



KING WAN CORPORATION LIMITED
(Company Registration No. 200001034R)

Half Year Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

KING WAN CORPORATION LIMITED
CONSOLIDATED PROFIT & LOSS STATEMENT
FINANCIAL PERIOD ENDED 30TH SEPTEMBER 2007

	Note	30.9.2007	30.9.2006	Increase/ (Decrease)
		S\$	S\$	
Revenue		12,745,672	17,829,502	-29%
Cost of Sales		(11,399,217)	(15,250,324)	-25%
Gross Profit		1,346,455	2,579,178	-48%
Other Operating Income				
Rental Income	i	433,532	324,193	34%
Sundry Income		69,904	110,493	-37%
Interest Income		12,006	16,405	-27%
Dividend Income		4,221	2,113	100%
Change in fair value of investments held for trading		86,711	10,065	762%
Gain on Disposal of Investment Property	ii	145,693	0	n.m
(Loss)/ Gain on Disposal of Property, Plant & Equipment		(5,198)	28,073	400%
		746,869	491,342	53%
Administrative Expenses	iii	(2,934,448)	(2,648,411)	11%
Distribution Costs		(62,281)	(55,844)	12%
Finance Costs		(211,192)	(148,080)	43%
Share of Associates' Results		3,759,868	72,563	5082%
Profit Before Income Tax		2,645,271	290,748	810%
Income Tax Expense		(24,096)	(75,000)	-68%
Profit For The Period		2,621,175	215,748	1115%

Notes

- i. the higher rental income was mainly due to a higher occupancy rate at the Group's investment property at 22 Jurong Port Road.**
- ii. the gain from disposal of investment property was from the sale of the Group's leasehold condominium at Maysprings during the period.**
- iii. Included in administrative expenses are the following:**

	note	30.9.2007 S\$	30.9.2006 S\$	Increase / (Decrease) S\$
Depreciation of Property, Plant and Equipment	a	599,712	554,240	45,472
Allowance / (Write-back) for Doubtful Debts		8,528	(136,818)	145,346
Warehouse Maintenance		130,857	10,263	120,594
Allowance for Inventories		0	19,394	(19,394)

Note a		30.9.2007 S\$	30.9.2006 S\$	Increase / (Decrease) S\$
Depreciation charged to administration expense		599,712	554,240	45,472
Depreciation charged to construction in progress		8,347	9,860	(1,513)
Total Depreciation charged for the period		608,059	564,100	43,959

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

KING WAN CORPORATION LIMITED
CONSOLIDATED BALANCE SHEET
FINANCIAL PERIOD ENDED 30th SEPTEMBER 2007

	30.9.2007	31.3.2007
	S\$	S\$
<u>ASSETS</u>		
Current Assets:		
Cash	5,955,449	1,444,069
Trade Receivables	11,714,743	9,863,126
Due from Associates (NonTrade)	5,531,850	5,184,435
Due from Related Party (NonTrade)	3,824	0
Other Receivables and Prepaid Expenses	1,600,048	220,596
Construction WIP	5,301,645	8,063,662
Inventories	1,700,202	2,107,209
Investments Held for Trading	100,045	186,164
Total Current Assets	31,907,806	27,069,261
Non-Current Assets		
Property, plant and equipment	6,447,014	6,129,768
Investment property	7,279,265	8,015,715
Investments in Associates	21,229,051	17,548,158
Total Non-Current Assets	34,955,330	31,693,641
Total Assets	66,863,136	58,762,902
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities		
Bank Overdrafts	2,351,193	2,908,391
Term Loan	2,000,000	2,000,000
Trade and Bill Payables	8,652,114	9,080,065
Other Payables	1,417,768	1,282,873
Due to Related Party (Trade)	142,006	355,738
Due to Related Party (Non Trade)	4,207	3,600
Due to Associates (Trade)	0	1,504
Due to Associates (Non Trade)	84,753	43,395
Construction WIP	20,060	108,198
Income Tax Payable	158,520	222,073
Current Portion of Finance Leases	128,971	56,503
Total Current Liabilities	14,959,592	16,062,340
Non-Current Liabilities		
Long-Term Portion of Finance Leases	190,857	85,165
Deferred Taxation	20,000	20,000
Total Non-Current Liabilities	210,857	105,165
Capital and Reserve		
Issued Capital	46,813,734	40,089,296
Accumulated Profits	5,070,299	2,711,007
Exchange Reserves	(191,346)	(204,906)
Total Equity	51,692,687	42,595,397
Total Liabilities and Equity	66,863,136	58,762,902

KING WAN CORPORATION LIMITED
COMPANY'S BALANCE SHEET
FINANCIAL PERIOD ENDED 30th SEPTEMBER 2007

	30.9.2007	31.3.2007
	S\$	S\$
<u>ASSETS</u>		
Current Assets:		
Cash	4,079,481	237,619
Due from Subsidiaries	16,983,412	14,460,627
Due from Associated Co (Non-Trade)	46,283	22,289
Other Receivables And Prepaid Expenses	29,287	11,023
Total Current Assets	21,138,463	14,731,558
Non-current assets:		
Interest in Subsidiaries	17,730,189	17,730,189
Investment in Associates	10,441,333	10,441,334
Total Current Assets	28,171,522	28,171,523
Total Assets	49,309,985	42,903,081
<u>LIABILITIES & EQUITY</u>		
Current liabilities:		
Other Payables	109,526	128,691
Total Current Liabilities	109,526	128,691
Capital and Reserves:		
Issued capital	46,813,734	40,089,296
Accumulated Profits	2,386,725	2,685,094
	49,200,459	42,774,390
Total liabilities and equity	49,309,985	42,903,081

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/09/2007		As at 31/03/2007	
Secured	Unsecured	Secured	Unsecured
\$128,971	\$8,336,831	\$56,503	\$8,153,372

Amount repayable after one year

As at 30/09/2007		As at 31/03/2007	
Secured	Unsecured	Secured	Unsecured
\$190,857	0	\$85,165	0

Details of any collateral

Secured liabilities refer to assets purchased under finance lease agreements.

Unsecured liabilities refer to banking facilities guaranteed by the Company.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

KING WAN CORPORATION LIMITED
CONSOLIDATED CASHFLOWS STATEMENTS

Note	1.4.2007 to 30.9.2007	1.4.2006 to 30.9.2006 S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Net Income before taxes</i>	2,645,271	290,748
Adjustments for		
Loss / (Gain) on sale of Property, Plant and Equipment	5,198	(28,073)
Gain on sale of Investment Property	(145,693)	0
Allowance / (Writeback) for Doubtful Trade Receivables	8,528	(136,818)
Allowance for Inventories	0	24,814
Change in Fair Values of investments held for trading	(86,711)	(10,065)
Depreciation	608,059	564,100
Dividend Income	(4,221)	(2,113)
Interest Expense	211,192	148,080
Interest Income	(12,006)	(16,405)
Share of Associates' Results	(3,759,868)	(72,563)
Write off of Trade and Other Receivables	41,487	0
<i>Operating(loss)/ profit before working capital changes</i>	(488,764)	761,705
Construction Work-in-Progress	2,673,879	(1,029,283)
Inventories	411,045	(380,620)
Other Payables	168,780	385,429
Other Receivables & Prepayments	(1,383,177)	(757,935)
Trade Payables	(642,473)	(3,093,724)
Trade Receivables	(1,899,796)	383,682
<i>Cash from/ (used in) operations</i>	(1,160,506)	(3,730,746)
Income Tax Paid	(87,651)	(194,540)
Interest Paid	(211,192)	(148,080)
Interest Received	12,006	16,405
<i>Net cash used in operating activities</i>	(1,447,343)	(4,056,961)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Advances to Associated Company	(347,415)	0
Dividends Received from Investments Held for Trading	4,221	2,113
Dividends Received from Associates	78,975	0
Proceeds from the disposal of Property, Plant and Equipment	0	33,420
Proceeds from the disposal of Investment Property	646,000	0
Proceeds from the Disposal of Investments Held for Trading	172,830	0
Purchase of Property, Plant and Equipment	(466,224)	(155,557)
<i>Net cash from / (used in) investing activities</i>	88,387	(120,024)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of dividends	(261,883)	(243,883)
Proceeds from Share Issue	6,724,438	0
Obligations under finance leases	(39,240)	(31,585)
Repayment / (Proceeds) of Term Loans	0	3,744,679
Net cash from financing activities	6,423,315	3,469,211
Net effect of exchange rate changes in consolidating subsidiary	4,218	(2,262)
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,068,577	(710,036)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	(1,464,321)	(1,785,730)
CASH AND CASH EQUIVALENTS AT END OF YEAR Note a	3,604,256	(2,495,766)

Note a

	30.9.2007	30.9.2006
	S\$	S\$
Cash and Bank Balances	5,600,060	710,763
Fixed Deposits	355,389	376,103
Bank Overdrafts	(2,351,193)	(3,582,632)
Net	3,604,256	(2,495,766)

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

**KING WAN CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY**

Description	Company		Group	
	2007	2006	2007	2006
	S\$	S\$	S\$	S\$
ISSUED CAPITAL				
Balance at 1st April	40,089,296	40,089,296	40,089,296	40,089,296
Issued Shares	6,960,000	0	6,960,000	0
Share Issue Expenses	(235,562)	0	(235,562)	0
Balance at 30th September	46,813,734	40,089,296	46,813,734	40,089,296
ACCUMULATED PROFITS				
Balance at 1st April	2,685,094	2,719,129	2,711,007	1,770,658
Profit / (Loss) after income tax	(36,486)	(72,216)	2,621,175	215,748
Dividends Paid	(261,883)	(243,883)	(261,883)	(243,883)
Balance at 30th September	2,386,725	2,403,030	5,070,299	1,742,523
TRANSLATION RESERVES				
Balance at 1st April	0	0	(204,906)	(162,241)
Arising during the period	0	0	13,560	(7,248)
Balance at 30th September	0	0	(191,346)	(169,489)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the financial period, the Company issued 24,000,000 ordinary shares at S\$0.29 each for cash via a share placement exercise. The number of shares in issue before and immediately after the placement exercise is 325,176,870 and 349,176,870 respectively. The paid up share capital before and immediately after the placement exercise is S\$40,089,296 and S\$46,813,734 respectively.

As at 30 September 2007, there are no convertibles in issue. (2006: NIL)

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The financial statements have been prepared in compliance with the same accounting policies and methods of computation adopted in the audited financial statements of the last financial year.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

1) Current period reported on

Earning per ordinary share after deducting any provision for preference dividends	Group Earnings per Share
Based on weighted average number of ordinary shares in issue of 333,963,755	0.78 cents
Based on fully diluted number of ordinary shares in issue of 333,963,755	0.78 cents

2) Immediately preceding financial year

Earning per ordinary share after deducting any provision for preference dividends	Group Earnings per Share
Based on weighted average number of ordinary shares in issue of 325,176,870	0.066 cents
Based on fully diluted number of ordinary shares in issue of 325,176,870	0.066 cents

EPS is calculated by dividing the profit attributable to shareholders of **\$2,621,175** (2006 : \$215,748) by the weighted average number of **333,963,755** (2006 : 325,176,870) ordinary shares in issue during the financial period.

On a fully diluted basis, EPS is calculated based on **333,963,755** (2006: 325,176,870) ordinary shares in issue during the financial period.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

1) Current period reported on

	Group	Company
Net asset value per ordinary share for the period based on existing issued share capital as at 30 September 2007 of 349,176,870 ordinary shares.	14.80 cents	14.09 cents

2) Immediately preceding financial year

	Group	Company
Net asset value per ordinary share for the year based on issued share capital as at 31 March 2007 of 325,176,870 ordinary shares.	13.10 cents	13.15 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

The Group's turnover for the 6 months ended 30 September 2007 was lower by 29% from S\$17.83 million to S\$12.75 million compared to the corresponding period last year. The **Mechanical and Electrical (M&E)** business accounted for the main decrease in turnover as fewer M&E projects were available for revenue recognition.

Profit before Income Tax

The Group net profit before income tax has improved significantly by 810% from S\$0.29 million to S\$2.65 million due mainly to better performances by the Group's associated companies.

EPPCO, the Group's 20% associate, made a positive contribution of S\$1.67 million to the Group from a loss of S\$90,000 in the last corresponding period. EPPCO produces and sells environmental friendly paper pulp in Thailand.

The Group's investments in Dalian Shicheng Property Development Co., Ltd ("Dalian Shicheng") (30% owned associate) and Meadows Bright Development Pte Ltd ("Meadows Bright")(35% owned associate) also contributed positively to the Group's profits as both successfully launched and sold their developments in China and Singapore respectively. Dalian Shicheng contributed S\$0.51 million from a loss of S\$78,000 in the last corresponding period. Meadows Bright contributed S\$0.96 million, which was a significant improvement over the previous corresponding period.

Riding on the buoyant oil and gas sector, our 30% stake in Cables International turned in an impressive contribution of S\$0.64 million compared to S\$0.25 million in the previous corresponding period.

Earnings Per Share (EPS)

EPS increased from 0.07 cents to 0.78 cents due to the higher net profit after taxation achieved for the current financial period as compared to the last corresponding financial period. This was despite an increase in the weighted average number of shares in issue from 325,176,870 to 333,963,755.

Balance Sheet Review

The Group's equity base increased from S\$42.60 million to S\$51.69 million due mainly to the issuance of 24 million new ordinary shares of the company at S\$0.29 each, which increased the paid up capital of the company by S\$6.72 million. Profits of S\$2,621,175 (2006 : S\$215,748) for the current period further increased the accumulated profits of the Group. Consequently, net asset value per share increased to 14.80 cents from 13.10 cents per share.

Total current assets increased by 18% or from S\$27.1 million to S\$31.9 million. This increase was due mainly to cash raised from the placement of 24 million ordinary shares of the company at S\$0.29 each during the period. Receivables were higher due to variation order claims and deposits placed with third parties which further increased the balance of current assets. These increases were partially negated by lower construction work in progress due to few ongoing projects and a lower inventory holding.

Non-current assets rose to S\$35.0 million from S\$31.7 million due to the Group's share of associates' profits during the period, which was offset partially by the decrease in the value of investment properties due to the sale of a leasehold condominium unit during the period.

Current liabilities had decreased from S\$16.1 million to S\$15 million due mainly to the repayment of trade creditors. Current ratio improved to 2.13 from 1.69.

The debt equity ratio decreased from 0.19 to 0.17 due mainly to the increase in equity base.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast had been issued.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Construction Business

Construction demand in Singapore is expected to grow strongly in the next 12 months. Since April 2007, our wholly owned subsidiary, King Wan Construction successfully secured contracts with an aggregate value of approximately S\$42.5 million.

As at 30 September 2007, the Group has approximately S\$96.4 million worth of construction contracts on hand, with completion dates ranging from years 2007 to 2010.

Property Development Business

The Group's 30% owned associate in China, Dalian Shicheng Property Development Co., Ltd successfully launched its third phase of the Singapore Garden Project in the second quarter of 2007. To date, all 444 residential units launched in this phase were sold.

It is currently preparing the next launch of approximately 20,000 sqm of residential floor space. Depending on the progress certification to be received for the construction in progress, it should contribute positively to the Group's results in the next 12 months.

Environment Pulp & Paper Company Ltd (“EPPCO”)- Bagasse Pulp Plant in Thailand

Demand for the bagasse pulp produced by the Group’s 20%-owned associate had been steady in the last 6 months. EPPCO is expected to contribute positively to the Group’s results in the next 12 months.

Cables International

With the oil and gas sector continuing to remain bullish, the Group expects the positive contribution from this associate to continue into the second half of the current financial year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared / recommended for half-year ended 30 September 2007.

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Company Secretary

**NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS
PURSUANT TO RULE 705(4) OF THE LISTING MANUAL**

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the six months ended 30 September 2007 to be false or misleading.

On behalf of the Board of Directors

Chua Kim Hua
Executive Chairman

Chua Eng Eng
Managing Director

6th November 2007