

# HONG FOK CORPORATION LIMITED

(Company Registration No. 196700468N)

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## DISPOSAL OF A WHOLLY OWNED SUBSIDIARY BY A SUBSIDIARY OF AN ASSOCIATED COMPANY

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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 disposed of the entire issued share capital of its wholly owned subsidiary, U-Kwong Holdings Limited (the “**Disposal**”).

The entire issued share capital of U-Kwong Holdings Limited comprised 1 ordinary share at an issue price of US\$1. U-Kwong Holdings Limited holds the entire issued share capital of Hammerman Assets Limited, which comprised 1 ordinary share at an issue price US\$1.

The consideration for the Disposal was HK\$1, and was satisfied in cash on the completion of the Disposal.

The consideration for the Disposal was arrived at on a willing-buyer-willing-seller basis taking into account that the unaudited consolidated net liabilities of U-Kwong Holdings Limited based on the individual unaudited accounts of each of U-Kwong Holdings Limited and Hammerman Assets Limited was approximately HK\$21,224,000 (equivalent to approximately S\$3,822,000) as at 31 December 2016. The terms of the Disposal included a novation of debts of approximately HK\$1,227,000 (equivalent to approximately S\$221,000) due and owing to U-Kwong Holdings Limited by Hong Fok Land Asia Limited.

The Disposal was entered into in the ordinary course of business of Hong Fok Land Asia Limited.

Following the Disposal, U-Kwong Holdings Limited and Hammerman Assets Limited have ceased to be subsidiaries of HFLIL. Accordingly, the Company has also consequently ceased to have any shareholding interests in U-Kwong Holdings Limited and Hammerman Assets Limited.

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.

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