

**HAFARY HOLDINGS LIMITED**

(Company Registration No: 200918637C)

(Incorporated in the Republic of Singapore)

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**RESPONSE TO QUERY RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED IN RESPECT OF THE COMPANY'S ANNUAL REPORT 2017**

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The Board of Directors (the "**Board**") of Hafary Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the query raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 3 April 2018 in respect of the Company's Annual Report for the financial year ended 31 December 2017, released via SGXNet on 28 March 2018.

The Board sets out its response as follows:

**SGX-ST's Query:**

Please disclose the reason(s) for the discrepancies between the unaudited financial statements and dividend announcement for the fourth quarter ("**4Q2017**") and full year ("**FY2017**") ended 31 December 2017, and the audited accounts in the Company's 2017 annual report, for the following items:-

<b>Consolidated statement of cash flows</b>	<b>Unaudited financial statements and dividend announcement for the 4Q2017 and FY2017 ended 31 December 2017</b>	<b>Audited accounts in the 2017 Annual Report</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Net cash flows from operating activities</b>	13,863	12,466
<b>Net cash flows used in investing activities</b>	(5,686)	(4,291)

**Company's Response:**

The variances were due to changes in presentation in the Audited Consolidated Statement of Cash Flows with respect to the repayment of loan and interest due from an associate of S\$1,395,000. This movement in cash flow was included in "**Trade and other receivables**" under cash flow from operating activities in the unaudited financial statements and dividend announcement of the Company for the fourth quarter ended 31 December 2017 but in the audited accounts of the Company, this amount was classified as "**Net movements in amount due from an associate**" under Net cash flows used in investing activities.

The variances did not result in any changes to the consolidated statement of profit or loss and Other Comprehensive Income and the Statements of Financial Position of the Group and Company for FY2017.

By Order of the Board

Low Kok Ann  
Executive Director and CEO  
5 April 2018