

HONG FOK CORPORATION LIMITED

(Company Registration No. 196700468N)

ACQUISITION OF A SUBSIDIARY BY A SUBSIDIARY OF AN ASSOCIATED COMPANY

The Board of Directors of Hong Fok Corporation Limited (the “**Company**”) wishes to announce that Hong Fok Land Asia Limited, a wholly owned subsidiary of its associated company, Hong Fok Land International Limited (“**HFLIL**”), has on 16 May 2017 entered into a sale and purchase agreement with an unrelated third party individual (the “**Vendor**”) to acquire the entire issued share capital of King Dynasty Limited (the “**Acquisition**”).

King Dynasty Limited was incorporated in the British Virgin Islands on 15 July 2015. The paid-up share capital of King Dynasty Limited is US\$76, comprising 76 ordinary shares at an issue price of US\$1 each. The principal activity of King Dynasty Limited is that of property investment.

The aggregate consideration for the Acquisition was HK\$12,655,000 (equivalent to approximately S\$2,279,000), and was satisfied in cash on the completion of the Acquisition. The terms of the Acquisition included a sale and purchase of shares of King Dynasty Limited at a consideration of approximately HK\$4,928,000 (equivalent to approximately S\$887,000) and a sale and purchase of a loan owed by King Dynasty Limited to the Vendor in the sum of HK\$7,727,000 (equivalent to approximately S\$1,392,000). The consideration for the Acquisition was arrived at on a willing-buyer-willing-seller basis taking into account the property valuation of HK\$12,500,000 (equivalent to approximately S\$2,251,000) carried out by Knight Frank Petty Limited. The property valuation was commissioned by HFLIL, on the basis of the market value on 16 May 2017.

The book value and the net tangible asset value of the shares of King Dynasty Limited, representing 100% of its issued shares, is approximately HK\$4,928,000.

The Acquisition was completed on 16 May 2017. As of 16 May 2017, King Dynasty Limited is an indirect wholly owned subsidiary of HFLIL. The Acquisition was entered into in the ordinary course of business of Hong Fok Land Asia Limited.

The Acquisition is expected to have no material impact on the consolidated net tangible assets per share and earnings per share of the Company for the current financial year.

HFLIL is a controlling shareholder of the Company as it is deemed interested in shares of the Company which are held by its wholly owned subsidiary. No Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction other than through their shareholding interests in the Company or as aforementioned. Without limiting the foregoing, two Executive Directors, Mr Cheong Pin Chuan and Ms Cheong Hooi Kheng have interests, direct or indirect, in shares of HFLIL, each of which interests represents less than 0.5% of the total number of shares of HFLIL.

BY ORDER OF THE BOARD

LO SWEE OI
KOH CHAY TIANG
Company Secretaries

Singapore
16 May 2017