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

INCORPORATION OF NEW JOINT VENTURE COMPANY

The Board of Directors of Hafary Holdings Limited (the "**Company**" or together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary Hafary Pte. Ltd. ("**HPL**"), together with Mr Foo Sey Liang and Mr Wang Chia-Hao, have incorporated a joint venture company called Hafary Myanmar Investment Pte. Ltd. ("**JV Co**") in Singapore on 10 October 2018. The total issued and paid-up share capital of JV Co is US$10,000.00 of which HPL holds 33.33%, Mr Foo Sey Liang, 33.33% and Mr Wang Chia-Hao, 33.34%.

Both Mr Foo Sey Liang and Mr Wang Chia-Hao are independent and unrelated third parties. Mr Wang Chia-Hao has over 14 years of experience in the tile and building material industry, of which 5 years have been in Myanmar. Mr Foo Sey Liang brings with him over 20 years of experience in the construction business.

JV Co is an investment holding company and was incorporated for the purposes of acting as a joint venture entity in the Group's expansion plans into Myanmar. It is the intention for JV Co, Mr Foo Sey Liang and Mr Wang Chia-Hao to enter into a shareholders' agreement prior to the JV Co's expansion into Myanmar. The Company will make further announcements when there are material developments in connection with the same.

The Group's equity investment in JV Co is funded through internal resources and is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Company for the financial year ending 31 December 2018.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings and/or directorships in the Company or the Group) in incorporation, save for their shareholding interest in the Company.

By Order of the Board

Low Kok Ann
Executive Director and CEO
10 October 2018