our Company, notwithstanding his multiple board appointments.

The NC determines annually whether a director with multiple board representations and/or other principal commitments is able to and has been adequately carrying out his/her duties as a director of the Company.

The NC takes into account the results of the assessment of the effectiveness of the individual director, and the respective directors' actual conduct on the board, in making this determination.

In respect of FY 2014, the NC was of the view that each director has discharged his/her duties adequately.

Process for selection and appointment of new directors

When an existing director chooses to retire or the need for a new director arises, the NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience for the appointment as new director. The NC then meets with the shortlisted potential candidates with the appropriate profile before nominating the most suitable candidates to the Board for appointment as director. 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 directors.

Process for re-appointment of directors

The NC is responsible for re-appointment of directors. In its deliberations on the re-appointment of existing directors, the NC takes into consideration the director's contribution and performance (including his or her contribution and performance as an independent director, if applicable).

REPORT ON CORPORATE GOVERNANCE

The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and board committees as well as the quality of intervention and special contribution.

We believe the Board renewal should be an ongoing 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.

At the forthcoming AGM, the Directors retiring by rotation and who are seeking for re-election under Article 115 of the Company's Memorandum and Articles of Association are Mr. Nathapun Siriviriyakul and Mr. Chua Hai Kuey. Mr. Chua Kim Hua and Mr. Lim Hock Beng will seek re-appointment under Section 153(6) of the Companies Act, Cap 50.

The NC reviewed the above nominations for the re-appointment taking into account, the director's individual credentials, his or her participation and contributions during and outside board meetings, as well as each director's listed company board directorships and any other relevant time commitments.

Mr. Chua Kim Hua and Mr. Lim Hock Beng abstained from participating in the discussions and recommendation in respect of their own re-appointments.

On the issue of competing time commitments that were faced when directors serve on multiple boards, the Committee noted that all the directors seeking re-election or re-appointment had adequately carried out their duties as directors of the Company during the year.

The NC, after assessing the contribution, performance and their effectiveness as directors, recommended that the above four directors be nominated for re-appointment at the forthcoming annual general meeting.

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

Board Evaluation Policy

The Board has implemented a process carried out by the NC, for assessing the effectiveness of the Board as a whole, effectiveness of its board committees and the contribution by each individual director to the effectiveness of the Board on an annual basis.

Board Evaluation process

Each director had individually completed a confidential questionnaire covering areas such as board composition, the effectiveness of the board in its monitoring role and the attainment of the strategic and long-term objectives set by the Board. Based on results of the qualitative questionnaires completed by the directors, the Company Secretary submitted a Summary Report to the NC for discussion.

The NC reviewed the Summary Report to ascertain whether there were key areas for improvement / areas that required follow-up actions.

The NC considered the performance and effectiveness of the Board as a whole taking into consideration, attendance records at respective board and committee meetings, the contribution of each individual director to the board's effectiveness, board process, board accountability and communication with top management and standard of conduct. It also takes into consideration that the independent directors, despite the demands on their time, have the capacity to participate and contribute as members of the Board.

Based on the summary of median scores of the results of the qualitative questionnaires completed by the directors, and compared with the median scores of the performance evaluation exercise submitted for the preceding year, the Committee noted that the directors were generally satisfied and that the performance of the directors was good, and as a group, the board provided core competencies with accounting/finance, business or management experience and industry knowledge.

REPORT ON CORPORATE GOVERNANCE

For FY 2014, the NC was satisfied that all directors had discharged their duties adequately for the financial year and that no individual or small group of individuals dominates the Board's decision-making process. The Board collectively not only reflect a diverse wealth of experience and knowledge in business, finance, accounting, and technical and management skills, but they also possess independence in decision-making at Board level. The Board as a whole had performed effectively and contributed to the growth of the Group. The NC is also of the view that the Board's current size and composition effectively serves the Group.

PRINCIPLE 6: Access to Information

Complete, Adequate and Timely 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.

An agenda for Board meetings together with the relevant papers are prepared in consultation with the Managing Director and are 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.

Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that Company's Memorandum and Articles of Association, relevant rules and regulations of the Companies Act and Listing Manual are complied with. She also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long ¬term shareholder value.

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.

The Company Secretary attends and prepares minutes for all Board meetings. As secretary for all board committees, the Company Secretary assists in ensuring coordination and liaison between the Board, the board committees and management. The Company Secretary assists the Chairman of the Board, the Chairman/Chairperson of board committees and management in the development of the agendas for the various Board and board committee meetings.

The appointment and the removal of the Company Secretary are subject to the Board's approval.

Independent Professional Advice

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.

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

REPORT ON CORPORATE GOVERNANCE

The Board considers that the members of the RC collectively have strong management experience and expertise on remuneration issues.

The RC is responsible for ensuring a formal and transparent procedure for developing policies on executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. In the event that a member of our RC is related to the employee under review, he will abstain from the review.

The members of the RC carried out their duties in accordance with the terms of reference which include the following:

- Review and recommend to the Board for endorsement, a framework of remuneration for the Board and key management personnel. The framework covers all aspect of remuneration, including but not limited to director's fees, salaries, allowances, bonus, and benefits in kind.
- Review and recommend to the Board, the specific remuneration packages for each director as well as for the key management personnel.
- Review the level and mix of remuneration and benefits policies and practices of the Company, including the long-term incentive schemes on an annual basis. The performance of the Company and that of individual employees would be considered by the RC in undertaking such reviews.
- Review the Group's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.
- Review the development of senior staff and assesses their strengths and development needs based on the Group's leadership competencies framework, with the aim of building talent and maintaining strong and sound leadership for the Group.

The RC has access to expert advice in the field of executive compensation outside the Company, when required, in framing the remuneration policy and determining the level and mix of remuneration for directors and key management personnel.

None of the members of the RC or any director is involved in deliberations in respect of any remuneration, compensation, share-based incentives or any form of benefits to be granted to him/her.

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 Group's compensation framework comprises fixed pay, and variable bonus. These are linked to corporate and individual performance, based on an annual appraisal process. The level and structure of the remuneration of directors and key management personnel are aligned with the long term interest and risk policies of the Company.

In designing the compensation structure, the RC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current versus long term compensation.

Executive directors do not receive directors' fees. The structure for executive directors and key management personnel consist of the following components:

a. Fixed remuneration
b. Various bonus
c. Other benefits

REPORT ON CORPORATE GOVERNANCE

Fixed remuneration
The fixed remuneration comprises basic salary, statutory employer's contributions to the Central Provident Funds and fixed allowances. In setting remuneration packages, the Group takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual directors and key management personnel.

Variable bonus
Variable bonus is an annual remuneration component which varies according to the Group's and the individual's performance objectives. To link rewards to performance, the more senior the executive in the Group, the higher is the percentage of the variable bonus against total compensation.

The Executive Directors participates in profit sharing, which is based on the performance of the Group as a whole.

Additionally, in making its decision regarding appropriate performance objectives, the RC also considered the following factors relative to profit before tax and profit after tax:

- Each executive director and key management personnel believe he or she can meaningfully contribute to the achievement of performance objectives set.
- Maintaining the consistency of the objectives over a number of years allows for more accurate measurement and comparison of, and reward for, the desired performance from year to year.

Other benefits
The Group provides benefits consistent with local market practice, such as medical benefits, club membership and car allowance. Eligibility for these benefits will depend on individual salary grade and length of service.

Remuneration of non executive directors
The non-executive Directors will receive a basic fee and a fee for their appointments in the various Board Committees in FY 2014. They will also receive additional fees if they are chairpersons of 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.

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 tied in to performance. The service contracts of the Executive Directors were last renewed in 2011. Each service contract may be terminated by either party giving the other party at least three months prior written notice.

PRINCIPLE 9: Disclosure on Remuneration
The breakdown of remuneration of the Directors of the Company for the year ended March 31, 2014 is set out below:

Name of Director	Fixed Component [1] %	Variable Component [2] %	Provident Fund [3] %	Directors Fees %	Total Compensation %
S$500,001 to S$750,000					
Chua Kim Hua	58%	41%	1%	0%	100%
Chua Hai Kuey	57%	42%	1%	0%	100%
Chua Eng Eng	54%	44%	2%	0%	100%
Up to 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

REPORT ON CORPORATE GOVERNANCE

(1) Fixed Component refers to base salary for the financial year ended March 31, 2014.
(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.

To maintain confidentiality of the remuneration policies of the Group, the Board is of the view that it is in the best interests of the Group not to fully disclose details of remuneration of each individual Director.

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 March 31, 2014:

Name of Executive	Fixed Component (1) %	Variable Component (2) %	Provident Fund (3) %	Total Compensation %
S$250,001 to S$500,000				
First Executive	75%	24%	1%	100%
Second Executive	63%	32%	5%	100%
Third Executive	69%	26%	5%	100%
Fourth Executive	71%	23%	6%	100%
Up to S$250,000				
Fifth Executive	69%	27%	4%	100%

Notes
(1) Fixed Component refers to base salary for the financial year ended March 31, 2014.
(2) Variable Component refers to variable bonus paid in the financial year ended March 31, 2014.
(3) Provident Fund represents payment in respect of the Company's statutory contributions to the Singapore Central Provident Fund.

Due to competition related reasons, the names of the top five key management personnel are not disclosed.

For the financial year ended 31 March 2014, the aggregate remuneration (including employer CPF and benefits-in-kind of the top five key management personnel was $1,273,293.

There is no termination, retirement or post-employment benefits granted to directors and the top key management personnel (who are not directors).

Remuneration of employees who are immediate family members of a director
Ms. Chua Yean Cheng, the daughter of Mr. Chua Kim Hua (Chairman of the Group) and sister of Ms Chua Eng Eng (Managing Director of the Company), is employed by King Wan Construction Pte Ltd as an HR & Administration Manager and has received remuneration in that capacity.

Mr. Chua Zhi Hong, the son of Mr. Chua Hai Kuey (Executive Director of the Company), is employed by King Wan Construction Pte Ltd as a Senior Executive and has received remuneration in that capacity.

REPORT ON CORPORATE GOVERNANCE

For FY2014, saved as disclosed in the following table, the Company and its subsidiary companies do not have any other employee who is an immediate family member of a director and whose remuneration exceeds S$50,000.

Name of Executive	Fixed Component [1] %	Variable Component [2] %	Provident Fund [3] %	Total Compensation %
S$50,001 to S$100,000				
Chua Yean Cheng	81%	6%	13%	100%
Chua Zhi Hong	81%	7%	12%	100%

Notes

(1) Fixed Component refers to base salary for the financial year ended March 31, 2014.

(2) Variable Component refers to variable bonus paid in the financial year ended March 31, 2014.

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

The RC also reviews the remuneration packages of employees who are immediate family member of directors.

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

C. ACCOUNTABILITY AND AUDIT

PRINCIPLE 10: Accountability

The Board is accountable to the shareholders and is mindful of its obligations to furnish timely, reliable and full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Manual of the SGX-ST. Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced or issued within legally prescribed periods. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

The Board also reviews regulatory compliance reports from management to ensure that the Group complies with the relevant regulatory requirements. For the financial year ended 31 March 2014, the Board has received assurance from the Managing Director and CFO that in the execution of their respective duties as Managing Director and CFO and to the best of their knowledge and belief the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and regarding the effectiveness of the Group's risk management and internal controls system.

The Group recognises the importance of providing the Board with accurate and relevant information on a timely basis. Hence, Board members receive regular financial and business reports from management. Such reports keep the Board members informed of the Company's and the Group's performance, position and prospects.

The Board reviews and approves the results as well as any announcements before its release. The Board provides shareholders with quarterly and annual financial reports. Results for the first three quarters are released to shareholders within 45 days from the end of the quarter. Annual results are released within 60 days from the financial year-end. In presenting the annual and quarterly financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Group's position and prospects. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

PRINCIPLE 11: Risk Management and Internal Controls

The AC, through the assistance of internal and external auditors, reviews and reports to the Board on the adequacy of the Group's system of controls, including financial, operational and compliance controls, established by Management.

In assessing the effectiveness of internal controls, the AC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

REPORT ON CORPORATE GOVERNANCE

Risk Management

The key risks of the Group are deliberated by Management and reported to the AC regularly. The AC reviews the adequacy and effectiveness of the internal controls, which includes the documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks-and-balances built into the business processes. To ensure that internal controls and risk management processes are adequate and effective, the AC is assisted by various independent professional service providers. External auditors provide assurance over the risk of material misstatements in the Group's financial statements. Internal auditors provide assurance that controls over the key risks of the Group are adequate and effective.

Based on the review of the key risks identified, and the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management and the AC; and the aforesaid assurances from the Managing Director and CFO, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks were adequate for the financial year ended 31 March 2014.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

PRINCIPLE 12: 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 Chairman of the AC, Mr. Lim Hock Beng, sits on the Board of Directors of four other public companies in Singapore and has vast experience in the field of accounting, auditing and risk management. The other members of the AC have many years of experience in business and financial management. The Board is of the view that the members of the AC have recent and relevant accounting or related financial management expertise or experience to discharge the AC's functions.

The main responsibilities of the AC are to assist the Board in discharging its statutory and other responsibilities relating to four main areas:

- Overseeing financial reporting;
- Overseeing internal control and risk management systems;
- Overseeing internal and external audit processes; and
- Overseeing Interested Party Transactions (IPTs).

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 members of the AC carried out their duties in accordance with the written terms of reference which include the following:

- Review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before their submission to the Board;
- 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;

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- 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;
- Recommend to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors. And their audit fee;
- Review the adequacy of the Group's internal controls;
- Review IPTs in accordance with the requirements of the SGX-ST's Listing Manual;
- 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 matter within its terms of reference and is authorised to obtain independent professional advice. It has full access to and co-operation of the management and reasonable resources to enable it to discharge its duties properly. It also has full discretion to invite any director or executive officer or any other person to attend its meetings.

Summary of the AC's activities

The CFO, Company Secretary, internal auditors and external auditors are invited to AC meetings. Other members of senior management are also invited to attend as appropriate to present reports.

The AC had also held meetings with the external auditors and internal auditors separately, without the presence of management. These meetings enable the external auditors and internal auditors to raise issues encountered in the course of their work directly to the AC.

The principal activities of the AC during FY 2014 are summarised below:

Financial reporting

The AC met on a quarterly basis and reviewed the quarterly and full year announcements, material announcements and all related disclosures to the shareholders before submission to the Board for approval. In the process, the AC reviewed the audit plan and audit committee report presented by the external auditors.

The AC reviewed the annual financial statements and also discussed with management, the CFO and the external auditors the significant accounting policies, judgment and estimate applied by the management in preparing the annual financial statements. The AC focused particularly on:

- Any significant adjustments resulting from the audit;
- The appropriateness of the going concern assumption in the preparation of the financial statements; and
- Any deficiencies in internal controls over financial reporting matters that came to external auditor's attention during their audit together with their recommendations.

Following the review and discussions, the AC then recommended to the Board for approval of the audited annual financial statements.

External audit processes

The AC manages the relationship with the Group's external auditors, on behalf of the Board. During FY2014, the AC assessed the cost effectiveness of the audit process, together with the auditor's approach to audit quality and transparency. The AC concluded that the auditors demonstrated appropriate qualifications and expertise and that the audit process was effective. The AC recommended to the Board that Deloitte & Touche LLP (the "External Auditors") be re-appointed as the external auditor. The Board accepted this recommendation and has proposed a resolution to shareholders for the re-appointment of Deloitte & Touche LLP at the forthcoming Annual General Meeting.

Pursuant to the requirement in the SGX-ST's Listing Manual, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. The current Deloitte & Touche LLP's audit partner for the Company took over from the previous audit partner with effect from FY2011. In appointing auditors for the Company, subsidiaries and significant associated companies, the Group has complied with Rules 712, 715 and 716 of the SGX-ST's Listing Manual.

REPORT ON CORPORATE GOVERNANCE

Auditor independence

In order to maintain the independence of the external auditors, the Group has specific policy which governs the conduct of non-audit work by the external auditors. This policy prohibits the external auditors from:

- Performing services which would result in the auditing of their own work;
- Participating in activities normally undertaken by management;
- Acting as advocate for the Group; or
- Creating a mutuality of interest between the auditors and the Group, for example being remunerated through a success fee structure.

The AC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing any non-audit fees awarded to them. It had been noted that no non-audit service was provided by the Deloitte & Touche LLP in the financial year just ended.

Interested person transactions

The AC reviewed the Group's IPTs to ensure that the transactions were carried out on normal commercial terms and are not prejudicial to the interests of the Company or its non-controlling shareholders. On a quarterly basis, management reports to the AC the IPTs in accordance with the Company's Shareholders' Mandate for IPT.

Management reported that the internal control procedures for determining the transaction prices of IPTs had not change since the date of the last Annual General Meeting, at which the shareholders' mandate for IPTs was last renewed.

The AC is satisfied that the internal controls over the identification, evaluation, review, approval and reporting of IPTs was effective.

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. There have been no established incidents pertaining to whistle blowing for FY 2014.

PRINCIPLE 13: Internal Audit

The AC is responsible to approve the hiring, removal, evaluation and compensation of the internal auditors. The AC will ensure that the internal audit function is adequately resourced and has appropriate standing within the company.

The Group's internal audit function is outsourced to Ernst & Young Advisory Pte Ltd, an international accounting firm that is not the Company's auditors. The Partner-in-charge of the internal audit reported directly to the Chairman of 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.

During the year, the Internal Auditors conducted its audit reviews based on the approved internal audit plan. All audit reports detailing findings and recommendations are provided to the Management who will respond on the actions to be taken. Periodically, the Internal Auditors would submit to the AC a report on the status of the audit plan and on audit findings, recommendations and actions taken by Management on such findings. Key findings are highlighted at the AC meetings for discussion and follow-up action. The AC monitors the timely and proper implementation of required corrective, preventive or improvement measures undertaken by Management.

The AC has reviewed the adequacy of the internal audit function and is satisfied that function is adequately resourced.

D. SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

PRINCIPLE 14: Shareholders' Rights

The Group recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected.

REPORT ON CORPORATE GOVERNANCE

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

The Group strongly encourages shareholder participation during the AGM which will be held in Singapore. Shareholders are able to proactively engage the Board and management on the Group's business activities, financial performance and other business related matters. The articles allow a shareholder to appoint up to two proxies to attend and vote in the shareholder's place at the AGM. The articles also allow shareholders, who hold shares through nominees such as CPF and custodian banks, to attend the AGM as observers without being constrained by the two-proxy rule, subject to availability of seats.

PRINCIPLE 15: Communication with Shareholders

Disclosure of information on a timely basis

The Group is committed to maintaining high standards of corporate disclosure and transparency. The Group values dialogue sessions with its shareholders and believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNET, press release and the corporate website. To ensure a level playing field and provide confidence to shareholders, unpublished price sensitive information is not selectively disclosed. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Group's interactions with the investing community, a media release or announcement will be released to the public via SGX-net.

Interaction with shareholders

The Group has a dedicated investor relations team (IR team) which focuses on facilitating communications with shareholders and analysts on a regular basis and attending to their queries or concerns.

The IR team conducts analyst briefings (together with key management personnel) and participates in investor seminars and conferences to keep the market and investors appraised of the Group's corporate developments and financial performance.

During FY2014, the IR team, together with senior management, regularly engaged with local and foreign investors at conferences as well as one-on-one and group meetings. The aims of such engagements are to:

- Provide shareholders and investors with relevant information promptly, to enable them to have a better understanding of the Group's businesses and performance; and
- Solicit feedback from the investment community, including shareholders, on a range of strategic and topical issues. Such engagements provide invaluable insights to the Board and management on investors' views. It also helps the Group to identify areas of improvement for investor communication.

Dividend policy

The Board aims to declare and pay annual dividends to shareholders on a regular basis.
In considering the level of dividend payments, the Board takes into account various factors including:

- The level of our available cash;
- The return on equity and retained earnings; and
- Our projected levels of capital expenditure and other investment plans.

PRINCIPLE 16: Conduct of Shareholders' Meetings

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. Shareholders are informed of shareholders' meetings through published notices and reports or circulars sent to all shareholders. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. The AGM procedures provide shareholders the opportunity to ask questions relating to each resolution tabled for approval. Opportunities are given to shareholders to participate, engage, and openly communicate to the directors, their views on matters relating to the Company.

Pertinent information is communicated to shareholders on a regular and timely basis through:

REPORT ON CORPORATE GOVERNANCE

- 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 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. They will also have the opportunity to address any questions to the Chairman of the NC, AC and RC. The external auditors will also be present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

Announcement of the results of each resolution are announced after the meeting via SGX-net.

Minutes of general meetings will include substantial and relevant comments and queries from shareholders relating to the agenda of the meeting, and responses from the Board and management. These minutes will be made available to shareholders upon their request. Any queries and concerns regarding the Group can be conveyed to the following person:

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

E. CODE OF BUSINESS CONDUCT

King Wan's Code of Business Conduct also sets the standards and ethical conduct expected of employees of the Group. Directors, officers and employees are required to observe and maintain high standards of integrity as are in compliance with the law and regulations and company policies.

F. SECURITIES TRANSACTIONS

Insider Trading Policy

The Company has a formal policy on dealings in the securities of the Company, which sets out the implications of insider trading and guidance on such dealings. The policy has been distributed to all Directors and officers. It has adopted best practices on securities dealings in compliance with Rule 1207 (18) of the Listing Manual. In line with these best practices, the Company issues circulars to its Directors and officers informing that the Directors and its officers must not deal in its securities a month before the release of the full-year results and two weeks before the release of the quarterly results, as the case may be, and if they are in possession of unpublished material price-sensitive information. Directors and officers are also reminded that they should not deal in the Company's securities on short-term considerations. Directors are required to notify the company of any dealings in the company's securities within two business days of the transactions.

The Board is satisfied with the Group's commitment in compliance with the Code.

G. STATEMENT OF COMPLIANCE

Our Board confirms that for FY2014, our Company has complied with the principal corporate governance recommendations.

ANALYSIS OF SHAREHOLDINGS

AS AT 20 JUNE 2014

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	4	0.22	815	0.00
1,000 to 10,000	557	30.91	3,565,252	1.02
10,001 to 1,000,000	1,215	67.43	93,955,091	26.91
1,000,001 AND ABOVE	26	1.44	251,655,712	72.07
TOTAL	1,802	100.00	349,176,870	100.00

There are no treasury shares held by the Company as at 20 June 2014.

TOP 20 SHAREHOLDERS AS AT 20 JUNE 2014

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	33,461,906	9.58
4	Chua Hai Kuey	22,247,676	6.37
5	Maybank Kim Eng Securities Pte Ltd	16,485,000	4.72
6	Liong Kiam Teck	8,607,000	2.47
7	Ong Tze King	7,180,000	2.06
8	Bank Of Singapore Nominees Pte Ltd	5,158,000	1.48
9	Raffles Nominees (Pte) Ltd	4,147,000	1.19
10	OCBC Securities Private Ltd	3,249,000	0.93
11	UOB Kay Hian Pte Ltd	3,035,000	0.87
12	Quah Biow Chye	2,700,000	0.77
13	Hong Leong Finance Nominees Pte Ltd	2,638,000	0.76
14	CIMB Securities (Singapore) Pte Ltd	2,628,000	0.75
15	Phillip Securities Pte Ltd	2,426,000	0.69
16	DBS Nominees Pte Ltd	2,066,000	0.59
17	Hong Heng Co Pte Ltd	2,000,000	0.57
18	Citibank Nominees Singapore Pte Ltd	1,833,000	0.53
19	OCBC Nominees Singapore Pte Ltd	1,689,000	0.48
20	Neo Tiam Poon @ Neo Thiam Poon	1,670,000	0.48
	TOTAL	244,033,901	69.89

SUBSTANTIAL SHAREHOLDERS

AS AT 20 JUNE 2014

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

NAME OF SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF ORDINARY SHARES	%	NO. OF ORDINARY SHARES	%
1. Ganoktip Siriviriyakul	76,875,000	22.02	Nil	Nil
2. Chua Kim Hua	44,113,319	12.63	Nil	Nil
3. Chua Eng Eng	36,576,906	10.48	Nil	Nil
4. 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. In accordance with Rule 1207(18)(b) of the Listing Manual, directors and key officers of the Group should not deal in the Company's securities on short-term considerations and should be mindful that the law on insider dealing is applicable at all times, notwithstanding that the Best Practices Guide may provide window periods for Directors and officers to deal in the Company's securities. 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 2014, 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 2014, the Company has complied with the provisions 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 20 JUNE 2014

The percentage of shareholdings in the hand of public is about 48.2%. 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 Fifteen Annual General Meeting of KING WAN CORPORATION LIMITED (the "Company") will be held at the Board Room, 8 Sungei Kadut Loop, Singapore 729455 on Tuesday, 29 July 2014 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31 March 2014 and the Auditors' Report thereon.

   [Resolution No. 1]

2. To re-elect Mr. Chua Hai Kuey who is retiring by rotation under Article 115 of the Company's Articles of Association.

   [Resolution No. 2]

3. To re-elect Mr. Nathapun Siriviriyakul who is retiring by rotation under Article 115 of the Company's Articles of Association.

   [Resolution No. 3]

4. To pass a resolution pursuant to Section 153(6) of the Companies Act, Cap 50 to appoint Mr. Chua Kim Hua as Director of the Company to hold office until the next annual general meeting of the Company.

   [Resolution No. 4]

5. To pass a resolution pursuant to Section 153(6) of the Companies Act, Cap 50 to appoint Mr. Lim Hock Beng as Director of the Company to hold office until the next annual general meeting of the Company.

   [Resolution No. 5]

6. To approve Directors' Fee of S$176,000 for the year ending 31 March 2015 (2014: S$176,000) to be paid in arrears.

   [Resolution No. 6]

7. To approve the payment of a final one-tier tax exempt dividend of 1.5 cents per ordinary share for the year ended 31 March 2014.

   [Resolution No. 7]

8. To re-appoint Deloitte & Touche LLP as Auditors and to authorise the Directors to fix their remuneration.

   [Resolution No. 8]

AS SPECIAL BUSINESS:

9. To approve the issue of shares pursuant to Section 161 of the Companies Act, Chapter 50.

   "THAT pursuant to Section 161 of the Act, Chapter 50 and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to (a) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); (b) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; (c) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues, 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 (d) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) to issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, provided that:-

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Transport arrangement has been made for the shareholders at the bus stop in front of Yew Tee MRT station. Transport will leave promptly at 9.40am

NOTICE OF ANNUAL GENERAL MEETING

(i) 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) does not exceed 50% of the total issued shares (excluding treasury shares) in the capital of the Company, of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total issued shares (excluding treasury shares) in the capital of the Company;

(ii) for the purpose of determining the aggregate number of shares that may be issued (subject to such manner of calculation as may be prescribed by SGX-ST) under (i) above, the percentage of issued share capital shall be based on the issued shares in the capital of the Company at the time this Resolution is passed, after adjusting for (1) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards that are outstanding or subsisting when this Resolution is passed; and (2) any subsequent bonus issue or consolidation or sub-division of shares;

(iii) 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 is waived by the SGX-ST) and the Company's Articles of Association; and

(iv) unless revoked or varied by the Company in General Meeting, such authority 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. 9]

ORDER OF THE BOARD
Eliza Lim Bee Lian
Company Secretary
Singapore, 14 July 2014

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

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON ORDINARY RESOLUTIONS TO BE TRANSACTED:

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

b. Mr. Nathapun Siriviriyakul is the Independent Director of the Company. If re-elected, he will remain as a member of the Audit Committee and Remuneration Committee.

c. Mr. Chua Kim Hua is the Executive Chairman of the Company. If re-appointed, he will remain a member of the Nomination Committee.

d. Mr. Lim Hock Beng is a Lead Independent 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.

e. The Directors' Fees of S$176,000 are fees payable to the Non-Executive Directors for the year ending 31 March 2015. Ordinary Resolution No. 6 above, if passed, will allow the Company to pay fees to directors on a quarterly basis, in arrears, as directors render their services during the course of the financial year ending 31 March 2015. This will facilitate directors' compensation for services rendered in a more timely manner.

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

g. Resolution No. 9 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 an amount not exceeding 50% of the issued shares (excluding treasury shares) in the capital of the Company of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders, does not exceed 20% of the Company's issued shares (excluding treasury shares). 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. 9 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. 9 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

NOTICE OF ANNUAL GENERAL MEETING

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 7 August 2014 (the "Books Closure Date") for the purpose of determining the entitlements of shareholders in respect of the proposed final one-tier tax exempt dividend of 1.5 cents 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 Limited at 112 Robinson Road #05-01, Singapore 068902, 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 one-tier tax exempt dividend if approved by shareholders, will be paid on 15 August 2014.

By Order of the Board

Eliza Lim Bee Lian
Company Secretary
14 July 2014

KING WAN CORPORATION LIMITED

PROXY FORM

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

I/We _____ (Name)

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

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

and/or (delete as appropriate)

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

or failing him/her/them, the Chairman of the Annual General Meeting or such other person the Chairman may designate, as *my/our proxy/proxies to attend and to vote for me/us on my/our behalf, and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at the Board Room, 8 Sungei Kadut Loop, Singapore 729455 on Tuesday, 29 July 2014 at 10.00 a.m. and at any adjournment thereof.

The Chairman intends to cast undirected proxy votes in favour of each of the proposed resolutions. Where the Chairman is appointed as *my/our proxy/proxies, *I/we acknowledge that the Chairman may exercise **my/our proxy/proxies even if he has an interest in the outcome of the resolution.

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

	Resolutions relating to:	For	Against
1.	Adoption of the Reports and Accounts for the year ended 31 March 2014 and the Auditors' Report thereon.		
2.	Re-election of Mr. Chua Hai Kuey as Director.		
3.	Re-election of Mr. Nathapun Siriviriyakul as Director.		
4.	Appointment of Mr. Chua Kim Hua as Director.		
5.	Appointment of Mr. Lim Hock Beng as Director.		
6.	Approval of Directors' fees.		
7.	To approve the payment of Final one-tier tax exempt dividend of 1.5 cents per ordinary share.		
8.	Re-appointment of Deloitte & Touche LLP as Auditors.		
9.	Authority for allotment and issuance of shares pursuant to Section 161 of the Companies Act, Cap. 50.		

Signed this …….… day of July 2014

Total Number of shares held	No. of shares
(a) CDP Register	
(b) 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.

KING WAN CORPORATION LIMITED

8 Sungei Kadut Loop, Singapore 729455

Tel: +65 6368 4300 Fax: +65 6365 7675
Email: kwc@kingwan.com.sg Website: www.kingwan.com