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king fook holdings limited 景福集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 280)

BASIS OF ALLOCATION OF EXCESS RIGHTS SHARES AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

This announcement is issued to supplement the announcement of the Company dated 30 April 2013 to give the Directors' responsibility statement in compliance with Rule 9.3 of the Hong Kong Code on Takeovers and Mergers.

Reference is made to the announcement issued by King Fook Holdings Limited (the "**Company**") dated 25 April 2013 (the "**Announcement**") in relation to, amongst other things, the Rights Issue and the application for the Whitewash Waiver. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

Basis of allocation of excess Rights Shares

It was mentioned in the Announcement that Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders, any unsold Rights Shares created by adding together fractions of the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders.

The Directors will allocate the excess Rights Shares at their discretion, but on a fair and equitable basis to Qualifying Shareholders who have applied for excess Rights Shares on the following principles:-

- 1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings (in particular those already existed on the date of the Announcement or created as a result of the Rights Issue) to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism;

- 2) subject to availability of excess Rights Shares after allocation under principle (1) above, any remaining excess Rights Shares will be allocated to applicants with reference to their respective shareholdings in the Company as at the Record Date; and
- 3) subject to availability of excess Rights Shares after allocation under principles (1) and (2) above, any further remaining excess Rights Shares will be allocated to applicants in proportion to the number of excess Rights Shares being applied for under each application.

Shareholders with their Shares held by a nominee company (or which are deposited into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited (“CCASS”)) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the above arrangement in relation to allocation of excess Rights Shares will not be extended to beneficial owners individually. The Shareholders with their Shares held by a nominee company (or which are deposited into CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

Shareholders whose Shares are held by their nominee(s) (or which are deposited into CCASS) and who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Share Registrar for completion of the relevant registration by 4:30 p.m. on Monday, 3 June 2013 (the register of members of the Company will be closed on Tuesday, 4 June 2013).

Appointment of independent financial adviser

The Company is pleased to announce that Beijing Securities Limited has been appointed as the independent financial adviser (the “**Independent Financial Adviser**”) to advise the Independent Board Committee and the Independent Shareholders as to whether terms of the Rights Issue, the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code.

By Order of the Board of
King Fook Holdings Limited
Yeung Ping Leung, Howard
Chairman

Hong Kong, 2 May 2013

As at the date of this announcement, the executive Directors are Mr. Yeung Ping Leung, Howard, Mr. Tang Yat Sun, Richard, Mr. Cheng Ka On, Dominic, Mr. Yeung Bing Kwong, Kenneth and Ms. Fung Chung Yee, Caroline; the non-executive Director is Mr. Wong Wei Ping, Martin; and the independent non-executive Directors are Mr. Lau To Yee, Mr. Cheng Kar Shing, Peter, Mr. Chan Chak Cheung, William, Mr. Ho Hau Hay, Hamilton, Mr. Sin Nga Yan, Benedict and Mr. Cheng Kwok Shing, Anthony.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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.