

MISCELLANEOUS

* Asterisks denote mandatory information

Name of Announcer *	HAFARY HOLDINGS LIMITED
Company Registration No.	200918637C
Announcement submitted on behalf of	HAFARY HOLDINGS LIMITED
Announcement is submitted with respect to *	HAFARY HOLDINGS LIMITED
Announcement is submitted by *	Tay Eng Kiat Jackson
Designation *	Financial Controller
Date & Time of Broadcast	17-May-2012 23:04:25
Announcement No.	00147

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	Interested Person Transactions between the Company and Galaxy Builders Pte Ltd, Hume Construction Pte Ltd and Oxley Construction Pte Ltd
Description	Please refer to attachment.
Attachments	 HHL_IPTs_FY2012.pdf Total size = 44K (2048K size limit recommended)

HAFARY HOLDINGS LIMITED

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

INTERESTED PERSON TRANSACTIONS BETWEEN THE COMPANY AND GALAXY BUILDERS PTE LTD, HUME CONSTRUCTION PTE LTD AND OXLEY CONSTRUCTION PTE LTD

INTRODUCTION

1. The Board of Directors of the Company wishes to announce that as at 16 May 2012, the Company with its subsidiaries (the "**Hafary Group**") has entered into transactions with the same interested persons (as defined in Chapter 9 of the Catalist Rules) amounting to an aggregate of S\$741,000 which has exceeded 3% of the Group's latest NTA as at 30 June 2011 ("**FY2011 NTA**"), details of which are set out below.

INTERESTED PERSON TRANSACTION

2. Mr Ching Chiat Kwong, who is a controlling shareholder of the Company holding 23.57% of the issued and paid-up capital of the Company, is also a director and sole shareholder of each of Galaxy Builders Pte Ltd ("**Galaxy Builders**"), Hume Construction Pte Ltd ("**Hume Construction**") and Oxley Construction Pte Ltd ("**Oxley Construction**"). Galaxy Builders, Hume Construction and Oxley Construction are incorporated in Singapore and their principal activities are as follows:-
 - (a) Galaxy Builders is principally engaged in, *inter alia*, general contracting, building construction, other business support services and the provision of mechanical, electrical & general contractor engineering services;
 - (b) Hume Construction is principally engaged in, *inter alia*, general contracting and building construction; and
 - (c) Oxley Construction is principally engaged in, *inter alia*, building construction, provision of interior design and interior consultancy services and interior decoration services.

As such, Galaxy Builders, Hume Construction and Oxley Construction are associates of Mr Ching Chiat Kwong and are therefore each an Interested Person for the purposes of Chapter 9 of the Catalist Rules. Accordingly, any transactions entered into between the Hafary Group and each or all of Galaxy Builders, Hume Construction and Oxley Construction would be interested persons transactions, and subject to Chapter 9 of the Catalist Rules.

3. The Hafary Group had from time to time supplied products to Galaxy Builders, Hume Construction and Oxley Construction for use in their respective development projects (the "**Interested Persons Transactions**"). The Interested Persons Transactions entered into by the Hafary Group did not previously exceed the relevant thresholds set out in Chapter 9 of the Catalist Rules. Details of the Interested Persons Transactions entered into by the Hafary Group in the current financial year, from 1 July 2011 to 16 May 2012 (the "**FY2012 Transactions**") are set out as follows:-

Name of Interested Person	Details of Interested Person Transactions carried out from 1 July 2011 to 16 May 2012	Value of Interested Person Transactions (\$'000)
Galaxy Builders	Sale of tiles (including floor, wall and homogeneous tiles)	269
Galaxy Builders	Sale of sanitary ware (including bathroom fixture and fittings)	30
Hume Construction	Sale of tiles (including floor, wall and homogeneous tiles)	33
Oxley Construction	Sale of tiles (including floor, wall and homogeneous tiles)	230
Oxley Construction	Sale of sanitary ware (including bathroom fixture and fittings)	179
	Total	741

Based on the Group's latest audited consolidated financial statements for the financial year ended 30 June 2011, the audited consolidated net tangible assets as at 30 June 2011 ("FY2011 NTA") was S\$23,798,000. Accordingly, the total value of the FY2012 Transactions (up to 16 May 2012) set out above amounted to 3.11% of the Hafary Group's FY2011 NTA.

Save as disclosed in the aforementioned paragraph, there are no other interested person transactions with Mr Ching Chiat Kwong and his associates for the financial year ending 30 June 2012.

The FY2012 Transactions were carried out on a willing buyer and willing basis and were at prices comparable to prevailing market prices charged for similar products and/or services to unrelated parties.

RATIONALE FOR THE FY2012 TRANSACTIONS

4. The FY2012 Transactions are entered into by the Hafary Group in its ordinary course of business of the Hafary Group and the Hafary Group's supply of products to the development projects of Galaxy Builders, Hume Construction and Oxley Construction and provides a steady revenue stream for the Hafary Group.

AUDIT COMMITTEE'S STATEMENT

5. The audit committee of the Company ("**Audit Committee**") has reviewed the terms of the FY2012 Transactions. The Audit Committee and the Board of Directors are of the view that the FY2012 Transactions are entered into on an arm's length basis on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

FUTURE TRANSACTIONS

6. The Hafary Group intends to enter into future transactions of similar nature with Galaxy Builders, Hume Construction and Oxley Construction in the current financial year ("**Future Transactions**"). The terms and conditions of the Future Transactions will be agreed between the Hafary Group and Galaxy Builders, Hume Construction and Oxley Construction, having regard to prevailing market rates, and will be based on normal commercial terms transacted on an arm's length basis.

As the Interested Person Transactions are expected to exceed the threshold of 5% prescribed under Rule 906(1) of the Catalist Rules, the Company intends to seek a general mandate from shareholders for such Interested Person Transactions that are recurrent transactions of revenue or trading nature. Further information on the general mandate will be provided to shareholders in due course.

INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

7. Save as disclosed above, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Interested Person Transactions.

By Order of the Board

Tay Eng Kiat Jackson
Financial Controller
17 May 2012

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Canaccord Genuity Singapore Pte. Ltd. (formerly known as Collins Stewart Pte. Limited) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Canaccord Genuity Singapore Pte. Ltd. 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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