

## General Announcement::Clarification Announcement

## Issuer &amp; Securities

<b>Issuer/ Manager</b>	HAFARY HOLDINGS LIMITED
<b>Securities</b>	HAFARY HOLDINGS LIMITED - SG2F75992345 - 5VS
<b>Stapled Security</b>	No

## Announcement Details

<b>Announcement Title</b>	General Announcement
<b>Date &amp; Time of Broadcast</b>	04-Dec-2014 18:03:57
<b>Status</b>	New
<b>Announcement Sub Title</b>	Clarification Announcement
<b>Announcement Reference</b>	SG141204OTHR5QUC
<b>Submitted By (Co./ Ind. Name)</b>	Tay Eng Kiat Jackson
<b>Designation</b>	Financial Controller
<b>Description (Please provide a detailed description of the event in the box below)</b>	Please refer to the attachment.
<b>Attachments</b>	<a href="#">HHL - Clarification .pdf</a> Total size =22K

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**HAFARY HOLDINGS LIMITED**

(Company Registration No.: 200918637C)

(Incorporated in the Republic of Singapore)

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**CLARIFICATION ANNOUNCEMENT**

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1. The Company refers to 'Financial Statements and Related Announcement: First Quarter Results' dated 6 November 2014 (the "**Results Announcement**"). All capitalized terms used and not defined herein shall have the same meanings given to them in the Results Announcement.
2. The Company wishes to clarify that there has been interested person transactions that amounted to S\$100,000 and above during 1Q2015. The correct disclosure under Paragraph 13 of the Results Announcement should be as follows:

"13. Interested Person Transactions ("**IPTs**")"

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000)	
	Not conducted under shareholders' mandate pursuant to Rule 920	Conducted under shareholders' mandate pursuant to Rule 920
	S\$'000	S\$'000
Capitalization of other payables from World Furnishing Hub Pte. Ltd. (" <b>WFHPL</b> "), a subsidiary of the Company, into share capital of WFHPL:-		
Mr. Low See Ching (Non-Executive Director and controlling shareholder)	211	-
Mr. Ching Chiat Kwong (controlling shareholder)	278	-
Total	<u>489</u>	<u>-</u>

No IPT mandate has been renewed in the last Annual General Meeting held on 31 October 2014 or obtained."

Except as stated above, all information in the Results Announcement remains unchanged.

### 3. BACKGROUND INFORMATION

- 3.1 WFHPL was incorporated on 2 July 2013 as a special purpose vehicle by (i) Hafary Pte. Ltd. ("**HPL**"), Mr Low See Ching and Mr Ching Chiat Kwong (collectively, the "**Promoters**"); and (ii) Sitra Agencies Pte Ltd (a wholly-owned subsidiary of Sitra Holdings (International) Limited) ("**Sitra Agencies**") for the purposes of the acquisition of 18 Sungei Kadut Street 2 Singapore 729236 (the "**Property**"). An announcement was made by the Company on 3 July 2013 in respect thereof.

The shareholding structure of WFHPL is as follows:-

- (i) HPL – 46%;
  - (ii) Mr Low See Ching – 19%;
  - (iii) Mr Ching Chiat Kwong – 25%; and
  - (iv) Sitra Agencies – 10%.
- 3.2 For the purpose of financing the acquisition and redevelopment of the Property, the Promoters will provide loans to WFHPL and/ or capital subscriptions for themselves and for and on behalf of Sitra Agencies and provide financial support (such as guarantee or similar obligation) in respect of the obligations or indebtedness of WFHPL in proportion to their shareholding interest in WFHPL as follows:
- (i) HPL – 51.11% (being 46% of the 90% collective shareholding interest of the Promoters);
  - (ii) Mr Low See Ching – 21.11% (being 19% of the 90% collective shareholding interest of the Promoters); and
  - (iii) Mr Ching Chiat Kwong – 27.78% (being 25% of the 90% collective shareholding interest of the Promoters).

85% of cost of acquisition and redevelopment of the Property will be financed by bank borrowings.

Sitra Agencies, which holds the remaining 10% shareholding interest in WFHPL, will not be required to make any capital contributions or financial support, including loans or other monetary payment to WFHPL. Sitra Agencies is an unrelated third party and is not an interested person.

- 3.3 It is a condition under the terms of the bank borrowings for issued and paid-up share capital of WFHPL to be increased to S\$1,000,000. As such the Promoters commercially agreed to capitalize amounts owing to them from WFHPL into the share capital of WFHPL (the "**Capitalization**"). There is no change in shareholding structure after the Capitalization. The rationale and the benefit to the Company for the Capitalization ties in with the purpose of the incorporation of WFHPL, which is to acquire and redevelop the Property for purposes set out in Paragraph 3 of the announcement released by the Company on 11 December 2012.
- 3.4 As announced on 26 March 2014, the Company has obtained confirmation from the SGX-ST that the exception in Rule 916(2) of the Listing Manual applied to the transaction.

By Order of the Board

Tay Eng Kiat Jackson  
Financial Controller

4 December 2014