

## KING WAN CORPORATION LIMITED

### PROPOSED PLACEMENT OF UP TO 24,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF KING WAN CORPORATION LIMITED (THE "PLACEMENT")

The Board of Directors of **KING WAN CORPORATION LIMITED** (the "**Company**") wishes to announce that the Company has on 18 July 2007 entered into a Placement Agreement (the "**Placement Agreement**") with Oversea-Chinese Banking Corporation Limited (the "**Placement Agent**") pursuant to which the Placement Agent has agreed, on a best efforts basis, to procure subscriptions of up to 24,000,000 new ordinary shares in the Company (the "**Placement Shares**") at S\$0.29 for each Placement Share. The Placement Shares represent approximately 7.4% of the existing issued share capital of the Company comprising 325,176,870 Shares.

The Placement Shares, which are priced at S\$0.29 each, represents a discount of approximately 8.1% to the weighted average price of S\$0.3156 for trades done on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 16 July 2007, being the last market day on which the Company's shares were trading immediately preceding the date on which the Placement Agreement was signed. The Placement Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company (the "**Shares**"), save that they shall not rank for any entitlements, distributions, dividends or rights (if any), the record date in respect of which falls prior to the date of issue of the Placement Shares.

The Placement is conditional upon, *inter alia*, the approval in-principle of the SGX-ST for the listing and quotation of the Placement Shares on the Official List of the SGX-ST.

The net proceeds of the Placement after deducting expenses pertaining thereto are estimated to be approximately S\$6.71 million. The Company intends to use the net proceeds from the Placement to finance the Group's working capital requirements.

Pending the deployment of the net proceeds from the Placement for the purpose mentioned above, the net proceeds may be placed as deposits with financial institutions or invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit.

The Placement Shares will be allotted and issued pursuant to the relevant share issue general mandate given to the Directors by the shareholders of the Company pursuant to section 161 of the Companies Act, Chapter 50 at the relevant annual general meeting of the Company.

As at the date of this announcement, the issued and paid-up ordinary share capital of the Company is S\$40,089,296 comprising 325,176,870 Shares. Upon completion of the Placement, assuming that all 24,000,000 Placement Shares are allotted and issued, the issued and paid-up ordinary share capital of the Company will increase to S\$47,049,296 comprising 349,176,870 Shares. Based on the audited financial statements of the Company and its subsidiaries (the "Group") as at 31 March 2007, the net asset per share of the Group, after adjusting for the Placement Shares, will increase from 13.10 cents to 14.19 cents per Share.

The Offer Information Statement dated 18 July 2007 issued pursuant to Section 277 of the Securities and Futures Act (Chapter 289), and in accordance with the Sixteenth Schedule to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, has been lodged with the Monetary Authority of Singapore. An application will be made to the SGX-ST for the listing and quotation of the Placement Shares on the Official List of the SGX-ST.

To the best of the Company's knowledge and belief, having taken all reasonable steps and made all reasonable enquiries, none of the Placement Shares will be placed to a director or substantial shareholder of the Company or any other person falling within the categories set out under Rule 812(1) of the SGX-ST Listing Manual.

Save as disclosed above, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement (other than through their shareholdings in the Company).

By Order of the Board

Submitted by  
Lim Bee Lian, Eliza  
Company Secretary

For and on behalf of  
The Board of Directors of  
**KING WAN CORPORATION LIMITED**

18 July 2007