



KING WAN CORPORATION LIMITED

(Company Registration No. 200001034R)

**Unaudited Condensed
Interim Financial Statements
For Half Year Ended 30 September 2024**

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

TABLE OF CONTENTS

	PAGE
A. INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS	1
B. INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2
C. INTERIM STATEMENTS OF FINANCIAL POSITION	3
D. INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	4
E. INTERIM STATEMENTS OF CHANGES IN EQUITY	6
F. NOTES TO THE 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 2024

A. INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Group		Increase/ (Decrease) %
		First Half Ended 30.09.2024 S\$'000	First Half Ended 30.09.2023 S\$'000	
Revenue	5	42,475	39,190	8
Cost of sales		(38,620)	(38,779)	(0)
Gross profit		3,855	411	838
Other operating income		814	1,990	(59)
Administrative expenses		(2,695)	(2,869)	(6)
Share of profit of associates and joint venture		1,519	487	212
(Loss allowance)/Write-back of loss allowance on trade receivables, other receivables and contract assets		(65)	3,695	(102)
Finance costs		(742)	(935)	(21)
Profit before income tax	7	2,686	2,779	(3)
Income tax expense/(credit)	8	(316)	183	(273)
Profit for the financial period		2,370	2,962	(20)
Profit of the financial period attributable to:				
Owners of the Company		2,380	2,972	(20)
Non-controlling interests		(10)	(10)	-
		2,370	2,962	(20)
Earnings per share (cents)				
Basic and diluted		0.34	0.43	

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

B. INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			
	Note	First Half Ended 30.09.2024 S\$'000	First Half Ended 30.09.2023 S\$'000	Increase/ (Decrease) %
Profit for the period		2,370	2,962	(20)
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")		(1,327)	(3,150)	(58)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations		(132)	57	(332)
Other comprehensive loss for the period		(1,459)	(3,093)	(53)
Total comprehensive income/(loss) for the period		911	(131)	(795)
Total comprehensive income/(loss) attributable to:				
Owners of the Company		921	(121)	(861)
Non-controlling interests		(10)	(10)	-
		911	(131)	(795)

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

C. INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at	As at	As at	As at
		30.09.2024	31.03.2024	30.09.2024	31.03.2024
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and bank balances		8,283	9,058	377	92
Trade receivables	12	3,744	9,983	-	-
Other receivables and prepayments	14	560	990	19	334
Amount due from subsidiaries		-	-	4,923	4,920
Held-for-trading investments		82	81	-	-
Inventories		754	902	-	-
Contract assets	13	20,224	15,623	-	-
Total current assets		33,647	36,637	5,319	5,346
Non-current assets					
Other receivables	14	41,448	41,296	-	-
Property, plant and equipment	15	1,792	1,722	-	-
Right-of-use assets		1,200	1,334	-	-
Investment in subsidiaries		-	-	35,706	35,706
Investment in associates and joint venture		25,369	23,813	1,732	1,732
Investments	16	13,726	15,062	10,472	11,495
Deferred tax assets		1,429	1,668	-	-
Total non-current assets		84,964	84,895	47,910	48,933
Total assets		118,611	121,532	53,229	54,279
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	17	8,362	7,983	-	-
Trade payables	18	15,904	21,956	-	-
Bills payables	17, 18	17,623	16,554	-	-
Other payables		1,506	1,694	306	333
Contract liabilities		2,611	1,243	-	-
Lease liabilities	17	313	438	-	-
Amount due to a subsidiary		-	-	20,645	20,266
Provision for liabilities	19	829	982	-	-
Income tax payable		77	34	-	34
Total current liabilities		47,225	50,884	20,951	20,633
Non-current liabilities					
Bank borrowings	17	-	216	-	-
Lease liabilities	17	292	249	-	-
Deferred tax liabilities		142	142	-	-
Total non-current liabilities		434	607	-	-
Total liabilities		47,659	51,491	20,951	20,633
Capital and reserves					
Share capital	20	53,797	53,797	53,797	53,797
Retained earnings		47,850	45,470	2,043	2,388
Foreign currency translation reserve		(288)	(156)	-	-
Investment revaluation reserve		(30,332)	(29,005)	(23,562)	(22,539)
Equity attributable to owners of the Company		71,027	70,106	32,278	33,646
Non-controlling interests		(75)	(65)	-	-
Total equity		70,952	70,041	32,278	33,646
Total liabilities and equity		118,611	121,532	53,229	54,279

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

D. INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	First Half Ended	First Half Ended
	30.09.2024	30.09.2023
	S\$'000	S\$'000
Operating activities		
Profit before income tax	2,686	2,779
Adjustments for:		
Change in fair value of held-for-trading investments	(1)	23
Change in fair value of insurance contract	9	(10)
Depreciation of property, plant and equipment	321	305
Depreciation of right-of-use assets	268	275
Fee income from financial guarantee to associates and joint venture	(27)	(32)
Loss/(Gain) on disposal of property, plant and equipment	16	(28)
Gain on disposal of right-of-use assets	-	(5)
Inventories written off	-	7
Interest income	(329)	(1,547)
Interest expense	742	935
Loss allowance/(Write-back of loss allowance) for trade receivables, other receivables and contract assets	55	(3,695)
Share of profit of associates and joint venture	(1,519)	(487)
Provision for liabilities	66	157
<i>Operating cash flows before movements in working capital</i>	2,287	(1,323)
Trade receivables	6,249	2,742
Other receivables and prepayments	150	(102)
Contract assets	(4,601)	11,122
Contract liabilities	1,369	2,240
Inventories	148	191
Trade payables	(6,052)	(13,550)
Other payables	(161)	(261)
Provision for liabilities	(219)	(299)
<i>Cash generated (used in)/from operations</i>	(830)	760
Income tax paid	(34)	(49)
Interest paid	(742)	(935)
Net cash used in operating activities	(1,606)	(224)

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

	Group	
	First Half Ended	First Half Ended
	30.09.2024	30.09.2023
	S\$'000	S\$'000
Investing activities		
Interest received	12	4
(Advances to)/Repayments from associates and joint venture	(68)	2,717
Dividends received from investment in equity securities carried at FVTOCI	291	-
Purchase of property, plant and equipment	(432)	(211)
Proceeds from disposal of property, plant and equipment	25	73
Proceeds from disposal of right-of-use assets	-	43
Net cash (used in)/from investing activities	<u>(172)</u>	<u>2,626</u>
Financing activities		
Repayments of lease liabilities	(216)	(219)
Proceeds from/(Repayments of) bills payables	1,069	(3,038)
Proceeds from/(Repayments of) bank borrowings	163	(1,126)
Net cash from/(used in) financing activities	<u>1,016</u>	<u>(4,383)</u>
Net decrease in cash and cash equivalents	(762)	(1,981)
Cash and cash equivalents at the beginning of the financial period	9,058	11,001
Effect of foreign exchange rate changes on balances held in foreign currencies	(13)	(2)
Cash and cash equivalents at end of the period	<u><u>8,283</u></u>	<u><u>9,018</u></u>

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

E. 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 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
Balance as at 1 April 2024	53,797	45,470	(156)	(29,005)	70,106	(65)	70,041
Total comprehensive income for the financial period:							
Profit for the financial period	-	2,380	-	-	2,380	(10)	2,370
Other comprehensive loss for the financial year	-	-	(132)	(1,327)	(1,459)	-	(1,459)
Total	-	2,380	(132)	(1,327)	921	(10)	911
Balance as at 30 September 2024	53,797	47,850	(288)	(30,332)	71,027	(75)	70,952
Company							
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
Balance as at 1 April 2024	53,797	2,388	-	(22,539)	33,646	-	33,646
Total comprehensive loss for the financial period:							
Loss for the financial period	-	(345)	-	-	(345)	-	(345)
Other comprehensive loss for the financial period	-	-	-	(1,023)	(1,023)	-	(1,023)
Total	-	(345)	-	(1,023)	(1,368)	-	(1,368)
Balance as at 30 September 2024	53,797	2,043	-	(23,562)	32,278	-	32,278

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

F. NOTES TO THE 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 2024 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 half year ended 30 September 2024 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 2024.

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 2024, the Group's and the Company's current liabilities exceeded its current assets by S\$13,578,000 and S\$15,632,000 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 2025 (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 2024

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 2024.

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 2024

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 2024 to							
30 September 2024							
Revenue							
External sales	20,976	19,436	2,056	-	7	-	42,475
Intersegment sales	-	-	8	-	-	(8)	-
Total revenue	<u>20,976</u>	<u>19,436</u>	<u>2,064</u>	<u>-</u>	<u>7</u>	<u>(8)</u>	<u>42,475</u>
Results							
Segment result	(292)	1,563	283	1,454	5	54	3,067
Unallocated expenses							(405)
Net other operating income							766
Finance costs							(742)
Profit before income tax							<u>2,686</u>
Income tax expense							(316)
Profit for the year							<u><u>2,370</u></u>
Other Information							
Capital expenditures additions	28	29	338	-	37	-	432
Depreciation	10	11	129	-	439	-	589
Loss allowance for amounts due from associates	-	-	-	65	-	-	65
Loss allowance for other receivables	-	-	-	-	-	-	-
Write-back of loss allowance for trade receivables and contract assets	-	-	(10)	-	-	-	(10)
As at 30 September 2024							
Assets							
Segment assets	19,279	4,792	3,742	58,218	20	-	86,051
Unallocated assets							32,560
Consolidated total assets							<u><u>118,611</u></u>
Liabilities							
Segment liabilities	19,713	17,228	607	-	-	-	37,548
Unallocated liabilities							10,111
Consolidated total liabilities							<u><u>47,659</u></u>

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

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 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)
Profit before income tax							<u>2,779</u>
Income tax expense							183
Profit for the year							<u><u>2,962</u></u>
Other Information							
Capital expenditures additions	4	3	136	-	68	-	211
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
Loss allowance/(Write-back of 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><u>110,955</u></u>
Liabilities							
Segment liabilities	14,691	21,693	643	-	-	-	37,027
Unallocated liabilities							11,955
Consolidated total liabilities							<u><u>48,982</u></u>

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

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 and at FVTPL, 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 30.09.2024 S\$'000	First Half 30.09.2023 S\$'000	As at 30.09.2024 S\$'000	As at 31.03.2024 S\$'000
Singapore	42,475	39,190	27,871	26,419
Others	-	-	490	450
	<u>42,475</u>	<u>39,190</u>	<u>28,361</u>	<u>26,869</u>

Information about major customer

Included in revenues arising from construction contracts on plumbing and sanitary, and electrical & ACMV of S\$40,412,000 (1H2024: S\$37,018,000) are revenues of approximately S\$10,152,000 (1H2024: S\$12,417,000) which arose from construction works performed to the Group's 1 (1H2024: 2) 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 30.09.2024 S\$'000	First Half 30.09.2023 S\$'000
Revenue from:		
Construction contracts		
- Plumbing and sanitary	20,976	18,070
- Electrical & ACMV	19,436	18,948
Rendering of services		
- Toilet rental	2,063	2,172
	<u>42,475</u>	<u>39,190</u>

Timing of revenue recognition

Over time	42,475	39,190
Point in time	-	-
	<u>42,475</u>	<u>39,190</u>

Revenue is recognised from construction contracts over time, whereby the revenue is recognised by reference to the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management estimates the total contract costs to complete, which are used in the input method to determine the Group's recognition of the revenue. When it is probable that the total contract costs will exceed the total revenue from construction contracts, a provision for onerous contracts is recognised immediately. As at 30 September 2024, total provision for onerous contracts of S\$184,000 (31 March 2024: S\$316,000) has been made and disclosed in Note 19 below.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

Significant assumptions are used to estimate the total contract costs which affect the accuracy of revenue recognition based on the input method and adequacy of provision for onerous contracts recognised. In making these estimates, Management has relied on past experience.

Revenue arising from additional claims and variation orders, whether billed or unbilled, is recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claims or approve the variation orders, and the amount can be measured reliably.

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 2024 and 31 March 2024:

	Group		Company	
	30.09.2024	31.03.2024	30.09.2024	31.03.2024
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial assets at amortised cost	53,771	61,068	5,300	5,335
Fair value through profit or loss	336	334	-	-
Fair value through other comprehensive income	13,482	14,809	10,472	11,495
	<u>67,589</u>	<u>76,211</u>	<u>15,772</u>	<u>16,830</u>
Financial liabilities				
Financial liabilities at amortised cost	44,000	49,090	20,951	20,599

7. Profit before income tax

7.1. Significant items

	Group	
	First Half	First Half
	30.09.2024	30.09.2023
	S\$'000	S\$'000
Other income		
Lease income from:		
- Associate	8	8
- External parties	305	129
Government grants	10	-
Management fee income from associates	54	54
Interest income from:		
- Associates and joint venture	317	1,543
- External parties	12	4
Fee income from financial guarantee to associates and joint venture	27	32
Gain on disposal of property, plant and equipment	-	28
Expenses		
Depreciation of property, plant and equipment	321	305
Depreciation of right-of-use assets	268	275
(Write-back of loss allowance)/Loss allowance for:		
- trade receivables	(10)	140
- other receivables	-	25
- amounts due from associates	65	(3,860)
Loss on disposal of property, plant and equipment	16	-

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

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 30.09.2024 S\$'000	First Half 30.09.2023 S\$'000
Current tax	316	224
Deferred tax	-	(407)
	<u>316</u>	<u>(183)</u>

Domestic income tax is calculated at 17% (30 September 2023: 17%) of the estimated assessable profit for the financial period.

9. Earnings per share

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

	Group	
	First Half 30.09.2024	First Half 30.09.2023
Net profit attributable to shareholders of the Company (\$'000)	<u>2,380</u>	<u>2,972</u>
Total number of shares in issue ('000)	698,354	698,354
Basic and diluted earnings per share (in cents)	<u>0.34</u>	<u>0.43</u>

The fully diluted earnings 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 30.09.2024 S\$'000	First Half 30.09.2023 S\$'000
Dividends paid	-	-
Dividend per share (net of tax)	<u>-</u>	<u>-</u>

No dividend has been declared for the current financial period ended 30 September 2024 to preserve the Group's working capital and prioritise for use in the Group's operations.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

11. Net asset value

	Group		Company	
	30.09.2024	31.03.2024	30.09.2024	31.03.2024
	S\$'000	S\$'000	S\$'000	S\$'000
Net asset value per ordinary share (cents)	10.16	10.03	4.62	4.82
Total number of shares in issue ('000)	698,354	698,354	698,354	698,354

12. Trade receivables

	Group	
	30.09.2024	31.03.2024
	S\$'000	S\$'000
Amounts receivable from construction contract customers	5,617	11,576
Amounts receivable from rendering of services	721	1,011
	6,338	12,587
Less: Loss allowance for trade receivables	(2,594)	(2,604)
	3,744	9,983

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	
	30.09.2024	31.03.2024
	S\$'000	S\$'000
Retention monies on construction contracts	933	1,425
Accrued income from construction contracts	20,017	14,924
	20,950	16,349
Less: Loss allowance for contract assets	(726)	(726)
	20,224	15,623

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 2024

14. Other receivables

	Group		Company	
	30.09.2024	31.03.2024	30.09.2024	31.03.2024
	S\$'000	S\$'000	S\$'000	S\$'000
Current:				
- Dividend receivables	-	323	-	323
- Other receivables	209	281	-	-
- Prepayments	264	259	19	11
- Deposits	136	176	-	-
	<u>609</u>	<u>1,039</u>	<u>19</u>	<u>334</u>
Less: Loss allowance for other receivables	(49)	(49)	-	-
	<u>560</u>	<u>990</u>	<u>19</u>	<u>334</u>
Amounts due from associates and joint venture	84,580	84,363	-	-
Less: Loss allowance for amounts due from associates and joint venture	(43,132)	(43,067)	-	-
	<u>41,448</u>	<u>41,296</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 2024, the Group acquired assets amounting to S\$432,000 (30 September 2023: S\$211,000) and disposed of assets amounting to S\$41,000 (30 September 2023: S\$45,000).

16. Investments

	Group		Company	
	30.09.2024	31.03.2024	30.09.2024	31.03.2024
	S\$'000	S\$'000	S\$'000	S\$'000
Quoted equity shares, at FVTOCI	13,482	14,809	10,472	11,495
Insurance contract, at fair value through profit or loss	254	253	-	-
	<u>13,736</u>	<u>15,062</u>	<u>10,472</u>	<u>11,495</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 2024

17. Group's borrowings and debt securities

	Group		Company	
	30.09.2024	31.03.2024	30.09.2024	31.03.2024
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year, or on demand				
- Secured	98	102	-	-
- Unsecured	25,985	24,537	-	-
Amount repayable after one year				
- Secured	200	249	-	-
- Unsecured	-	216	-	-

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 2024, the Group had available S\$13,090,000 (31 March 2024: S\$14,948,000) of undrawn uncommitted borrowing facilities in respect of which all conditions precedent had been met.

18. Trade payables and bill payables

	Group		Company	
	30.09.2024	31.03.2024	30.09.2024	31.03.2024
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables - external parties	13,561	19,123	-	-
Accrual for subcontractor costs - external parties	2,343	2,833	-	-
	15,904	21,956	-	-
Bill payables	17,623	16,554	-	-

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 (2024: 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 4.25% to 5.24% (2024: 4.81% to 5.67%) per annum and are supported by a corporate guarantee given by the Company.

19. Provision for liabilities

	Group		Company	
	30.09.2024	31.03.2024	30.09.2024	31.03.2024
	S\$'000	S\$'000	S\$'000	S\$'000
Provision for onerous contracts	184	316	-	-
Provision for rectification cost	645	666	-	-
	829	982	-	-

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 2024

20. Share capital

	Group and Company			
	30.09.2024	31.03.2024	30.09.2024	31.03.2024
	Number of shares ('000)		S\$'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 2024.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2024 and 31 March 2024.

21. Commitments and contingent liabilities

	Company	
	30.09.2024	31.03.2024
	S\$'000	S\$'000
Corporate guarantees given to banks in respect of credit facilities utilised by:		
Subsidiaries	30,528	29,123
Associate and a joint venture	12,646	14,858
	43,174	43,981

The Company is a party to financial guarantee contracts where it has provided financial guarantees of S\$43,174,000 (31 March 2024: S\$43,981,000) to financial institutions in respect of subsidiaries and associates of the Group.

As at 30 September 2024, the maximum amount that the Company could be forced to settle under the financial guarantee contracts is S\$43,174,000 (31 March 2024: S\$43,981,000) respectively. The Company considers that it is more likely than not that no amount will be payable under the arrangement.

22. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

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 2024 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 increased by S\$3.3 million to S\$42.5 million in 1H2025. The increase was mainly due to an increase in construction activities.

Gross profit margin for 1H2025 was 9.1%, higher than the 1.0% achieved in 1H2024. The increase was primarily due to improved margins from post-pandemic projects in the current financial period. In contrast, the previous financial period faced losses from a construction project whereby the customer was placed under provisional liquidation, along with rising material and manpower costs for certain pre-pandemic projects.

Other operating income decreased by S\$1.2 million to S\$0.8 million in 1H2025. The decrease was mainly due to absence of S\$1.1 million interest income accrued on loans advanced to associate, Nexus Point Investments Pte. Ltd. arising from the write-back of loss allowance on these receivables in the prior financial period.

Administrative expenses decreased by S\$0.2 million to S\$2.7 million in 1H2025. The decrease was mainly due to decrease in repair and maintenance fee for office equipment, vehicles and leasehold property.

Share of profit of associates and joint venture increased by S\$1.0 million to S\$1.5 million in 1H2025. The increase was due to recognition of profits from its investment in Tuas South Workers' Dormitory.

Loss allowance on trade receivables, other receivables and contract assets amounting to S\$0.1 million in 1H2025 was made for receivables due from an associate involved in property development in PRC. In contrast, the write-back of loss allowance amounting to S\$3.7 million in 1H2024 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, and 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 decreased by S\$0.2 million to S\$0.7 million in 1H2025. The decrease was mainly due to lower effective borrowing interest rate.

Income tax expense was S\$0.3 million in 1H2025, compared to income tax credit of S\$0.2 million in 1H2024 resulted from the taxable profits generated in the current financial period.

As a result of the above, the Group's profit after tax amounted to S\$2.4 million in 1H2025, lower than the S\$3.0 million achieved in 1H2024.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

Net fair value loss on investment in equity securities carried at FVTOCI amounted to S\$1.3 million in 1H2025 was due to decrease in the quoted closing market price to THB 3.00 as at 30 September 2024 from THB 3.56 as at 31 March 2024, and this was partially offset by the appreciation of THB against SGD. These securities pertain to investment in quoted equity shares of Kaset Thai International Sugar Corporation Public Company Limited listed on Thailand Stock Exchange.

b. Statement of financial position

The Group's equity base stood at S\$71.0 million as at 30 September 2024, an increase from S\$70.0 million as at 31 March 2024.

Total current assets amounted to S\$33.6 million as at 30 September 2024, lower than the S\$36.6 million as at 31 March 2024. The decrease was mainly due to net S\$1.6 million decrease in trade receivables and contract assets due to lesser construction activities carried out at the end of the current financial period, as well as S\$0.8 million decrease in cash and bank balances for use in operations.

Non-current assets amounted to S\$85.0 million as at 30 September 2024 was comparatively same as S\$84.9 million as at 31 March 2024. The S\$1.6 million increase in investment in associates and joint venture mainly due to share of profits of associates and joint venture accounted for the current financial period was mainly offset by the S\$1.3 million decrease in net fair value of investment in equity securities carried at FVTOCI and S\$0.1 million decrease in right-of-use assets due to normal depreciation.

Current liabilities decreased to S\$47.2 million as at 30 September 2024 from S\$50.9 million as at 31 March 2024. The decrease was mainly due to net S\$5.0 million decrease in trade payables and bills payables due to lesser construction activities carried out at the end of the current financial period. This was partially offset by S\$1.4 million increase in contract liabilities.

Non-current liabilities decreased to S\$0.4 million as at 30 September 2024 from S\$0.6 million as at 31 March 2024 was mainly due to net repayment of bank borrowings.

c. Consolidated statement of cash flows

Net cash used in operating activities amounted to S\$1.6 million in 1H2025, compared to S\$0.2 million in 1H2024. The increase in outflow was due to changes in working capital and other adjustments mainly as a result of construction activities being carried out at the end of the current financial period.

Net cash used in investing activities amounted to S\$0.2 million in 1H2025, compared to inflow of S\$2.6 million in 1H2024. The increase in outflow was mainly due to purchase of property, plant and equipment and absence of repayments from associates and joint venture of the Group.

Net cash from financing activities amounted to S\$1.0 million in 1H2025, compared to outflow of S\$4.4 million in 1H2024. The increase in inflow was due to increase in proceeds from bills payables and bank borrowings for use in operations.

As a result of the aforementioned, cash and cash equivalents stood at S\$8.3 million as at 30 September 2024.

KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024

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.

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 13 August 2024, MTI had narrowed Singapore's GDP growth forecast for 2024 from "1.0 to 3.0 per cent" to "2.0 to 3.0 per cent". MTI expected Singapore's external demand outlook to be resilient for the rest of the year, however the downside risks including intensification of geopolitical and trade conflicts and disruptions to the global disinflation process in the global economy would 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\$104.2 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.

**KING WAN CORPORATION LIMITED
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR HALF YEAR ENDED 30 SEPTEMBER 2024**

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.

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 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chua Eng Eng
Managing Director

14 November 2024

BY ORDER OF THE BOARD

Catherine Lim Siok Ching
Company Secretary

14 November 2024