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YORKWIN

INVESTMENTS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

WINFOONG

INTERNATIONAL LIMITED

(榮 豐 國 際 有 限 公 司) *

(Incorporated in Bermuda with limited liability)

(Stock code: 63)

Financial advisor to Yorkwin Investments Limited

Financial advisor to Winfoong International Limited



SOMERLEY LIMITED

KINGSWAY FINANCIAL SERVICES GROUP LIMITED

**Independent financial advisor to
Winfoong International Limited and Hong Fok Land International Limited**

Hercules

Hercules Capital Limited

(1) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION

(2) WHITEWASH WAIVER

(3) PROPOSED CAPITAL REORGANISATION

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INTERNATIONAL LIMITED BY

KINGSWAY FINANCIAL SERVICES GROUP LIMITED

ON BEHALF OF YORKWIN INVESTMENTS LIMITED, BEING A WHOLLY-OWNED

SUBSIDIARY OF

HONG FOK CORPORATION LIMITED

Acquisition of the Singapore Properties and the Whitewash Waiver

On 25 May 2007, the Purchaser (a wholly-owned subsidiary of the Company), the Company and the Vendor (being the controlling Shareholder) entered into the Agreement whereby the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Sale Shares and the Sale Loan at an aggregate consideration of S\$22,242,122 (equivalent to approximately HK\$114,000,000), which is to be satisfied by cash of S\$4,681,146 (equivalent to approximately HK\$24,000,000) payable by the Purchaser to the Vendor and the remaining S\$17,560,976 (equivalent to approximately HK\$90,000,000) by allotment and issue to the Vendor of 900,000,000 new Shares by the Company (representing approximately 60.3% of the existing issued share capital of the Company and approximately 37.6% of the enlarged issued share capital of the Company) at an issue price of HK\$0.10 each on Completion.

The Acquisition constitutes a very substantial acquisition and a connected transaction for the Company of the Listing Rules. The Acquisition (which will be considered at the SGM as part and parcel of the Proposal) is subject to approval by the Independent Shareholders by way of poll at the SGM.

Completion shall take place simultaneously with completion of the Group Reorganisation.

The Vendor will make an application to the Executive for the Whitewash Waiver. The Whitewash Waiver, if granted, will be subject to, among other things, approval by the Independent Shareholders at the SGM where voting on the relevant resolution in respect of which shall be taken by way of poll.

Capital Reorganisation

In order to facilitate each of the distribution in specie of the HF Land Shares pursuant to the Group Reorganisation and the allotment and issue of the Consideration Shares, it is proposed that the Share Premium Cancellation and the Share Capital Increase be considered respectively at the SGM.

Each of the Share Premium Cancellation and the Share Capital Increase is subject to approval by the Independent Shareholders at the SGM.

Group Reorganisation

After arm's length negotiations among the parties to the Agreement, the Vendor (being the controlling Shareholder) has agreed to dispose of the Singapore Properties conditional upon, among other things, completion of the Group Reorganisation. At the request of the Vendor, the Board puts forward for the Independent Shareholders' consideration a proposal for the Group Reorganisation.

Pursuant to the Group Reorganisation, (i) the Company will continue to be a listed company and the Remaining Group will be carrying on the Remaining Businesses; (ii) the HF Land Group will be carrying on the Distributed Businesses; and (iii) the HF Land Shares will be distributed in specie to the Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one HF Land Share for each Share held.

The Distribution in Specie, being part of the Group Reorganisation will be considered at the SGM as part and parcel of the Proposal. The Vendor, its associates and the Offeror Parties will abstain from voting on the relevant resolution, which will be taken by way of poll at the SGM.

Completion of the Distribution in Specie, being part of the Group Reorganisation shall take place simultaneously with Completion.

Possible conditional partial offer for the Specified HF Land Shares

After completion of the Group Reorganisation and subject to the consent from the Executive, Kingsway will, on behalf of the Offeror, make a conditional partial offer to the Disinterested HF Land Shareholders on the Record Date for the aggregate of one-third of the HF Land Shares held by the Disinterested HF Land Shareholders on the Record Date, 294,789,400 HF Land Shares, on an assured basis as follows:

For every Specified HF Land Shares held * HK\$0.16 in cash plus ONE 3-year Bond with a face value of HK\$0.24 plus TWO existing Shares

* The precise number of HF Land Shares for which the Offer is made representing the aggregate of one-third of the HF Land Shares held by the Disinterested HF Land Shareholders on the Record Date.

The making of the Offer is subject to pre-conditions (i.e. Completion, completion of the Group Reorganisation and consent from the Executive) being fulfilled.

The making of the Offer is a possibility only and it may or may not proceed. In the event that the Offer is made, it will be a conditional partial offer.

AGREEMENT

Date

25 May 2007

Parties

- (i) Hong Fok Corporation Limited (a Singapore listed company) as the Vendor;
- (ii) Winfoong Assets Limited (a wholly-owned subsidiary of the Company) as the Purchaser; and
- (iii) The Company as the issuer of the Consideration Shares.

The Vendor is the controlling Shareholder holding an approximately 40.4% interest, together with its associates and the Offeror Parties holding an approximately 40.7% interest, in the Company as at the date of this announcement. The Vendor is, together with its subsidiaries, principally engaged in property investment, property development, property management, investment trading and investment holding and management.

Assets to be acquired

- (i) The Sale Shares (representing the entire issued share capital of Goldease); and
- (ii) the benefits of and the interests in the Sale Loan. The Sale Loan shall be not less than S\$33.2 million (equivalent to approximately HK\$170.2 million) on Completion.

The Goldease Group is principally engaged in property development and investment and its principal assets are the Singapore Properties.

The Singapore Properties comprise 11 apartment units at 7C Balmoral Park, Jewel of Balmoral, Singapore and 4 apartment units of ten@suffolk at Suffolk Road, Singapore with the total floor area of approximately 1,476 sq.m. and 427 sq.m respectively. The average monthly rental income generated by the Singapore Properties for the year ended 31 December 2006 was about HK\$155,000. The Singapore Properties were mortgaged to banks in Singapore and the outstanding bank loan for the Singapore Properties as at 31 December 2006 was approximately S\$13.8 million (equivalent to approximately HK\$70.7 million).

The Vendor acquired 15 apartment units of Jewel of Balmoral in Singapore in 1999 at an aggregate consideration of approximately S\$26.3 million (equivalent to approximately HK\$134.8 million). The apartment units of ten@suffolk were self-developed by the Vendor.

Rules 14.58(6) and 14.58(7) of the Listing Rules respectively requires disclosure of the asset value of and the net profits attributed to the Goldease Group in this announcement. In connection to these requirements, an application for waiver was made by the Company to the Stock Exchange for excluding such information to be included in this announcement (the "Waiver"). Such application was made for reasons that (i) the figures for the asset value of and net profits attributable to the Goldease Group are unaudited and unpublished figures (which is the only available form as at the date of this announcement) and if disclosed in this announcement, they will constitute profit forecasts within the meaning of Rule 10 of the Takeovers Code which would need to be reported on by an auditor and a financial adviser; and (ii) it would be burdensome for the Company to withhold this announcement until such reports are available.

The Stock Exchange has granted the Waiver to the Company subject to the conditions that a further announcement containing the audited asset value of and the audited net profits attributed to the Goldease Group as referred to in Rules 14.58(6) and 14.58(7) of the Listing Rules being made at the time of despatch of the circular by the Company in relation to the Acquisition; and that the financial information on the Goldease Group referred to in Rules 14.58(6) and 14.58(7) of the Listing Rules being included in the circular of the Company in relation to the Acquisition. As a condition to the Waiver, the respective Directors hereby confirm their view that the information contained in this announcement, taking into account the exclusion of the financial information on the Goldease Group referred to in Rules 14.58(6) and 14.58(7) of the Listing Rules, remains accurate and complete in all material aspects and is not misleading or deceptive in accordance with Rule 2.13(2) of the Listing Rules.

Consideration

The Consideration of S\$22,242,122 (equivalent to approximately HK\$114,000,000), which is to be satisfied by cash of S\$4,681,146 (equivalent to approximately HK\$24,000,000) payable by the Purchaser to the Vendor and the remaining S\$17,560,976 (equivalent to approximately HK\$90,000,000) by allotment and issue to the Vendor of 900,000,000 new Shares by the Company (representing approximately 60.3% of the existing issued share capital of the Company and approximately 37.6% of the enlarged issued share capital of the Company) at an issue price of HK\$0.10 each on Completion.

The Consideration has been agreed among the parties to the Agreement on an arm's length basis with reference to the open market value of the Singapore Properties as at 30 April 2007 of approximately S\$29,428,000 (equivalent to approximately HK\$150.8 million) as appraised by Savills (Singapore) Pte. Ltd., an independent valuer. Valuation report of the Singapore Properties in compliance with the requirements of Rule 11 of the Takeovers Code will be included in the Circular and the composite Offer document to be despatched to the Shareholders in compliance with the requirements of the Listing Rules and the Takeovers Code. The cash portion of the Consideration will be financed by the Group's internal resources.

The issue price of the Consideration Shares of HK\$0.10 each represents:

- (i) a discount of approximately 92.1% to the audited consolidated net asset value of the Company of approximately HK\$1.263 per Share as at 31 December 2006;
- (ii) a discount of approximately 87.7% to the closing price of HK\$0.81 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iii) a discount of approximately 86.6%, 86.0% and 85.9% to the average of the closing prices of HK\$0.744, HK\$0.715 and HK\$0.707 per Share for the 5, 20 and 30 consecutive trading days up to and including the Last Trading Day, respectively.

Such issue price has been arrived at after taking into account that the Group would only retain its interest in the Remaining Businesses and the Singapore Properties after the Group Reorganisation and Completion respectively.

Based on the closing price of HK\$0.81 per Share as quoted on the Stock Exchange on the Last Trading Day, the aggregate value of the Consideration Shares amounts to approximately HK\$729 million and the total Consideration amounts to approximately HK\$753 million. The issue price for the Consideration Shares was negotiated on an arm's length basis and was agreed between the parties to the Agreement by reference to, among other things, the prevailing market price of the Share and the possible effect to the price of the Shares as a result of the Distribution in Specie.

The Consideration Shares when issued will rank *pari passu* in all respects with each other. Application will be made by the Company to the Stock Exchange for the listing of and the permission to deal in the Consideration Shares on the Stock Exchange.

Conditions precedent

Completion shall be conditional upon:

- (i) the passing of the necessary resolution by the Independent Shareholders approving the transactions contemplated under the Agreement (including the allotment and issue of the Consideration Shares) and the Whitewash Waiver in accordance with the relevant requirements under the Takeovers Code and the Listing Rules;
- (ii) the passing of the necessary resolutions approving the Distribution in Specie by the Independent Shareholders;
- (iii) the passing of the necessary resolutions approving the Capital Reorganisation and completion of the Capital Reorganisation;
- (iv) the Listing Committee of the Stock Exchange having granted the listing of and the permission to deal in the Consideration Shares;
- (v) the granting of the Whitewash Waiver by the Executive to the Vendor and satisfaction of all the conditions (if any) attaching to the Whitewash Waiver granted;
- (vi) (if necessary) the approval of all relevant Singapore regulatory authorities (including The Singapore Exchange Securities Trading Limited) for the disposal of the Sale Shares and the Sale Loan to the Purchaser and the Offer and if conditions are attached, such terms to be acceptable to the parties;
- (vii) the Purchaser being reasonably satisfied with the due diligence review of the affairs of the Goldease Group;
- (viii) the continuous listing of and permission to deal in the Shares from the date of the Agreement up to and including the date of Completion save for any temporary suspension of dealing;
- (ix) (if necessary) the approval of the shareholders of the Vendor being obtained at a general meeting of the Vendor for the disposal of the Sale Shares and the Sale Loan to the Purchaser under the terms and conditions of the Agreement and the Offer;
- (x) the relevant consents from the relevant financial institutions having been obtained by the Vendor;
- (xi) the relevant consents from the relevant financial institutions and creditors for effecting and implementation of the Group Reorganisation and other transactions and actions incidental thereto having been obtained;
- (xii) there having been no breach of any of the representations, warranties and undertakings as prescribed in the Agreement by the Vendor; and
- (xiii) there have been no breach of any of the representations, warranties and undertakings as prescribed in the Agreement by the Purchaser.

If any of the above conditions has not been fulfilled (or waived by the Purchaser or the Vendor with regards to its obligations in respect of conditions (vii), (xii) and (xiii)) by 31 August 2007 or such later date as may be agreed in writing between the Vendor and the Purchaser, the relevant provisions of the Agreement shall from such date have no effect and no party shall have any liability under them (without prejudice to the rights of either party in respect of antecedent breaches).

Completion

Completion shall take place on the fifth business day after the fulfillment of all the above conditions precedent (except if any of such conditions precedent shall be specifically waived by the Purchaser or the Vendor in writing) or at such other time as the parties to the Agreement may agree in writing and shall take place simultaneously with completion of the Group Reorganisation.

REASONS FOR THE ACQUISITION

The Board considers that the Acquisition provides the Group with a good opportunity to expand and diversify its property investment portfolio into the overseas market. The Board (excluding the independent non-executive Directors who will be advised by Hercules) also considers that the entering into of the Agreement is in the interest of the Company and the Shareholders as a whole and the terms thereof are fair and reasonable so far as the Shareholders are concerned.

Upon Completion, Goldease will become a wholly-owned subsidiary of the Company and a member of the Remaining Group. The results of the Goldease Group will be consolidated into the financial statements of the Remaining Group.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. As the Vendor was a controlling Shareholder as at the date of the Agreement, the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition (which will be considered at the SGM as part and parcel of the Proposal) is subject to approval by the Independent Shareholders at the SGM, where the Vendor, its associates and the Offeror Parties will be required to abstain from voting on the relevant resolution (which will be taken by way of poll) approving the transactions contemplated under the Agreement (including the allotment and issue of the Consideration Shares). As at the date of this announcement, the Vendor, its associates and the Offeror Parties held in aggregate 608,042,787 Shares (representing approximately 40.7% of the issued share capital of the Company).

WHITEWASH WAIVER

As at the date of this announcement, the Vendor and parties acting in concert with it hold 608,042,787 Shares (representing approximately 40.7% of the issued share capital of the Company). Following the allotment and issue of the Consideration Shares by the Company to the Vendor on Completion, the Vendor and parties acting in concert with it will hold 1,508,042,787 Shares (representing approximately 63.0% of the enlarged issued share capital of the Company). In the absence of the Whitewash Waiver, the Vendor would incur an obligation pursuant to Rule 26 of the Takeovers Code to make a mandatory offer to the Shareholders to acquire all the Shares other than those held by the Vendor and parties acting in concert with it and the Consideration Shares.

The Vendor will make an application to the Executive for the Whitewash Waiver. The Whitewash Waiver, if granted, is subject to, among other things, (i) approval by the Independent Shareholders at the SGM where voting on the relevant resolution in respect of which shall be taken by way of poll; and (ii) there having been no disqualifying transactions as referred to in Note 1 on dispensations from Rule 26 and in Schedule VI of the Takeovers Code by the Vendor and parties acting in concert with it during the period from the date falling on the six months prior to this announcement up to and including completion of the issue of the Consideration Shares.

CAPITAL REORGANISATION

Share Premium Cancellation

It is proposed that the entire amount standing to the credit of the share premium account of the Company as at the Effective Date will be cancelled. The credit arising from the Share Premium Cancellation will be applied for the purposes of the Distribution in Specie. Any of the remaining balance of such credit will be credited to the contributed surplus account of the Company. As at 31 December 2006, the share premium of the Company amounted to approximately HK\$197 million. The exact amount in the share premium amount of the Company to be cancelled is based on the figures at the Effective Date and therefore would be different from the above.

Share Capital Increase

It is proposed that the authorised share capital of the Company be increased from HK\$100 million to HK\$150 million by creation of 1,000,000,000 new Shares at HK\$0.05 each. Upon the Share Capital Increase becoming effective (which is expected to take place on the same date of the SGM at which the Share Capital Increase is approved) and taking into account the allotment and issue of the Consideration Shares upon Completion, the authorised share capital of the Company will be HK\$150 million divided into 3,000,000,000 Shares at HK\$0.05 each, of which 2,392,410,986 Shares of HK\$0.05 each will be in issue and fully paid.

Effects of the Capital Reorganisation

Other than the expenses to be incurred in relation to the Capital Reorganisation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company.

Conditions precedent

The Share Premium Cancellation is conditional upon:

- (i) the passing by the Independent Shareholders of a special resolution to approve the Share Premium Cancellation at the SGM;
- (ii) compliance with the relevant legal procedures and requirements under Bermuda laws to effect the Share Premium Cancellation; and
- (iii) the relevant consents from the relevant financial institutions and creditors for effecting and implementation of Share Premium Cancellation having been obtained.

The Share Capital Increase is conditional upon:

- (i) the passing by the Independent Shareholders of an ordinary resolution to approve the Share Capital Increase at the SGM; and
- (ii) compliance with the relevant legal procedures and requirements under Bermuda laws to effect the Share Capital Increase.

Reasons for the Capital Reorganisation

In order to facilitate each of the Distribution in Specie and the allotment and issue of the Consideration Shares, it is proposed that the Share Premium Cancellation and the Share Capital Increase be considered respectively at the SGM. Each of the Capital Reorganisation is subject to approval by the Independent Shareholders by way of poll at the SGM.

GROUP REORGANISATION

The Group is principally engaged in property related businesses and provision of horticultural services. As at the date of this announcement, the principal properties of the Group comprises (i) the redevelopment project at 38 Conduit Road in Hong Kong; (ii) the properties at 15 and 17 Magazine Gap Road in Hong Kong which were under lease; and (iii) certain properties in the PRC.

Pursuant to the Group Reorganisation, (i) the Company will continue to be a listed company and the Remaining Group will be carrying on the Remaining Businesses which includes the Group's property related businesses and the provision of horticultural services including the holding of the redevelopment project at 38 Conduit Road in Hong Kong; (ii) the HF Land Group will be carrying on the Distributed Businesses which includes (a) the Group's holding of the properties at 15 and 17 Magazine Gap Road in Hong Kong, (b) certain properties in the PRC; and (c) an approximately 20.2% interest in the Vendor; and (iii) the HF Land Shares will be distributed in specie to the Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one HF Land Share for each Share held.

Remaining Businesses

The redevelopment project at 38 Conduit Road in Hong Kong with a site area of approximately 679.39 sq.m. is still under development as at the date of this announcement and its valuation as at 31 December 2006 was approximately HK\$242 million. The outstanding bank loan secured by this site as at 31 December 2006 was approximately HK\$90 million. The horticultural operation of the Group principally comprises provision of horticultural plant rental and seasonal plant sale services to offices, shops and restaurants in Hong Kong.

Distributed Businesses

The property at 15 Magazine Gap Road in Hong Kong comprises a 12-storey residential building with a total of 24 apartments with a total gross floor area of approximately 5,128.21 sq. m.. The valuation of this property as at 31 December 2006 was HK\$837 million and the monthly rental income was approximately HK\$613,000. The property at 17 Magazine Gap Road in Hong Kong comprises a 12-storey residential building with and a total of 23 apartments with a total gross floor area of approximately 5,574.14 sq. m.. The valuation of this property as at 31 December 2006 was HK\$910 million and the monthly rental income was approximately HK\$1,341,800. The outstanding bank loan for these properties as at 31 December 2006 was approximately HK\$388 million.

The Group's property interest in the PRC comprises 57 residential units and portion of land situated at Riverside Villa, Tangxia Town, Jiangmen, Guangdong Province; and 36 apartment units, situated at Chuang's Metropolis, Panyu, Guangdong Province. The valuation of these properties as at 31 December 2006 was HK\$85 million. The total floor area for these residential units is approximately 8,976.40 sq.m. and all these properties are vacant as at the date of this announcement. There was no bank loan secured by the above property interest in the PRC as at 31 December 2006.

According to the 2006 annual report of the Company, the net asset values of the Group's 20.2% interest in the Vendor as at 31 December 2005 and 2006 were approximately HK\$394 million and HK\$613 million respectively; while the profits attributable to the Group's effective interest in it were approximately HK\$30 million and HK\$178 million respectively. The market value of the Group's 20.2% interest in the Vendor as at the date of this announcement was approximately HK\$937 million.

Distribution in Specie

Pursuant to the Group Reorganisation, the Company will distribute all of its HF Land Shares in specie out of its retained earnings and contributed surplus to the Shareholders whose names appear on the register of members of the Company on the Record Date on the following basis:

For each Share held one HF Land Share

It is intended that it will be a condition of the issue of the HF Land Shares that the share certificates of HF Land will be posted only to the Shareholders within 10 days after the Offer closes or lapses so that the despatch of the share certificates to the HF Land Shareholders can be managed in an efficient manner.

The HF Land Shares when issued will rank *pari passu* in all respects with those HF Land Shares already in issue and each other. No application will be made for the listing of the HF Land Shares on the Stock Exchange or any other stock exchange.

Conditions precedent

Completion of the Group Reorganisation will be conditional upon:

- (i) For the Group Reorganisation (excluding Distribution in Specie), the relevant consents from the relevant financial institutions and creditors for effecting and implementation of the Group Reorganisation and other transactions and actions incidental thereto having been obtained; and
- (ii) For the Distribution in Specie, being part of the Group Reorganisation:-
 - (a) the passing of the necessary resolutions approving the Distribution in Specie by the Independent Shareholders at the SGM;
 - (b) the passing of the necessary resolutions approving the Capital Reorganisation and the completion of the Capital Reorganisation; and
 - (c) the relevant consents from the relevant financial institutions and creditors for effecting and implementation of Distribution in Specie and actions incidental thereto having been obtained.

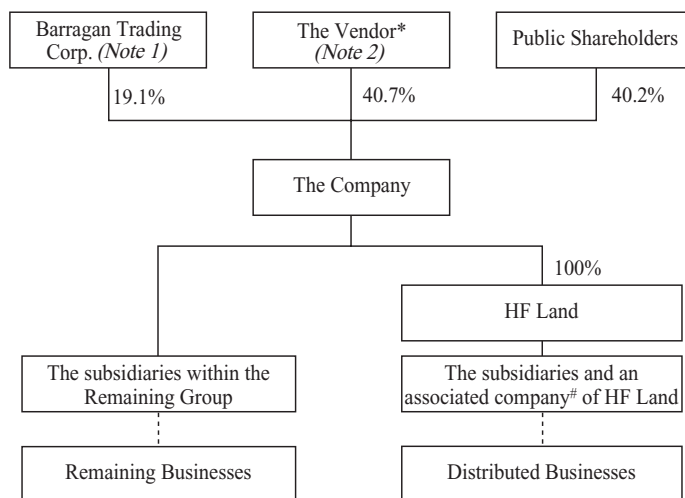
None of the above conditions can be waived. The Distribution in Specie, being part of the Group Reorganisation, will be considered at the SGM as part and parcel of the Proposal. The Vendor, its associates and the Offeror Parties will abstain from voting on the relevant resolution, which will be taken by way of poll at the SGM.

Completion of the Group Reorganisation

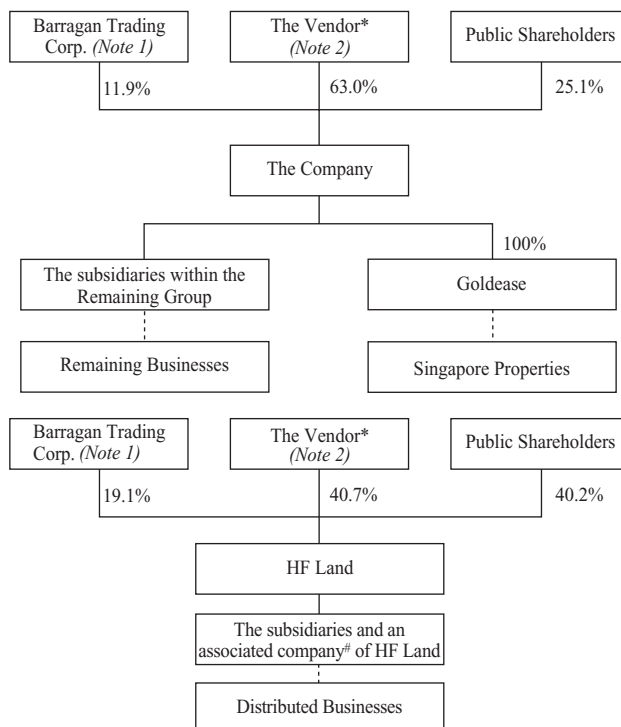
The Group Reorganisation will become effective upon fulfillment of the conditions precedent thereto set out above and simultaneously with Completion.

Group structure

Set out below is the Group structure (in simplified form) immediately before completion of the Group Reorganisation:



Set out below are the structures (in simplified forms) of the Remaining Group and the HF Land Group immediately after completion of each of the Group Reorganisation and the Agreement but before the making of the Offer:



* including its associates and the Offeror Parties

an approximate 20.2% interest in the Vendor which is indirectly held by HF Land.

Notes:

1. Barragan Trading Corp. is beneficially owned by Mr. Shaw Vee King. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Shaw Vee King is third party independent of the Vendor.
2. Beneficially owned by the Cheong's Family.

Reasons for the Group Reorganisation

After arm's length negotiations among the parties to the Agreement, the Vendor (being the controlling Shareholder) has agreed to dispose of the Singapore Properties conditional upon, among other things, completion of the Group Reorganisation. At the request of the Vendor, the Board puts forward for the Independent Shareholders' consideration a proposal for the Group Reorganisation.

The Board considers that it is in the interest of the Shareholders for them to be provided with the opportunity to consider and, if thought fit, approve the relevant resolution for the Group Reorganisation as part and parcel of the Proposal at the SGM. The Board also considers that it is in the interest of the Independent Shareholders to consider the Proposal at the SGM as the Proposal together with the Offer will provide the Independent Shareholders an opportunity to partially divest their investment in the Distributed Businesses through the Offer.

OFFER

After completion of the Group Reorganisation and subject to the consent from the Executive, Kingsway will, on behalf of the Offeror, make a conditional partial offer to the Disinterested HF Land Shareholders whose names appear on the register of members of the Company on the Record Date for the aggregate of one-third of the HF Land Shares held by the Disinterested HF Land Shareholders on the Record Date, being 294,789,400 HF Land Shares based on the issued Shares of the Company as at the date of this announcement, on an assured basis as follows:

**HK\$0.16 in cash plus ONE 3-year Bond
with a face value of HK\$0.24 plus TWO**

For every Specified HF Land Shares held* existing Shares held by the Vendor

* The precise number of HF Land Shares for which the Offer is made representing the aggregate of one-third of the HF Land Shares held by the Disinterested HF Land Shareholders on the Record Date.

In the present case, each of the Disinterested HF Land Shareholders who tender acceptance under the Offer is assured that he is entitled (i) HK\$0.16 in cash; plus (ii) ONE 3-year Bond with a face value of HK\$0.24; (iii) plus TWO existing Shares for every three HF Land Shares held by him on the Record Date if the Offer becomes unconditional.

Given that the HF Land Shares will not be listed on the Stock Exchange or any other stock exchange upon completion of the Group Reorganisation and will therefore be difficult to be liquidated, the Offeror considers that it is appropriate to provide the Disinterested HF Land Shareholders with an opportunity to realise their holdings of the Specified HF Land Shares by making the Offer. **However, Disinterested HF Land Shareholders shall note that the Offer is for the aggregate of one-third of the HF Land Shares held by the Disinterested HF Land Shareholders only, whether they accept the Offer or not, after completion of the Group Reorganisation, the remaining two-third of the HF Land Shares held by the Disinterested HF Land Shareholders are unlisted and illiquid. As there is no open market for the trading of the HF Land Shares, it would not only affects the transparency of the value of the HF Land Group, but also may has effect on the value of the HF Land Shares. In addition, after completion of the Group Reorganisation, HF Land will only govern by the new bye-laws of HF Land and not subject to the requirement of the Listing Rules.** In the event that the Disinterested HF Land Shareholders wish to continue to retain each of their whole investment in the Distributed Businesses after completion of the Group Reorganisation, they can choose not to accept the Offer and continue to hold the Specified HF Land Shares, but have to accept the risks associated with the HF Land Shares which are illiquid and the fact that the Distributed Businesses are unlisted assets.

Consents from the Executive

Pursuant to the Takeovers Code, the Offer is subject to the consent of the Executive. Application will be made to the Executive in this regard.

The making of the Offer is subject to pre-conditions (i.e. Completion, completion of the Group Reorganisation and consent from the Executive) being fulfilled.

The making of the Offer is a possibility only and it may or may not proceed. In the event that the Offer is made, it will be a conditional partial offer.

Conditions of the Offer

Pursuant to Rule 28.5 of the Takeovers Code, the Offer shall be conditional upon:

- (i) the acceptances as equal to or more than 294,789,400 HF Land Shares being received; and
- (ii) approval by the Disinterested HF Land Shareholders, signified on the form of acceptance and transfer of the HF Land Shares specifying the number of HF Land Shares in respect of which the Offer is approved, who hold over 50% of the total number of HF Land Shares (excluding those held by the Vendor, its associates and the Offeror Parties).

The Offeror will declare the Offer unconditional as to acceptances on or prior to the first closing day, upon fulfillment of the above conditions, and comply with Rule 15.3 of the Takeovers Code by extending the final closing day to the 14th day thereafter.

Rule 28.6 of the Takeovers Code

Pursuant to Rule 28.6 of the Takeovers Code, since the Offeror will be interested in more than 50% of the voting rights of HF Land after the Offer becomes unconditional, a specific and prominent reference to this and the fact that the Offeror, after the Offer becomes unconditional, will be free, subject to Rule 28.3 of the Takeovers Code, to acquire further HF Land Shares without incurring any obligation to make a general offer will be included in the composite Offer document.

Rule 28.8 of the Takeovers Code

Pursuant to Rule 28.8 of the Takeovers Code, in the event that a Disinterested HF Land Shareholder tenders HF Land Shares in excess of his Assured Entitlement, such shares must be accepted by the Offeror from that Disinterested HF Land Shareholder in the same proportion as the number tendered to the extent necessary to enable the Offeror to obtain the Specified HF Land Shares.

Set out below is the formula according to which, in the event that aggregate valid acceptances received exceeds the Specified HF Land Shares, the valid excess acceptances from each of the relevant Disinterested HF Land Shareholders will be taken up on a pro rata basis in order to enable the Offeror to obtain the Specified HF Land Shares:

$$A \times \frac{B}{C}$$

A: represents the total number of HF Land Shares available for allocation to the HF Land Shareholders who tender acceptances in excess of their Assured Entitlements being:

the Specified HF Land Shares minus the sum of the HF Land Shares in respect of either all or part of the Assured Entitlement of each HF Land Shareholder who validly accepts the Offer

B: represents the number of excess HF Land Shares subject to allocation in respect of which the relevant individual HF Land Shareholder validly accepts the Offer in excess of his Assured Entitlement

C: represents the aggregate number of excess HF Land Shares subject to allocation in respect of which all relevant HF Land Shareholders validly accept the Offer in excess of their Assured Entitlements

If a HF Land Shareholder validly accepts the Offer for the number of HF Land Shares which is less than his Assured Entitlement, the Offeror will include all such HF Land Shares tendered for acceptance in calculating the minimum level of the Specified HF Land Shares required for the Offer to become unconditional. If a HF Land Shareholder tenders an acceptance in excess of his Assured Entitlement, then his Assured Entitlement will be taken up by the Offeror in full first. However, the Offeror may or may not be able to take up all or part of his excess HF Land Shares depending on the number of HF Land Shares available for allocation from those HF Land Shareholders who accept part or none of their Assured Entitlements.

In the event that aggregate valid acceptances are received for less than the Specified HF Land Shares until the first closing day of the Offer, the Offer will lapse.

Fractional entitlements

Fractions of HF Land Shares will not be taken up by the Offeror under the Offer and accordingly, the number of HF Land Shares that the Offeror will take up from the accepting HF Land Shareholders, whether in respect of their Assured Entitlements or in excess of their Assured Entitlements, will be rounded up or down to the nearest whole number at the sole discretion of the Offeror.

Financing for the Offer

Based on the terms of the Offer and the Specified HF Land Shares, the cash consideration portion of the Offer amounts to approximately HK\$47.2 million. Kingsway, the financial advisor to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

Terms of the Bond

Issuer:	The Offeror
Principal amount:	The Bond will be issued in denominations of HK\$0.24 each. The aggregate number and value of the Bond that will ultimately be issued under the Offer will be ascertained upon the close of the Offer.
Maturity:	On the third anniversary from the date of issue.
Listing:	No application will be made for the listing of or the permission to deal in the Bond on the Stock Exchange or any other stock exchange.
Interest:	The Bond will bear interest from the date of the issue at the rate of 3% per annum on the principal amount of the Bond and interest will be payable by the Offeror semi-annually in arrears from the date of issue of the Bond. The first payment of interest shall be made on the date falling on the day immediately preceding the six-month period after the date of the issue.

Guarantor: The Vendor will unconditionally guarantee the performance of the Bond.

Security: Nil

An appropriate advisor will be engaged to provide a valuation on the value of the Bond, details of which will be disclosed in the Circular and composite Offer document in respect of the Offer. Shareholders should note that the valuation of the Bond may or may not be equal to its face value.

Background of the Offeror and its intention regarding HF Land

The Offeror, a company incorporated in the British Virgin Islands on 27 February 2007, was established solely for the purposes of the Offer. The Offeror is a wholly-owned subsidiary of the Vendor. The board of directors of the Offeror and the Vendor comprises Mr. Cheong Pin Chuan, Patrick, Mr. Cheong Kim Pong, Mr. Cheong Sim Eng and Ms. Cheong Hooi Kheng. Apart from the above, the board of directors of the Vendor also comprises another four non-executive director, namely Madam Lim Ghee, Mr. Jackson Lee, Mr. Lai Meng Seng and Mr. Tan Tock Han. The Vendor is the controlling Shareholder holding an approximately 40.4% interest, together with its associates and the Offeror Parties holding an approximately 40.7% interest, in the Company as at the date of this announcement. The Vendor is, together with its subsidiaries, principally engaged in property investment, property development, property management, investment trading and investment holding and management.

Based on the current shareholding structure of the Company, the Vendor, its associates and the Offeror Parties will be interested in a total of 608,042,787 HF Land Shares immediately upon completion of the Group Reorganisation (representing approximately 40.7% of the then entire issued share capital of HF Land). Given that the HF Land Shares will not be listed on the Stock Exchange or any other stock exchange upon completion of the Group Reorganisation, the Vendor considers that it is appropriate to provide the HF Land Shareholders with an alternative to realize part of their investment in HF Land and increase their investment in the Group by making the Offer. HF Land will either remain as an associated company or become a non-wholly owned subsidiary of the Offeror upon the close of the Offer. Assuming acceptance of the Specified HF Land Shares being received, it is the intention of the Offeror that the HF Land Group will not make changes to its principal businesses nor conduct any business other than the Distributed Businesses. It is also the intention of the Offeror that the HF Land Group will not hold any assets other than those relating to the Distributed Businesses, nor be injected any major assets, nor dispose of any major assets, after the close of the Offer. If the Offeror received all acceptances of the Specified HF Land Shares, the Offeror Parties will be interested in approximately 60.5% of the issued share capital of HF Land.

Interests of the HF Land Shareholders will be safeguarded by the new bye-laws of the HF Land, which will contain provisions substantially required under the Listing Rules in respect of listed issuers. A summary of key terms of the new bye-laws of HF Land will be included in the Circular. Independent Shareholders should note that HF Land would remain as a public company under the Takeovers Code.

As at the date of this announcement, the board of directors of HF Land comprises all of the three existing executive Directors, namely Mr. Cheong Pin Chuan, Patrick, Mr. Cheong Kim Pong and Mr. Cheong Sim Eng, and Ms. Cheong Hooi Kheng. None of the independent non-executive Directors has been appointed as a director of HF Land. Upon close of the Offer, the composition of the board of directors of HF Land may change. Further announcements in this regard will be made as and when appropriate.

Stamp duty, dealings and others

As at the date of this announcement, none of the Shareholders has undertaken or notified the Offeror of an intention to accept or reject the Offer.

The Specified HF Land Shares will be acquired by the Offeror with the right to receive all dividends and distributions declared, paid or made on or after the Record Date and free from all third party rights.

As at the date of this announcement, HF Land has no outstanding securities, options, warrants or derivatives which are convertible into or which confers rights to require the issue of HF Land Shares. The Offeror has confirmed that the Offeror Parties have not entered into any agreements in relation to the issue of any convertible securities, options, warrants or derivatives of HF Land.

The Offeror has confirmed that it has no other arrangements (whether by way of option, indemnity or otherwise) in relation to the HF Land Shares which might be material to the Offer.

The Offeror has further confirmed that there are no other agreements or arrangements to which the Offeror is party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.

Since HF Land is a company incorporated in Bermuda and its register of members is located and maintained there, no Hong Kong stamp duty is payable on any transfer of the HF Land Shares.

Save for any entitlements to receive HF Land Shares pursuant to the Group Reorganisation, none of the Offeror Parties holds any securities in HF Land. None of the Offeror Parties dealt in any securities in HF Land during the six-month period immediately preceding 25 May 2007 (being the date of commencement of the Offer period as defined in the Takeovers Code and the date of this announcement).

SHAREHOLDING STRUCTURES

The Company

Set out below are the shareholding structures of the Company (i) as at the date of this announcement; (ii) upon Completion; and (iii) when the Offer becomes unconditional:

Shareholders	As at the date of this announcement		Upon Completion		When the Offer becomes unconditional	
	Shares	%	Shares	%	Shares	%
The Vendor, its associates and the Offeror Parties	608,042,787	40.7	1,508,042,787	63.0	918,463,987	38.4
Barragan Trading Corp.	285,312,566	19.1	285,312,566	11.9	475,520,944	19.9
Public	599,055,633	40.2	599,055,633	25.1	998,426,055	41.7
Total	<u>1,492,410,986</u>	<u>100.0</u>	<u>2,392,410,986</u>	<u>100.0</u>	<u>2,392,410,986</u>	<u>100.0</u>

HF Land

Set out below are the shareholding structures of HF Land (i) upon completion of the Group Reorganisation; and (ii) when the Offer becomes unconditional:

HF Land Shareholders	Upon completion of the Group Reorganisation		When the Offer becomes unconditional	
	HF Land Shares	%	HF Land Shares	%
The Vendor, its associates and the Offeror Parties	608,042,787	40.7	902,832,187	60.5
Barragan Trading Corp.	285,312,566	19.1	190,208,377	12.7
Public	599,055,633	40.2	399,370,422	26.8
Disinterested HF Land Shareholders	<u>884,368,199</u>	<u>59.3</u>	<u>589,578,799</u>	<u>39.5</u>
Total	<u>1,492,410,986</u>	<u>100.0</u>	<u>1,492,410,986</u>	<u>100.0</u>

GENERAL

The SGM will be held for the Shareholders to consider and, if thought fit, approve the resolutions in respect of the Proposal and the Capital Reorganisation but only the Independent Shareholders (who have no material interest in the Proposal) will be permitted to vote on. The Vendor, its associates and the Offeror Parties will abstain from voting on the relevant resolutions in respect of the Proposal and the Capital Reorganisation, which will be taken by way of poll at the SGM. As at the date of this announcement, the Vendor, its associates and the Offeror Parties hold 608,042,787 Shares (representing approximately 40.7% of the issued share capital of the Company).

An independent board committee of the Company, comprising all the independent non-executive Directors namely Mr. Kan Fook Yee, Mr. Lai Hing Chiu, Dominic and Mr. Chan Yee Hoi, Robert, has been formed to make a recommendation to the Independent Shareholders, and Hercules has been approved by the independent board committee as the independent financial adviser to advise the independent board committee and the Independent Shareholders, in respect of the Proposal.

The Circular containing, among other things, (i) further details of the Proposal; (ii) an accountants' report on the Group; (iii) an accountants' report on the Goldease Group; and (iv) an accountants' report on HF Land Group; (v) unaudited pro forma financial information; (vi) Bond valuation report; (vii) the letter of recommendation from the independent board committee of the Company; and (viii) the letter of advice from Hercules; and (viii) the notice convening the SGM will be despatched to the Shareholders as soon as possible.

In respect of the Offer, Hercules has been retained by the board of directors of HF Land to advise the Disinterested HF Land Shareholders, in particular, as to whether the Offer is, or is not, fair and reasonable and as to acceptance if it is made. The advice and recommendation of Hercules in respect of the Offer will be included in the composite Offer document.

In accordance with Rule 8.2 of the Takeovers Code, the composite Offer document is required to be posted by or on behalf of the Offeror within 35 days of the date of this announcement. However, as there are pre-conditions including Completion, completion of the Group Reorganisation, to the making of the Offer, application will be made by the Offeror for the Executive's consent under Rule 8.2 of the Takeovers Code to extend the deadline for despatch of the composite Offer document to within seven days of fulfilment of such pre-conditions.

Announcement of the Company dated 18 July 2006

The Company announced on 18 July 2006 the proposed change of company name from "Winfoong International Limited" to "Hong Fok Land International Limited". Such proposed change was conditional upon (i) approval by the Shareholders at a special general meeting; and (ii) approval by the Registrar of Companies in Bermuda. The Board confirms that no special general meeting has ever been convened for the purposes of such proposed change and no application has ever been made for approval by Registrar of Companies in Bermuda in connection therewith.

The Board announces that the proposed change of company name from “Winfoong International Limited” to “Hong Fok Land International Limited” will no longer proceed.

Securities in HF Land

It is expected that before completion of the Group Reorganisation, HF Land will have a total of 1,492,410,986 HF Land Shares in issue. Save as aforesaid, it is expected that HF Land will not have any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

Dealings disclosure

The associates (as defined in the Takeovers Code) of HF Land and the Offeror are reminded to disclose their dealings in the securities in HF Land and the Shares under Rule 22 of the Takeovers Code.

Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates (as defined in the Takeovers Code) and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any seven day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates (as defined in the Takeovers Code) and other person themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that the stockbrokers and other intermediaries will supply the Executive with the relevant information as to those dealings, including identities of clients, as part of that co-operation.

DEFINITIONS

In this announcement, the following terms have the following meanings:

“Acquisition”	the proposed acquisition of the Sale Shares and the Sale Loan on the terms and subject to the conditions of the Agreement
“acting in concert”	the meaning given to it in the Takeovers Code
“Agreement”	the sale and purchase agreement dated 25 May 2007 entered into among the Purchaser, the Company and the Vendor in relation to the Acquisition
“associates”	the meaning given to it in the Listing Rules
“Assured Entitlement(s)”	the assured entitlement(s) to the Offer for the Disinterested HF Land Shareholder(s) as described herein
“Board”	the board of Directors
“Bond”	the unsecured 3% per annum interest-bearing bond in denominations of HK\$0.24 each to be issued by the Offeror under the Offer
“Capital Reorganisation”	the Share Premium Cancellation and the Share Capital Increase
“Cheong’s Family”	Mr. Cheong Pin Chuan, Patrick, Mr. Cheong Kim Pong and Mr. Cheong Sim Eng, Ms. Cheong Hooi Kheng and Madam Lim Ghee
“Circular”	a circular of the Company in relation to, among other things, the Proposal and the Capital Reorganisation to be despatched to the Shareholders
“Company”	Winfoong International Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Agreement
“Consideration”	the aggregate consideration of S\$22,242,122 (equivalent to approximately HK\$114,000,000) payable by the Purchaser for the Acquisition
“Consideration Shares”	900,000,000 new Shares at an issue price of HK\$0.10 each to be allotted and issued to the Vendor upon Completion
“Director(s)”	director(s) of the Company
“Disinterested HF Land Shareholders”	HF Land Shareholders other than the Vendor, its associates and the Offeror Parties on the Record Date
“Distributed Businesses”	all businesses of the Group other than the Remaining Businesses, i.e. the Group’s holding of the properties at 15 and 17 Magazine Gap Road in Hong Kong, properties in the PRC and an approximately 20.2% interest in the Vendor

“Distribution in Specie”	the proposed distribution of all the issued share capital of HF Land
“Effective Date”	the date on which the Share Premium Cancellation shall become effective, being the next business day (in Bermuda) following the date of the SGM at which the relevant special resolution approving the Share Premium Cancellation is passed by the Shareholders
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
“Goldease”	Goldease Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Vendor as at the date of this announcement
“Goldease Group”	Goldease and its subsidiaries
“Group”	the Company and its existing subsidiaries
“Group Reorganisation”	the proposed reorganisation for the Group pursuant to which: (i) the Company will continue to be a listed company and the Remaining Group will be carrying on the Remaining Businesses; (ii) the HF Land Group will be carrying on the Distributed Businesses; and (iii) the Shareholders will receive by way of distribution in specie of the HF Land Shares on the basis of one HF Land Share for each Share held
“Hercules”	Hercules Capital Limited, a corporation licensed under the SFO to conduct Type 6 (advising on corporate finance) regulated activity for the purposes of the SFO and the independent financial adviser to the Company and HF Land
“HF Land”	Hong Fok Land International Limited, a company incorporated in Bermuda with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“HF Land Group”	HF Land and the subsidiaries to be acquired
“HF Land Shares”	ordinary share(s) of HK\$0.05 each in the issued share capital of HF Land
“HF Land Shareholder(s)”	holder(s) of the HF Land Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than (i) the Vendor, its associates and Offeror Parties and (ii) those who are involved in or interested in the Agreement and the Whitewash Waiver
“Kingsway”	Kingsway Financial Services Group Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities for the purposes of the SFO and the financial adviser to the Offeror
“Last Trading Day”	25 May 2007, being the last day on which the Shares were traded on the Stock Exchange prior to the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the possible conditional partial offer to be made by Kingsway on behalf of the Offeror and pursuant to the Takeovers Code to acquire the Specified HF Land Shares
“Offeror”	Yorkwin Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Vendor
“Offeror Parties”	the Offeror and parties acting in concert with it
“PRC”	People’s Republic of China
“Proposal”	the proposal to be put forward by the Board at the SGM in respect of the Group Reorganisation (including the distribution in specie of the HF Land Shares) and the Acquisition (including the issue of the Consideration Shares and the Whitewash Waiver), taking into account the Offer
“Purchaser”	Winfoong Assets Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Record Date”	the record date, to be fixed, for determining entitlements to the distribution in specie of HF Land Shares pursuant to the Group Reorganisation
“Remaining Businesses”	the Group’s property related businesses and the provision of horticultural services including the holding of the redevelopment project at 38 Conduit Road in Hong Kong

“Remaining Group”	the Group excluding the HF Land Group
“Sale Loan”	the outstanding inter-company loan owed by the Goldease Group to the subsidiaries of the Vendor which shall be not less than S\$33.2 million on Completion and proposed to be acquired by the Purchaser pursuant to the Agreement
“Sale Shares”	shares representing the entire issued share capital of Goldease
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting to be convened by the Company to consider and, if thought fit, approve the Proposal and the Capital Reorganisation
“Share Capital Increase”	the proposed increase in the authorised share capital of the Company from HK\$100,000,000 to HK\$150,000,000 by the creation of an additional 1,000,000,000 Shares
“Share Premium Cancellation”	the proposed cancellation of the entire amount standing to the credit of the share premium account of the Company as at the Effective Date
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Singapore Properties”	11 apartment units of Jewel of Balmoral, and 4 apartment units of ten@suffolk, in Singapore
“Specified HF Land Shares”	the precise number of HF Land Shares for which the Offer is made representing one-third of the HF Land Shares held by the Disinterested HF Land Shareholders on the Record Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“Vendor”	Hong Fok Corporation Limited, a company incorporated in the Republic of Singapore and listed on The Singapore Exchange Securities Trading Limited
“Whitewash Waiver”	a waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code from the obligation of the Vendor and parties acting in concert with it to make a mandatory offer for all the Shares other than those held by the Vendor and parties acting in concert with it and the Consideration Shares
“HK\$”	Hong Kong dollars
“S\$”	Singapore dollars
“0%”	per cent.

Amounts expressed in S\$ have been translated into HK\$ at the rate of S\$1.0 = HK\$5.125 respectively in this announcement for illustrative purposes.

As at the date of this announcement, the board of directors of the Offeror comprises of four executive directors, namely Mr. Cheong Pin Chuan, Patrick, Mr. Cheong Kim Pong, Mr. Cheong Sim Eng and Ms. Cheong Hooi Kheng.

As at the date of this announcement, the board of directors of the Vendor comprises of (i) four executive directors, namely Mr. Cheong Pin Chuan, Patrick, Mr. Cheong Kim Pong, Mr. Cheong Sim Eng and Ms. Cheong Hooi Kheng; and (ii) four non-executive directors, namely Madam Lim Ghee, Mr. Jackson Lee, Mr. Lai Meng Seng and Mr. Tan Tock Han.

As at the date of this announcement, the Board comprises of (i) three executive Directors, namely Mr. Cheong Pin Chuan, Patrick, Mr. Cheong Kim Pong and Mr. Cheong Sim Eng and; (ii) one non-executive Director, namely Madam Lim Ghee; and (iii) three independent non-executive Directors, namely Mr. Lai Hing Chiu, Dominic, Mr. Kan Fook Yee and Mr. Chan Yee Hoi, Robert.

By order of the Board
Winfoong International Limited
Cheong Pin Chuan, Patrick
Chairman

Hong Kong, 25 May 2007

The directors of the Offeror jointly and severally accepts full responsibility for the accuracy for the information contained in this announcement (other than that relating to the Group (including the HF Land Group), the Capital Reorganisation, the Group Reorganisation, the Vendor, its associates and parties acting in concert with the Vendor) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the Group (including the HF Land Group), the Capital Reorganisation, the Group Reorganisation, the Vendor, its associates and parties acting in concert with the Vendor) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of the Vendor jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror, its associates and parties acting in concert with the Offeror, the Group (including the HF Land Group), the Capital Reorganisation and the Group Reorganisation) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the Offeror, its associates and parties acting in concert with the Offeror, the Group, (including the HF Land Group), the Capital Reorganisation and the Group Reorganisation) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained this announcement (other than that relating to the Offeror, the Vendor, their respective associates and parties acting in concert with each of the Offeror or the Vendor) and confirm, having made all reasonable enquiries that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the Offeror, the Vendor, their respective associates and parties acting in concert with each of the Offeror or the Vendor) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* For identification purpose only

Please also refer to the published version of this announcement in The Standard.