



KING WAN CORPORATION LIMITED

Incorporated in Singapore (Company Registration No. 200001034R)

Fourth Quarter & Full Year Results – Financial Statement And Related 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 STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME FINANCIAL YEAR ENDED 31 MARCH 2014

	No te	GROUP 12 MONTHS ENDED 31 MARCH				GROUP QUARTER ENDED 31 MARCH		
		2014	2013	Incr/ (Decr)		2014	2013	Incr/ (Decre)
		S\$	S\$			S\$	S\$	
Revenue		95,386,907	66,304,621	44%		20,742,656	29,622,960	-30%
Cost of sales		(82,044,539)	(54,935,363)	49%		(17,188,196)	(26,683,255)	-36%
Gross profit		13,342,368	11,369,258	17%		3,554,460	2,939,705	21%
Other operating income								
Dividend income from held-for-trading investments		12,602	11,665	8%		-	-	n.m
Interest income	1	1,771,372	1,421,883	24%		310,312	1,297,916	-76%
Management fee income		105,357	80,689	31%		26,421	35,689	-26%
Rental income		1,129,330	1,020,624	11%		268,468	274,544	-2%
Fee income from financial guarantees to associates	2	753,311	420,557	n.m		150,776	420,557	n.m
Sundry income		127,359	75,064	70%		96,009	23,651	306%
		3,899,331	3,030,482	29%		851,986	2,052,357	-58%
Administrative expenses	3	(8,515,685)	(5,929,921)	44%		(2,792,928)	(1,572,556)	78%
Share of profit/ (loss) of associates	4	65,732	(567,082)	-112%		567,303	(500,261)	-213%
Finance costs	5	(523,251)	(228,031)	129%		(183,751)	(77,770)	136%
Profit before income tax		8,268,495	7,674,706	8%		1,997,070	2,841,475	-30%
Income tax (expense) credit		(1,533,238)	(1,533,322)	0%		55,444	45,078	23%
Profit for the year from continuing operations		6,735,257	6,141,384	10%		2,052,514	2,886,553	-29%
Profit for the year from discontinued operations – share of profits of associates	6	-	910,806	-100%		-	-	n.m
Total profit for the year		6,735,257	7,052,190	-4%		2,052,514	2,886,553	-29%
Other comprehensive income:								
Exchange differences on translation of foreign operations (associates)	7	61,049	(581,543)	-110%		(270,294)	207,073	-231%
Total comprehensive income for the year		6,796,306	6,470,647	5%		1,782,220	3,093,626	-42%

Fourth Quarter (4Q2014) and 12 Months (FY2014) ended 31 March 2014

Note 1 - The higher interest income was derived mainly from interest charged on new loans made to associates of the Group for their business operations.

Note 2 - The fee income from financial guarantees to associates relates to the imputed income on the financial guarantees issued by the Group to its associates for bank facilities that were amortised over the estimated lifespan of these facilities.

Note 3 - Included in administration expenses are the following:

		GROUP 12 MONTHS ENDED			QUARTER 3 MONTHS ENDED		
		31.3.2014 S\$	31.3.2013 S\$	Increase/ (Decrease) S\$	31.3.2014 S\$	31.3.2013 S\$	Increase/ (Decrease) S\$
Net allowance (writeback) for doubtful trade receivables	i	360,507	(743,171)	1,103,678	371,697	11,311	360,386
Loss (Gain) on disposal of plant and equipment		4,630	47,982	(43,351)	(5,620)	57,127	(62,746)
Change in fair values and gain on disposal of held-for-trading investments	ii	15,939	(155,707)	171,646	5,468	(12,694)	18,162
JTC rental		239,286	230,030	9,256	60,128	57,806	2,322
Property tax		130,856	120,010	10,846	32,500	32,785	(285)
Net allowance (writeback) for inventory obsolescence	iii	171,854	(366)	172,220	171,854	(366)	172,220
Net foreign exchange loss/ (gain)	iv	148,799	(229,437)	378,236	(25,073)	(254,117)	229,044
Directors fees and remuneration	v	2,482,104	2,338,949	143,156	834,598	876,328	(41,730)
Staff related expenses	vi	1,732,154	1,450,777	281,377	523,912	282,291	241,621
Depreciation		1,077,278	1,004,242	73,036	286,850	246,124	40,726

- i. Allowance for doubtful trade receivables which were deemed no longer required were reversed during the last financial year.
- ii. Changes to fair values refer to quoted securities held by the Group.
- iii. Allowances were made for inventory items that were slow moving or obsolete.
- iv. A net foreign exchange loss had arisen from the weakening of the Thai Baht against the Singapore Dollar during the year. The Group has maintained a Thai Baht fixed deposit in Thailand.
- v. The increase was due mainly to adjustments to directors' remuneration and bonus for executive directors for the current financial year.
- vi. The increase was due mainly to adjustments to staff salaries and bonus for staff during the financial year.

Note 4 – There were better contributions from the Group's property development associates. There were also positive contributions from the vessel chartering business, which turned in its first full year's performance.

Note 5 - There was higher utilization of bank facilities to finance its core M&E business as well as its associates in property development.

Note 6 – The profits from discontinued operations refers to the share of profits from the two Thai Associates, Environment Pulp & Paper Co Ltd ("EPPCO") and Ekarat Pattana Co., Ltd ("EPC") that were reclassified as non-current asset held for sale in the last financial year.

Note 7 - The exchange differences had arisen due to changes in exchange rates used in the translation of the Group's China associate.

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 (GROUP)
STATEMENT OF FINANCIAL POSITION**

	As at 31.3.2014	As at 31.3.2013
	S\$	S\$
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	11,219,322	16,712,439
Trade receivables	9,335,580	7,808,456
Other receivables and prepayments	158,909	259,593
Construction work-in-progress	15,694,127	11,483,202
Inventories	1,013,781	1,132,952
Held-for-trading investments	480,519	457,645
	37,902,238	37,854,287
Non-current assets classified as held for sale	21,642,772	21,642,772
Total current assets	59,545,010	59,497,059
Non-current assets		
Property, plant and equipment	5,626,840	5,263,286
Other receivables	67,622,180	49,059,489
Investment in associates	2,166,295	12,042,006
Total non-current assets	75,415,315	66,364,781
Total assets	134,960,325	125,861,840
<u>LIABILITIES AND EQUITY</u>		
Current liabilities		
Bank borrowings	12,673,931	7,624,745
Trade payables	9,882,807	7,944,586
Bills payables	12,648,830	7,793,056
Accrual for contract costs	4,765,210	6,063,013
Other payables	5,308,059	5,459,417
Construction work-in-progress	505,560	4,144,535
Income tax payable	1,686,260	1,657,989
Current portion of finance leases	244,290	55,658
Total current liabilities	47,714,947	40,742,999
Non-current liabilities		
Finance leases	601,707	53,823
Deferred tax liabilities	214,859	194,859
Total non-current liabilities	816,566	248,682
Capital and reserves		
Share capital	46,813,734	46,813,734
Retained earnings	41,493,592	39,995,988
Foreign currency translation reserve	-1,878,514	-1,939,563
Total equity	86,428,812	84,870,159
Total liabilities and equity	134,960,325	125,861,840

KING WAN CORPORATION LIMITED (COMPANY)
STATEMENT OF FINANCIAL POSITION

	As at 31.3.2014	As at 31.3.2013
	S\$	S\$
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	4,029,204	5,235,498
Amount due from subsidiaries	16,947,618	17,013,402
Held-for-trading investments	37,315	0
Other receivables and prepayments	9,701	8,050
	21,023,838	22,256,950
Non-current assets classified as held for sale	9,840,000	9,840,000
Total current assets	30,863,838	32,096,950
Non-current assets:		
Investment in subsidiaries	35,268,954	35,088,297
Investment in associates	1,981,181	1,420,303
Plant and equipment	14,755	0
Total non-current assets	37,264,890	36,508,600
Total assets	68,128,728	68,605,550
<u>LIABILITIES & EQUITY</u>		
Current liabilities:		
Other payables	1,681,370	1,652,574
Income tax payable	75,000	92,835
Amount due to a related party	1,791,270	1,947,432
Amount due to a subsidiary	984,061	6,037,599
Total current liabilities	4,531,701	9,730,440
Capital and reserves:		
Share capital	46,813,734	46,813,734
Retained earnings	16,783,293	12,061,376
Total equity	63,597,027	58,875,110
Total liabilities and equity	68,128,728	68,605,550

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

Amount repayable in one year or less, or on demand

31.3.2014		31.3.2013	
Secured	Unsecured	Secured	Unsecured
\$244,290	\$25,322,761	\$55,568	\$15,417,801

Amount repayable after 1 year

31.3.2014		31.3.2013	
Secured	Unsecured	Secured	Unsecured
\$601,707	\$0	\$53,823	\$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
STATEMENT OF CASHFLOWS**

	Note	GROUP 12 MONTHS ENDED		GROUP QUARTER ENDED	
		31.3.2014 S\$	31.3.2013 S\$	31.3.2014 S\$	31.3.2013 S\$
Operating Activities					
<i>Profit before income tax</i>		8,268,495	8,585,512	1,997,070	2,841,475
Adjustments for					
Loss (Gain) On disposal of plant and equipment		4,630	47,982	(5,620)	57,127
Bad debts written off on trade receivables		-	10,268	-	-
Net (reversal of) allowance for doubtful trade receivables		360,507	(743,171)	371,697	21,579
Net allowance for (reversal of) inventories obsolescence		171,854	(366)	171,854	(366)
Change in fair values and gain on disposal of held-for-trading investments		15,939	(155,707)	5,468	(12,694)
Depreciation of property, plant and equipment		1,077,278	997,313	286,850	239,195
Dividend income from held-for-trading investments		(12,602)	(11,665)	-	-
Interest expense		523,251	228,031	183,751	77,770
Interest income		(1,771,372)	(1,421,883)	(310,312)	(1,297,916)
Inventories written off		30,246	-	30,246	-
Share of associates profit/ (loss)		(65,732)	(343,724)	(567,303)	500,261
Fee income from financial guarantee to associates		(753,311)	(420,557)	(150,776)	(420,557)
<i>Operating profit before working capital changes</i>		7,849,184	6,772,033	2,012,925	2,005,874
Construction work-in-progress		(7,849,900)	(3,137,735)	2,811,942	(1,581,440)
Inventories		(82,929)	136,914	(144,509)	388,698
Other payables		249,710	(381,704)	(561,576)	(520,733)
Other receivables & prepayments		47,653	(206,810)	(128,437)	(199,745)
Trade payables and bill payables		6,793,995	9,627,967	(2,721,001)	(2,670,181)
Accrual for contract costs		(1,297,804)	1,071,833	(477,480)	1,261,127
Trade receivables		(1,887,631)	2,210,277	(538,380)	(640,634)
<i>Cash from/ (used in) operations</i>		3,822,278	16,092,775	253,484	(1,957,034)
Income taxes paid		(1,484,967)	(1,828,824)	125,733	81,638
Interest paid		(523,251)	(228,031)	(183,751)	(77,770)
<i>Net cash from (used in) operating activities</i>		1,814,060	14,035,920	195,466	(1,953,166)
INVESTING ACTIVITIES					
Investment in associates		(450,500)	(30,000)	-	-
Advances to associates		(6,088,041)	(30,161,021)	(1,114,161)	(3,602,817)
Dividends received from associates		-	3,667,678	-	-
Dividends received from held-for-trading investments		12,602	11,665	-	-
Interest received		104,749	214,138	26,400	90,171
Purchase of held-for-trading investments		(38,813)	-	(38,813)	-
Advance received from the sale of associates		-	2,595,728	-	131,638
Proceeds from the disposal of property, plant and equipment		33,547	26,738	14,897	8,238
Purchase of property, plant and equipment	a	(581,149)	(425,920)	480,038	(32,185)
<i>Net cash used in investing activities</i>		(7,007,605)	(24,100,994)	(631,639)	(3,404,955)
FINANCING ACTIVITIES					
Dividends paid		(5,237,653)	(5,237,653)	-	-
Repayments of obligations under finance leases		(111,104)	(55,658)	(64,400)	(13,914)
Proceeds from bank borrowings		2,875,255	3,380,483	-	2,363,186
<i>Net cash (used in)/ from financing activities</i>		(2,473,502)	(1,912,828)	(64,400)	2,349,272
NET DECREASE IN CASH AND CASH EQUIVALENTS		(7,667,047)	(11,977,902)	(500,573)	(3,008,849)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		16,712,439	28,690,341	9,545,965	19,721,288
CASH AND CASH EQUIVALENTS AT END OF PERIOD	b	9,045,392	16,712,439	9,045,392	16,712,439

Note a

During the year, the Group acquired property, plant and equipment with an aggregate cost of S\$1.48 million (2013: \$0.43 million) of which S\$0.85 million (2013: S\$Nil) was acquired under finance lease arrangements. Deposits amounting S\$0.48 million had been made in the last financial year and was included in non-current other receivables.

Note b

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

		31.3.2014	31.3.2013
		S\$	S\$
Cash and bank balances		6,780,635	11,460,984
Fixed deposits		4,438,688	5,251,455
Bank overdrafts		(2,173,931)	-
Net		9,045,392	16,712,439

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

STATEMENT OF CHANGES IN EQUITY

GROUP	SHARE CAPITAL	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION SURPLUS/ (DEFICIT)	TOTAL
	S\$	S\$	S\$	S\$
Balance as at 1 April 2012	46,813,734	38,181,451	(1,358,020)	83,637,165
Total comprehensive income for the period	-	1,418,752	(121,468)	1,297,284
Balance as at 30 June 2012	46,813,734	39,600,203	(1,479,488)	84,934,449
Total comprehensive income for the period	-	1,039,642	(178,218)	861,424
Dividends paid	-	(3,491,769)	-	(3,491,769)
Balance as at 30 September 2012	46,813,734	37,148,076	(1,657,706)	82,304,104
Total comprehensive income for the period	-	1,707,243	(488,930)	1,218,313
Dividends paid	-	(1,745,884)	-	(1,745,884)
Balance as at 31 December 2012	46,813,734	37,109,435	(2,146,636)	81,776,533
Total comprehensive income for the period	-	2,886,553	207,073	3,093,626
Balance as at 31 March 2013	46,813,734	39,995,988	(1,939,563)	84,870,159
Balance as at 1 April 2013	46,813,734	39,995,988	(1,939,563)	84,870,159
Total comprehensive income for the period	-	2,570,011	209,294	2,779,305
Balance as at 30 June 2013	46,813,734	42,565,999	(1,730,269)	87,649,464
Total comprehensive income for the period	-	2,043,213	(27,881)	2,015,332
Dividends paid	-	(3,491,769)	-	(3,491,769)
Balance as at 30 September 2013	46,813,734	41,117,443	(1,758,150)	86,173,027
Total comprehensive income for the period	-	69,519	149,930	219,449
Dividends paid	-	(1,745,884)	-	(1,745,884)
Balance as at 31 December 2013	46,813,734	39,441,078	(1,608,220)	84,646,592
Total comprehensive income for the period	-	2,052,514	(270,294)	1,782,220
Balance as at 31 March 2014	46,813,734	41,493,592	(1,878,514)	86,428,812

COMPANY	SHARE CAPITAL	RETAINED EARNINGS	TOTAL
	S\$	S\$	S\$
Balance as at 1 April 2012	46,813,734	14,545,561	61,359,295
Total comprehensive income for the period	-	3,078,186	3,078,186
Balance as at 30 June 2012	46,813,734	17,623,747	64,437,481
Total comprehensive income for the period	-	(517,318)	(517,318)
Dividends paid	-	(3,491,769)	(3,491,769)
Balance as at 30 September 2012	46,813,734	13,614,660	60,428,394
Total comprehensive income for the period	-	(571,891)	(571,891)
Dividends paid	-	(1,745,884)	(1,745,884)
Balance as at 31 December 2012	46,813,734	11,296,885	58,110,619
Total comprehensive income for the period	-	764,491	764,491
Balance as at 31 March 2013	46,813,734	12,061,376	58,875,110
Balance as at 1 April 2013	46,813,734	12,061,376	58,875,110
Total comprehensive income for the period	-	(481,153)	(481,153)
Balance as at 30 June 2013	46,813,734	11,580,223	58,393,957
Total comprehensive income for the period	-	(444,883)	(444,883)
Dividends paid	-	(3,491,769)	(3,491,769)
Balance as at 30 September 2013	46,813,734	7,643,571	54,457,305
Total comprehensive income for the period	-	(358,975)	(358,975)
Dividends paid	-	(1,745,884)	(1,745,884)
Balance as at 31 December 2013	46,813,734	5,538,712	52,352,446
Total comprehensive income for the period	-	11,244,581	11,244,581
Balance as at 31 March 2014	46,813,734	16,783,293	63,597,027

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 31 March 2014, the Company does not have any outstanding convertibles or treasury shares (as at 31 March 2013 : Nil). The total number of issued shares as at 31 March 2014 is 349,176,870 (as at 31 March 2013 : 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 31 March 2014 is 349,176,870 (as at 31 March 2013 : 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 31 March 2014, the Company does not have any treasury shares (as at 31 March 2013 : Nil).

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 Group has applied the same accounting policies and methods of computation in this announcement as those of the audited financial statements for the financial year ended 31 March 2013, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for the financial year beginning on or after 1 April 2013. The adoption of those new and revised FRSs has no material effect on the current financial statements for the current period.

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

The Group has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2013. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current period or prior years.

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

	Group		Group	
	12 months ended		Quarter ended	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
(i) Basic earnings per share (in cents)				
From continuing operations	1.93	1.76	0.59	0.83
From discontinuing operations	-	0.26	-	-
TOTAL	1.93	2.02	0.59	0.83
Weighted Average Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870
(ii) Diluted earnings per share (in cents)				
From continuing operations	1.93	1.76	0.59	0.83
From discontinuing operations	-	0.26	-	-
TOTAL	1.93	2.02	0.59	0.83
Weighted Average Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870

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

	Group		Company	
	As at		As at	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
Net asset value per ordinary share (in cents)	24.75	24.31	18.21	16.86
Number of shares	349,176,870	349,176,870	349,176,870	349,176,870

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.

Fourth Quarter ended 31 March 2014 (4Q2014)

The Group's revenue for 4Q2014 recorded S\$20.74 million, a decrease of 30% compared to the corresponding quarter last year (4Q2013). The decrease was due to lower recognition of revenue from Mechanical and Electrical (M&E) contracts.

The Group's net profit after income tax for 4Q2014 was S\$2.05 million. This was 29% lower than the profit after income tax of S\$2.89 million achieved in 4Q2013. The lower net profit was due to higher administration expenses during the quarter relating to allowance for doubtful trade receivables and inventories, higher staff related expenses and higher foreign exchange losses. This was despite higher profits from the M&E business and higher contributions from associates.

The Group's gross profit margin for 4Q2014 was 17.1%, higher than the 9.9% achieved in 4Q2013. This was attributed to the better margins for contracts completed in 4Q2014, as compared to the contracts completed in 4Q2013.

12 Months ended 31 March 2014 (FY2014)

The Group's turnover for FY2014 amounted to S\$95.39 million, an increase of 44% compared to the last financial year. The increase in revenue was due to a significant increase in the total revenue generated from

M&E contracts.

The Group's net profit after income tax for FY2014 was S\$6.74 million. This was 4.5% lower than the profit after income tax of S\$7.05 million achieved in FY2013. Higher net profit was derived from the M&E business as a result of an increased turnover. There was also higher interest income recognized from loans to associates of the Group. In addition, there was higher recognition of fee income from financial guarantees issued to banks on behalf of its associates and higher contributions from associates. However, these increases were offset by the absence of contributions from the Group's Thai associates, which were disposed in 1Q2013. There were also higher administration expenses due to allowances made for doubtful trade receivables and inventories, higher foreign exchange losses and staff related expenses.

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

EPS for 4Q2014 decreased to 0.59 cent from 0.83 cent in 4Q2013 due to a lower net profit achieved. EPS for FY2014 correspondingly decreased to 1.93 cents, compared with 2.02 cent achieved in FY2013 due to a lower profit achieved for the financial year.

NAV for the Group stood at 24.75 cents per share at 31 March 2014, an increase from 24.31 cents per share at 31 March 2013. This can be attributed to the profits achieved during the period, less total dividends paid out of S\$5.24 million during the financial year.

Balance Sheet Review

The Group's equity base stood at S\$86.43 million as at 31 March 2014, an increase from S\$84.87 million as at 31 March 2013.

Total current assets increased slightly by S\$0.05 million from S\$59.50 million to S\$59.55 million. The increase was mainly due to higher value of construction work-in-progress and higher trade receivables balances as at year end. This was partly offset by lower cash and cash equivalent balances as at year end.

Non-current assets increased by S\$9.05 million from S\$66.36 million to S\$75.42 million. The increase in non-current receivables was due to loans made to its associates during the year as well as dividends declared and receivable from an associate amounting to S\$9.28 million.

Investment in associates had decreased by S\$9.88 million from S\$12.04 million to S\$2.17 million due to adjustments made for dividends declared and receivable from an associate amounting to S\$9.28 million. Further decrease was caused by the recognition of interest charged on loans to associates.

The decreases were partially offset by additional investments in associates amounting to S\$0.45 million, contributions during the year from associates of S\$0.07 million, foreign exchange gains on foreign associates amounting to S\$0.06 million and recognition of financial guarantee liability from the extension of corporate guarantees for associates' bank facilities.

Current liabilities increased to S\$47.71 million from S\$40.74 million due mainly to higher trade payables in line with the increase in M&E activities. There was also higher utilization of bank borrowings and trade facilities to support the increase in the Group's business activities.

Due to higher bank borrowings, the debt equity ratio has increased to 0.30 as at 31 March 2014 compared to 0.18 as at 31 March 2013.

Cashflows & Liquidity

Fourth Quarter ended 31 March 2014 (4Q2014)

Net cash from operating activities for 4Q2014 amounted to S\$0.20 million compared to a net cash outflow of S\$1.95 million in 4Q2013. The higher net cash inflow was due mainly to a reduction in construction work-in-progress during the quarter.

Net cash used in investing activities for 4Q2014 amounted to S\$0.63 million, lower than the S\$3.40 million used in 4Q2013. There were lower advances made to associates for property development business in the current quarter.

Net cash used in financing activities amounted to S\$0.06 million in 4Q2014 compared to a net inflow of S\$2.35 million in 4Q2013 due to net proceeds from term loans in 4Q2013.

12 Months ended 31 March 2014 (FY2014)

Net cash from operating activities for FY2014 amounted to S\$1.81 million compared to S\$14.04 million in FY2013. The lower net cash inflow was due mainly to higher trade receivables and higher value of construction work-in-progress as at period end.

Net cash used in investing activities for FY2014 amounted to S\$7.01 million, compared to S\$24.10 million used in FY2013. This was due to lower advances made to its associates.

Net cash used in financing activities for FY2014 amounted to S\$2.47 million compared to a net cash used of S\$1.91 million in FY2013 due to lower net proceeds from bank borrowings.

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

The construction industry outlook remains challenging in the next 12 months with increasing competition and anticipated increase in labour cost.

As at the date of this announcement, the Group has approximately S\$153 million worth of M&E engineering contracts on hand, with completion dates ranging from years 2014 to 2017. The Group expects the M&E business segment to contribute positively to the Group's results in the next 12 months.

Subsequent Event – KTIS Initial Public Offer

The Board of Directors of the Company is pleased to announce that the Office of Securities and Exchange Commission in Thailand ("SEC") had approved KTIS' Initial Public Offer ("IPO") filing on 18 April 2014 and KTIS' shares had commenced trading on the Stock Exchange of Thailand (SET) on 28 April 2014.

Based on the Sales & Purchase Agreement ("SPA") signed, the Group was allotted a total of 116,318,000 shares. The Group holds approximately 3.01% of KTIS issued share capital after the IPO.

The completion of the above agreement is expected to have a material impact on the Group's net tangible assets and earnings per share for the current financial year ending 31 March 2015. The net gain accruing from the completion of the SPA will be approximately S\$24 million and will be recognized in the first quarter ending 30 June 2014.

Workers' Dormitory Business

The Group has announced on 21 May 2014 that it had invested into the new workers' accommodation business by taking a 19% stake in a consortium which will be involved in the design, development and operation 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.

This investment is not expected to have a material impact on the Group's net tangible assets and earnings per share for the coming financial year ending 31 March 2015.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share	1.5 cents per ordinary share
Dividend Rate	N.A
Tax Rate	1 tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share	1.0 cents per ordinary share
Dividend Rate	N.A
Tax Rate	1 tier tax exempt

(c) Date payable

15 August 2014.

(d) Books closure date

7 August 2014, 5:00 p.m.

12. If no dividend has been declared/recommended, a statement to that effect

Not Applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Primary reporting format-Business Segments – 2014

	Plumbing & Sanitary S\$	Electrical/ ACMV S\$	Toilet Rental S\$	Investment Holdings S\$	Elimination S\$	Consolidated Total S\$
Revenue						
External sales	59,707,964	31,958,503	3,724,577	0	(4,137)	95,386,907
Segment results	3,433,582	2,917,900	586,549	65,732	924,000	7,927,764
Unallocated expenses						(3,064,554)
Net other operating income						3,928,537
Finance costs						(523,251)
Profit before income tax						8,268,495
Income tax expense						(1,533,238)
Profit for the financial year						6,735,257
Other information						
Capital expenditures additions	25,422	25,422	978,517	449,649		1,479,009
Depreciation	18,678	18,678	202,806	837,115		1,077,278
Amortisation of financial guarantee liability	0	0	0	925,733	(172,422)	753,311
Allowance for doubtful debts	206,529	154,473	(3,807)	0		357,194
Assets						
Segment assets	20,375,411	4,947,199	5,278,903	91,387,247	(2,001,958)	119,986,802
Unallocated corporate assets						14,973,523
Consolidated total assets						134,960,325
Liabilities						
Segment liabilities	16,403,885	10,877,887	4,628,442	2,758,299	(3,471,657)	31,196,856
Unallocated corporate liabilities						17,334,657
Consolidated total liabilities						48,531,513

Primary reporting format-Business Segments – 2013

	Plumbing & Sanitary S\$	Electrical/ ACMV S\$	Toilet Rental S\$	Investment Holdings S\$	Elimination S\$	Consolidated Total S\$
Revenue						
External sales	51,602,049	11,820,305	2,888,823	0	(6,556)	66,304,621
Segment results	4,600,713	2,231,923	111,555	343,725	904,332	8,192,248
Unallocated expenses						(2,791,090)
Net other operating income						3,412,385
Finance costs						(228,031)
Profit before income tax						8,585,512
Income tax expense						(1,533,322)
Profit for the financial year						7,052,190
Other information						
Capital expenditures additions	19,334	19,334	40,634	346,618		425,920
Depreciation	20,931	20,931	175,417	786,963		1,004,242
Fee Income from financial guarantee to associates	0	0	0	538,396	(117,839)	420,557
Reversal of doubtful debts	(488,493)	(250,050)	(4,628)	0		(743,171)
Assets						
Segment assets	16,331,510	3,557,633	4,084,547	82,639,310	(2,001,076)	104,611,923
Unallocated corporate assets						21,249,917
Consolidated total assets						125,861,840
Liabilities						
Segment liabilities	13,633,935	12,264,934	3,966,917	2,966,937	(3,695,474)	29,137,249
Unallocated corporate liabilities						11,854,432
Consolidated total liabilities						40,991,681

SEGMENTAL REPORTING

Secondary reporting format – Geographical Segments

	Revenue		Non Current Asset	
	Latest 12 months to	Latest 12 months to	Latest 12 months to	Latest 12 months to
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
	S\$	S\$	S\$	S\$
Singapore	95,386,907	66,304,621	74,990,722	65,841,607
Thailand			424,593	523,175
	95,386,907	66,304,621	75,415,315	66,364,781

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to Item 8.

15. A breakdown of sales

	Group		
	2014	2013	% increase/ (decrease)
	S\$	S\$	
Sales reported for the first half year	49,606,301	25,678,416	93%
Net profit after tax for the first half year	4,613,224	2,458,394	88%
Sales reported for the second half year	45,780,606	40,626,205	13%
Net profit after tax for the second half year	2,122,033	4,593,796	-54%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year 2014	Latest Full Year 2013
Ordinary	S\$6,983,537	S\$5,237,653
Preference	0	0
Total:	S\$6,983,537	S\$5,237,653

17. If the Group has obtained a general mandate from shareholders for interested person transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any interested person transaction and no IPT mandate has been obtained.

18. Disclosure of person occupying a managerial position in the Issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the Issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held if any, during the year
Chua Kim Hua	74	a) Brother of Chua Hai Kuey b) Father of Chua Eng Eng	Executive Chairman - February 2000	No change
Chua Hai Kuey	63	a) Brother of Chua Kim Hua b) Uncle of Chua Eng Eng	Executive Director - February 2000	No change
Chua Eng Eng	44	a) Daughter of Chua Kim Hua b) Niece of Chua Hai Kuey	Executive Director - November 2000 Managing Director - August 2002	No change No change
Chua Yan Peng	60	a) Niece of Chua Kim Hua, Chua Hai Kuey b) Cousin of Chua Eng Eng	Director - February 2000	No change
Chua Ling Kang	51	a) Nephew of Chua Kim Hua, Chua Hai Kuey, b) Cousin of Chua Eng Eng	Senior Project Manager - 1995	No change
Chua Yean Cheng	43	a) Daughter of Chua Kim Hua b) Niece of Chua Hai Kuey c) Sister of Chua Eng Eng	Human Resource and Admin Manager - July 2011	No change

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Company Secretary