

MEDIA RELEASE

For Immediate Release

King Wan Corporation's revenue rose 44% to S\$95.4m for full year ended 31 March 2014

Highlights

- Final dividend per share: 1.5 cents;
- Total dividend per share: 2.0 cents for FY2014; Dividend yield of 6.3%;
- Order book (M&E) to date: S\$153 million lasting till 2017

SINGAPORE, 29 May 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, today announced a strong 44% growth in revenue to S\$95.4 million for the full financial year ended 31 March 2014 (FY2014) as compared to S\$66.3 million recorded in the last financial year (FY2013). The surge in revenue was due to a significant increase in the total revenue generated from Mechanical and Electrical (M&E) contracts.

The Board of Directors is pleased to recommend a one-tier tax-exempt final dividend of 1.5 Singapore cents per share to be approved by shareholders at the forthcoming annual general meeting to be held on 29 July 2014. Upon approval, the dividend will be payable on 15 August 2014.

Together with the interim dividend of 0.5 Singapore cent paid out on 12 December 2013, the total dividend paid per share for FY2014 will be 2.0 Singapore cents. This works out to a dividend yield of 6.3% based on the closing share price of 32 Singapore cents as at 28 May 2014.

Financial Highlights

Full year ended 31 March	FY2014 (S\$m)	FY2013 (S\$m)	Change
Revenue	95.39	66.30	▲44%
Gross Profit	13.34	11.37	▲17%
Profit Before Tax	8.27	8.59	▼3%
Profit After Tax	6.74	7.05	▼4.5%
Earnings Per Share (cents)	1.93	2.02	▼4.5%
Net Asset Value Per Share (cents)	24.75	24.31	▲2%
Dividend Per Share (cents)	2.00	1.50	▲33%

The Group has approximately S\$153 million worth of the Mechanical & Electrical (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

Ms Chua Eng Eng (蔡莹莹) Managing Director of King Wan said, ***“We are pleased to maintain a strong revenue growth over the past year, with approximately S\$153 million worth of M&E engineering contracts on hand. In addition, we have successfully ventured into a new business segment in workers’ accommodation to augment our core business portfolio. Together with our experienced business partners, we are confident that we will be able to make a successful foray into this growth sector and bring about higher value for our shareholders.”***

“This year, we are pleased to announce a higher dividend payout of 2.0 cents per share to reward our shareholders for their unwavering support for the Company.” She added.

Healthy Financial Position

King Wan's financial position as at 31 March 2014 remained healthy, backed by S\$86.4 million of net assets. Net asset value per share 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.

King Wan's market capitalisation amounted to S\$111.7 million, based on the closing price of 32 Singapore cents as at 28 May 2014. The total number of shares issued to date is approximately 349.2 million.

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.

- **Update on the listing of Kaset Thai International Sugar Corporation Public Company Limited -formerly known as Kaset Thai Industry Sugar Company Limited ("KTIS")**

On 18 April 2014, KTIS received the approval from the Securities and Exchange Commission in Thailand ("SEC") for listing. It has commenced trading on the Stock Exchange of Thailand (SET) since 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 SPA 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 is approximately S\$24 million and will be recognized in the first quarter ending 30 June 2014.

Business Outlook

Based on the growth forecast issued by the Ministry of Trade and Industry on 20th May 2014, Singapore's economy grew by 4.9 per cent on a year-on-year basis in the first quarter, similar to the rate of growth achieved in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy grew by 2.3 per cent, moderating from the 6.9 per cent growth in the preceding quarter.

The construction sector expanded by 6.7 per cent on a year-on-year basis, slower than the 7.3 per cent growth in the preceding quarter. The moderation in growth was largely due to weakness in private sector construction activities. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector grew by 0.6 per cent, sharply lower than the 10.6 per cent growth in the last quarter.

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

The Group will continue to focus on its core business by leveraging its strong track record in building construction and M&E engineering to secure more projects, as well as enhancing cost effectiveness and efficiency optimisation in the management of ongoing projects.

This press release should be read in conjunction with the full SGX announcement released by King Wan dated 29 May 2014. A copy of the announcement is available on www.sgx.com.

-- End --

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.

Issued on behalf of King Wan Corporation Limited by: Waterbrooks Consultants Pte Ltd

Media and Analysts Contact:
Waterbrooks Consultants Pte Ltd
Tel: (+65) 6100 2228

Mr Wayne Koo
Mobile: (+65) 9338 8166
Email: wayne.koo@waterbrooks.com.sg

Ms Jean Yang
Mobile: (+65) 9363 6369
Email: jean@waterbrooks.com.sg