


MISCELLANEOUS

\* 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>	29-Feb-2012 17:15:48
<b>Announcement No.</b>	00074

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

<b>Announcement Title *</b>	Update on the share transfer and registered capital subscription agreement and the equity joint venture agreement and disbursement of placement proceeds
<b>Description</b>	Please refer to attachment.
<b>Attachments</b>	 HHL_Completion_of_HCCM.pdf Total size = <b>24K</b> (2048K size limit recommended)

## **HAFARY HOLDINGS LIMITED**

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

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### **(1) UPDATE ON THE SHARE TRANSFER AND REGISTERED CAPITAL SUBSCRIPTION AGREEMENT AND THE EQUITY JOINT VENTURE AGREEMENT ENTERED INTO BY THE COMPANY'S WHOLLY-OWNED SUBSIDIARY, HAFARY CHINA PTE. LTD. (THE "TRANSACTION")**

### **(2) DISBURSEMENT OF PLACEMENT PROCEEDS**

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#### **1. INTRODUCTION**

The Board of Directors (the "**Board**") of Hafary Holdings Limited (the "**Company**") together with its subsidiaries (collectively, the "**Group**") refers to the announcements dated 18 October 2011, 3 November 2011 and 24 November 2011 in relation to the Company's private placement (the "**Placement**") of shares in the Company ("**Shares**") and its proposed use of net proceeds amounting to S\$6,367,000 from the Placement (the "**Placement Proceeds**").

The Board of the Company also refers to the announcement dated 26 December 2011 (the "**Previous Announcement**") in relation to the use of the Placement Proceeds in the Transaction, comprising:-

- (a) the share transfer and registered capital subscription agreement (the "**Agreement**") which the Company's wholly-owned subsidiary, Hafary China Pte. Ltd. ("**HChPL**") entered into with Hunan Cappuccino Construction Materials Co., Ltd. ("**HCCM**") and certain existing shareholders of HCCM (the "**Existing Shareholders**"), namely Zhang Haobin, Chu Chunbao, Li Qingbing and Cai Xilong; and
- (b) the equity joint venture agreement (the "**JVA**") which HChPL entered into with the Existing Shareholders.

Capitalised terms in this Announcement which are not defined shall have the meaning set out in the Previous Announcement.

#### **2. MATERIAL CONDITIONS PRECEDENT TO THE AGREEMENT**

Pursuant to the Previous Announcement, it is a condition precedent to the Agreement that:-

- (a) the JVA and the Articles of Association of HCCM are executed, submitted to and approved by the Changde Bureau of Commerce (常德市商务局), and registered by the Changde Administration for Industry and Commerce (常德市工商行政管理); and

- (b) all requisite approvals by and registrations and filings with the PRC governmental authorities required for the execution and performance of the Agreement are obtained, including without limitation, approvals from Changde Bureau of Commerce (常德市商务局) and registrations and filing with the Changde Administration for Industry and Commerce (常德市工商行政管理局), the competent local branch of State Administration of Foreign Exchange.

As at the date of this announcement, the Changde Administration for Industry and Commerce (常德市工商行政管理局) has given all requisite approvals including the issuance of a business license as a foreign-invested enterprise and a foreign exchange registration certificate for HCCM and has registered HChPL as one of HCCM's shareholders.

### 3. COMPLETION OF THE TRANSACTION

With the registration of HChPL as one of HCCM's shareholders, the shareholding of HCCM is now as follows:

	Name of shareholders	Percentage of shareholdings (%)
1	Hafary China Pte. Ltd.	45.00
2	Zhang Haobin (张浩斌)	32.91
3	Jiao Yuping (焦玉萍)	10.52
4	Chu Chunbao (储春宝)	6.43
5	Li Qingbing (李庆兵)	2.57
6	Cai Xilong (蔡喜龙)	2.57
	Total	100.00

As at the date of this announcement, all requisite approvals, license and certificates have been obtained from and/or issued by the aforementioned authorities in the PRC and the remaining consideration of approximately RMB6,800,000 (S\$ equivalent: S\$1,280,000), equivalent to 80% of the amount payable for the subscription of the additional equity interest in HCCM, has been disbursed. Accordingly, the Transaction is completed with the fulfilment of all the conditions precedent to the Agreement.

#### 4. DISBURSEMENT OF PLACEMENT PROCEEDS

The Board of Directors of the Company also wishes to announce that as at the date of this announcement, the Group has disbursed the remaining S\$1,280,000 from the Placement Proceeds for the Transaction. Accordingly the Placement Proceeds has been fully utilised as follows:

Purpose and milestone achieved	Amount disbursed (RMB'000)	S\$'000 equivalent
Subscription monies for additional equity interest issued by HCCM upon the application by HCCM for the business license as a foreign-invested enterprise	8,500	1,620
Purchase consideration (in full) for the acquisition of the equity interests held by the Existing Shareholders upon the registration of HChPL as one of HCCM's shareholders and receipt of the business license as a foreign-invested enterprise for HCCM	21,500	4,347
Working capital	Not applicable	400
<b>Total</b>		<b>6,367</b>

The Company will provide a status report on the use of the Placement Proceeds in its annual report.

By Order of the Board

Tay Eng Kiat Jackson  
Financial Controller  
29 February 2012

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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.

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