

HONG FOK CORPORATION LIMITED

(Company Registration No. 196700468N)

DISPOSAL BY AN ASSOCIATED COMPANY OF ITS WHOLLY OWNED SUBSIDIARY

The Board of Directors of Hong Fok Corporation Limited (the “Company”) wishes to announce that its associated company Hong Fok Land International Limited (“HF Land”), has on 6 June 2014 (via two wholly owned subsidiaries) disposed of the entire issued share capital of its wholly owned subsidiary Wellpool International Limited (“Wellpool”) (the disposal, the “Disposal”). The terms of the Disposal included an assignment of the outstanding inter-company loan owing from Wellpool to a wholly owned subsidiary of HF Land (the “Loan”). At the date of the Disposal, Wellpool had a subsidiary, Jiangmen Tangquan Real Estate Company Limited (“Jiangmen”).

The consideration for the sale of the entire issued share capital of Wellpool was RMB170,000,000 (equivalent to approximately S\$34,160,000) and the consideration for the assignment of the Loan was HK\$1. The amount of the Loan was approximately HK\$58,918,000 (equivalent to approximately S\$9,551,000).

The aggregate consideration of RMB170,000,000 and HK\$1 was paid in cash on the completion of the Disposal.

The consideration for the Disposal was arrived at on a willing-buyer-willing-seller basis. HF Land and/or its subsidiaries received a proposal in respect of the consideration for the Disposal, which they considered favourably after taking into account that the consideration less the amount of the Loan exceeded the valuation attributable to HF Land and its subsidiaries, on a fair value basis, of the property assets of Jiangmen of approximately HK\$71,490,000 as at 31 December 2013. The valuation was carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited an independent firm of surveyors engaged by HF Land. The valuation took into account the circumstances that a Land Reversion Decision Notice for reverting the state-owned land use rights of part of the property assets, located in the People’s Republic of China, to the Government had been issued. The unaudited consolidated net liabilities of Wellpool was approximately HK\$46,408,000 based on the individual audited accounts of each of Wellpool and Jiangmen as at 31 December 2013.

The Disposal was entered into in the ordinary course of business of HF Land and its subsidiaries.

Following the Disposal, Wellpool and Jiangmen have ceased to be subsidiaries of HF Land, and HF Land has ceased to have any shareholding interests in Wellpool or Jiangmen.

The Disposal is expected to have a positive impact on the consolidated net tangible assets per share and earnings per share of the Company for the current financial year.

None of the Directors or substantial shareholders of the Company have any interest in the Disposal.

BY ORDER OF THE BOARD

CHEONG HOOI KHENG
Director

Singapore
6 June 2014