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HON CORPORATION LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8259)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 15 January 2019.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the shares of the Company (the “Shares”) could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

This announcement is made by Hon Corporation Limited (the “**Company**”) at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to Rule 17.10(1) of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) in respect of the concentration of the shareholding of the Company in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 15 January 2019.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement (the “**SFC Announcement**”) has been published by the Securities and Futures Commission (the “**SFC**”) on 25 January 2019.

As disclosed in the SFC Announcement:

The SFC has recently completed an enquiry into the shareholding of the Company. SFC’s findings suggested that, as at 15 January 2019, a group of 10 Shareholders held an aggregate of 88,564,000 Shares, representing 18.5% of the issued Shares. Such shareholding, together with 360,000,000 Shares (representing 75.0% of the issued Shares) held by the substantial Shareholder of the Company, represented 93.5% of the issued Shares as at 15 January 2019. Therefore, only 31,436,000 Shares (representing 6.5% of the issued Shares) were held by other Shareholders.

According to the SFC Announcement, as at 15 January 2019, the shareholding structure of the Company was as follows:

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
Bizstar Global Limited (<i>Note 1</i>)	360,000,000	75.0
A group of 10 Shareholders	88,564,000	18.5
Other Shareholders	<u>31,436,000</u>	<u>6.5</u>
Total	<u><u>480,000,000</u></u>	<u><u>100.0</u></u>

Note 1: The entire issued share capital of Bizstar Global Limited is legally and beneficially owned as to 70% by Mr. Ho Lien Hwai (“Mr. Ho”) and 30% by Mr. Lim Shi Min (“Mr. Lim”). Accordingly, Mr. Ho and Mr. Lim are deemed to be interested in 360,000,000 shares of the Company held by Bizstar Global Limited by virtue of the Securities and Futures Ordinance. Mr. Ho is the Chairman, Chief Executive Officer and an Executive Director of the Company. Mr. Lim is an Executive Director of the Company.

As stated in the SFC Announcement:

- A. The Shares were listed on the GEM Board of the Stock Exchange by way of placing and public offer of a total of 120,000,000 shares (representing 25% of the issued Shares) at \$0.50 per share on 7 November 2018.
- B. During the period from 7 November 2018 to 27 December 2018, share price of the Company closed between \$0.50 and \$0.71. Subsequently during the two trading days on 28 December 2018 and 31 December 2018, the closing price of the Shares surged by a total of 197% to close at \$2.05.
- C. As at 24 January 2019, share price of the Company closed at \$1.54, which was 123% higher than the closing price of \$0.69 on 27 December 2018 or approximately 3 times of its IPO offer price of \$0.50.

The Board wishes to clarify that the above information is extracted from the SFC Announcement and the Board has not independently verified such information. Accordingly, the Board is not in a position to comment on the accuracy of the above information except for (i) the number of Shares held by and the shareholding of Bizstar Global Limited; and (ii) the information set out in paragraphs (A) to (C) above. Please refer to the SFC Announcement for other information.

PUBLIC FLOAT

Based on the information available and to the Directors' best knowledge after making all reasonable enquiries, the Company confirms that not less than 25% of the issued Shares were and are in the hands of the public as at 15 January 2019 and the date of this announcement, and the Company is able to comply with the public float requirement under the GEM Listing Rules.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

By Order of the Board
Hon Corporation Limited
Ho Lien Hwai

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 25 January 2019

As at the date of this announcement, the executive Directors are Mr. Ho Lien Hwai, Ms. Ng Mei Yun and Mr. Lim Shi Min; and the independent non-executive Directors are Mr. Ng Chye Kim, Mr. Lau Wang Lap and Mr. Chan Shun Yin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page on the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company's website at www.honindustries.com.sg.