To: The Shareholders of Hong Fok Corporation Limited

Dear Sir/Madam,

ADDENDUM RELATING TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

1.1 Hong Fok Corporation Limited (the “Company”) has on 7 April 2008 issued a Notice convening the 40th annual general meeting of the shareholders of the Company (the “Shareholders”) to be held on 25 April 2008 (“40th AGM”). The proposed resolution number 9 in the Notice of the 40th AGM relates to the renewal of a general mandate (the “Share Purchase Mandate”) to authorise the directors of the Company (“Directors”) to make purchases of ordinary shares in the capital of the Company (“Shares”) representing up to a maximum of ten per cent. (10%) of the total number of issued shares of the Company as at the last annual general meeting of the Company (“Annual General Meeting”) or at the date on which the resolution authorising the same is passed (whichever is the higher), at a price of up to but not exceeding the Maximum Price (as defined in Section 3.3 below).

The purchase of Shares by the Company will be made in accordance with the articles of association of the Company (the “Articles of Association”), the “Guidelines on Share Purchases” set out in the Appendix hereto (the “Guidelines”), the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Companies Act, Chapter 50 (the “Companies Act”) and such other laws and regulations as may for the time being be applicable.

1.2 The Share Purchase Mandate was originally approved by Shareholders on 30 June 1999 and Shareholders had approved the renewal of the mandate at the previous Annual General Meetings held on 31 May 2000, 18 May 2001, 20 May 2002, 20 May 2003, 30 April 2004, 22 April 2005, 28 April 2006 and 26 April 2007. The mandate renewed on 26 April 2007 will expire on the date of the forthcoming 40th AGM to be held on 25 April 2008. If the proposed resolution for the renewal of the Share Purchase Mandate is approved at the 40th AGM, the mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next Annual General Meeting is held or is required by law to be held, whichever is the earlier.

1.3 The purpose of this letter is to provide information relating to and to explain the rationale for the proposed renewal of the Share Purchase Mandate.
1.4 The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this letter. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. RATIONALE

The Share Purchase Mandate will give Directors the flexibility to purchase Shares when circumstances permit, with the objective of enhancing the earnings per share of the Company and its subsidiaries (the “Group”). Such flexibility will also allow the Directors to better manage the Company’s capital structure, dividend payout and cash reserves. Share purchases will also help buffer short-term share price volatility and offset the effects of short-term speculators and investors and, in turn, bolster shareholder confidence and employee morale.

The Share Purchase Mandate will thus provide the Company with an efficient mechanism to enhance return to Shareholders when circumstances permit.

3. AUTHORITY AND LIMITS OF SHARE PURCHASE MANDATE

3.1 The proposed Share Purchase Mandate, when renewed, will authorise Directors to purchase Shares of up to a maximum of ten per cent. (10%) of the total number of Shares (excluding shares held as treasury shares) as at the last AGM, or as at the date on which the resolution authorising the same is passed (whichever is higher).

3.2 Purchases of Shares can be effected by the Company in either one or both of the following ways:

(a) by way of an on-market purchase on the SGX-ST (“Market Purchase”). Market Purchase means a purchase of Shares transacted through the Central Limit Order Book trading system of the SGX-ST; and/or

(b) by way of an off-market acquisition in accordance with an equal access scheme as defined in Section 76C of the Companies Act (“Off-Market Purchase”). The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Articles of Association, the Listing Manual of the SGX-ST and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an Off-Market Purchase scheme or schemes. The Off-Market Purchase scheme must satisfy the following conditions:

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of those persons shall be given a reasonable opportunity to accept the offer made; and

(iii) the terms of all the offers are the same (except that there shall be disregarded difference in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements and differences in the offers introduced solely to ensure that each person is left with a whole number of Shares).

3.3 The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed the maximum price (“Maximum Price”) set out below:

(a) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the last five (5) days on which SGX-ST is open for securities trading (“Market Days”) and on which transactions in the Shares were recorded before the day on which the Market Purchase was made by the Company, and deemed to be adjusted for any corporate action that occurs after the relevant period of five (5) Market Days; and
(b) in the case of an Off-Market Purchase, ten per cent. (10%) above the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme.

3.4 The authority conferred on the Directors by the Share Purchase Mandate shall, unless varied or revoked by the Company in general meeting, continue in force until the next Annual General Meeting is held or is required by law to be held, whichever is the earlier.

3.5 The total number of issued Shares as at 27 March 2008, being the latest practicable date prior to the issue of this letter (the “Latest Practicable Date”), is 659,554,698 Shares and the exercise in full of the Share Purchase Mandate would result in the purchase of up to approximately 65,955,469 Shares.

4. NO SHARES PURCHASED IN THE PREVIOUS 12 MONTHS
The Company did not purchase any Shares in the twelve (12) months preceding the Latest Practicable Date.

5. SOURCES OF FUNDS
The Company may only apply funds for the purchase of Shares in accordance with the Articles of Association, the Guidelines and the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST. The Company intends to use existing sources of funds (which include borrowings from existing credit facilities) to finance its purchase or acquisition of Shares. The Company does not intend to arrange for additional credit facilities (other than the Company’s financing of its operation in the usual course of its business) for the purchase of Shares.

The Company may purchase or acquire its Shares out of the Company’s capital or distributable profits so long as the Company is solvent. This means that the Company must be able to pay its debts in full at the time of payment and as they fall due in the normal course of business during the period of twelve (12) months immediately after purchasing its Shares. In addition, the value of the Company’s assets must not be less than its liabilities (including contingent liabilities) before and after it purchases or acquires its Shares.

6. FINANCIAL IMPACT
6.1 The Company may elect, in respect of Shares which are purchased or acquired by the Company, to hold such purchased or acquired Shares as treasury shares which may be used for the purpose stated in the Companies Act and, unless such Shares are held as treasury shares, they will be deemed to be cancelled immediately on purchase or acquisition. Treasury shares are ordinary shares or stocks purchased or otherwise acquired by a company in accordance with Sections 76B to 76G of the Companies Act. Treasury shares may be held by the Company or may be sold, transferred or cancelled in accordance with Section 76K of the Companies Act. Under Section 76K of the Companies Act, where the purchased or acquired Shares are held as treasury shares, the Company may at any time:

(a) sell the Shares (or any of them) for cash;

(b) transfer the Shares (or any of them) for the purposes of or pursuant to an employees’ share scheme;

(c) transfer the Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the Shares (or any of them); or

(e) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe.
The Company is in the process of amending its Articles of Association to, *inter alia*, allow Shares purchased or acquired by the Company to be held as treasury shares.

6.2 If the purchased Shares are cancelled, the Company shall:

(a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;

(b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or

(c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

The financial impact on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

6.3 For illustrative purposes only, assuming:

(a) the Share Purchase Mandate had been effective on 1 January 2007;

(b) the Company had purchased 65,955,469 Shares (representing approximately ten per cent. (10%) of the Shares in issue as at the Latest Practicable Date); and

(c) the purchased Shares were acquired out of profits and cancelled,

the financial effects on the audited financial accounts of the Group and the Company for the financial year ended 31 December 2007 would have been as follows:

(i) **Market Purchase**

<table>
<thead>
<tr>
<th></th>
<th>Group Before Share Purchase</th>
<th>Group After Share Purchase</th>
<th>Company Before Share Purchase</th>
<th>Company After Share Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 31 December 2007</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders’ Funds (S$’000)</td>
<td>884,066</td>
<td>817,530</td>
<td>220,014</td>
<td>156,037</td>
</tr>
<tr>
<td>Net Tangible Assets (“NTA”) (S$’000)</td>
<td>884,066</td>
<td>817,530</td>
<td>220,014</td>
<td>156,037</td>
</tr>
<tr>
<td>Current Assets (S$’000)</td>
<td>43,031</td>
<td>43,031</td>
<td>421</td>
<td>421</td>
</tr>
<tr>
<td>Current Liabilities (S$’000)</td>
<td>24,461</td>
<td>27,020</td>
<td>3,766</td>
<td>3,766</td>
</tr>
<tr>
<td>Total Borrowings (S$’000)</td>
<td>574,664</td>
<td>638,641</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Number of Shares</td>
<td>659,554,698</td>
<td>593,599,229</td>
<td>659,554,698</td>
<td>593,599,229</td>
</tr>
<tr>
<td><strong>Financial Ratios</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NTA per Share (cents)</td>
<td>134</td>
<td>138</td>
<td>33</td>
<td>26</td>
</tr>
<tr>
<td>Profit per Share (cents)</td>
<td>32.10</td>
<td>35.24</td>
<td>4.36</td>
<td>4.85</td>
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<tr>
<td>Gearing (times)</td>
<td>0.65</td>
<td>0.78</td>
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<td>–</td>
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<tr>
<td>Current Ratio (times)</td>
<td>1.76</td>
<td>1.59</td>
<td>0.11</td>
<td>0.11</td>
</tr>
</tbody>
</table>
(ii) Off-Market Purchase

<table>
<thead>
<tr>
<th></th>
<th>Group Before Share Purchase</th>
<th>Group After Share Purchase</th>
<th>Company Before Share Purchase</th>
<th>Company After Share Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders' Funds (S'$'000)</td>
<td>884,066</td>
<td>814,786</td>
<td>220,014</td>
<td>153,399</td>
</tr>
<tr>
<td>NTA (S'$'000)</td>
<td>884,066</td>
<td>814,786</td>
<td>220,014</td>
<td>153,399</td>
</tr>
<tr>
<td>Current Assets (S'$'000)</td>
<td>43,031</td>
<td>43,031</td>
<td>421</td>
<td>421</td>
</tr>
<tr>
<td>Current Liabilities (S'$'000)</td>
<td>24,461</td>
<td>27,126</td>
<td>3,766</td>
<td>3,766</td>
</tr>
<tr>
<td>Total Borrowings (S'$'000)</td>
<td>574,664</td>
<td>641,279</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Number of Shares</td>
<td>659,554,698</td>
<td>593,599,229</td>
<td>659,554,698</td>
<td>593,599,229</td>
</tr>
</tbody>
</table>

Financial Ratios

<table>
<thead>
<tr>
<th></th>
<th>Before Share Purchase</th>
<th>After Share Purchase</th>
<th>Before Share Purchase</th>
<th>After Share Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>NTA per Share (cents)</td>
<td>134</td>
<td>137</td>
<td>33</td>
<td>26</td>
</tr>
<tr>
<td>Profit per Share (cents)</td>
<td>32.10</td>
<td>35.22</td>
<td>4.36</td>
<td>4.85</td>
</tr>
<tr>
<td>Gearing (times)</td>
<td>0.65</td>
<td>0.79</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Current Ratio (times)</td>
<td>1.76</td>
<td>1.59</td>
<td>0.11</td>
<td>0.11</td>
</tr>
</tbody>
</table>

Notes:

1. The purchase price for a Market Purchase is S$0.97 per Share (being the price equivalent to five per cent. (5%) above the average of the closing market prices of the Shares for the five (5) Market Days immediately preceding the Latest Practicable Date), which is equivalent to S$63,976,805 for the 65,955,469 Shares purchased.

2. The purchase price for an Off-Market Purchase is S$1.01 per Share (being the price equivalent to ten per cent. (10%) above the average of the closing market prices of the Shares for the five (5) Market Days immediately preceding the Latest Practicable Date), which is equivalent to S$66,615,024 for the 65,955,469 Shares purchased.

3. The above is calculated on the assumption that the Shares purchase is funded by existing credit facilities at an interest rate of 4.0 per cent. per annum.

4. NTA is total assets less total liabilities.

5. Profit per share is equal to profit attributable to equity holders of the Company divided by the number of shares.

6. Gearing is equal to total borrowings divided by shareholders’ funds.

7. Current ratio is equal to current assets divided by current liabilities.

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical audited numbers for the financial year ended 31 December 2007, and are not necessarily representative of future financial performance.

6.4 The Company will take into account both financial factors (for example, funds position and working capital requirement) and non-financial factors (for example, prevailing share market conditions) in assessing the relative impact of a purchase of Shares before execution. The Directors do not propose to exercise the Share Purchase Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Group or the gearing levels which are from time to time, in the opinion of the Directors, appropriate for the Group.
7. TAKE-OVER CODE IMPLICATIONS ARISING FROM PURCHASE OF SHARES

7.1 The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following the purchase of Shares by the Company, will be treated as an acquisition for the purposes of Rule 14 (“Rule 14”) of the Singapore Code on Take-overs and Mergers (the “Take-over Code”). Consequently, depending on the number of Shares purchased by the Company and the Company’s issued share capital at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and become obligated to make a takeover offer under Rule 14 of the Take-over Code.

7.2 Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will be presumed to be acting in concert, namely (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts) and (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with one another. For this purpose, a company is an associated company of another company if the second company owns or controls at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of the first-mentioned company.

7.3 The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or if the voting rights of such Directors and their concert parties fall between thirty per cent. (30%) and fifty per cent. (50%) of the Company’s voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months.

7.4 Based on the Register of Directors’ Shareholdings of the Company, as at the Latest Practicable Date, the shareholdings of the Directors of the Company before and (assuming (a) the Company purchases the maximum amount of ten per cent. (10%) of the total number of the issued shares of the Company, and (b) there is no change in the number of Shares held or deemed to be held by the Directors) after the purchase by the Company of ten per cent. (10%) of the total number of the issued shares of the Company as at the Latest Practicable Date pursuant to the Share Purchase Mandate were/will be as follows:

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Shareholding Before Share Purchase</th>
<th>Shareholding After Share Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct Interest</td>
<td>Deemed Interest</td>
</tr>
<tr>
<td>Cheong Kim Pong</td>
<td>0.43</td>
<td>15.86</td>
</tr>
<tr>
<td>Cheong Pin Chuan</td>
<td>0.86</td>
<td>15.97</td>
</tr>
<tr>
<td>Cheong Sim Eng</td>
<td>10.42</td>
<td>4.77</td>
</tr>
<tr>
<td>Cheong Hooi Kheng</td>
<td>1.59</td>
<td>–</td>
</tr>
<tr>
<td>Lim Ghee</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Jackson Lee</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Tan Tock Han</td>
<td>0.02</td>
<td>2.22</td>
</tr>
<tr>
<td>Lai Meng Seng</td>
<td>0.01</td>
<td>–</td>
</tr>
</tbody>
</table>
Based on the above information, as at the Latest Practicable Date, none of the Directors (together with persons acting in concert with them) would become obliged to make a take-over offer for the Company under Rule 14 and Appendix 2 of the Take-over Code in the event that the Company purchases the maximum amount of ten per cent. (10%) of the total number of issued shares of the Company under the Share Purchase Mandate.

7.5 Under Appendix 2 of the Take-over Code, a Shareholder and persons acting in concert with him will incur an obligation to make a take-over offer after a share purchase by the Company if, inter alia, their voting rights increase to thirty per cent. (30%) or more as a result of a share purchase by the Company and they acquire any ordinary shares between the date of the notice of resolution to authorise the Share Purchase Mandate and the next Annual General Meeting, or, if they already hold between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights and as a result of a share purchase by the Company their voting rights increase by more than one per cent. (1%) in any period of six (6) months and they acquire ordinary shares between the date of the notice of resolution to authorise the Share Purchase Mandate and the next Annual General Meeting.

7.6 Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%), of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the interests of the substantial shareholders in the Shares as recorded in the Register of Substantial Shareholders kept pursuant to Section 88 of the Companies Act, as at the Latest Practicable Date, none of the substantial shareholders of the Company (together with persons acting in concert with them) would become obliged to make a take-over offer for the Company under Rule 14 and Appendix 2 of the Take-over Code in the event the Company purchases the maximum amount of ten per cent. (10%) of the issued capital of the Company under the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether they would incur an obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate.

8. LISTING STATUS ON SGX-ST

The Directors will use their best endeavours to ensure that the Company does not effect a purchase of Shares which would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

Pursuant to Rule 723 of the Listing Manual of the SGX-ST, the Company has to ensure that at least ten per cent. (10%) of its Shares, excluding treasury shares, are at all times held by the “public” (as defined in the Listing Manual of the SGX-ST). As at the Latest Practicable Date, 659,554,698 Shares were issued and fully-paid up. As at the Latest Practicable Date, the Directors, the substantial shareholders of the Company and certain other members of the Cheong family had, in aggregate, interests in approximately 70.77 per cent. of the issued Shares. As the public held approximately 29.23 per cent. of the issued Shares as at the Latest Practicable Date, the Company is of the view that there is currently a sufficient number of issued Shares held by public Shareholders which would permit the Company to effect a purchase of up to ten per cent. (10%) of its total number of issued shares pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST.
9. **DIRECTORS’ RECOMMENDATION**

The Directors are of the opinion that the renewal of the Share Purchase Mandate is in the interests of the Company and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the renewal of the Share Purchase Mandate to be proposed at the 40th AGM on 25 April 2008 as set out in the Notice of Annual General Meeting dated 7 April 2008.

10. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

The Directors’ interests in the Shares as recorded in the Register of Directors’ Shareholdings kept pursuant to Section 164 of the Companies Act, as at the Latest Practicable Date, are set out in section 7.4 above.

The interests of the substantial shareholders in the Shares as recorded in the Register of Substantial Shareholders kept pursuant to Section 88 of the Companies Act, as at the Latest Practicable Date, were as follows:

<table>
<thead>
<tr>
<th>Name of Substantial Shareholder</th>
<th>Direct Interest</th>
<th>Deemed Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Shares</td>
<td>No. of Shares</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>K.P. Cheong Investments Pte Ltd</td>
<td>72,795,140</td>
<td>–</td>
</tr>
<tr>
<td>P.C. Cheong Pte Ltd</td>
<td>72,795,140</td>
<td>–</td>
</tr>
<tr>
<td>Cheong Sim Eng</td>
<td>66,699,300</td>
<td>31,491,363</td>
</tr>
<tr>
<td>Cheong Kim Pong</td>
<td>2,829,178</td>
<td>104,612,103</td>
</tr>
<tr>
<td>Cheong Pin Chuan</td>
<td>5,679,454</td>
<td>105,296,633</td>
</tr>
<tr>
<td>Cheong Pin Seng</td>
<td>9,700,000</td>
<td>41,623,483</td>
</tr>
<tr>
<td>Winfooong Holding Limited</td>
<td>133,469,600</td>
<td>–</td>
</tr>
<tr>
<td>JPMorgan Chase &amp; Co and its affiliates</td>
<td>–</td>
<td>46,581,010</td>
</tr>
</tbody>
</table>

**Notes:**
(a) This represents Cheong Sim Eng’s deemed interest in the Shares held by his wife, Corporate Development Limited (“CDL”) and Goodyear Realty Co Pte Ltd (“Goodyear”).
(b) This represents Cheong Kim Pong’s deemed interest in the Shares held by his wife, K.P. Cheong investments Pte Ltd, CDL and Goodyear.
(c) This represents Cheong Pin Chuan’s deemed interest in the Shares held by his wife, P.C. Cheong Pte Ltd, CDL and Goodyear.
(d) This represents Cheong Pin Seng’s deemed interest in the Shares held by his wife, P.S. Cheong Pte Ltd (in liquidation), CDL and Goodyear.
(e) Winfooong Holding Limited (“WHL”) is wholly-owned indirectly by Hong Fok Land International Limited (incorporated in Bermuda) via Winfooong Limited, Winfooong Investment Limited and Wellow Investment Limited. The aforesaid companies are deemed to have an interest in the Shares held by WHL.
(f) Shares are held through nominees.

11. **DIRECTORS’ RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this letter and confirm that, having made all reasonable enquiries and to the best of their knowledge and belief, the facts stated and opinions expressed in this letter are fair and accurate in all material respects, and that there are no other material facts the omission of which will make any statements herein misleading in any material respect.
12. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 300 Beach Road #41-00, The Concourse, Singapore 199555 during business hours from the date hereof up to the date of the 40th AGM:

(a) the Memorandum and Articles of Association of the Company; and

(b) the Annual Report of the Company for the year ended 31 December 2007.

Yours faithfully
For and on behalf of the Board of Directors

Cheong Kim Pong
Chairman and Managing Director
Hong Fok Corporation Limited
APPENDIX

GUIDELINES ON SHARE PURCHASES

1 SHAREHOLDERS’ APPROVAL

1.1 Purchases of Shares by the Company must be approved in advance by the Shareholders at a general meeting of the Company, by way of a general mandate.

1.2 The Share Purchase Mandate authorising the purchase of Shares by the Company will expire on the earlier of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or

(c) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting.

1.3 The authority conferred on the Directors by the Share Purchase Mandate to purchase Shares may be renewed at the next annual general meeting of the Company.

1.4 The number of Shares which can be purchased pursuant to the proposed Share Purchase Mandate is such number of Shares which represents up to a maximum of ten per cent. (10%) of the total number of issued shares of the Company as at the date of the last annual general meeting of the Company or at the date on which the resolution authorising the same is passed, whichever is the higher.

1.5 Purchases of Shares can be effected by the Company in either one or both of the following ways:

(a) by way of an on-market purchase on the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Market Purchase”). Market Purchase means a purchase of Shares transacted through the Central Limit Order Book trading system of the SGX-ST; and/or

(b) by way of an off-market acquisition in accordance with an equal access scheme as defined in Section 76C of the Companies Act, Chapter 50 (“Off-Market Purchase”). The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the articles of association of the Company (the “Articles of Association”), the Listing Manual of the SGX-ST and the Companies Act, Chapter 50 (the “Companies Act”), as they consider fit in the interests of the Company in connection with or in relation to an Off-Market Purchase scheme or schemes. The Off-Market Purchase scheme must satisfy the following conditions:

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of those persons shall be given a reasonable opportunity to accept the offer made; and

(iii) the terms of all the offers are the same (except that there shall be disregarded difference in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements and differences in the offers introduced solely to ensure that each person is left with a whole number of Shares).

2 FUNDING OF SHARE PURCHASES

2.1 In purchasing Shares, the Company may only apply funds legally available for such purchase in accordance with its Articles of Association and the applicable laws in Singapore.
2.2 The Company may not purchase its Shares for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

2.3 The Company may purchase or acquire its Shares out of the Company's capital or distributable profits so long as the Company is solvent. This means that the Company must be able to pay its debts in full at the time of payment and as they fall due in the normal course of business during the period of twelve (12) months immediately after purchasing its Shares. In addition, the value of the Company's assets must not be less than its liabilities (including contingent liabilities) before and after it purchases or acquires its Shares.

2.4 The Directors shall not exercise the Share Purchase Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Group or the gearing levels which are from time to time, in the opinion of the Directors, appropriate for the Group.

3 TRADING RESTRICTIONS

3.1 The Company will not effect a Share purchase such that the continuing shareholding spread requirement prescribed by the Listing Manual of the SGX-ST which is in force at the time of the intended Share purchase cannot be maintained after the purchase.

3.2 The Directors will ensure that any Share purchases will not have any effect on the listing of the Shares on the SGX-ST.

4 OFF-MARKET PURCHASE SCHEME

4.1 For purchases of Shares to be made by way of an Off-Market Purchase scheme, the Company shall issue an offer document to all Shareholders. The offer document shall contain at least the following information:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed Share purchase;

(d) the consequences, if any, of the Share purchase by the Company that will arise under the Singapore Code on Take-overs and Mergers or any other applicable take-over rules;

(e) whether the Share purchase, if made, will have any effect on the listing of Shares on the SGX-ST; and

(f) details of any Share purchases made by the Company in the previous twelve (12) months whether through Market Purchases or Off-Market Purchase schemes, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

5. PRICE RESTRICTIONS

5.1 The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed the maximum price ("Maximum Price") set out below:

(a) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the last five (5) days on which the SGX-ST is open for securities trading ("Market Days") and on which transactions in the Shares were recorded before the day on which the Market Purchase was made by the Company, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days; and
in the case of Off-Market Purchase, ten per cent. (10%) above the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme.

6 STATUS OF PURCHASED SHARES

6.1 Under Singapore law, the Company may elect, in respect of Shares which are purchased or acquired by the Company, to hold such purchased or acquired Shares as treasury shares as may be used for the purpose stated in the Companies Act and, unless such Shares are held as treasury shares, they will be deemed to be cancelled immediately on purchase or acquisition.

6.2 Any Shares purchased or acquired by the Company will be automatically delisted by the SGX-ST.

6.3 Certificates in respect of purchased or acquired Shares will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any purchase or acquisition of such Shares.

7 REPORTING REQUIREMENTS

7.1 Within thirty (30) days of the passing of a Shareholders’ resolution to approve purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Accounting and Corporate Regulatory Authority.

7.2 The Company shall notify the Accounting and Corporate Regulatory Authority within thirty (30) days of a purchase of Shares on the SGX-ST or otherwise. Such notification shall include details of the date of the purchases, the total number of Shares purchased by the Company, the number of Shares held as treasury shares, the Company’s issued share capital before and after the purchase of Shares, the amount of consideration paid by the Company for the purchases and whether the Shares were purchased out of profits or capital of the Company.

7.3 The Company shall notify the SGX-ST of Market Purchases of Shares not later than 9.00 a.m. on the market day following the day on which the Market Purchases were effected, and shall notify the SGX-ST of Off-Market Purchases not later than 9.00 a.m. on the second market day after the close of acceptances of the offer for Off-Market Purchases. The notification of such purchases of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe.

7.4 The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the aforesaid notifications to the SGX-ST.

7.5 When seeking the approval of Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases of Shares made during the previous twelve (12) months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

8 SUSPENSION OF PURCHASES

8.1 Share purchases are prohibited after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced.

In particular, the Company may not purchase its Shares on the SGX-ST during the period commencing two weeks before the announcement of the Company’s financial statements for each of the first three quarters of its financial year, or one month before the announcement of the Company’s full year results, as the case may be, and ending on the date of announcement of the relevant results.