



KING WAN CORPORATION LIMITED

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 2008

	Note	30.9.2008	30.9.2007	Increase/ (Decrease)
		S\$	S\$	
Revenue		21,794,485	12,745,672	71%
Cost of Sales		(20,747,375)	(11,399,217)	82%
Gross Profit		1,047,110	1,346,455	-22%
Other Operating Income (net)				
Change in fair value and gain on disposal of held-for-trading investments	1	(9,358)	86,711	-111%
Dividend Income		24	4,221	-99%
Exchange Gain/ (Loss)		3,131	(10,701)	-129%
Gain on Disposal of Investment Property	2	-	145,693	-100%
Interest Income		9,447	12,006	-21%
Rental Income	3	519,269	433,532	20%
Sundry Income		72,828	69,904	4%
		595,341	741,366	-20%
Distribution Costs		(52,491)	(62,281)	-16%
Administrative Expenses	4	(2,853,541)	(2,928,945)	-3%
Share of Associates' Results	5	5,191,871	3,759,868	38%
Finance Costs		(218,604)	(211,192)	4%
Profit Before Income Tax		3,709,686	2,645,271	40%
Income Tax Expense	6	(99,062)	(24,096)	311%
Profit For The Period		3,610,624	2,621,175	38%

Note 1 The amount of quoted investments held by the Group had decreased compared to the last financial period due to disposal during the last financial period. There was a general decline in market values of these shares during the reporting period resulting in fair value loss.

Note 2 The income in the previous period was due to gain on disposal of an investment property relating to the sale of the Group's leasehold condominium at Maysprings in Singapore.

Note 3 The higher rental income earned was from higher occupancy and better rental rates at the Group's investment property at 22 Jurong Port Road, Singapore. Rental was also earned from the workers' dormitory at the Group's property at 8 Sungei Kadut Loop, Singapore in the current period.

Note 4 Included in administration expense are the following:

		30.9.2008	30.9.2007	Increase / (Decrease)
		S\$	S\$	S\$
(Writeback) / Allowance for Doubtful Trade Receivables	i	(17,669)	50,015	(67,684)
Warehouse maintenance	ii	23,972	130,857	(106,885)
Loss on disposal of plant and equipment		5,363	5,198	165
Depreciation and Amortisation	iii	629,745	599,712	30,033

- i. More trade receivables were deemed to be doubtful in the last corresponding financial period as compared to the current financial period.
- ii. Substantial maintenance works were performed on the Group's investment property at 22 Jurong Port Road, Singapore in the last corresponding financial period.
- iii. Higher depreciation was due depreciation charges on plant and equipment purchased during the period.

Note 5 Contributions from associates improved over the last corresponding period due to better performance turned in by a number of associates. Environment Paper & Pulp Co., Ltd ("EPPCO") (20% associate) saw better profits from its stabilized operations. Cables International Pte Ltd ("Cables International") (30% associate) also turned in a better performance from its cables trading business. Meadows Bright Pte Ltd ("Meadows Bright") (35% associate) is also progressively recognizing its share of profits from the sale of its "Inspira" development.

Note 6 Included in income tax expense are the following:

		30.9.2008	30.9.2007	Increase / (Decrease)
		S\$	S\$	S\$
Current Tax		30,000	20,000	10,000
Under provision in prior years - Current Tax	i	69,062	4,096	64,966
		99,062	24,096	74,966

- i. Relates to preliminary assessment by IRAS on tax payable, which has not been finalized.

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 30 SEPTEMBER 2008

	30.9.2008	31.3.2008
	S\$	S\$
<u>ASSETS</u>		
Current Assets:		
Cash And Cash Equivalents	662,891	2,550,344
Trade Receivables	9,974,764	11,472,480
Due from Related Party	18,107	0
Due From Associates (Non Trade)	12,315,447	8,346,548
Other Receivables And Prepayments	286,060	1,551,384
Construction Work-In-Progress	8,861,827	5,200,698
Inventories	2,179,648	1,600,003
Other Investments	60,521	69,879
Total Current Assets	34,359,265	30,791,336
Non-Current Assets		
Property, Plant And Equipment	7,033,174	6,353,334
Investment Property	6,828,410	7,056,025
Investments In Associates	33,981,543	27,411,688
Total Non-Current Assets	47,843,127	40,821,047
Total Assets	82,202,392	71,612,383
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities		
Bank Overdrafts	4,889,062	3,882,084
Term Loan	3,000,000	3,000,000
Trade Payables & Bills Payables	12,081,358	4,737,320
Provision for contract costs	1,773,936	2,300,081
Other Payables	1,410,255	732,504
Due To Related Party (Trade)	0	369
Due To Related Party (Non Trade)	3,600	3,600
Due To Associates (Trade)	1,504	0
Due To Associates (Non Trade)	394,120	832,899
Construction Work-In-Progress	50,662	172,933
Income Tax Payable	114,995	109,100
Finance Leases	115,623	125,625
Total Current Liabilities	23,835,115	15,896,515
Non-Current Liabilities		
Finance Leases	79,623	134,106
Deferred Tax Liability	53,000	53,000
Total Non-Current Liabilities	132,623	187,106
Capital And Reserve		
Share Capital	46,813,734	46,813,734
Retained Earnings	11,285,590	8,460,614
Currency Translation Reserve	135,330	254,414
Total Equity	58,234,654	55,528,762
Total Liabilities And Equity	82,202,392	71,612,383

KING WAN CORPORATION LIMITED

COMPANY'S BALANCE SHEET

FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008

	30.9.2008	31.3.2008
	S\$	S\$
<u>ASSETS</u>		
Current Assets:		
Cash And Cash Equivalents	27,786	233,143
Due From Subsidiaries	17,162,822	17,919,885
Due From Associates (Non-Trade)	1,475	33,857
Other Receivables And Prepayments	18,286	9,489
Total Current Assets	17,210,369	18,196,374
Non-Current Assets:		
Investment In Subsidiaries	20,730,189	20,730,189
Investment In Associates	10,441,334	10,441,334
Total Non-Current Assets	31,171,523	31,171,523
Total Assets	48,381,892	49,367,897
<u>LIABILITIES & EQUITY</u>		
Current Liabilities:		
Other Payables	159,244	161,311
Total Current Liabilities	159,244	161,311
Capital And Reserves:		
Share Capital	46,813,734	46,813,734
Retained Earnings	1,408,914	2,392,852
Total Equity	48,222,648	49,206,586
Total Liabilities And Equity	48,381,892	49,367,897

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

Amount repayable in one year or less, or on demand

As at 30/09/2008		As at 31/03/2008	
Secured	Unsecured	Secured	Unsecured
\$115,623	\$18,449,003	\$125,625	\$9,273,099

Amount repayable after one year

As at 30/09/2008		As at 31/03/2008	
Secured	Unsecured	Secured	Unsecured
\$79,623	0	\$134,106	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	1.4.2008 to 30.9.2008 S\$	1.4.2007 to 30.9.2007 S\$
Operating Activities		
<i>Profit before income tax</i>	3,709,686	2,645,271
Adjustments for		
(Writeback)/ Allowance For Doubtful Trade Receivables	(17,669)	50,015
Change In Fair Values and Gain on Disposal Of Held For Trading Investments	9,358	(86,711)
Depreciation	629,745	608,059
Dividend Income from other investments	(24)	(4,221)
Gain on disposal of investment property	-	(145,693)
Interest Expense	218,604	211,192
Interest Income	(9,447)	(12,006)
Loss On Disposal Of Plant And Equipment	5,363	5,198
Plant and equipment written off	793	-
Provision for contract costs	104,116	663,513
Share of Associates' Results	(5,191,871)	(3,759,868)
<i>Operating (loss) / profit before working capital changes</i>	(541,346)	174,749
Construction Work-in-Progress	(3,783,400)	2,673,879
Inventories	(562,543)	411,045
Other Payables	188,206	168,780
Other Receivables & Prepayments	1,247,802	(1,383,177)
Trade Payables and Bill payables	7,340,945	(701,585)
Provisions Utilised	(630,261)	(604,401)
Trade Receivables	1,531,578	(1,899,796)
<i>Cash from/ (used in) operations</i>	4,790,981	(1,160,506)
Income Tax Paid	(93,167)	(87,651)
Interest Paid	(218,604)	(211,192)
Interest Received	9,447	12,006
<i>Net cash from / (used in) operating activities</i>	4,488,657	(1,447,343)
INVESTING ACTIVITIES		
Acquisition of Interest in Associates	(1,575,978)	-
Advances to Associates	(3,968,899)	(347,415)
Dividends Received from An Associate	-	78,975
Dividends Received from held of trading investments	24	4,221
Proceeds from the Disposal of Held for Trading Investments	-	172,830
Proceeds from the disposal of investment property	-	646,000
Purchase of Property, Plant and Equipment	(1,026,031)	(466,224)
<i>Net cash (used in)/ from investing activities</i>	(6,570,884)	88,387

FINANCING ACTIVITIES

Dividends Paid	(785,648)	(261,883)
Proceeds From Issue of Shares (net of expenses)	-	6,724,438
Repayments Of Finance Leases	(64,485)	(39,240)
Net cash (used in)/ from financing activities	(850,133)	6,423,315
Net effect of exchange rate changes in consolidating a foreign subsidiary	37,928	4,218
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,894,432)	5,068,577
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(1,331,739)	(1,464,321)
CASH AND CASH EQUIVALENTS AT END OF YEAR	(4,226,171)	3,604,256

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

		30.9.2008	30.9.2007
		S\$	S\$
Cash and Bank Balances		662,891	5,600,060
Fixed Deposits		-	355,389
Bank Overdrafts		(4,889,062)	(2,351,193)
Net		(4,226,171)	3,604,256

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	
	2008	2007	2008	2007
	S\$	S\$	S\$	S\$
SHARE CAPITAL				
Balance at 1 st April	46,813,734	40,089,296	46,813,734	40,089,296
Issue of share capital during the period	-	6,960,000	-	6,960,000
Share Issue Expenses	-	(235,562)	-	(235,562)
Balance at 30 th September	46,813,734	46,813,734	46,813,734	46,813,734
RETAINED EARNINGS				
Balance at 1 st April	2,392,852	2,685,094	8,460,614	2,711,007
Profit / (Loss) for the financial period	(198,290)	(36,486)	3,610,624	2,621,175
Dividends Paid	(785,648)	(261,883)	(785,648)	(261,883)
Balance at 30 th September	1,408,914	2,386,725	11,285,590	5,070,299
CURRENCY TRANSLATION RESERVE / (DEFICIT)				
Balance at 1 st April	-	-	254,414	(204,906)
Arising during the period	-	-	(119,084)	13,560
Balance at 30 th September	-	-	135,330	(191,346)

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 for 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 well as the number of shares held as treasury shares, if any against the total number of issued shares excluding treasury shares of the issuer, 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.

There are no changes in the company's share capital since the end of the previous period reported on. As at 30 September 2008, the company does not have any outstanding convertibles or treasury shares (30 September 2007 : Nil). The total number of issued shares as at 30 September 2008 is 349,176,870 (30 September 2007 : 349,176,870)

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares as at the end of 30 September 2008 is 349,176,870 (As at 31 March 2008 : 349,176,870)

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

As at 30 September 2008, the Company does not have any treasury shares.

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

The figures have not been audited or reviewed.

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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

1) Current financial 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 349,176,870	1.03 cents
Based on fully diluted number of ordinary shares in issue of 349,176,870	1.03 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 333,963,755	0.78 cents
Based on fully diluted number of ordinary shares in issue of 333,963,755	0.78 cents

EPS is calculated by dividing the profit attributable to shareholders by the weighted average number of 349,176,870 (2007 : 333,963,755) shares in issue during the financial period.

On a fully diluted basis, EPS is calculated based on 349,176,870 (2007 : 333,963,755) 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 financial period reported on and (b) immediately preceding financial year

1) Current financial period reported on

	Group	Company
Net asset value per ordinary share for the period based on existing issued share capital as at 30 September 2008 of 349,176,870 ordinary shares.	16.68 cents	13.81 cents

2) Immediately preceding financial year

	Group	Company
Net asset value per ordinary share for the year based on existing issued share capital as at 31 March 2008 of 349,176,870 ordinary shares.	15.90 cents	14.09 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 increased by 71% to S\$21.8 million from S\$12.7 million in the last corresponding period. The **Mechanical and Electrical (M&E)** business accounted for the main increase in turnover as there was a larger order book to work on. Revenue was derived from M&E projects that were secured in 2007 and the earlier part of 2008 when the construction industry was expanding and more projects were available in the market. Despite higher turnover, gross profit decreased due mainly to higher labour cost and volatile material prices.

Profit before Income Tax

The Group's net profit before income tax improved by 37% from S\$2.65 million to S\$3.63 million due mainly to substantial contributions from the Group's associates.

Meadows Bright (35% owned associate) has been progressively recognizing profits from the sale of its "Inspira" development, that is currently under construction. It contributed S\$2.07 million to the Group's results in the current period.

EPPCO, the Group's 20% associate in Thailand that produces pulp from sugarcane bagasse, has been maintaining a healthy growth trend and contributed S\$1.85 million to the Group's results. This was achieved despite facing higher utilities charges in its operations.

Our 30% owned associate, Cables International, also contributed S\$0.80 million to the Group's results, an increase of 24% over last corresponding period. The improved performance was attributable to the continuing demand in the oil and gas industry.

The Group's other associates Dalian Shicheng Property Development Co., Ltd ("Dalian Shicheng") (30% owned associate) also managed to maintain its level of contribution to the Group.

Earnings Per Share (EPS) and Net Asset Value Per Share (NAV)

EPS increased from 0.78 cents to 1.03 cents due to a higher net profit achieved for the current financial period as compared to the last financial period.

Net asset value per share also increased from 15.90 cents to 16.68 cents per share.

Balance Sheet Review

The Group's equity base improved to S\$58.2 million from S\$55.5 million mainly due to profits of S\$3.61 million for the current period.

Total current assets increased by 11.6% or from S\$30.8 million to S\$34.4 million. This increase was due mainly to increases in construction work-in-progress and inventories in view of the increase in mechanical & electrical engineering works. There were also advances made to associates to finance their operations. This increase was partially offset by decrease in trade and other receivables arising from recovery of outstanding balances due from customers.

Non-current assets was higher at S\$47.8 million from S\$40.8 million due to the Group's share of associates' profits and additions to the Group's property, plant and equipment during the period.

Current liabilities had increased to S\$23.8 million from S\$15.9 million due mainly to increased bank borrowings, trade payables and bills payables, to finance the Group's operations. As a result, current ratio was lower at 1.44.

The debt equity ratio increased to 0.32 from 0.17 due mainly to higher utilization of banking facilities to finance the Group's activities.

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

As at date of this announcement, the Group has approximately S\$161 million worth of construction contracts on hand, with completion dates ranging from years 2008 to 2011. With the economy in technical recession, we will be monitoring the developments very closely and will continue to practice a high level of vigilance in securing new contracts. The Group will also continue to monitor its material and labour costs very closely, which are expected to remain volatile in the short term.

Mobile Loo Rental & Servicing Business

Demand from event organizers and customers from the construction sector should remain stable in the short term in view of the events already lined up and the construction activities that are still ongoing. We expect this business to remain profitable in FY2009.

Property Development Business

Dalian Shicheng, with its "Singapore Garden" project in Dalian, China will be adopting a conservative approach for the rest of the year. The property market in China is not expected to recover quickly despite measures from the Chinese Central Government to shore up the sector. Potential homebuyers are still staying on the sideline to monitor how home prices will move as the recent market downturn had effectively eradicated speculators from the market. With a smaller pool of potential customers, Dalian Shicheng will be revising its strategy for the "Singapore Garden" project to move in tune with the market.

Cables International

With the projects it has secured and the geographical reach that it has established, the Group expects this associate to contribute positively to the Group's results in FY2009.

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

EPPCO is expected to contribute to the Group's results in FY2009.

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 2008.

**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 2008 to be false or misleading.

On behalf of the Board of Directors

Chua Kim Hua
Executive Chairman

Chua Eng Eng
Managing Director

th
7 November 2008

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Company Secretary