



CFM Holdings Limited

(Incorporated in Singapore under Registration No. 200003708R)

**Condensed interim financial statements
for the six months ended 31 December 2022**

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		The Group	
		6 months ended	
		31 Dec 2022	31 Dec 2021
	Note	S\$'000	S\$'000
Revenue	4	14,120	12,325
Cost of sales		<u>(10,268)</u>	<u>(9,512)</u>
Gross profit		3,852	2,813
Other income		8,383	320
Marketing and distribution expenses		(146)	(119)
Administrative and other expenses		(2,429)	(2,154)
Impairment reversal / (allowance) for trade receivables		244	(212)
Finance costs		<u>(115)</u>	<u>(133)</u>
Profit before taxation	5	9,789	515
Tax expense	7	<u>(392)</u>	<u>(219)</u>
Profit for the financial period, net of tax		9,397	296
 Other comprehensive loss			
<u>Items that are or may be reclassified subsequently to profit or loss:</u>			
Currency translation differences		<u>(386)</u>	<u>(150)</u>
Total other comprehensive income attributable to equity holders of the Company		<u>9,011</u>	<u>146</u>
 Profit attributable to:			
Equity holders of the Company		<u>9,397</u>	<u>296</u>
 Total comprehensive income attributable to:			
Equity holders of the Company		<u>9,011</u>	<u>146</u>
 Earnings per share for profit for the period attributable to equity holder of the Company during the financial period (S\$ in cent)			
a) Basic		<u>4.66</u>	<u>0.15</u>
b) Diluted		<u>4.66</u>	<u>0.15</u>

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		31 Dec 2022	30 June 2022	31 Dec 2022	30 June 2022
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	10	5,696	3,501	-	-
Investment in subsidiaries		-	-	16,435	16,435
Total non-current assets		5,696	3,501	16,435	16,435
Current assets					
Inventories	11	3,976	4,343	-	-
Trade receivables	12	6,474	5,903	3	-
Other receivables and prepayments		1,036	334	147	4
Amounts due from subsidiaries	6	-	-	2	319
Cash and cash equivalents		13,128	4,214	86	69
		24,614	14,794	238	392
Non-current asset classified as held for sale		-	7,487	-	-
Total current assets		24,614	22,281	238	392
Total assets		30,310	25,782	16,673	16,827
Non-current liabilities					
Borrowings	9	2,252	783	-	-
Lease liabilities	9	146	89	-	-
Deferred tax liabilities		254	260	45	45
Total non-current liabilities		2,652	1,132	45	45
Current Liabilities					
Trade payables		3,533	2,332	-	-
Contract liabilities		57	134	-	-
Lease liabilities	9	68	126	-	-
Other payables		2,064	2,481	439	307
Amount due to subsidiaries	6	-	-	1,043	692
Borrowings	9	533	4,537	-	-
Income tax payable		327	449	37	37
		6,582	10,059	1,519	1,036

**B. Condensed interim statements of financial position
(continued)**

	The Group		The Company			
	31 Dec 2022	30 June 2022	31 Dec 2022	30 June 2022		
	Note	S\$'000	S\$'000	S\$'000		
Liabilities directly associated with disposal of non-current asset classified as held for sale		-	2,326	-	-	-
Total current liabilities		6,582	12,385	1,519	1,036	
Total liabilities		9,234	13,517	1,564	1,081	
Net assets		21,076	12,265	15,109	15,746	
Equity						
Share capital	14	22,963	22,963	22,963	22,963	
Accumulated losses		(1,056)	(10,253)	(7,854)	(7,217)	
Foreign currency translation reserve		(831)	(445)	-	-	
Equity attributable to equity holders of the Company		21,076	12,265	15,109	15,746	

C. Condensed interim statements of changes in equity

The Group	Note	Share capital	Accumulated losses	Foreign currency translation reserve	Total equity
		S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2022		22,963	(10,253)	(445)	12,265
Profit for the financial period		-	9,397	-	9,397
<u>Other comprehensive loss for the period</u>					
Currency translation differences		-	-	(386)	(386)
Total comprehensive income / (loss) for the period		-	9,397	(386)	9,011
Dividend declared for FY2022	8	-	(200)	-	(200)
Balance at 31 December 2022		22,963	(1,056)	(831)	21,076
Balance as at 1 July 2021		22,963	(12,141)	88	10,910
Profit for the financial period		-	296	-	296
<u>Other comprehensive loss for the period</u>					
Currency translation differences		-	-	(150)	(150)
Total comprehensive income / (loss) for the period		-	296	(150)	146
Balance at 31 December 2021		22,963	(11,845)	(62)	11,056

C. Condensed interim statements of changes in equity (continued)

The Company	Note	Share capital	Accumulated losses	Total equity
		S\$'000	S\$'000	S\$'000
Balance at 1 July 2022		22,963	(7,217)	15,746
Loss and total comprehensive loss for the financial period		-	(437)	(437)
Dividend declared for FY2022	8	-	(200)	(200)
Balance at 31 December 2022		22,963	(7,854)	15,109
Balance at 1 July 2021		22,963	(12,443)	10,520
Loss and total comprehensive loss for the financial period		-	(564)	(564)
Balance at 31 December 2021		22,963	(13,007)	9,956

D. Condensed interim consolidated statement of cash flows

	The Group	
	6 months ended	
	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
Cash flows from operating activities		
Profit before tax	9,789	515
Adjustments for:		
Depreciation of property, plant and equipment	281	572
Gain from disposal of non-current asset held for sale	(8,132)	-
Gain on disposal of property, plant and equipment	(50)	(2)
Property, plant and equipment written off	11	-
Interest expense	115	133
Interest income	(4)	(1)
Inventories written back	(62)	(38)
Inventories written down	156	22
Inventories written off	83	6
(Reversal) / allowance of impairment loss on trade receivables	(244)	212
Operating cash flows before working capital changes	1,943	1,419
Decrease / (increase) in inventories	61	(703)
Increase in receivables and prepayments	(1,278)	(717)
Increase in trade and other payables and contract liabilities	603	561
Foreign translation differences	75	2
Cash generated from operations	1,404	562
Interest income received	4	1
Income tax paid	(510)	(315)
Net cash generated from operating activities	898	248
Cash flows from investing activities		
Purchase of property, plant and equipment	(855)	(138)
Proceeds from disposal of non-current asset held for sale	13,350	-
Proceeds from disposal of property, plant and equipment	50	2
Net cash generated from / (used in) investing activities	12,545	(136)

D. Condensed interim consolidated statement of cash flows (continued)

	The Group	
	6 months ended	
	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
Cash flows from financing activities		
Repayment of borrowings	(4,166)	(168)
Proceeds from borrowings	-	106
Payment on lease liabilities	(147)	(26)
Interest paid	(115)	(133)
Decrease in fixed deposit pledged with bank	128	-
	<hr/>	<hr/>
Net cash used in financing activities	(4,300)	(221)
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	9,143	(109)
Cash and cash equivalents at beginning of the financial period	4,003	3,119
Effect of exchange rate changes on cash and cash equivalents	(101)	(35)
	<hr/>	<hr/>
Cash and cash equivalents at end of the financial period	13,045	2,975
	<hr/>	<hr/>
Cash and cash equivalents		
Fixed deposits	8,209	211
Cash at bank and in hand	4,919	2,975
	<hr/>	<hr/>
	13,128	3,186
	<hr/>	<hr/>
Less: Fixed deposits pledged with bank	(83)	(211)
	<hr/>	<hr/>
Cash and cash equivalents at end of the financial period	13,045	2,975
	<hr/>	<hr/>

Note A

During the financial period, the Group acquired property, plant and equipment with an aggregate amount of S\$2.53 million (1H2022: S\$138,000). Cash payment of S\$0.85 million (1H2022: S\$68,000) and S\$1.68 million was financed through a mortgage loan.

E. Notes to the condensed interim consolidated financial statement

1. Corporate information

CFM Holdings Holdings Limited (the “**Company**”) (Co. Reg. No. 200003708R) is a public limited company incorporated and domiciled in Singapore. The Company is listed on the Catalist Board of Singapore Exchange Securities Trading Limited (“**SGX-ST**”). These condensed interim consolidated financial statements as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The registered office and principal place of business of the Company is located at 3 Ang Mo Kio Street 62, LINK@AMK, #05-16, Singapore 569139.

The principal activity of the Company is that of an investment holding company. The principal activities of the Group are:

- (a) Manufacturing of metal plates and metal stamping;
- (b) Manufacturing and fabricating engineering tools;
- (c) Warehousing and logistics services; and
- (d) Trading and supplying disposable and wearable for use in cleanroom, bio-medical, laboratories and hospitals.

The financial information contained in this announcement has neither been audited nor reviewed by the Company's auditors. The latest audited annual financial statements of the Group were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

The ultimate controlling persons of the Group are Ip Kwok Wing, the Executive Chairman and his spouse, Lim Fong Li Janet, the Chief Executive Officer.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2022.

The accounting policies and methods of computation adopted for the unaudited condensed consolidated interim financial statements are consistent with those adopted by the Company in its most recently audited annual financial statements for the year ended 30 June 2022, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 below.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period.

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting the new accounting standards.

2.2 Use of estimates and judgments

In preparing the condensed interim financial statements, management has made judgments estimates and assumptions that affect the application of accounting policies and the reported

amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2022.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving critical judgment in applying accounting policies, or areas where assumptions and estimation uncertainties have a significant risk of resulting in material adjustment within the next financial period are disclosed in the following notes:

- Property, plant and equipment (Note 10)
- Write-down of inventories (Note 11)
- Calculation of loss allowance (Note 12)

3. Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

4.1 Disaggregation of Revenue

The following table provides a disaggregation disclosure of the Group's revenue by service lines and timing of revenue recognition.

	The Group	
	6 months ended	
	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
Revenue stream and timing of revenue recognition		
<i>At a point in time</i>		
Sales of metal components	12,677	10,567
Logistics services	-	48
Sales of cleanroom products	903	992
Sales of tooling products	405	535
<i>Over time</i>		
Storage services	135	183
	14,120	12,325

4.2 Reportable segments

The Group is organised into four business segments, with each segment representing a strategic business segment that offers different products in the respective markets.

The Group has four reportable operating segments as follows:

- (i) Metal stamping - manufacturing of metal plates and metal stamping;
- (ii) Tooling - manufacturing and fabricating of engineering tools and dies;
- (iii) Components and parts - trading of other components and parts, and warehousing and others and service logistics business; and
- (iv) Cleanroom products - trading of disposables and wearables for use in cleanroom, bio-medical, laboratories and hospitals.

The segment information provided to management for the reportable segments are as follows:

	Metal Stamping		Tooling		Components and parts		Cleanroom products		Group	
	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000
Segment revenue										
Sales to external customers	12,677	10,568	405	535	135	229	903	993	14,120	12,325
Segmental result	9,857	2,059	235	186	63	152	134	416	10,289	2,813
Unallocated expenses									(385)	(2,165)
Finance costs									(115)	(133)
Profit before tax									9,789	515
Income tax expense									(392)	(219)
Profit after tax									9,397	296

4.2 Reportable segments (continued)

	Metal Stamping		Tooling		Components and parts		Cleanroom products		Group	
	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000
<u>Group assets and liabilities</u>										
Segmental assets	26,760	15,425	55	63	-	7,982	3,405	1,063	30,220	24,533
Unallocated assets									90	98
Total assets									30,310	24,631
Segmental liabilities	6,534	6,064	-	-	-	-	2,099	284	8,633	6,348
Unallocated liabilities									601	7,227
Total liabilities									9,234	13,575
<u>Other segment information</u>										
Capital expenditure	379	131	-	-	-	-	2,234	7	2,613	138
Depreciation of property, plant and equipment	241	294	2	2	-	258	38	18	281	572
Gain on disposal of property, plant and equipment	50	2	-	-	-	-	-	-	50	2
Gain on disposal of non-current asset held for sale	8,132	-	-	-	-	-	-	-	8,132	-

4.2 Reportable segments (continued)

Geographical Information

	Singapore		Malaysia		United States of America		Slovak Republic		Rest of Europe*		Others**		Group	
	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000
Sales to external customers	1,590	1,608	3,264	3,425	2,976	1,385	1,182	1,602	3,157	2,854	1,951	1,451	14,120	12,325
Non-current assets	2,199	7,764	1,998	2,134	-	-	1,450	1,436	-	-	49	187	5,696	11,521
Other geographical information:														
Capital expenditure	2,152	13	138	88	-	-	241	17	-	-	-	20	2,531	138

*Rest of Europe comprises of Czech Republic, Germany, Hungary, Italy, Netherlands, Poland, Portugal and Romania.

** Others comprise Indonesia, South Korea and The People's Republic of China.

Revenue of approximately S\$4.0 million (1H2022: S\$2.4 million) is derived from one (1H2022: one) major external customer with revenue more than 10% of the Group's revenue and are attributable to the segments as detailed below:

Attributable segments	GROUP	
	1H2023 S\$'000	1H2022 S\$'000
Customer 1 Metal Stamping and Tooling	4,000	2,367
	4,000	2,367

5. Profit before tax

The Group's profit before tax is arrived at after charging / (crediting) the following:-

	The Group	
	6 months ended	
	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
Other Income		
Interest Income	(4)	(1)
Miscellaneous Income	(27)	(66)
Rental Income	(220)	(253)
Gain on disposal of non-current asset held for sale	(8,132)	-
Expenses		
Depreciation on property, plant and equipment	281	572
Gain on disposal of property, plant and equipment	(50)	(2)
(Gain) / loss on foreign currency	(53)	16
(Reversal) / impairment allowance for trade receivables	(244)	212
Interest on borrowings and lease	115	133
Inventories written off	83	6
Inventories written down and (written back)	94	(16)
Lease expense - short-term leases	143	110
Staff costs	4,197	3,694

6. Related Party Transactions - Amounts Due From / (To) Subsidiaries

	The Group	
	31 Dec 2023 S\$'000	30 June 2022 S\$'000
<u>Current Assets</u>		
Receivable due from subsidiaries (non-trade)	2	297
Loan to a subsidiary	-	22
Interest at 6% per annum	2	319
<u>Current Liabilities</u>		
Amount due to subsidiaries	(1,043)	(692)

Current Assets

The non-trade receivables amounting to S\$2,000 (2022 : S\$297,000) are unsecured, interest-free and repayable on demand.

Loan to a subsidiary is unsecured and repayable on demand NIL (2022 : S\$22,000). The Company has agreed to waive the interest charges on loan to a subsidiary.

Current Liabilities

The amount due to subsidiaries S\$1.04 million (2022 : S\$ 692,000) are non-trade in nature, are unsecured, interest-free and payable on demand.

7. Tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. Major components of income tax expense are as follows:

	6 months ended	
	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000
<i>Current period:</i>		
Current tax	392	228
Deferred tax	-	(9)
Income tax expense	<u>392</u>	<u>219</u>

8. Dividends

	<u>Group and Company</u>	
	<u>1HY2023</u> S\$'000	<u>1HY2022</u> S\$'000
Final tax exempt dividend 0.09924 Singapore cents per ordinary share (1HY2022: NIL)	200	-
Dividend net of tax	<u>200</u>	<u>-</u>

The above final tax exempt dividend is for financial year FY2022 as approved by the shareholders at the Annual General Meeting on 28 October 2022.

9. Net asset value

	<u>Group</u>		<u>Company</u>	
	<u>31 Dec 2022</u> cents	<u>30 June 2022</u> cents	<u>31 Dec 2022</u> cents	<u>30 June 2022</u> cents
Net Asset value per ordinary share	<u>10.46</u>	<u>6.09</u>	<u>7.50</u>	<u>7.81</u>

10. Borrowings

Amount repayable within one year or less, or on-demand

	As at 31 Dec 2022		As at 30 June 2022	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Borrowings	533	-	4,537	-
Lease liabilities	68	-	126	-
	<u>601</u>	<u>-</u>	<u>4,663</u>	<u>-</u>

Amount repayable after one year

As at 31 Dec 2022 As at 30 Jun 2022

	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Borrowings	2,252	-	783	-
Lease liabilities	146	-	89	-
	2,398	-	872	-

Details of the collaterals for the Group's borrowings are as follows:

- a) Legal mortgage over leasehold land and buildings and the fixed and floating charge on all present and future assets and joint and several guarantees from directors of a subsidiary with a combined net carrying value of approximately S\$1.04 million as at 31 December 2022 (FY2022: S\$1.18 million);
- b) Charges over the machinery, equipment and motor vehicles of certain of our subsidiaries with a total net carrying value of approximately S\$67,000 as at 31 December 2022 (FY2022: S\$78,000);
- c) With reference to (b) above, certain of the property, plant & equipment included in lease liabilities are under finance leasing arrangements and are secured by guarantees from two of the directors of the Company;
- d) As at 31 December 2022, fixed deposits amounting to S\$83,000 (FY2022: S\$211,000) were pledged with financial institutions as securities for loans and credit facilities granted to the Group;
- e) Bank facility for the purchase of two (2) units at LINK@AMK are secured by a charge on all present assets, joint and several guarantees from directors of a subsidiary and debt servicing reserve account. As at 31 December 2022, the net carrying amount of the leasehold units is approximately S\$2.13 million (FY2021: NIL).

11. Property, plant and equipment

For the six-month period ended 31 December 2022, the Group acquired property, plant and equipment amounting to S\$2.53 million (1H2022: S\$0.138 million).

The Group reviews the useful lives and residual values of property, plant and equipment at each reporting date. The estimation of the useful lives and residual values involves assumptions concerning the future and estimations of the assets' common life expectancies and expected level of usage. The net carrying amount of property, plant and equipment at 31 December 2022 is S\$5.70 million (FY2022: S\$3.50 million). The depreciation charge of the abovementioned for the financial period ended 31 December 2022 is S\$0.28 million (1H2022: S\$0.57 million).

Any changes in the expected useful lives of these assets will affect the net carrying amount of property, plant and equipment and right-of-use assets, and the depreciation charge for the financial period.

12. Write-down of inventories

Management reviews the inventory listing on a periodic basis. This review involves a comparison of the carrying amount of the aged inventory items with the respective net realisable value. The purpose is to estimate the net realisable value and to determine any write-down is to be made in the financial statements for slow-moving items. Management is satisfied that the inventories have been written down adequately in the financial statements.

The carrying amount of inventories of the Group after the write-down is approximately S\$3.98 million (FY2022: S\$4.34 million). During the financial period, the Group recognised inventories write-down of S\$156,000 (1H2022: S\$22,000), whilst inventories written off were S\$83,000 (1H2022: S\$6,000) and write-back was S\$62,000 (1H2022: S\$38,000)

13. Calculation of loss allowance

When measuring Estimated Credit Losses (“ECL”), the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions. Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on trade and other receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade and other receivables. The carrying amount of trade receivables of the Group is approximately S\$6.47 million (FY2022: S\$5.90 million). During the financial period, the Group recovered trade allowance of S\$0.24 million (1H2022: S\$0.21 million).

14. Financial Assets and Financial Liabilities

Set out below are the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2022.

	Group		Company	
	31 Dec 2022	30 June 2022	31 Dec 2022	30 June 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Cash and bank balances and trade and other receivables (Amortised costs)	20,584	10,295	217	388
Financial Liabilities				
Trade and other payables, lease liabilities and borrowings (Amortised costs)	8,409	12,561	426	989

15. Share Capital

	Group and Company	
	31 Dec 2022	30 June 2022
	\$'000	\$'000
Issued and fully paid capital		
201,535,276 ordinary shares with no par value	22,963	22,963

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restrictions.

The Company did not issue any new capital during the 6 months ended 31 December 2022.

The Company did not hold any treasury shares, subsidiary holdings or other convertibles as at 31 December 2022 and 31 December 2021.

15.1 Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	31 Dec 2022	30 June 2022
Total number of issued shares (excluding treasury shares)	<u>201,535,276</u>	<u>201,535,276</u>

15.2 A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not hold any treasury shares during and as at the end of the current financial period reported on.

15.3 A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and at the end of the current financial period reported on.

16. Subsequent Events

There are no known subsequent events which require adjustments to this set of interim financial statements.

Other requirements as required by Appendix 7C of the Catalyst Rules

17. 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.

Review of consolidated statement of profit or loss and other comprehensive income

1H2023 vs. 1H2022

Revenue

The Group recorded a revenue of approximately S\$14.12 million for 1H2023, which was an increase of approximately S\$1.80 million or 14.61% (1H2022 : approximately S\$12.33 million). The higher revenue was contributed by the metal stamping segment due to a ramp up of orders, increase in unit price to customers and favourable exchange rate. This was offset by lower revenue from the tooling, cleanroom products, components and parts segments.

Gross Profit

The Group's gross profit increased by approximately S\$1.04 million from S\$2.81 million in 1H2022 to approximately S\$3.85 million in 1H2023. The increase in gross profit was largely contributed by higher revenue. Gross profit margin improved from 22.82% in 1H2022 to 27.28% in 1H2023. This is due to the metal stamping segment generating a higher margin due to an increase in sales unit price and economy of scale due to higher quantity ordered.

Other Income

Other income increased by approximately S\$8.06 million from approximately S\$0.32 million in 1H2022 to approximately S\$8.38 million in 1H2023. The increase in other income is mainly due to disposal of non-current asset held for sale of S\$8.13 million offset by a drop in rental income of S\$33,000 and miscellaneous income of S\$40,000.

Marketing and distribution expenses

Marketing and distribution expenses increased by approximately S\$27,000 from approximately S\$119,000 in 1H2022 to approximately S\$146,000 in 1H2023 due to bonus payout to the Group's marketing personnel and higher entertainment and other expenses.

Administrative and other expenses

Administrative and other expenses increased by approximately S\$280,000 from approximately S\$2.15 million in 1H2022 to approximately S\$2.43 million in 1H2023. This is mainly due to payout of staff bonuses, professional fees for disposal of non-current asset held for sale, repair and maintenance for factory and building offset by a decrease in depreciation expenses as a result of the disposal of non-current asset held for sale.

Impairment recovered / (allowance)

The reversal of impairment loss on trade receivables of approximately S\$244,000 in 1H2023 instead of an allowance of S\$212,000 in 1H2022 due to a customer who has settled their outstanding during the financial period.

Finance costs

Finance costs decreased slightly from approximately S\$133,000 in 1H2022 to approximately S\$115,000 in 1H2023 due to lower principal amount owed. The finance costs relate to borrowings and lease liabilities.

Tax expense

The Group recorded a tax expense of approximately S\$392,000 in 1H2023 compared to a tax expense of approximately S\$219,000 in 1H2022 due to higher taxable profit during the reporting period.

Profit / (loss) for the period

As a result of higher overall revenue generated and improved gross profit and gain on disposal of properties, plant and equipment, the Group recorded a profit after tax of approximately S\$9.40 million for 1H2023 as compared to the profit after tax of approximately S\$296,000 in 1H2022.

Review of statement of financial position (31 December 2022 vs. 30 June 2022)

Non-current assets

The increase in property, plant and equipment was mainly due to new purchase of property, plant & equipment of approximately S\$2.53 million and offset by depreciation charge of approximately S\$281,000 for the financial period.

Current assets

Inventories decreased from approximately S\$4.34 million as at 30 June 2022 to approximately S\$3.98 million as at 31 December 2022, due to increased sales orders as inventories are released for and from production.

Trade receivables increased from approximately S\$5.90 million as at 30 June 2022 to approximately S\$6.47 million as at 31 December 2022. The increase is due to increase in sales recognised.

Other receivables consist mainly of deposits and prepayments. Other receivables and prepayments increased by approximately S\$0.70 million from approximately S\$334,000 as at 30 June 2022 to approximately S\$1.04 million as at 31 December 2022, mainly due to prepayment of rental, utilities and prepayment for machineries and tools.

Current liabilities

Trade payables increased from approximately S\$2.33 million as at 30 June 2022 to approximately S\$3.53 million as at 31 December 2022. This was mainly due to an increase in purchases, so as to fulfill increased sales orders, as well as an increase in the price of materials.

Contract liabilities decreased from approximately S\$134,000 as at 30 June 2022 to approximately S\$57,000 as at 31 December 2022 as a result of billings being recognised as sales during the financial period.

Other payables decreased from approximately S\$2.48 million as at 30 June 2022 to approximately S\$2.06 million as at 31 December 2022. This was mainly due to payment to other creditors and accruals.

Borrowings

Total borrowings for the Group decreased from S\$5.32 million as at 30 June 2022 to S\$2.79 million as at 31 December 2022. This was mainly due to redemption of loan for the disposal of

non-current asset held for sale, loan repayment and lease payment of S\$4.17 million offset by drawdown of borrowings of S\$1.68 million.

Review of Consolidated Statement of Cash Flows

1H2023 vs. 1H2022

For the financial period ended 1H2023, the Group generated a net cash inflow of approximately S\$898,000 from operating activities as compared to net cash generated from operating activities of approximately S\$248,000 in 1H2022.

The operating cash flow before working capital changes increased from approximately S\$1.42 million in 1H2022 to approximately S\$1.94 million in 1H2023, contributed by profit before tax of approximately S\$9.79 million, which was offset by a gain in disposal of non-current asset held for sale and disposal of property, plant and equipment, reversal of impairment loss on trade receivables, interest income, inventories written back and offset by depreciation charge, property, plant and equipment written off, interest expenses and inventories written down and written off.

Higher trade payables and other payables and foreign translation differences and lower inventories offset by higher trade receivables and prepayments have resulted in the cash generated from operations to increase from approximately S\$562,000 to approximately S\$1.40 million.

Net cash generated from investing activities amounted to approximately S\$12.54 million in 1H2023 (1H2022: S\$136,000 (used)). The net cash flow generated was mainly due to proceeds from disposal of non-current asset held for sale and proceeds from disposal of property, plant and equipment amounting to an aggregate of approximately S\$13.40 million. This was offset by acquisition of new property, plant and equipment amounting to S\$0.85 million.

Net cash used in financing activities was approximately S\$4.30 million in 1H2023. This was mainly attributed to:

- a. repayment of borrowings of approximately S\$4.17 million
- b. payment on lease liabilities of approximately S\$147,000
- c. interest payment of approximately S\$115,000
- d. decrease in fixed deposit pledged with bank of approximately S\$128,000

As a result of the above, the Group's cash and cash equivalents increased from approximately S\$2.98 million as at 31 December 2021 to approximately S\$13.04 million as at 31 December 2022.

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

Not applicable as no forecast or prospect statement has been previously disclosed.

19. 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.

Following the announcement by the Company on 31 March 2022 in relation to the termination of the proposed acquisition of 51.0% of SING-SWE MM Biotechnology Pte. Ltd., the Group has

not been engaged in the distribution and sale of pharmaceutical products which includes the sale of test kits. The Group's core business segments are:-

- i) Manufacturing of metal plates and metal stamping;
- ii) Manufacturing and fabricating engineering tools;
- iii) Warehousing and logistics services; and
- iv) Trading and supplying disposable and wearable for use in cleanroom, bio-medical, laboratories and hospitals.

The global economy remains uncertain as the geopolitical conflict between Russia and Ukraine continues with no resolution in sight. In addition, rising costs, coupled with increasing interest rates, are adding pressure to businesses.

The Group will continue to monitor the ongoing situations and mitigate the challenges and adjust its operations to meet its needs, so as to ensure that customer orders are delivered on a timely basis.

20. If a decision regarding dividend has been made:

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No.

- (i) Amount per share (cents)**

Not applicable.

- (ii) Previous corresponding period (cents)**

No dividend was declared for 1HY2022.

- (b) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated)**

Not applicable.

- (c) The date the dividend is payable**

Not applicable.

- (d) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

21. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared / recommended for the financial period ended 31 December 2022 as the Company is in an accumulated loss position.

- 22. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from the shareholders for interested person transactions.

- 23. Confirmation Pursuant to Rule 720(1) of the Catalist Rules**

The Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

- 24. NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

On behalf of the Board of Directors of the Company, we, Ip Kwok Wing and Lim Fong Li Janet, being two Directors of CFM Holdings Limited, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the half-year ended 31 December 2022 to be false or misleading in any material aspect.

For and on behalf of the Board

Ip Kwok Wing
Executive Chairman

Lim Fong Li Janet
Chief Executive Officer

14 February 2023

This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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. Lin Huiying, Head of Continuing Sponsorship, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.