

MEDIA RELEASE**For Immediate Release**

King Wan's revenue increases 16% to S\$21.7 m for first three months ended 30 June 2015

Highlights

- Gross profit margin stands at 28.4%
- Net asset value per share and earnings per share stand at 27.69 cents and 1.3 cents respectively
- Order book of S\$192 m lasting till 2018

SINGAPORE, 14 August 2015: MAINBOARD-LISTED King Wan Corporation Limited ("King Wan" or "the Group") (庆源企业), a Singapore-based integrated building services and mechanical and electrical (M&E) engineering specialist, recorded a revenue of S\$21.8 million in the first quarter of the financial year 2016 (1Q2016), an increase of 16% compared to the corresponding quarter last year (1Q2015). The increase was due to higher recognition of revenue from Mechanical and Electrical (M&E) contracts during the quarter.

The Group's net profit for 1Q2016 was S\$4.5 million. This was lower than the S\$25.9 million achieved in 1Q2015 as there was a one-time gain from the divestment of two associates in Thailand in 1Q2015, which amounted to S\$24.1 million.

Gross profit margin for the works completed in 1Q2016 was 28.4%, slightly lower than the 30.2% achieved in 1Q2015.

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\$192 million lasting till 2018. With cost management and operational efficiency as our top priority, we are well-positioned to seek for more attractive business and investment opportunities in the region.”

Financial Position

The Group’s financial position continues to be strong. The Group’s net assets stood at S\$96.7 million as at 30 June 2015 as compared with S\$98.2 million as at 31 March 2015. Net asset value per share stood at 27.69 cents as compared to 28.11 cents at 31 March 2015.

Earnings per share for 1Q2016 was 1.30 cents, lower than the 7.42 cents achieved in 1Q2015 due to the one-time gain from the divestment of the two Thai associates in 1Q2015

Cash and cash equivalents stand at S\$5.2 million as at 30 June 2015 as compared to S\$11.4 million as at 31 March 2015.

Market capitalisation was S\$80.31 million based on the closing share price of 23 Singapore cents as at 13 August 2015.

Business Outlook

Based on the advance estimates announced by the Ministry of Trade and Industry on 14 July 2015, the Singapore construction sector expanded by 2.7 per cent on a year-on-year basis in the second quarter of 2015, an improvement from the 2.1 per cent growth recorded in the previous quarter. Growth was supported by a stronger expansion in public sector activities. On a quarter-on-quarter seasonally-adjusted basis, the sector contracted at an annualized rate of 0.2 per cent, in contrast to the 8.3 per cent expansion in the preceding quarter.

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

To date, the Group has approximately S\$192 million worth of M&E engineering contracts on hand, with completion dates ranging from years 2015 to 2018.

-- 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 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.

Media and Analysts Contact:

Waterbrooks Consultants Pte Ltd

Tel: (+65) 6100 2228

Mr Wayne Koo

Mobile: (+65) 93388166

Email: wayne.koo@waterbrooks.com.sg

Ms Jean Yang

Mobile : (+65) 93636369

Email: jean@waterbrooks.com.sg
