



HAFARY HOLDINGS LIMITED
合發利控股有限公司

Company Registration No. 200918637C
Registered Address: 105 Eunos Avenue 3, Hafary Centre, Singapore 409836

**Unaudited Financial Statements and Dividend Announcement
For the Fourth Quarter ("4Q2018") and Full Year ("FY2018")
Ended 31 December 2018**

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HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2018

1(a)(i) Statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	Unaudited 4Q2018	Unaudited 4Q2017	Increase/ (Decrease)	Unaudited FY2018	Audited FY2017	Increase/ (Decrease)
	(3 months) S\$'000	(3 months) S\$'000	(Decrease) %	(12 months) S\$'000	(12 months) S\$'000	(Decrease) %
Revenue	32,230	30,028	7.3	119,999	115,834	3.6
Interest Income	441	10	N.M.	472	58	N.M.
Other Gains	292	317	(7.9)	601	608	(1.2)
Changes In Inventories Of Finished Goods	3,309	178	N.M.	7,418	1,444	N.M.
Purchases And Related Costs	(21,936)	(17,568)	24.9	(76,144)	(69,785)	9.1
Employee Benefits Expenses	(5,132)	(4,936)	4.0	(19,637)	(18,515)	6.1
Amortisation And Depreciation Expense	(1,525)	(1,545)	(1.3)	(6,063)	(6,109)	(0.8)
Impairment Losses	(972)	(703)	38.3	(1,907)	(1,843)	3.5
Other Losses	(195)	(152)	28.3	(420)	(521)	(19.4)
Finance Costs	(1,081)	(945)	14.4	(4,161)	(3,607)	15.4
Other Expenses	(2,812)	(2,497)	12.6	(10,734)	(10,811)	(0.7)
Share Of Profit From An Equity-Accounted Associate	1,036	1,145	(9.5)	3,108	3,277	(5.2)
Share Of Losses From Equity-Accounted Joint Ventures	(184)	(57)	N.M.	(543)	(191)	N.M.
Profit Before Income Tax	3,471	3,275	6.0	11,989	9,839	21.9
Income Tax Expense	(596)	(424)	40.6	(1,870)	(1,407)	32.9
Profit, Net of Tax	2,875	2,851	0.8	10,119	8,432	20.0
Other Comprehensive Income (Loss):						
Items That May Be Reclassified Subsequently To Profit Or Loss:						
Exchange Differences On Translating Foreign Operations, Net Of Tax	23	(77)	N.M.	(437)	(652)	(33.0)
Other Comprehensive Income (Loss) For The Period, Net Of Tax	23	(77)	N.M.	(437)	(652)	(33.0)
Total Comprehensive Income	2,898	2,774	4.5	9,682	7,780	24.4
Profit, Net Of Tax Attributable To:						
- Owners Of The Parent	3,113	2,860	8.8	10,723	8,745	22.6
- Non-Controlling Interests	(238)	(9)	N.M.	(604)	(313)	93.0
	2,875	2,851	0.8	10,119	8,432	20.0
Total Comprehensive Income Attributable To:						
- Owners Of The Parent	3,136	2,783	12.7	10,286	8,093	27.1
- Non-Controlling Interests	(238)	(9)	N.M.	(604)	(313)	93.0
	2,898	2,774	4.5	9,682	7,780	24.4

Note:

(1) N.M. = Not meaningful

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1(a)(ii) Profit, Net of Tax and Total Comprehensive Income is arrived after crediting/ (charging)

	Group			Group		
	Unaudited 4Q2018	Unaudited 4Q2017	Increase/ (Decrease)	Unaudited FY2018	Audited FY2017	Increase/ (Decrease)
	(3 months) S\$'000	(3 months) S\$'000	(Decrease) %	(12 months) S\$'000	(12 months) S\$'000	(Decrease) %
Interest Expense On Borrowings	(1,081)	(945)	14.4	(4,161)	(3,607)	15.4
Interest Income	441	10	N.M.	472	58	N.M.
Amortisation And Depreciation Expense	(1,525)	(1,545)	(1.3)	(6,063)	(6,109)	(0.8)
Allowance For Impairment Of Trade Receivables	(263)	(4)	N.M.	(459)	(187)	N.M.
Bad Debts Recovered - Trade Receivables	6	24	(75.0)	16	60	(73.3)
Bad Debts Written-Off - Trade Receivables	(182)	(182)	-	(197)	(217)	(9.2)
Bad Debts Written-Off - Other Receivables	(8)	-	N.M.	(8)	-	N.M.
Net Allowance For Impairment Of Inventories	(525)	(541)	(3.0)	(1,259)	(1,499)	(16.0)
Foreign Exchange Adjustment Gain (Loss)	159	51	N.M.	(257)	181	N.M.
Fair Value (Loss) Gain On Derivative Financial Instruments, Net	(33)	(153)	(78.4)	194	(521)	N.M.
Fair Value (Loss) Gain On Other Financial Asset	(163)	98	N.M.	(163)	98	N.M.
Gain On Disposal Of Plant And Equipment	43	-	N.M.	31	-	N.M.
Adjustment For Over Provision Of Tax In Respect Of Prior Years	46	18	N.M.	51	97	(47.4)

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1(b)(i) Statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	Unaudited 31 December 2018 S\$'000	Audited 31 December 2017 S\$'000	Unaudited 31 December 2018 S\$'000	Audited 31 December 2017 S\$'000
ASSETS				
Non-Current Assets:				
Property, Plant and Equipment	107,132	111,225	454	167
Other Assets	4,125	4,395	-	-
Investments in Subsidiaries	-	-	9,239	9,239
Investment in an Associate	12,480	9,784	-	-
Investments in Joint Ventures	2,483	3,106	-	-
Investment Property	4,228	4,247	-	-
Other Financial Assets	423	2,636	423	586
Other Receivable	992	-	-	-
Total Non-Current Assets	131,863	135,393	10,116	9,992
Current Assets:				
Inventories	57,192	51,250	-	-
Trade and Other Receivables	35,560	32,977	29,454	29,416
Other Assets	5,774	4,899	9	4
Cash and Cash Equivalents	6,063	5,996	26	21
Total Current Assets	104,589	95,122	29,489	29,441
Total Assets	236,452	230,515	39,605	39,433
EQUITY AND LIABILITIES				
Equity:				
Share Capital	26,930	26,930	26,930	26,930
Retained Earnings	38,068	31,651	2,253	2,307
Other Reserves	(986)	(549)	-	-
Equity, Attributable to Owners of the Parent	64,012	58,032	29,183	29,237
Non-Controlling Interests	2,181	3,046	-	-
Total Equity	66,193	61,078	29,183	29,237
Non-Current Liabilities:				
Deferred Tax Liabilities	573	580	-	-
Other Financial Liabilities	83,080	86,898	193	54
Total Non-Current Liabilities	83,653	87,478	193	54
Current Liabilities:				
Provision	891	653	-	-
Income Tax Payable	2,043	1,589	4	3
Trade and Other Payables	20,835	19,988	10,182	10,105
Other Financial Liabilities	60,287	58,055	43	34
Other Liabilities	2,515	1,445	-	-
Derivative Financial Liabilities	35	229	-	-
Total Current Liabilities	86,606	81,959	10,229	10,142
Total Liabilities	170,259	169,437	10,422	10,196
Total Equity and Liabilities	236,452	230,515	39,605	39,433

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1(b)(ii) Aggregate amount of the Group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.**Amount repayable in one year or less, or on demand**

	Group			
	Unaudited		Audited	
	As at 31 December 2018		As at 31 December 2017	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank Loans	34,436	-	33,630	-
Trust Receipts and Bills Payable to Banks	25,451	-	24,017	-
Finance Lease Liabilities	400	-	408	-
	60,287	-	58,055	-

Amount repayable after one year

	Group			
	Unaudited		Audited	
	As at 31 December 2018		As at 31 December 2017	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank Loans	82,761	-	86,496	-
Finance Lease Liabilities	319	-	402	-
	83,080	-	86,898	-

Details of collaterals relating to the above borrowingsBank Loans

These are covered by:

- (a) corporate guarantees given by Hafary Holdings Limited and a subsidiary;
- (b) first legal mortgage over leasehold properties; and
- (c) legal assignment of current and future rental proceeds and insurance proceeds in respect of a leasehold property.

Borrowing drawn down in relation to the acquisition and development of leasehold property at 18 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729236 by a subsidiary is secured by first legal mortgage over the leasehold property. It is also covered by joint and several corporate guarantees from Hafary Holdings Limited and a subsidiary, personal guarantees from a director and a substantial shareholder.

Borrowings drawn down in relation to acquisition of freehold property at 532 Balestier Road Singapore 329859 by a subsidiary is secured by first legal mortgage over the freehold property. It is also covered by corporate guarantee from Hafary Holdings Limited and personal guarantee from a director.

Trust Receipts and Bills Payable to Banks

These are covered by corporate guarantees given by Hafary Holdings Limited.

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1(c) Statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	Unaudited 4Q2018	Unaudited 4Q2017	Unaudited FY2018	Audited FY2017
	(3 months) S\$'000	(3 months) S\$'000	(12 months) S\$'000	(12 months) S\$'000
Cash Flows From Operating Activities				
Profit Before Income Tax	3,471	3,275	11,989	9,839
Adjustment For:				
Interest Expense	1,081	945	4,161	3,607
Interest Income	(441)	(10)	(472)	(58)
Share Of Profit From An Equity-Accounted Associate	(1,036)	(1,145)	(3,108)	(3,277)
Share Of Losses From Equity-Accounted Joint Ventures	184	57	543	191
Equity-Settled Share-Based Expenses	-	-	-	62
Depreciation Of Investment Property	5	4	19	18
Depreciation Of Plant And Equipment	1,488	1,507	5,912	5,958
Amortisation Of Other Asset	32	34	132	133
Gain On Disposal Of Plant And Equipment	(43)	-	(31)	-
Fair Value Loss (Gain) On Other Financial Asset	163	(98)	163	(98)
Net Effect Of Exchange Rate Changes In Consolidating Subsidiaries	(9)	1	(4)	(61)
Operating Cash Flows Before Changes In Working Capital	4,895	4,570	19,304	16,314
Inventories	(2,772)	400	(5,942)	(374)
Trade And Other Receivables	1,492	750	1,573	(757)
Other Assets	(67)	(764)	(875)	(649)
Provision	131	112	238	130
Trade And Other Payables	(1,055)	1,547	1,517	(1,744)
Derivative Financial Liabilities	33	153	(194)	521
Other Liabilities	1,193	616	1,070	423
Net Cash Flows From Operations	3,850	7,384	16,691	13,864
Income Taxes Paid	(265)	(78)	(1,423)	(1,398)
Net Cash Flows From Operating Activities	3,585	7,306	15,268	12,466
Cash Flows From Investing Activities				
Purchase Of Property, Plant And Equipment	(403)	(860)	(2,541)	(3,806)
Proceeds From Disposal Of Plant And Equipment	162	247	162	252
Dividend Income From A Joint Venture	-	35	15	35
Dividend Income From An Associate	421	209	421	209
Investment In Joint Ventures	(5)	(3,090)	(5)	(3,090)
Interest Income Received	31	46	34	58
Net Movements In Amount Due From (To) An Associate	1,367	1,395	(1,314)	1,395
Net Movements In Amount Due From A Joint Venture	(1,412)	-	(1,412)	-
Redemption Of Other Financial Asset	-	-	-	656
Net Cash Flows From (Used In) Investing Activities	161	(2,018)	(4,640)	(4,291)
Cash Flows From Financing Activities				
Dividends Paid To Equity Owners	(2,153)	(2,153)	(4,306)	(4,298)
Dividends Paid To Non-Controlling Interests	-	-	(261)	(193)
Increase (Decrease) In Trust Receipts And Bills Payable	840	(2,514)	1,434	284
Net Movements In Amounts Due To A Director And A Shareholder	-	-	126	437
Repayment Of Finance Lease Liabilities	(170)	(112)	(487)	(598)
Increase From New Borrowings	-	4,400	6,242	8,242
Repayment Of Bank Loans	(2,073)	(3,322)	(9,171)	(6,895)
Interest Expense Paid	(1,068)	(945)	(4,141)	(3,580)
Net Cash Flows Used In Financing Activities	(4,624)	(4,646)	(10,564)	(6,601)
Net (Decrease) Increase In Cash And Cash Equivalents	(878)	642	64	1,574
Net Effect Of Exchange Rate Changes On Cash And Cash Equivalents	(4)	-	3	(16)
Cash And Cash Equivalents, Beginning Balance	6,945	5,354	5,996	4,438
Cash And Cash Equivalents, Ending Balance	6,063	5,996	6,063	5,996

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1(d)(i) Statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Total Equity S\$'000	Attributable to Parent Subtotal S\$'000	Share Capital S\$'000	Retained Earnings S\$'000	Other Reserves (Note 1) S\$'000	Non- Controlling Interests S\$'000
Current Period (Unaudited):						
Opening Balance at 1 January 2018	61,078	58,032	26,930	31,651	(549)	3,046
Total Comprehensive Income (Loss) for the Period	645	731	-	703	28	(86)
Closing Balance at 31 March 2018	61,723	58,763	26,930	32,354	(521)	2,960
Total Comprehensive Income (Loss) for the Period	3,254	3,394	-	3,229	165	(140)
Dividends Paid (Note 2)	(2,153)	(2,153)	-	(2,153)	-	-
Dividends Paid to Non-Controlling Interests	(261)	-	-	-	-	(261)
Closing Balance at 30 June 2018	62,563	60,004	26,930	33,430	(356)	2,559
Total Comprehensive Income (Loss) for the Period	2,885	3,025	-	3,678	(653)	(140)
Closing Balance at 30 September 2018	65,448	63,029	26,930	37,108	(1,009)	2,419
Total Comprehensive Income (Loss) for the Period	2,898	3,136	-	3,113	23	(238)
Dividends Paid (Note 2)	(2,153)	(2,153)	-	(2,153)	-	-
Closing Balance at 31 December 2018	66,193	64,012	26,930	38,068	(986)	2,181
Previous Period (Unaudited):						
Opening Balance at 1 January 2017	57,727	54,175	26,634	27,204	337	3,552
Total Comprehensive Income (Loss) for the Period	41	58	-	455	(397)	(17)
Equity-Settled Share-Based Expenses	30	30	-	-	30	-
Closing Balance at 31 March 2017	57,798	54,263	26,634	27,659	(30)	3,535
Total Comprehensive Income (Loss) for the Period	2,488	2,594	-	2,656	(62)	(106)
Equity-Settled Share-Based Expenses	32	32	-	-	32	-
Dividends Paid (Note 2)	(2,145)	(2,145)	-	(2,145)	-	-
Dividends Paid to Non-Controlling Interests	(193)	-	-	-	-	(193)
Closing Balance at 30 June 2017	57,980	54,744	26,634	28,170	(60)	3,236
Total Comprehensive Income (Loss) for the Period	2,477	2,658	-	2,774	(116)	(181)
Issuance of New Ordinary Shares on Vesting of Hafary Performance Share Plan	-	-	296	-	(296)	-
Closing Balance at 30 September 2017	60,457	57,402	26,930	30,944	(472)	3,055
Total Comprehensive Income (Loss) for the Period	2,774	2,783	-	2,860	(77)	(9)
Dividends Paid (Note 2)	(2,153)	(2,153)	-	(2,153)	-	-
Closing Balance at 31 December 2017	61,078	58,032	26,930	31,651	(549)	3,046

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1(d)(i) Statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

COMPANY	Total Equity S\$'000	Share Capital S\$'000	Retained Earnings S\$'000	Other Reserves (Note 1) S\$'000
Current Period (Unaudited):				
Opening Balance at 1 January 2018	29,237	26,930	2,307	-
Total Comprehensive Income for the Period	10	-	10	-
Closing Balance at 31 March 2018	29,247	26,930	2,317	-
Total Comprehensive Income for the Period	17	-	17	-
Dividends Paid (Note 2)	(2,153)	-	(2,153)	-
Closing Balance at 30 June 2018	27,111	26,930	181	-
Total Comprehensive Income for the Period	2,159	-	2,159	-
Closing Balance at 30 September 2018	29,270	26,930	2,340	-
Total Comprehensive Income for the Period	2,066	-	2,066	-
Dividends Paid (Note 2)	(2,153)	-	(2,153)	-
Closing Balance at 31 December 2018	29,183	26,930	2,253	-
Previous Period (Unaudited):				
Opening Balance at 1 January 2017	26,625	26,634	(243)	234
Total Comprehensive Income for the Period	2,410	-	2,410	-
Equity-Settled Share-Based Expenses	30	-	-	30
Closing Balance at 31 March 2017	29,065	26,634	2,167	264
Total Comprehensive Income for the Period	12	-	12	-
Equity-Settled Share-Based Expenses	32	-	-	32
Dividends Paid (Note 2)	(2,145)	-	(2,145)	-
Closing Balance at 30 June 2017	26,964	26,634	34	296
Total Comprehensive Income for the Period	2,161	-	2,161	-
Issuance of New Ordinary Shares on Vesting of Hafary Performance Share Plan	-	296	-	(296)
Closing Balance at 30 September 2017	29,125	26,930	2,195	-
Total Comprehensive Income for the Period	2,265	-	2,265	-
Dividends Paid (Note 2)	(2,153)	-	(2,153)	-
Closing Balance at 31 December 2017	29,237	26,930	2,307	-

Note 1:

Other Reserves	Group		Company	
	31 Dec 2018 S\$'000	31 Dec 2017 S\$'000	31 Dec 2018 S\$'000	31 Dec 2017 S\$'000
Foreign Currency Translation Reserve	(986)	(549)	-	-

Note 2:

Dividends on Equity Shares	Unaudited FY2018 S\$'000	Audited FY2017 S\$'000
Interim tax exempt (1-tier) dividend paid of:		

- 0.5 cent per share on total number of issued ordinary shares of 429,000,000	-	2,145
- 0.5 cent per share on total number of issued ordinary shares of 430,550,000	2,153	2,153

Final tax exempt (1-tier) dividend paid of:

- 0.5 cent per share on total number of issued ordinary shares of 430,550,000	2,153	-
	<u>4,306</u>	<u>4,298</u>

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1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately financial year.

There have been no changes in the Company's issued share capital since 31 December 2017. The Company has no outstanding share options, convertibles, treasury shares and subsidiary holdings as at 31 December 2018 and 31 December 2017.

The Company has not granted options or shares under its share scheme during the financial period ended 31 December 2018.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Company	
Unaudited 31 December 2018	Audited 31 December 2017
430,550,000	430,550,000

1(d)(iv) Statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company has no treasury shares as at 31 December 2018 and there were no sale transfer, disposal and/ or use of treasury shares during FY2018.

1(d)(v) Statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There was no subsidiary holdings during the financial period ended 31 December 2018.

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2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditor' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as set out in Note 5 of this announcement, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those used in the most recently audited annual financial statements as at 31 December 2017.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

In the current reporting period, the Group adopted all of the new or revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and the related Interpretations to SFRS(I) ("SFRS(I) INT") that are relevant to its operations and are effective for first-time adoption during the current reporting period. The adoption of these new and revised SFRS(I) and SFRS(I) INT has no material effect on the amounts reported for the current or prior reporting periods.

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6 Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share ("EPS") for the period based on profit, net of tax and total comprehensive income attributable to owners of the parent:

	Group		Group	
	Unaudited 4Q2018 (3 months)	Unaudited 4Q2017 (3 months)	Unaudited FY2018 (12 months)	Audited FY2017 (12 months)
EPS:				
(a) Basic	0.72 cents	0.66 cents	2.49 cents	2.03 cents
(b) Fully diluted basis	0.72 cents	0.66 cents	2.49 cents	2.03 cents

Basic EPS ratio is calculated by dividing profit, net of tax attributable to owners of the parent by the weighted average number of ordinary shares outstanding during each reporting year.

The dilutive effect derives from performance shares. The diluted amount per share is based on the weighted average number of ordinary shares and dilutive ordinary share equivalents outstanding during each period ended. The ordinary share equivalents included in these calculations are: (1) the average number of ordinary shares assumed to be outstanding during the period ended and (2) upon issuance of performance shares which (if any) would have a dilutive effect.

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7 Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Net asset value ("NAV") per ordinary share based on the total number of issued shares	14.9 cents	13.5 cents	6.8 cents	6.8 cents

Note:

NAV per ordinary share is calculated based on 430,550,000 ordinary shares in issue as at 31 December 2018 and 31 December 2017.

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8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business., including a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

8(a) Material factors that affected turnover, costs and earnings

Revenue

For 4Q2018, the Group registered a revenue of S\$32.2 million compared to S\$30.0 million during 4Q2017. For FY2018, the Group registered a revenue of S\$120.0 million compared to S\$115.8 million during FY2017.

The revenue mainly consists of below segments:

General segment

For 3 months ended, revenue from the general segment (where customers include home-owners, architecture, interior design and renovation firms) increased by S\$2.1 million or 12.0% from S\$17.5 million during 4Q2017 to S\$19.6 million during 4Q2018 at the back of a more active property resale market. For FY2018, revenue from general segment increased by S\$10.3 million or 17.0% from S\$60.6 million during FY2017 to S\$70.9 million during FY2018.

Project segment

For 3 months ended, revenue from the project segment (where customers include architecture firms, property developers and construction companies) decreased by S\$0.1 million or 0.8% from S\$11.9 million during 4Q2017 to S\$11.8 million during 4Q2018. For FY2018, revenue from project segment decreased by S\$6.7 million or 12.8% from S\$52.8 million during FY2017 to S\$46.1 million during FY2018. The project segment continued to be affected by the slowdown of private sector construction activities since 2017.

Interest Income

For 3 months ended and FY2018, interest income increased by S\$0.4 million. This pertaining to an investment income from the unquoted investment in previous year.

Other Gains

For 4Q2018, other gains mainly comprised of foreign exchange adjustments gain of S\$0.1 million, compensation received of S\$0.1 million, gain on disposal of plant and equipment of S\$43,000 and insurance claimed of S\$35,000. For FY2018, other gains mainly comprised of fair value gain on derivative financial instruments of S\$0.2 million, compensation received of S\$0.2 million, insurance claimed of S\$0.1 million and government grant income, such as those from wages credit scheme and special employment credit, amounting to S\$0.1 million.

For 4Q2017, other gains mainly comprised of other income arised from uncollected debt by suppliers for more than 6 years of S\$0.1 million, fair value gain on other financial asset of S\$0.1 million and foreign exchange adjustment gains of S\$0.1 million. For FY2017, other gains mainly comprised of foreign exchange adjustment gains of S\$0.2 million, other income arised from uncollected debt by suppliers for more than 6 years of S\$0.2 million, fair value gain other financial asset of S\$0.1 million and government grant income, such as those from wages credit scheme and temporary employment credit of S\$0.1 million.

Purchase of inventories are mainly denominated in United States Dollar ("USD") and Euro. The Group entered into foreign currency forward contracts to hedge against fluctuations of exchange rates in USD and Euro. These are binding contracts in the foreign exchange market that locks in the exchange rate for the purchase or sale of a currency on a future date. The difference between foreign currency forward contract rates and forward market rates as at period end date would then be recorded as fair value gain/(loss) on derivative financial instruments under 'Other Gains' or 'Other Losses'.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2018

8(a) Material factors that affected turnover, costs and earnings (Continued)

Other Losses

For 4Q2018, other losses mainly comprised of fair value loss on other financial asset of S\$0.2 million. For FY2018, other losses mainly comprised of foreign exchange adjustments loss of S\$0.2 million and fair value loss on other financial asset of S\$0.2 million.

For 4Q2017 and FY2017, other losses mainly comprised of fair value losses on derivative financial instruments of S\$0.2 million and S\$0.5 million respectively. Derivative financial instruments refer to foreign currency forward contracts. These are binding contracts in the foreign exchange market that locks in the exchange rate for the purchase or sale of currency on a future date.

Cost of Sales

Cost of sales is computed based on purchases and related expenses net of changes in inventories of finished goods for the respective financial years.

For 3 months ended, cost of sales increased by S\$1.2 million or 7.1% from S\$17.4 million during 4Q2017 to S\$18.6 million during 4Q2018. For FY2018, cost of sales increased by S\$0.4 million or 0.6% from S\$68.3 million during FY2017 to S\$68.7 million during FY2018.

The gross profit margin (based on revenue from sale of goods (excluding rental and other income) and cost of sales, without taking into account labor costs and overheads) of 40.6% for 4Q2018 (FY2018: 41.3%) and 40.9% for 4Q2017 (FY2017: 39.8%).

Employee Benefits Expense

For 3 months ended, employee benefits expenses increased by S\$0.2 million or 4.0% from S\$4.9 million during 4Q2017 to S\$5.1 million during 4Q2018. For FY2018, employee benefits expenses increased by S\$1.1 million or 6.1% from S\$18.5 million during FY2017 to S\$19.6 million during FY2018. As at 31 December 2018, the Group had 348 employees (including directors) (31 December 2017: 328).

The increase was mainly due to annual salary increment with effect from July 2018, overtime expenses incurred, changes in commission package and increase in headcount to cope with the increased volume of business of the Group.

Amortisation and Depreciation Expense

For 3 months ended, amortisation and depreciation expenses remain constant for 4Q2018 and 4Q2017 at S\$1.5 million. For 12 months ended, amortisation and depreciation expenses remain constant for FY2018 and FY2017 at S\$6.1 million.

Impairment Losses

The impairment losses mainly comprised of allowance for impairment of inventories, impairment of trade receivables and bad debt written off of trade receivables.

The management assesses the collectability of trade receivables regularly, considering various factors such as financial status of the Group's customers and age of trade debts. Impairment on specific trade receivables would be made if the chance of recovery is very low. Besides that, expected credit losses ("ECL") model is also being applied to determine the loss allowance for trade receivables based on historical observed default rates adjusted for forward-looking estimates in accordance with SFRS(I) 9 effective from 1 January 2018.

Impairment of inventories is assessed quarterly considering the age of inventory items and prevailing market demand of inventory category.

The impairment losses increased by S\$0.3 million or 38.3% from S\$0.7 million during 4Q2017 to S\$1.0 million during 4Q2018 mainly due to increase in allowance for impairment of trade receivables. For 12 months ended, impairment losses remain constant at S\$1.9 million mainly due to the increase in allowance for impairment of trade receivables of S\$0.3 million offset with decrease in allowance for impairment of inventories of S\$0.3 million.

Finance Costs

For 3 months ended, finance costs increased by S\$0.2 million or 14.4% from S\$0.9 million during 4Q2017 to S\$1.1 million during 4Q2018. For FY2018, the finance costs increased by S\$0.6 million or 15.4% from S\$3.6 million during FY2017 to S\$4.2 million during FY2018. The increase in finance costs was mainly due to increase in interest rates.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2018

8(a) Material factors that affected turnover, costs and earnings (Continued)

Other Expenses

For 3 months ended, other expenses increased by S\$0.3 million or 12.6% from S\$2.5 million during 4Q2017 to S\$2.8 million during 4Q2018. The increase in other expenses were mainly attributable to the commission payables to third parties and entertainment and refreshment on grand opening of stone gallery at World Furnishing Hub Pte Ltd located at 18 Sungei Kadut Street 2, Singapore 729236.

For FY2018, other expenses had decreased by S\$0.1 million or 0.7% from S\$10.8 million during FY2017 to S\$10.7 million during FY2018.

Share of Profit from an Equity-Accounted Associate

For 3 months ended, share of profit from associate, Viet Ceramics International Joint Stock Company ("VCI"), decreased by S\$0.1 million or 9.5% from S\$1.1 million during 4Q2017 to S\$1.0 million during 4Q2018. For FY2018, share of profit from associate, VCI decreased by S\$0.2 million or 5.2% from S\$3.3 million during FY2017 to S\$3.1 million during FY2018.

Share of Losses from Equity-Accounted Joint Ventures

In November 2017, the Group incorporated and took a 50% equity interest in a joint venture company, Guangdong ITA Element Building Materials Co., Limited ("ITA Element") with its capital injection of RMB15,000,000 (Equivalent S\$3.1 million). The investment in ITA Element is part of the Group's growth strategy to enhance its regional presence.

For 3 months ended, share of losses from joint ventures amounted to S\$0.2 million (4Q2017: Share of losses of S\$0.1 million). For FY2018, share of losses from joint ventures amounted to S\$0.5 million (FY2017: S\$0.2 million).

Profit Before Income Tax

For 3 months ended, profit before income tax increased by S\$0.2 million or 6.0% from S\$3.3 million during 4Q2017 to S\$3.5 million during 4Q2018. For FY2018, profit before income tax increased by S\$2.2 million or 21.9% from S\$9.8 million during FY2017 to S\$12.0 million during FY2018.

Excluding share of profits from associate and joint ventures amounting to S\$0.9 million (4Q2017: S\$1.1 million), profit before income tax generated from recurring activities was S\$2.6 million for 4Q2018 (4Q2017: S\$2.2 million). For FY2018, excluding share of profit from associate and joint ventures amounting to S\$2.6 million (FY2017: S\$3.1 million), profit before income tax generated from recurring activities was S\$9.4 million (FY2017: S\$6.8 million).

The higher profit before income tax generated from recurring activities during 4Q2018 was largely due to the increase in revenue, gross margin and interest income. This has partially offset by increase in employee benefits expense, impairment losses, other expenses and finance costs.

The higher profit before income tax generated from recurring activities during FY2018 was largely due to the increase in revenue, gross profit and interest income. This has partially offset by increase in employee benefits expense, impairment losses and finance costs.

Other Comprehensive Income (Loss)

This pertained to foreign exchange difference on translating foreign operations.

Income Tax Expense

The current tax expense is based on the statutory tax rates of the respective countries in which the Group operates and takes into account non deductible expenses and temporary differences. Income tax expense was higher in 4Q2018 and FY2018 because of higher taxable profits.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2018

8(b) Material factors that affected cash flow, working capital, assets or liabilities

Non-Current Assets

Non-current assets decreased by S\$3.5 million or 2.6% from S\$135.4 million as at 31 December 2017 to S\$131.9 million as at 31 December 2018.

Property, plant and equipment decreased by S\$4.1 million or 3.7% from S\$111.2 million as at 31 December 2017 to S\$107.1 million as at 31 December 2018. These decrease was mainly due to depreciation expense amounting to S\$5.9 million and foreign exchange adjustment of S\$0.3 million which was partially offset by the addition of plant and equipment amounting to S\$2.1 million during the period.

The decrease in other asset (land use rights relating to leasehold land in Foshan, China) amounting to S\$0.3 million was due to foreign exchange loss adjustment of S\$0.2 million and amortisation expense of S\$0.1 million.

The increase in investment in associate amounting to S\$2.7 million pertained to shares of profits amounting to S\$3.1 million from VCI and partially offset by exchange differences on translating associate with foreign operation amounting of S\$0.4 million.

The decrease in investment in joint ventures amounting to S\$0.6 million pertained to share of losses of S\$0.5 million and exchange differences on translating joint venture with foreign operation amounting to S\$0.1 million.

Investment property at carrying value of S\$4.2 million pertains to 532 Balestier Road Singapore 329859.

Other financial assets pertain to the Group's investment in shares of SMJ International Holdings Limited (Listed on SGX Catalist) and a tile wholesale company in China. The decrease of S\$2.2 million from S\$2.6 million as at 31 December 2017 to S\$0.4 million as at 31 December 2018 was due to fair value loss on other financial asset of S\$0.2 million and reclassification of the unquoted investment in previous year by splitting into non-current and current of other receivable, upon share hold withdrawal agreement signed on 20 December 2018.

Current Assets

Current assets increased by S\$9.5 million or 10.0% from S\$95.1 million as at 31 December 2017 to S\$104.6 million as at 31 December 2018.

The increase was mainly due to increase in inventories, trade and other receivables, other assets and cash and cash equivalent amounting to S\$5.9 million, S\$2.6 million, S\$0.9 million and S\$0.1 million respectively.

Other assets pertained to advance payment to suppliers, deposits to secure services and prepayments.

Trade receivables turnover as at 31 December 2018 is 94 days compared to 102 days as at 31 December 2017. Inventory turnover day as at 31 December 2018 is 304 days compared to 273 days as at 31 December 2017.

Non-Current Liabilities

Non-current liabilities decreased by S\$3.8 million or 4.4% from S\$87.5 million as at 31 December 2017 to S\$83.7 million as at 31 December 2018. The decrease was due to repayment of loans of S\$3.8 million.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2018

8(b) Material factors that affected cash flow, working capital, assets or liabilities (Continued)

Current Liabilities

Current liabilities increased by S\$4.7 million or 5.7% from S\$81.9 million as at 31 December 2017 to S\$86.6 million as at 31 December 2018.

The increase was mainly attributable to the increase in other financial liabilities, other liabilities, trade and other payables, provision and income tax payables by S\$2.2 million, S\$1.1 million, S\$0.9 million, S\$0.2 million and S\$0.5 million respectively. The increase was partially offset by the decrease of derivative financial liabilities of S\$0.2 million.

Total amount of trade payables and trust receipts and bills payable to banks was S\$34.5 million (31 December 2017: S\$32.1 million). The turnover of the aforesaid items (based on cost of sales) is 183 days as at 31 December 2018 compared to 171 days as at 31 December 2017.

The increase in other financial liabilities was mainly due to increase in trust receipts and bills payable to banks by S\$1.4 million and net of repayment of finance lease liabilities, bank loans and loan drawdown amounting to S\$0.8 million during the period.

The increase in other liabilities was mainly due to increase in advance payment received from customers.

Other Reserves

This pertains to foreign exchange difference on translating foreign operations.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2018

8(b) Material factors that affected cash flow, working capital, assets or liabilities (Continued)

Cash Flows Review

4Q2018

Net cash flows from operating activities was S\$3.6 million due to operating cash flows before working capital changes of S\$4.9 million and net cash flows used in working capital of S\$1.0 million and income taxes paid of S\$0.3 million. The net cash flows used in working capital of S\$1.0 million was mainly attributable by S\$2.8 million with decrease in trade and other payables of S\$1.0 million. This was partially offset by the decrease in trade and other receivables of S\$1.5 million and increase in provision and other liabilities by S\$0.1 million and S\$1.2 million respectively.

Net cash flows from investing activities amounting to S\$0.2 million for 4Q2018 was mainly attributable to cash inflow from net movement in amount due from an associate, dividend income from an associate and proceeds from disposal of plant and equipment of S\$1.4 million, S\$0.4 million and S\$0.2 million respectively. This was partially offset by cash outflow for purchase of plant and equipment and net movements in amount due from joint ventures of S\$0.4 million and S\$1.4 million respectively.

Net cash flows used in financing activities amounting to S\$4.6 million for 4Q2018 was mainly attributable by repayment of interest expenses, dividends paid to equity owner and repayment of bank loans and finance lease liabilities of S\$1.1 million, S\$2.1 million and S\$2.2 million respectively. This was partially offset by an increase in trust receipts and bills payable of S\$0.8 million.

As a result of the above, there was a net decrease of S\$0.8 million in cash and cash equivalents for 4Q2018. Cash and cash equivalents as at 31 December 2018 was S\$6.1 million.

FY2018

Net cash flows from operating activities was S\$15.3 million due to operating cash flows before working capital changes of S\$19.3 million and net cash flows used in working capital of S\$2.6 million and income taxes paid of S\$1.4 million. The net cash flows used in working capital of S\$2.6 million was mainly attributable by the increase in inventories and other assets of S\$5.9 million and S\$0.9 million respectively with decrease in derivative financial liabilities of S\$0.2 million. This was partially offset by the decrease in trade and other receivables of S\$1.6 million and increase in trade and other payables, other liabilities and provision of S\$1.5 million, S\$1.1 million and S\$0.2 million respectively.

Net cash flows used in investing activities amounting to S\$4.6 million for FY2018 was attributable to cash outflow for purchase of property, plant and equipment, net movements in amount due from an associate and net movements in amount due from joint venture of S\$2.5 million, S\$1.3 million and S\$1.4 million respectively. This was partially offset by dividend income from associate and proceeds from disposal of plant and equipment of S\$0.4 million and S\$0.2 million respectively.

Net cash flows used in financing activities amounting to S\$10.6 million for FY2018 was mainly attributable by the dividend paid to equity owners and non-controlling interests of S\$4.6 million, repayment of interest expenses of S\$4.1 million, repayment of bank loans and finance lease liabilities of S\$9.6 million.

This was partially offset by the following:

- a) Proceeds from new bank loan of S\$6.2 million;
- b) Increase in net amount due to related parties of S\$0.1 million; and
- c) Increase in trust receipts and bills payable of S\$1.4 million.

As a result of the above, there was a net increase of S\$0.1 million in cash and cash equivalents for FY2018. Cash and cash equivalents as at 31 December 2018 was S\$6.1 million.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2018

9 Where a forecast, or a prospect statement, had been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The Building and Construction Authority of Singapore ("BCA") projected construction demand of between S\$27 billion and S\$32 billion for 2019, with about 60% contributed by public sector demand. Key projects in 2019 include institutional and other buildings such as government projects that have been brought forward from prior year such as Kuala Lumpur- Singapore high-speed rail project.

For 2020 to 2023, BCA expects construction demand to range between S\$27 billion and S\$35 billion each year, with about 60% from public projects and the remaining from private projects.

The Group remains vigilant to market changes and alert to take on any opportunities locally and overseas to grow our business.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2018

11 Dividend**(a) Dividend declared for the current financial period**

	4Q2018
Name of Dividend	Final Dividend Exempt (1-tier)
Type of Dividend	Cash
Total number of issued ordinary shares ('000)	430,550
Dividend per share	0.5 cent

(b) Dividend declared for the corresponding period of the immediately preceding financial year

	4Q2017
Name of Dividend	Final Dividend Exempt (1-tier)
Type of Dividend	Cash
Total number of issued ordinary shares ('000)	430,550
Dividend per share	0.5 cent

(c) Date Payable

To be announced later.

(d) Books closure date

To be announced later.

12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Please refer to 11(a) above.

13 Interested Person Transactions ("IPTs")

Name of Interested Persons and Nature of IPTs	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000)	
	Conducted under shareholders' mandate pursuant to Rule 920	Not conducted under shareholders' mandate pursuant to Rule 920
	FY2018 S\$'000	FY2018 S\$'000
Purchases of goods:		
Malaysian Mosaics Sdn Bhd	9,324	-
MML Marketing Pte Ltd	2,146	-
Sales of goods:		
Malaysian Mosaics Sdn Bhd	271	-

General mandate for IPT was renewed at the Annual General Meeting held on 13 April 2018.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2018

14(a) **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

(a) By Business Segments**For year ended 31 December 2018**

	General	Project	Others ⁽¹⁾	Unallocated	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue by segment					
Total revenue by segment	97,107	64,044	3,243	82	164,476
Inter-segment sales	(26,158)	(17,991)	(328)	-	(44,477)
Total revenue	<u>70,949</u>	<u>46,053</u>	<u>2,915</u>	<u>82</u>	<u>119,999</u>
Recurring EBITDA*	15,121	2,004	2,441	82	19,648
Non-recurring EBITDA					
Finance costs	(3,283)	(266)	(612)	-	(4,161)
Amortisation and depreciation expense	(4,418)	(1,011)	(634)	-	(6,063)
Share of profit from equity-accounted associate	-	-	3,108	-	3,108
Share of loss from equity-accounted joint ventures	-	-	(543)	-	(543)
ORBIT**	<u>7,420</u>	<u>727</u>	<u>3,760</u>	<u>82</u>	<u>11,989</u>
Income tax expense					<u>(1,870)</u>
Profit, net of tax					<u>10,119</u>
For year ended 31 December 2018					
Assets and Reconciliations					
Segment assets	<u>152,943</u>	<u>64,319</u>	<u>19,190</u>	<u>-</u>	<u>236,452</u>
Liabilities and Reconciliations					
Segment liabilities	<u>121,913</u>	<u>42,884</u>	<u>2,846</u>	<u>-</u>	<u>167,643</u>
Deferred tax liabilities					573
Income tax payable					<u>2,043</u>
Total liabilities					<u>170,259</u>
Other Material Items and Reconciliations					
Impairment of assets, net - made	(1,732)	(175)	-	-	(1,907)
Non-current expenditure	<u>1,870</u>	<u>251</u>	<u>-</u>	<u>-</u>	<u>2,121</u>

* Earnings Before Interest, Tax & Depreciation

** Operating Results Before Tax

Note:

(1) The operating segment 'Others' relates to investing activities including property development.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2018

14(a) **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

(b) By Business Segments**For year ended 31 December 2017**

	General	Project	Others ⁽¹⁾	Unallocated	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue by segment					
Total revenue by segment	79,182	78,870	6,640	119	164,811
Inter-segment sales	(18,545)	(26,075)	(4,357)	-	(48,977)
Total revenue	60,637	52,795	2,283	119	115,834
Recurring EBITDA*					
	11,156	3,399	1,795	119	16,469
Non-recurring EBITDA					
Finance costs ^(a)	(3,207)	(148)	(252)	-	(3,607)
Amortisation and depreciation expense ^(a)	(4,710)	(921)	(478)	-	(6,109)
Share of profit from equity-accounted associate	-	-	3,277	-	3,277
Share of loss from equity-accounted joint ventures	-	-	(191)	-	(191)
ORBIT**	3,239	2,330	4,151	119	9,839
Income tax expense					(1,407)
Profit, net of tax					8,432

For year ended 31 December 2017**Assets and Reconciliations**

Segment assets	140,174	73,204	17,137	-	230,515
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Liabilities and Reconciliations

Segment liabilities	110,940	53,361	2,967	-	167,268
Deferred tax liabilities					580
Income tax payable					1,589
Total liabilities					169,437

Other Material Items and Reconciliations

Impairment of assets, net - made	(1,648)	(195)	-	-	(1,843)
Non-current expenditure	1,986	1,151	-	-	3,137

* Earnings Before Interest, Tax & Depreciation

** Operating Results Before Tax

Notes:

(1) The operating segment 'Others' relates to investing activities including property development.

(a) Reclassification made to the comparative financial information between segments to conform to FY2018 presentation.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2018

14 (b) By Geographical Segments

	Revenue		Non-current assets	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>				
Singapore	115,368	108,475	106,618	110,463
People's Republic of China	990	721	11,350	12,510
Socialist Republic of Vietnam	56	792	12,480	9,784
Republic of the Union of Myanmar	703	472	-	-
Indonesia	458	496	-	-
Cambodia	71	3,015	-	-
Malaysia	766	861	-	-
Maldives	356	708	-	-
Others	1,231	294	-	-
Total	119,999	115,834	130,448	132,757

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

The increase in revenue contributed by the general segment from S\$60.6 million during FY2017 to S\$70.9 million during FY2018 at the back of a more active property resale market. The increase in revenue contributed by the general segment was partially offset by the decrease in revenue contributed by the project segment from S\$52.8 million during FY2017 to S\$46.1 million during the year was due to slowdown of construction activities in the private project sector.

16 Breakdown of sales and profit after tax as follows:

	Group		
	31 December 2018 S\$'000	31 December 2017 S\$'000	Increase %
Sales reported for first half year	56,216	55,091	2.04
Operating profit after tax before deducting non-controlling interests reported for first half year	3,706	2,988	24.03
Sales reported for second half year	63,783	60,743	5.00
Operating profit after tax before deducting non-controlling interests reported for second next year	6,413	5,444	17.80

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2018

17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	Unaudited For the 12 months ended 31 December 2018 S\$'000	Audited For the 12 months ended 31 December 2017 S\$'000
Ordinary	4,306	4,298
Preference	-	-
Total	4,306	4,298

18 Disclosure of persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Low Kok Ann	70	Father of Low See Ching	Executive Director (since 2009) and Chief Executive Officer ("CEO") (since 2014)	Not applicable
Low See Ching	43	Son of Low Kok Ann	Non-Executive Director (since 2014)	Not applicable

19 Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers in accordance with Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Low Kok Ann
Executive Director and CEO

21 February 2019