



KING WAN CORPORATION LIMITED

(Company Registration No. 200001034R)

**Unaudited Condensed
Interim Financial Statements
For the Half Year Ended 30 September 2023**

TABLE OF CONTENTS

	PAGE
A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS	1
B. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2
C. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION	3
D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	4
E. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY	6
F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	7
G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2	18

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Group		Increase/ (Decrease) %
		First Half Ended 30.09.2023 S\$'000	First Half Ended 30.09.2022 S\$'000	
Revenue	5	39,190	41,178	(5)
Cost of sales		(38,779)	(41,336)	(6)
Gross profit/(loss)		411	(158)	(360)
Other operating income		1,990	735	171
Administrative expenses		(2,869)	(5,386)	(47)
Share of profit of associates and joint venture		487	58	740
Write-back of loss allowance/ (Loss allowance) on trade receivables, other receivables and contract assets		3,695	(125)	(3,056)
Finance costs		(935)	(471)	99
Profit/(Loss) before income tax	7	2,779	(5,347)	(152)
Income tax credit	8	183	280	(35)
Profit/(Loss) for the financial period		2,962	(5,067)	(158)
Profit/(Loss) of the financial period attributable to:				
Owners of the Company		2,972	(5,055)	(159)
Non-controlling interests		(10)	(12)	(17)
		2,962	(5,067)	(158)
Earnings/(Losses) per share (cents)				
Basic and diluted		0.43	(0.72)	

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

B. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			
	Note	First Half Ended 30.09.2023 S\$'000	First Half Ended 30.09.2022 S\$'000	Increase/ (Decrease) %
Profit/(Loss) for the period		2,962	(5,067)	(158)
Other comprehensive loss:				
<i>Item that will not be reclassified subsequently to profit or loss</i>				
Net change in fair value of equity securities carried at fair value through other comprehensive income ("FVTOCI")		(3,150)	(2,161)	46
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations		57	173	(67)
Other comprehensive loss for the period		(3,093)	(1,988)	56
Total comprehensive loss for the period		(131)	(7,055)	(98)
Total comprehensive loss attributable to:				
Owners of the Company		(121)	(7,043)	(98)
Non-controlling interests		(10)	(12)	(17)
		(131)	(7,055)	(98)

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

C. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at	As at	As at	As at
		30.09.2023	31.03.2023	30.09.2023	31.03.2023
		S\$'000	S\$'000	S\$'000	S\$'000
<u>ASSETS</u>					
Current assets					
Cash and bank balances		9,018	11,001	253	73
Trade receivables	12	8,942	11,824	-	-
Other receivables and prepayments	14	6,571	6,494	18	11
Amount due from subsidiaries		-	-	11,053	10,445
Held-for-trading investments		86	108	-	-
Inventories		854	1,052	-	-
Contract assets	13	14,788	25,911	-	-
Total current assets		40,259	56,390	11,324	10,529
Non-current assets					
Other receivables	14	44,401	41,635	-	-
Property, plant and equipment	15	1,967	2,106	-	-
Right-of-use assets		1,594	1,907	-	-
Investment in subsidiaries		-	-	35,706	35,706
Investment in associates and joint venture		4,693	4,230	1,732	1,732
Investments	16	16,380	19,520	12,528	14,976
Deferred tax assets		1,661	1,254	-	-
Total non-current assets		70,696	70,652	49,966	52,414
Total assets		110,955	127,042	61,290	62,943
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Bank borrowings	17	7,971	8,458	-	-
Trade payables	18	11,309	24,859	-	-
Bills payable	17, 18	20,569	23,607	-	-
Other payables		1,855	2,150	586	701
Contract liabilities		4,512	2,272	-	-
Lease liabilities	17	438	429	-	-
Amount due to a subsidiary		-	-	19,775	18,734
Provision for liabilities	19	724	865	-	-
Income tax payable		277	104	-	-
Total current liabilities		47,655	62,744	20,361	19,435
Non-current liabilities					
Bank borrowings	17	861	1,500	-	-
Lease liabilities	17	466	694	-	-
Total non-current liabilities		1,327	2,194	-	-
Total liabilities		48,982	64,938	20,361	19,435
Capital and reserves					
Share capital	20	53,797	53,797	53,797	53,797
Retained earnings		36,040	33,068	8,638	8,770
Foreign currency translation reserve		(125)	(182)	-	-
Investment revaluation reserve		(27,685)	(24,535)	(21,506)	(19,059)
Equity attributable to owners of the Company		62,027	62,148	40,929	43,508
Non-controlling interests		(54)	(44)	-	-
Total equity		61,973	62,104	40,929	43,508
Total liabilities and equity		110,955	127,042	61,290	62,943

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	First Half Ended 30.09.2023	First Half Ended 30.09.2022
Note	S\$'000	S\$'000
Operating activities		
Profit/(Loss) before income tax	2,779	(5,347)
Adjustments for:		
Reversal for inventory obsolescence	-	-
Bad trade debt written off	-	-
Contract assets written off	-	1,048
Change in fair value of held-for-trading investments	23	77
Change in fair value of insurance contract	(10)	(17)
Depreciation of property, plant and equipment	305	292
Depreciation of right-of-use assets	275	268
Dividend income from held-for-trading investments	-	*
Dividend income from investment in equity securities carried at FVTOCI		-
Fee income from financial guarantee to associates and joint venture	(32)	(40)
Gain on disposal of property, plant and equipment	(28)	(36)
Gain on disposal of right-of-use assets	(5)	-
Inventories written off	7	-
Interest income	(1,547)	(480)
Interest expense	935	471
(Write-back of loss allowance)/Loss allowance for trade receivables, other receivables and contract assets	(3,695)	129
Share of profit of associates and joint venture	(487)	(58)
Provision for liabilities	157	1,133
Operating cash flows before movements in working capital	(1,323)	(2,560)
Trade receivables	2,742	(2,578)
Other receivables and prepayments	(102)	(220)
Contract assets	11,122	(2,891)
Contract liabilities	2,240	296
Inventories	191	295
Trade payables and bill payables	(13,550)	1,281
Other payables	(261)	383
Provision for liabilities	(299)	(22)
Cash generated from/(used in) operations	760	(6,016)
Income tax paid	(49)	(172)
Interest paid	(935)	(471)
Net cash used in operating activities	(224)	(6,659)

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

	Group	
	First Half Ended 30.09.2023	First Half Ended 30.09.2022
Note	S\$'000	S\$'000
Investing activities		
Interest received	4	6
Repayments from/(Advances to) associates and joint venture	2,717	(472)
Repayments from joint venture		
Dividends received from held-for-trading investments	-	*
Dividends received from investment in equity securities carried at FVTOCI		
Purchase of property, plant and equipment	(211)	(316)
Proceeds from disposal of property, plant and equipment	73	45
Purchase of right-of-use assets	-	-
Proceeds from disposal of right-of-use assets	43	-
Net cash from/(used in) investing activities	<u>2,626</u>	<u>(737)</u>
Financing activities		
Dividends refunded		-
Proceeds from issue of shares		-
Repayments of lease liabilities	(219)	(261)
Repayments of bills payables	(3,038)	-
Repayments of bank borrowings	(1,126)	(613)
Net cash used in financing activities	<u>(4,383)</u>	<u>(874)</u>
Net decrease in cash and cash equivalents	(1,981)	(8,270)
Cash and cash equivalents at the beginning of the financial period	11,001	17,649
Effect of foreign exchange rate changes on balances held in foreign currencies	(2)	11
Cash and cash equivalents at end of the period	<u>9,018</u>	<u>9,390</u>

* Amount less than \$1,000.

Note A:

During the six months ended 30 September 2022, the Group acquired right-of-use assets with an aggregate cost of \$159,000 of which \$159,000 was financed by hire-purchase agreements. During the six months ended 30 September 2023, there was no purchase of right-of-use assets.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

E. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Investment revaluation reserve S\$'000	Equity attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total S\$'000
Group								
Balance as at 1 April 2022		53,797	37,862	(90)	(22,442)	69,127	(19)	69,108
Total comprehensive loss for the financial period:								
Loss for the financial period		-	(5,055)	-	-	(5,055)	(12)	(5,067)
Other comprehensive loss for the financial period		-	-	173	(2,161)	(1,988)	-	(1,988)
Total		-	(5,055)	173	(2,161)	(7,043)	(12)	(7,055)
Balance as at 30 September 2022		53,797	32,807	83	(24,603)	62,084	(31)	62,053
Balance as at 1 April 2023		53,797	33,068	(182)	(24,535)	62,148	(44)	62,104
Total comprehensive loss for the financial period:								
Profit for the financial period		-	2,972	-	-	2,972	(10)	2,962
Other comprehensive loss for the financial year		-	-	57	(3,150)	(3,093)	-	(3,093)
Total		-	2,972	57	(3,150)	(121)	(10)	(131)
Balance as at 30 September 2023		53,797	36,040	(125)	(27,685)	62,027	(54)	61,973
Company								
Balance as at 1 April 2022		53,797	4,968	-	(17,432)	41,333	-	41,333
Total comprehensive loss for the financial period:								
Loss for the financial period		-	(683)	-	-	(683)	-	(683)
Other comprehensive loss for the financial period		-	-	-	(1,679)	(1,679)	-	(1,679)
Total		-	(683)	-	(1,679)	(2,362)	-	(2,362)
Balance as at 30 September 2022		53,797	4,285	-	(19,111)	38,971	-	38,971
Balance as at 1 April 2023		53,797	8,770	-	(19,059)	43,508	-	43,508
Total comprehensive loss for the financial period:								
Loss for the financial period		-	(132)	-	-	(132)	-	(132)
Other comprehensive loss for the financial period		-	-	-	(2,447)	(2,447)	-	(2,447)
Total		-	(132)	-	(2,447)	(2,579)	-	(2,579)
Balance as at 30 September 2023		53,797	8,638	-	(21,506)	40,929	-	40,929

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

King Wan Corporation Limited (the "Company") is incorporated in Singapore with its registered office and principal place of business at No. 8 Sungei Kadut Loop, Singapore 729455. The Company is listed on the mainboard of Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements as at and for the six months ended 30 September 2023 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of investment holding. The principle activities of the Group are those relating to provision of mechanical and electrical engineering services, rental of mobile lavatories and other facilities, and other investments.

2. Basis of preparation

The condensed interim financial statements for the half year ended 30 September 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"), except for the adoption of amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

Going concern

As at 30 September 2023, the Group's and the Company's current liabilities exceeded its current assets by S\$7,396,000 and S\$9,037,000 respectively.

In view of these circumstances, the Directors of the Company have given careful consideration of the future liquidity and cash flows of the Group in assessing whether the Group will have sufficient financial resources to continue as a going concern for the next 12 months from the date of this announcement. For this purpose, management has prepared a month-to-month consolidated cash flows forecast up to 31 December 2024 (the "Cash Flows Forecast") based on the latest available financial information. The following judgement and assumptions have been taken by management in the Cash Flows Forecast:

(i) Construction activities will be in full operation according to projected schedule and monthly cash collections will be received according to contractual terms; and

(ii) Continued support from the Group's existing bankers in providing banking and other credit facilities and access to undrawn credit facilities.

Based on the assessment, the Directors are confident that the Group and the Company will be able to pay its debts as and when they fall due for the next 12 months.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

2.1. New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the condensed interim financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are included in the following notes:

- Note 5 : Revenue recognition and contract costs from construction contracts
- Notes 12 & 13 : Loss allowances for trade receivables and contract assets
- Note 14 : Recoverability of amounts due from associates and joint venture

3. Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following reportable business segments under SFRS(I) 8:

Segment	Principal activities
Plumbing and sanitary	Provision of plumbing and sanitary services includes the design and installation of water distribution systems and pipe network for sewage and waste water drainage.
Electrical & ACMV	Provision of electrical engineering services include the design and installation of electricity distribution systems, fire protection, alarm systems, communications and security systems as well as air-conditioning and mechanical ventilation systems.
Toilet rental	Rental and operating of mobile lavatories and other facilities.
Investment holdings	The Group’s investment in associates and joint venture, and investment in equity securities carried at FVTOCI.
Others	For those other activities which do not fall into the above categories.

These operating segments are reported in a manner consistent with internal reporting provided to Managing Director and Executive Director who are responsible for allocating resources and assessing performance of the operating segments.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

Business segments

	Plumbing and sanitary S\$'000	Electrical & ACMV S\$'000	Toilet rental S\$'000	Investment holdings S\$'000	Others S\$'000	Elimination S\$'000	Consolidated S\$'000
1 April 2023 to							
30 September 2023							
Revenue							
External sales	18,070	18,948	2,166	-	6	-	39,190
Intersegment sales	-	-	41	-	-	(41)	-
Total revenue	<u>18,070</u>	<u>18,948</u>	<u>2,207</u>	<u>-</u>	<u>6</u>	<u>(41)</u>	<u>39,190</u>
Results							
Segment result	(2,754)	205	402	4,346	4	66	2,269
Unallocated expenses							(508)
Net other operating income							1,953
Finance costs							(935)
Loss before income tax							2,779
Income tax expense							183
Loss for the year							<u>2,962</u>
Other Information							
Capital expenditures additions	4	3	136	-	68	-	211
Fee income from financial guarantee to associates and joint venture	-	-	-	-	32	-	32
Depreciation	(10)	(10)	(140)	-	(420)	-	(580)
Write-back of loss allowance for amounts due from associates	-	-	-	3,860	-	-	3,860
Loss allowance for other receivables	-	-	-	-	(25)	-	(25)
Write-back of loss allowance/ (Loss allowance) for trade receivables and contract assets	(152)	-	12	-	-	-	(140)
As at 30 September 2023							
Assets							
Segment assets	14,107	9,707	3,879	69,935	22	-	97,650
Unallocated assets							13,305
Consolidated total assets							<u>110,955</u>
Liabilities							
Segment liabilities	14,691	21,693	643	-	-	-	37,027
Unallocated liabilities							11,955
Consolidated total liabilities							<u>48,982</u>

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

Business segments (cont'd)

	Plumbing and sanitary S\$'000	Electrical & ACMV S\$'000	Toilet rental S\$'000	Investment holdings S\$'000	Others S\$'000	Elimination S\$'000	Consolidated S\$'000
1 April 2022 to 30 September 2022							
Revenue							
External sales	23,512	15,654	2,007	-	5	-	41,178
Intersegment sales	182	-	43	-	-	(225)	-
Total revenue	<u>23,694</u>	<u>15,654</u>	<u>2,050</u>	<u>-</u>	<u>5</u>	<u>(225)</u>	<u>41,178</u>
Results							
Segment result	<u>(3,311)</u>	<u>(1,835)</u>	<u>333</u>	<u>(67)</u>	<u>3</u>	<u>40</u>	<u>(4,837)</u>
Unallocated expenses							(711)
Net other operating income							672
Finance costs							(471)
Loss before income tax							(5,347)
Income tax expense							280
Loss for the year							<u>(5,067)</u>
Other Information							
Capital expenditures additions	126	69	149	-	131	-	475
Fee income from financial guarantee to associates and joint venture	-	-	-	40	-	-	40
Depreciation	(7)	(7)	(132)	-	(414)	-	(560)
Loss allowance for amounts due from associates	-	-	-	(125)	-	-	(125)
Loss allowance for other receivables	-	-	-	-	-	-	-
Loss allowance for trade receivables and contract assets	-	-	(4)	-	-	-	(4)
As at 30 September 2022							
Assets							
Segment assets	25,010	10,807	3,289	65,995	22	-	105,123
Unallocated assets							15,215
Consolidated total assets							<u>120,338</u>
Liabilities							
Segment liabilities	29,638	13,955	712	-	-	-	44,305
Unallocated liabilities							13,980
Consolidated total liabilities							<u>58,285</u>

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

Geographical segments

The Group operates mainly in Singapore. Revenue is reported based on the location of customers regardless of where the goods are produced or services rendered. Non-current assets other than the financial assets at FVTOCI, financial assets at amortised cost, deferred tax assets and other receivables are based on geographical location of the assets.

	Revenue		Non-current assets	
	First Half 30.09.2023 S\$'000	First Half 30.09.2022 S\$'000	As at 30.09.2023 S\$'000	As at 31.03.2023 S\$'000
Singapore	39,190	41,178	7,826	7,789

Information about major customer

Included in revenues arising from construction contracts on plumbing and sanitary, and electrical & acmv of S\$37,018,000 (1H2023: S\$39,166,000) are revenues of approximately S\$12,417,000 (1H2023: S\$6,232,000) which arose from construction works performed to the Group's 2 (1H2023: 1) external customers.

5. Revenue

The Group derives its revenue from the transfer of services over time in the following major service lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (Note 4).

A disaggregation of the Group's revenue for the financial period is as follows:

	Group	
	First Half 30.09.2023 S\$'000	First Half 30.09.2022 S\$'000
Revenue from:		
Construction contracts		
- Plumbing and sanitary	18,070	23,512
- Electrical & ACMV	18,948	15,654
Rendering of services		
- Toilet rental	2,172	2,012
	<u>39,190</u>	<u>41,178</u>

Timing of revenue recognition

Over time	39,190	41,178
Right to receive established	-	-
	<u>39,190</u>	<u>41,178</u>

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2023 and 31 March 2023:

	Group		Company	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial assets at amortised cost	68,673	70,744	11,313	10,518
Fair value through profit or loss	337	349	-	-
Fair value through other comprehensive income	16,129	19,279	12,528	14,976
	<u>85,139</u>	<u>90,372</u>	<u>23,841</u>	<u>25,494</u>
Financial liabilities				
Financial liabilities at amortised cost	43,469	61,697	20,361	19,435

7. Profit/(Loss) before income tax

7.1. Significant items

	Group	
	First Half	First Half
	30.09.2023	30.09.2022
	S\$'000	S\$'000
Other income		
Lease income from:		
- Associate	8	8
- External parties	129	-
Government grants	-	85
Management fee income from associates	54	55
Interest income from:		
- Associates and joint venture	1,543	474
- External parties	4	6
Fee income from financial guarantee to associates and joint venture	32	40
Gain on disposal of property, plant and equipment	28	36
Expenses		
Depreciation of property, plant and equipment	305	292
Depreciation of right-of-use assets	275	268
(Write-back of loss allowance)/ Loss allowance for:		
- trade receivables	140	4
- other receivables	25	-
- amounts due from associates	(3,860)	125
Contract assets written off	-	1,048

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

7.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

8. Income tax credit

	Group	
	First Half	First Half
	30.09.2023	30.09.2022
	S\$'000	S\$'000
Current tax	224	153
Deferred tax	(407)	(365)
Over provision of current tax in prior years	-	(68)
	<u>(183)</u>	<u>(280)</u>

Domestic income tax is calculated at 17% (30 September 2022: 17%) of the estimated assessable profit/(loss) for the financial period.

9. Earnings/(loss) per share

Basic earnings/(losses) per share is calculated by dividing the Group's profit/(loss) for the financial period by the weighted average number of ordinary shares in issue during the financial period as follows:

	Group	
	First Half	First Half
	30.09.2023	30.09.2022
Net profit/(loss) attributable to shareholders of the Company (\$'000)	<u>2,972</u>	<u>(5,055)</u>
Total number of shares in issue ('000)	698,354	698,354
Basic and diluted earnings/(losses) per share (in cents)	<u>0.43</u>	<u>(0.72)</u>

The fully diluted earnings/(losses) per share is calculated using the same weighted number of ordinary shares as there are no dilutive potential ordinary shares.

10. Dividends

	Group	
	First Half	First Half
	30.09.2023	30.09.2022
	S\$'000	S\$'000
Dividends paid	-	-
Dividend per share (net of tax)	<u>-</u>	<u>-</u>

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

11. Net asset value

	Group		Company	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
	S\$'000	S\$'000	S\$'000	S\$'000
Net asset value per ordinary share (cents)	8.87	8.89	5.86	6.23
Total number of shares in issue ('000)	698,354	698,354	698,354	698,354

12. Trade receivables

	Group	
	30.09.2023	31.03.2023
	S\$'000	S\$'000
Amounts receivable from construction contract customers	10,607	13,491
Amounts receivable from rendering of services	837	695
	11,444	14,186
Less: Loss allowance for trade receivables	(2,502)	(2,362)
Net	8,942	11,824

For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime expected credit losses (“ECL”). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of the conditions at the end of the financial period.

13. Contract assets

	Group	
	30.09.2023	31.03.2023
	S\$'000	S\$'000
Retention monies on construction contracts	1,678	2,434
Accrued income from construction contracts	13,854	24,221
	15,532	26,655
Less: Loss allowance for contract assets	(744)	(744)
	14,788	25,911

For contract assets, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The expected credit losses on contract assets are estimated using a provision matrix by reference to past default experience of the debtor and analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of the conditions at the end of the financial period.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

14. Other receivables

	Group		Company	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
	S\$'000	S\$'000	S\$'000	S\$'000
Current:				
- Amounts due from associate	6,117	6,117	-	-
- Other receivables	55	54	-	-
- Prepayments	259	210	11	11
- Deposits	165	113	-	-
	<u>6,596</u>	<u>6,494</u>	<u>11</u>	<u>11</u>
Less: Loss allowance for other receivables	(25)	-	-	-
	<u>6,571</u>	<u>6,494</u>	<u>11</u>	<u>11</u>
Amounts due from associates and joint venture	79,447	80,541	-	-
Less: Loss allowance for amounts due from associates	(35,046)	(38,906)	-	-
	<u>44,401</u>	<u>41,635</u>	<u>-</u>	<u>-</u>

For loans to or amount due from associates and joint venture, the Group has applied the credit-impaired approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The expected credit losses has been determined after taking into account the historical default experience and the financial position of the counterparties, adjusted for underlying assets held by respective receivables and factors that are specific to these receivables.

15. Property, plant and equipment

During the six months ended 30 September 2023, the Group acquired assets amounting to S\$211,000 (30 September 2022: S\$316,000) and disposed of assets amounting to S\$45,000 (30 September 2022: S\$9,000).

16. Investments

	Group		Company	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
	S\$'000	S\$'000	S\$'000	S\$'000
Quoted equity shares, at FVTOCI	16,129	19,279	12,528	14,976
Insurance contract, at fair value through profit or loss	251	241	-	-
	<u>16,380</u>	<u>19,520</u>	<u>12,528</u>	<u>14,976</u>

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

As at the end of the financial period, the fair value measurements of held-for-trading investment carried at fair value through profit or loss and investment in equity securities carried at FVTOCI for the Group and the Company were determined based on quoted price (unadjusted) in active markets for identical assets or liabilities (Level 1).

The fair value of the life insurance policy is based on the cash surrender value of the contracts stated in the quarterly statement of the policy (level 2).

There is no transfer between levels of the fair value hierarchy during the current and prior periods.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

17. Group's borrowings and debt securities

	Group		Company	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year, or on demand				
- Secured	108	113	-	-
- Unsecured	28,540	32,065	-	-
Amount repayable after one year				
- Secured	297	350	-	-
- Unsecured	861	1,500	-	-

Details of any collateral

Secured liabilities refer to assets acquired under lease agreements. Unsecured liabilities refer to banking facilities guaranteed by the Company.

As at 30 September 2023, the Group had available S\$11,857,000 (31 March 2023: S\$7,270,000) of undrawn uncommitted borrowing facilities in respect of which all conditions precedent had been met.

18. Trade payables and bill payables

	Group		Group	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables - external parties	9,068	22,404	-	-
Accrual for subcontractor costs - external parties	2,241	2,455	-	-
	11,309	24,859	-	-
Bill payables	20,569	23,607	-	-

Trade payables principally comprise amounts outstanding for trade purchases. The average credit period on purchases of goods from outside parties is 3 months (2023: 3 months). No interest is charged on overdue trade payables.

Bills payables are repayable between 3 to 5 months (2023: 3 to 5 months) from the date the bills are first issued. The carrying amounts of the bills payables approximates their fair values due to their short-term maturity. Bills payables bear interest at rates ranging from 4.92% to 5.69% (2023: 2.98% to 4.80%) per annum and are supported by a corporate guarantee given by the Company.

19. Provision for liabilities

	Group		Company	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
	S\$'000	S\$'000	S\$'000	S\$'000
Provision for onerous contracts	247	370	-	-
Provision for rectification cost	477	495	-	-
	724	865	-	-

Provision for onerous contracts

The Group has ongoing construction contracts. The provision for onerous contracts is recognised at the end of the financial year as it is probable that the total construction contract costs will exceed the total construction contract revenue for certain projects.

Provision for rectification cost

The Group has a contractual commitment to rectify defects works for its construction contracts during the defects liability period. A provision is recognised at the end of the financial year for the expected defects costs based on past experience of the level of defects.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

20. Share capital

	Group and Company			
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
	Number of shares ('000)		S\$'000	
Issued and paid up:				
At beginning and end of period/year	698,354	698,354	53,797	53,797

The Company did not hold any treasury shares as at 30 September 2023.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2023 and 31 March 2023.

21. Commitments and contingent liabilities

	Group		Company	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
	S\$'000		S\$'000	
Corporate guarantees given to banks in respect of credit facilities utilised by:				
Subsidiaries	-	-	30,985	35,276
Associate and a joint venture	17,328	24,963	17,328	24,963
	<u>17,328</u>	<u>24,963</u>	<u>48,313</u>	<u>60,239</u>

As at 30 September 2023, the maximum amount that the Group and Company could be forced to settle under the financial guarantee contracts are \$17,328,000 and \$48,313,000 (31 March 2023: \$24,963,000 and \$60,239,000) respectively. The Group and Company considers that it is more likely than not that no amount will be payable under the arrangement.

The Company together with another shareholder (the "Joint Guarantor") of the associate, Dalian Shicheng Property Development (S) Pte Ltd ("DSPDS") group provided joint and several corporate guarantees to a bank for credit facilities utilised by DSPDS group for development of the Singapore Garden. As at 31 March 2023, the outstanding bank loan of DSPDS which is covered by joint and several corporate guarantees from the Company and the Joint Guarantor amounted to \$10,000,000. On 27 July 2023, the bank loan was fully paid off by another associate, Meadows Bright Development Pte Ltd which is jointly controlled by the Company and the Joint Guarantor.

22. Subsequent events

In October 2023, the Company's associate, DSPDS has incorporated a subsidiary in Singapore, named SingResource Management Pte Ltd (the "SRM") with Sieco Investment Pte Ltd (the "SIECO"). The shareholding proportion of SRM is 76% and 24% held by the DSPDS and SIECO respectively. SRM is set up to source for potential working opportunities with established local companies to make effective use of DSPDS' vacant land plots located in PRC.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed interim consolidated statement of financial position of King Wan Corporation Limited and its subsidiaries as at 30 September 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

a. Consolidated statement of profit or loss and other comprehensive income

The Group's revenue decreased by S\$2.0 million to S\$39.2 million in 1H2024. The decrease was mainly due to a decrease in construction activities.

Gross profit margin for 1H2024 was 1.0%, compared to gross loss margin of 0.4% achieved in 1H2023. The increase was mainly due to better margins attributed by the post-pandemic projects which was partially offset by the losses incurred on an ongoing construction project whereby the customer was placed under provisional liquidation, and increase in material and manpower costs for certain pre-pandemic projects.

Other operating income increased by S\$1.3 million to S\$2.0 million in 1H2024. The increase was mainly due to S\$1.1 million increase in interest income as a result of accounting for accrued interests on loans to associate, Nexus Point Investments Pte. Ltd. subsequent to write-back of corresponding loss allowance, as well as S\$0.1 million increase in lease income from rental of dormitory located at 8 Sungei Kadut Loop.

Administrative expenses decreased by S\$2.5 million to S\$2.9 million in 1H2024. The decrease was mainly due to absence of payout of settlement fee without admission of any liability to fully and finally settle all claims and disputes with a customer and both corresponding contract assets written off and professional fee incurred.

Share of profit of associates and joint venture increased by S\$0.4 million to S\$0.5 million in 1H2024. The increase was due to recognition of profits from its investment in Tuas South Workers' Dormitory.

Write-back of loss allowance on trade receivables, other receivables and contract assets amounting to S\$3.7 million was a result of S\$4.0 million write-back of loss allowance on receivables due from an associate operating the Tuas South Workers' Dormitory due to improvement in both rental rate and occupancy. This was partially offset by the additional S\$0.1 million and S\$0.2 million loss allowances made for trade receivables and receivables due from an associate involved in property development in PRC respectively.

Finance costs increased by S\$0.5 million to S\$0.9 million in 1H2024. The increase was mainly due to higher effective borrowing interest rate.

Income tax credit decreased by S\$0.1 million to S\$0.2 million. The decrease was due to lower tax loss incurred.

As a result of the above, the Group's profit after tax amounted to S\$3.0 million in 1H2024, compared to loss after tax of S\$5.1 million in 1H2023.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

b. Statement of financial position

The Group's equity base stood at S\$62.0 million as at 30 September 2023, a decrease from S\$62.1 million as at 31 March 2023.

Total current assets amounted to S\$40.3 million as at 30 September 2023, lower than the S\$56.4 million as at 31 March 2023. The decrease was mainly due to S\$2.0 million decrease in cash and bank balances to repay bills payables to reduce finance costs, S\$2.9 million decrease in trade receivables and S\$11.1 million decrease in contract assets due to faster turnover. This was in tandem with the decrease in trade payables and bills payables.

Non-current assets amounted to S\$70.7 million as at 30 September 2023 was comparatively same as balance as at 31 March 2023. The S\$3.1 million decrease in net fair value of investment in equity securities carried at FVTOCI was mainly offset by the S\$2.8 million increase in other receivables as a result of net S\$3.9 million write-back of loss allowance on receivables due from associates, S\$1.5 million interests accrued on loans to associates and joint venture and S\$2.7 million net repayment from associates.

Current liabilities decreased to S\$47.7 million as at 30 September 2023 from S\$62.7 million as at 31 March 2023. The decrease was mainly due to S\$13.6 million decrease in trade payables due to faster turnover and S\$3.5 million decrease in bank borrowings and bills payables due to repayment to reduce finance costs.

Non-current liabilities decreased to S\$1.3 million as at 30 September 2023 from S\$2.2 million as at 31 March 2023 was mainly due to net repayment of bank borrowings and lease liabilities amounted to S\$0.9 million.

c. Consolidated statement of cash flows

Net cash used in operating activities amounted to S\$0.2 million in 1H2024, compared to S\$6.7 million in 1H2023. The decrease in outflow was mainly due to profit for the period, after changes in working capital and other adjustments.

Net cash from investing activities amounted to S\$2.6 million in 1H2024, compared to outflow of S\$0.7 million in 1H2023. The increase in inflow was mainly due to net repayments of loans from associates and joint venture of the Group.

Net cash used in financing activities amounted to S\$4.4 million in 1H2024, compared to S\$0.9 million in 1H2023. The increase in outflow was due to increase in repayments of bills payables, bank borrowings and lease liabilities to reduce finance costs.

As a result of the aforementioned, cash and cash equivalents stood at S\$9.0 million as at 30 September 2023.

3. 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.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

According to press release issued by Singapore Ministry of Trade and Industry ("MTI") on 11 August 2023, MTI had narrowed Singapore's GDP growth forecast for 2023 from "0.5 to 2.5 per cent" to "0.5 to 1.5 per cent" as MTI expected slowdown in Singapore's key external demand markets and downside risks including more persistent-than-expected inflation in the advanced economies and geopolitical tensions among major global powers to remain.

With the heightened level of global uncertainties, we expect the M&E business to be challenging in the next 12 months and face pressures from rising costs amid the challenging economic environment. Based on order books secured, the M&E business will remain the core business for the Group. The M&E business and the rental of portable lavatories will continue to generate income streams for the Group.

As at the date of this Announcement, the Group has approximately S\$141.2 million worth of M&E contracts on hand. The Group will continue to be vigilant and maintain sufficient liquidity to meet its obligations.

5. Dividend information

a. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

b. Corresponding Period of the Immediate 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

6. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2023

8. Confirmation pursuant to Rule 705(5) of the Listing Manual of SGX-ST

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 September 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chua Eng Eng
Managing Director

14 November 2023

BY ORDER OF THE BOARD

Catherine Lim Siok Ching
Company Secretary

14 November 2023