

\* 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>	Company Secretary
<b>Date &amp; Time of Broadcast</b>	09-Feb-2010 18:47:12
<b>Announcement No.</b>	00134

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

<b>For the Financial Period Ended *</b>	31-12-2009
<b>Description</b>	Please see attached.
<b>Attachments</b>	 hafary_half_year_results_31Dec09.pdf Total size = <b>408K</b> (2048K size limit recommended)



# 合發利控股有限公司

## HAFARY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 206916637C)

### Half Year Financial Statements and Dividend Announcement For the Period Ended 31 December 2009

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Collins Stewart Pte. Limited for compliance with the relevant rules of the SGX-ST. Collins Stewart Pte. Limited has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Alex Tan, Managing Director, Corporate Finance, Collins Stewart Pte. Limited at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.

Half Year Financial Statement for the Period Ended 31 December 2009

- 1(a) **Statement of Comprehensive Income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**  
(The figures have not been audited or reviewed by the auditors.)

	Group		% Change Increase/ (Decrease)
	31-Dec-09 ( 6 months) S\$'000	31-Dec-08 ( 6 months) S\$'000	
Revenue	18,890	16,810	12%
<u>Other Items of Income</u>			
Other Credits	287	2	14250%
<u>Other Items of Expense</u>			
Changes in Inventories of Finished Goods	2,646	(14)	-19000%
Purchases and Related Expense	(14,074)	(12,191)	15%
Employee Benefits Expense	(1,988)	(1,671)	19%
Depreciation Expense	(208)	(181)	15%
Impairment Losses	(75)	2	-3850%
Finance Costs	(220)	(210)	5%
Other Expenses	(1,619)	(1,398)	16%
Other Charges	(1,088)	(15)	7153%
<b>Profit Before Income Tax</b>	<b>2,551</b>	<b>1,134</b>	<b>125%</b>
Income Tax Expense	(652)	(389)	68%
<b>Net Profit for The Period</b>	<b>1,899</b>	<b>745</b>	<b>155%</b>
<b>Total Comprehensive Income</b>	<b>1,899</b>	<b>745</b>	<b>155%</b>
Total Comprehensive Income Attributable to Owners of the Parent	1,800	488	269%
Total Comprehensive Income Attributable to Non-Controlling Interests	99	257	-61%
<b>Total Comprehensive Income</b>	<b>1,899</b>	<b>745</b>	<b>155%</b>

- 1(a)(i) **Profit Before Income Tax is arrived after crediting / (charging) the following :**

	Group		% Change Increase/ (Decrease)
	31-Dec-09 ( 6 months) S\$'000	31-Dec-08 ( 6 months) S\$'000	
Initial Public Offer Expenses	(998)	-	N.M.
Depreciation Expense	(208)	(181)	15%
Gain on disposal of Property, Plant and Equipment	33	-	N.M.
Allowance for Impairment on Trade Receivables	(99)	-	N.M.
Bad Debts Recovered / (Written Off) - net	24	2	1100%
Foreign Exchange Losses	(119)	(15)	693%
Interest Expense on Borrowings	(220)	(210)	5%

N.M. = Not Meaningful

Notes:

(1) The consolidated financial statements of the Group as at 31 December 2008 and 2009 have been prepared in accordance with the principles of "pooling of interests" accounting.

(2) N.M. = Not Meaningful

1(b)(i) Statement of Financial Positions (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company <sup>(2)</sup>	
	31-Dec-09 S\$'000	30-Jun-09 S\$'000	31-Dec-09 S\$'000	30-Jun-09 S\$'000
<b>ASSETS</b>				
<b>Non Current Assets:</b>				
Investment in Subsidiaries	-	-	9,239	-
Property, Plant and Equipment	3,950	1,218	-	-
<b>Total Non-Current Assets</b>	<b>3,950</b>	<b>1,218</b>	<b>9,239</b>	<b>-</b>
<b>Current Assets:</b>				
Inventories	12,685	10,039	-	-
Trade and Other Receivables	8,930	6,673	865	-
Other Assets	793	240	75	-
Cash and Cash Equivalents	5,573	1,837	4,031	-
<b>Total Current Assets</b>	<b>27,981</b>	<b>18,789</b>	<b>4,971</b>	<b>-</b>
<b>Total Assets</b>	<b>31,931</b>	<b>20,007</b>	<b>14,210</b>	<b>-</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity Attributable to Owners of the Parent</b>				
Share Capital	14,508	500	14,508	-
Capital Reserve	-	-	1,009	-
Retained Earnings / (Accumulated Losses)	1,800	7,729	(1,356)	-
<b>Equity, Attributable to Owners of the Parent</b>	<b>16,308</b>	<b>8,229</b>	<b>14,161</b>	<b>-</b>
Non-Controlling Interests	748	799	-	-
<b>Total Equity</b>	<b>17,056</b>	<b>9,028</b>	<b>14,161</b>	<b>-</b>
<b>Non-Current Liabilities:</b>				
Deferred Tax Liabilities	31	31	-	-
Other Financial Liabilities	3,421	1,853	-	-
	<b>3,452</b>	<b>1,884</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities:</b>				
Provision	256	256	-	-
Income Tax Payable	968	807	-	-
Trade and Other Payables	3,583	1,973	49	-
Other Financial Liabilities	6,616	6,059	-	-
<b>Total current liabilities</b>	<b>11,423</b>	<b>9,095</b>	<b>49</b>	<b>-</b>
<b>Total Equity and Liabilities</b>	<b>31,931</b>	<b>20,007</b>	<b>14,210</b>	<b>-</b>

Notes:

(1) The consolidated financial statements of the Group as at 31 December 2008 and 2009 have been prepared in accordance with the principles of "pooling of interests" accounting.

(2) The company was incorporated on 6 October 2009.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 December 2009		As at 30 June 2009	
Secured	Unsecured	Secured	Unsecured
S\$000	S\$000	S\$000	S\$000
6,616	-	6,059	-

Amount repayable after one year

As at 31 December 2009		As at 30 June 2009	
Secured	Unsecured	Secured	Unsecured
S\$000	S\$000	S\$000	S\$000
3,421	-	1,853	-

Details of collateral referring to the above borrowings

**Bank Loans**

These are secured by legal charges over a property of a director of the Company and a property of a subsidiary. These loans are also guaranteed and indemnified by certain directors of the Company. They are repayable over 3 to 5 years in equal instalments with effect from the commencement of the drawdown of these loans.

**Bank Overdrafts**

These are secured by personal fixed deposits and legal charges over a property of a director of the Company.

**Bills Payables and Trust Receipts**

These are secured by legal charges over a property of a director of the Company.

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	6 months ended	
	31-Dec-09	31-Dec-08
	S\$000	S\$000
<b>Cash Flows From Operating Activities:</b>		
Profit Before Income Tax	2,551	1,134
Adjustments for:		
Depreciation Expense	208	181
Interest Expense	220	210
Gain on Disposal of Property, Plant and Equipment	(33)	-
<b>Operating Cash Flows Before Working Capital Changes</b>	<b>2,946</b>	<b>1,525</b>
(Increase) / Decrease in Other Assets	(553)	77
(Increase) / Decrease in Trade and Other Receivables	(2,257)	50
(Increase) / Decrease in Inventories	(2,646)	14
Increase / (Decrease) in Trade and Other Payables	1,610	(928)
<b>Net Cash Flows (Used in) / From Operations Before Interest and Tax</b>	<b>(900)</b>	<b>738</b>
Income Taxes Paid	(491)	(606)
<b>Net Cash Flows (Used in) / From Operating Activities</b>	<b>(1,391)</b>	<b>132</b>
<b>Cash Flows From Investing Activities:</b>		
Proceeds from disposal of Property, Plant and Equipment	75	-
Purchase of Property, Plant and Equipment	(2,783)	(143)
<b>Net Cash Used in Investing Activities</b>	<b>(2,708)</b>	<b>(143)</b>
<b>Cash Flows From Financing Activities:</b>		
(Decrease) / Increase in Bills payables and Trust Receipts	(195)	19
Interest Paid	(220)	(210)
Issue of Shares	6,279	-
Dividends Paid to Non-Controlling Interests	(150)	(30)
Increase/(Decrease) in Other Financial Liabilities	2,121	(119)
<b>Net Cash From / (Used in) Financing Activities</b>	<b>7,835</b>	<b>(340)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>3,736</b>	<b>(351)</b>
Cash and Cash Equivalents at Beginning of Period <sup>(2)</sup>	1,806	875
<b>Cash and Cash Equivalents at End of Period <sup>(2)</sup></b>	<b>5,542</b>	<b>524</b>

Notes:

(1) The combined financial statements of the Group as at 31 December 2008 and 2009 have been prepared in accordance with the principles of "pooling of interests" accounting.

(2) Cash and cash equivalents excludes the restricted cash of S\$31,000.

1(d)(i) A 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	ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP			MINORITY INTERESTS S\$'000	TOTAL EQUITY S\$'000
	Share Capital S\$'000	Accumulated profits/(losses) S\$'000	Total S\$'000		
<b>Current Year:</b>					
Opening Balance at 1 July 2009	500	7,729	8,229	799	9,028
Effect from Restructuring Exercise	(500)	(7,729)	(8,229)	-	(8,229)
Issue of Share on Incorporation Date	*-	-	*-	-	*-
Issue of Shares for Acquisition of Subsidiaries	8,230	-	8,230	-	8,230
<b>Initial Public Offering</b>					
Issue of Shares	6,500	-	6,500	-	6,500
Share Issue Expenses	(222)	-	(222)	-	(222)
	6,278	-	6,278	-	6,278
Total Comprehensive Income for the Year	-	1,800	1,800	99	1,899
Dividends Paid to Non-Controlling Interests	-	-	-	(150)	(150)
Balance at 31 December 2009	14,508	1,800	16,308	748	17,056
<b>Previous Year:</b>					
Balance at 1 July 2008	500	7,690	8,190	469	8,659
Total Comprehensive Income for the Year	-	488	488	257	745
Balance at 31 December 2008	500	8,178	8,678	726	9,404

COMPANY	Share Capital S\$'000	Accumulated profits/(losses) S\$'000	Capital reserve S\$'000	TOTAL EQUITY S\$'000
<b>Current Year:</b>				
Opening Balance at 1 July 2009	-	-	-	-
Issue of Share on Incorporation Date	*-	-	-	*-
Issue of Shares for Acquisition of Subsidiaries	8,230	-	1,009	9,239
<b>Initial Public Offering</b>				
Issue of Shares	6,500	-	-	6,500
Share Issue Expenses	(222)	-	-	(222)
	6,278	-	-	6,278
Total Comprehensive Income for the Year	-	(1,356)	-	(1,356)
Balance at 31 December 2009	14,508	(1,356)	1,009	14,161
<b>Previous Year:</b>				
Balance at 1 July 2008	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	-
Balance at 31 December 2008	-	-	-	-

\* Amount less than \$1,000.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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.

	Company		
	31 December 2009		30 June 2009
	Shares	S\$	
Total number of shares at the beginning of the year	1	1	-
Issue of shares pursuant to the restructuring exercise <sup>(1)</sup>	129,999,999	8,228,989	-
Issue of shares pursuant to the placement <sup>(2)</sup>	32,500,000	6,279,000	-
Total number of shares at the end of the year	162,500,000	14,507,990	-

Notes:

(1) The company was incorporated on 6th October 2009 in Singapore in accordance with The Companies Act (Chapter 50) of Singapore as a private limited company with an issued and paid-up capital of S\$1.00 comprising one share. Pursuant to the restructuring exercise dated 23rd November 2009, the company acquired the entire share capital of Hafary from its shareholders. The consideration was based on the audited NTA (excluding minority interests) of Hafary group as at 30th June 2009 of approximately \$8,228,989. The acquisition of Hafary was completed on 23rd November 2009. The consideration was satisfied by the issue of 129,999,999 shares of our company, credited as fully paid to the shareholders.

(2) On 7th December 2009, the company issued 32,500,000 new ordinary shares arising from the IPO.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the immediately preceding year

31 December 2009	30 June 2009
162,500,000	-

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not Applicable



**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited nor reviewed by auditors.

**3 Where the figures have been audited or reviewed, the auditor' report (including any qualifications or emphasis of a matter)**

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 adopted the same accounting policies and methods of computation as presented in the audited financial statements of the Group for the financial year ended 30 June 2009.

**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 had adopted the new and/or revised Financial Reporting Standards (the "FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2009. Changes to the Group's accounting policies have been made in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of the new and/or revised FRS and INT FRS did not result in any substantial changes to or significant impact on the Group's financial statements or results respectively, except the additional disclosure of a statement of comprehensive income in accordance with FRS 1 (Revised) Presentation of Financial Statements.

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 shares for the period based on total comprehensive income attributable to owners of the parent :-

	Group		
	31-Dec-09 ( 6 months)	31-Dec-08 ( 6 months)	
Earnings per ordinary share			
(a) Based on the weighted average number of ordinary shares in issue; and (\$)	1.17	0.46	*
Number of ordinary shares in issue	162,500,000	-	**
(b) On a fully diluted basis (\$)	1.17	0.46	*
Diluted number of ordinary shares in issue	162,500,000	-	**

\* For comparative purposes, EPS for the period have been computed based on share capital of 162,500,000 shares.

\*\* The company was incorporated on 6 October 2009.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	Group		Company	
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
Net asset value per ordinary share based on the total number of share in issue	10.50 cents	5.56 cents *	8.71 cents	0.00 cents

Net asset value per ordinary share is calculated based on 162,500,000 shares in issue as at 31 December 2009. (Nil as at 31 December 2008. The company was incorporated on 6 October 2009.)

\* For comparative purposes, net asset value for the period have been computed based on share capital of 162,500,000 shares.

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include 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.

Material factors that affected turnover, costs and earnings

#### Profit and Loss Review

##### Reporting Period

Singapore economy expanded by 0.9%, year-on-year, in the third quarter of 2009 and 3.5%, year-on-year, in the fourth quarter of 2009. The construction sector expanded by 4.3% on a seasonally-adjusted quarter-on-quarter annualised basis in the fourth quarter compared to 0.9% in the third quarter of 2009. The number of HDB resale applications registered a total of 20,575 in second half of year 2009. These were favourable to the group and translate into better demand for our products.

##### Revenue

Revenue increased by S\$2.1m or 12.5%, from S\$16.8m in first half of FY2009 ("1H09") to S\$18.9m in first half of FY2010 ("1H10"). This is due to an increase in revenue contribution from the increase in demand for renovation and fitting out, which translated into higher demand for our products.

##### Other items of income

Other credits was significantly higher in 1H10 due mainly to miscellaneous income due to job credits arising from the Jobs Credit Scheme introduced by the government in the Singapore Budget 2009 to encourage businesses to preserve jobs in the economic downturn in 2009. This took effect in 2nd quarter of year 2009.

##### Changes in inventories of finished goods

Inventories of finished goods were S\$2.6m in 1H10 compared to S\$14,000 in 1H09.

##### Purchases and related expense

Purchases and related expense increased by S\$1.9m from S\$12.2m in 1H09 to S\$14.1m in 1H10, largely in line with the increase in our revenue and our expansion of product range, especially in our stone tiles.

##### Employee benefits expense

Employee benefits expenses have increased from S\$1.7m in 1H09 to S\$2.0m in 1H10 due mainly to the increase in remuneration paid to our staff as a result of salary increments and a headcount increase of 13 staff to support the increase in our business activities.

##### Depreciation expense

Depreciation expense increased from S\$0.18m to S\$0.21m due mainly to the purchase of our new Sungei Kadut Loop warehouse in December 2009.

##### Impairment losses

Impairment losses have increased from an impairment reversal of S\$2,000 in 1H09 to an impairment loss of S\$75,000 in 1H10. This is largely attributable to impairment allowance for trade receivables of \$99,000, partially offset by bad debts recovered of S\$24,000.

##### Other expenses

Other expenses increased by S\$0.2m from S\$1.4m in 1H09 to S\$1.6m in 1H10 due mainly to increase in (i) water & electricity by S\$0.1m due to increased in office space usage, increased in utilities tariffs and back billing of utilities for FY2008 and FY2009, (ii) overseas travelling expenses by S\$53,000 for trade fairs, procurement as well as inspection of inventory ordered, (iii) audit fee by S\$27,000 and (iv) hire of vehicle of S\$19,000 to accommodate the increase in demand for our products.

##### Other charges

Other charges increased by \$1.0m, from S\$0.02m in 1H09 to S\$1.1m in 1H10 due to the recognition of expenses of \$0.9m relating to the initial public offering ("IPO") of the company in December 2009.

##### Profit before income tax

Profit before tax increased by S\$1.5 million or 125%, from S\$1.1 million in 1H09 to S\$2.6 million in 1H10 due mainly to higher revenue, lower cost of inventory, partially offset by other charges and expenses. Had the expense of S\$0.9m relating to the IPO of the company been excluded, our pretax profit for 1H10 would have been S\$3.5m, 218% higher than 1H09.

**Material factors that affected cash flow, working capital, assets or liabilities**

**Balance Sheet Review**

Non-current assets

Property, plant and equipment increased by S\$2.7m as a result of purchase of motor vehicles and a warehouse at 54/56 Sungei Kadut Loop Singapore 729477.

Current assets

Current assets increased by S\$9.2m due mainly to increase in inventories by S\$2.6m, trade and other receivables by S\$2.3m, other assets by S\$0.6m and cash and cash equivalent by S\$3.7m.

Higher inventory was due mainly to purchase of products in anticipation of higher demand for tiles. Trade and other receivables are higher due mainly to higher revenue in 1H10. Other assets increased from S\$0.2m in FY2009 to S\$0.8m due mainly to advance payments to suppliers as a deposit to start production for the range of products we have ordered.

Cash and cash equivalents as at 31 December 2009 were higher as a result of net proceeds relating to the IPO of the company in December 2009.

Non-current liabilities

Non-current liabilities increased by S\$1.6m due to the property financing for our new warehouse at 54/56 Sungei Kadut Loop Singapore 729477.

Current liabilities

Current liabilities increased by S\$2.3m due mainly to an increase in trade and other payables by S\$1.6m due to increased usage of financing trade bills for our purchases and in other financial liabilities by S\$0.6m being current portion of the loan for the newly purchased warehouse at 54/56 Sungei Kadut Loop Singapore 729477.

The effective tax rate of 25.6% is higher than the Singapore corporate tax rate of 17% due mainly to non-deductible expenses.

**Cash Flow Review**

The net cash used in operating activities of S\$1.4m is due mainly to increase in other assets, trade receivables, inventories as well as decrease in trade payables. This is due mainly to an increase in trade receivables of S\$2.3m, largely in line with our increase in revenue for 1H10 and increase in inventories of S\$2.6m, consistent with our expansion plan to cater for variety of tiles and stones for customers.

We increased our purchase of inventories also to cover over the period in February and March 2010 where many of our suppliers in China are expected to be closed for Chinese New Year and their yearly plant and equipment maintenance.

Cashflow used in investing activities was S\$2.7m due mainly to the purchase of the warehouse at 54/56 Sungei Kadut Loop Singapore 729477.

Net cash from financing activities was S\$7.8m due mainly to net proceeds from the IPO of the company in December 2009 and loan from financial institutions in relation to the purchase of the warehouse at Sungei Kadut Loop. They are partly offset by decrease in bills payable and trust receipts, interest paid and dividend paid to non-controlling interests.

As a result of the above, there was a net increase of S\$3.7m in our cash and cash equivalents, from S\$1.8m as at 1 July 2009 to S\$5.5m as at 31 December 2009.

Where a forecast, or a proposed statement, had been previously disclosed to shareholders, any variance between it and the actual results.

The actual results are in line with the disclosure contained in the "Trend Information" section of the Company's Offer Document dated 26 November 2009.

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.

Despite the current uncertain global economic situation, the group is able to manage lower cost of purchasing inventory and increase our product variety to meet the demand of our products.

Moving forward, the group will focus to explore opportunities to commence offering complementary products for instance, sanitary ware and fittings. This will serve to increase our product offerings to complement the existing product range, which will enable us to acquire more business from existing customers, as well as new customers.

11 Dividend

(a) Current Financial Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Hafary Pte Ltd declared and paid tax exempt (one-tier) dividends amounting to approximately \$3,000,000 in respect of FY2009. In addition, Surface Project Pte Ltd declared and paid tax exempt (one-tier) dividends amounting to approximately \$800,000 in respect of FY2009 of which \$100,000 is declared and paid in the first half of FY2009.

(c) Date Payable

Not Applicable.

(d) Books closure date

Not Applicable.

12 If no dividend has been declared/recommended, a statement to that effect

No interim dividend has been declared nor recommended for the first half of financial year 2010.

**13 Interested Person Transactions**

Nil



**HAFARY HOLDINGS LIMITED**  
Company Registration No. 200918637C

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**CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, Low Kok Ann and Low See Ching, being Directors of the Company, do thereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the 6 months ended 31 December 2009 to be false or misleading in any material aspect.

On behalf of the Board of Directors




Low Kok Ann  
Chairman



Low See Ching  
CEO, Executive Director

**BY ORDER OF THE BOARD**



Low See Ching  
Executive Director  
Date 9 February 2010