



**CFM Holdings Limited**  
(Incorporated in Singapore under Registration No. 200003708R)

**Half Year Financial Statement for the Period Ended  
31 December 2019**

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS**

The Board of Directors announces the results of the Group and Company for the financial period 6 months ended 31 December 2019.

**1(a) Statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>The Group</b>	
	<b>1 Jul 2019 to 31 Dec 2019 S\$'000</b>	<b>1 Jul 2018 to 31 Dec 2018 S\$'000</b>
<b>Revenue</b>	<b>8,489</b>	10,683
Cost of sales	<u>(6,271)</u>	<u>(8,082)</u>
<b>Gross profit</b>	<b>2,218</b>	2,601
Other income	<b>375</b>	358
Marketing expenses	<b>(180)</b>	(196)
Administrative and other expenses	<b>(2,136)</b>	(2,038)
Finance costs	<u>(160)</u>	<u>(145)</u>
<b>Profit before tax</b>	<b>117</b>	580
Tax expense	<u>(141)</u>	<u>(187)</u>
<b>(Loss) / Profit for the period</b>	<b>(24)</b>	393
<b>Other comprehensive (loss) / income</b>		
Currency translation loss	<u>(58)</u>	<u>(200)</u>
<b>Total comprehensive (loss) / income attributable to equity holders of the Company</b>	<u><b>(82)</b></u>	<u>193</u>
<b>(Loss) / Profit attributable to:</b>		
Equity holders of the Company	<b>(24)</b>	393
Non-controlling interests	<u>-</u>	<u>-</u>
<b>(Loss) / Profit for the period</b>	<u><b>(24)</b></u>	<u>393</u>
<b>Total comprehensive (loss) / income attributable</b>		
Equity holders of the Company	<b>(82)</b>	193
Non-controlling interests	<u>-</u>	<u>-</u>
	<u><b>(82)</b></u>	<u>193</u>

**The Group's profit for the financial period is arrived at after charging/(crediting) the following:-**

	<b>The Group</b>	
	<b>1 Jul 2019 to 31 Dec 2019 S\$'000</b>	<b>1 Jul 2018 to 31 Dec 2018 S\$'000</b>
Depreciation on property, plant and equipment	<b>495</b>	489
Loss / (Gain) on disposal of property, plant and equipment	<b>1</b>	(16)
Loss on foreign exchange	<b>32</b>	17
Interest income	-	(1)
Interest on borrowings and leases	<b>160</b>	145
Inventories write off	<b>110</b>	-
Inventories written down	-	56
Inventories written back	-	(51)
Under provision for tax in prior years	-	5
Allowance for doubtful trade receivables recovered	<b>(52)</b>	-

**1(b)(i) A statement of financial position (for the Issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	The Group		The Company	
	31 Dec 2019	30 June 2019	31 Dec 2019	30 June 2019
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	12,928	10,797	-	-
Investments in subsidiaries	-	-	12,445	12,445
	<u>12,928</u>	<u>10,797</u>	<u>12,445</u>	<u>12,445</u>
<b>Current assets</b>				
Inventories	3,105	2,954	-	-
Trade receivables	3,878	4,706	3	7
Other receivables and prepayment	363	273	130	6
Amounts due from subsidiaries	-	-	1,254	1,713
Cash and cash equivalents	3,561	3,607	175	162
	<u>10,907</u>	<u>11,540</u>	<u>1,562</u>	<u>1,888</u>
<b>Total assets</b>	<u>23,835</u>	<u>22,337</u>	<u>14,007</u>	<u>14,333</u>
<b>Non-current liabilities</b>				
Finance lease liabilities	71	85	-	-
Borrowings	5,284	5,454	-	-
Lease Liabilities	2,369	-	-	-
Deferred tax liabilities	358	355	55	55
	<u>8,082</u>	<u>5,894</u>	<u>55</u>	<u>55</u>
<b>Current Liabilities</b>				
Trade payables	1,561	1,943	-	-
Contract Liabilities	288	216	-	-
Lease Liabilities	74	-	-	-
Other payables	1,345	1,745	468	455
Amount due to subsidiaries	-	-	3	8
Finance lease liabilities	31	35	-	-
Borrowings	1,348	1,358	517	525
Income tax payable	158	116	-	-
	<u>4,805</u>	<u>5,413</u>	<u>988</u>	<u>988</u>
<b>Total liabilities</b>	<u>12,887</u>	<u>11,307</u>	<u>1,043</u>	<u>1,043</u>
<b>Net assets</b>	<u>10,948</u>	<u>11,030</u>	<u>12,964</u>	<u>13,290</u>

<b>Equity</b>				
Share capital	<b>22,963</b>	22,963	<b>22,963</b>	22,963
Accumulated losses	<b>(11,879)</b>	(11,855)	<b>(9,999)</b>	(9,673)
Other reserves	<b>(136)</b>	(78)	<b>-</b>	-
<b>Equity attributable to equity holders of the Company</b>	<b>10,948</b>	11,030	<b>12,964</b>	13,290
Non-controlling interest	-	-	-	-
<b>Total Equity</b>	<b>10,948</b>	11,030	<b>12,964</b>	13,290

## 1(b)(ii) Aggregate amount of Group's borrowing and debt securities.

### Amount repayable in one year or less, or on demand

	As at 31 Dec 2019		As at 30 Jun 2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance lease liabilities	31	-	35	-
Borrowings	1,348	-	1,358	-
Lease Liabilities	74	-	-	-
	<b>1,453</b>	<b>-</b>	<b>1,393</b>	<b>-</b>

### Amount repayable after one year

	As at 31 Dec 2019		As at 30 Jun 2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance lease liabilities	71	-	85	-
Borrowings	5,284	-	5,454	-
Lease Liabilities	2,369	-	-	-
	<b>7,724</b>	<b>-</b>	<b>5,539</b>	<b>-</b>

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

- a) Legal mortgage over freehold lands and buildings of a subsidiary with a combined net carrying value of approximately S\$0.70 million as at 31 December 2019 (FY2019: S\$0.70 million);
- b) Legal mortgage over leasehold lands and buildings and the fixed and floating charge on all present and future assets and joint and several guarantee from Directors of a subsidiary with a combined net carrying value of approximately S\$1.39 million as at 31 December 2019 (FY2019: S\$1.43 million);
- c) Charges over the machinery, equipment and motor vehicles of certain of our subsidiaries with a total net carrying value of approximately S\$0.09 million as at 31 December 2019 (FY2019: S\$0.18 million);
- d) With reference to (c) above, certain of the property, plant & equipment which are under finance lease and bank facilities are secured by guarantee from two of the directors;
- e) As at 31 December 2019, fixed deposits amounting to S\$0.08 million (FY2019: S\$0.08 million) were pledged with financial institutions as securities for loans and credit facilities granted to the Group;
- f) Construction loan pertaining to the Singapore factory has been drawn down to S\$5.54 million as at 30 June 2019 and was converted into mortgage loan on 1 January 2016. The bank facility for this building is secured by the fixed and floating charge on all present and future property at the premise and undertakings in connection with the operations of the property as approved by Housing Development Board. In addition, two of the directors have placed their personal property as collateral to the bank to secure the banking loan. As at 31 December 2019, the net carrying amount of the leasehold lands and buildings are approximately S\$ 6.26 million (FY2019: S\$6.47 million); and
- g) Corporate guarantees issued by the Company.

- h) The Lease liabilities was due to the adoption of SFRS(I) 16 on 1 July 2019 - Right-of-use assets. The Lease liabilities are secured over the right-of-use assets

**1(c) Statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	The Group	
	1 Jul 2019 to 31 Dec 2019 S\$'000	1 Jul 2018 to 31 Dec 2018 S\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	117	580
Adjustments for:		
Depreciation of property, plant and equipment	495	489
Gain on disposal of property, plant and equipment	(1)	(16)
Interest expenses	160	145
Interest income	(4)	(1)
Inventories written down	-	56
Inventories written back	-	(51)
Inventories written off	110	-
Allowance for doubtful trade receivables recovered	(52)	-
<b>Operating cash flows before working capital changes</b>	825	1,202
Increase in inventories	(267)	(340)
Decrease / (Increase) in receivables	772	(111)
Decrease in payables	(773)	(368)
Increase in contract liabilities	72	-
Foreign translation adjustment of subsidiaries	(14)	6
<b>Cash generated from operations</b>	615	389
Interest income received	4	1
Income tax paid	(96)	(198)
<b>Net cash generated from operating activities</b>	523	192
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (Note A)	(179)	(103)
Proceeds from disposal of property, plant and equipment	1	20
<b>Net cash used in investing activities</b>	(178)	(83)

	<b>The Group</b>	
	<b>1 Jul 2019 to 31 Dec 2019 S\$'000</b>	<b>1 Jul 2018 to 31 Dec 2018 S\$'000</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(190)	(1,173)
Payment on lease liabilities	(27)	-
Proceeds from borrowings	-	700
Interest paid	(123)	(145)
Net repayment of finance lease liabilities	(18)	(44)
Interest on lease liabilities	(38)	-
Fixed deposits pledged with financial institutions	-	1
<b>Net cash used in financing activities</b>	<u>(396)</u>	<u>(661)</u>
Net decrease in cash and cash equivalents	(51)	(552)
Cash and cash equivalents at beginning of the financial year	3,525	4,373
Effect of exchange rate changes on cash and cash equivalents	5	(29)
<b>Cash and cash equivalents at end of the financial period</b>	<u>3,479</u>	<u>3,792</u>
<b>Cash and cash equivalents</b>		
Fixed deposits	82	80
Cash at bank and in hand	3,479	3,792
	<u>3,561</u>	<u>3,872</u>
Less: Fixed deposits pledged with bank	(82)	(80)
<b>Cash and cash equivalents at end of the financial period</b>	<u>3,479</u>	<u>3,792</u>

### **Note A**

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of S\$0.18 million (HY2019: S\$0.11 million) of which S\$ 0.01 million (HY2019: S\$0.01 million) was financed by means of finance lease. Cash payment of S\$0.17 million (HY2019: S\$0.10 million) was made to purchase property, plant and equipment.

The Group adopted SFRS(I) 16 on 1 July 2019 - Right-of-use assets S\$2.43 million and depreciation of S\$0.04 million was recorded as at 31 December 2019.



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.

	Equity total	Share capital	Accumulated losses	Foreign currency translation reserve
	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>				
<b>Opening balance as at 1 July 2019</b>	<b>11,030</b>	<b>22,963</b>	<b>(11,855)</b>	<b>(78)</b>
Loss for the period	(24)	-	(24)	-
<u>Other comprehensive loss for the period</u>				
Currency translation differences	(58)	-	-	(58)
Total comprehensive (loss) / income for the period	(82)	-	(24)	(58)
<b>Balance at 31 December 2019</b>	<b>10,948</b>	<b>22,963</b>	<b>(11,879)</b>	<b>(136)</b>
<b>Opening balance as at 1 July 2018</b>	<b>11,025</b>	<b>22,963</b>	<b>(12,145)</b>	<b>207</b>
Profit for the period	393	-	393	-
<u>Other comprehensive income for the period</u>				
Currency translation differences	(200)	-	-	(200)
Total comprehensive income for the period	193	-	393	(200)
<b>Balance at 31 December 2018</b>	<b>11,218</b>	<b>22,963</b>	<b>(11,752)</b>	<b>7</b>

	<b>Equity, total S\$'000</b>	<b>Share capital S\$'000</b>	<b>Accumulated losses S\$'000</b>
<b>The Company</b>			
<b>Balance at 1 July 2019</b>	13,290	22,963	(9,673)
Total comprehensive loss for the period	(326)	-	(326)
<b>Balance at 31 December 2019</b>	<u>12,964</u>	<u>22,963</u>	<u>(9,999)</u>
<b>Balance at 1 July 2018</b>	16,701	22,963	(6,262)
Total comprehensive loss for the period	(423)	-	(423)
<b>Balance at 31 December 2018</b>	<u>16,278</u>	<u>22,963</u>	<u>(6,685)</u>

**1(d)(ii) Details of any changes in the company's share capital arising from right 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company did not issue any new capital during the six months financial period ended 31 December 2019.

The Company did not hold any treasury shares, subsidiary holdings or other convertibles as at 31 December 2019 and 31 December 2018.

**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 end of the immediately preceding year.**

	<b>31 Dec 2019</b>	<b>30 June 2019</b>
Total number of issued shares (excluding treasury shares)	<u>201,535,276</u>	<u>201,535,276</u>

**1(d)(iv) 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.

**1(d)(v) 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.

**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 our auditors.

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

Not Applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

Not Applicable.

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

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 in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 30 June 2019 except as explained in Note 5 below.

**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 the effect of change.**

The Group has adopted SFRS(I) 16 Leases which is mandatorily effective for the Group from 1 July 2019.

The Group has applied the cumulative retrospective approach and will not restate comparative amounts for the year prior to first adoption.

Under the new standard, a lessee recognizes a right-of-use asset representing its rights to use the underlying asset and a lease liability representing its obligation to make lease payments in the statement of financial position. Depreciation charges on the right-of-use assets and interest expense on the lease liability are recorded in the income statement.

Lease payments are classified as financing cash flows in the statement of cash flows. Lessor accounting remains largely similar to the previous accounting standard.

As at 1 July 2019, right-of-use assets and lease liabilities recorded by the Group under SFRS(I) 16 was \$2.47 million.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>The Group</b>	
	<b>6-months period ended 31 Dec 2019</b>	<b>6-months period ended 31 Dec 2018</b>
<b>Profits / (Losses) attributable to equity holders of the Company (S\$'000)</b>	<u>(24)</u>	<u>393</u>
<b>Weighted average ordinary share ('000) for calculation of:</b>		
a) Basic earnings per share	<u>201,535</u>	<u>201,535</u>
b) Diluted earnings per share	<u>201,535</u>	<u>201,535</u>

### Earnings per share (in cents)

a) Based on weighted average number of ordinary	<u>(0.01)</u>	<u>0.20</u>
b) On a fully diluted basis (detailing any adjustments made to the earnings)	<u>(0.01)</u>	<u>0.20</u>

7. **Net asset value (for the issuer and group) per ordinary share based on issued shares excluding treasury shares of the issuer at the end of the:-**
- (a) **current financial period reported on; and**
  - (b) **immediately preceding financial year.**

	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
<b>The Group</b>		
Net asset value per ordinary share (in cents)	<u>5.43</u>	<u>5.47</u>
<b>The Company</b>		
Net asset value per ordinary share (in cents)	<u>6.43</u>	<u>6.59</u>

8. **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 comprehensive income (HY2020 vs. HY2019)

#### Revenue

For the financial period ended 31 December 2019 (“**HY2020**”), the Group registered a revenue of S\$8.5 million which was a decrease of approximately S\$2.2 million from the previous corresponding financial period. The decrease was largely due to discontinuation of production of older components, parts and competition. China sales decreased due to subdued trade export to other countries.

#### Gross Profit

The Group's gross profit decreased by approximately S\$0.4 million from S\$2.6 million in HY2019 to S\$2.2 million in HY2020. The decline in gross profit was mainly due to lower sales from China, Malaysia and Slovakia Republic.

#### Other Income

Other income in HY2020 consists of rental income and logistics services. The improvement came from both income sources.

## **Marketing Expenses**

Marketing expenses decreased from S\$0.19 million in HY2019 to S\$0.18 million in HY2020 due to lower manpower cost, travelling and entertainment expenses.

## **Administrative and Other Expenses**

Administrative expenses in HY2020 increased by approximately S\$0.09 million due to inventory write off, higher foreign exchange losses, higher depreciation offset by lower manpower costs.

## **Finance Expenses**

Finance expenses increased from S\$0.14 million in HY2019 to S\$0.16 million in HY2020. The finance costs relate to finance leases for new machines and equipment and **lease** liabilities offset by maturity of finance leases.

## **Tax Expense**

The Group recorded a tax expense in HY2020 of S\$0.14 million compared to a tax expense of S\$0.18 million in HY2019. The tax expense came mainly from the Penang operations.

## **Loss for the Period**

Overall, the Group recorded a loss after tax of S\$0.02 million in HY2020 as compared to a profit after tax of S\$0.39 million in the previous corresponding financial period.

## **Review of Consolidated Statement of financial position**

### **Non-Current Assets**

Property, plant and equipment increased from S\$10.80 million as at 30 June 2019 to S\$12.9 million as at 31 December 2019. The increase was mainly due to adoption of SFRS(I) 16 - Right-of-use assets from 1 July 2019, S\$2.47 million and new purchase of property, plant & equipment of S\$0.18 million offset by depreciation charge of S\$0.49 million for the financial period and translation difference of S\$0.02 million.

### **Current Assets**

Trade receivables decreased from S\$4.7 million as at 30 June 2019 to S\$3.9 million as at 31 December 2019. The decrease was mainly due to payment of accounts.

The trade receivables turnover decreased from 85 days as at 30 June 2019 to 83 days as at 31 December 2019.

Other receivables as at 31 December 2019 consist mainly of deposits and prepayments (S\$0.36 million). The increase was mainly due to the increase in prepayments.

### **Current Liabilities**

Trade payables decreased from S\$1.9 million as at 30 June 2019 to S\$1.6 million as at 31 December 2019. This was mainly due to payment of Goods and Services Tax, payment to suppliers during the current financial period.

Other payables decreased from S\$1.74 million to \$1.34 million as at 31 December 2019, mainly due to lower accruals of S\$0.2 million, lower sundry creditors of \$0.1 million, lower provision, lower accruals for manpower costs and directors fees of \$0.1 million.

Other payables comprised mainly of:-

- a. Accrued expenses of S\$0.62 million mainly consist of accrued employee related and operating expenses
- b. Sundry creditors of S\$0.22 million
- c. Amount due to director of S\$0.29 million
- d. Provision for directors' fees S\$0.03 million
- e. Rental deposits and others S\$0.17 million

### **Borrowings and Leases**

Total borrowings (excluding Lease Liabilities) for the Group decreased from S\$6.9 million as at 30 June 2019 to S\$6.7 million as at 31 December 2019. This was mainly due to the repayment of bank borrowing during the financial period.

Lease Liabilities recorded by the Group under SFRS(I) 16 was \$2.4 million.

### **Review of Consolidated Statement of Cash Flows (HY2020 vs. HY2019)**

For the financial year ended 31 December 2019, the Group generated a net cash inflow of S\$0.52 million from its operating activities as compared to net cash inflow of S\$0.19 million for HY2019. This increase came mainly from lower tax paid S\$ 0.1 million, trade debts collected and increase in contract liabilities S\$0.2 million.

The operating cash flow before working capital changes decreased from S\$1.20 million (HY2019) to S\$0.82 million in HY 2020, which was mainly due to lower net profit before tax.

Net cash used in investing activities amounted to S\$0.18 million in HY2020 (HY2019: S\$0.08 million). The net cash flow used was mainly due to purchase of property, plant & equipment.

Net cash used in financing activities was S\$0.40 million in HY2020 this was mainly attributed by:

- a. repayment of borrowings of S\$0.19 million
- b. payment on lease liabilities S\$0.03 million
- c. net repayment of finance lease liabilities of S\$0.02 million; and
- d. interest payment of S\$0.12 million
- e. interest on lease liabilities S\$0.04 million

As a result of the above, the Group's cash and cash equivalent decreased from S\$3.79 million as at HY2019 to S\$3.48 million as at HY2020.

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

In the Company's announcement on 7 Feb 2020, in the course of preparing the draft result announcement, there was an error recognized for foreign exchange gain but was corrected subsequently.

**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.**

The global economic and environmental conditions remain challenging for the Group. China exports remain subdued due to the international trade dispute position coupled with

the outbreak of the novel coronavirus, as such, the market conditions for China remains uncertain. The Group is currently assessing the novel coronavirus impact on the Dalian, China operations, as well as the other companies in the Group to determine whether the Group's suppliers can fulfill the Group's order.

The Group will continue its effort to explore new business opportunities and review its operational requirements.

The following is an update of the Group's litigation status :-

i) T-Net International (H.K.) Co, Limited (formerly known as Showa International (HK) Co. Ltd ("Showa")

Subsequent to the announcement dated 4 February 2015, 27 August 2015, 5 February 2016, 26 August 2016, 9 February 2017, 25 August 2017, 9 February 2018, 6 April 2018 and 24 August 2018, the Malaysian Court had released its Judgement on 4 April 2018. The salient points of the judgement can be found at the Company's announcement dated 6 April 2018.

HTPG had filed an appeal on the Judgment dated 4 April 2018 to Court of Appeal. There is no date fixed by the Court of Appeal for case management until HTPG obtaining Grounds of Judgement from Alor Setar High Court. At the same time, HTPG also filed an application in Alor Setar High Court to stay the Judgement pending the Hearing of the HTPG's appeal to Court of Appeal.

At the same time, Showa has also filed an application for assessment of damages which will also be stayed pending the outcome of HTPG's appeal at Court of Appeal.

As at date of this announcement, HTPG has made a provision of S\$0.60 million according to the Judgement dated 4 April 2018.

Please refer to the announcement entitled Update On The Litigation Suit released on 12 February 2020 for update on the litigation.

The Company will make necessary announcements as and when there are material developments on this matter.

**11. If a decision regarding dividend has been made:**

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

No.

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

Not applicable.

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

Not applicable.

**(c) 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.

**(d) The date the dividend is payable**

Not applicable.

**(e) Books closure date**

Not applicable.

**12. 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 six-months financial period ended 31 December 2019 in view of the operating results.

**13. 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.

**14. Negative assurance confirmation on interim financial results pursuant to Rule 705(5) of the Listing Manual.**

We, Ip Kwok Wing and Lim Fong Li Janet, being two Directors of CFM Holdings Limited ("Company"), do hereby 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 of Directors of the Company which may render the interim financial results for the half year ended 31 December 2019 set out above to be false or misleading in any material aspect.

For and on behalf of the Board

Ip Kwok Wing  
Director

Lim Fong Li Janet  
Director

**15 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 7(H) under Rule 720(1) of the Catalist Rules.

**BY ORDER OF THE BOARD**

**Lim Fong Li Janet**  
**Chief Executive Officer**  
**13 February 2020**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd. , in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("**Exchange**") Listing Manual Section B: Rules of Catalist for compliance with the relevant rules of the Exchange The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

*This announcement has not been examined or approved by the Exchange and the Exchange 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 Foo Quee Yin.  
Telephone number: 6221 0271*