

ACQUISITIONS AND DISPOSALS :: INTERESTED PERSON TRANSACTION, DISCLOSEABLE TRANSACTION ::  
INCORPORATION OF AN SPV RELATING TO PROPOSED ACQUISITION OF 18 SUNGEI KADUT ST 2, SINGAPORE  
729236

\* Asterisks denote mandatory information

<b>Name of Announcer *</b>	HAFARY HOLDINGS LIMITED
<b>Company Registration No.</b>	200918637C
<b>Announcement submitted on behalf of</b>	HAFARY HOLDINGS LIMITED
<b>Announcement is submitted with respect to *</b>	HAFARY HOLDINGS LIMITED
<b>Announcement is submitted by *</b>	Tay Eng Kiat Jackson
<b>Designation *</b>	Financial Controller
<b>Date &amp; Time of Broadcast</b>	03-Jul-2013 17:59:11
<b>Announcement No.</b>	00083

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

<b>Announcement Title *</b>	Incorporation of an SPV Relating to Proposed Acquisition of 18 Sungei Kadut St 2, Singapore 729236
<b>Description</b>	Please refer to the attachment.
<b>Attachments</b>	 HHL-Incorporation_of_WFHPL.pdf Total size = <b>12K</b> (2048K size limit recommended)

**INCORPORATION OF A SPECIAL PURPOSE VEHICLE RELATING TO PROPOSED ACQUISITION OF 18 SUNGEI KADUT STREET 2, SUNGEI KADUT INDUSTRIAL ESTATE, SINGAPORE 729236**

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*All capitalized terms used and not defined herein shall have the same meanings given to them in the announcements dated 11 December 2012 (the "**December Announcement**"), 6 February 2013 and 29 April 2013 (the "**Announcements**").*

1. The Board of Directors (the "**Board**" or "**Directors**") of Hafary Holdings Limited (the "**Company**") refers to the Announcements relating to the signing of an MOU by the Promoters and the Vendor with the following transactions contemplated therein:
  - a) the Proposed Incorporation of an SPV with the Promoters and the Vendor; and
  - b) the Proposed Acquisition by the SPV of 18 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729236 from the Vendor.

The Proposed Acquisition is conditional upon, amongst other items, the SPV obtaining JTC Approval for the assignment of the existing leasehold interest in the Property to the SPV with an option for the SPV to extend or renew the term of the leasehold interest to the SPV subject to the Parties' and/or SPV's compliance with such conditions as may be imposed by JTC; such that the new leasehold interest (inclusive of any extension or renewal term) shall be for a term of 30 years or more commencing on or about the date of the JTC Approval.

2. The Board of the Company is pleased to announce that the Company's wholly-owned subsidiary, Hafary Pte Ltd, together with Mr. Low See Ching (Executive Director and controlling shareholder of the Company), Mr. Ching Chiat Kwong (controlling shareholder of the Company) and Sitra Agencies Pte Ltd (a wholly-owned subsidiary of the Vendor), have incorporated an SPV in Singapore, World Furnishing Hub Pte. Ltd. ("**WFHPL**"), on 2 July 2013, with an issued and paid-up share capital of S\$100. The share capital of WFHPL is held in the following proportion:

Hafary Pte Ltd	- 40%
Mr. Low See Ching	- 25%
Mr. Ching Chiat Kwong	- 25%
Sitra Agencies Pte Ltd	- 10%

3. WFHPL is incorporated for purposes of the Proposed Acquisition and, subject to JTC Approval, will be the assignee/ transferee of the Property in the Vendor's application for assignment/ transfer of lease to be submitted to JTC. Upon receipt of JTC Approval, WFHPL will submit an application of renewal of lease to JTC.
4. The aforementioned investment in WFHPL by HPL was funded by internal resources and is not expected to have any material impact on the net tangible assets per share or earnings per share of the Company and the Group for the current financial year ending 30 June 2014.

5. Upon receipt of JTC Approval, WFHPL will proceed to take steps to undertake the Proposed Acquisition pursuant to the SPA. In this regard, it is noted that Mr. Low is a director of the Company and of Hafary Pte Ltd and Mr. Low and Mr. Ching are controlling shareholders of the Company. As such, Mr. Low and Mr. Ching are defined as “interested persons” of the Company within the ambit of Chapter 9 of the Mainboard Rules. Accordingly, the Proposed Acquisition, constitutes an “interested person transaction” between the Company, Mr. Low and Mr. Ching. Based on materiality thresholds under Chapter 9 of the Mainboard Rules stated in Paragraph 6.3 of the December Announcement, the value of the Proposed Acquisition is more than 5% of the Group’s NTA. Therefore, the approval of the Company’s shareholders for the Proposed Acquisition has to be obtained at an EGM to be convened by the Company in due course.
6. Except as mentioned above, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the aforementioned investment, other than through their shareholdings in the Company (if any).
7. The Company will make further announcements via SGXNET on significant developments relating to the matters contemplated under the Announcements, including the SPA (if, and as soon as, it has been entered into) and the Proposed Acquisition.

By Order of the Board

Tay Eng Kiat Jackson  
Financial Controller  
3 July 2013