

MEDIA RELEASE – 29 May 2015

For Immediate Release

King Wan Corporation posted S\$85.24m revenue on S\$17.1m net profit for full year ended 31 March 2015

Highlights

- Final dividend proposed at 1.0 Singapore cent, cumulative dividend for the financial year at 1.7 Singapore cent
- Net asset value per share and earning per share increase to 28.1 cents and 4.9 cents respectively
- Healthy order book of S\$187m lasting till 2018

SINGAPORE, 29 May 2015: MAINBOARD-LISTED King Wan Corporation Limited (“King Wan” or “the Group”) (庆源企业), a Singapore-based integrated building services and mechanical and electrical (“M&E”) engineering specialist, posted a revenue of S\$85.2 million for the full year ended 31 March 2015 (“FY2015”). The Group’s net profit after income tax surged 154% to S\$17.1 million, which included the one-time gain from the completion of divestment of her two Thai associate companies during the year.

The Board of Directors is pleased to recommend a one-tier tax-exempt final dividend of 1.0 Singapore cent per share to be approved by shareholders at the forthcoming annual general meeting to be held on 30 July 2015. Upon approval, the dividend will be payable on 18 August 2015.

Ms Chua Eng Eng (蔡莹莹), Managing Director of King Wan said: ***“Our core M&E business has maintained a strong order book of S\$187 million lasting till 2018. Now that the value in our Thailand investments had been unlocked, we are well-positioned to seek for more attractive business and investment opportunities in the region.*”**

Meanwhile, we are steadfastly keeping tight control over costs and improving efficiency of our operations.”

Financial Position

The Group's financial position continues to be strong. The Group's net assets stood at S\$98.2 million as at 31 March 2015, a 13.7% increase from S\$86.4 million as at 31 March 2014. Net asset value per share stood at 28.1 cents as at 31 March 2015 as compared to 24.8 cents in the previous year.

Cash and cash equivalents stand at to S\$11.4 million as at 31 March 2015 as compared to S\$9.0 million as at 31 March 2014.

Market capitalisation was S\$112 million based on the closing share price of 32 Singapore cents as at 29 May 2015.

Business Update

- **New Business Segment - Workers' Accommodation**

On 21 May 2014, the Group announced that it has ventured into the workers' accommodation business by taking a 19% stake in a consortium which will be involved in the design, development and operations of one of the largest workers' dormitory projects in Singapore.

The consortium comprising King Wan, TA Corporation Ltd, an established property and construction group, and SKM Development Pte Ltd, a privately held investment holding group, has successfully secured a land tender awarded by Jurong Town Corporation ("JTC") that will be developed into a 9,200-bed workers' dormitory.

In line with the government's efforts to improve welfare for foreign workers, the consortium is committed to providing well-managed purpose built worker dormitories with comprehensive facilities that will meet the needs and welfare of the dormitory residents.

The Group expects the demand for quality purpose built accommodation for foreign workers to remain robust. To date, the project has commenced construction and is scheduled for completion in the first quarter of 2016.

Business Outlook

The industry outlook remains challenging in the next 12 months with increasing competition and an expected increase in labour cost due to higher foreign worker levies and a shorter supply of foreign workers. The Group will continue to focus on its core business by leveraging on its strong track record to secure more projects as well as enhance its cost effectiveness and efficiency optimisation in the management of on-going projects.

As at the date of this announcement, the Group has approximately S\$187 million worth of M&E engineering contracts on hand, with completion dates ranging from years 2015 to 2018. S\$20.7 million of these orders were secured in the last three months.

The Group expects the M&E business segment to contribute positively to the Group's results in the next 12 months.

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This press release should be read in conjunction with the full SGX announcement released by King Wan dated May 29, 2015. A copy of the announcement is available on www.sgx.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 its core business in the provision of **Mechanical and Electrical (M&E)** engineering services for the building and construction industry. It also provides **rental of mobile chemical lavatories** and ancillary facilities for construction worksites as well as public and nation-wide public events.

Under its M&E business, it provides multi-disciplined M&E engineering services such as the design and installation plumbing & sanitary systems, electricity distribution systems, fire protection, alarm systems, communications and security systems, and air-conditioning and mechanical ventilation systems for the building and construction industry.

Besides its core business, it also maintains an investment portfolio comprising of three business segments, namely

- **Property Development segment** - engages in the development, marketing and sale of residential and commercial properties in Singapore, China and Thailand;
- **Vessel Ownership and Chartering segment** - acquire vessels for chartering to third parties.
- **Workers Dormitory Operations segment** – design, build and operate purpose-built workers' accommodation and related facilities.

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.

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