

HAFARY HOLDINGS LIMITED

(Company Registration No: 200918637C)
(Incorporated in the Republic of Singapore)
("Hafary" or the "Company")

INCORPORATION OF JOINT VENTURE COMPANY

The Board of Directors of Hafary Holdings Limited ("the Company") and its subsidiaries (the "**Group**") wish to announce that its wholly-owned subsidiary, Hafary Pte Ltd ("**HPL**"), together with Mr. Low See Ching, had on 5 February 2016 incorporated a joint venture company, namely Hafary Balestier Showroom Pte. Ltd. (the "**JV Co**"). The JV Co was incorporated with an issued and paid-up capital of S\$100.00 comprising 100 ordinary shares (the "**JV Co Shares**"), of which 51 JV Co Shares (representing a 51% equity interest in the JV Co) are held by HPL, and the remaining 49 JV Co Shares (representing a 49% equity interest in the JV Co) are held by Mr. Low See Ching. The JV Co will carry on the business of investment holding, including but not limited to the holding of properties.

The Company continually seeks opportunities for the development and growth of the Company's business and operations, and has incorporated the JV Co for purpose of optimising its investment risk, improving the efficiency in the use of funds, and to further broaden the financing channels available to the Group as and when investment opportunities arise. The Company will ensure that the necessary announcements are made as and when any material transactions are entered into by the JV Co.

As at the date of this Announcement, Mr. Low See Ching is a non-executive director of the Company, and would be regarded as an "interested person" as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"). HPL is a wholly-owned subsidiary of the Company and would be regarded as an "entity at risk" as defined in Chapter 9 therein. However, the amount at risk to the Company, being its contribution of S\$51.00 to the paid-up capital of the JV Co, is less than 3% of the Group's latest audited net tangible asset value and is less than S\$100,000. Accordingly, there is no requirement for any announcement to be made or any shareholders' approval to be obtained in relation thereto under Chapter 9 of the Listing Manual.

Save as disclosed above, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction (save for their respective shareholdings in the Company).

By Order of the Board

Low Kok Ann
Executive Director and CEO
16 March 2016