

 [Print this page](#)
Change in Capital :: Placement :: Proposed Placement of up to 20,000,000 New Ordinary Shares

* 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	05-Feb-2013 20:40:57
Announcement No.	00172

>> Announcement Details

The details of the announcement start here ...

Announcement Title *	Proposed Placement of up to 20,000,000 New Ordinary Shares
Specific shareholder's approval Required? *	No
Description	Please refer to the attachment.

Attachments
 [HHL-Placement_of_Shares.pdf](#)

Total size = **75K**
(2048K size limit recommended)

[Close Window](#)

HAFARY HOLDINGS LIMITED

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

PROPOSED PLACEMENT OF UP TO 20,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF HAFARY HOLDINGS LIMITED AT A PLACEMENT PRICE OF S\$0.294 FOR EACH PLACEMENT SHARE

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor 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 Ms Soo Hsin Yu, Associate Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.

I. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**" or "**Directors**") of Hafary Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 5 February 2013 entered into a placement agreement (the "**Placement Agreement**") with UOB Kay Hian Private Limited as the placement agent (the "**Placement Agent**"). Pursuant to the Placement Agreement, the Company has agreed to allot and issue up to 20,000,000 new ordinary shares in the capital of the Company (the "**Placement Shares**" and each a "**Placement Share**") at an issue price of S\$0.294 (the "**Placement Price**") for each Placement Share (the "**Placement**") and the Placement Agent has agreed, on a best endeavours basis, to procure subscribers for the Placement Shares at the Placement Price on the terms and subject to the conditions of the Placement Agreement.
- 1.2 The Placement will not be underwritten.

2. THE PLACEMENT SHARES AND THE PLACEMENT PRICE

- 2.1 The Placement Shares, when issued and fully paid, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the ordinary shares (the "**Shares**") existing as at the date of issue of the Placement Shares save that they will not rank for any dividends, rights, allotments or other distributions, the record date in respect of which falls on or prior to the date of completion of the allotment and issue of the Placement Shares.
- 2.2 The Placement Shares will be issued pursuant to the authority granted by shareholders of the Company by way of an ordinary resolution at the annual general meeting of the Company held on 12 October 2012 (the "**2012 AGM**") for the issue of Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares) in the capital of the Company at the date of the grant, of which the aggregate number of Shares to be issued other than on a pro-rata basis to all existing shareholders of the Company does not exceed 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company at the date of the grant (the "**Share Issue Mandate**").

- 2.3 No Shares had previously been issued pursuant to the Share Issue Mandate and the aggregate Placement Shares represent approximately 10.3% of the issued and paid-up share capital of the Company of 194,500,000 Shares at the time the approval for the Share Issue Mandate was granted. Accordingly, the proposed allotment and issue of up to 20,000,000 Placement Shares is within the limit of the Share Issue Mandate obtained at the 2012 AGM.
- 2.4 Assuming all the Placement Shares are placed out, the Company's issued and paid-up share capital will increase from 194,500,000 Shares as at the date of this announcement to 214,500,000 Shares. The Placement Shares represent approximately 10.3% of the existing issued and paid-up share capital of the Company as at the date of this announcement, and approximately 9.3% of the enlarged issued and paid-up share capital of the Company following completion of the Placement.
- 2.5 The Placement Price represents a discount of approximately 9.9% to the weighted average price of S\$0.3262 for each Share, based on trades done on Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 31 January 2013 (being the last full market day prior to the signing of the Placement Agreement). The discount of 9.9% is within the 10% discount limit as stated in Rule 811(1) of the Listing Manual Section B: Catalist Rules of the SGX-ST (the "**Catalist Rules**").
- 2.6 As at the date of this announcement, the Company does not know the identities of and/or the allocation of Placement Shares to, or have any further information on the subscribers to be procured by the Placement Agent under the Placement.
- 2.7 The Company will not place any of the Placement Shares to any person who is a Director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the Catalist Rules. The Placement would not result in any transfer of controlling interest in the Company.

3. **CONDITIONS OF THE PLACEMENT**

The Placement is conditional upon, *inter alia*, the following:-

- (a) the listing and quotation notice being obtained from the SGX-ST for the dealing in, listing of and quotation for the Placement Shares on Catalist in accordance with the terms of the Placement Agreement and not having been revoked or amended and, where such approval is subject to conditions, to the extent that any condition for the dealing in, listing of and quotation for the Placement Shares on Catalist are required to be fulfilled on or before the date falling three (3) business days after the SGX-ST grants its listing and quotation notice for the dealing in, listing of and quotation for the Placement Shares on Catalist (the "**Completion Date**"), they are so fulfilled;
- (b) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Placement Agent;

- (c) there not having occurred, in the reasonable opinion of the Placement Agent, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Placement Agreement which, in the reasonable opinion of the Placement Agent, is or is reasonably likely to be materially adverse in the context of the Placement or is reasonably likely to prejudice materially the success of the Placement or dealings in the Placement Shares in the secondary market; and
- (d) the representations, warranties and undertakings contained in the Placement Agreement remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations hereunder to be performed on or before the Completion Date.

4. PURPOSE AND USE OF PROCEEDS

Assuming that all the Placement Shares are placed out, the estimated net proceeds from the Placement (the "**Net Proceeds**") will be approximately S\$5.8 million (after deducting expenses of approximately S\$0.1 million incurred by the Company in connection with the Placement).

The Company intends to use the Net Proceeds as follows:-

(a) **Redevelopment of the property at 18C Sungei Kadut Street 4**

Approximately S\$2.0 million (amounting to approximately 34.5% of the Net Proceeds) will be used to build a 3-storey support warehouse at 18C Sungei Kadut Street 4 for the storage of marble and stone materials. The estimated gross floor area of this warehouse is approximately 2,783.76 square metres; and

(b) **For general working capital purposes**

Approximately S\$3.8 million (amounting to approximately 65.5% of the Net Proceeds) will be used for the purchasing and holding of inventory as the Group's business increase, in particular in relation to its public projects. As it is difficult to gauge the time when deliveries for such public projects will be required, the Group orders such inventory (which is of considerable value) in large quantities so that the Group is able to meet its contractual obligations at a relatively short notice, especially in respect of the Group's commitment to Housing Development Board projects.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be placed in deposits with financial institutions or invested in short-term money market instruments or used for any other purposes on a short-term basis as the Directors may in their absolute discretion deem fit in the interest of the Company.

The Company will make periodic announcements on the utilization of the Net Proceeds as and when the Net Proceeds are materially disbursed, and will provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Rule 705 of the Catalyst Rules and the Company's annual report.

5. FINANCIAL EFFECTS OF THE PLACEMENT

The financial effects of the Placement on the Group are set forth below and were prepared based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2012 (“FY2012”), subject to the following assumptions:

- (a) the Placement Shares are fully placed out;
- (b) the expenses incurred by the Company in connection with the Placement are approximately S\$0.1 million;
- (c) for the purpose of computing the earnings per share of the Group after the Placement, it is assumed that the Placement was completed on 1 July 2011; and
- (d) for the purpose of calculating the net asset value per share after the Placement, it is assumed that the Placement was completed on 30 June 2012.

	Before the Placement	After the Placement
Net asset value per share as at 30 June 2012	16.1 cents	17.3 cents
Earnings per share for FY2012	2.5 cents	2.3 cents

It should be noted that the abovementioned financial effects have been calculated for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after completion of the Placement.

6. OFFER INFORMATION STATEMENT AND ADDITIONAL LISTING APPLICATION

- 6.1 The Placement will be carried out pursuant to the exemption under Section 277 of the Securities and Futures Act (Cap. 289) of Singapore. An Offer Information Statement, which complies as to the form and content with the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, will be lodged by the Company with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore.
- 6.2 The Sponsor of the Company, Canaccord Genuity Singapore Pte. Ltd., will be making an application on behalf of the Company to the SGX-ST for the dealing in, listing of and quotation for the Placement Shares on Catalist of the SGX-ST.
- 6.3 The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Placement Shares on Catalist of the SGX-ST.

7. CONFIRMATION BY THE DIRECTORS

- 7.1 The Directors are of the opinion that after taking into consideration the Group's present internal resources, operating cashflows and present bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the above, the Placement is to provide funds for the redevelopment of the Company's property located at 18C Sungei Kadut Street 4 and to further supplement the working capital available to the Group for the purpose as described under paragraph 4 of this announcement.

- 7.2 The Directors are of the opinion that, after taking into consideration, the Group's present internal resources, operating cashflows, present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors nor (in so far as the Directors are aware) any substantial shareholders of the Company or their respective associates have any interest, whether direct or indirect, in the Placement. In view of the Placement, shareholders of the Company and potential investors should exercise caution when trading in the shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

9. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board

Tay Eng Kiat Jackson
Financial Controller
5 February 2013