

MISCELLANEOUS :: DISBURSEMENT OF PLACEMENT PROCEEDS

Like 0 Tweet 0

0


1

* Asterisks denote mandatory information

Name of Announcer *	HAFARY HOLDINGS LIMITED
Company Registration No.	200918637C
Announcement submitted on behalf of	HAFARY HOLDINGS LIMITED
Announcement is submitted with respect to *	HAFARY HOLDINGS LIMITED
Announcement is submitted by *	Tay Eng Kiat Jackson
Designation *	Financial Controller
Date & Time of Broadcast	23-Sep-2013 18:44:03
Announcement No.	00095

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	Disbursement of Placement Proceeds
Description	Please refer to the attachment.
Attachments	<p> HHL-Disbursement of placement proceeds Sep 2013.pdf</p> <p>Total size =47K (2048K size limit recommended)</p>

HAFARY HOLDINGS LIMITED
(Company Registration No: 200918637C)
(Incorporated in the Republic of Singapore)

UPDATE ON THE USE OF PROCEEDS FROM THE PLACEMENT

*Unless otherwise defined, all capitalised terms used herein shall have the meanings ascribed to them in the announcement of Hafary Holdings Limited (the "Company") dated 5 February 2013 in relation to the proposed placement of up to 20,000,000 new Ordinary Shares (the "**5 February Announcement**").*

The Board of Directors of the Company (and together with its subsidiaries, the "**Group**") refers to the 5 February Announcement.

It was disclosed in the 5 February Announcement that the Net Proceeds of approximately S\$5.8 million (after deducting expenses of approximately S\$0.1 million incurred by the Company in connection with the Placement) was intended for the following purposes:

- a) Redevelopment of the property at 18C Sungei Kadut Street 4

Approximately S\$2.0 million (amounting to approximately 34.5% of the Net Proceeds) will be used to build a 3-storey support warehouse at 18C Sungei Kadut Street 4 for the storage of marble and stone materials. The estimated gross floor area of this warehouse is approximately 2,783.76 square metres; and

- b) General working capital purposes

Approximately S\$3.8 million (amounting to approximately 65.5% of the Net Proceeds) will be used for the purchasing and holding of inventory as the Group's business increase, in particular in relation to its public projects.

The Company would like to announce, pursuant to Rule 704(30) of the Listing Manual, that there will be a change of use of the Net Proceeds which was set out in the 5 February Announcement. The Company has decided to construct a 2-storey support warehouse at 18C Sungei Kadut Street 4, instead of the previously proposed 3-storey support warehouse, in order to maximise cost efficiency. The 2-storey support warehouse at 18C Sungei Kadut Street 4 is expected to fulfil the operational needs of the Group.

Consequently, the cost of redevelopment of the property at 18C Sungei Kadut Street 4 would be lower and the Net Proceeds to be used for such purpose is expected to be reduced to S\$1.5 million. The balance S\$0.5 million of the Net Proceeds shall be re-allocated for general working capital purpose to support the on-going expansion of the Group's business in Singapore. The revised allocation of Net Proceeds shall be as follows:

Use of Net Proceeds	Allocation of Net Proceeds (\$'000)	Re-allocation (\$'000)	Revised allocation of Net Proceeds (\$'000)
Redevelopment of the property at 18C Sungei Kadut Street 4	2,000	(500)	1,500
For general working capital purposes	3,800	500	4,300
	5,800	-	5,800

The Board of Directors of the Company considers the above change in the intended use of the Net Proceeds advantageous to the Company and in the interest of the Company and shareholders of the Company as a whole.

As at date of this announcement, the Group has utilised the Net Proceeds as follows:-

Use of Net Proceeds	Revised allocation of Net Proceeds (\$'000)	Net Proceeds utilised as announced previously between 13 March 2013 and 3 April 2013 (\$'000)	Net Proceeds utilised as announced herein (\$'000)	Balance of Net Proceeds as at 23 September 2013 (\$'000)
Redevelopment of the property at 18C Sungei Kadut Street 4	1,500	-	166	1,334
For general working capital purposes	4,300	3,800	-	500
	5,800	3,800	166	1,834

The Company will make periodic announcements via SGXNET on the utilisation of the Net Proceeds as and when the balance of the Net Proceeds are materially disbursed, and will provide a status report on the use of the Net Proceeds in its annual report.

By Order of the Board

Tay Eng Kiat Jackson
Financial Controller
23 September 2013