



KING WAN CORPORATION LIMITED

(Company Registration No. 200001034R)

(Incorporated in the Republic of Singapore)

**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE
– RECEIPT OF WAIVER FROM THE SECURITIES INDUSTRY COUNCIL**

1. INTRODUCTION

1.1 The board of directors (the “**Board**”) of King Wan Corporation Limited (the “**Company**”) refers to its announcements dated 31 March 2021, 20 April 2021 and 31 May 2021 in relation to its proposed renounceable non-underwritten Rights Issue (the “**Rights Issue Announcements**”).

1.2 Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Rights Issue Announcements.

2. RECEIPT OF SIC WAIVER

2.1 Further to the Rights Issue Announcements, the Board is pleased to announce that the Securities Industry Council (“**SIC**”) had on 3 June 2021, granted a waiver of the obligation for Mr. Chua Kim Hua, Ms. Chua Eng Eng and Mr. Chua Hai Kuey (the “**Undertaking Shareholders**”) to make a Mandatory Offer under Rule 14 of the Singapore Code on Takeovers and Mergers (the “**Code**”) for the Company in the event that the Undertaking Shareholders incur an obligation to do so as a result of them subscribing for their pro-rata entitlement of Rights Shares under the Irrevocable Undertakings and subscribing for up to 145,000,000 Excess Rights Shares, if available (the “**Whitewash Waiver**”).

2.2 The Whitewash Waiver is subject to the following conditions:

- (a) a majority of holders of voting rights of the Company approve at the EGM, before the issue of the Rights Shares and the Excess Rights Shares, a resolution (the “**Whitewash Resolution**”) by way of a poll to waive their rights to receive a general offer from the Undertaking Shareholders;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Chua Concert Group and parties not independent of them abstain from voting on the Whitewash Resolution;
- (d) the Chua Concert Group did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the Circular);
 - (i) during the period between the first announcement of the Rights Issue and the date shareholders’ approval is obtained for the Whitewash Resolution; and
 - (ii) in the six (6) months prior to the announcement of the Rights Issue but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Rights Issue;
- (e) the Company appoints an independent financial adviser (“**IFA**”) to advise the Independent Shareholders on the Whitewash Resolution;

- (f) the Company sets out clearly in the Circular:
 - (i) details of the Rights Issue and the proposed acquisition of the Rights Shares and the Excess Rights Shares by the Undertaking Shareholders;
 - (ii) the dilution effect to the voting rights of existing Shareholders upon the issue of the Rights Shares and the Excess Rights Shares to the Undertaking Shareholders;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Chua Concert Group as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be acquired by the Chua Concert Group upon the issue of the Rights Shares and the Excess Rights Shares to the Undertaking Shareholders;
 - (v) specific and prominent reference to the possibility that the issue of the Rights Shares and the Excess Rights Shares to the Undertaking Shareholders could result in the Chua Concert Group holding Shares carrying over 49% of the voting rights of the Company and to the fact that the Chua Concert Group will be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer; and
 - (vi) specific and prominent reference to the fact that Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Undertaking Shareholders at the highest price paid by the Chua Concert Group for the Shares in the past six (6) months preceding the commencement of the offer; and
- (g) the Circular by the Company states that the Whitewash Waiver granted by the SIC to the Undertaking Shareholders from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at paragraphs 2.2(a) to (f) above;
- (h) the Company obtains the SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution; and
- (i) to rely on the Whitewash Resolution, approval of the Whitewash Resolution must be obtained within three (3) months of the date of the SIC's letter on 3 June 2021 granting the Whitewash Waiver and the acquisition of the Rights Shares and Excess Rights Shares by the Undertaking Shareholders must be completed within three (3) months of the date of the approval of the Whitewash Resolution.

2.3 The Board would like to advise the Shareholders that although the Whitewash Waiver has been granted, completion of the Rights Issue is subject to certain conditions being fulfilled and there is no assurance that the Rights Issue would be completed. Accordingly, Shareholders are advised to exercise caution before making any decision in respect of their dealings in the Shares. Shareholders who are in any doubt about this announcement should consult their stockbroker, bank manager, solicitor or other professional adviser.

3. CIRCULAR AND EGM

The notice of the EGM to be convened and a circular to the Shareholders containing details on, among others, the Rights Issue, Whitewash Resolution and the opinion and recommendation of the IFA will be made available to the Shareholders in due course. Further announcements on the Rights Issue will be made by the Company as and when appropriate.

BY ORDER OF THE BOARD

Chua Eng Eng
Managing Director
4 June 2021