

HONG FOK CORPORATION LIMITED

(Company Registration No. 196700468N)

PROPOSED SHARE BUYBACK OFFER BY HONG FOK LAND INTERNATIONAL LIMITED

1. INTRODUCTION

The Board of Directors (“**Board**”) of Hong Fok Corporation Limited (“**HFC**” or the “**Company**”) wishes to notify all shareholders that its associate company Hong Fok Land International Limited (“**HFL**”) has announced a proposed offer to buyback (the “**Share Buyback Offer**”) all of the 1,492,410,986 outstanding ordinary shares in its issued share capital (the “**HFL Shares**”) at a price of HK\$0.55 for each HFL share (the “**Share Buyback Announcement**”).

2. INFORMATION ON HONG FOK LAND INTERNATIONAL LIMITED (“**HFL**”)

HFL is an unlisted public company incorporated in Bermuda on 26 March 2007, which is subject to the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong. HFL has 1,492,410,986 shares in issue as at 30 November 2018. As at the date of this announcement, the Company has an interest in 631,724,993 HFL Shares representing approximately 42.33 per cent. in HFL (the “**Relevant HFL Shares**”), held through its wholly-owned subsidiaries, Hong Fok Corporation (Cayman) Limited, Hong Fok Corporation (H.K.) Limited and Hong Fok Enterprises Limited (collectively, the “**HFC Subsidiaries**”). Hong Fok Land Holding Limited (“**HFL(H)**”), which is an indirect wholly-owned subsidiary of HFL, has an interest in 177,589,632 shares of HFC (the “**Relevant HFC Shares**”) representing approximately 20.40 per cent. of the issued shares in HFC (excluding treasury shares).

3. DETAILS OF THE SHARE BUYBACK OFFER

Based on the information provided by HFL in the Share Buyback Announcement, the Share Buyback Offer will be conditional upon fulfillment of all of the following conditions:

- (a) the approval of at least 75% of the votes of the holders of HFL Shares other than Ms. Cheong Zee Yee Ling, Helen and Ms. Cheong Hooi Kheng (together, the “**Cheong’s Family**”), the HFC Subsidiaries and certain other persons required to abstain from voting in accordance with the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong (the “**Independent Shareholders**”) by way of poll and not more than 10% of the number of votes cast against the resolution approving the Share Buyback Offer at a special general meeting of HFL to be convened (the “**SGM**”);
- (b) the approval of at least 75% of the votes of the Independent Shareholders by way of poll at the SGM approving the Whitewash Waiver (as defined below); and
- (c) a whitewash waiver in respect of the obligation of Hong Fok Corporation (Cayman) Limited to make a mandatory general offer in accordance with Note 1 on dispensations from Rule 26 of the Code on Takeovers and Mergers of Hong Kong for all the HFL Shares not already held by it and parties acting in concert with it which may otherwise arise as a result of the completion of the Share Buyback Offer having been granted by the Executive of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (the “**Whitewash Waiver**”) and the Whitewash Waiver not being revoked.

The Share Buyback Offer is not conditional upon any minimum level of acceptance. The HFC Subsidiaries, the Cheong's Family (and certain other persons required to abstain from voting in accordance with the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong) will abstain from voting at the SGM on the resolution to approve the Share Buyback Offer and the Whitewash Waiver.

Based on the information provided by HFL in the Share Buyback Announcement, HFL will finance the consideration payable for the Share Buyback Offer by a loan facility to HFL and its subsidiaries for the purpose of financing the Share Buyback Offer.

4. HFC UNDERTAKING NOT TO ACCEPT THE SHARE BUYBACK OFFER

The HFC Subsidiaries have undertaken not to accept the Share Buyback Offer in respect of any of the Relevant HFL Shares.

As the HFC Subsidiaries have undertaken not to accept the Share Buyback Offer, their percentage interest in HFL may increase after the Share Buyback Offer. Depending on the level of acceptances received, the aggregate interest of the HFC Subsidiaries in the issued share capital of HFL may increase to more than 50 per cent., whereupon HFC will become a holding company of HFL and HFL(H) for the purposes of the Companies Act (Chapter 50) of Singapore (the "**Act**").

In the event that HFC becomes a holding company¹ of HFL(H), HFL(H) will be required, under Section 21(4) of the Act, to dispose of the Relevant HFC Shares within 12 months of the date HFL(H) becomes a subsidiary¹ of HFC, unless HFL(H) ceases to be a subsidiary¹ of HFC before the end of the specified period.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save in respect of the 5,397,000 HFL Shares held by the Cheong's Family in the aggregate (representing approximately 0.36 per cent. of the HFL Shares), none of the Directors or substantial shareholders of the Company has any interest, direct or indirect in the Share Buyback Offer, other than through their respective shareholdings in the Company.

BY ORDER OF THE BOARD

LO SWEE OI
KOH CHAY TIANG
Company Secretaries
4 February 2019

¹ As defined under Section 5 of the Act.