

HAFARY HOLDINGS LIMITED

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

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE SGX-ST LISTING MANUAL

Pursuant to Rule 706A of the listing manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**", and such listing manual, the "**Listing Manual**"), Hafary Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce the following transaction that occurred during the second half of the financial year ended 31 December 2023:

ACQUISITION OF 15.0% STAKE IN GUANGDONG ITA ELEMENT BUILDING MATERIALS CO., LIMITED ("ITA Element")

On 26 October 2023, the Group acquired an additional 15.0% effective interest in ITA Element (the "**Acquisition**"). Prior to 26 October 2023, the Group owned a 50.0% interest in ITA Element. Upon completion of the Acquisition, the Group has obtained control over ITA Element and ITA Element has been consolidated into the Group with effect from 26 October 2023.

Name of Company	:	Guangdong ITA Element Building Materials Co., Limited
Country of Incorporation	:	The People's Republic of China
Issued and paid-up capital	:	RMB 30 million
Principal activities	:	Production and distribution of tiles
Interest held by the Company	:	65.0%
Shareholders	:	Wei BeiZan (20%) and Chen ZaiFeng (15%)

The total cash consideration of RMB 4.5 million (equivalent to S\$0.8 million) in respect of the Acquisition was determined at arm's length and on a willing-buyer, willing-seller basis after taking into account, *inter alia*, the book value and the net tangible assets value of ITA Element. The net asset value of the 15.0% stake in ITA Element is RMB 3.5 million (equivalent to S\$0.7 million).

The Acquisition does not constitute a discloseable transaction as defined in Chapter 10 of the SGX-ST Listing Manual as none of the relative figures under Rule 1006 exceed 5.0%.

None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the above Acquisition, save for their respective interests, through their shareholdings and/or directorships, as the case may be, in the Company.

By Order of the Board

Low Kok Ann
Executive Director and CEO
7 February 2024