



# 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

(Incorporated in the Republic of Singapore)

### MEDIA RELEASE

## **HAFARY HOLDINGS' 1Q2015 NET PROFIT INCREASES BY 58% TO S\$3.4 MILLION**

Singapore, 06 November 2014 – Mainboard-listed Hafary Holdings Limited (“Hafary” or “the Group” or “合发利控股有限公司”) is pleased to announce sterling financial results for the first three months of FY2015 ended 30 September 2014 (“1Q2015”). A leading supplier of premium tiles, stone, mosaic, wood-flooring, quartz top and sanitary ware and fittings in Singapore, Hafary recorded net profit of S\$3.4 million for 1Q2015, riding on the back of significantly higher Group revenue of S\$27.0 million achieved during the quarter.

### **Surge in Profit**

Hafary’s Profit Before Tax (“PBT”) for 1Q2015 increased significantly by over 50% to S\$3.9 million from S\$2.6 million in the previous corresponding period, brought about mainly by an increase in contribution to Group revenue from all business segments within the Group.

### **Rise in Group Revenue**

Group revenue rose by S\$3.6 million or 15.1% to S\$27.0 million for 1Q2015 from S\$23.4 million in 1Q2014, driven by an across-the-board increase in sales contribution.

## **Segmental Performance**

In Singapore, the Group's two key business segments are namely the Project segment and the General segment. The Project segment caters to architecture firms, property developers and construction companies while the General segment serves homeowners, interior designers and renovation firms. Both segments contributed positively to Group revenue during the quarter.

Revenue from the Project segment increased by S\$2.9 million or 28.2% from S\$10.3 million during 1Q2014 to S\$13.3 million during 1Q2015. The Group supplied tiles and building materials for several development projects during 1Q2015, including Bedok Residences, Hedges Park condominium and euHabitat.

Revenue from the General segment increased by S\$0.3 million or 2.3% from S\$13.0 million during 1Q2014 to S\$13.3 million during 1Q2015.

In 1Q2015, the Group also derived other income, most of which relating to rental income from leasing of excess space amounting to S\$0.3 million, which commenced in 2Q2014 at 105 Eunos Avenue 3 Singapore 409836.

## **Dividend**

In view of the sterling results achieved in 1Q2015, the Group has declared an interim exempt (1-tier) dividend of 1.0 cent per ordinary share in gratitude for the unstinting support of its stakeholders.

## **Associate & Joint Venture**

In 1Q2015, share of profit from associate, Viet Ceramics International Joint Stock Company ("VCI"), amounted to S\$0.2 million (1Q2014: S\$68,000). The increase in share of profit was due to improved financial performance of VCI amidst an improved

economic climate in Vietnam in 1Q2015 as compared to 1Q2014. Incepted in February 2013, VCI is reaping rewards from its new outdoor sales department which targets homeowners, small-scale renovation contractors and architectural firms.

Hafary's joint venture, Melmer Stoneworks Pte. Ltd. ("MSPL"), also contributed a larger share of profit amounting to S\$63,000 in 1Q2015 (1Q2014: S\$18,000).

### **Stable and Well-Positioned**

Commenting on the results, Hafary's Executive Chairman and CEO, Mr Low Kok Ann, said, "We are pleased to have delivered a creditable financial performance for 1Q2015. The increase in both the top and bottom lines reflect stable demand for our core products and the fruition of our investments to yield better returns. Hafary is well-positioned to further enhance and strengthen our leading position in Singapore, while expanding our geographical footprint in the high-growth overseas markets of China and Vietnam. Concurrently, the Group will monitor closely market changes and be on the alert to capitalise on opportunities locally and overseas to grow our business."

### **Looking Ahead**

The Group currently holds a leasehold land at 18 Sungei Kadut Street 2 through its subsidiary, World Furnishing Hub Pte. Ltd. The landlord of this leasehold land, Jurong Town Corporation, plans to redevelop part of the Sungei Kadut Industrial Estate into an International Furniture Park ("IFP") and position it as Southeast Asia's international furniture hub. This augurs well for the Group as the leasehold land it holds sits at the epicentre of the IFP. The Group plans to redevelop the property, which will comprise commercial space of approximately 50,000 square feet, to house amenities that would add to the vibrancy of the IFP. Redevelopment of the property is expected to commence in 2Q2015.

Moving forward, the Group will continue to grow its business by staying vigilant to market changes in order to capitalise on any opportunities that might arise locally and overseas.

The business outlook for the second quarter of FY2015 is expected to remain healthy. Barring unforeseen circumstances, the Group is optimistic of remaining profitable in the next quarter.

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***For enquiries, please contact:***

***Mr Jackson Tay, [jackson@hafary.com.sg](mailto:jackson@hafary.com.sg)      Tel: 6383-2314, HP: 9386-3959***