

The image features a large, stylized Chinese character '九' (Nine) in a teal color. The character is composed of a circular top loop and a long, sweeping tail that curves downwards and to the right. A second, identical character is partially visible on the left side of the page, rendered in a light grey color. The background is plain white.

KING WAN
CORPORATION
LIMITED

ANNUAL REPORT
2009

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OUR CORE VALUES

庆源企业



Commitment

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

Quality & Reliability

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

Integrity & Professionalism

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

People

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

Passion

We approach every task with heart and passion.

CORPORATE INFORMATION

Board of Directors

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

Lead Independent Director

Lim Hock Beng

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

Advisor

Ang Mong Seng

Company Secretary

Eliza Lim Bee Lian, ACIS

Auditors

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

Audit Partner

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

Share Registrar

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

Bankers

DBS Bank
Oversea-Chinese Banking Corporation Limited
Maybank Banking Berhad
United Overseas Bank
Royal Bank of Scotland

Registered Office

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

GROUP STRUCTURE



CORPORATE PROFILE



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

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

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

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

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

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



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

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

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

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

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

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

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

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

CHAIRMAN'S STATEMENT

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

DEAR SHAREHOLDERS

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

M&E Engineering

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

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

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

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

Pulp and Paper

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

Ethanol

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

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

Electrical Cables and Accessories

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

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

Property Development

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

THE YEAR AHEAD

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

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

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

DIVIDEND

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

PERSONAL THANKS

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

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

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

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



CHUA KIM HUA

Chairman

BOARD OF DIRECTORS

CHUA KIM HUA

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

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

CHUA HAI KUEY

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

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

CHUA ENG ENG

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

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

GOH CHEE WEE

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

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

NATHAPUN SIRIVIRIYAKUL

First appointed – 6 November 2008

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

LIM HOCK BENG

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

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

ANG MONG SENG (ADVISOR)

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

MANAGEMENT & KEY EXECUTIVES

CHUA YAN PENG

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

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

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

SIOW NGET YUEN, PRISCILLA

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

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

CHEW CHEE YUEN, FRANCIS

Chief Finance Officer

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

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

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

WONG LAM LIM

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

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

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

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

SEAH SYE MUI

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

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

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

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

HIGHLIGHTS ON GROUP'S BUSINESS



EKARAT PATTANA CO., LTD (“EKARAT PATTANA”)

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

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

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

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



K&W MOBILE LOO SERVICES PTE LTD (“K&W”)

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

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

Our clients comprise - Building Contractors, Event Organizers and Tentage Operators. We have worked in partnership with various organizations for major events like Formula 1, Yacht Race Event @ Sentosa Cove, Great Eastern Women 10K, Nike+Human Race 10K, Adidas Sundown Marathon, Aviva Ironman 70.3 Race, National Day Parade @ Marina Bay, JP Morgan Corporate Chase Challenge, Runway Cycling, Sheare

Bridge Run & Army Half Marathon, Singapore Biathlon, Standard Chartered Marathon, Anlene Orchard Mile, Chingay Parade and many more.

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

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

ENVIRONMENT PULP AND PAPER CO., LTD (“EPPCO”)

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

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

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

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



CABLES INTERNATIONAL (“CI”)

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



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

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

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

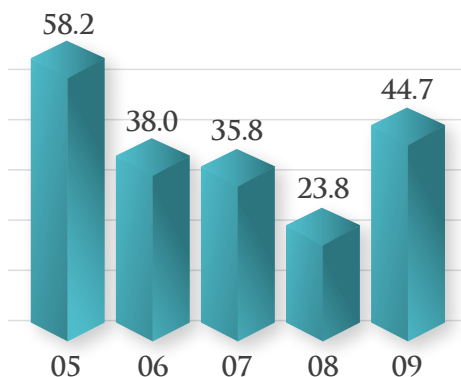
FIVE YEARS FINANCIAL HIGHLIGHTS

AS AT 31 MARCH

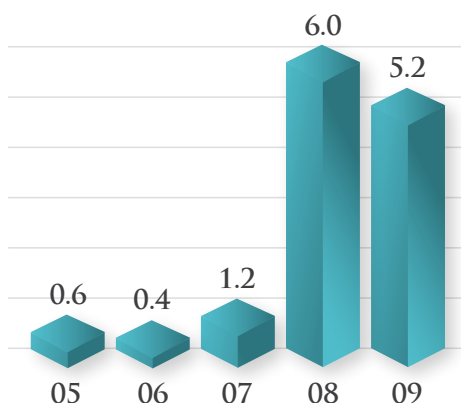
	2005	2006	2007	2008	2009
	\$'000	\$'000	\$'000	\$'000	\$'000
Profit & Loss Account					
Turnover	58,241	37,983	35,808	23,820	44,656
Net Profit After Tax	617	419	1,184	6,011	5,229
Proposed Dividends (Net)	488	244	262	786	0
Balance Sheet					
Fixed Assets	15,381	14,690	14,145	13,409	13,529
Current and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

OPERATIONS REVIEW

Turnover (S\$Million)



Net Profit After Tax (S\$Million)



Performance Overview

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

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

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

Profit Before Income Tax

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

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

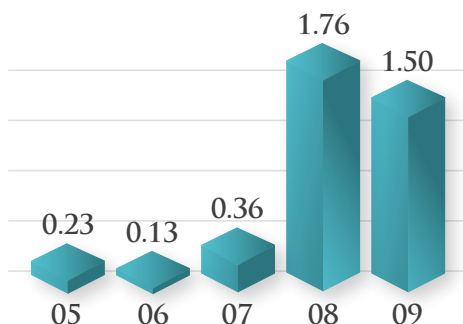
There were also decreased contributions from the Group's property development business, Meadows Bright Development Pte Ltd ("Meadows Bright") (35% owned associate) and Dalian Shicheng Property Development Co., Ltd ("Dalian Shicheng") (30% owned associate). Contributions from these two associates amounted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

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

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

OPERATIONS REVIEW

Earnings Per Share (Cents)



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

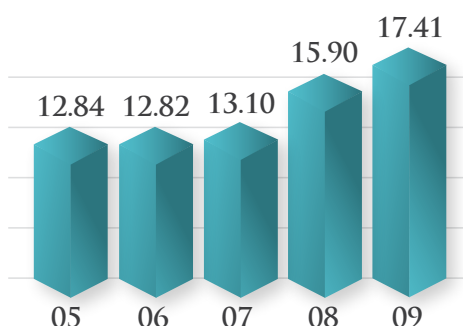
Earnings Per Share (EPS)

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

Balance Sheet Review

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

NTA Per Share (Cents)



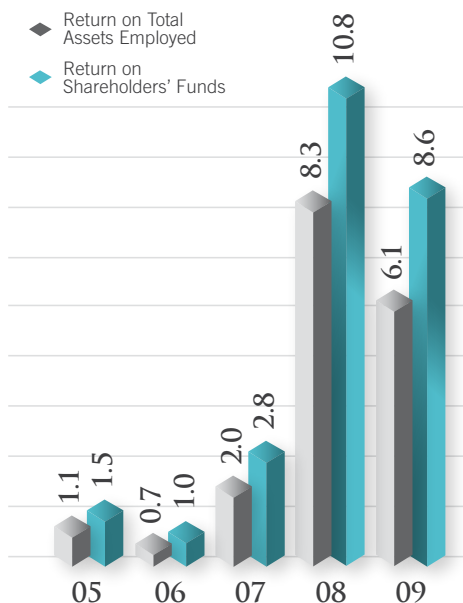
Total current assets increased by 9.89% or from S\$31.6 million to S\$34.7 million. This was due mainly to higher construction work-in-progress from more mechanical & electrical engineering works. In addition, there was also an increase in advances made to associates to finance their operations. This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

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

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

Financial Ratios (%)

- ◆ Return on Total Assets Employed
- ◆ Return on Shareholders' Funds



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

Cashflows & Liquidity

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

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

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

2000

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