


MISCELLANEOUS

* 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
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	Hafary Holdings' interim net profit surges by 238% to S\$6.4 million
Description	Please see attached.
Attachments	 Hafary_Media_release_15_feb_2011.pdf Total size = 88K (2048K size limit recommended)



合發利控股有限公司

HAFARY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200918637C)

MEDIA RELEASE

HAFARY HOLDINGS' INTERIM NET PROFIT SURGES BY 238% TO S\$6.4 MILLION

- ***Strong profit growth is in line with double-digit improvement in revenue***
- ***The Company is well-positioned to leverage on growing demand for its products in Singapore***

Singapore, 14 February 2011 – Catalyst-listed Hafary Holdings Limited (“Hafary” or “the Group” or “合发利控股有限公司”), a leading supplier of premium tiles, wood flooring and sanitary ware in Singapore, is pleased to announce its financial results for the six months ended 31 December 2010 (“HY2011”).

Higher Revenue

The Group’s revenue increased by S\$12.1 million or 64% to S\$31.0 million for HY2011 from S\$18.9 million in HY2010. This was due to an increase in revenue contribution from renovation firms and homeowners for commercial and residential properties in Singapore.

Segmental Performance

Hafary’s revenue is derived from two business segments – Project segment and General segment. Revenue from the Project segment increased by S\$5.3 million or 115.8% over HY2010, due mainly to higher sales of tiles and stones to its Project

customers as a result of increased marketing efforts. Sales for the General segment increased by S\$6.8 million or 47.4%, due to the Group's wide product mix and its ability to supply the type of products that meet its customers' requirements.

Increases in Inventories and Purchases

To support higher demand from projects, inventories of finished goods were higher at S\$24.1 million as at the end of HY11 compared to S\$16.9 million at the end of HY10 due mainly to higher purchases. The higher inventories reflect the Group's efforts to increase the range of stone tiles, wood-flooring products and sanitary wares.

Strong Growth in Net Profit

Notwithstanding the higher costs of goods, operating expenses and other expenses, the Group's net profit and total comprehensive income for the period soared by **238%** to S\$6.4 million from S\$1.9 million in the previous corresponding period.

Hafary's Executive Chairman, Mr Low Kok Ann, commented, "We are delighted to have delivered a set of sterling results for the first half. However, we are not resting on our laurels. We have been progressively executing our growth strategies which we believe will take the Group to the next level of growth. Going forward, we will go full steam ahead with our expansion plans, while continuing to exercise prudence and vigilance in managing costs and improving operational efficiency."

Execution of Expansion Plans

Since its successful listing on SGX in October 2009, Hafary has already started executing some of its growth plans. Besides expanding its product range, Hafary has also increased its marketing exposure by opening a third showroom at Tradehub 21 located at Boon Lay Way.

In addition, Hafary will soon embark on the redevelopment of its own freehold land located at Lot 3106K of Mukim 24, Aljunied Road. Hafary intends to build a building which will house its own Corporate Office Building on this freehold land as well as a showroom for its wide range of products. Given the excellent frontage of the proposed

new building, the Group expects to further raise its profile and branding vis-à-vis the general public.

Barring unforeseen circumstances, the Group believes that the business outlook for the second half of the financial year is expected to remain healthy.

- End -

*Press Release issued for and on behalf of Hafary Holdings Limited
by Fort Engage Pte Ltd*

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