

KING WAN CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
Co. Registration No. 200001034R

ANNOUNCEMENT

DISPOSAL OF SHARES IN AN ASSOCIATED COMPANY

The Board of Directors of King Wan Corporation Limited (the “Company” and together with its subsidiaries, the “Group”) wishes to announce that its 40% owned associated company, Meadows Bright Development Pte Ltd (“MBD”) has on 25 May 2016, disposed its entire 88.89% equity holding in Meadows Property (S’pore) Pte. Ltd. (“MPS”) (the “MPS Disposal”). The other shareholder in MPS, which holds the remaining 11.11% of equity in MPS, and which is unrelated to the Company, also disposed of its entire shareholding in MPS to the same buyer on the same day.

MPS is the legal and beneficial owner of 23 strata units (the “Investment Assets”) in the residential property development known as Starlight Suites located at River Valley Close, Singapore. Upon completion of the MPS Disposal (“Completion”), MPS has ceased to be an associated company of the Company.

The consideration of approximately S\$16.8million for the sale of the entire shareholdings in MPS (the “Consideration”) was arrived at on a willing-buyer and willing-seller basis after arms’ length negotiations based on MPS’ unaudited total capital deficiency of about S\$25,000 on disposal (the “capital deficiency”). The capital deficiency was derived after taking into account an agreed value for the Investment Assets, capitalisation and waiver of portion of receivables due from MPS to its shareholders. The Consideration was satisfied wholly in cash.

The Group had accounted for provisions made on the value of Investment Assets in MPS’ financial statements as at 31 March 2016, in its results for the financial year ended 31 March 2016. After taking into account the Consideration, the completion of the MPS Disposal will have no material effect on the consolidated earnings per share or the net tangible assets per share of the Group for the financial year ended 31 March 2016.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

By Order of the Board

Catherine Lim Siok Ching
Company Secretary

Singapore, 25 May 2016