EXPANDING OUR HORIZON

ANNUAL REPORT 2013

KING WAN CORPORATION LIMITED

CONTENTS

COMMITMENT

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

QUALITY & RELIABILITY

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

INTEGRITY & PROFESSIONALISM

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

PEOPLE

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

PASSION

We approach every task with heart and passion.

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. It also operates in three other business segments, namely Property, Services, and Vessel ownership and chartering. The Group operates along with its subsidiaries and associates across Singapore, China and Thailand.


Singapore Sports Hub


Starlight Suites

The Group operates principally in four business segments as follows:

- **Engineering segment:**
  Provides multi-disciplined M&E engineering services such as the design and installation of plumbing and sanitary services, air-conditioning and mechanical ventilation systems, electrical installation, fire protection, alarm systems, communications and security systems for the building and construction industry;

- **Property segment:**
  Engages in the development, marketing and sale of residential and commercial properties in Singapore, China and Thailand;

- **Services segment:**
  Provides rental and other services for mobile chemical lavatories and other facilities for construction worksites as well as public and nation-wide public events; and

- **Vessel ownership and chartering segment:**
  Buys suitable vessels for chartering to third parties.

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

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

King Wan Corporation Limited (King Wan) faced many challenges during the year under review. The global economic uncertainties and the various cooling measures implemented on the property market by the Singapore government over the past year continued to have their impact on the business environment in which the Group operates.

Despite these challenges, King Wan has achieved encouraging financial results and strengthened our standing as a well-recognised integrated building services company with its principal activities in the provision of mechanical and electrical (M&E) engineering services for the building and construction industry in Singapore. The Group also operates in three other business segments, namely Property, Manufacturing and Services. We are pleased to expand our horizon to include a new business – vessel ownership and chartering. This is in line with the Group's strategy in implementing a multi-country, multi-industry portfolio strategy in order to diversify and broaden its revenue streams and better manage investment risks.

Established in 1977 as an M&E engineering company, King Wan's businesses have spanned across industries and operate across Singapore, China and Thailand. The Group's focus on its core values of commitment, quality and reliability, integrity and professionalism, people and passion have served King Wan well through the years. Its key advantages brought about by its strong expertise, vast experience and established track record have helped the Group compete successfully for many projects in the building and construction industry.

We believe that we have attained a leading industry position because of our many strengths, which include a solid track record, a good management team, and experienced and well-trained staff. We also practise sound financial management and an effective diversification strategy.

PERFORMANCE REVIEW

During the past financial year, King Wan's revenue went up by 16 per cent to S$66.3 million compared to S$57.2 million in the last financial year. The increase in revenue was due to the higher revenue recognised on M&E engineering contracts during the

> **"KING WAN'S STRONG BUSINESS FUNDAMENTALS HAVE HELPED STEER ITS CONTINUOUS GROWTH."**

year. There was an overall increase in value of work-in-progress during the year under review compared to the previous financial year.

The M&E engineering segment registered revenue of S$63.4 million, up 16 per cent from S$54.7 million a year ago. Revenue from the rental of portable chemical toilets increased 17 per cent to S$2.89 million.

The Group's net profit after income tax was S$7.1 million, translating to earnings per share of 2.02 cents. This was 50 per cent lower compared to the last financial year. This was attributed to lower gross profits from M&E engineering contracts and lower contributions from its associates in the current year. Net profits in financial year of 2012 had also benefited from a one-off gain in disposal of the Group's investment property.

We believe that King Wan's strong business fundamentals have helped steer its continuous growth. Its financial position remained healthy, backed by S$84.9 million of net tangible assets and a positive cash position of S$16.7 million at year end. Net asset value per share of 24.31 Singapore cents as at 31 March 2013 was an improvement over the 23.95 Singapore cents recorded a year ago.

Your Board is pleased to recommend a final dividend of 1.0 cent per share payable on 16 August 2013, if shareholders' approval is obtained at the forthcoming Annual General Meeting. Including the interim dividend of 0.5 cent per share on 5 December 2012, the total dividend for the financial year of 2013 will be 1.5 cents per share. This represents a dividend payout ratio of 74 per cent of profit attributable to owners of the company.

EXPANDING OUR HORIZON

As the Group consolidates its core M&E engineering business, it is also continuously expanding its horizon by diversifying its revenue streams and business risks.

In January 2013, King Wan ventured into the vessel ownership and chartering business through Gold Hyacinth Development Pte Ltd (Gold Hyacinth), a 30 per cent associate company held via its wholly owned subsidiary, Gold Topaz Pte Ltd. Gold Hyacinth has since purchased its first vessel, "Hai Jin", a Crown 58 'Supramax' Bulk Carrier. The vessel has since been chartered to a third party in March 2013. This operation will contribute to the Group's results in the new financial year.

King Wan is also unlocking shareholders' value through the Share Sale Agreements signed with Kaset Thai Industry Sugar Company Limited (KTIS) on 25 April 2012. Under these Share Sale Agreements, King Wan had agreed to sell to KTIS its entire shareholding in Environment Pulp and Paper Company Limited (EPPCO) and Ekarat Pattana Company Limited (EPC), for a total consideration of THB1.224 billion (equivalent to approximately S$50.2 million), comprising 5 per cent in cash and the rest in listed KTIS shares. Barring unforeseen circumstances, KTIS shares are expected to list on the Stock Exchange of Thailand (SET).

INDUSTRY OUTLOOK

In May 2013, the Singapore Ministry of Trade and Industry announced that it will maintain its projections that the Singapore's economy is expected to grow by 1.0 to 3.0 per cent in 2013, reflecting a slow pickup in the Singapore economy.

Over the course of the year, externally-oriented sectors are expected to pick up in tandem with the gradual recovery in external demand, while construction and key services sectors such as finance and insurance and business services will continue to provide support to growth. This will directly impact the business environment that the Group is currently operating in.

According to the Building and Construction Authority, Singapore's total construction demand for 2013 is projected to be between S$26 billion and S$32 billion, with 53 per cent or S$14 billion to S$17 billion coming from the public sector. The higher public sector demand is due to the continued ramping up of public housing and infrastructure construction. This comes on the heels of the

"THE DEMAND FOR OUR M&E ENGINEERING BUSINESS CONTINUES TO LOOK POSITIVE. AS AT THE END OF MAY 2013, THE GROUP HAS A STRONG ORDER BOOK OF APPROXIMATELY S$166.6 MILLION WORTH OF M&E ENGINEERING CONTRACTS THAT WILL BE PROGRESSIVELY RECOGNISED OVER THE NEXT FEW YEARS."

sector's strong performance in 2012, where total construction demand was sustained at a robust S$28.1 billion. The projected demand for 2013 reflects a continued and sustained level of workload for the next few years. Thus, there is still a strong domestic construction demand that the Group can actively participate in.

For the property market, a number of cooling measures have been implemented over the past three years by the Singapore government to look into concerns over increasing property prices, and cool investment demand and speculative buying activities. These new measures have made a significant impact on the property market in the short-term. The Group will monitor the property market and evaluate opportunities prudently for its real estate and property investments. It will continue to explore any excellent opportunities for property developments with our partners and business associates.

As for the services business, the demand from outdoor public events and construction sites for our mobile chemical lavatories is expected to continue to provide a steady income for the Group.

LOOKING AHEAD STRATEGICALLY

Looking ahead to 2014, the demand for our M&E engineering business continues to look positive. As at the end of May 2013, the Group has a strong order book of approximately S$166.6 million worth of M&E engineering contracts that will be progressively recognised over the next few years. Our balance sheet remains in a healthy state with a positive working capital, positive net cash flows from operating activities, a healthy cash position, and continuous strong support from our bankers.

With a strong 36-year track record, King Wan continues to be one of Singapore's leading and preferred M&E engineering players in the market. It will continue to build upon its reputation as an integrated building services company, which provides reliable and efficient services to all its customers.

With the impending listing of the Group's two Thai associates, EPPCO and EPC, in the coming months, the financial position of the Group will be further boosted. With the resulting financial resources generated by the listing, we will be exploring new strategic investments that will add value to shareholders.

We will continue to focus on the markets we are now operating in and will also explore opportunities in other geographical markets and business segments.

A NOTE OF THANKS

On behalf of the Board, I would like to express my heartfelt thanks to our customers, business partners and associates for their invaluable support and partnership through the decades. I am also grateful for the confidence and trust that our shareholders have placed in the company. My sincere appreciation also goes out to the management team and all staff for their dedication and hard work in this past year.

Last but not least, I would also like to record my deepest gratitude to my fellow directors for their stewardship and wise counsel throughout the years, which have helped King Wan develop to what it is today. I believe that with the continuous support from all our stakeholders, we will continue to grow and expand our horizon in the years ahead.

CHUA KIM HUA
Chairman

GROUP STRUCTURE

AS AT 31 MARCH 2013

KING WAN CORPORATION LIMITED

- **100%** King Wan Development Pte Ltd (Singapore)
  - **35%** * Meadows Bright Development Pte Ltd (Singapore)
    - **50%** Bukit Timah Green Development Pte Ltd (Singapore)
    - **100%** Meadows Property Pte Ltd (Singapore)
  - **36.6%** Dalian Shicheng Property Development (S) Pte Ltd (Singapore)
    - **100%** Dalian Shicheng Property Development Co., Ltd (China)
  - **30%** S.I. Property Co., Ltd (Thailand)
- **100%** King Wan Construction Pte Ltd (Singapore)
- **100%** K&W Mobile Loo Services Pte Ltd (Singapore)
- **100%** King Wan Industries Pte Ltd (Singapore)
  - **49%** Chang Li Investments Pte Ltd (Singapore)
  - **49%** Soon Li Investments Pte Ltd (Singapore)
  - **49%** Li Ta Investments Pte Ltd (Singapore)
- **100%** Gold Topaz Pte Ltd (Singapore)
  - **30%** Gold Hyacinth Development Pte Ltd (Singapore)

* Increased to 40% on 29 April 2013

BOARD OF DIRECTORS

CHUA KIM HUA

Group Chairman
First appointed – 8 February 2000, re-appointed – 31 July 2012

Mr Chua Kim Hua, 73, 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 actively seeks 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).

CHUA HAI KUEY

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

Mr Chua Hai Kuey, 62, 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.

CHUA ENG ENG

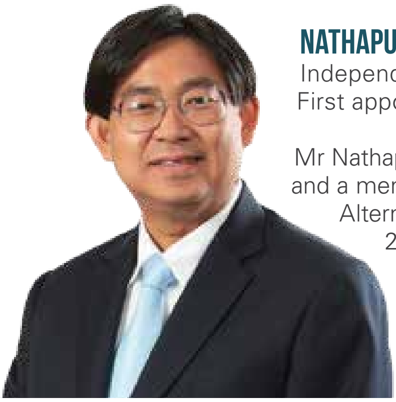
Managing Director
First appointed – 9 November 2000, re-elected – 29 July 2011

Ms Chua Eng Eng, 43, serves as the Managing Director of the Group. She is responsible for strategic operation, business development, corporate planning, and implementing policies and activities for 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.

GOH CHEE WEE

Independent Non-Executive Director
First appointed – 9 November 2000, re-elected – 28 July 2010

Mr Goh Chee Wee, 67, is an Independent Non-Executive Director. He is the Chairman of the Remuneration and the Nomination Committees 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.



NATHAPUN SIRIVIRIYAKUL

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

Mr Nathapun Siriviriyakul, 48, 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 Public Company Limited. Mr Siriviriyakul holds a Bachelor of Engineering from Chulalongkorn University and a Master of Business Administration from Washington State University.

LIM HOCK BENG

Independent Non-Executive Director
First appointed - 22 June 2001, re-appointed - 31 July 2012

Mr Lim Hock Beng, 73, 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 and Colex Holdings 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, 62, 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, 43, 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 Certified Public Accountants of Singapore.

WONG LAM LIM

Director
King Wan Construction Pte Ltd (KWC)

Mr Wong Lam Lim, 68, was appointed Director in 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).

ER SOON KIAT, JOE

Assistant General Manager
Air-conditioning & Mechanical Ventilation Division
King Wan Construction Pte Ltd (KWC)

Mr Er Soon Kiat, Joe, 43, has been the company's Assistant General Manager for the Air-conditioning & Mechanical Ventilation (ACMV) Division since July 2011. 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, Principal Project Manager.

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

Assistant General Manager
Plumbing and Sanitary Division
King Wan Construction Pte Ltd (KWC)

Mr Chua Kok Chuan, 41, has been the company's Assistant General Manager for the Plumbing and Sanitary (P&S) Division since July 2011. 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 Principal Project Manager, he has contributed significantly to the design, implementation and project management of the sanitary and plumbing component of the Group's building construction projects.

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

BUSINESS REVIEW

The Group's business currently spans across Singapore, China and Thailand. It operates in five main business segments:

- Mechanical and Electrical (M&E) Engineering
- Property Development
- Manufacturing (disposed during the year)
- Services
- Vessel Ownership and Chartering

MECHANICAL AND ELECTRICAL ENGINEERING

The Mechanical and Electrical Engineering Division 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 installation, fire protection, alarm systems, communications and security systems for the building and construction industry.

Since it was set up more than three decades ago, King Wan has established a firm foothold in the marketplace as one of the leaders of M&E engineering in the building and construction industry. Our ability to provide design and build capabilities for the full spectrum of M&E engineering services, our established track record and vast experience continue to place King Wan in a very competitive position to secure new contracts.

With many reputable contractors as our key customers and business partners, King Wan is active in both the public and private residential markets, commercial and industrial sectors.

Some of the Group's residential projects included Housing Development Board apartments such as:

- Skyline 1 and Skyline 11 @ Bukit Batok (Green Mark Award)
- Fajar Hills (Bukit Panjang N4 C15) (Green Mark Award)
- Fernvale Riverbow (Sengkang N4 C20) (Green Mark Award)
- Punggol Edge (Punggol East C44) (Green Mark Award)
- Rental flats at Sembawang N4 C27, Sengkang N3C26 and Yishun N2 C19 (Green Mark Award)

Some of the residential projects in the private sector included:

- Watercolours (Green Mark Award)
- The Skywoods (Green Mark Award)
- Fulcrum (Green Mark Award)
- Thomson Grand (Green Mark Award)
- The Scotts Tower (Green Mark Award)
- Parc Centros (Green Mark Award)

The Group is proud to have been awarded the Green Mark Award for all the projects listed above. The Green Mark Award is

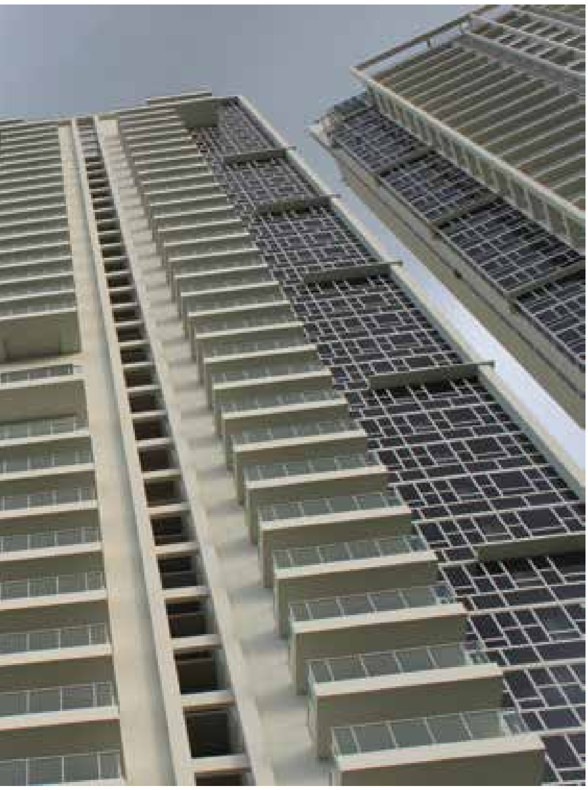
a benchmarking scheme incorporating internationally recognised best practices in environmental design and performance and is awarded by the Building and Construction Authority of Singapore.

The M&E engineering segment's revenue did well in the past financial year, increasing by 16 per cent to S$63.4 million, compared to S$54.7 million in financial year 2012. This accounted for 96 per cent of the Group's total turnover in the current financial year.

As at end May 2013, King Wan has amassed an order book of approximately S$166.6 million worth of M&E engineering contracts, which will be progressively recognised from years 2013 to 2016. Among these projects, S$28.4 million worth of contracts were secured from February to May 2013.

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 done through investments in associate companies, partnering with experienced parties.



In Singapore, the Group's 40 per cent owned Meadows Bright Development Pte Ltd (Meadows Bright) heads its property developments. In the financial year just ended, Meadows Bright, through its 50 per cent owned associate, Bukit Timah Green Pte Ltd, successfully tendered for and was awarded a site for residential development along Dairy Farm Road. The site will be used to develop a condominium project consisting of approximately 420 units. The project is planned for launch in August 2013 and 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. It was officially launched in August 2010 and is scheduled to be completed by mid-2014. More than 55 per cent of the units have been sold as of May 2013.

In China, the Group's 36.6 per cent owned Dalian Shicheng Property Development Co., Ltd which was set up in 2004, spearheads its property developments. Currently, it has a multi-phased mixed development at LuShunKou District in Dalian with a land area of approximately 240,000 square metres. The first six phases had been launched and were warmly received and the majority of units have been sold. It has since commenced the launch of phase 7 of the development, which consists of residential as well as shop front units. Depending on the local market conditions, phase 7 will be progressively launched into the market. Two more phases, comprising of commercial areas, are left for this development.

In Thailand, the Group is also making its presence into the real estate landscape through its associate company, SI Property Co., Ltd. This company 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.

MANUFACTURING

On 25 April 2012, the Group signed two share sale agreements with Kaset Thai Industry

Sugar Company Limited (KTIS), which is a company incorporated and operating in Thailand. In these agreements, King Wan agreed to sell its entire shareholding interests in Environment Pulp and Paper Company Limited (EPPCO) and Ekarat Pattana Company Limited (EPC), for THB 1.224 billion (approximately S$50.2 million), comprising 5 per cent in cash and the rest in listed KTIS shares. The sales would enable the Group to divest its stakes in EPPCO and EPC at an attractive premium and enable the Group to redirect funds into other strategic opportunities and further improve its cash flow and net asset value.

Barring any unforeseen circumstances, KTIS shares are expected to list on the Stock Exchange of Thailand (SET).

SERVICES

The Services Division provides rental and other services for mobile chemical lavatories and other facilities for construction worksites as well as public and nation-wide public events.

Established in 1996, K&W Mobile Loo Services Pte Ltd provides rental and cleaning services of portable chemical lavatories to the building and construction industry. King Wan owns more than 1,000 portable lavatories, making it 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 its revenue increasing by 17 per cent to S$2.89 million. Although its contribution to the Group's total revenue is only 4 per cent, it provides a diversified and steady income stream.

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

VESSEL OWNERSHIP & CHARTERING

In January 2013, King Wan ventured into a new business segment – vessel ownership and chartering. This is done through Gold Hyacinth Development Pte Ltd (Gold Hyacinth), a 30 per cent associate company held via the Group's wholly owned subsidiary, Gold Topaz Pte Ltd. The Group's first purchase is a new Crown 58 'Supramax' Bulk Carrier, named "Hai Jin", which is designed and built to carry commodities and has a deadweight of 58,000 tons and a net tonnage of 19,582 tons. Gold Hyacinth has commenced operations in March 2013 by chartering the vessel to a third party on a time charter basis. We believe that this new venture will contribute to the Group's results in the new financial year.

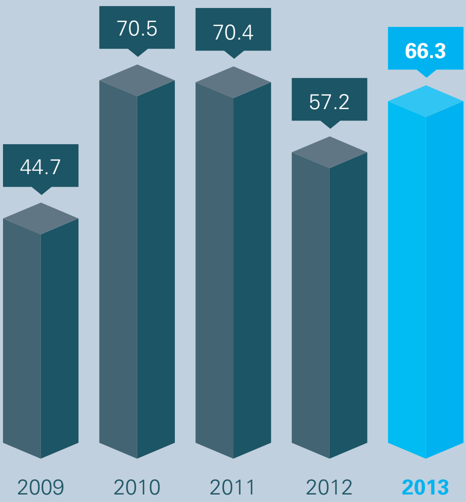
FIVE-YEAR FINANCIAL HIGHLIGHTS

YEAR ENDED 31 MARCH

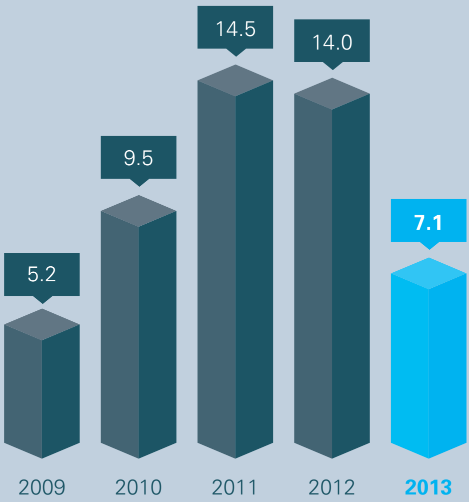
	2009 (S$million)	2010 (S$million)	2011 (S$million)	2012 (S$million)	2013 (S$million)
Profit & Loss Account					
Turnover	44.7	70.5	70.4	57.2	66.3
Net Profit after Tax	5.2	9.5	14.5	14.0	7.1
Balance Sheet					
Fixed Assets	13.5	12.7	11.5	5.9	5.3
Current and Other Assets	72.0	86.7	89.4	101.1	120.6
Total Assets	**85.5**	**99.4**	**100.9**	**107.0**	**125.9**
Short and Long Term Borrowings	13.6	16.6	8.4	6.1	15.5
Other Liabilities	11.1	18.0	17.2	17.3	25.5
Total Liabilities	24.7	34.6	25.6	23.4	41.0
Shareholders' funds	60.8	64.8	75.3	83.6	84.9
Total Reserves & Liabilities	**85.5**	**99.4**	**100.9**	**107.0**	**125.9**
Net Working capital	10.1	15.8	24.9	26.9	18.8
Per Share Data (Cents)					
No of Shares	349,176,870	349,176,870	349,176,870	349,176,870	349,176,870
EPS (Basic)	1.50	2.72	4.15	4.01	2.02
Net Assets	17.41	18.56	21.56	23.95	24.31
Dividend paid/payable (net)	-	0.29	1.30	1.50	1.50
Financial Ratios					
Return on Shareholders' Funds	8.6%	14.7%	19.2%	16.7%	8.3%
Return on Total Assets Employed	6.1%	9.6%	14.4%	13.1%	5.6%
Gross Debt to Total-Equity Ratio	22.3%	23.6%	11.4%	7.3%	18.3%
Dividend Payout	-	10.7%	31.3%	37.4%	74.3%
Dividend Cover (times)	-	9.37	3.19	2.67	1.35

FINANCIAL CHARTS

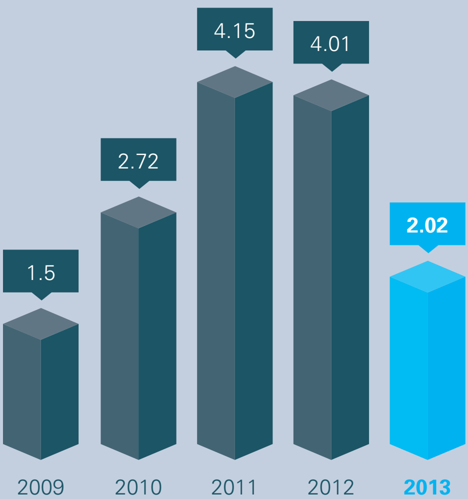
TURNOVER
(S$MILLION)



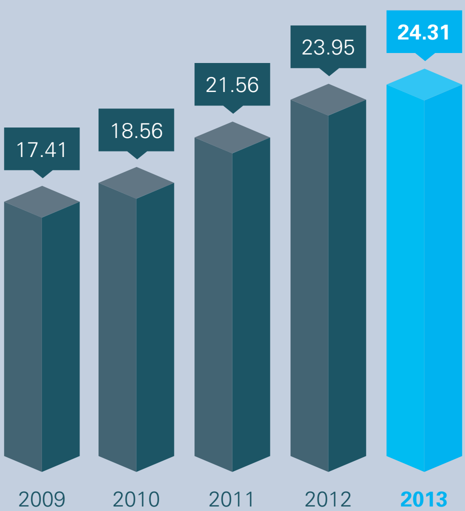
NET PROFIT AFTER TAX
(S$MILLION)



EARNINGS PER SHARE
(CENTS)

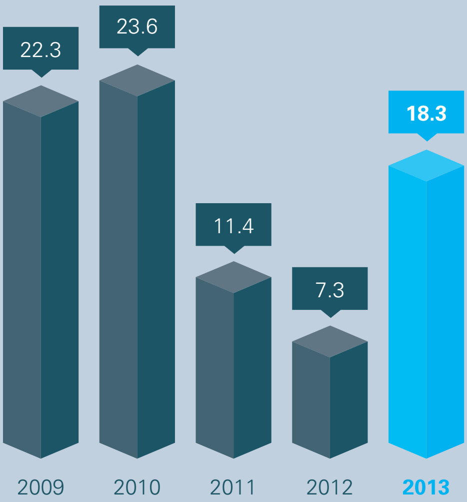


NTA PER SHARE
(CENTS)



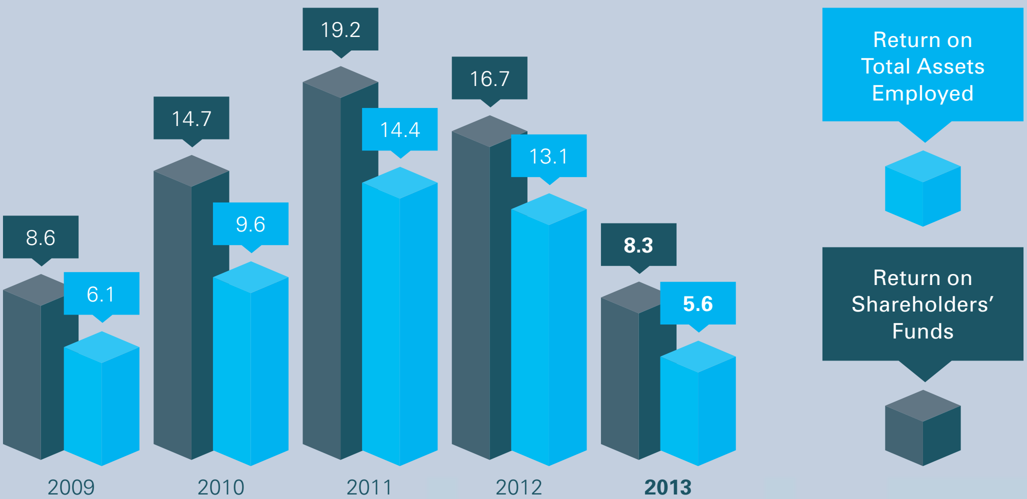
GROSS DEBT TO TOTAL-EQUITY RATIO

(%)



OTHER FINANCIAL RATIOS

(%)



CORPORATE INFORMATION

BOARD OF DIRECTORS
Chua Kim Hua (Chairman)
Chua Eng Eng (Managing Director)
Chua Hai Kuey
Lim Hock Beng
Goh Chee Wee
Nathapun Siriviriyakul

LEAD INDEPENDENT DIRECTOR
Lim Hock Beng

AUDIT COMMITTEE
Lim Hock Beng (Chairman)
Goh Chee Wee
Nathapun Siriviriyakul

REMUNERATION COMMITTEE
Goh Chee Wee (Chairman)
Lim Hock Beng
Nathapun Siriviriyakul

NOMINATION COMMITTEE
Goh Chee Wee (Chairman)
Lim Hock Beng
Chua Kim Hua

COMPANY SECRETARY
Eliza Lim Bee Lian, ACIS

AUDITORS
Deloitte & Touche LLP
Certified Public Accountants
6 Shenton Way
#32-00, Tower Two
Singapore 068809

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

SHARE 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

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

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EXPANDING OUR HORIZON

FINANCIALS 2013

KING WAN CORPORATION LIMITED

FINANCIAL CONTENTS

REPORT OF THE DIRECTORS

The directors present their report together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended March 31, 2013.

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:

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, 2013 were the same at March 31, 2013.

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 option

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 five 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.

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 15, 2013

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 66 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, 2013, 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 15, 2013

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 statements of financial position of the Group and the Company as at March 31, 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 66.

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 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, 2013, 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.

Public Accountants and
Chartered Accountants
Singapore

July 15, 2013

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2013

	Note	Group		Company	
		2013	2012	2013	2012
		$	$	$	$
ASSETS					
Current assets					
Cash and cash equivalents	6	16,712,439	28,690,341	5,235,498	10,077,655
Trade receivables	7	7,808,456	9,285,830	-	-
Other receivables and prepayments	8	259,593	2,202,023	8,050	7,150
Amount due from subsidiaries	9	-	-	17,013,402	14,162,092
Held-for-trading investments	10	457,645	301,938	-	-
Inventories	11	1,132,952	1,269,500	-	-
Construction work-in-progress	12	11,483,202	7,680,142	-	-
		37,854,287	49,429,774	22,256,950	24,246,897
Non-current assets classified as held for sale	13	21,642,772	-	9,840,000	-
Total current assets		59,497,059	49,429,774	32,096,950	24,246,897
Non-current assets					
Other receivables	8	49,059,489	17,441,315	-	-
Property, plant and equipment	14	5,263,286	5,916,328	-	-
Investment in subsidiaries	16	-	-	35,088,297	34,230,187
Investment in associates	17	12,042,006	34,239,652	1,420,303	9,840,000
Total non-current assets		66,364,781	57,597,295	36,508,600	44,070,187
Total assets		125,861,840	107,027,069	68,605,550	68,317,084

STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2013

	Note	Group		Company	
		2013	2012	2013	2012
		$	$	$	$
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	18	7,624,745	3,619,893	-	-
Construction work-in-progress	12	4,144,535	3,486,139	-	-
Trade payables and bills payables	19	15,737,642	6,109,675	-	-
Other payables	20	5,459,417	2,245,159	3,600,006	1,082,847
Current portion of finance leases	21	55,658	55,658	-	-
Amount due to a subsidiary	22	-	-	6,037,599	5,562,295
Accrual for contract costs	23	6,063,013	4,991,180	-	-
Income tax payable		1,657,989	2,058,491	92,835	312,647
Total current liabilities		40,742,999	22,566,195	9,730,440	6,957,789
Non-current liabilities					
Bank borrowings	18	-	624,369	-	-
Finance leases	21	53,823	109,481	-	-
Deferred tax liabilities	25	194,859	89,859	-	-
Total non-current liabilities		248,682	823,709	-	-
Capital and reserves					
Share capital	26	46,813,734	46,813,734	46,813,734	46,813,734
Retained earnings		39,995,988	38,181,451	12,061,376	14,545,561
Foreign currency translation reserve	27	(1,939,563)	(1,358,020)	-	-
Total equity		84,870,159	83,637,165	58,875,110	61,359,295
Total liabilities and equity		125,861,840	107,027,069	68,605,550	68,317,084

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED MARCH 31, 2013

	Note	Group 2013	2012
		$	$
Continuing operations			
Revenue	28	66,304,621	57,211,850
Cost of sales		(54,935,363)	(43,615,665)
Gross profit		11,369,258	13,596,185
Other operating income	29	3,415,627	3,084,921
Administrative expenses		(6,315,066)	(7,686,754)
Share of (loss) profit of associates	17	(567,082)	50,805
Finance costs	30	(228,031)	(237,087)
Profit before income tax		7,674,706	8,808,070
Income tax	31	(1,533,322)	(2,014,763)
Profit for the year from continuing operations	32	6,141,384	6,793,307
Discontinued operations			
Profit for the year from discontinued operations – share of profit of associates	17	910,806	7,215,822
Total profit for the year	32	7,052,190	14,009,129
Other comprehensive income:			
Exchange differences on translation of foreign operations (associates)		(581,543)	(1,116,914)
Total comprehensive income for the year		6,470,647	12,892,215
Earnings per share (cents)			
From continuing and discontinued operations			
Basic	33	2.02	4.01
Diluted	33	2.02	4.01
From continuing operations			
Basic	33	1.76	1.95
Diluted	33	1.76	1.95

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2013

	Share capital	Retained earnings	Foreign currency translation reserve	Total
	$	$	$	$
Group				
Balance at April 1, 2011	46,813,734	28,711,621	(241,106)	75,284,249
Total comprehensive income for the financial year	-	14,009,129	(1,116,914)	12,892,215
Dividends (Note 34)	-	(4,539,299)	-	(4,539,299)
Balance at March 31, 2012	46,813,734	38,181,451	(1,358,020)	83,637,165
Total comprehensive income for the financial year	-	7,052,190	(581,543)	6,470,647
Dividends (Note 34)	-	(5,237,653)	-	(5,237,653)
Balance at March 31, 2013	46,813,734	39,995,988	(1,939,563)	84,870,159

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED MARCH 31, 2013

	Share capital	Retained earnings	Total
	$	$	$
Company			
Balance at April 1, 2011	46,813,734	8,654,641	55,468,375
Total comprehensive income for the financial year	-	10,430,219	10,430,219
Dividends (Note 34)	-	(4,539,299)	(4,539,299)
Balance at March 31, 2012	46,813,734	14,545,561	61,359,295
Total comprehensive income for the financial year	-	2,753,468	2,753,468
Dividends (Note 34)	-	(5,237,653)	(5,237,653)
Balance at March 31, 2013	46,813,734	12,061,376	58,875,110

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2013

	Group	
	2013	2012
	$	$
Operating activities		
Profit before income tax (Note 31)	8,585,512	16,023,892
Adjustments for:		
Depreciation of property, plant and equipment	997,313	1,177,468
Net reversal of allowance for doubtful trade receivables	(743,171)	(21,567)
Bad debts written off on trade receivables	10,268	26,499
Bad debts written off on other receivables	-	22,552
Net reversal of allowance for inventories obsolescence	(366)	(6,198)
Change in fair value of held-for-trading investments	(155,707)	37,371
Gain on disposal of held-for-trading investments	-	(35,018)
Interest income	(1,421,883)	(303,527)
Interest expense	228,031	237,087
Loss (Gain) on disposal of property, plant and equipment	47,982	(153,084)
Gain on disposal of investment property	-	(1,137,278)
Dividend income from held-for-trading investments	(11,665)	(504)
Share of associates' loss (profit)	(343,724)	(7,266,627)
Inventories written off	-	1,554
Fee income from financial guarantee to associates	(420,557)	-
Operating cash flows before movements in working capital	6,772,033	8,602,620
Trade receivables	2,210,277	(529,552)
Other receivables and prepayments	(206,810)	189,710
Construction work-in-progress	(3,137,735)	(2,435,501)
Inventories	136,914	(497,355)
Trade payables and bills payables	9,627,967	(2,282,582)
Other payables	(381,704)	(118,111)
Accrual for contract costs	1,071,833	1,026,156
Cash generated from operations	16,092,775	3,955,385
Income taxes paid	(1,828,824)	(1,192,764)
Interest paid	(228,031)	(237,087)
Net cash from operating activities	14,035,920	2,525,534

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2013

	Group	
	2013	2012
	$	$
Investing activities		
Interest received	214,138	51,039
Investment in associates	(30,000)	(980)
Advances to associates	(30,161,021)	(9,957,900)
Dividends received from held-for-trading investments	11,665	504
Dividends received from associates	3,667,678	12,739,125
Purchase of property, plant and equipment [Note (a)]	(425,920)	(994,609)
Purchase of held-for-trading investments	-	(476,000)
Proceeds from disposal of investment property	-	6,600,000
Proceeds from the disposal of property, plant and equipment	26,738	190,019
Proceeds from disposal of held-for-trading investments	-	250,682
Advance received from sale of associates	2,595,728	-
Net cash (used in) from investing activities	(24,100,994)	8,401,880
Financing activities		
Dividends paid	(5,237,653)	(4,539,299)
Repayments of obligations under finance leases	(55,658)	(38,989)
Proceeds from (Repayments of) bank borrowings	3,380,483	(1,064,776)
Net cash used in financing activities	(1,912,828)	(5,643,064)
Net (decrease) increase in cash and cash equivalents	(11,977,902)	5,284,350
Cash and cash equivalents at the beginning of the year	28,690,341	23,405,991
Cash and cash equivalents at end of the year (Note 6)	16,712,439	28,690,341

Note (a):

	2013	2012
	$	$
Purchase of property, plant and equipment	(425,920)	(1,094,609)
Less: Assets purchase under finance leases	-	100,000
Net (Note 14)	(425,920)	(994,609)

See accompanying notes to financial statements.

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 an investment holding company. The subsidiaries and associates in the Group are principally engaged in activities as disclosed in Notes 16 and 17 to the financial statements respectively.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended March 31, 2013 were authorised for issue by the Board of Directors on July 15, 2013.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

ADOPTION OF NEW AND REVISED STANDARDS – On April 1, 2012, 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 amount reported for the current or prior years.

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 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 extent of additional disclosures needed.

FRS 113 *Fair Value Measurement*

FRS 113 is a single new Standard that applies to both financial and non-financial items. It replaces the guidance on fair value measurement and related disclosures in other Standards, with the exception of measurement dealt with under FRS 102 *Share-based Payment*, FRS 17 *Leases*, net realisable value in FRS 2 *Inventories* and value-in-use in FRS 36 *Impairment of Assets*.

FRS 113 provides a common fair value definition and hierarchy applicable to the fair value measurement of assets, liabilities, and an entity's own equity instruments within its scope, but does not change the requirements in other Standards regarding which items should be measured or disclosed at fair value.

The disclosure requirements in FRS 113 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under FRS 107 Financial Instruments: Disclosures will be extended by FRS 113 to cover all assets and liabilities within its scope.

FRS 113 will be effective prospectively from annual periods beginning on or after January 1, 2013. Comparative information is not required for periods before initial application.

Management anticipates that the application of FRS 113 may affect certain amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

Consequential amendments were also made to various standards as a result of these new/revised standards. Other than as disclosed above, 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 and associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (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 or expense is recognised on an effective interest basis for debt instruments.

Financial assets

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

Other financial assets are classified into trade and other receivables and amounts due from subsidiaries, and other investments. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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
- it is a 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.

Investments held for trading are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in profit or loss for the period.

Trade and other receivables and amounts due from subsidiaries

Trade and other receivables and amounts 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 recognition of interest would be immaterial.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For 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.

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 investment 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

<u>Equity instruments</u>

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.

<u>Financial liabilities</u>

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 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*.

<u>Derecognition of financial liabilities</u>

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

<u>Derivative financial instruments</u>

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.

<u>The Group as lessor</u>

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 on a straight-line basis over the lease term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group as lessee

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

Finance charges are charged directly to the profit or loss, 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. 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 the 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. Allowance is made where necessary for obsolete, slow-moving and defective inventories.

CONSTRUCTION CONTRACTS – Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that 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.

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 buildings and properties	-	over the terms of the lease which are from 2% to $3^1/_3$%
Plant and machinery	-	5% to 20%
Office equipment	-	10% to $33^1/_3$%
Motor vehicles	-	10% to 20%
Portable toilets	-	20%

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

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

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.

INVESTMENT PROPERTY – Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation and any accumulated impairment losses where the carrying amount of the investment property is estimated to be lower than its recoverable amount.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

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

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

<u>Accrual for profit sharing</u>

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.

<u>Provision for rectification costs</u>

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 leasses is described above.

Management fee income

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

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

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect 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.

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

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of 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 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 from equity to profit or loss when the gain or loss on disposal is recognised.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities) 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 and fixed deposits and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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 $35,088,297 (2012 : $34,230,187) as at March 31, 2013.

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 17 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.

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

Construction contracts

Revenue and profit recognition on uncompleted projects are dependent on estimating the total outcome of the construction contract, as well as work done to date. Actual outcome in terms of actual costs or revenue may be higher or lower than estimated at the 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, 2013, management considered that all costs to complete and revenue can be reliably estimated. As at March 31, 2013, the carrying amount of the Group's net construction work-in-progress amounted to $7,338,667 (2012 : $4,194,003) as disclosed in Note 12 to the financial statements.

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, 2013, the Group has provided rectification costs of $1,062,119 (2012 : $793,933) in respect of certain completed projects as disclosed in Note 23 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, 2013 and 2012, the Group has assessed that no provision for foreseeable losses is necessary (see Note 12).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2013	2012	2013	2012
	$	$	$	$
FINANCIAL ASSETS				
Loans and receivables (including cash and cash equivalents):				
- Cash and cash equivalents	16,712,439	28,690,341	5,235,498	10,077,655
- Trade receivables	7,808,456	9,285,830	-	-
- Other receivables (excluding prepayments)	49,271,411	19,605,915	-	-
- Amount due from subsidiaries	-	-	17,013,402	14,162,092
	73,792,306	57,582,086	22,248,900	24,239,747
Fair value through profit and loss (FVTPL):				
- Held for trading	457,645	301,938	-	-
FINANCIAL LIABILITIES				
Amortised cost:				
- Bank borrowings	7,624,745	4,244,262	-	-
- Trade payables and bills payables	15,737,642	6,109,675	-	-
- Other payables	5,459,417	2,245,159	3,600,006	1,082,847
- Accrual for contract costs	5,000,894	4,197,247	-	-
- Amount due to a subsidiary	-	-	6,037,599	5,562,295
- Finance leases	109,481	165,139	-	-
	33,932,179	16,961,482	9,637,605	6,645,142

(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.

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. 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's associates operate mainly in Singapore, Thailand 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). Following the classification of investment in Thailand associates to non-current assets classified as held for sale (Note 13), the Group's exposure to currency translation risk on the net assets in Thailand is minimal. The effects on the Group's other equity arising from the effects of reasonably possible changes to foreign currency risk at the end of the reporting period are shown below.

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 35 to the financial statements.

Foreign currency sensitivity analysis

The following analyses detail the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

If the Singapore dollar strengthens/weakens by 5% against the Thai Baht with all other variables held constant, the Group's other equity will decrease/increase by $Nil (2012 : $1,280,000) respectively.

The effects on the Group's other equity from the change in Renminbi are not material.

(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 of the finance lease is disclosed in Note 21 to the financial statements. The Group does not have interest rate hedge policy and management monitors interest rate exposure closely.

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

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, 2013 would decrease/increase by $74,723 (2012 : $20,742).

(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, 2013 would increase/decrease by $45,765 (2012 : $30,194).

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

(iv) Credit risk management

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

The Group maintains an allowance for doubtful 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 $48,965,249 (2012 : $19,496,315) and the Company has a balance from related companies of $17,013,402 (2012: $14,162,092).

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 and 36 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.

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						
2013						
Non-interest bearing	-	14,697,437	25,929,021	-	-	40,626,458
Fixed interest rate instruments	3.41	10,268,905	25,540,534	-	(2,643,591)	33,165,848
		24,966,342	51,469,555	-	(2,643,591)	73,792,306
2012						
Non-interest bearing	-	17,396,814	5,740,000	-	-	23,136,814
Fixed interest rate instruments	2.10	23,283,677	14,195,160	-	(3,033,565)	34,445,272
		40,680,491	19,935,160	-	(3,033,565)	57,582,086
Company						
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
2012						
Non-interest bearing	-	15,239,747	-	-	-	15,239,747
Fixed interest rate instruments	0.70	9,059,522	-	-	(59,522)	9,000,000
		24,299,269	-	-	(59,522)	24,239,747

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						
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
Finance guarantee contract	-	118,521,579	-	-	(117,521,836)	999,743
		151,475,073	59,699	-	(117,602,593)	33,932,179
2012						
Non-interest bearing	-	10,903,719	-	-	-	10,903,719
Variable interest rate instruments	2.73	4,193,241	-	-	(44,879)	4,148,362
Fixed interest rate instruments	5.00	1,181,840	637,401	-	(74,979)	1,744,262
Finance lease liability (fixed rate)	4.19	60,600	120,299	-	(15,760)	165,139
		16,339,400	757,700	-	(135,618)	16,961,482
Company						
2013						
Non-interest bearing	-	8,607,588	-	-	-	8,607,588
Finance guarantee contract	-	137,763,009	-	-	(136,732,992)	1,030,017
		146,370,597	-	-	(136,732,992)	9,637,605
2012						
Non-interest bearing	-	6,645,142	-	-	-	6,645,142

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. At March 31, 2013, the total notional amount of outstanding forward foreign exchange contracts for the period from May to December 2013 (2012 : April 2012 to March 2013) to which the Company is committed is $1,113,200 (2012 : $1,662,400).

(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:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

	Total
	$
March 31, 2013	
Financial assets	
Fair value through profit or loss (FVTPL):	
Held-for-trading investments	457,645
March 31, 2012	
Financial assets	
Fair value through profit or loss (FVTPL):	
Held-for-trading investments	301,938

The Group had no financial liabilities carried at fair value as at March 31, 2013, and March 31, 2012.

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

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
2012			
Forward currency contracts	April 2012 to March 2013	1,662,400	13,533

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

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 2012.

(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 Note 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 2012.

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	
	2013	2012
	$	$
Rental income from an associate	(3,696)	-
Rental income from a director	-	(14,420)
Interest income from an associate	(1,207,745)	(252,488)
Management fee income from an associate	(71,089)	(60,000)

In addition to the above, 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 during the financial year (Note 13).

Loans amounting to $4.2 million were advanced to certain 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	
	2013	2012
	$	$
Directors' and key management's remuneration:		
- Short-term benefits	3,055,204	3,051,532
- Post-employment benefits	103,250	85,530
	3,158,454	3,137,062
Directors' fees	176,000	146,500
	3,334,454	3,283,562

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

6 CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2013	2012	2013	2012
	$	$	$	$
Cash and bank balances	11,460,984	16,526,372	1,135,691	1,077,655
Fixed deposits	5,251,455	12,163,969	4,099,807	9,000,000
	16,712,439	28,690,341	5,235,498	10,077,655

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 0.43% to 2.05% per annum (2012 : 0.37% to 4.29% per annum) and for a tenure of approximately 14 to 91 days (2012 : 30 to 396 days).

The Group and Company's significant cash and cash equivalents that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2013	2012	2013	2012
	$	$	$	$
United States dollars	71,135	36,961	-	-
Australian dollars	356,840	171,582	-	-
Thai Baht	4,770,993	-	4,114,476	-

7 TRADE RECEIVABLES

	Group	
	2013	2012
	$	$
Accrued trade receivables for construction contracts	5,728,346	6,662,026
Amounts receivable from construction contract customers	2,640,383	4,048,450
Amounts receivable from rendering of services	746,326	625,124
Less: Allowance for doubtful debts	(1,306,599)	(2,049,770)
Net	7,808,456	9,285,830

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 (2012 : 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.

Included in the Group's trade receivables balance are debtors with a carrying amount of $560,193 (2012 : $2,515,808) 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 51 days (2012 : 73 days). The above analysis does not include the accrued trade receivables for construction contracts of $5,728,346 (2012 : $6,662,026) 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.

7 TRADE RECEIVABLES (cont'd)

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 8 debtor (2012 : 9 debtors) that individually represent more than 5% of the total balance of trade receivables.

At March 31, 2013, retention monies held by customers for contract work amounted to $1,001,213 (2012 : $408,123). Retention sum of $359,250 (2012 : $314,500) 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	
	2013	2012
	$	$
< 3 months	541,729	2,343,695
3 months to 6 months	18,464	71,295
6 months to 9 months	-	15,034
> 12 months	-	85,784
Net	560,193	2,515,808

Movement in the allowance for doubtful debts:

	Group	
	2013	2012
	$	$
Balance at beginning of the year	2,049,770	2,094,623
Amounts written off during the year	-	(23,286)
Decrease in allowance recognised in profit or loss	(743,171)	(21,567)
Balance at end of the year	1,306,599	2,049,770

At March 31, 2013, reversal of allowance for doubtful debts amounting to $743,171 (2012 : $21,567) was a result of subsequent repayments made by certain customers.

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2013	2012	2013	2012
	$	$	$	$
Current:				
Loans to associates (Note 17)	-	2,055,000	-	-
Other receivables	15,717	42,934	-	-
Prepayments	47,671	37,423	8,050	7,150
Advances to staff	300	300	-	-
Deposits	195,905	66,366	-	-
Total	259,593	2,202,023	8,050	7,150
Non-current:				
Loans to associates (Note 17)	48,965,249	17,441,315	-	-
Deposits	94,240	-	-	-
Total	49,059,489	17,441,315	-	-

Loans to an associate amounting to $22,932,550 (2012 : $11,266,000) are unsecured, repayable on demand and bear an interest of 2.50% to 5.25% (2012 : 5.00% 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 $48,965,249 (2012 : $17,441,315) 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	
	2013	2012
	$	$
Loans to subsidiaries - non-trade (Note 16)	17,013,402	14,162,092

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.

10 HELD-FOR-TRADING INVESTMENTS

	Group	
	2013	2012
	$	$
Balance at beginning of the year	301,938	78,973
Additions during the year	-	476,000
Disposals during the year	-	(215,664)
Fair value change on held-for-trading investments	155,707	(37,371)
Balance at end of the year	457,645	301,938

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

The Group and Company's significant held-for-trading investments that are not denominated in the functional currencies of the respective entities are as follows:

	Group	
	2013	2012
	$	$
Malaysian ringgit	60,952	61,008

11 INVENTORIES

	Group	
	2013	2012
	$	$
Raw materials and consumables	1,273,413	1,410,327
Less: Allowance for inventories obsolescence	(140,461)	(140,827)
	1,132,952	1,269,500

Movement in the allowance for inventories obsolescence:

	Group	
	2013	2012
	$	$
Balance at beginning of the year	140,827	147,025
Decrease in allowance recognised in profit or loss	(366)	(6,198)
Balance at end of the year	140,461	140,827

12 CONSTRUCTION WORK-IN-PROGRESS

	Group	
	2013	2012
	$	$
Contract costs incurred plus recognised profits (less recognised losses to date)	78,946,746	80,771,344
Less: Progress billing	(71,608,079)	(76,577,341)
	7,338,667	4,194,003
Contracts-in-progress at end of the reporting period:		
Amounts due from contract customers	11,483,202	7,680,142
Amounts due to contract customers	(4,144,535)	(3,486,139)
	7,338,667	4,194,003

During the financial years ended March 31, 2013 and March 31, 2012, 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.

The management expects the share sale transactions to be completed within the next 12 months. Accordingly, the Group has ceased to equity account its share of associates' results by June 30, 2012, and the investment in associates amounting to $21,642,772 has been classified as a disposal group held for sale and are presented separately in the statement of financial position. As at March 31, 2013, the Group's share of associates' profit is $910,806 (2012: $7,215,822).

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.

The Group had received 5% of the consideration amounting to $2,595,728 from Kaset Thai in cash during the financial year (Note 20). The remaining 95% of the consideration for the proposed disposal will be paid by way of shares in Kaset Thai in accordance with the share sale agreements.

Subsequent to financial year end, the Company and KWI had agreed and signed separate supplemental deeds with Kaset Thai to extend the expiry date of the share sale agreements for a period of 3 months from June 24, 2013.

14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings and properties	Plant and machinery	Office equipment	Motor vehicles	Portable toilets	Total
	$	$	$	$	$	$
Group						
Cost:						
At April 1, 2011	8,277,542	1,320,322	1,249,680	3,331,309	1,595,223	15,774,076
Additions	1,781	62,779	127,409	902,489	151	1,094,609
Disposals	-	(84,854)	(28,231)	(499,226)	(14,807)	(627,118)
At March 31, 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
Accumulated depreciation:						
At April 1, 2011	4,718,867	963,022	833,417	2,045,627	1,394,939	9,955,872
Depreciation for the year [1]	356,944	50,537	102,718	354,916	94,435	959,550
Disposals	-	(81,048)	(24,657)	(469,171)	(15,307)	(590,183)
At March 31, 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
Carrying amount:						
At March 31, 2013	2,846,469	292,687	372,363	1,668,374	83,393	5,263,286
At March 31, 2012	3,203,512	365,736	437,380	1,803,200	106,500	5,916,328

Certain plant and equipment with carrying amount of $327,588 (2012 : $440,763) are secured under finance leases.

(1) Included herein are depreciation expenses amounting to $6,929 (2012 : $9,696) 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

15 INVESTMENT PROPERTY

	Group 2012 $
Cost:	
At beginning of the year	11,600,794
Disposal	(11,600,794)
At end of financial year	-
Accumulated depreciation:	
At beginning of financial year	5,910,458
Depreciation for the financial year	227,614
Disposal	(6,138,072)
At end of financial year	-
Carrying amount:	
At beginning of financial year	5,690,336
At end of financial year	-

Details of the investment property disposed by the Group are set out below:

Location	Description	Area	Tenure
22 Jurong Port Road Singapore 619114	4-storey factory with a basement carpark on leased land from JTC	5,940 sq metre	Lease term of 28 years from August 1, 1996

The property rental income earned by the Group from its investment property amounted to $Nil (2012 : $327,345).

Direct operating expenses arising on the investment property in the year amounted to $Nil (2012 : $153,772).

The Group disposed of the investment property to a third party for a cash consideration of $6,600,000 in September 2011. A resultant gain amounting to $1,137,278 was recognised in profit or loss for the year ended March 31, 2012 (Note 29).

16 INVESTMENT IN SUBSIDIARIES

	Company	
	2013	2012
	$	$
Unquoted equity shares - at cost	34,940,187	34,230,187
Deemed investment arising from financial guarantees provided to banks on behalf of a subsidiary	148,110	-
	35,088,297	34,230,187

Assessment of impairment in investment in subsidiaries is carried out at the end of each reporting period. For the years ended March 31, 2012 and March 31, 2013, management has assessed that no allowance for impairment was required.

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	
		2013	2012
		%	%
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 and property development/ Singapore	100	100
Gold Topaz Pte. Ltd. [(1)] [(3)]	Investment holding/ Singapore	100	-

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

(2) During the year, the Company had increased its paid-up and issued share capital to $700,000 (2012: $20,000) by way of capitalisation of loan to K & W Mobile Loo Services Pte Ltd amounting to $680,000.

(3) On December 11, 2012, the Company had incorporated a wholly owned subsidiary, Gold Topaz Pte. Ltd., in Singapore.

17 INVESTMENT IN ASSOCIATES

	Group		Company	
	2013	2012	2013	2012
	$	$	$	$
Unquoted equity shares				
- at cost	10,815,346	22,787,577	-	9,840,000
Share of post-acquisition accumulated results net of dividends received	(2,155,587)	12,783,195	-	-
Share of foreign currency translation reserve	62,113	(1,331,120)	-	-
Excess of nominal value over fair value of advances given to associates	1,899,831	-	-	-
Deemed investment arising from financial guarantees provided to banks on behalf of Group's associates	1,420,303	-	1,420,303	-
Net	12,042,006	34,239,652	1,420,303	9,840,000

Carrying value as at year end includes goodwill on acquisition amounting to $424,633 (March 31, 2012 : $616,103).

Assessment of impairment in associates is carried out at the end of each reporting period. For the years ended March 31, 2012 and March 31, 2013, management has assessed that allowance for impairment was not required.

The associates of the Group are set out below:

Name of associates	Principal activities/ Place of operation and country of incorporation	Proportion of ownership interest and voting power held	
		2013	2012
		%	%
Meadows Bright Development Pte Ltd [1]	Property development/ Singapore	35	35
Meadows Property (Singapore) Pte Ltd [2]	Property development/ Singapore	35	35
Dalian Shicheng Property Development (S) Pte. Ltd. [3]	Property development and investment holding/ Singapore	36.6	36.6
Dalian Shicheng Property Development Co., Ltd [3]	Development, marketing, sale and management of residential and commercial properties/ People's Republic of China	36.6	36.6
Environment Pulp & Paper Company Ltd [4] [9]	Production and sale of chemically bleached bagasse pulp/ Thailand	20	20
Ekarat Pattana Company Ltd [4] [9]	Production, distribution and sale of ethanol/ Thailand	20	20

17 INVESTMENT IN ASSOCIATES (cont'd)

Name of associates	Principal activities/ Place of operation and country of incorporation	Proportion of ownership interest and voting power held	
		2013	2012
		%	%
S.I. Property Co. Ltd. [5]	Owner and rental of office and commercial space/ Bangkok	30	30
Chang Li Investments Pte. Ltd. [7]	Investment holding/ Singapore	49	49
Li Ta Investments Pte. Ltd. [7]	Investment holding/ Singapore	49	49
Soon Li Investments Pte. Ltd. [6] [7]	Investment holding/ Singapore	49	-
Gold Hyacinth Development Pte. Ltd. [8]	Chartering of vessels/ Singapore	30	-

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

(2) 100% owned by the Group's associate, Meadows Bright Development Pte Ltd. Audited by Deloitte & Touche LLP, Singapore.

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

Dalian Shicheng Property Development (S) Pte. Ltd. is audited by Deloitte & Touche LLP, Singapore.

(4) Audited by PriceWaterHouseCoopers ABAS Ltd, Thailand.

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

(6) In January 2013, a shareholder of the Company transferred 49% shareholding in Soon Li Investments Pte. Ltd. to the Group's wholly owned subsidiary, King Wan Industries Pte Ltd.

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

(8) Gold Hyacinth Development Pte. Ltd. ("GHD") was incorporated on April 27, 2012. GHD is 30% owned by the Company's subsidiary, Gold Topaz Pte. Ltd. Audited by Deloitte & Touche LLP, Singapore.

(9) 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.

17 INVESTMENT IN ASSOCIATES (cont'd)

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

	2013	2012
	$	$
Total assets	328,278,671	448,972,878
Total liabilities	(309,328,274)	(320,059,820)
Net assets	18,950,397	128,913,058
Group's share of associates' net assets	6,559,605	33,623,549
Revenue	43,881,627	204,868,213
(Loss) Profit for the financial year	(6,740,049)	36,439,401
Group's share of associates' (loss) profit for the financial year:		
Continuing operations	(567,082)	50,805
Discontinued operations	910,806	7,215,822
	343,724	7,266,627

18 BANK BORROWINGS

	Group	
	2013	2012
	$	$
Short-term bank borrowings	7,000,000	2,500,000
Long-term bank borrowings:		
Current	624,745	1,119,893
Non-current	-	624,369
	7,624,745	4,244,262

The short-term bank borrowings extended by a bank to a subsidiary of the Company, King Wan Construction Pte Ltd, are on a 1 to 6 month revolving basis and are borrowed for the purpose of short- term cash commitments. The borrowings are guaranteed by the Company and bear interest at rates ranging from 2.23% to 3.20% (2012 : 2.39% to 3.22%) 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% (2012 : 5%) per annum.

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

19 TRADE PAYABLES AND BILLS PAYABLES

	Group	
	2013	2012
	$	$
Bills payables	7,944,586	1,648,362
Outside parties	7,793,056	4,461,313
	15,737,642	6,109,675

Bills payables are repayable between 2 to 3 months (2012 : 2 to 3 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 1.77% to 2.34% (2012 : 1.93% to 2.69%) 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 (2012 : 3 months). No interest is charged on overdue trade payables. Trade payables principally comprise amounts outstanding for trade purchases.

20 OTHER PAYABLES

	Group		Company	
	2013	2012	2013	2012
	$	$	$	$
Other payables	992,959	1,025,210	122,779	233,617
Related parties (Notes 5 & 13)	2,595,728	-	-	-
Associates (Note 18)	371,209	370,719	1,947,432	-
Directors	46,690	146,500	46,690	146,500
Accrual for profit sharing	453,088	702,730	453,088	702,730
Financial guarantees	999,743	-	1,030,017	-
	5,459,417	2,245,159	3,600,006	1,082,847

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

Included in the Company's non-trade payables at the end of the reporting period were unamortised financial guarantee fee income of $999,743 (2012 : $Nil). The Company issued financial guarantees to financial institutions for credit facilities obtained by certain of its subsidiaries 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 subsidiaries. The full amount of the guarantee fee is deemed to be the additional investment in the associates and subsidiaries.

21 FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2013	2012	2013	2012
	$	$	$	$
Group				
Amounts payable under finance leases:				
Within one year	60,600	60,600	55,658	55,658
In the second to fifth year inclusive	59,699	120,299	53,823	109,481
	120,299	180,899	109,481	165,139
Less: Future finance charges	(10,818)	(15,760)	-	-
Present value of lease obligations	109,481	165,139	109,481	165,139
Less: Amount due for settlement within 12 months			(55,658)	(55,658)
Amount due for settlement after 12 months			53,823	109,481

21 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 4.5 years (2012 : 4.5 years). For the financial year ended March 31, 2013, the average effective borrowing rate was 13.49% (2012 : 6.90%) 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).

22 AMOUNT DUE TO A SUBSIDIARY

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

23 ACCRUAL FOR CONTRACT COSTS

	Group	
	2013	**2012**
	$	**$**
Accrual for subcontractor costs	5,000,894	4,197,247
Provision for rectification costs	1,062,119	793,933
Total	6,063,013	4,991,180

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

	Group	
	2013	**2012**
	$	**$**
At beginning of year	793,933	487,706
Additions during the year	295,437	338,958
Utilised during the year	(27,251)	(32,731)
At end of year	1,062,119	793,933

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.

24 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 $591,665 (2012 : $623,219) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at March 31, 2013, contributions of $70,039 (2012 : $75,959) 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.

25 DEFERRED TAX LIABILITIES

	Group	
	2013	2012
	$	$
At beginning of financial year	89,859	80,507
Charge to profit or loss for the financial year (Note 31)	105,000	9,352
At end of financial year	194,859	89,859

This represented tax effect of accelerated tax over book depreciation and temporary difference associated with a subsidiary.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of overseas associates amounted to $ Nil (2012 : $20,773,390). Deferred tax liabilities has not been recognised in respect of the remaining undistributed earnings amounted to $Nil (2012 : $30,298,996) of other associates because these undistributed earnings are tax exempt.

26 SHARE CAPITAL

	Group and Company			
	2013	2012	2013	2012
	Number of ordinary shares		$	$
Number of ordinary shares				
Issued and paid-up:				
At beginning and end of financial year	349,176,870	349,176,870	46,813,734	46,813,734

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

27 FOREIGN CURRENCY TRANSLATION RESERVE

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

28 REVENUE

	Group	
	2013	2012
	$	$
Amounts recognised from construction contracts	63,393,679	54,743,693
Rendering of services	2,910,942	2,468,157
	66,304,621	57,211,850

29 OTHER OPERATING INCOME

	Group	
	2013	2012
	$	$
Rental income	1,020,624	1,273,966
Gain on disposal of:		
Property, plant and equipment	-	153,084
Investment property	-	1,137,278
Sundry income	35,849	121,544
Jobs credit scheme	48,816	-
Management fee income (Note 5)	71,089	60,000
Interest income from:		
Associates	1,207,745	252,488
External parties	214,138	51,039
Fee income from financial guarantee to associates	420,557	-
Net foreign exchange gain	229,437	-
Dividend income from held-for-trading investments	11,665	504
Change in fair value of held-for-trading investments	155,707	-
Gain on disposal of held-for-trading investments	-	35,018
	3,415,627	3,084,921

30 FINANCE COSTS

	Group	
	2013	2012
	$	$
Interest expense from:		
Bank borrowings	223,089	233,140
Finance leases	4,942	3,947
Total	228,031	237,087

31 INCOME TAX

	Group	
	2013	2012
	$	$
Current	1,572,870	1,880,000
Deferred	105,000	9,352
(Over) Under provision in prior years - Current tax	(144,548)	125,411
	1,533,322	2,014,763

Domestic income tax is calculated at 17% (2012: 17%) of the estimated assessable profit for the year.

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

	Group	
	2013	2012
	$	$
Profit before income tax:		
Continuing operations	7,674,706	8,808,070
Discontinued operations	910,806	7,215,822
	8,585,512	16,023,892

31 INCOME TAX (cont'd)

Numerical reconciliation of income tax expense

	Group 2013	Group 2012
	$	$
Profit before income tax	8,585,512	16,023,892
Income tax expense calculated at 17% (2012: 17%)	1,459,537	2,724,062
Non-allowable items	555,904	577,117
Non-taxable items	(255,530)	(230,309)
Tax effect of share of results of associates	(58,433)	(1,235,327)
Tax exemptions	(81,030)	(51,850)
Deferred tax benefits not recognised	29,462	26,733
Others	27,960	78,926
	1,677,870	1,889,352
(Over) Under provision in prior years:		
- Current tax	(144,548)	125,411
	1,533,322	2,014,763

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

	Accelerated tax depreciation	Provisions	Net
	$	$	$
Balance at April 1, 2011	(435,528)	549,354	113,826
Movement during the year	(148,974)	306,227	157,253
Balance at March 31, 2012	(584,502)	855,581	271,079
Movement during the year	(62,979)	268,186	205,207
Balance at March 31, 2013	(647,481)	1,123,767	476,286
Net deferred tax benefits not recorded:			
- March 31, 2013			80,969
- March 31, 2012			46,083

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.

32 PROFIT FOR THE FINANCIAL YEAR

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

	Group	
	2013	2012
	$	$
Directors' remuneration:		
Company	1,570,078	1,697,205
Subsidiaries	582,201	572,584
Directors' fees:		
Company	176,000	146,500
Staff costs (including directors' remuneration)	10,381,973	9,526,250
Costs of defined contribution plans included in staff costs	591,665	623,219
Net reversal of allowance for doubtful trade receivables	(743,171)	(21,567)
Bad debts written off on trade receivables	10,268	26,499
Bad debts written off on other receivables	-	22,552
Net reversal of allowance for inventories obsolescence	(366)	(6,198)
Inventories written off	-	1,554
Cost of inventories recognised as expense	21,367,524	16,092,394
Net foreign exchange (gain) loss	(229,437)	10,952
Change in fair value of held-for-trading investments	(155,707)	37,371
Loss (Gain) on disposal of property, plant and equipment	47,982	(153,084)
Audit fees:		
Paid to auditors of the Company	109,900	99,000

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

33 EARNINGS PER SHARE (CENTS)

The basic earnings per ordinary share is calculated by dividing the Group's profit for the financial year, $6,141,384 (2012 : $6,793,307) from continuing operations and $910,806 (2012 : $7,215,822) from discontinued operations by the weighted average number of ordinary shares of 349,176,870 (2012 : 349,176,870) in issue during the financial year. Basic and diluted earnings per ordinary share from continuing and discontinued operations are 1.76 cents (2012 : 1.95 cents) and 0.26 cents (2012 : 2.06 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.

34 DIVIDENDS

On August 26, 2011, the directors of the Company declared and paid a final one-tier tax exempt dividend of 0.8 cents per share totalling $2,793,415 in respect of the financial year ended March 31, 2011.

On December 9, 2011, 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, 2012.

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.

35 DERIVATIVE FINANCIAL INSTRUMENTS

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

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

	Group	
	2013	**2012**
	$	**$**
Forward foreign exchange contracts	1,113,200	1,662,400

As at March 31, 2013, the fair value loss of the derivative financial instruments of $357 (2012 : gain of $13,533) was not recognised in the profit or loss as it was not significant.

36 COMMITMENTS AND CONTINGENT LIABILITIES

	Group	
	2013	2012
	$	$
Corporate guarantees given to banks in respect of credit facilities utilised by the associates	114,310,545	59,828,665
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 $118.5 million and $137.8 million (2012 : $64.0 million and $73.3 million) respectively. The Group and Company consider that it is more likely than not that no amount will be payable under the arrangement.

37 OPERATING LEASE ARRANGEMENTS

The Group as lessor

The Group rents out part of its leasehold and investment properties in Singapore under operating leases.

The investment property has been disposed of in the prior financial year. Rental income earned during the year was $1,020,624 (2012 : $1,273,966).

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

	Group	
	2013	2012
	$	$
Within one year	391,111	300,923

Operating lease payments represents rental receivable from tenants by the Group. Leases are negotiated for an average term of 1 year (2012 : 1 year) and rentals are fixed for an average of 1 year (2012 : 1 year).

37 OPERATING LEASE ARRANGEMENTS (cont'd)

The Group as lessee

	Group	
	2013	**2012**
	$	**$**
Minimum lease payments under operating leases included in profit or loss	230,030	280,645

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

	Group	
	2013	**2012**
	$	**$**
Within one year	234,404	225,340
In the second to fifth years inclusive	937,617	901,361
After five years	693,130	891,669
Total	1,865,151	2,018,370

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, 2013.

38 SEGMENT INFORMATION

Business segments

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

38 SEGMENT INFORMATION (cont'd)

Group Segmental Reporting

Group reportable segment

	Plumbing and sanitary		Electrical		Toilet rental	
	2013	2012	2013	2012	2013	2012
	$	$	$	$	$	$
REVENUE						
External sales	51,602,049	33,510,944	11,820,305	21,232,749	2,888,823	2,470,696
RESULTS						
Segment result	4,600,713	3,540,452	2,231,923	4,257,834	111,555	12,944
Unallocated expenses						
Net other operating income						
Finance costs						
Profit before income tax						
Income tax						
Profit for the year						
Other information						
Capital expenditure additions	19,334	31,390	19,334	31,390	40,634	376,660
Fee income from financial guarantee to associates	-	-	-	-	-	-
Depreciation **	20,931	20,404	20,931	20,404	175,417	180,480
(Reversal of) allowance for doubtful debts	(488,493)	(165,170)	(250,050)	166,568	(4,628)	(22,965)

** Includes depreciation expense of $6,929 (2012 : $9,696) allocated to construction work-in-progress.

Investment holdings		Others		Eliminations		Consolidated	
2013	2012	2013	2012	2013	2012	2013	2012
$	$	$	$	$	$	$	$
-	-		-	(6,556)	(2,539)	66,304,621	57,211,850
225,886	7,266,627	-	-	904,332	1,014,070	8,074,409	16,091,927
						(2,791,090)	(3,085,959)
						3,530,224	3,255,011
						(228,031)	(237,087)
						8,585,512	16,023,892
						(1,533,322)	(2,014,763)
						7,052,190	14,009,129
346,618	655,169	-	-	-	-	425,920	1,094,609
538,396	-	-	-	(117,839)	-	420,557	-
786,963	965,876	-	-	-	-	1,004,242	1,187,164
-	-	-	-	-	-	(743,171)	(21,567)

38 SEGMENT INFORMATION (cont'd)

Group Segmental Reporting

Group reportable segment

	Plumbing and sanitary		Electrical		Toilet
	2013	2012	2013	2012	2013
	$	$	$	$	$
ASSETS					
Segment assets	16,331,510	11,992,715	3,557,633	5,863,698	4,084,547
Unallocated assets					
Consolidated total assets					
LIABILITIES					
Segment liabilities	13,633,935	7,001,063	12,264,934	7,552,909	3,966,917
Unallocated liabilities					
Consolidated total liabilities					

rental	Investment holdings		Eliminations		Consolidated	
2012	2013	2012	2013	2012	2013	2012
$	$	$	$	$	$	$
3,921,304	82,639,310	53,735,967	(2,001,076)	(2,001,076)	104,611,924	73,512,608
					21,249,916	33,514,461
					125,861,840	107,027,069
4,568,015	2,966,937	370,719	(3,695,474)	(4,370,352)	29,137,249	15,122,354
					11,854,432	8,267,550
					40,991,681	23,389,904

38 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	
	2013	2012	2013	2012
	$	$	$	$
Singapore	66,304,621	57,211,850	65,841,606	31,645,821
People's Republic of China	-	-	523,175	327,629
Thailand	-	-	-	25,623,845
	66,304,621	57,211,850	66,364,781	57,597,295*

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

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.

39 EVENTS AFTER THE REPORTING PERIOD

The Company's wholly-owned subsidiary, King Wan Development Pte Ltd has increased its investment in its associate, Meadows Bright Development Pte Ltd ("MBD") from $350,000 comprising 350,000 ordinary shares to $800,000 comprising 800,000 ordinary shares by way of cash subscription of $450,000 for an additional 450,000 new ordinary shares. With this additional investment, the Group's equity interest in MBD will increase from 35% to 40%. MBD will remain an associate of the Group.

REPORT ON CORPORATE GOVERNANCE

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

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

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

A. BOARD MATTERS

Principle 1: Board's Conduct of its Affairs

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

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

Regular Board meetings are held to discuss and decide on specific issues including significant transactions with related and non-related parties, investments and divestments of assets, annual budget review, review of the Group's financial performance and to approve the release of the quarter, half-year and full-year financial results. Although specific guidelines have not been formulated to set forth the matters that require Board's approval, the Board, in general, deals with matters such as conflict of interest issues relating to directors and substantial shareholders, major acquisition and disposal of assets, dividend and other distribution to shareholders, and those transactions or matters which require Board's approval under the provisions of the SGXST Listing Manual or any applicable regulations.

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

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

To assist in the execution of its responsibilities, the Board has established a number of Board Committees including an Audit Committee ("AC"), a Nomination Committee ("NC") and a Remuneration Committee ("RC"). These committees function within clearly defined written terms of reference and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly monitored. All the Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group.

The attendance of the Directors at Board and Board Committee meetings in FY2013, 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.

Name	No. of Board Meetings Attended	No. of Audit Committee Meetings Attended	No. of Nomination Committee Meetings Attended	No. of Remuneration Committee Meetings Attended
No. of meetings held	**4**	**5**	**1**	**2**
Chua Kim Hua	4	NA	1	NA
Chua Eng Eng	4	NA	NA	NA
Chua Hai Kuey	4	NA	NA	NA
Lim Hock Beng	4	5	1	2
Goh Chee Wee	4	5	1	2
Nathapun Siriviriyakul	4	5	NA	2

Principle 2: Board Composition and Balance

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

The three independent non-executive directors are Mr. Lim Hock Beng, Mr. Goh Chee Wee, and Mr. Nathapun Siriviriyakul. The concept of independence adopted by the Board is in accordance with the definition of an independent director in the Code of Corporate Governance 2012 ("the Code 2012"). The independence of each director is assessed annually by the Nominating Committee ("NC"). Each independent direct is required to make annual declaration of Director's Independence based on guidelines as set out in the Code 2012. For financial year 2013, the NC has determined that all the three non-executive directors are independent.

The NC is responsible for examining the size and composition of the Board. The Board, through its NC, examines, on an on-going basis, the size and the composition of the Board in order to evaluate the Board's effectiveness in carrying out its duties. Taking into consideration the nature of the Group's businesses, the Board considers a board size of six members as appropriate. The Board believes that its current board size and composition effectively serves the Group.

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

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.

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

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.

All major decisions made by the executive directors and Chairman are reviewed by the AC. The performance and remuneration packages of Executive Directors are reviewed periodically by the NC. Further, the roles of the Executive Directors have to ascertain extent been balanced by the presence of three independent directors within the Board.

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

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

The NC regulates under its own written terms of reference, which includes the calling of meetings, notice to be given of such meetings, the voting and proceedings. Minutes of the deliberations and proceedings of the NC are recorded by the Company Secretary. The Committee meets at least once annually. The number of meetings held and attendance at the meetings during the last financial year are presented under "Board Matters" in this report.

The NC identifies gaps in the mix of skills, experience and other qualities required in an effective board so as to better nominate or recommend suitable candidates to fill the gap. It uses its best efforts to ensure that the Directors appointed to the Board possesses the relevant background, experience and knowledge and that each Independent Director brings to the Board an independent and objective perspective to enable the making of balanced and well-considered decisions.

The 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.

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

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.

The Directors retiring by rotation and who are seeking for re-election at the forthcoming AGM under Article 115 are Ms. Chua Eng Eng and Mr. Goh Chee Wee while Mr. Chua Kim Hua and Mr. Lim Hock Beng will seek for re-appointment under Section 153(6) of the Companies Act, Cap 50, at the forthcoming AGM. The Committee, after assessing their contribution and performance (including attendance, preparedness and participation), and their effectiveness as Directors had recommended these retiring Directors for re-election and re-appointment.

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.

The NC is also charged with determining, on an annual basis, whether a Director is independent.

Mr. Nathapun Siriviriyakul was appointed as the alternate director to a former director who was a substantial shareholder of the Company in 2006.

Subsequently, in 2008, when Mr. Nathapun Siriviriyakul was appointed as a director of the Company, the NC had assessed his independence based on the guidelines provided under the then existing Code of Corporate Guidelines and was of the opinion that he was a suitable candidate to join the Board as a Non-Executive Independent Director.

In the five years he had served on the Board, it had been consistently observed by the NC that Mr. Nathapun Siriviriyakul had demonstrated a high level of autonomy and independence in the discharge of his fiduciary duties as a Director.

Mr. Nathapun Siriviriyakul participates actively in Board discussions and was able to share ideas and recommendations freely. He is objective in forming sound decisions, is open minded, free and frank in expressing his opinions and at the same time was willing to engage in meaningful debates with the rest of the Board members. Mr. Nathapun Siriviriyakul does not hesitate to challenge opinions or decisions of the other Board members by providing constructive views. It was also observed that he was able to act in the larger genuine interest of true growth and development of the Group.

From the above observations, the NC is of the opinion that Mr. Nathapun Siriviriyakul is not accustomed or under any obligation, whether formal or informal, to act in accordance with the directions of anyone except himself. He had executed his role as an independent director effectively. The Board values the contributions that Mr. Nathapun Siriviriyakul brings to the table and believes that he will continue to execute his role as an Independent Director effectively.

The NC had reviewed the independence of each non-executive director for the financial year ended 31 March 2013 and is of the view that the three Independent Directors of the Company satisfy the criteria of independence and each and every Director shares equal responsibility on the Board.

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

Principle 5: Board Performance
The NC reviews and evaluates the performance of the Board as a whole, taking into considerations, attendance records at respective Board and committee meetings as well as the contribution of each individual director to the Board's effectiveness. In evaluating the Board Performance, the NC implemented a self-assessment process that requires each Director to submit the assessment of the performance of the Board as a whole during the year under review. This self-assessment process takes into account, inter alia, the Board composition, maintenance of independence, Board information, Board process, Board accountability, communication with top Management and standard of conduct. The Board assessment exercise provided an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes allowed him to discharge his duties effectively and the changes which should be made to enhance the effectiveness of the Board as a whole.

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

Principle 6: Access to Information
All Directors are provided with the names and contact details of the Company's senior management and the Company Secretary to facilitate unrestricted access to senior management and the Company Secretary in carrying out their duties. Requests for information from the Board are dealt with promptly by Management.

The Board is kept informed of all relevant information on material events and transactions accurately and promptly as and when they arise. Management also consults the Board whenever necessary.

Under the direction of the Managing Director, the Company Secretary ensures good information flows within the Board and its committees and between Management, Non-Executive Directors and Independent Directors. An agenda for Board meetings together with the relevant papers are prepared in consultation with the Managing Director and usually circulated before the holding of each Board and committee meetings. This allows control over the quality, quantity and timeliness of the flow of information between Management and the Board. The Board papers include sufficient background explanatory information from the Management on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at Board meetings. Such explanatory information may also be in the form of briefings to the Directors or formal presentations made by senior Management staff in attendance at Board meetings, or by external consultants engaged on specific projects.

The Board members may, at any time, in the furtherance of their duties, request for independent professional advice and receive training at the Company's expense.

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

B. REMUNERATION MATTERS
Principle 7: Procedures for Developing Remuneration Policies
Remuneration Committee
As at the date of this Report, the RC comprises the following Independent Non-Executive Directors: -

Goh Chee Wee, Chairman
Lim Hock Beng
Nathapun Siriviriyakul

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

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

The Committee meets at least once annually.

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

Principle 8: Level and Mix of Remuneration
When setting remuneration packages, the Company takes into consideration current practices of companies in the same industry and companies that are comparable in size and operations. The Group's financial performance and the performance of individual Directors are also taken into consideration.

The non-executive Directors will receive a basic fee and a fee for their appointments in the various Board Committees in financial year 2014. They will also receive additional fees if they are chairpersons of these Board Committees. The Company is fully aware of the need to pay competitive fees to attract, retain and motivate the Directors. Directors' fees are recommended by the Board for approval at the Company's AGM.

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.

The remuneration for the Executive Directors comprises a basic salary component and a variable component in the form of annual bonus and profit sharing, which is based on the performance of the Group as a whole and their individual performance. Executive Directors do not receive Directors' fees.

Principle 9: Disclosure on Remuneration
The breakdown of remuneration of the Directors of the Company for the year ended March 31, 2013 is set out below:

Name of Director	Fixed Component [1]	Variable Component [2]	Provident Fund [3]	Directors Fees	Total Compensation
	%	%	%	%	%
Above S$500,000					
Chua Kim Hua	54%	45%	1%	0%	100%
Chua Hai Kuey	53%	46%	1%	0%	100%
Chua Eng Eng	51%	46%	3%	0%	100%
Below S$250,000					
Lim Hock Beng	0%	0%	0%	100%	100%
Goh Chee Wee	0%	0%	0%	100%	100%
Nathapun Siriviriyakul	0%	0%	0%	100%	100%

Notes
(1) Fixed Component refers to base salary for the financial year ended March 31, 2013.
(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.

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, 2013:

Name of Executive	Fixed Component [1]	Variable Component [2]	Provident Fund [3]	Total Compensation
	%	%	%	%
Above S$250,000 but below S$500,000				
Wong Lam Lim	75%	24%	1%	100%
Below S$250,000				
Siow Nget Yuen	69%	27%	4%	100%
Chew Chee Yuen Francis	61%	33%	6%	100%
Chua Kok Chuan	68%	26%	6%	100%
Er Soon Kiat, Joe	71%	23%	6%	100%

Notes
(1) Fixed Component refers to base salary for the financial year ended March 31, 2013.
(2) Variable Component refers to variable bonus paid in the financial year ended March 31, 2013.
(3) Provident Fund represents payment in respect of the Company's statutory contributions to the Singapore Central Provident Fund.

No employee of the Company and its subsidiary companies is an immediate family member of a director and whose remuneration exceeded S$150,000 during the financial year ended March 31, 2013.

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

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

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

Principle 11: Audit Committee

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

Lim Hock Beng, Chairman
Goh Chee Wee
Nathapun Siriviriyakul

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

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

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

- Review with the external auditors, their audit plan, evaluate the internal accounting controls, audit report, report on internal control weaknesses arising from the audit report and management's response thereto and any matters which the external auditors wish to discuss, without the presence of management;
- Review with the internal auditors, internal audit plan, the scope and the results of internal audit procedures and their evaluation of the internal control system together with management's responses thereto and any matters which the internal auditors wish to discuss, without the presence of Management;
- Review the quarter, half year and full year financial statements and other announcements to shareholders and the SGX-ST prior to submission to the Board;
- Make recommendations to the Board on the appointment of the external auditors and their audit fee; and
- Review the adequacy of the Group's internal controls;
- Review any related party transactions;
- Review assistance given by the Group's officers to the external and internal auditors and ensure that the internal audit function is adequately resourced;
- Carry out such other functions as may be agreed by the AC and the Board;

The AC has explicit authority to investigate any matters relating to the Group's accounting, auditing, internal controls and/ or financial practices brought to its attention. To effectively discharge it responsibilities, the AC has full access to and the co-operation of the Management and full discretion to invite any director or executive to attend its meetings. It is also able to obtain external professional advice, when necessary. Adequate resources have also been made available to the AC to enable it to discharge its functions properly.

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

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

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

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

Whistle Blowing Policy

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

Principle 12: Internal Control

The Group's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets. Procedures are in place to identify major business risks and evaluate potential financial effects. There are also ongoing reviews on the adequacy of the Group's system of internal controls and management information systems, including systems for compliance with applicable laws, regulations, rules, directive and guidelines. The Board and the AC are also informed of all control issues pertaining to internal controls and regulatory compliances. During the financial year, the AC reviewed the internal and external audit reports and the Management has taken appropriate measures to establish adequate internal controls and to seek ways to continuously enhance the Group's internal control systems. Inherently, no matter how robust the internal control, it can only provide reasonably sufficient and not absolute assurance against material misstatements or loss or fraud.

Based on the reports from the internal auditors, the external auditors and the internal controls in place, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls is adequate to address the financial, operational and compliance risks.

The Company manages risk under an overall strategy determined by the Board and supported by the Audit, Remuneration and Nominating Committees. The Company sets acceptable risk management standards and periodically reviews the risks that the Group is subject to.

Risk Management

The Group's system of internal controls has a key role in the identification and management of risks that are significant to the achievement of its business objectives. The process of business risk management has been integrated throughout the Group into business planning and monitoring process. Management continuously evaluates and monitors the significant risks. The day-to-day business unit operations is entrusted to the individual business unit which is accountable for its own conduct and performance and is required to operate within the parameter of the delegated authority and to implement and strictly adhere to the strategies and polices set by the Board from time to time.

Financial Risk Management

The main risks that the Group is exposed to are risks associated with foreign exchange, interest rates, credit and liquidity.

(i) Foreign Exchange Risk Management

The Group transacts business in various currencies including the United States dollar and the Australian dollars. The Group has a policy to ensure foreign exchange forward contracts are taken to mitigate the risk of exchange rate fluctuations in respect of obligations denominated in foreign currencies.

In addition to transactional exposures, the Group has investments in overseas associates which are exposed to currency translation risks. These assets are long term in nature and the exchange differences arising from such translation are taken directly to the exchange fluctuation reserve. The Group does not hedge this exposure. The Group does not hold or issue derivative financial instruments for speculative purpose.

(ii) Interest Rate Risk Management

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely.

(iii) Credit risk Management

The Group places its bank balances with high credit quality financial institutions. The Group performs ongoing credit evaluation of its debtors' financial condition and ensures that services are only rendered to customers with an appropriate credit history. The Group has no significant concentration of credit risk as the exposure is spread over a large number of customers.

(iv) Liquidity risk management

Prudent liquidity risk management implies maintaining optimum cash levels and availability of funding through an adequate quantum of credit facilities and ongoing business operations.

Operational Risk Management

Operational risk is inherent in all business activities and has the potential for financial loss and business instability arising from failure of internal controls, operational processes or systems that support them. The objective of operational risk management is to balance risk and returns within the constraints of the risk appetite of the Group and the need for prudent management.

The Group's businesses are subject to risks common to the construction industry. These risks include competition and fluctuating construction demand. The Group continuously upgrades its competitiveness through rigorous training of its staff, improving its product knowledge, keeping abreast with the latest developments in the construction industry. The Group works closely with its customers to better understand their needs and strive to become their preferred service provider. The Group also works hard to widen its suppliers' pool to reduce dependency as well as to improve negotiating capability.

All major investment proposals are submitted to the Board for approval. The Group has in place policies, operating manuals and a planning and review process which includes operational and financial reporting.

Compliance Risk Management
Compliance risk arises from failure or inability to comply with the laws and regulations. The responsibility to ensure compliance with applicable laws and regulations lies with the executive directors of the respective subsidiaries. Controls to ensure compliance with applicable laws and regulations are in place in all subsidiaries. Procedures to report and monitor statutory compliance and coverage of statutory compliance in the course of internal audits, ensures risk of non compliance is minimised.

Interested Person Transaction Risk Management
In respect of transactions entered into by the Company and its subsidiaries with interested persons (namely its controlling shareholders, Chief Executives, Directors and their respective associates), the Company is guided by and complies with the provisions of Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual to ensure that such Interested Person Transactions are entered into on an arm's length basis and on such commercial terms which are no more favourable than those extended to unrelated third parties.

Human Resource Risk Management
The Group places great emphasis on establishing comprehensive human resource policies for recruitment, compensation and development of its employees. This ensures that the Group's human resources are nurtured and retained and give the Group a competitive edge.

Principle 13: Internal Audit
The Group's internal audit function was 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 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.

D. COMMUNICATION WITH SHAREHOLDERS
Principle 14: Communication with Shareholders

Principle 15: Greater Shareholder Participation
The Board believes in regular, timely and effective communications with shareholders on all major developments that impact the Group. The Company does not practice selective disclosure. Pertinent information is communicated to shareholders on a regular and timely basis through:

- the Company's annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all relevant information about the Group, including future developments and other disclosures required by the Singapore Companies Act, the Singapore Financial Reporting Standards and the SGX Listing Manual;
- financial statements containing a summary of the financial information and affairs of the Group for the period that are published on the SGX-NET
- disclosures to the Singapore Exchange; and
- the Group's website at www.kingwan.com from which shareholders can access information on the Group. The website provides annual reports and profiles of the Group.

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

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

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

Mr. Francis Chew, Chief 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.

G. STATEMENT OF COMPLIANCE

Our Board confirms that for FY2013, our Company has complied with the principal corporate governance recommendations.

H. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is currently in the process of formulating its CSR policies with reference to the Exchange's Sustainability Reporting Guidelines.

ANALYSIS OF SHAREHOLDINGS
AS AT JUNE 19, 2013

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	0.23	815	0.00
1,000 to 10,000	519	30.23	3,298,252	0.94
10,001 to 1,000,000	1,163	67.73	87,501,091	25.06
1,000,001 AND ABOVE	31	1.81	258,376,712	74.00
TOTAL	1,717	100.00	349,176,870	100.00

There are no treasury shares held by the Company as at 19 June 2013

TOP 20 SHAREHOLDERS AS AT 19 JUNE 2013

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	16,959,000	4.86
6	Liong Kiam Teck	8,607,000	2.47
7	Ong Tze King	7,341,000	2.10
8	HSBC (Singapore) Nominees Pte Ltd	6,087,000	1.74
9	CIMB Securities (Singapore) Pte Ltd	4,858,000	1.39
10	UOB Kay Hian Pte Ltd	3,902,000	1.12
11	OCBC Securities Private Ltd	3,843,000	1.10
12	Phillip Securities Pte Ltd	2,888,000	0.83
13	DBS Nominees Pte Ltd	2,172,000	0.62
14	Tan Tee Chiow	2,050,000	0.59
15	Hong Heng Co Pte Ltd	2,000,000	0.57
16	Lim Chye Huat @ Bobby Lim Chye Huat	1,700,000	0.49
17	Koh Gek Huang	1,685,000	0.48
18	DB Nominees (S) Pte Ltd	1,636,000	0.47
19	Ang Chin San	1,500,000	0.43
20	OCBC Nominees Singapore Pte Ltd	1,468,000	0.42
	TOTAL	245,218,901	70.23

SUBSTANTIAL SHAREHOLDERS

AS AT JUNE 19, 2013

[according 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 March 31, 2013, 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 March 31, 2013, 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 JUNE 19, 2013

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 Fourteenth 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, July 30, 2013 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 2013 and the Auditors' Report thereon.

   [Resolution No. 1]

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

   [Resolution No. 2]

3. To re-elect Mr. Goh Chee Wee 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 March 31, 2014 (2013: S$177,000) to be paid in arrears.

   [Resolution No. 6]

7. To approve the payment of a final one-tier tax exempt dividend of 1.0 cent per ordinary share for the year ended 31 March 2013.

   [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:-

(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 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 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 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
Lim Bee Lian Eliza
Company Secretary
Singapore, July 15, 2013

NOTES:

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

EXPLANATORY NOTES ON ORDINARY RESOLUTIONS TO BE TRANSACTED:

a. Ms. Chua Eng Eng is a Managing Director of the Company.

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

c. Mr. Chua Kim Hua is the Executive Chairman of the Company. If re-appointed, he will remain a member of the Nominating 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 March 31, 2014. Ordinary Resolution No. 6 proposed in item 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 March 31, 2014. 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 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. 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 August 7, 2013 (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 1.0 cent per ordinary share.

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

Registrable transfers (in respect of Share not registered in the name of CDP) together with all relevant documents of title received by the Company's Registrar, M&C Services Private 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 or about August 16, 2013.

By Order of the Board

Eliza Lim Bee Lian
Company Secretary
July 15, 2013

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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, 30 July 2013 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 2013 and the Auditors' Report thereon.		
2.	Re-election of Mr. Chua Eng Eng as Director.		
3.	Re-election of Mr. Goh Chee Wee 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 1.0 cent 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 2013

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

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

Important: Please read notes overleaf

Postage
Stamp

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

Fold along dotted line

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

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