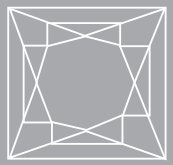
DELIVERING VALUE

ANNUAL REPORT 2012

KING WAN CORPORATION LIMITED



CLEAR
FOCUS

PRECISE
STRATEGY

STRONG
LEADERSHIP

CONTENTS

ENDURING COMMITMENT

POLISHED TEAMWORK

DISTINCTIVE COMPETENCY

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.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

The past year has been challenging due to the ongoing uncertainties over the global economic climate. The problems posed by the Eurozone debt crisis, slow economic recovery in the United States of America and softening economy in China have caused many businesses to remain watchful and flexible. Despite these challenges, King Wan Corporation Limited (King Wan) has delivered value to its stakeholders 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. It also operates in three other business segments, namely Property, Manufacturing and Services.

Our Group's approach in implementing a multi-country, multi-industry portfolio strategy in order to diversify and broaden our revenue streams and better manage investment risks is on track. Our businesses have spread across industries and operate across Singapore, China and Thailand.

Established in 1977 as an M&E engineering company, the Group's rich experience and established track record are its key advantages when it competes for projects in the building and construction industry. In addition, our focus on our core values of commitment, quality and reliability, integrity and professionalism, people and passion have stood us well through the years and will continue to be our pillars in the years ahead.

Indeed, King Wan's strengths have helped it to lay a strong foundation for its success and attain a leading industry position. These strengths include a solid track record, a good management team, experienced and well-trained staff, good financial management and an effective diversification strategy.

PERFORMANCE REVIEW

During the past financial year, King Wan achieved a net profit after tax of S$14.0 million. Although its revenue at S$57.2 million was down by 19 per cent compared to the previous financial year, the Group's gross profit rose by 20 per cent to S$13.6 million. The higher gross profit margin of 24 per cent achieved over the 16 per cent a year ago were due to the completion of a few contracts in first quarter of 2012, which yielded better margins.

The Group's net profit after income tax is derived from profits from its M&E engineering business and gains from the disposal of an investment property. Its M&E engineering

business continued to drive overall sales performance, bringing in S$54.7 million or 96 per cent, of the Group's total revenue. Earnings per share amounted to 4.01 cents.

King Wan's associates in Thailand have continued to contribute positively to the Group's revenue, particularly its two investments in manufacturing. Environment Pulp & Paper Co., Ltd, (EPPCO), the Group's 20 per cent associate in Thailand that produces pulp from sugarcane bagasse, contributed S$4.6 million to the Group's results. This was 33 per cent lower than that of the last financial year due to generally lower pulp prices during the year. In May 2012, King Wan received dividend payments totalling THB 91.7 million (approximately S$3.8 million) from EPPCO. Ekarat Pattana Co., Ltd. (EPC), the Group's 20 per cent associate in Thailand that produces and sells ethanol, contributed S$2.6 million to the Group's results, which was comparable to its contribution a year ago.

King Wan's financial position remained stable. We believe our strong business fundamentals have helped us to sustain our continual growth. The Group attained a healthy cash position of S$28.7 million with net working capital of S$26.9 million, as at 31 March 2012. It registered a net cash flow from operating activities of S$3.9 million for the year. Assets totalled S$107 million and net tangible assets came to S$83.64 million, an improvement of S$8.36 million, compared to S$75.3 million in the previous year. This works out to a net tangible assets per share of 23.95 Singapore cents. The total number of shares issued to date is 349.2 million.

The Board of Directors is proposing a final dividend of 1.0 cent per share payable in August 2012. Including an interim dividend of 0.5 cent per share paid in December 2011, the total dividend for financial year 2012 would be 1.5 cent per share. This works out to be a dividend payout ratio of 37 per cent.

IMPLEMENTING OUR STRATEGY EFFECTIVELY

In its focus to develop value to our stakeholders, King Wan has continued to implement its multi-country, multi-industry portfolio strategy effectively. It seeks to increase profits by the M&E engineering business through more ongoing contracts, overseeing prudent financial and risk management, and unlocking shareholders' value when opportunities arise.

In line with the aim to unlock shareholders' value, in April 2012, the Group has announced that it was selling its entire shareholding interests in EPPCO and EPC, for THB 1.2 billion (approximately S$50.2 million) to Kaset Thai Industry Sugar Company Limited (KTIS), a company incorporated and operating in Thailand. Under the agreement between King Wan and KTIS, 5 per cent (amounting to approximately S$2.5 million) shall be by way of cash paid on completion of the proposed disposals and the remaining 95 per cent shall be paid by way of shares in KTIS, when the Thai company is listed on the Stock Exchange of Thailand.

The approval to dispose the two Thai associates was recently obtained at our Extraordinary General Meeting held on 23 June 2012. The proposed sales would enable the Group to divest its stakes in EPPCO and EPC at an attractive premium and allow the Group to redirect funds into other strategic opportunities. It will also help King Wan to improve its cash flow and net asset value. The disposal was subsequently completed on 25 June 2012.

Keeping its diversification strategy on the radar, the Group will continue to invest in ventures where it sees excellent opportunities for strong growth and improve improves its revenue streams.

INDUSTRY OUTLOOK

In the foreseeable future, the global economic outlook appears uncertain with the United States' slow recovery, unstable debt woes in Europe and slower growth in Asian economies due to external factors affecting export performance. The Singapore Ministry of Trade and Industry's statistics showed that the Singapore economy expanded by 4.9 per cent for 2011. For 2012, it forecasts that Singapore's gross domestic product growth will be at 1.0 to 3.0 per cent, reflecting a slowdown in the economy.

According the Building and Construction Authority, Singapore's total construction demand for 2012 is projected to be between S$21 billion and S$27 billion, with approximately 60 per cent expected to come from the public sector. Thus, there is still a strong domestic construction demand. This is due mainly to the Housing and Development Board's drive to increase the pace in building new flats such as 25,200 Built-To-Order flats in 2012.

As for the property market, the Singapore government has implemented a number of cooling measures over the past two years to address concerns over soaring property prices, and dampen investment demand and speculative buying behaviour. These new rulings have made a substantial impact on the property market in the immediate and short-term. We will monitor the property market and carefully evaluate opportunities for our real estate and property investments. If there are good prospects particularly from our partners and business associates, we will certainly explore such possibilities further.

For the services business, the demand for portable chemical toilets remains steady due to demand from many public events and construction sites.

LOOKING AHEAD STRATEGICALLY

Looking ahead in 2013, the demand for our M&E engineering business looks positive.

As at end April 2012, the Group has secured an order book of approximately S$168.5 million worth of M&E engineering contracts, which will be progressively recognised from financial years 2013 to 2015. Of these, S$19.7 million worth of contracts were won from January to April 2012. Our balance sheet is in a healthy state with stable working capital, positive net cash flow from operating activities, good cash position, and strong support from our bankers.

As one of Singapore's leading M&E players and with a 35-year track record, King Wan would continue to be a significant player in the domestic market. The Group will continue to position King Wan as an integrated building services company, which provides reliable and efficient services.

In China, the Group has started the construction of phase 7 of the Singapore Garden Project and is planning to launch during the year.

To ensure that we deliver value to our shareholders for the long-term, we will continue to focus on the markets we are now operating in and at the same time, explore new geographical markets, business segments and strategic investments that complement our multi-country, multi-industry portfolio strategy.

A NOTE OF THANKS

On behalf of the Board, I would like to express my deepest appreciation to our customers, business partners and associates for their steadfast support and valuable partnership through the decades. I am also thankful for the trust and loyalty that our shareholders have demonstrated to our company and in our team. My sincere thanks also go to the management team and staff for their passion, commitment and hard work. They have supported King Wan's initiatives faithfully and effectively over many years, which made the Group what it is today.

Finally, I also like to place on record my heartfelt gratitude to my fellow directors for their wise counsel and invaluable contributions, which have helped King Wan to deliver value and good performance this past year.

CHUA KIM HUA
Chairman

GROUP STRUCTURE

As at 31 March 2012.

BOARD OF DIRECTORS

CHUA KIM HUA
Group Chairman
First appointed – 8 February 2000,
re-appointed – 29 July 2011

Mr Chua Kim Hua, 72, 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 – 28 July 2009

Mr Chua Hai Kuey, 61, 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, 42, 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 all administration, investment, recruitment, and financial, legal and corporate affairs. She holds a Bachelor of Arts Degree 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, 66, is an Independent Non-Executive Director. He is the Chairman of the Remuneration and 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 – 28 July 2009

Mr Nathapun Siriviriyakul, 47, is an Independent Non-Executive Director and a member of the Audit and Remuneration Committees. He was Alternate Director to Ms Ganoktip Siriviriyakul since 28 November 2006 before being appointed a full Director of the Company on 6 November 2008. He is currently a Director of Thai Identity Sugar Factory Co Ltd. Mr Siriviriyakul holds a Bachelor of Engineering degree from Chulalongkorn University and a MBA from Washington State University.

LIM HOCK BENG
Independent Non-Executive Director
First appointed – 22 June 2001,
re-appointed – 29 July 2011

Mr Lim Hock Beng, 72, is an Independent Non-Executive Director and also 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 1995. Since 1996, he has been the Managing Director of Aries Investments Pte Ltd, a private investment holding company.

Mr Lim currently serves on the Board as well as on the Audit Committee of several listed companies in Singapore such as Huan Hsin Holdings Ltd, GP Industries Ltd, Colex Holdings Ltd and LMA International N.V. 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

Ms Siow Nget Yuen, Priscilla, 61, was appointed a Director of King Wan Construction Pte Ltd (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 to Director and now assists the executive director in the areas of human resource management, administration and finance.

CHEW CHEE YUEN, FRANCIS
Chief Finance Officer

Mr Chew Chee Yuen, Francis, 42, 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 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 Degree from the Nanyang Technological University and is a non-practising member of the Institute of Certified Public Accountants of Singapore.

WONG LAM LIM
Director
King Wan Construction Pte Ltd

Mr Wong Lam Lim, 67, was appointed Director on October 2011 and is responsible for the strategic business development, planning and overall performance of the company. He joined KWC in December 2000 and has more than 40 years' experience in mechanical and electrical engineering, both in the private and public sectors.

Prior to joining KWC, he was a Director of an engineering company for 22 years, undertaking major public projects such as 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 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

Mr Er Soon Kiat, Joe, 42, 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 Institute of Engineers Singapore.

CHUA KOK CHUAN
Assistant General Manager
Plumbing and Sanitary Division
King Wan Construction Pte Ltd

Mr Chua Kok Chuan 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) Degree from the University of Glasgow.

BUSINESS REVIEW

Due to King Wan's adoption of a multi-country, multi-industry portfolio strategy to broaden its revenues and better manage investment risks, the Group has successfully delivered value to its stakeholders during the past year.

As an integrated building services company, King Wan provides mainly mechanical and electrical (M&E) engineering services for the building and construction industry. As part of its diversification strategy, King Wan also operates in three other business segments – Property, Manufacturing and Services. Listed in 2000 on the Singapore Stock Exchange, the Group was upgraded to the Singapore Exchange Mainboard in 2003.

Following its multi-country business strategy, the Group operates its activities across Singapore, China and Thailand. We are able to build on our multi-industry portfolio strategy mainly due to our many strengths such as our strong track record, a good management team, experienced staff, good financial management and an effective diversification strategy.

Wiring for success, the Group has organised its business and operates in four business divisions:

- Mechanical and Electrical (M&E) Engineering Division
- Property Division
- Manufacturing Division and
- Services Division

MECHANICAL AND ELECTRICAL ENGINEERING DIVISION

The Mechanical and Electrical Engineering Division provides multi-disciplined M&E engineering services such as the design and installation of electricity distribution systems, fire protection, alarm systems, communications and security systems, and air-conditioning and mechanical ventilation systems for the building and construction industry.

During the past year, the Group's core M&E engineering business continued to drive overall revenue, contributing S$54.7 million or 96 per cent, of the Group's total revenue.

As an acknowledged leader of M&E engineering in the building and construction industry, we have established a firm foothold in the marketplace. This is due to our design and build capabilities for the full spectrum of M&E engineering services, our established track record and vast experience. These factors place King Wan in a very good position to secure new contracts. The Group is also looking for lateral expansion such as M&E expertise in specialised industries.

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

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

- Sengkang N4 C20
- Punggol West C28
- Yishun N4 C3 and N4 C7
- Hougang N9 C12 and N4 C17
- Bukit Panjang N5 C13
- Jurong West N2 C15

Scotts Square

Other residential projects, some of which had attained the Green Mark Award included:

- Le Nouvel Condominium @ Ardmore Park
- Blossom Residences (Green Mark Award)
- Prive Condominium (Green Mark Award)
- Miltonia Residence (Green Mark Award)
- Jean Nouvel Residence (Green Mark Award)
- Ardmore Three (Green Mark Award)

Some commercial projects which attained the Green Mark Award included:

- Carlton Hotel (Green Mark Award)
- Singapore Sport Hub (Green Mark Award)

King Wan has won several contracts with an order book of approximately S$168.5 million worth of M&E engineering contracts as at end April 2012, which will be progressively recognised from financial years 2013 to 2015. Of these projects, S$19.7 million worth of contracts were secured from January to April 2012.

PROPERTY DIVISION

The Property Division engages in the development, marketing and sale of residential and commercial properties in Singapore, China and Thailand.

In Singapore, its 35-per cent owned Meadows Bright Development Pte Ltd (Singapore) heads its property developments. "The Starlight Suites", a 35-storey block comprising 105 freehold apartments located at River Valley Valley Close was officially launched in August 2010. Scheduled to be completed by mid-2014, the development is the Group's second project in Singapore, following the successful development of the 120-unit "The Inspira" at Robertson Quay in 2009.

In China, the Group's 36.6 per cent owned Dailian Shicheng Property Development Co., Ltd which was set up in 2004, spearheads its property developments. It currently 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 launched were warmly received and has already been majority sold. It has since started the construction of phase 7 of the development and it expects to be launched this year.

In Thailand, the Group is also making headway into the real estate landscape through its associate company, SI Property. This company owns and operates 17,308 square metres of office and commercial space in Liberty Plaza, which is located on Soi Thonglor (Sukhumvit 55) in Bangkok.

MANUFACTURING DIVISION

The Manufacturing Division specialises in the production, sale and distribution of environmentally-friendly chemically-bleached pulp and ethanol in Thailand. The Group enjoyed positive contributions from its two Thai associates during the past year.

Environment Pulp & Paper Company Ltd. (EPPCO), the Group's 20 per cent associate in Thailand is engaged in the manufacture, sales and distribution of environmentally-friendly chemically-bleached non-wood pulp derived from cropping residue, (sugarcane) bagasse. Starting operations in 2004, the plant now has a production capacity of 130,000 tons per annum. It is strategically located in the Nongpho district of Nakhonsawan province, the heartland of the sugar industry of Thailand. Our pulp is used for printing and writing paper, kraft liner, sanitary paper, duplex board and biodegradable packaging. It is exported to China, Taiwan, South Africa, Poland, India, Japan and the United States of America.

In the past year, EPPCO contributed S$4.6 million to the Group's results. This was 33 per cent lower than that of the last financial year due to generally lower pulp prices during the year. In August 2011 and May 2012, King Wan received dividend payments totalling THB 446.8 million (approximately S$17.9 million) from EPPCO.

Ekarat Pattana Co., Ltd. (EPC), the Group's 20 per cent associate in Thailand that produces and sells ethanol, contributed S$2.6 million to the Group's results, which was comparable


Singapore Sports Hub

to its contribution a year ago. The plant has a capacity of 230 kilolitres of quality ethanol per day. Ethanol has many commercial uses and serves as a low cost and cleaner alternative energy source. With a good track record as a trustworthy source, EPC has attracted international clients such as Cargill, Mitsubishi and Itochu; and Thailand-based clients such as Thai Oil, Bangchak Petroleum and PTT Petroleum. During the financial year, King Wan received dividend payments of THB 15.4 million (approximately S$0.6 million) from EPC.

With the aim to unlock shareholders' value, the Group has announced in April 2012 that it was selling its entire shareholding interests in EPPCO and EPC, for THB 1.22 billion (approximately S$50.2 million) to Kaset Thai Industry Sugar Company Limited, which is a company incorporated and operating in Thailand.

The sales would enable the Group to divest its stakes in EPPCO and EPC at an attractive premium and allow the Group to redirect funds into other strategic opportunities. It will also allow King Wan to improve its cash flow and net asset value.

In the assessment of the divestment, the Group is of the view that EPC is facing increased competition with more producers of ethanol and suppliers in the market selling similar products, and these are expected to have an impact on EPC's future earnings. In the case of EPPCO, raw materials' prices are expected to escalate in the near future while the tax incentives it is currently enjoying will expire in October 2012, followed by a five-year tax discount period. Currently, the plant's production capacity has reached its maximum capacity. These factors will assert pressure on EPPCO's profitability and thus, the Group feels that these two disposals have come at an opportune time to maximise and deliver value to stakeholders.

SERVICES DIVISION

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 has a fleet of more than 1,000 portable lavatories, making it one of Singapore's leading players. Our major clients include building contractors, event organisers and tentage operators.

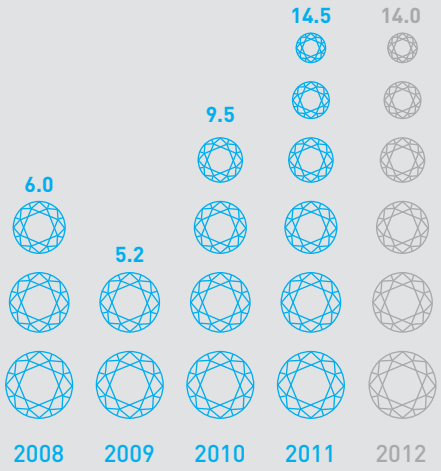
The revenue from the Services Division provides a stable income, adding S$2.5million to total revenue in the past financial year. The demand for our portable toilet services has remained steady, with business coming from the building and construction sector, and sports and outdoor entertainment activities in Singapore. The Group will look for more opportunities to bring in more business.

FIVE-YEAR FINANCIAL HIGHLIGHTS

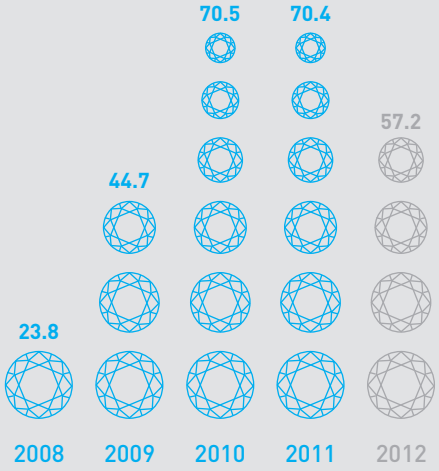
YEAR ENDED 31 MARCH

	2008 (S$million)	2009 (S$million)	2010 (S$million)	2011 (S$million)	2012 (S$million)
Profit & Loss Account					
Turnover	23.8	44.7	70.5	70.4	57.2
Net Profit after Tax	6.0	5.2	9.5	14.5	14.0
Balance Sheet					
Fixed Assets	13.4	13.5	12.7	11.5	5.9
Current and Other Assets	59.0	72.0	86.7	89.4	101.1
Total Assets	**72.4**	**85.5**	**99.4**	**100.9**	**107.0**
Short and Long Term Borrowings	9.5	13.6	16.6	8.4	6.1
Other Liabilities	7.4	11.1	18.0	17.2	17.3
Total Liabilities	16.9	24.7	34.6	25.6	23.4
Shareholders' funds	55.5	60.8	64.8	75.3	83.6
Total Reserves & Liabilities	**72.4**	**85.5**	**99.4**	**100.9**	**107.0**
Net Working capital	14.9	10.1	15.8	24.9	26.9
Per Share Data (Cents)					
No of Shares	349,176,870	349,176,870	349,176,870	349,176,870	349,176,870
EPS (Basic)	1.72	1.50	2.72	4.15	4.01
Net Assets	15.90	17.41	18.56	21.56	23.95
Dividend paid (net)	0.23	-	0.29	1.30	1.50
Financial Ratios					
Return on Shareholders' Funds	10.8%	8.6%	14.7%	19.2%	16.7%
Return on Total Assets Employed	8.3%	6.1%	9.6%	14.4%	13.1%
Gross Debt to Total-Equity Ratio	17.2%	22.3%	23.6%	11.4%	7.3%
Dividend Payout	13.4%	-	10.7%	31.3%	37.4%
Dividend Cover (times)	7.48	-	9.37	3.19	2.67

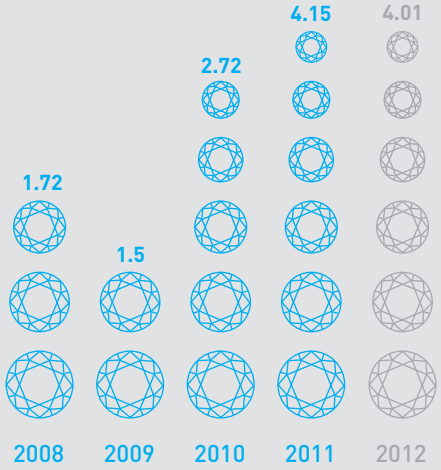
NET PROFIT AFTER TAX (S$million)



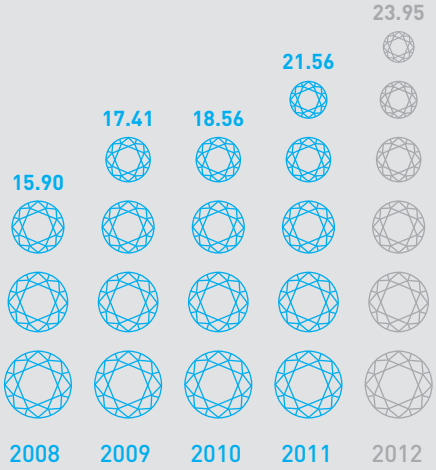
TURNOVER (S$million)



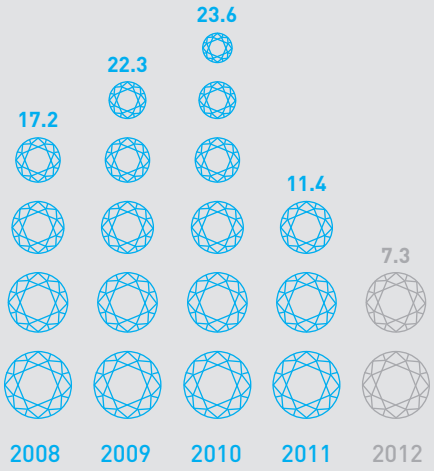
EARNINGS PER SHARE (cents)



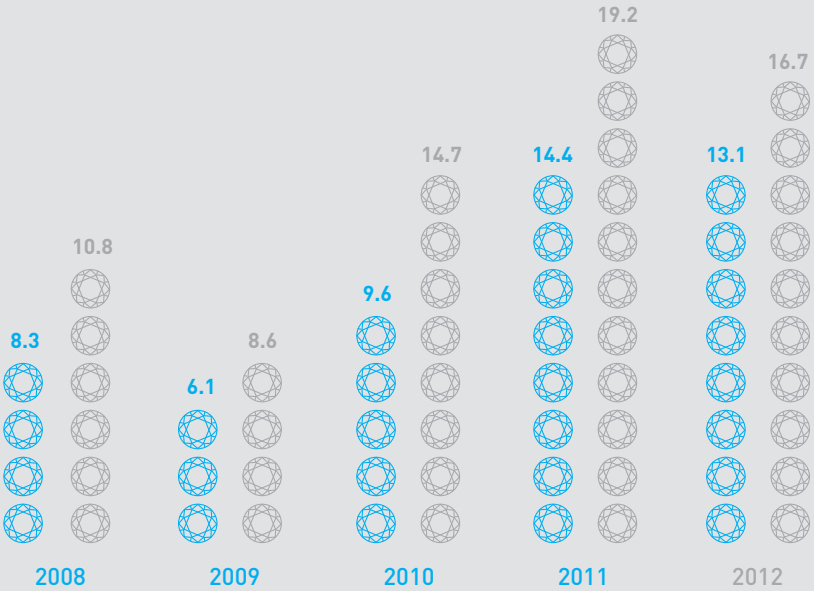
NTA PER SHARE (cents)



GROSS DEBT TO TOTAL-EQUITY RATIO (%)



OTHER FINANCIAL RATIOS (%)



Return on Total Assets Employed

Return on Shareholders' Funds

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


Carlton Hotel

LEAD INDEPENDENT DIRECTOR
Lim Hock Beng

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

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

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

COMPANY SECRETARY
Eliza Lim Bee Lian, ACIS

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

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

SHARE REGISTRAR
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138 Robinson Road
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Singapore 068906

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ANZ Singapore

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DELIVERING
VALUE

KING WAN
CORPORATION
LIMITED

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DELIVERING VALUE

FINANCIALS 2012

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, 2012.

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	35,633,906	36,576,906
Chua Hai Kuey	22,247,676	22,247,676

The directors' interests in the shares of the Company at April 21, 2012 were the same at March 31, 2012.

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.

REPORT OF THE DIRECTORS

7 AUDITORS

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

ON BEHALF OF THE DIRECTORS

Chua Kim Hua **Chua Eng Eng**

July 10, 2012

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 10 to 79 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, 2012, 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 10, 2012

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, 2012, 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 page 10 to 79.

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 qualified audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KING WAN CORPORATION LIMITED

BASIS FOR QUALIFIED OPINION

As further described in Note 40 (a) to the financial statements, the Board of Directors of Dalian Shicheng Property Development (S) Pte. Ltd. (the "associate") had undertaken a review of the accounting records of its subsidiary, Dalian Shicheng Property Development Co., Ltd ("DSPC") during the previous financial year ended March 31, 2011 ("FY2011"). As a result of the review, various adjustments totaling $9.6 million were identified and the Group's share of these adjustments amounting to $3.5 million was recorded in the share of associate's results for FY2011. Our audit opinion on the consolidated financial statements for FY2011 was qualified on the basis that management was unable to provide us with information on the accounting period(s) in which these adjustments arose, as well as the unresolved matters relating to DSPC, as more fully described in Note 40 (a) to the financial statements, which led to the qualified audit report for the financial year ended March 31, 2010. Our opinion on the current financial year's financial statements is also qualified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding figures.

QUALIFIED OPINION

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph on the comparability of the current year's figures and the corresponding figures, 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, 2012, 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
Certified Public Accountants
Singapore

July 10, 2012

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2012

	Note	Group March 31, 2012	Group March 31, 2011	Group April 1, 2010	Company March 31, 2012	Company March 31, 2011
		$	$	$	$	$
			(Restated)	(Restated)		
ASSETS						
Current assets						
Cash and cash equivalents	6	28,690,341	23,405,991	13,457,397	10,077,655	7,378,911
Trade receivables	7	9,285,830	8,761,210	10,743,798	-	-
Other receivables and prepayments	8	2,202,023	9,645,212	10,854,635	7,150	10,071
Amount due from subsidiaries	9	-	-	-	14,162,092	5,362,842
Held-for-trading investments	10	301,938	78,973	43,540	-	-
Inventories	11	1,269,500	767,501	1,439,360	-	-
Construction work-in-progress	12	7,680,142	5,928,674	10,878,177	-	-
Total current assets		49,429,774	48,587,561	47,416,907	24,246,897	12,751,824
Non-current assets						
Other receivables	8	17,441,315	-	-	-	-
Property, plant and equipment	14	5,916,328	5,818,204	6,552,371	-	-
Investment property	15	-	5,690,336	6,145,563	-	-
Investment in subsidiaries	17	-	-	-	34,230,187	34,230,187
Investment in associates	18	34,239,652	40,828,084	39,295,952	9,840,000	9,840,000
Total non-current assets		57,597,295	52,336,624	51,993,886	44,070,187	44,070,187
Total assets		107,027,069	100,924,185	99,410,793	68,317,084	56,822,011

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2012

	Note	Group March 31, 2012	Group March 31, 2011	Group April 1, 2010	Company March 31, 2012	Company March 31, 2011
		$	$	$	$	$
			(Restated)	(Restated)		
LIABILITIES AND EQUITY						
Current liabilities						
Bank borrowings	19	3,619,893	3,565,425	4,013,825	-	-
Construction work-in-progress	12	3,486,139	4,179,868	3,791,929	-	-
Trade payables and bills payables	20	6,109,675	8,392,257	18,763,338	-	-
Other payables	21	2,245,159	2,363,270	1,890,517	1,082,847	1,178,636
Current portion of finance leases	22	55,658	22,320	52,460	-	-
Amount due to a subsidiary	23	-	-	-	5,562,295	-
Accrual for contract costs	24	4,991,180	3,965,024	2,374,861	-	-
Income tax payable		2,058,491	1,245,844	716,034	312,647	175,000
Total current liabilities		22,566,195	23,734,008	31,602,964	6,957,789	1,353,636
Non-current liabilities						
Bank borrowings	19	624,369	1,743,613	2,809,345	-	-
Finance leases	22	109,481	81,808	104,128	-	-
Deferred tax liabilities	26	89,859	80,507	80,507	-	-
Total non-current liabilities		823,709	1,905,928	2,993,980	-	-
Capital and reserves						
Share capital	27	46,813,734	46,813,734	46,813,734	46,813,734	46,813,734
Retained earnings		38,181,451	28,711,621	16,975,381	14,545,561	8,654,641
Foreign currency translation reserve	28	(1,358,020)	(241,106)	1,024,734	-	-
Total equity		83,637,165	75,284,249	64,813,849	61,359,295	55,468,375
Total liabilities and equity		107,027,069	100,924,185	99,410,793	68,317,084	56,822,011

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FINANCIAL YEAR ENDED MARCH 31, 2012

	Note	Group March 31, 2012 $	March 31, 2011 $ (Restated)
Revenue	29	57,211,850	70,362,238
Cost of sales		(43,615,665)	(58,985,038)
Gross profit		13,596,185	11,377,200
Other operating income	30	3,084,921	6,514,348
Administrative expenses		(7,686,754)	(8,772,889)
Share of profit of associates	18	7,266,627	7,032,779
Finance costs	31	(237,087)	(521,190)
Profit before income tax		16,023,892	15,630,248
Income tax	32	(2,014,763)	(1,149,478)
Profit for the financial year	33	14,009,129	14,480,770
Other comprehensive income:			
Exchange differences on translation of foreign operations		(1,116,914)	(1,265,840)
Total comprehensive income for the year		12,892,215	13,214,930
Earnings per share (cents)			
Basic	34	4.01	4.15
Diluted	34	4.01	4.15

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

FINANCIAL YEAR ENDED MARCH 31, 2012

	Share capital	Retained earnings	Foreign currency translation reserve	Total
	$	$	$	$
GROUP				
Balance at April 1, 2010 (previously reported)	46,813,734	22,389,221	1,045,691	70,248,646
Prior years adjustments (Note 41)	-	(5,413,840)	(20,957)	(5,434,797)
Balance at April 1, 2010 (restated)	46,813,734	16,975,381	1,024,734	64,813,849
Total comprehensive income for the financial year (previously reported)	-	13,660,944	(1,393,734)	12,267,210
Prior year adjustments (Note 41)	-	819,826	127,894	947,720
Total comprehensive income for the financial year (restated)	-	14,480,770	(1,265,840)	13,214,930
Dividends paid (Note 35)	-	(2,744,530)	-	(2,744,530)
Balance at March 31, 2011 (restated)	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 paid (Note 35)	-	(4,539,299)	-	(4,539,299)
Balance at March 31, 2012	46,813,734	38,181,451	(1,358,020)	83,637,165

STATEMENTS OF CHANGES IN EQUITY

FINANCIAL YEAR ENDED MARCH 31, 2012

	Share capital	Retained earnings	Total
	$	$	$
COMPANY			
Balance at April 1, 2010	46,813,734	1,073,941	47,887,675
Total comprehensive income for the financial year	-	10,325,230	10,325,230
Dividends paid (Note 35)	-	(2,744,530)	(2,744,530)
Balance at March 31, 2011	46,813,734	8,654,641	55,468,375
Total comprehensive income for the financial year	-	10,430,219	10,430,219
Dividends paid (Note 35)	-	(4,539,299)	(4,539,299)
Balance at March 31, 2012	46,813,734	14,545,561	61,359,295

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FINANCIAL YEAR ENDED MARCH 31, 2012

	Group	
	March 31, 2012	March 31, 2011
	$	$
		(Restated)
Operating activities		
Profit before income tax	16,023,892	15,630,248
Adjustments for:		
Depreciation of property, plant and equipment and investment property	1,177,468	1,284,359
Net (reversal of) allowance for doubtful trade receivables	(21,567)	945,587
Bad debts written off on trade receivables	26,499	-
Bad debts written off on other receivables	22,552	-
(Reversal of) allowance for inventories obsolescence	(6,198)	129,232
Change in fair value of held-for-trading investments	37,371	(21,283)
Gain on disposal of a subsidiary	-	(329,236)
Gain on disposal of an associate	-	(4,271,617)
Gain on disposal of held-for-trading investments	(35,018)	-
Investment in associate written off	-	55,481
Interest income	(303,527)	(11,117)
Interest expense	237,087	521,190
Gain on disposal of property, plant and equipment	(153,084)	(58,246)
Gain on disposal of investment property	(1,137,278)	-
Dividend income from held-for-trading investments	(504)	(4)
Share of associates' results	(7,266,627)	(7,032,779)
Inventories written off	1,554	1,673
Operating cash flows before working capital changes	8,602,620	6,843,488
Trade receivables	(529,552)	932,163
Other receivables and prepayments	189,710	(23,814)
Construction work-in-progress	(2,435,501)	5,342,937
Inventories	(497,355)	337,978
Trade payables and bills payables	(2,282,582)	(10,236,746)
Other payables	(118,111)	336,905
Accrual for contract costs	1,026,156	1,590,163
Cash generated from operations	3,955,385	5,123,074
Income tax paid	(1,192,764)	(619,668)
Interest paid	(237,087)	(521,190)
Net cash from operating activities	2,525,534	3,982,216

CONSOLIDATED STATEMENT OF CASH FLOWS

FINANCIAL YEAR ENDED MARCH 31, 2012

	Group	
	March 31, 2012	March 31, 2011
	$	$
		(Restated)
Investing activities		
Interest received	51,039	11,117
Investment in associates	(980)	-
Advances to associates	(9,957,900)	(1,964,601)
Dividends received from held-for-trading investments	504	4
Dividends received from associates	12,739,125	2,536,599
Purchase of property, plant and equipment [Note (a)]	(994,609)	(1,120,608)
Purchase of held-for-trading investments	(476,000)	(14,150)
Proceeds from disposal of a subsidiary (Note 13)	-	1,348,574
Proceeds from disposal of investment property	6,600,000	-
Proceeds from the disposal of property, plant and equipment	190,019	86,046
Proceeds from disposal of held-for-trading investments	250,682	-
Proceeds from disposal of interest in associates	-	9,394,519
Net cash from investing activities	8,401,880	10,277,500
Financing activities		
Dividends paid	(4,539,299)	(2,744,530)
Repayments of finance leases	(38,989)	(52,460)
Repayments of bank borrowings	(1,064,776)	(1,514,132)
Net cash used in financing activities	(5,643,064)	(4,311,122)
Net increase in cash and cash equivalents	5,284,350	9,948,594
Cash and cash equivalents at beginning of financial year	23,405,991	13,457,397
Cash and cash equivalents at end of financial year (Note 6)	28,690,341	23,405,991

Note (a):

	March 31, 2012	March 31, 2011
	$	$
Purchase of property, plant and equipment	(1,094,609)	(1,120,608)
Less: Assets purchase under finance leases (Note 14)	100,000	-
	(994,609)	(1,120,608)

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

1 GENERAL

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

The principal activity of the Company is that of an investment holding company. The subsidiaries and associates in the Group are principally engaged in activities as disclosed in Notes 17 and 18 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, 2012 were authorised for issue by the Board of Directors on July 10, 2012.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the Group and the Company have adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2011. 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 except as disclosed below:

INT FRS 115 *Agreements for Construction of Real Estate*

INT FRS 115 has been adopted for the financial year beginning April 1, 2011 and has been applied retrospectively. The Interpretation clarifies how entities should determine whether an agreement for the construction of real estate is within the scope of FRS 11 *Construction Contracts* or FRS 18 *Revenue* and when revenue from the construction of real estate should be recognised.

Previously, the Group applied FRS 11 by analogy (as recommended by RAP 11 Pre-Completion Contracts For The Sale Of Development Property) to all pre-completion contracts for the sale of real estate i.e. revenue recognition using the percentage-of-completion accounting. As a consequence of adopting INT FRS 115, the method of recognising revenue for certain contracts has changed.

The Group has considered the application of INT FRS 115 specifically in the context of the sale of development properties in the People's Republic of China ("PRC") engaged by one of its associates. As a consequence of adopting INT FRS 115, the method of recognising revenue for certain such contracts has changed. For the development projects in PRC, the Group adopted the completion of contract ("COC") method for the recognition of revenue. In accordance with the transition provisions of INT FRS 115, this change in accounting policy was applied retrospectively. The effects of adopting INT FRS 115 on the Group are disclosed in Note 41.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

At the date of authorisation of these financial statements, the following FRSs, Interpretations of FRS ("INT FRS") 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, 2013, with full retrospective application. The Group is currently estimating the effects of FRS 110 on its investments in the period of initial adoption.

FRS 112 *Disclosure of Interests in Other Entities*

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

FRS 112 will take effect from financial years beginning on or after January 1, 2013. The Group is currently estimating the extent of additional disclosure 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.

FRS 113 will be effective prospectively from annual periods beginning on or after January 1, 2013. The Group is currently estimating the effects of FRS 113 in the period of initial adoption.

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The management is in the process of evaluating whether the adoption of the other FRSs, INT FRSs and amendments to FRS in future periods will 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.

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 the 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 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 at the date of acquisition. 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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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

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

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 and expense are 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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 Company 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 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.

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 of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 right to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither 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 all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

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

Derecognition of financial liabilities

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derivative financial instruments

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates. Further details of derivative financial instruments are disclosed in Note 36.

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.

The Group as lessor

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

The Group as lessee

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

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

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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

INVENTORIES - Inventories comprising raw materials and consumables are measured at the lower of cost and net realisable value. Cost includes all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. 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.

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

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

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

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

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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

INVESTMENT PROPERTY - Investment property held to earn rentals and 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.

Depreciation is charged so as to write off the cost of the investment property over its estimated useful life of 28 years.

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 to the period in which the dividends are approved by the Company's shareholders.

Provision for profit sharing

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

Provision for rectification costs

The Group recognises a liability and an expense for rectification costs upon completion of the construction work and the obligation is made based on management's best estimates of the expected costs which are to be incurred pending the finalisation of the final account between the Group and its respective sub-contractors based on past experience and assessment of the projects.

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 cost 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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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

Sale of goods

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

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

Revenue from construction contracts

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

Rendering of services

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

Sales of property under development

Revenue for sales of property under development is recognised when risks and rewards of ownership of the real estate is transferred to the buyer, which may be:

a) on a continuous transfer basis; or

b) at a single point of time (e.g. at completion, upon or after delivery).

Under (a), revenue is recognised based on the percentage of completion method when the transfer of significant risks and rewards of ownership occurs as construction progresses. Under the percentage of completion method, revenue and costs are recognised by reference to the stage of completion of the development activity at the end of the reporting period based on survey of work completed at the end of each reporting period performed by independent qualified surveyors. Profits are recognised only in respect of properties with finalised sales agreements. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Development properties are stated at cost plus attributable profits less progress billings if their revenue is recognised based on percentage of completion method.

Under (b), where transfer of significant risks and rewards of ownership coincide with the time when the property is completed or when the development units are delivered to the purchasers, revenue is recognised at that time. Any progress billings received for such property sales are recorded as deferred income in liabilities. Any costs incurred in the development of such property are carried at cost as an asset on the statement of financial position.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

Management fee income

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of each reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the Group's currency translation reserve. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation accumulated in the Group's currency translation reserve, shall be reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities) are taken to the currency translation reserve.

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

CASH AND CASH EQUIVALENTS 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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying the Group's accounting policies

Apart from those involving estimations (see below), the management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

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 further impairment in the net investment in subsidiaries amounting to $34,230,187 (2011 : $34,230,187) as at March 31, 2012.

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 18 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

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

Allowances for doubtful debts

The Group and Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables and amount due from subsidiaries. Allowances are applied to trade and other receivables and amount due from subsidiaries when events or changes in circumstances indicate that the balance may not be collectible. The identification of doubtful debts requires the use of judgements and estimates. Judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer and on-going dealings with them. Where the expectation is different from the original estimate, such differences will impact the carrying value of trade and other receivables and allowances for doubtful debts in the period in which such estimate has been charged. The carrying amount of trade and other receivables and amount due from subsidiaries are disclosed in Notes 7, 8 and 9 respectively.

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, 2012, management considered that all costs to complete and revenue can be reliably estimated. As at March 31, 2012, the carrying amount of the Group's net construction work-in-progress amounted to $4,194,003 (2011 : $1,748,806).

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, 2012, the Group has provided rectification costs of $793,933 (2011 : $487,706) in respect of certain completed projects as disclosed in Note 24.

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, 2012 and 2011, the Group has assessed that no provision for foreseeable losses is necessary (see Note 12).

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

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	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	$	$	$	$
FINANCIAL ASSETS				
Loans and receivables (including cash and cash equivalents):				
- Cash and cash equivalents	28,690,341	23,405,991	10,077,655	7,378,911
- Trade receivables	9,285,830	8,761,210	-	-
- Other receivables (excluding prepayments)	19,605,915	9,611,915	-	2,021
- Amount due from subsidiaries	-	-	14,162,092	5,362,842
	57,582,086	41,779,116	24,239,747	12,743,774
Fair value through profit and loss (FVTPL):				
- Held for trading	301,938	78,973	-	-
FINANCIAL LIABILITIES				
Amortised cost:				
- Bank borrowings	4,244,262	5,309,038	-	-
- Trade payables and bills payables	6,109,675	8,392,257	-	-
- Other payables	2,245,159	2,363,270	1,082,847	1,178,636
- Accrual for contract costs	4,197,247	3,477,318	-	-
- Amount due to a subsidiary	-	-	5,562,295	-
- Finance leases	165,139	104,128	-	-
	16,961,482	19,646,011	6,645,142	1,178,636

(b) Financial risk management policies and objectives

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

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)
The Group does not hold or issue derivative financial instruments for speculative purposes.

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 Thailand (Thai Baht) and PRC (Renminbi). 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 36 to the financial statements.

Currency sensitivity analysis
The following analyses details 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 $1,280,000 (2011: $1,585,000) 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 22. The Group does not have interest rate hedge policy and management monitors interest rate exposure closely.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

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 with all other variables held constant, the Group's profit for the year ended March 31, 2012 would increase / decrease by $20,742 (2011: $27,645).

(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.

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

(iv) Credit risk management

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

The Group maintains an allowance for doubtful accounts based upon the recoverability of all accounts receivables and the customers' financial conditions. Concentration of credit risk with respect to trade receivables in the construction industry in which the Group operates does exist in view of the limited number of main contractors that the Group has been dealing with, and in respect of other receivables, the Group has a balance from associates of $19,496,315 (2011 : $9,285,927).

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

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

(v) Liquidity risk management

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

The Group manages its liquidity risk by matching the payment and receipt cycle. The directors of the Group are of the opinion that liquidity risk is contained given that the Group has sufficient equity funds to finance its operations and that if required, financing can be obtained from its lines of banking credit facilities.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

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

Liquidity and interest risk analyses

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The table below has 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 is 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						
March 31, 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
March 31, 2011						
Non-interest bearing	-	41,779,116	-	-	-	41,779,116
COMPANY						
March 31, 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
March 31, 2011						
Non-interest bearing	-	12,743,774	-	-	-	12,743,774

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has 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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

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

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$	$	$	$	$
GROUP						
March 31, 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
March 31, 2011						
Non-interest bearing	-	11,202,002	-	-	-	11,202,002
Variable interest rate instruments	3.63	5,589,357	-	-	(58,514)	5,530,843
Fixed interest rate instruments	5.00	1,181,857	1,815,351	-	(188,170)	2,809,038
Finance lease liability (fixed rate)	4.50	25,272	92,593	-	(13,737)	104,128
		17,998,488	1,907,944	-	(260,421)	19,646,011
COMPANY						
March 31, 2012						
Non-interest bearing	-	6,645,142	-	-	-	6,645,142
March 31, 2011						
Non-interest bearing	-	1,178,636	-	-	-	1,178,636

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, 2012, the total notional amount of outstanding forward foreign exchange contracts for the period from April 2012 to March 2013 (2011 : April to December 2011) to which the Company is committed is $1,662,400 (2011 : $956,250).

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

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

(vi) Fair value of financial assets and financial liabilities

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

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, 2012	
Financial assets	
Fair value through profit or loss (FVTPL):	
Held-for-trading investments	301,938
MARCH 31, 2011	
Financial assets	
Fair value through profit or loss (FVTPL):	
Held-for-trading investments	78,973

The Group had no financial liabilities carried at fair value in March 31, 2012 and March 31, 2011.

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			
March 31, 2012			
Forward currency contracts	April 2012 to March 2013	1,662,400	-
March 31, 2011			
Forward currency contracts	April to December 2011	956,250	-

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.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

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

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

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

During the current financial year, there were no transfers of financial instruments between the levels of the fair value hierarchy.

(c) Capital risk management policies and objectives

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

The capital structure of the Group consist of debt, which includes the borrowings disclosed in Note 19, and equity attributable to the owners of the parent, comprising issued capital and retained earnings. The Group is required to maintain a minimum Group's net worth, a maximum gearing ratio and a minimum current ratio in order to comply with the financial covenants in the loan agreements with the banks.

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

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 2011.

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.

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

	Group	
	March 31, 2012	March 31, 2011
	$	$
Rental income from a director	(14,420)	(34,608)
Rental income from an associate	-	(317,737)
Interest income from an associate	(252,488)	-
Management fee income from an associate	(60,000)	(60,000)

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

5 RELATED PARTY TRANSACTIONS (cont'd)
Compensation of directors and key management personnel
The remuneration of directors and other members of key management during the year was as follows:

	Group	
	March 31, 2012	March 31, 2011
	$	$
Directors' and key management's remuneration:		
- Short-term benefits	3,051,532	3,137,635
- Post-retirement benefits	85,530	80,139
	3,137,062	3,217,774
Directors' fees	146,500	134,500
	3,283,562	3,352,274

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	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	$	$	$	$
Cash and bank balances	16,526,372	23,405,991	1,077,655	7,378,911
Fixed deposits	12,163,969	-	9,000,000	-
Total	28,690,341	23,405,991	10,077,655	7,378,911

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

For the financial year ended March 31, 2012, fixed deposits bore interest ranging from 0.37% to 4.29% per annum (2011 : 1.71% per annum) and had tenure of approximately 1 to 13 months (2011 : approximately 1 to 3 months).

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

6 CASH AND CASH EQUIVALENTS (cont'd)

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

	Group		Company	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	$	$	$	$
United States dollars	36,961	14,487	-	-
Australian dollars	171,582	402,636	-	-

7 TRADE RECEIVABLES

	Group	
	March 31, 2012	March 31, 2011
	$	$
Accrued trade receivables for construction contracts	6,662,026	6,825,036
Amounts receivable from construction contract customers	4,048,450	3,421,732
Amounts receivable from rendering of services	625,124	609,065
Less: Allowance for doubtful debts	(2,049,770)	(2,094,623)
Net	9,285,830	8,761,210

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 (2011 : 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 $2,515,808 (2011 : $618,364) which are past due at the end of the reporting period for which the Group has not provided as there has not been a significant 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 73 days (2011 : 105 days). The above analysis does not include the accrued trade receivables for construction contracts of $6,662,026 (2011 : $6,825,036) 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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

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 provision required in excess of the allowance for doubtful debts.

Trade receivables that are determined to be impaired at the end of the reporting period relates to debtors that are in significant financial difficulties and have defaulted on payments. The impairment recognised represents the difference between the carrying amount of the specific trade receivables and present value of the expected future cash flows. The Group does not hold any collateral over these balances. The Group's trade receivables comprises 9 debtors (2011 : 6 debtors) that individually represent more than 5% of the total balance of trade receivables.

At March 31, 2012, retention monies held by customers for contract work amounted to $408,123 (2011 : $2,078,775). Retention sum of $314,500 (2011 : $Nil) 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	
	March 31, 2012	March 31, 2011
	$	$
< 3 months	2,343,695	462,676
3 months to 6 months	71,295	43,661
6 months to 9 months	15,034	32,680
> 12 months	85,784	79,347
	2,515,808	618,364

Movement in the allowance for doubtful debts:

	Group	
	March 31, 2012	March 31, 2011
	$	$
Balance at beginning of year	2,094,623	1,549,668
Increase in allowance recognised in profit or loss	662,117	945,587
Amounts written back during the year	(683,684)	-
Amounts written off during the year	(23,286)	(400,632)
Balance at end of year	2,049,770	2,094,623

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

7 TRADE RECEIVABLES (cont'd)

At March 31, 2012, reversal of allowance for doubtful debts amounting to $683,684 was a result of subsequent repayments made by certain customers.

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	$	$	$	$
CURRENT				
Loans to associates (Note 18)	2,055,000	9,285,927	-	-
Other receivables	42,934	230,599	-	2,021
Prepayments	37,423	33,297	7,150	8,050
Advances to staff	300	298	-	-
Deposits	66,366	95,091	-	-
Total	2,202,023	9,645,212	7,150	10,071
NON -CURRENT				
Loans to associates (Note 18)	17,441,315	-	-	-

Loans to an associate amounting to $11,266,000 (2011 : $Nil) is unsecured, repayable on demand and bears an interest of 5.00% to 5.25% (2011 : Nil%) 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 $17,441,315 (2011 : $Nil) to be repaid within the next 12 months.

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

9 AMOUNT DUE FROM SUBSIDIARIES

	Company	
	March 31, 2012	March 31, 2011
	$	$
Loan to subsidiaries - non-trade (Note 17)	14,162,092	5,362,842

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

9 AMOUNT DUE FROM SUBSIDIARIES (cont'd)

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

10 HELD-FOR-TRADING INVESTMENTS

	Group	
	March 31, 2012	March 31, 2011
	$	$
Balance at beginning of the year	78,973	43,540
Additions during the year	476,000	14,150
Disposals during the year	(215,664)	-
Fair value change on held-for-trading investments	(37,371)	21,283
Balance at end of the year	301,938	78,973

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

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

	Group	
	March 31, 2012	March 31, 2011
	$	$
Malaysian ringgit	61,008	64,563

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

11 INVENTORIES

	Group	
	March 31, 2012	March 31, 2011
	$	$
Raw materials and consumables	1,269,500	767,501

Movement in the allowance for inventories obsolescence:

	Group	
	March 31, 2012	March 31, 2011
	$	$
Balance at beginning of year	147,025	17,793
(Decrease) increase in allowance recognised in profit or loss	(6,198)	129,232
Balance at end of year	140,827	147,025

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

12 CONSTRUCTION WORK-IN-PROGRESS

	Group	
	March 31, 2012	March 31, 2011
	$	$
Contract costs incurred plus recognised profits (less recognised losses to date)	80,771,344	86,762,293
Less: Progress billing	(76,577,341)	(85,013,487)
	4,194,003	1,748,806
Analysed as:		
Contracts-in-progress at end of the reporting period:		
Amounts due from contract customers	7,680,142	5,928,674
Amounts due to contract customers	(3,486,139)	(4,179,868)
	4,194,003	1,748,806

During the financial years ended March 31, 2012 and March 31, 2011, no provision for foreseeable losses has been recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

13 DISPOSAL OF SUBSIDIARY

On October 15, 2010, the Board of Directors resolved to dispose of the Group's shareholdings in one of the Group's subsidiaries, Self-Cote Investment Pte Ltd to an external party for a cash consideration of $1,623,000.

Details of the disposal were as follows:

Book values of net assets over which control was lost:

	2011
	$
NON-CURRENT ASSET	
Property, plant and equipment	992,348
CURRENT ASSETS	
Cash and bank balances	274,426
Inventories-at cost (net)	202,976
Trade receivables (net)	104,838
Other receivables	2,379
Total current assets	584,619
CURRENT LIABILITIES	
Trade payables	134,335
Other payables	148,868
Total current liabilities	283,203
Net assets derecognised	1,293,764
GAIN ON DISPOSAL	
Consideration received	1,623,000
Net assets derecognised	(1,293,764)
Gain on disposal	329,236

The gain on disposal of subsidiary was recorded as part of profit for the previous financial year in the consolidated statement of comprehensive income.

	2011
	$
NET CASH INFLOW ARISING FROM DISPOSAL	
Cash consideration received	1,623,000
Cash and cash equivalents disposed of	(274,426)
	1,348,574

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings and properties	Land use rights	Plant and machinery	Office equipment	Motor vehicles	Portable toilets	Total
	$	$	$	$	$	$	$
GROUP							
Cost:							
At April 1, 2010	8,895,744	277,720	1,529,660	1,166,086	3,055,680	1,506,339	16,431,229
Additions	868	-	151,391	176,244	698,921	93,184	1,120,608
Disposals	-	-	(49,700)	(46,156)	(298,165)	(4,300)	(398,321)
Disposed on sale of subsidiary	(619,070)	(277,720)	(311,029)	(46,494)	(125,127)	-	(1,379,440)
At March 31, 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
Accumulated depreciation:							
At April 1, 2010	4,458,087	48,138	1,091,275	808,465	2,178,855	1,294,038	9,878,858
Depreciation for the year [1]	356,871	-	42,015	97,501	233,899	104,341	834,627
Disposals	-	-	(47,200)	(32,920)	(286,961)	(3,440)	(370,521)
Disposed on sale of subsidiary	(96,091)	(48,138)	(123,068)	(39,629)	(80,166)	-	(387,092)
At March 31, 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
Carrying amount:							
At March 31, 2012	3,203,512	-	365,736	437,380	1,803,200	106,500	5,916,328
At March 31, 2011	3,558,675	-	357,300	416,263	1,285,682	200,284	5,818,204

Certain plant and equipment with carrying amount of $440,763 (2011 : $137,051) are secured under finance leases.

[1] Included herein are depreciation expenses amounting to $9,696 (2011 : $5,495) which have been allocated to and recorded under the construction work-in-progress (Note 12).

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

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	
	March 31, 2012	March 31, 2011
	$	$
Cost:		
At beginning of the year	11,600,794	11,600,794
Disposal	(11,600,794)	-
At end of financial year	-	11,600,794
Accumulated depreciation:		
At beginning of financial year	5,910,458	5,455,231
Depreciation for the financial year	227,614	455,227
Disposal	(6,138,072)	-
At end of financial year	-	5,910,458
Carrying amount:		
At beginning of financial year	5,690,336	6,145,563
At end of financial year	-	5,690,336

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

15 INVESTMENT PROPERTY (cont'd)

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 $327,345 (2011 : $810,775).

Direct operating expenses arising on the investment property in the year amounted to $153,772 (2011 : $255,359).

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 30).

The fair value of the Group's investment property at March 31, 2011 was $7,000,000 and had been determined on the basis of valuation carried out at the year end date by independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation had been arrived at by reference to market evidence of transaction prices for similar property.

16 GOODWILL

	Group	
	March 31, 2012	March 31, 2011
	$	$
Cost:		
At beginning of financial year	-	71,056
Eliminated on disposal of a subsidiary	-	(71,056)
At end of financial year	-	-
Impairment loss:		
At beginning of financial year	-	(71,056)
Eliminated on disposal of a subsidiary	-	71,056
At end of financial year	-	-
At end of financial year	-	-

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

16 GOODWILL (cont'd)

The above goodwill was related to the investment in a subsidiary (Note 13), Self-Cote Investment Pte Ltd which had been disposed of during the financial year ended March 31, 2011.

17 INVESTMENT IN SUBSIDIARIES

	Company	
	March 31, 2012	March 31, 2011
	$	$
Unquoted equity shares - at cost	34,230,187	34,230,187

Assessment of impairment in investment in subsidiaries is carried out at the end of each reporting period and the necessary allowance for impairment is accordingly made. For the year ended March 31, 2012, 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	
		2012	2011
		%	%
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

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

18 INVESTMENT IN ASSOCIATES

	Group			Company	
	March 31, 2012	March 31, 2011	April 1, 2010	March 31, 2012	March 31, 2011
	$	$	$	$	$
		(Restated)	(Restated)		
Unquoted equity shares - at cost	22,787,577	22,786,597	20,271,751	9,840,000	9,840,000
Share of post-acquisition accumulated profits net of dividends received	12,783,195	18,255,693	17,919,300	-	-
Share of foreign currency translation reserve	(1,331,120)	(214,206)	1,104,901	-	-
Net	34,239,652	40,828,084	39,295,952	9,840,000	9,840,000

Carrying value as at year end includes goodwill on acquisition amounting to $616,103 (March 31, 2011 : $616,103 and April 1, 2010 : $559,803).

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

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

18 INVESTMENT IN ASSOCIATES (cont'd)
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		
		March 31, 2012	March 31, 2011	April 1, 2010
		%	%	%
Meadows Bright Development Pte Ltd [1]	Property development/ Singapore	35	35	35
Meadows Property (Singapore) Pte Ltd [2]	Property development/ Singapore	35	35	35
Dalian Shicheng Property Development (S) Pte. Ltd. [3]	Property development and investment holding/ Singapore	36.6	36.6	30
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	30
Environment Pulp & Paper Company Ltd [4]	Production and sale of chemically bleached bagasse pulp/ Thailand	20	20	20
Ekarat Pattana Co., Ltd [4]	Production, distribution and sale of ethanol/ Thailand	20	20	20
S.I. Property Co., Ltd. [5]	Owner and rental of office and commercial space/ Bangkok	30	30	30
Pengda Investment & Development Pte Ltd [6]	Investment holding/ Singapore	-	-	30
Pengda Construction & Development Co., Ltd [6]	Property development and investment holding/ People's Republic of China	-	-	24

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

18 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		
		March 31, 2012	March 31, 2011	April 1, 2010
		%	%	%
Cables International Pte Ltd [7]	Supply of specialised electrical cables and accessories to offshore oil and gas sectors/ Singapore	-	-	30
Cables International (Australian) Pty Ltd [7]	Supply of specialised electrical cables and accessories to international energy sector/ Australia	-	-	30
CI Investments Ltd [7]	Commission agent / Republic of Seychelles	-	-	30
Chang Li Investments Pte. Ltd. [8]	Investment holding/Singapore	49	-	-
Li Ta Investments Pte. Ltd. [8]	Investment holding/Singapore	49	-	-

[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. In current financial year, 100% shareholdings in DSPC are pledged to a financial institution for banking facilities granted to Dalian Shicheng Property Development (S) Pte. Ltd .

DSPC is audited by Deloitte Touche Tohmatsu CPA Co., Ltd. in the current financial year and audited by another firm of auditors, UHY Lee Seng Chan & Co., Certified Public Accountant Singapore in the previous financial year.

Dalian Shicheng Property Development (S) Pte. Ltd is audited by Deloitte & Touche LLP, Singapore and audited by another firm of auditors, UHY Lee Seng Chan & Co., Certified Public Accountant Singapore in the previous financial year.

Matters relating to investment in DSPC are fully described in Note 40 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

18 INVESTMENT IN ASSOCIATES (cont'd)

[4] Audited by PriceWaterHouseCoopers Abas Ltd, Thailand in the current financial year and audited by BPR Audit and Advisory Co., Ltd, Certified Public Accountants, Thailand in the previous financial year.

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

[6] Struck off in the financial year 2011.

[7] Disposal in the financial year 2011.

[8] On December 15, 2011, a wholly owned subsidiary, King Wan Industries Pte Ltd had invested in 49% shareholding in two newly incorporated companies in Singapore, Chang Li Investments Pte. Ltd. and Li Ta Investments Pte. Ltd.

The associates were newly incorporated on October 10, 2011 and there were few transactions from the date of incorporation to the end of the reporting period. The associates' unaudited financial statements have been reviewed for consolidation purposes as the results are not significant to the Group.

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

	March 31, 2012	March 31, 2011	April 1, 2010
	$	$	$
		(Restated)	(Restated)
Total assets	448,972,878	428,256,628	433,292,786
Total liabilities	(320,059,820)	(248,116,094)	(268,906,942)
Net assets	128,913,058	180,140,534	164,385,844
Group's share of associates' net assets	33,623,549	40,211,981	38,736,149
Revenue	204,868,213	216,447,396	-
Profit for the financial year	36,439,401	41,809,816	-
Group's share of associates' profit for the financial year	7,266,627	7,032,779	-

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

19 BANK BORROWINGS

	Group	
	March 31, 2012	March 31, 2011
	$	$
Short-term bank borrowings	2,500,000	2,500,000
Long-term bank borrowings:		
- current	1,119,893	1,065,425
- non-current	624,369	1,743,613
	4,244,262	5,309,038

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 2.39% to 3.22% (2011 : 2.32% to 3.5%) 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% (2011 : 5%) per annum.

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

20 TRADE PAYABLES AND BILLS PAYABLES

	Group	
	March 31, 2012	March 31, 2011
	$	$
Bills payables	1,648,362	3,030,843
Outside parties	4,461,313	5,361,414
	6,109,675	8,392,257

Bills payables are repayable between 2 to 3 months (2011 : 1 to 4 months) from the date the bills are first issued. The carrying amount of the bills payables approximates its fair value due to its short-term maturity. Bills payables bear interest at rates ranging from 1.93% to 2.69% (2011 : 2.25% to 5.25%) 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 (2011 : 3 months). No interest is charged on overdue trade payables. Trade payables principally comprise amounts outstanding for trade purchases.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

21 OTHER PAYABLES

	Group		Company	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	$	$	$	$
Other payables	1,025,210	857,898	233,617	49,751
Related parties (Note 5)	-	5,768	-	-
Associates (Note 18)	370,719	370,719	-	-
Directors	146,500	134,500	146,500	134,500
Accrual for profit sharing	702,730	994,385	702,730	994,385
	2,245,159	2,363,270	1,082,847	1,178,636

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

22 FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	$	$	$	$
GROUP				
Amounts payable under finance leases:				
Within one year	60,600	25,272	55,658	22,320
In the second to fifth year inclusive	120,299	92,593	109,481	81,808
After fifth year	-	-	-	-
	180,899	117,865	165,139	104,128
Less: Future finance charges	(15,760)	(13,737)		
Present value of lease obligations	165,139	104,128		
Less: Amount due for settlement within 12 months	(55,658)	(22,320)		
Amount due for settlement after 12 months	109,481	81,808		

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

22 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 (2011 : 5 years). For the financial year ended March 31, 2012, the average effective borrowing rate was 4.19% (2011 : 4.5%) 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).

23 AMOUNT DUE TO A SUBSIDIARY

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

24 ACCRUAL FOR CONTRACT COSTS

	Group	
	March 31, 2012	March 31, 2011
	$	$
Accrual for subcontractor costs	4,197,247	3,477,318
Provision for rectification costs	793,933	487,706
Total	4,991,180	3,965,024

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

	Group	
	March 31, 2012	March 31, 2011
	$	$
At beginning of year	487,706	200,543
Additions during the year	338,958	336,410
Utilised during the year	(32,731)	(49,247)
At end of year	793,933	487,706

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.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

25 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 $623,219 (2011 : $511,977) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at March 31, 2012, contributions of $154,159 (2011 : $115,312) 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.

26 DEFERRED TAX LIABILITIES

	Group	
	March 31, 2012	March 31, 2011
	$	$
At beginning of financial year	80,507	80,507
Charge to profit or loss for the financial year (Note 32)	9,352	-
At end of financial year	89,859	80,507

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 $20,773,390 (2011 : $14,113,993). Deferred tax liabilities has not been recognised in respect of the remaining undistributed earnings amounted to $30,298,996 (2011 : $23,083,173) of other associates because these undistributed earnings are tax exempt.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

27 SHARE CAPITAL

	Group and Company			
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	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.

28 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.

29 REVENUE

	Group	
	March 31, 2012	March 31, 2011
	$	$
Amounts recognised from construction contracts	54,743,693	67,843,225
Rendering of services	2,468,157	2,519,013
	57,211,850	70,362,238

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

30 OTHER OPERATING INCOME

	Group	
	March 31, 2012	March 31, 2011
	$	$
Rental income	1,273,966	1,508,789
Gain on disposal of:		
Property, plant and equipment	153,084	58,246
Investment property	1,137,278	-
A subsidiary (Note 15)	-	329,236
An associate (Note 13)	-	4,271,617
Sundry income	121,544	233,312
Jobs credit scheme	-	20,744
Management fee income	60,000	60,000
Interest income from loans to an associate	252,488	-
Interest income from external parties	51,039	11,117
Dividend income from other investments	504	4
Change in fair value of held-for-trading investments	-	21,283
Gain on disposal of held-for-trading investments	35,018	-
	3,084,921	6,514,348

31 FINANCE COSTS

	Group	
	March 31, 2012	March 31, 2011
	$	$
Interest expense from:		
Bank borrowings	233,140	515,009
Finance leases	3,947	6,181
Total	237,087	521,190

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

32 INCOME TAX

	Group	
	March 31, 2012	March 31, 2011
	$	$
Current	1,880,000	1,240,000
Deferred	9,352	-
Under (over) provision in prior years - Current tax	125,411	(90,522)
	2,014,763	1,149,478

The income tax expense of the Group varied from the amount of income tax determined by applying the Singapore tax rate of 17% (2011 : 17%) to profit before income tax as a result of the following differences:

	Group	
	March 31, 2012	March 31, 2011
	$	$
		(Restated)
Profit before income tax	16,023,892	15,630,248
Income tax expense at statutory rate	2,724,062	2,657,142
Non-allowable items	577,117	761,276
Non-taxable items	(230,309)	(894,171)
Tax effect of share of results of associates	(1,235,327)	(1,195,572)
Tax exemptions	(51,850)	(67,464)
Deferred tax benefits not recognised	26,733	-
Utilisation of deferred tax benefits previously not recognised	-	(49,399)
Others	78,926	28,188
	1,889,352	1,240,000
Under (over) provision in prior years:		
- Current tax	125,411	(90,522)
	2,014,763	1,149,478

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

32 INCOME TAX (cont'd)

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

	Accelerated tax depreciation	Tax losses	Provisions	Net
	$	$	$	$
Balance at April 1, 2010	(325,042)	404,405	325,042	404,405
Movement during the year	(110,486)	(404,405)	224,312	(290,579)
Balance at March 31, 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

Net deferred tax benefits not recorded:	
- March 31, 2012	46,083
- March 31, 2011	19,350

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

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

33 PROFIT FOR THE FINANCIAL YEAR

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

	Group	
	March 31, 2012	March 31, 2011
	$	$
Directors' remuneration:		
Company	1,697,205	1,902,131
Subsidiaries	431,727	257,177
Directors' fees:		
Company	146,500	134,500
Staff costs (including directors' remuneration)	9,526,250	8,986,197
Costs of defined contribution plans included in staff costs	623,219	511,977
Net (reversal of) allowance for doubtful trade receivables	(21,567)	945,587
Bad debts written off on trade receivables	26,499	-
Bad debts written off on other receivables	22,552	-
(Reversal of) allowance for inventories obsolescence	(6,198)	129,232
Inventories written off	1,554	1,673
Cost of inventories recognised as expense	16,092,394	27,950,421
Investment in an associate written off	-	55,481
Foreign exchange loss	10,952	10,838
Change in fair value of held-for-trading investments	37,371	(21,283)
Audit fees:		
- paid to auditors of the Company	90,000	90,000

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

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

34 EARNINGS PER SHARE (CENTS)
The basic earnings per ordinary share is calculated by dividing the Group's profit for the financial year of $14,009,129 (2011 : $14,480,770) by the weighted average number of ordinary shares of 349,176,870 (2011 : 349,176,870) in issue during the financial year.

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

35 DIVIDENDS
On September 13, 2010, the directors of the Company declared and paid a final one-tier tax exempt dividend of 0.286 cents per share totalling $998,646 in respect of the financial year ended March 31, 2010.

On December 10, 2010, 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, 2011.

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.

36 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	
	March 31, 2012	March 31, 2011
	$	$
Forward foreign exchange contracts	1,662,400	956,250

The fair value gain of the derivative financial instruments of $13,533 (2011 : $1,295) as at March 31, 2012 was not recognised in the profit or loss as it was not significant.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

37 COMMITMENTS AND CONTINGENT LIABILITIES

	Group	
	March 31, 2012	March 31, 2011
	$	$
Corporate guarantees given to banks in respect of credit facilities utilised by the associates	59,828,665	54,622,515
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 $59.8 million and $69.1 million (2011 : $58.8 million and $67.2 million) respectively. The Group and Company consider that it is more likely than not that no amount will be payable under the arrangement.

38 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 during the year (Note 15).

Rental income earned during the year was $1,273,966 (2011 : $1,508,789).

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

	Group	
	March 31, 2012	March 31, 2011
	$	$
Within 1 year	300,923	911,450

Operating lease receipts represents rental receivable from tenants by the Group. Leases are negotiated for an average term of 1 year (2011 : 2 years) and rentals are fixed for an average of 1 year (2011 : 2 years).

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

38 OPERATING LEASE ARRANGEMENTS (cont'd)
The Group as lessee

	Group	
	March 31, 2012	March 31, 2011
	$	$
Minimum lease payments under operating leases included in profit or loss	280,645	334,501

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

	Group	
	March 31, 2012	March 31, 2011
	$	$
Within 1 year	225,340	340,105
Within 2 to 5 years	901,361	1,360,420
After 5 years	891,669	2,102,720
Total	2,018,370	3,803,245

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, 2012.

39 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.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

39 SEGMENT INFORMATION (cont'd)
Business segments (cont'd)
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 overdrafts, bank borrowings, finance leases, income tax payable, deferred tax liabilities and other liabilities that are not directly attributable to the segment.

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

39 SEGMENT INFORMATION (cont'd)

Group Segmental Reporting

Group reportable segment

	Plumbing and sanitary		Electrical		Toilet rental	
	2012	2011	2012	2011	2012	2011
	$	$	$	$	$	$
REVENUE						
External sales	33,510,944	37,720,514	21,232,749	30,122,711	2,470,696	2,524,343
RESULTS						
Segment result	3,540,452	1,378,602	4,257,834	2,816,653	12,944	243,177
Unallocated expenses						
Net other operating income						
Finance costs						
Profit before income tax						
Income tax						
Profit for the year						
OTHER INFORMATION						
Capital expenditure additions	31,390	51,546	31,390	51,546	376,660	330,904
Depreciation **	20,404	17,647	20,404	17,647	180,480	166,204
Allowance for (Writeback of allowance) doubtful debts	(165,170)	898,234	166,568	81,524	(22,965)	(34,171)

* Includes share of profit of associates and gain on disposal of an associate in the financial year ended March 31, 2011.

** Includes depreciation expense of $9,696 (2011 : $5,495) allocated to construction work-in-progress.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

Investment holdings		Others		Eliminations		Consolidated	
2012	2011	2012	2011	2012	2011	2012	2011
$	$	$	$	$	$	$	$
	(Restated)						(Restated)
-	-	-	-	(2,539)	(5,330)	57,211,850	70,362,238
7,266,627	11,304,396*	-	329,235	1,014,070	1,031,000	16,091,927	17,103,063
						(3,085,959)	(3,009,624)
						3,255,011	2,057,999
						(237,087)	(521,190)
						16,023,892	15,630,248
						(2,014,763)	(1,149,478)
						14,009,129	14,480,770
655,169	-	-	686,612	-	-	1,094,609	1,120,608
965,876	-	-	1,088,356	-	-	1,187,164	1,289,854
-	-	-	-	-	-	(21,567)	945,587

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

39 SEGMENT INFORMATION (cont'd)

Group reportable segment

	Plumbing and sanitary		Electrical		Toilet rental	
	2012	2011	2012	2011	2012	2011
	$	$	$	$	$	$
Assets						
Segment assets	11,992,715	11,012,301	5,863,698	4,149,837	3,921,304	3,791,909
Unallocated assets						
Consolidated total assets						
Liabilities						
Segment liabilities	5,407,861	4,732,105	7,497,749	8,299,908	4,568,015	4,430,014
Unallocated liabilities						
Consolidated total liabilities						

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

Investment holdings		Eliminations		Consolidated	
2012	2011	2012	2011	2012	2011
$	$	$	$	$	$
	(Restated)				(Restated)
53,735,967	50,114,011	(2,001,076)	(2,001,076)	73,512,608	67,066,982
				33,514,461	33,857,203
				107,027,069	100,924,185
370,719	370,719	(4,370,352)	(4,210,109)	13,473,992	13,622,637
				9,915,912	12,017,299
				23,389,904	25,639,936

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

39 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	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	$	$	$	$
				(Restated)
Singapore	57,211,850	70,362,238	31,645,821	18,973,945
People's Republic of China	-	-	327,629	1,668,136
Thailand	-	-	25,623,845*	31,694,543*
	57,211,850	70,362,238	57,597,295	52,336,624

* 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.

40 MATTERS RELATING TO INVESTMENT IN DALIAN SHICHENG PROPERTY DEVELOPMENT (S) PTE. LTD. (THE "ASSOCIATE")
(a) Qualification on audited consolidated financial statements in prior year
Our audit report dated July 8, 2010 on the consolidated financial statements for a prior financial year ended March 31, 2010 was qualified in relation to the completeness of the discrepancies identified by the special auditors on the alleged misappropriation of funds by a former director of Dalian Shicheng Property Development Co., Ltd, the subsidiary of an associate of the Group amounting to $6.4 million (the "discrepancies"), as well as the accounting period(s) in which the discrepancies arose. The matter relating to the accounting period(s) in which the discrepancies arose has not been resolved at the date of this report.

The Board of Directors of the associate had undertaken a review of the accounting records of its subsidiary during the financial year ended March 31, 2011. As a result of the review, various adjustments totalling $9.6 million were identified in respect of the writing down of the carrying amounts of certain assets and the recognition of additional cost of sales on its development projects. These adjustments were recorded in the previous financial year and the Group has included its share of the aforementioned adjustments amounting to $3.5 million in the previous financial year's share of associate's results. Management is unable to provide us with information on the accounting period(s) in which these adjustments arose.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

40 MATTERS RELATING TO INVESTMENT IN DALIAN SHICHENG PROPERTY DEVELOPMENT (S) PTE. LTD. (THE "ASSOCIATE") (cont'd)

(a) Qualification on audited consolidated financial statements in prior year (cont'd)

Accordingly, we are unable to determine whether adjustments, if any, may be required to be made against the carrying amount of the Group's investment in the associate as at March 31, 2010 and the Group's share of the associate's results for the financial years ended March 31, 2010 and March 31, 2011. Any adjustments to the consolidated financial statements for the previous financial year ended March 31, 2010 would affect the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and relevant explanatory notes for the financial year ended March 31, 2011.

(b) Uncertainty around outcome of investigations into alleged fraud by a former director

In the financial year ended March 31, 2011, the Board of Directors of the associate had engaged a Singapore law firm to request the Singapore Commercial Affairs Department ("CAD") to carry out an investigation on the alleged fraud set out in (a) above. In addition, police reports have also been lodged in People's Republic of China ("PRC") and in Singapore on April 28, 2010 and April 30, 2010 respectively. As the investigations are currently still on-going, there is uncertainty over any adjustments which may be required to be made to the financial statements arising from further information from the investigations. The Board of Directors of the associate does not expect any further material adjustments to arise from these investigations.

(c) Contingent liabilities

As at March 31, 2012, several legal proceedings were filed against the associate due to delay in hand over of property units and claims from subcontractors. As at March 31, 2012, the legal proceedings are still ongoing and the total amount being claimed against the associate is estimated at $2.4 million. Based on the advice from the associate's legal representatives, the associate's management had made provision for legal proceedings of $0.8 million for the financial year ended March 31, 2012. No provision has been recognised for the remaining legal proceedings against the associate of $1.6 million as the outcome of the legal proceedings are uncertain and the associate's management does not consider that there is any probable loss.

The Group recorded its share of the above provision for legal proceedings amounting to $0.3 million in the current financial year's share of the associate's results.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

41 RESTATEMENT AND COMPARATIVE FIGURES

As disclosed in Note 2, INT FRS 115 has been adopted from the beginning of April 1, 2011 and has been applied retrospectively. As a result, certain line items have been amended in the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows and the related notes to the financial statements of the Group. Comparative figures have been adjusted to conform to the current year's presentation.

The summarised effects of the retrospective application and reclassification on the Group's reported amounts are disclosed as below:

Consolidated statement of financial position

	March 31, 2012	March 31, 2011	March 31, 2011	April 1, 2010	April 1, 2010
	$	$	$	$	$
	(As reported)	(Previously reported)	(Restated)	(Previously reported)	(Restated)
GROUP					
Non-current assets					
Investment in associates	34,239,652	45,315,161	40,828,084	44,730,749	39,295,952
Equity					
Retained earnings	38,181,451	33,305,635	28,711,621	22,389,221	16,975,381
Foreign currency translation reserve	(1,358,020)	(348,043)	(241,106)	1,045,691	1,024,734

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2012

41 RESTATEMENT AND COMPARATIVE FIGURES (cont'd)

Consolidated statement of comprehensive income

	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2011
	$	$	$
	(As reported)	(Previously reported)	(Restated)
Share of profit of associates	7,266,627	6,212,953	7,032,779
Profit before income tax	16,023,892	14,810,422	15,630,248
Profit for the financial year	14,009,129	13,660,944	14,480,770
Other comprehensive income:			
Exchange differences on translation of foreign operations	(1,116,914)	(1,393,734)	(1,265,840)
Total comprehensive income for the year	12,892,215	12,267,210	13,214,930
Earnings per share (cents)			
Basic	4.01	3.91	4.15
Diluted	4.01	3.91	4.15

Consolidated statement of cash flows

	March 31, 2012	March 31, 2011	March 31, 2011
	$	$	$
	(As reported)	(Previously reported)	(Restated)
Profit before income tax	16,023,892	14,810,422	15,630,248
Share of associates' results	(7,266,627)	(6,212,953)	(7,032,779)

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

41 RESTATEMENT AND COMPARATIVE FIGURES (cont'd)

The summarised effect had INT FRS 115 not been adopted in the current financial year are disclosed as below:

Consolidated statement of financial position

	March 31, 2012
	$
GROUP	
Non-current assets	
Investment in associates	33,695,085
Equity	
Retained earnings	38,387,684
Foreign currency translation reserve	(2,108,820)

Consolidated statement of comprehensive income

	March 31, 2012
	$
Share of profit of associates	2,878,846
Profit before income tax	11,636,111
Profit for the financial year	9,621,348
Other comprehensive income:	
Exchange differences on translation of foreign operations	(1,760,777)
Total comprehensive income for the year	7,860,571
Earnings per share (cents)	
Basic	2.76
Diluted	2.76

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

41 RESTATEMENT AND COMPARATIVE FIGURES (cont'd)
Consolidated statement of cash flows

	March 31, 2012
	$
Profit before income tax	11,636,111
Share of associates' results	(2,878,846)

42 EVENTS AFTER THE REPORTING PERIOD
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 918,600,000 (equivalent to approximately $37.66 million).

On April 25, 2012, the Company's wholly owned subsidiary, King Wan Industries Pte Ltd entered into a share sale agreement with Kaset Thai to sell its entire 20% shareholding interest in an associate, Ekarat Pattana Co., Ltd. ("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.

At the end of the reporting period, the investments in EPPCO and EPC have been included in the "investment holding" category of the Group's reportable segment as disclosed in Note 39 to the financial statements.

On April 27, 2012, a wholly owned new subsidiary, Gold Hyacinth Development Pte. Ltd. (the "subsidiary") was incorporated by the Company. The subsidiary has a paid up capital of $2 and its principal activities are those of property owner and developer, and investments.

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 SGX-ST Listing Manual or any applicable regulations.

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

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

REPORT ON CORPORATE GOVERNANCE

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 FY2012, 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 NominationCommittee 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 definition of an "independent director" in the 2005 Code has also been adopted by the Board. The NC is satisfied that the independent Directors have an independent element that sufficiently enables the Board to exercise objective judgment on corporate affairs independently from Management.

Every director is expected to act in good faith and always in the interest of the 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.

For FY2012, the NC is of the view that the Board's current size and composition is appropriate, taking into account the nature and scope of the Group's operations and the diversity of the Board members' experience and attributes; and no individual or small group of individuals dominates the Board's decision-making process.

REPORT ON CORPORATE GOVERNANCE

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 a certain 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.

REPORT ON CORPORATE GOVERNANCE

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

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

We believe the Board renewal should be an on-going process in order to ensure good corporate governance. The Company's Articles of Association require one-third of the Board to retire and subject to re-election by shareholders at every annual general meeting ("AGM"). The Directors are required to submit themselves for re-nomination and re-election at regular intervals of at least once every three years. In addition, a newly appointed director will submit himself for retirement and re-election at the AGM immediately following his appointment. Thereafter, he is subject to retirement by rotation once every three years.

The Directors retiring by rotation and who are seeking for re-election at the forthcoming AGM under Article 115 are Mr. Chua Hai Kuey and Mr. Nathapun Siriviriyakul 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.

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 four 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.

REPORT ON CORPORATE GOVERNANCE

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 ndependence of each non-executive director for the financial year ended 31 March 2012 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.

REPORT ON CORPORATE GOVERNANCE

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.

REPORT ON CORPORATE GOVERNANCE

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 2012. 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 tie 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 31 March 2012 is set out below:

Name of Director	Fixed Component [1]	Variable Component [2]	Provident Fund [3]	Directors Fees [4]	Total Compensation
	%	%	%	%	%
Above S$500,000					
Chua Kim Hua	47%	52%	1%	0%	100%
Chua Hai Kuey	45%	54%	1%	0%	100%
Chua Eng Eng	42%	55%	2%	0%	100%
Below S$250,000					
Lim Hock Beng	0%	0%	0%	100%	100%
Goh Chee Wee	0%	0%	0%	100%	100%
Nathapun Siriviriyakul	0%	0%	0%	100%	100%

Notes

[1] Fixed Component refers to base salary for the financial year ended 31 March 2012.
[2] Variable Component refers to variable bonus and profit sharing paid or payable.
[3] Provident Fund represents payment in respect of the Company's statutory contributions to the Singapore Central Provident Fund.
[4] Directors' Fees will be subjected to approval by shareholders in the Company's upcoming AGM.

REPORT ON CORPORATE GOVERNANCE

Remuneration of Top Five Key Executives:
The following information relates to the remuneration of the Company's top five key executives (not being directors) for the financial year ended 31 March 2012:

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				
Seah Cheah Sye Mui	68%	30%	2%	100%
Chew Chee Yuen Francis	61%	33%	6%	100%
Chua Kok Chuan	66%	28%	6%	100%
Er Soon Kiat, Joe	66%	28%	4%	100%

Notes
[1] Fixed Component refers to base salary for the financial year ended 31 March 2012.
[2] Variable Component refers to variable bonus paid in the financial year ended 31 March 2012.
[3] Provident Fund represents payment in respect of the Company's statutory contributions to the Singapore Central Provident Fund.

No employee of the Company and its subsidiary companies is an immediate family member of a director and whose remuneration exceeded S$150,000 during the financial year ended 31 March 2012.

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

REPORT ON CORPORATE GOVERNANCE

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;

REPORT ON CORPORATE GOVERNANCE

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.

REPORT ON CORPORATE GOVERNANCE

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.

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.

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

REPORT ON CORPORATE GOVERNANCE

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

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

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

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

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

E. 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.

F. STATEMENT OF COMPLIANCE

Our Board confirms that for FY2012, our Company has complied with the principal corporate governance recommendations.

ANALYSIS OF SHAREHOLDINGS

AS AT 22 JUNE 2012

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

SIZE OF HOLDINGS	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 to 999	3	0.23	545	0.00
1,000 to 10,000	410	31.64	2,336,253	0.67
10,001 to 1,000,000	856	66.05	76,112,360	21.80
1,000,001 AND ABOVE	27	2.08	270,727,712	77.53
TOTAL	1,296	100.00	349,176,870	100.00

There are no treasury shares held by the Company as at 22 June 2012.

TOP 20 SHAREHOLDERS AS AT 22 JUNE 2012

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	19,809,000	5.67
6	HSBC (Singapore) Nominees Pte Ltd	17,450,000	5.00
7	Liong Kiam Teck	8,957,000	2.56
8	Ong Tze King	7,690,000	2.20
9	OCBC Securities Private Ltd	4,469,000	1.28
10	UOB Kay Hian Pte Ltd	4,453,000	1.28
11	Thian Yim Pheng	4,100,000	1.17
12	Phillip Securities Pte Ltd	3,126,000	0.90
13	Lim Chye Huat @ Bobby Lim Chye Huat	2,800,000	0.80
14	Tan Tee Chiow	2,150,000	0.62
15	Hong Heng Co Pte Ltd	2,000,000	0.57
16	Koh Gek Huang	1,885,000	0.54
17	DBS Nominees Pte Ltd	1,806,000	0.52
18	Poh Seng Kui	1,800,000	0.52
19	DB Nominees (S) Pte Ltd	1,550,000	0.44
20	Ang Chin San	1,500,000	0.43
	TOTAL	262,067,901	75.05

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

SUBSTANTIAL SHAREHOLDERS

AS AT 22 JUNE 2012

NAME OF SUBSTANTIAL SHAREHOLDERS	DIRECT INTEREST		DEEMED INTEREST	
	NO OF ORDINARY SHARES	%	NO OF ORDINARY SHARES	%
1. Ganoktip Siriviriyakul	76,875,000	22.02	Nil	Nil
2. Chua Kim Hua	44,113,319	12.63	Nil	Nil
3. Chua Eng Eng	36,576,906	10.48	Nil	Nil
4. Chua Hai Kuey	22,247,676	6.37	Nil	Nil

SUPPLEMENTARY INFORMATION

Dealing In Securities & Compliance With Best Practices Guide

The Company has adopted its own internal Code of Best Practices on Securities Transactions ("Securities Transaction Code").

The Securities Transaction Code (the "Code") provides guidelines to the Company's directors and key officers of the Group who have access to 'price sensitive' information, in the dealing of Company's securities. In accordance with Rule 1207(18)(b) of the Listing Manual, directors and key officers of the Group should not deal in the Company's securities on short-term considerations and should be mindful that the law on insider dealing is applicable at all times, notwithstanding that the Best Practices Guide may provide window periods for Directors and officers to deal in the Company's securities. Circulars are issued to its directors and key officers that they must not trade in the listed securities of the Company two weeks before the release of the quarterly financial results and one month before the release of the full-year financial results, ending on the date of announcement of the relevant results. Outside this window period, Directors are required to notify the Company of their dealings within two business days under Sections 165 and 166 of the Companies Act, Cap. 50.

The Board of Directors confirms that for the financial year ended 31 March 2012, the Company has complied with the principal corporate governance recommendations set out in the Best Practices Guide issued by the Singapore Exchange.

INTERESTED PERSON TRANSACTIONS

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

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

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

During the financial year ended 31 March 2012, the Company has complied with the provisions and did not enter into any interested person transaction which require announcement or shareholders' approval under Chapter 9.

SUBSTANTIAL SHAREHOLDERS

AS AT 22 JUNE 2012

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 22 JUNE 2012

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 THE COMPANY, ITS 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. The Company has complied with Rule 712 and Rule 716 of the SGX-ST Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteen 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, 31July 2012 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 2012 and the Auditors' Report thereon.

   [Resolution No. 1]

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

   [Resolution No. 2]

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

   [Resolution No. 3]

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

   [Resolution No. 4]

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

   [Resolution No. 5]

6. To approve Directors' Fee of S$146,500 for the year ended 31 March 2012 (2011: S$134,500); and Directors' Fee of S$177,000 for the year ending 31 March 2013, 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 2012.

   [Resolution No. 7]

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

   [Resolution No. 8]

NOTICE OF ANNUAL GENERAL MEETING

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]

NOTICE OF ANNUAL GENERAL MEETING

10. That:

a. for the purposes of Section 76E of the Companies Act, Chapter 50 (the "Companies Act"), the exercise by the Directors of all the powers to purchase or otherwise acquire issued ordinary shares in the capital of Company ("Ordinary Shares") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Purchase Price (as hereafter defined), by way of Market Purchase(s) and/or Off-Market Purchase and otherwise in accordance with all other laws and regulations and rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

b. unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held; or

(ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or

(iii) the date on which the purchases or acquisitions of Ordinary Shares by the Company pursuant to the proposed Share Purchase Mandate are carried out to the full extent mandated;

c. in this Resolution:

"Market Purchase" means market acquisitions of Ordinary Shares through the SGX-ST's Central Limit Order Book trading system undertaken by the Company through one or more duly licensed dealers appointed by the Company for that purpose;

"Off-Market Purchase" means purchase under an equal access scheme for the purchase or acquisition of Ordinary Shares from Shareholders;

"Maximum Percentage" means that number of issued Ordinary Shares representing 10 per cent. of the issued Ordinary Shares of the Company as at the date of the passing of this Resolution; and

"Maximum Purchase Price" in relation to an Ordinary Share to be purchased or acquired by way of Market Purchase and Off-Market Purchase, means the purchase price per Ordinary Share (excluding brokerage, commission, applicable goods and services tax and other related expenses), which shall not exceed 105 per cent. of the Average Closing Price of the Ordinary Shares, over the period of five (5) consecutive market days in which transactions in the Ordinary Shares on the SGX-ST were recorded immediately preceding the day on which such purchase is made, or the date of the making of the offer pursuant to the Off-Market Purchase pursuant to an equal access scheme, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day consecutive period; and

NOTICE OF ANNUAL GENERAL MEETING

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of the Shares to holders of Shares, stating the purchase price (which shall not be more than the Maximum Price determined on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

d. the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

[Resolution No. 10]

ORDER OF THE BOARD
Lim Bee Lian Eliza
Company Secretary
Singapore, 16 July 2012

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

EXPLANATORY NOTES ON ORDINARY RESOLUTIONS TO BE TRANSACTED:

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

e. The Directors' fees of $146,500 and $177,000 are fees payable to the Non-Executive Directors for the years ended 31 March 2012 and for the year ending 31 March 2013 respectively. 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 31 March 2013. 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.

h. The ordinary Resolution No. 10, if passed at the Annual General Meeting, will renew the Shares Purchase Mandate approved by the Shareholders of the Company on 26 September 2011, from the date of this Annual General Meeting until the date that the next annual general meeting of the Company or until the date the next Annual General Meeting is required by law to be held, whichever is the earlier.

   The Company did not buy back any shares subsequent to the last Extraordinary General Meeting on 26 September 2011.

   The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this notice as these will depend on the number of ordinary shares purchased or acquired and the price at which such Ordinary Shares were purchased or acquired.

   Based on the existing issued and paid-up ordinary share capital of the Company as at 22 June 2012 (the "Latest Practicable Date"), the purchase by the Company of 10 per cent. of its issued Ordinary Shares will result in the purchase or acquisition of 34,917,687 Ordinary Shares.

   Assuming that the Company purchases or acquires 34,917,687 Ordinary Shares by way of Market Purchases at the maximum price of $0.179 for one ordinary share (being the price equivalent to five per cent above the average closing price of the ordinary shares traded on the SGX-ST for the five consecutive market days immediately preceding the Latest Practicable Date), the maximum amount of funds required is approximately $6.25 million. The Company will use its internal resources or external borrowings or a combination of both to fund the Share Purchases.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of KING WAN CORPORATION LIMITED (the "Company") will be closed at 5.00 p.m. on 7 August 2012 (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 138 Robinson Road #17-00 The Corporate Office Singapore 068906, up to 5.00 p.m. on the Books Closure Date will, subject to the Articles of Association of the Company, be registered before entitlements to the dividend are determined.

The final one-tier tax exempt dividend if approved by shareholders, will be paid on or about 17 August 2012.

BY ORDER OF THE BOARD

Eliza Lim Bee Lian
Company Secretary
16 July 2012

KING WAN CORPORATION LIMITED

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

PROXY FORM

I/We _____ (Name)

of _____ (Address)

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

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at the Board Room, 8 Sungei Kadut Loop, Singapore 729455 on Tuesday, 31 July 2012 at 10.00 a.m. and at any adjournment thereof.

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

	Resolutions relating to:	For	Against
1	Adoption of the Reports and Accounts for the year ended 31 March 2012 and the Auditors' Report thereon.		
2	Re-election of Mr. Chua Hai Kuey as Director.		
3	Re-election of Mr. Nathapun Siriviriyakul as Director.		
4	Appointment of Mr. Chua Kim Hua as Director.		
5	Appointment of Mr. Lim Hock Beng as Director.		
6	Approval of Directors' fees.		
7	To approve the payment of Final one-tier tax exempt dividend of 1.0 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.		
10	Renewal of Shares Purchase Mandate.		

Signed this ..... day of July 2012

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.

DELIVERING
VALUE

KING WAN
CORPORATION
LIMITED

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SINGAPORE 729455

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