

MEDIA RELEASE

For Immediate Release

King Wan Corporation achieves strong revenue growth of 103% at S\$76.64m for nine months ended 31 December 2013

9 months ended 31 Dec 2013 and 2012 (S\$m)	9M2014	9M2013	Change
Revenue	76.64	36.68	▲103%
Gross Profit	9.78	8.43	▲16%
Profit Before Tax (PBT)	6.27	4.83	▲30%
Net Profit after tax attributable to equity holders (PATMI)	4.68	4.17	▲12%
Earnings Per Share (cents)	1.34	1.19	▲13%

SINGAPORE, 12 February 2014: MAINBOARD-LISTED King Wan Corporation Limited (“King Wan” or the Group) (庆源企业) today announced a strong revenue of S\$76.64 million for the first nine months of financial year 2014 (9M2014) ended 31 December 2013. Revenue rose 103% per cent mainly due to higher revenue recognised from Mechanical & Engineering (M&E) contracts during the period.

In sync with the rise in revenue, the Group’s net profit after income tax attributable to equity holders for 9M2014 stood at S\$4.68 million, an increase of 12% per cent compared to S\$4.17 million achieved in 9M2013. This translates to earnings per share of 1.34 Singapore cents for the period under review, up from 1.19 Singapore cents in 9M2013.

Ms Chua Eng Eng (蔡莹莹), Managing Director of King Wan said: *“We have maintained a steady momentum over the past quarters and achieved continued improvement in our revenue growth. In the light of the challenging business environment, we will remain vigilant in growing our core businesses and strive for greater improvements in operational efficiency, cost control and financial management to maintain our competitive edge for our specialised M&E engineering services.”*

To date, King Wan's order book for M&E engineering contracts stands at approximately S\$166 million, with target completion dates ranging from 2014 to 2017.

Healthy Financial Position

King Wan's financial position as at 31 December 2013 remained healthy, backed by a net asset base of S\$84.65 million. Net asset value per share was 24.24 Singapore cents, marginally lower as compared to 24.31 Singapore cents recorded at 31 March 2013.

King Wan's market capitalisation amounted to S\$99.52 million, based on the closing price of 28.5 Singapore cents as at 12 February 2014. The total number of shares issued to date is approximately 349.2 million.

Business Outlook

The Group expects the demand for its M&E services to be healthy, driven by the relatively strong pipeline of public and commercial sector projects in Singapore.

However, the outlook for the construction sector continues to be challenging with keener competition, labour shortages and increases in material costs, which may cause construction gross margins to be leaner for future projects. In response to these challenges, the Group will continue to leverage on its strong track record and expertise in M&E engineering to secure more projects, implement stringent cost measures and improve labour productivity.

King Wan expects its M&E business segment to continue to contribute positively to the Group's results in the next 12 months. Moving forward, the Group will continue to implement a multi-country, multi-industry portfolio strategy in order to diversify and broaden its revenue streams and better manage investments risks.

This press release should be read in conjunction with the full SGX announcement released by King Wan dated 12 February 2014. A copy of the announcement is available on www.sqx.com.

About King Wan Corporation Limited (www.kingwan.com)

King Wan Corporation Limited (庆源企业) is a Singapore-based integrated building services company with principal activities in the provision of mechanical and electrical (M&E) engineering services for the building and construction industry. It also operates in three other business segments, namely Property, Manufacturing and Services.

The Group operates along with its subsidiaries and associates across Singapore, China, and Thailand. It implements a multi-country, multi-industry portfolio strategy in order to diversify and broaden its revenue streams and better manage investment risks.

It operates principally in four business segments as follows:

- **Engineering segment:** 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;
- **Property segment:** Engages in the development, marketing and sale of residential and commercial properties in Singapore, China and Thailand;
- **Services segment:** Provides rental and other services for mobile chemical lavatories and other facilities for construction worksites as well as public and nation-wide public events.
- **Vessel owning and chartering segment:** Buys suitable vessels for chartering to third parties.

Established in 1977, it was listed in 2000 on the Singapore Exchange SESDAQ and upgraded to the Mainboard in 2003.

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