

# HONG FOK CORPORATION LIMITED

(Company Registration No. 196700468N)

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## PROPOSED BONUS SHARE ISSUE

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### 1 INTRODUCTION

The Board of Directors of Hong Fok Corporation Limited (the “**Company**”) wishes to announce that the Company is proposing a bonus issue to its shareholders on the basis of one (1) bonus share for every ten (10) existing ordinary shares in the capital of the Company (“**Shares**”), fractional entitlements to be disregarded (the “**Proposed Bonus Share Issue**”).

Fractional entitlements to the Proposed Bonus Share Issue will be disposed of or dealt with in such manner as the Directors may in their absolute discretion deem fit for the benefit of the Company.

### 2 TERMS OF THE PROPOSED BONUS SHARE ISSUE

Based on the existing issued and paid-up share capital of the Company comprising 791,465,621 Shares as at the date of this announcement, up to 79,146,562 new Shares (the “**Bonus Shares**”) will be issued pursuant to the Proposed Bonus Share Issue. The actual number of Bonus Shares to be issued will depend on the total number of Shares, as at the books closure date (“**Books Closure Date**”) to be determined by the Directors for the purposes of determining the entitlement of shareholders.

The Directors have agreed to issue and allot the Bonus Shares at nil consideration without capitalisation of the Company’s reserves.

Accordingly, the Bonus Shares will be issued as fully paid and at nil consideration, at no cost to entitled shareholders without capitalisation of the Company’s reserves. The Bonus Shares when allotted and issued, will rank *pari passu* in all respects with the existing issued Shares and with each other, except that the Bonus Shares will not be entitled to any dividends, rights, allotments or other distributions, the record date of which falls on a date before the date of allotment and issue of the Bonus Shares.

The issue of the Bonus Shares will be made based on the Company’s share issue mandate approved by shareholders at the Company’s annual general meeting held on 30 April 2015. Pursuant to such general mandate, the Directors have been authorised and empowered to issue shares in the Company aggregating up to 50% of the total number of issued shares excluding treasury shares of the Company as at the time of passing the resolution.

### 3 RATIONALE FOR THE PROPOSED BONUS SHARE ISSUE

The Company is considering the Proposed Bonus Share Issue to give due recognition to its shareholders for their continuing support for the Company and to reward shareholders of the Company for their loyalty. The Proposed Bonus Share Issue, if carried out, will also increase the accessibility of an investment in the Company to more investors, thereby encouraging trading liquidity and greater participation by investors and broadening the shareholder base of the Company.

#### **4 CONDITIONS FOR THE PROPOSED BONUS SHARE ISSUE**

The Proposed Bonus Share Issue is subject to the in-principle approval of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the dealing in, listing of and quotation for the Bonus Shares on the Official List of the SGX-ST being obtained. The Company will make an application to the SGX-ST for the dealing in, listing of and quotation for the new Bonus Shares arising from the Proposed Bonus Share Issue and an appropriate announcement on the outcome of the application will be made in due course.

#### **5 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors and substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Bonus Share Issue other than through their respective shareholdings in the Company.

#### **6 DIRECTORS’ RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Bonus Share Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

#### **7 ADDITIONAL INFORMATION**

Persons registered in the register of The Central Depository (Pte) Limited or the Register of Members of the Company and depositors whose securities accounts are credited with Shares as at the Books Closure Date for the Proposed Bonus Share Issue to be announced will be included for the purpose of the Proposed Bonus Share Issue on the basis of the number of such Shares registered in their names or standing to the credit of their securities accounts as at the Books Closure Date. The Company will make a further announcement on the Books Closure Date, subject to the said approval by the SGX-ST.

#### **8 CAUTIONARY STATEMENT**

Shareholders and potential investors should note that the Proposed Bonus Share Issue is subject to, *inter alia*, the necessary approvals being obtained by the Company, and are therefore advised to exercise caution when dealing or trading in the Shares. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

#### **BY ORDER OF THE BOARD**

CHEONG HOOI KHENG  
Director

Singapore  
29 February 2016