

MEDIA RELEASE – 10 November 2014

For Immediate Release

King Wan Corporation recorded S\$39.9 million revenue for first six months ended 30 September 2014

Highlights

- Net asset value per share increases to 34.16 cents
- Strong order book of S\$166m lasting till 2017
- Declares interim dividend of 0.7 cent per ordinary share

SINGAPORE, 10 November 2014: 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, recorded revenue of S\$39.9 million for the first six months of FY2015 (1H2015) as compared to 49.6 million in the same period last year (1H2014). The decrease was due to lower revenues from Mechanical and Electrical (M&E) contracts.

The Group's net profit for 1H2015 increased to S\$26.7 million, mainly as a result of the one-time net gain derived from the completion of divestment of the two associate companies in Thailand.

Earnings per share (EPS) for 1H2015 increased to 7.63 cents from 1.32 cent in 1Q2014 due to the higher net profit achieved.

The Board of Directors is pleased to announce a one-tier tax-exempt interim dividend of 0.7 Singapore cents per share. The dividend will be payable on 9 December 2014.

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\$166 million lasting till 2017. This was despite the very competitive environment that the industry is currently facing. We have also started to unlock the investment value for our investments in Thailand. We are well positioned to seek for more attractive business and investment opportunities in the region while 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\$119.3 million as at 30 September 2014, a 38% increase from S\$86.4 million as at 31 March 2014. Net asset value per share stood at 34.16 cents as compared to 24.75 cents at 31 March 2014.

Market capitalisation was S\$111.7 million based on the closing share price of 32 Singapore cents as at 7 November 2014.

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 short supply of foreign workers. The Group will continue to focus on its core business by leveraging on its strong track record to secure more quality 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\$166 million worth of M&E engineering contracts on hand, with completion dates ranging from years 2014 to 2017. S\$21 million of these orders were secured in the last 4 months.

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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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