

HONG FOK CORPORATION LIMITED

(Company Registration No. 196700468N)

INCREASE OF INTEREST IN ASSOCIATED COMPANY

The Board of Directors of Hong Fok Corporation Limited (the "Company") wishes to announce that its wholly-owned subsidiary Hong Fok Enterprises Limited, has today acquired an aggregate of 3,917,000 ordinary shares of Hong Fok Land International Limited ("HF Land") (the shares collectively, the "Sale Shares") representing approximately 0.26% of the total number of shares of HF Land, from 11 shareholders of HF Land.

The aggregate consideration for the Sale Shares was approximately HK\$2,087,000 (equivalent to approximately S\$379,000) (the "Consideration") which was paid in cash and funded from internal resources. The Consideration for each Sale Share was approximately HK\$0.5328. The Consideration was arrived at on a willing-buyer-willing-seller basis and the factors taken into consideration included the consideration paid for each share of HF Land in previous acquisitions of such shares by Hong Fok Enterprises Limited, as well as the consolidated net asset value of HF Land of approximately HK\$2,844,811,000 based on the audited accounts of HF Land as at 31 December 2014 and the 0.26% proportion of that net asset value of approximately HK\$7,397,000, with a discount within a range that was observed for the trading prices of shares listed for trading with The Stock Exchange of Hong Kong Limited of companies with a similar business, and with a further discount to reflect that the shares of HF Land are not listed for trading with any stock exchange.

Following the acquisition of the Sale Shares, the Company's aggregate interest (held through its wholly-owned subsidiaries) in the shares of HF Land is approximately 42.33%.

The acquisition of the Sale Shares is not expected to have any significant material 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 direct or indirect interest (other than through their shareholdings in the Company) in the acquisition of the Sale Shares.

Without limiting the foregoing, HF Land is a substantial shareholder of the Company as it is deemed interested in shares of the Company which are held by Hong Fok Land Holding Limited its wholly-owned subsidiary. Further, certain Directors have interests in HF Land, in that Cheong Pin Chuan is deemed interested in 3,397,000 shares of HF Land representing approximately 0.23% of the total number of shares of HF Land and Cheong Hooi Kheng is directly interested in 2,000,000 shares of HF Land representing approximately 0.13% of the total number of shares of HF Land. Certain Directors are also directors of HF Land, in that each of Cheong Pin Chuan and Cheong Sim Eng is a Director, Joint Chairman and Joint Managing Director of HF Land.

BY ORDER OF THE BOARD

CHEONG HOOI KHENG
Director

Singapore
29 December 2015