



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 ("4Q2019") and Full Year ("FY2019")
Ended 31 December 2019

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HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2019

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		
	4Q2019	4Q2018	Increase/	FY2019	FY2018	Increase/
	(3 months)	(3 months)	(Decrease)	(12 months)	(12 months)	(Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	30,113	32,230	(6.6)	108,440	119,999	(9.6)
Interest Income	28	441	(93.7)	96	472	(79.7)
Other Gains	199	292	(31.8)	283	601	(52.9)
Changes In Inventories Of Goods Held For Resale	67	3,309	(98.0)	(2,002)	7,418	N.M.
Purchases And Related Costs	(16,403)	(21,936)	(25.2)	(57,416)	(76,144)	(24.6)
Employee Benefits Expense	(5,182)	(5,132)	1.0	(19,906)	(19,637)	1.4
Amortisation And Depreciation Expense	(1,969)	(1,525)	29.1	(7,721)	(6,063)	27.3
Impairment Losses	(605)	(972)	(37.8)	(1,485)	(1,907)	(22.1)
Other Losses	(53)	(195)	(72.8)	(61)	(420)	(85.5)
Finance Costs	(1,081)	(1,081)	-	(4,535)	(4,161)	9.0
Other Expenses	(2,193)	(2,812)	(22.0)	(8,244)	(10,734)	(23.2)
Share Of Profit From An Equity-Accounted Associate	1,307	1,036	26.2	4,007	3,108	28.9
Share Of Profit (Losses) From Equity-Accounted Joint Ventures	291	(184)	N.M.	118	(543)	N.M.
Profit Before Income Tax	4,519	3,471	30.2	11,574	11,989	(3.5)
Income Tax Expense	(443)	(596)	(25.7)	(1,569)	(1,870)	(16.1)
Profit, Net of Tax	4,076	2,875	41.8	10,005	10,119	(1.1)
Other Comprehensive (Loss) Income:						
Items That May Be Reclassified Subsequently To Profit Or Loss:						
Exchange Differences On Translating Foreign Operations, Net Of Tax	(395)	23	N.M.	(530)	(437)	21.3
Total Other Comprehensive (Loss) Income For The Period, Net Of Tax	(395)	23	N.M.	(530)	(437)	21.3
Total Comprehensive Income	3,681	2,898	27.0	9,475	9,682	(2.1)
Profit, Net Of Tax Attributable To:						
- Owners Of The Parent	4,085	3,113	31.2	10,087	10,723	(5.9)
- Non-Controlling Interests	(9)	(238)	(96.2)	(82)	(604)	(86.4)
	4,076	2,875	41.8	10,005	10,119	(1.1)
Total Comprehensive Income Attributable To:						
- Owners Of The Parent	3,690	3,136	17.7	9,557	10,286	(7.1)
- Non-Controlling Interests	(9)	(238)	(96.2)	(82)	(604)	(86.4)
	3,681	2,898	27.0	9,475	9,682	(2.1)

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) the following:

	Group			Group		
	4Q2019	4Q2018	Increase/	FY2019	FY2018	Increase/
	(3 months)	(3 months)	(Decrease)	(12 months)	(12 months)	(Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest Expense On Borrowings	(994)	(1,081)	(8.0)	(4,184)	(4,161)	0.6
Interest Expense On Lease Liabilities	(87)	-	N.M.	(351)	-	N.M.
Interest Income	28	441	(93.7)	96	472	(79.7)
Depreciation Of Investment Property	(4)	(5)	(20.0)	(18)	(19)	(5.3)
Depreciation Of Property, Plant And Equipment	(1,212)	(1,221)	(0.7)	(4,870)	(4,844)	0.5
Depreciation Of Right-of-Use Assets	(454)	-	N.M.	(1,635)	-	N.M.
Amortisation Of Other Assets, Non Current	(299)	(299)	-	(1,198)	(1,200)	(0.2)
Allowance For Impairment Of Trade Receivables	(322)	(263)	22.4	(458)	(459)	(0.2)
Allowance For Impairment Of Trade Receivables, Reversal	6	-	N.M.	10	-	N.M.
Bad Debts Recovered - Trade Receivables	3	6	(50.0)	9	16	(43.8)
Bad Debts Written-Off - Trade Receivables	(5)	(182)	(97.3)	(10)	(197)	(94.9)
Bad Debts Written-Off - Other Receivables	-	(8)	N.M.	(24)	(8)	200.0
Net Allowance For Impairment Of Inventories	(287)	(525)	(45.3)	(1,012)	(1,259)	(19.6)
Foreign Exchange Adjustment (Loss) Gain	(40)	159	N.M.	51	(257)	N.M.
Fair Value Gain (Loss) On Derivative Financial Instruments, Net	64	(33)	N.M.	12	194	(93.8)
Fair Value Gain (Loss) On Other Financial Assets	99	(163)	N.M.	99	(163)	N.M.
Gain (Loss) On Disposal Of Plant And Equipment	8	43	(81.4)	(43)	31	N.M.
Adjustment For Over Provision Of Tax In Respect Of Prior Years	43	46	(6.5)	44	51	(13.7)

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For the Financial Year Ended 31 December 2019

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	
	31 December 2019 S\$'000	31 December 2018 S\$'000	31 December 2019 S\$'000	31 December 2018 S\$'000
ASSETS				
Non-Current Assets:				
Property, Plant and Equipment	76,631	80,707	360	454
Other Assets, Non-current	29,244	30,550	-	-
Right-of-Use Assets	11,000	-	-	-
Investments in Subsidiaries	-	-	9,239	9,239
Investment in an Associate	15,620	12,480	-	-
Investments in Joint Ventures	2,503	2,483	-	-
Investment Property	4,210	4,228	-	-
Other Financial Assets, Non-current	522	423	522	423
Other Receivables, Non-current	137	992	-	-
Total Non-Current Assets	139,867	131,863	10,121	10,116
Current Assets:				
Inventories	54,178	57,192	-	-
Trade and Other Receivables, Current	31,905	34,666	29,531	29,454
Other Assets, Current	5,470	6,668	7	9
Cash and Cash Equivalents	7,559	6,063	60	26
Total Current Assets	99,112	104,589	29,598	29,489
Total Assets	238,979	236,452	39,719	39,605
EQUITY AND LIABILITIES				
Equity:				
Share Capital	26,930	26,930	26,930	26,930
Retained Earnings	43,549	38,068	2,413	2,253
Other Reserves	(1,516)	(986)	-	-
Equity, Attributable to Owners of the Parent	68,963	64,012	29,343	29,183
Non-Controlling Interests	2,024	2,181	-	-
Total Equity	70,987	66,193	29,343	29,183
Non-Current Liabilities:				
Deferred Tax Liabilities	476	573	-	-
Other Financial Liabilities, Non-current	77,856	83,080	156	193
Lease Liabilities, Non-current	10,136	-	-	-
Total Non-Current Liabilities	88,468	83,653	156	193
Current Liabilities:				
Provision	636	891	-	-
Income Tax Payable	1,863	2,043	5	4
Trade and Other Payables	17,141	20,835	10,178	10,182
Derivative Financial Liabilities	23	35	-	-
Other Financial Liabilities, Current	55,447	60,287	37	43
Lease Liabilities, Current	1,225	-	-	-
Other Liabilities	3,189	2,515	-	-
Total Current Liabilities	79,524	86,606	10,220	10,229
Total Liabilities	167,992	170,259	10,376	10,422
Total Equity and Liabilities	238,979	236,452	39,719	39,605

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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			
	As at 31 December 2019		As at 31 December 2018	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank Loans	39,517	-	34,436	-
Trust Receipts and Bills Payable to Banks	15,794	-	25,451	-
Finance Lease Liabilities	136	-	400	-
	55,447	-	60,287	-

Amount repayable after one year

	Group			
	As at 31 December 2019		As at 31 December 2018	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank Loans	77,673	-	82,761	-
Finance Lease Liabilities	183	-	319	-
	77,856	-	83,080	-

Details of collaterals relating to the above borrowingsBank Loans

These are covered by:

- (a) corporate guarantees given by the company and a subsidiary;
- (b) first legal mortgage over leasehold properties and land use rights; 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 the company and a subsidiary, personal guarantees from a director and a substantial shareholder.

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

Trust Receipts and Bills Payable to Banks

These are covered by corporate guarantees given by the company.

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For the Financial Year Ended 31 December 2019

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	
	4Q2019	4Q2018	FY2019	FY2018
	(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	4,519	3,471	11,574	11,989
Adjustments For:				
Interest Expense On Borrowings	994	1,081	4,184	4,161
Interest Expense On Lease Liabilities	87	-	351	-
Interest Income	(28)	(441)	(96)	(472)
Share Of Profit From An Equity-Accounted Associate	(1,307)	(1,036)	(4,007)	(3,108)
Share Of (Profit) Losses From Equity-Accounted Joint Ventures	(291)	184	(118)	543
Depreciation Of Investment Property	4	5	18	19
Depreciation Of Property, Plant And Equipment	1,212	1,221	4,870	4,844
Depreciation Of Right-of-Use Assets	454	-	1,635	-
Amortisation Of Other Assets, Non Current	299	299	1,198	1,200
(Gain) Loss On Disposal Of Plant And Equipment	(8)	(43)	43	(31)
Fair Value (Gain) Loss On Other Financial Asset	(99)	163	(99)	163
Net Effect Of Exchange Rate Changes In Consolidating Subsidiaries	32	(9)	2	(4)
Operating Cash Flows Before Changes In Working Capital	5,868	4,895	19,555	19,304
Inventories	219	(2,772)	3,014	(5,942)
Trade And Other Receivables	(547)	2,142	3,878	2,223
Other Assets, Current	454	(717)	1,198	(1,525)
Provisions	37	131	(255)	238
Trade And Other Payables	2,168	(1,055)	(3,730)	1,517
Derivative Financial Liabilities	(64)	33	(12)	(194)
Other Liabilities	(132)	1,193	674	1,070
Net Cash Flows From Operations	8,003	3,850	24,322	16,691
Income Taxes Paid	(201)	(265)	(1,846)	(1,423)
Net Cash Flows From Operating Activities	7,802	3,585	22,476	15,268
Cash Flows From Investing Activities				
Purchase Of Property, Plant And Equipment	(185)	(403)	(1,033)	(2,541)
Proceeds From Disposal Of Plant And Equipment	13	162	69	162
Dividend Income From A Joint Venture	25	-	25	15
Dividend Income From An Associate	-	421	700	421
Investment In Joint Ventures	-	(5)	-	(5)
Interest Income Received	44	31	506	34
Net Movements In Amount Due From An Associate	1,378	1,367	1,378	(1,314)
Net Movements In Amount Due From Joint Ventures	-	(1,412)	(2,081)	(1,412)
Net Cash Flows From (Used In) Investing Activities	1,275	161	(436)	(4,640)
Cash Flows From Financing Activities				
Dividends Paid To Equity Owners	(2,153)	(2,153)	(4,306)	(4,306)
Dividends Paid To Non-Controlling Interests	-	-	(75)	(261)
(Decrease) Increase In Trust Receipts And Bills Payable	(1,883)	840	(9,657)	1,434
Net Movements In Amounts Due To A Director And A Shareholder	-	-	53	126
Lease Liabilities - Principal Portion Paid	(523)	-	(1,928)	-
Repayment Of Finance Lease Liabilities	(77)	(170)	(400)	(487)
Increase From New Borrowings	-	-	7,900	6,242
Repayment Of Bank Loans	(2,608)	(2,073)	(7,907)	(9,171)
Interest Expense Paid	(989)	(1,068)	(4,201)	(4,141)
Net Cash Flows Used In Financing Activities	(8,233)	(4,624)	(20,521)	(10,564)
Net Increase (Decrease) In Cash And Cash Equivalents	844	(878)	1,519	64
Net Effect Of Exchange Rate Changes On Cash And Cash Equivalents	(19)	(4)	(23)	3
Cash And Cash Equivalents, Beginning Balance	6,734	6,945	6,063	5,996
Cash And Cash Equivalents, Ending Balance	7,559	6,063	7,559	6,063

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For the Financial Year Ended 31 December 2019

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:						
Opening Balance at 1 January 2019	66,193	64,012	26,930	38,068	(986)	2,181
Effect on Initial Adoption of SFRS(I) 16 Leases	(300)	(300)	-	(300)	-	-
At 1 January 2019, as restated	65,893	63,712	26,930	37,768	(986)	2,181
Total Comprehensive Income (Loss) for the Period	1,478	1,510	-	1,346	164	(32)
Closing Balance at 31 March 2019	67,371	65,222	26,930	39,114	(822)	2,149
Total Comprehensive Income (Loss) for the Period	1,209	1,290	-	1,650	(360)	(81)
Dividends Paid (Note 2)	(2,153)	(2,153)	-	(2,153)	-	-
Dividends Paid to Non-Controlling Interests	(75)	-	-	-	-	(75)
Closing Balance at 30 June 2019	66,352	64,359	26,930	38,611	(1,182)	1,993
Total Comprehensive Income for the Period	3,107	3,067	-	3,006	61	40
Closing Balance at 30 September 2019	69,459	67,426	26,930	41,617	(1,121)	2,033
Total Comprehensive Income (Loss) for the Period	3,681	3,690	-	4,085	(395)	(9)
Dividends Paid (Note 2)	(2,153)	(2,153)	-	(2,153)	-	-
Closing Balance at 31 December 2019	70,987	68,963	26,930	43,549	(1,516)	2,024
Previous Period:						
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

Note 1:

Other Reserves	Group	
	31 Dec 2019 S\$'000	31 Dec 2018 S\$'000
Foreign Currency Translation Reserve	(1,516)	(986)

Note 2:

Dividends on Equity Shares	FY2019 S\$'000	FY2018 S\$'000
Interim 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	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	2,153
	<u>4,306</u>	<u>4,306</u>

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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
Current Period:			
Opening Balance at 1 January 2019	29,183	26,930	2,253
Total Comprehensive Income for the Period	14	-	14
Closing Balance at 31 March 2019	29,197	26,930	2,267
Total Comprehensive Income for the Period	12	-	12
Dividends Paid (Note 2)	(2,153)	-	(2,153)
Closing Balance at 30 June 2019	27,056	26,930	126
Total Comprehensive Income for the Period	2,171	-	2,171
Closing Balance at 30 September 2019	29,227	26,930	2,297
Total Comprehensive Income for the Period	2,269	-	2,269
Dividends Paid (Note 2)	(2,153)	-	(2,153)
Closing Balance at 31 December 2019	29,343	26,930	2,413
Previous Period:			
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

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1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 preceding financial year.

There have been no changes in the Company's issued share capital since 31 December 2018. The Company has no outstanding share options, outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2019 and 31 December 2018.

The Company has not granted options or shares under its share scheme during the financial period ended 31 December 2019.

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	
31 December 2019	31 December 2018
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 2019 and there were no sale transfer, disposal and/ or use of treasury shares during FY2019.

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 2019.

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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 modifications or emphasis of a matter).

Not applicable.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 31 December 2018, except for the adoption of the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for its financial year beginning 1 January 2019.

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.

The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases, which took effect on 1 January 2019, using the modified retrospective approach. SFRS(I) 16 introduces a single, on-balance sheet lessee accounting model. The rationale of the change is to better reflect the economic substance of lease transactions. It requires a lessee to recognise a right-of-use ("ROU") asset representing its rights to use the underlying asset and a lease liability representing its obligation to make lease payments. The cumulative effect of adopting SFRS(I) 16 has been recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. As at 1 January 2019, the Group has accounted for an increase in ROU assets of S\$11.9 million, and increase in lease liabilities of S\$12.2 million and a decrease in retained earnings of S\$0.3 million.

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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	
	4Q2019 (3 months)	4Q2018 (3 months)	FY2019 (12 months)	FY2018 (12 months)
EPS:				
(a) Basic	0.95 cents	0.72 cents	2.34 cents	2.49 cents
(b) Fully diluted basis	0.95 cents	0.72 cents	2.34 cents	2.49 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 period.

Dilutive earnings per share are the same as basic earnings per share as there were no potential dilutive ordinary shares existing during the respective period.

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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 2019	31 December 2018	31 December 2019	31 December 2018
Net asset value ("NAV") per ordinary share based on the total number of issued shares	16.0 cents	14.9 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 2019 and 31 December 2018.

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 4Q2019, the Group registered a revenue of S\$30.1 million compared to S\$32.2 million during 4Q2018. For FY2019, the Group registered a revenue of S\$108.4 million compared to S\$120.0 million during FY2018.

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) decreased by S\$0.7 million or 3.6% from S\$19.6 million during 4Q2018 to S\$18.9 million during 4Q2019. For FY2019, revenue from general segment decreased by S\$9.3 million or 13.1% from S\$70.9 million during FY2018 to S\$61.6 million during FY2019.

Project segment

For 3 months ended, revenue from the project segment (where customers include architecture firms, property developers and construction companies) decreased by S\$1.4 million or 11.9% from S\$11.8 million during 4Q2018 to S\$10.4 million during 4Q2019. For FY2019, revenue from project segment decreased by S\$2.6 million or 5.6% from S\$46.1 million during FY2018 to S\$43.5 million during FY2019.

Interest Income

The interest income mainly pertained to a loan of US\$1 million (equivalent to approximately S\$1.4 million) to an associate, Viet Ceramics International Joint Stock Company ("VCI"), and US\$1.5 million (equivalent to approximately S\$2.1 million) to a joint venture, Guangdong ITA Element Building Materials Co., Limited ("ITA Element"), to support their business expansion in Vietnam and China respectively.

Other Gains

For 4Q2019, other gains mainly comprised of fair value gains on derivative financial instruments of S\$0.1 million and fair value gain on quoted securities of S\$0.1 million. For FY2019, other gains mainly comprised of foreign exchange adjustments gains of S\$51,000, fair value gains on derivative financial instruments of S\$12,000, compensation received of S\$28,000, insurance claimed of S\$54,000, government grant of S\$39,000 and fair value gain on quoted securities of S\$0.1 million.

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.

Purchase of inventories are mainly denominated in United States Dollar ("USD"), Euro and Renminbi ("RMB"). The Group entered into foreign currency forward contracts to hedge against fluctuations of exchange rates in USD, Euro and RMB. 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'.

Other Losses

For 4Q2019, other losses mainly comprised of foreign exchange adjustments loss of S\$40,000. For FY2019, other losses mainly comprised of loss on disposal of plant and equipment of S\$43,000.

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.

8(a) Material factors that affected turnover, costs and earnings (Continued)**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 decreased by S\$2.3 million or 12.3% from S\$18.6 million during 4Q2018 to S\$16.3 million during 4Q2019. For FY2019, cost of sales decreased by S\$9.3 million or 13.5% from S\$68.7 million during FY2018 to S\$59.4 million during FY2019.

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 44.2% for 4Q2019 (FY2019: 43.5%) slightly increased as compared to 40.6% for 4Q2018 (FY2018: 41.3%).

Employee Benefits Expense

For 3 months ended, employee benefits expenses increased by S\$0.1 million or 1.0% from S\$5.1 million during 4Q2018 to S\$5.2 million during 4Q2019. For 12 months ended, employee benefits expenses increased by S\$0.3 million or 1.4% from S\$19.6 million during FY2018 to S\$19.9 million during FY2019. As at 31 December 2019, the Group had 359 employees (including directors) (31 December 2018: 348).

Amortisation and Depreciation Expense

For 3 months ended, amortisation and depreciation expenses increased by S\$0.5 million or 29.1% from S\$1.5 million during 4Q2018 to S\$2.0 million during 4Q2019. For 12 months ended, amortisation and depreciation expenses increased by S\$1.6 million or 27.3% from S\$6.1 million during FY2018 to S\$7.7 million during FY2019. The Group recorded depreciation of right-of-use assets of S\$0.5 million in 4Q2019 and S\$1.6 million in FY2019 arising from the adoption of the new lease accounting standard, using the modified retrospective approach, which replaces the straight line operating lease expense, effective from 1 January 2019. The straight line operating lease expense was previously classified under "Other Expenses".

Impairment Losses

The impairment losses mainly comprised of allowance for impairment of inventories and allowance 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.

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

For 3 months ended, the impairment losses decreased by S\$0.4 million or 37.8% from S\$1.0 million during 4Q2018 to S\$0.6 million during 4Q2019. For 12 months ended, the impairment losses decreased by \$0.4 million or 22.1% from S\$1.9 million during FY2018 to S\$1.5 million during FY2019.

Finance Costs

For 3 months ended, finance costs remained constant at \$1.1 million during 4Q2018 and 4Q2019. For 12 months ended, finance costs increased by S\$0.3 million or 9.0% from S\$4.2 million during FY2018 to S\$4.5 million during FY2019. The increase in finance costs was mainly due to increase in interest rates and recognition of interest expense on lease liabilities upon the recognition of the right-of-use assets following the implementation of SFRS(I)16 Leases on 1 January 2019.

Other Expenses

For 3 months ended, other expenses decreased by S\$0.6 million or 22.0% from S\$2.8 million during 4Q2018 to S\$2.2 million during 4Q2019. For 12 months ended, other expenses decreased by S\$2.5 million or 23.2% from S\$10.7 million during FY2018 to S\$8.2 million during FY2019.

The decrease in other expenses were mainly attributable to the reversal of straight line operating lease expense amounting to S\$0.5 million during 4Q2019 and S\$2.0 million during FY2019 after adoption of SFRS(I) 16 with effective from 1 January 2019.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2019

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

Share of Profit from an Equity-Accounted Associate

For 3 months ended, share of profit from associate, Viet Ceramics International Joint Stock Company ("VCI"), increased by S\$0.3 million or 26.2% from S\$1.0 million during 4Q2018 to S\$1.3 million during 4Q2019. For 12 months ended, share of profit from associate, VCI, increased by S\$0.9 million or 28.9% from S\$3.1 million during FY2018 to S\$4.0 million during FY2019. The increase in share of profit is due to improved financial performance of VCI under the backdrop of positive economic climate and high level of construction activities in Vietnam.

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 (Equivalents S\$3.1 million). The investment in ITA Element is part of the Group's growth strategy to enhance its regional presence.

In October 2018, the Group incorporated and took a 33% equity in a joint venture company, Hafary Myanmar Co. Ltd. ("Hafary Myanmar") to facilitate the Group's penetration into the emerging market.

For 3 months ended, share of profit from joint ventures amounted to S\$0.3 million (4Q2018: share of losses of S\$0.2 million). For FY2019, share of profit from joint ventures amounted to S\$0.1 million (FY2018: share of losses of S\$0.5 million). The decrease in joint venture losses was mainly due to improvement in ITA Element's financial performance.

Profit Before Income Tax

For 3 months ended, profit before income tax increased by S\$1.0 million or 30.2% from S\$3.5 million during 4Q2018 to S\$4.5 million during 4Q2019. For 12 months ended, profit before income tax decreased by S\$0.4 million or 3.5% from S\$12.0 million during FY2018 to S\$11.6 million during FY2019.

For 3 months ended, excluding share of profits (losses) from associate and joint ventures amounting to S\$1.6 million for 4Q2019 (4Q2018: S\$0.9 million), profit before income tax generated from recurring activities was S\$2.9 million for 4Q2019 (4Q2018: S\$2.6 million). For 12 months ended, excluding share of profits (losses) from associate and joint ventures amounting to S\$4.1 million for FY2019 (FY2018: S\$2.6 million), profit before income tax generated from recurring activities was S\$7.5 million for FY2019 (FY2018: S\$9.4 million).

Other Comprehensive Income

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 remain constant in 4Q2019 and lower in FY2019 because of lower taxable profits during the period.

8(b) Material factors that affected cash flow, working capital, assets or liabilitiesNon-Current Assets

Non-current assets increased by S\$8.0 million or 6.1% from S\$131.9 million as at 31 December 2018 to S\$139.9 million as at 31 December 2019.

Property, plant and equipment decreased by S\$4.1 million or 5.1% from S\$80.7 million as at 31 December 2018 to S\$76.6 million as at 31 December 2019. The decrease was mainly due to disposal and written-off of plant and equipment amounted to S\$43,000 and depreciation expense amounting to S\$4.9 million and foreign exchange adjustments of S\$0.1 million which was partially offset by the addition of plant and equipment amounting to S\$1.0 million during the period.

The decrease in other asset (land use rights relating to Group's leasehold properties in Singapore and China) amounting to S\$1.3 million was due to foreign exchange adjustments of S\$0.1 million and amortisation expense of S\$1.2 million.

Following the adoption of SFRS (I) 16 Leases on 1 January 2019, most of the leases where the Group is the lessee was brought onto the statements of financial position as right-of-use assets at its net present value of S\$11.0 million.

The increase in investment in associate amounting to S\$3.1 million pertained to shares of profits amounting to S\$4.0 million from VCI and partially offset by dividend of S\$0.7 million paid and exchange differences on translating associate with foreign operation amounting to S\$0.2 million.

The increase in investment in joint ventures amounting to S\$0.1 million pertained to shares of profit from joint ventures 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 Healthbank Holdings Limited (formerly known as SMJ International Holdings Limited)(Listed on SGX Catalist).

Other receivables pertain to reclassification of unquoted investment, upon shareholder withdrawal agreement signed on 20 December 2018.

Current Assets

Current assets decreased by S\$5.5 million or 5.2% from S\$104.6 million as at 31 December 2018 to S\$99.1 million as at 31 December 2019.

The decrease was mainly due to decrease in inventories, trade and other receivables and other assets amounting to S\$3.0 million, S\$2.8 million and S\$1.2 million respectively. The decrease was partially offset by the increase in cash and cash equivalent amounting to S\$1.5 million.

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

Trade receivables turnover day as at 31 December 2019 is 91 days compared to 94 days as at 31 December 2018. Inventory turnover day as at 31 December 2019 is 333 days compared to 304 days as at 31 December 2018.

Non-Current Liabilities

Non-current liabilities increased by S\$4.8 million or 5.8% from S\$83.7 million as at 31 December 2018 to S\$88.5 million as at 31 December 2019. The increase was mainly due to the recognition of lease liabilities of S\$10.1 million as a results of adopting SFRS(I) 16 and partially offset with the repayment of loans during the period.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2019

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

Current Liabilities

Current liabilities decreased by S\$7.1 million or 8.2% from S\$86.6 million as at 31 December 2018 to S\$79.5 million as at 31 December 2019.

The decrease was mainly attributable to the decrease in trade and other payables of S\$3.7 million, income tax payable of S\$0.2 million, other financial liabilities of S\$4.8 million and provision of S\$0.3 million. The decrease was partially offset by the increase in other liabilities of S\$0.7 million and lease liabilities of S\$1.2 million.

Total amount of trade payables and trust receipts and bills payable to banks was S\$21.1 million (31 December 2018: S\$34.5 million). The turnover of the aforesaid items (based on cost of sales) is 130 days as at 31 December 2019 compared to 183 days as at 31 December 2018.

The decrease in other financial liabilities was mainly due to the decrease in trust receipts and bills payable to banks by S\$9.7 million and repayment of bank loans by S\$3.0 million. This was partially offset by loan drawdown amounting to S\$7.9 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.

8(b) Material factors that affected cash flow, working capital, assets or liabilities (Continued)Cash Flows Review**4Q2019**

Net cash flows from operating activities was S\$7.8 million due to operating cash flows before working capital changes of S\$5.9 million, net cash flows from working capital of S\$2.1 million and income tax paid of S\$0.2 million. The net cash flows from working capital of S\$2.1 million was mainly attributable by the decrease in inventories of S\$0.2 million and other assets of S\$0.5 million respectively and increase in trade and other payables of S\$2.2 million. This was partially offset by the increase in trade and other receivables of S\$0.5 million and decrease in other liabilities of S\$0.1 million.

Net cash flows from investing activities amounting to S\$1.3 million for 4Q2019 was mainly attributable by the net movements in amount due from an associate of \$1.4 million and the proceeds from disposal of plant and equipment, dividend income from a joint venture and interest income received amounted to \$0.1 million. This was partly offset by the cash outflow for the purchase of plant and equipment of S\$0.2 million.

Net cash flows used in financing activities amounting to S\$8.2 million for 4Q2019 was mainly attributable by the repayment of interest expenses of S\$1.0 million, dividends paid to equity owner of S\$2.2 million, decrease in trust receipt and bill payable of S\$1.9 million, repayment of lease liabilities of S\$0.5 million and repayment of bank loans and finance lease liabilities of S\$2.6 million.

As a result of the above, there was a net increase of S\$0.8 million in cash and cash equivalents for 4Q2019. Cash and cash equivalents as at 31 December 2019 was S\$7.6 million.

FY2019

Net cash flows from operating activities was S\$22.5 million due to operating cash flows before working capital changes of S\$19.5 million and net cash flows from working capital of S\$4.8 million and income taxes paid of S\$1.8 million. The net cash flows from working capital of S\$4.8 million was mainly attributable by the decrease in inventories of S\$3.0 million, trade and other receivables of S\$3.9 million and other assets of S\$1.2 million respectively and increase in other liabilities of S\$0.7 million. This was partially offset by the decrease in trade and other payables of S\$3.7 million and provision of S\$0.3 million respectively.

Net cash flows used in investing activities amounting to S\$0.4 million for FY2019 was attributable to cash outflow for purchase of property, plant and equipment of S\$1.0 million and net movement in amount due from joint ventures of S\$2.0 million respectively. This was partially offset by the net movements in amount due from an associate of \$1.4 million, interest income received from an unquoted investment of S\$0.5 million and dividend income received from an associate of S\$0.7 million.

Net cash flows used in financing activities amounting to S\$20.5 million for FY2019 was mainly attributable by the decrease in trust receipt and bill payable of S\$9.7 million, repayment of interest expenses of S\$4.2 million, repayment of lease liabilities of S\$1.9 million, repayment of bank loans and finance lease liabilities of S\$8.3 million and dividend paid to equity owners and non-controlling interests of S\$4.4 million. This was partially offset by an increase from new borrowing of S\$7.9 million and net movements in amount due to a director and a shareholder of S\$0.1 million.

As a result of the above, there was a net increase of S\$1.5 million in cash and cash equivalents for FY2019. Cash and cash equivalents as at 31 December 2019 was S\$7.6 million.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2019

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\$17.5 billion and S\$20.5 billion for 2020, with about 62% contributed by public sector demand.

For 2021 to 2024, 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.

The outbreak of COVID-19 has weakened the global economic condition. The Group remains committed to weathering the challenging business environment as market risks remain elevated. The Group has adopted measures with reference to guidelines issued by the Ministry of Health and other government agencies, to protect our employees and customers against the virus and will also closely monitor its supply chain activities.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2019

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

	4Q2019
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

	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

(c) Date payable

To be announced later.

(d) Record 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
	FY2019 S\$'000	FY2019 S\$'000
Purchases of goods:		
Malaysian Mosaics Sdn Bhd	3,871	-
MML Marketing Pte Ltd	2,594	-
Sales of goods:		
Malaysian Mosaics Sdn Bhd	518	-

General mandate for IPT was renewed at the Annual General Meeting held on 24 April 2019.

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2019

- 14 **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 2019**

	General	Project	Others ⁽¹⁾	Unallocated	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue by segment					
Total revenue by segment	81,913	61,360	9,589	43	152,905
Inter-segment sales	(20,324)	(17,844)	(6,297)	-	(44,465)
Total revenue	61,589	43,516	3,292	43	108,440
Recurring EBITDA*	14,232	2,605	2,825	43	19,705
Non-recurring EBITDA					
Finance costs	(3,521)	(340)	(674)	-	(4,535)
Amortisation and depreciation expense	(5,632)	(1,341)	(748)	-	(7,721)
Share of profit from equity-accounted associate	-	-	4,007	-	4,007
Share of profit from equity-accounted joint ventures	-	-	118	-	118
ORBIT**	5,079	924	5,528	43	11,574
Income tax expense					(1,569)
Profit, net of tax					10,005

For year ended 31 December 2019**Assets and Reconciliations**

Segment assets	150,429	66,217	22,333	-	238,979
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Liabilities and Reconciliations

Segment liabilities	116,527	46,404	2,722	-	165,653
Deferred tax liabilities					476
Income tax payable					1,863
Total liabilities					167,992

Other Material Items and Reconciliations

Impairment of assets, net - made	(1,414)	(71)	-	-	(1,485)
Non-current expenditure	863	170	-	-	1,033

* 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 2019

14 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	70,949	46,053	2,915	82	119,999
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**	7,420	727	3,760	82	11,989
Income tax expense					(1,870)
Profit, net of tax					10,119

For year ended 31 December 2018**Assets and Reconciliations**

Segment assets	152,943	64,319	19,190	-	236,452
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Liabilities and Reconciliations

Segment liabilities	121,913	42,884	2,846	-	167,643
Deferred tax liabilities					573
Income tax payable					2,043
Total liabilities					170,259

Other Material Items and Reconciliations

Impairment of assets, net - made	(1,732)	(175)	-	-	(1,907)
Non-current expenditure	1,870	251	-	-	2,121

* Earnings Before Interest, Tax & Depreciation

** Operating Results Before Tax

Notes:

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

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2019

14 (b) By Geographical Segments

	Revenue		Non-current assets	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Singapore	101,085	115,368	112,855	106,618
People's Republic of China	596	990	10,733	12,342
Socialist Republic of Vietnam	24	56	15,620	12,480
Republic of the Union of Myanmar	1,378	703	-	-
Indonesia	467	458	-	-
Cambodia	1,604	71	-	-
Malaysia	625	766	-	-
Maldives	1,154	356	-	-
Others	1,507	1,231	-	-
Total	108,440	119,999	139,208	131,440

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.

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 decrease in revenue contributed by the general segment from S\$70.9 million during FY2018 to S\$61.6 million during FY2019 was due to slow down of property resale market. The decrease in revenue contributed by the project segment from S\$46.1 million during FY2018 to S\$43.5 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 2019 S\$'000	31 December 2018 S\$'000	Increase/(Decrease) %
Sales reported for first half year	51,472	56,216	(8.4)
Operating profit after tax before deducting non-controlling interests reported for first half year	2,883	3,706	(22.2)
Sales reported for second half year	56,968	63,783	(10.7)
Operating profit after tax before deducting non-controlling interests reported for second next year	7,122	6,413	11.1

HAFARY HOLDINGS LIMITED

For the Financial Year Ended 31 December 2019

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:-

	For the 12 months ended 31 December 2019 S\$'000	For the 12 months ended 31 December 2018 S\$'000
Ordinary	4,306	4,306
Preference	-	-
Total	4,306	4,306

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	71	Father of Low See Ching	Executive Director (since 2009) and Chief Executive Officer ("CEO") (since 2014)	Not applicable
Low See Ching	44	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 2020