

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

VOLUNTARY CONDITIONAL PARTIAL CASH OFFER BY HAP SENG INVESTMENT HOLDINGS PTE. LTD. FOR HAFARY HOLDINGS LIMITED (THE "COMPANY")

1. Introduction

The Board of Directors of the Company (the "**Board**") wishes to inform shareholders of the Company (the "**Shareholders**") that Hap Seng Investment Holdings Pte. Ltd. (the "**Offeror**") has today issued an announcement (the "**Offer Announcement**") that the Offeror intends to make a voluntary conditional cash partial offer to acquire 51.0% of the ordinary shares in the issued share capital of the Company (the "**Shares**") as at the books closure date (the "**Record Date**"), other than Shares already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (the "**Partial Offer**").

The Partial Offer will be extended, on the same terms and conditions, to all new Shares which have been allotted and issued pursuant to the vesting of Shares under the Hafary Performance Share Plan prior to the Record Date.

Further details on the terms and conditions of the Partial Offer are set out in the Offer Announcement, a copy of which is annexed to this Announcement for information and is also available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com. Shareholders are advised to refer to the full text of the Offer Announcement for, *inter alia*, the principal terms and conditions of the Partial Offer.

2. Offer Document

According to the Offer Announcement, the formal document setting out the terms and conditions of the Partial Offer and enclosing the appropriate form(s) of acceptance of the Partial Offer (the "**Offer Document**") will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the date of the Offer Announcement.

3. Appointment of Independent Financial Adviser

The Board will be appointing an independent financial adviser (the "**IFA**") to advise the directors of the Company who are regarded as independent for the purposes of the Partial Offer (the "**Independent Directors**"). A circular containing the advice of the IFA and the recommendation of the Independent Directors on the Partial Offer (the "**Offeree Circular**") will be sent to the Shareholders within 14 days from the date of the despatch of the Offer Document to be issued by the Offeror.

In the meantime, Shareholders are advised to exercise caution when dealing in their Shares and to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the

Independent Directors, as well as the advice of the IFA, which will be set out in the Offeree Circular to be issued by the Company in due course.

4. Directors' Responsibility Statement

The directors of the Company (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate, and where appropriate, no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement), the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information has been accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

BY ORDER OF THE BOARD

Tay Eng Kiat Jackson
Financial Controller
30 December 2014

