

HONG FOK CORPORATION LIMITED

(Company Registration No: 196700468N)

MEMORANDUM OF UNDERSTANDING IN RELATION TO SHARES OF WINFOONG INTERNATIONAL LIMITED

1. INTRODUCTION

- 1.1 The Board of Directors of Hong Fok Corporation Limited (the “**Company**”) wishes to announce that its two wholly-owned subsidiaries, Hong Fok Corporation (Cayman) Limited and Hong Fok Corporation (H.K.) Limited have entered into a non-binding memorandum of understanding dated 28 March 2015 (the “**MOU**”). The parties to the MOU are Hong Fok Corporation (Cayman) Limited, Hong Fok Corporation (H.K.) Limited, First Strategy Investments Limited (collectively, the “**Possible Vendors**”) and an independent third party (the “**Possible Purchaser**”), and the Possible Purchaser is interested to acquire all of the shares of Winfoong International Limited (“**Winfoong**”) held by the Possible Vendors.
- 1.2 Currently, Hong Fok Corporation (Cayman) Limited and Hong Fok Corporation (H.K.) Limited hold an aggregate of 1,024,163,590 issued ordinary shares of Winfoong representing approximately 38.80% of Winfoong’s issued ordinary shares.
- 1.3 Winfoong is a company incorporated in Bermuda, the shares of which are listed for trading with The Stock Exchange of Hong Kong Limited (the “**Stock Exchange-HK**”). Winfoong and its existing subsidiaries are principally engaged in property related businesses, the provision of horticultural services and the securities trading business.
- 1.4 First Strategy Investments Limited is a wholly-owned subsidiary of Hong Fok Land International Limited, an associated company of the Company. Currently, First Strategy Investments Limited holds 628,746,775 issued ordinary shares of Winfoong representing approximately 23.82% of Winfoong’s issued ordinary shares.

2. PRINCIPAL TERMS OF THE MOU

- 2.1 The Possible Purchaser is interested to acquire all of the shares (the “**Sale Shares**”) of Winfoong held by the Possible Vendors and the Possible Vendors are interested to pursue such a transaction (the “**Proposed Transaction**”).
- 2.2 Specific terms and conditions of the Proposed Transaction (including but not limited to the number of the Sale Shares, price per Sale Share and total consideration of the Sale Shares) will be agreed by the parties and specified in a share transfer agreement.
- 2.3 If the Proposed Transaction is realised, it is expected that it will cause a change in control of Winfoong. The Possible Purchaser and its parties acting in concert shall be required to make a mandatory general offer to all the other shareholders of Winfoong according to The Code on Takeovers and Mergers of Hong Kong.

3. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

- 3.1 None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Possible Purchaser. None of the Directors or substantial shareholders of the Company (other than in their capacity as a director or shareholder or holder of share options of Winfoong, or as a director or shareholder of the Company, Hong Fok Land International Limited or any of the Possible Vendors) have any interest, direct or indirect, in the MOU or the Proposed Transaction.

4. FURTHER ANNOUNCEMENTS AND CAUTION IN TRADING

- 4.1 No definitive agreement for the Proposed Transaction has been reached at this stage, and there is no certainty or assurance that any definitive agreement would be entered into as a result of any discussions carried out as contemplated in the MOU.
- 4.2 Accordingly, Shareholders and investors are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action which may be prejudicial to their interests. In the event of any doubt, Shareholders and investors are advised to consult their stockbrokers, bank managers, solicitors and other professional advisers.
- 4.3 The Company will make further announcement(s) as and when necessary or appropriate.

BY ORDER OF THE BOARD

CHEONG HOOI KHENG
Director

Singapore
30 March 2015