ANNUAL REPORT 2019

CFM HOLDINGS LIMITED
Registration No.: 200003708R

CONTENTS

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Ip Kwok Wing
Executive Chairman

Lim Fong Li Janet
Chief Executive Officer

Er Kwong Wah
Lead Independent Director

Ong Wei Jin
Independent Director

Ross Yu Limjoco
Independent Director

AUDIT COMMITTEE

Er Kwong Wah (Chairman)
Ong Wei Jin
Ross Yu Limjoco

NOMINATING COMMITTEE

Ong Wei Jin (Chairman)
Er Kwong Wah
Ross Yu Limjoco

REMUNERATION COMMITTEE

Ross Yu Limjoco (Chairman)
Er Kwong Wah
Ong Wei Jin

AUDITORS

Baker Tilly TFW LLP
Chartered Accountants of Singapore
600 North Bridge Road #05-01
Parkview Square
Singapore 188778

Partner: Tiang Yii
(appointed since financial year ended 30 June 2019)

COMPANY SECRETARY

Tan Wee Sin

REGISTERED OFFICE

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CFM Building
Singapore 589498
Tel: +65 6481 2888
Fax: +65 6481 1122
Email: irc@cfmholdings.com

SHARE REGISTRAR

Boardroom Corporate &
Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Tel: +65 6536 5355

PRINCIPAL BANKERS

United Overseas Bank Ltd
Malayan Banking Berhad
Hong Leong Finance Ltd
DBS Bank Ltd

CORPORATE PROFILE

Established since 1979, CFM has evolved into a customer-focused manufacturer providing metal stamping services, design, fabrication and the sale of tool-and-die used for the manufacture of stamped metal components. Backed by production facilities in Malaysia, the Slovak Republic and China, our Group supports a customer base of MNCs.

CFM reached an important milestone in our corporate history with the launch of our Initial Public Offering on 16 January 2004.

As part of the Group's diversification plan, the Group has acquired a new subsidiary trading in disposable and wearable for use in pharmaceutical, cleanroom, bio-medical, laboratories and hospitals in financial year ended 30 June 2015.

Today, we serve customers in the electronics industry as well as customers from the automotive, telecommunication, technology, M&E industries and pharmaceutical industries.

VISION

CFM envisions to be a global business name that delivers quality, performance, integrity, teamwork & innovation to the satisfaction of our customers.

MISSION

We aim to deliver high quality components to our customers by implementing stringent process control and deliver at a lowest cost possible. In addition, we strive to constantly upgrade our skills and keep abreast with technological advancement to satisfy beyond customers' requirement.

CORPORATE STRUCTURE

CFM HOLDINGS LIMITED

SINGAPORE	SINGAPORE	MALAYSIA	MALAYSIA	CHINA	SLOVAK REPUBLIC	USA
		Johor	Kedah	Dalian	Spisska Nova Ves	California
Cheong Fatt Holdings Pte. Ltd.	CFM Infratrade Pte. Ltd.	Hantong Metal Component Sdn. Bhd.	Hantong Metal Component (Penang) Sdn. Bhd.	Dalian CFM Precision Tooling Co., Ltd.	CFM Slovakia s.r.o.	CFM (USA), Inc.
100%	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

OUR GLOBAL FOOTPRINT

CFM Holdings Limited
No. 4, Ang Mo Kio Avenue 12,
#05-01 CFM Building,
Singapore 569498
Tel: +65 6481 2888
Fax: +65 6481 1122
Email: irc@cfmholdings.com
www.cfmholdings.com

Subsidiaries
SINGAPORE
Cheong Fatt Holdings Pte.Ltd.
CFM Infratrade Pte.Ltd.
No. 4, Ang Mo Kio Avenue 12,
#05-01 CFM Building,
Singapore 569498

CHINA
Dalian CFM Precision Tooling Co., Ltd.
Room 1-1A
No. 99, Huai He Zhong Road,
Dalian Economic Development Zone, 116600, Dalian,
People's Republic of China

SLOVAK REPUBLIC
CFM Slovakia, s.r.o.
Radlinskeho 17, 052 01,
Spisska Nova Ves,
Slovak Republic

Hantong Metal Component Sdn. Bhd.
No. 4 Jalan Haji Sa'at, Sungai Tiram,
81800 Ulu Tiram, Johor, Malaysia

Hantong Metal Component (Penang) Sdn. Bhd.
Lot 83 & 84, Jalan 1/8 PKNK,
Kawasan Perindustrian Sungai Petani,
08000 Sungai Petani,
Kedah, Malaysia

Note: The company holds interest in shareholdings of 14.67% in PT Hantong Precision Manufactuning Batam. The investment has been written off.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of CFM Holdings Limited (the "Company") and together with its subsidiaries (the "Group"), I would like to present to you the Annual Report for the financial year ended 30 June 2019 ("FY2019").

FINANCIAL HIGHLIGHTS

The Group has shown a decrease in revenue from $23 million for the year ended 30 June 2018 ("FY2018") to $20 million for FY2019. Notwithstanding the lower revenue recorded in FY2019, the Group shows an improvement gross profit and gross profit margin. The gross profit increased from S$4.3 million in FY2018 to S$4.5 million in FY2019 and the gross profit margin increased from 19.2% to 22.0% for the same period. The improvement of gross profit and gross profit margin were due to impact from the partial disposal of the Company's indirect subsidiary, PT Hantong Precision Manufacturing Batam (which was in gross loss position) and decrease in depreciation of property, plant and equipment during the current financial year.

PROSPECTS AND OUTLOOK

The challenging business environment may have affected the Group performance especially uncertainty of the US-China trade war and the Group expects the challenges to remain in the near future.

The Management will continue to strengthen the operations and to manage the operating costs more efficiently in order to maintain or improve the profit margin.

APPRECIATION

I would like to express my heartfelt gratitude to the Management and all staff for their efforts to adopt effective cost measures over the past few years, including the sale of non-profitable subsidiaries and increase control over the cost of procurement and staff. Although the sales for the whole year were lower than last year, the Group successfully improve the financial performance and achieve a profit after tax in FY2019.

Lastly, I would like to thank all our shareholders and our business partners for standing.

Ip Kwok Wing
Executive Chairman

MR IP KWOK WING

Executive Chairman

Mr Ip Kwok Wing is the Executive Chairman of our Group. Together with Mdm Lim Fong Li Janet, Mr Ip was a co-founder of our Group in 1979, and was appointed as Managing Director since the incorporation of our Group. Mr Ip was first appointed to the Board on 28 April 2000.

Mr Ip is responsible for the Group's strategic planning and development of new products and markets. He has been spearheading all the expansion and growth of our Group. He began his career in metal stamping, tool & die fabrication and has an aggregate of more than 40 years of working experience in the metal stamping and tooling industries.

MDM LIM FONG LI JANET

Chief Executive Officer

Mdm Lim Fong Li Janet is the Chief Executive Officer ("CEO") of our Group. Assisted by the Group Chief Financial Officer, she oversees day-to-day operations, finance and general management of our Group. Mdm Janet was first appointed to the Board on 28 April 2000.

Mdm Janet holds a Bachelor of Science in Business Administration and Master in Marketing Communication from the University of Canberra.

MR ER KWONG WAH

Lead Independent Director

Mr Er Kwong Wah is the Chairman of the Audit Committee and a member of both the Nominating Committee and the Remuneration Committee.

Mr Er Kwong Wah spent 27 years in the service of the Singapore Government. Whilst in the civil service, he served in various ministries such as the Ministry of Defense, the Public Service Commission, Ministry of Finance, Ministry of Education and the Ministry of Community Development. He held Permanent Secretary Position first with the Ministry of Education from 1987-1994 and then with the Ministry of Community Development until his retirement in 1998. Mr Er Kwong Wah was first appointed to the Board on 28 February 2013.

Currently, he sits as an Independent Director on the Boards of several public companies listed in the Singapore Exchange.

For his contributions in serving the community, he was conferred the Public Service Medal (2004) and the Public Service Star (2009) by the Government of Singapore. Whilst in the Civil Service, he was conferred the Public Administration Medal (Gold) (1990). In 1991, he was conferred the Commandeur dans l'Ordre des Palmes Academiques by the Government of France.

A Colombo Plan and Bank of Tokyo Scholar, Mr Er Kwong Wah obtained Bachelor of Applied Science with Honours in Electrical Engineering from the University of Toronto, Canada in 1970 and an MBA from the Manchester Business School, University of Manchester in 1978.

MR ONG WEI JIN
Independent Director

Mr Ong Wei Jin is the Chairman of the Nominating Committee and a member of both the Audit Committee and the Remuneration Committee. He is a partner in Eversheds Harry Elias Partnership LLP. He is an Independent Director of China XLX Fertiliser Ltd and Luzhou Bio-chem Technology Limited.

Mr Ong obtained a Bachelor of Laws Degree from the National University of Singapore in 1990, a Master of Business Administration Degree from University of Hull in 1993, and a Master of Laws Degree from the National University of Singapore in 1995.

MR ROSS YU LIMJOCO
Independent Director

Mr Ross Yu Limjoco was appointed as an Independent Director of our Company on 19 July 2019. He is the Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee.

Ross is the Assurance Director and Head of M&A at Nexia TS Pte. Ltd. From 2014 to 2016, he was the Managing Director of TMS Capital Advisory Limited. He was the Chief Financial Officer and Joint Company Secretary in PSL Holdings Limited from 2012 to 2014. He was the head of business advisory with BDO Advisory Pte. Ltd. (member firm of BDO LLP) spearheading the IPO, transaction advisory, corporate finance and business advisory services from 2003 to 2012. From 1992 to 2001, he was an audit manager with Arthur Andersen Singapore and Manila offices responsible for the audits of public listed and private companies, multi-national corporations, small & medium sized enterprises and non-for-profit organisations. He is also an Independent Director of Camsing International Holdings Limited.

He holds a Bachelor of Science in Business Administration from Philippine School of Business Administration Major in Accounting. He is a member of Institute of Singapore Chartered Accountants, Philippine Institute of Certified Public Accountants, Certified Fraud Examiner and International Association of Consultants, Valuators and Analysts, and Institute of Valuers and Appraiser in Singapore.

MR KENNETH IP YEW WA

Chief Operating Officer

Mr Ip joined the Group on 1 January 2009 and is currently the Chief Operating Officer of the Company. He is also the General Manager of Hantong Metal Component (Penang) Sdn. Bhd. and Executive Officer of CFM Slovakia s.r.o.. Prior to joining the Group, Mr Ip was a Marketing Executive in various corporations and as a tooling designer in an MNC.

Mr Ip obtained his Bachelor Degree in Mechanical Engineering from Nanyang Technological University.

LEE CHONG PING

Chief Financial Officer

Mr Lee was appointed as our Chief Financial Officer in May 2016. Mr Lee is responsible for overseeing the corporate affair, financial and support functions of our Group. Prior joining the company, he was an audit senior in KPMG and thereafter he held executive positions in Singapore Listed Companies after he left KPMG. He had accumulated more than 10 years of experience in financial and accounting functions. He has a Degree in Technology (Management) from University Technology of Malaysia. He is a fellow member of the Association of Chartered Certified Accountants (FCCA), a non-practicing member of Institute of Singapore Chartered Accountants (ISCA) and Malaysian Institute of Accountants (MIA).

Revenue

For FY2019, the Group registered a revenue of $20.31 million which was a decrease of $2.32 million from the previous corresponding financial year. The decrease was mainly due to decrease in demand of metal stamping and fabrication and impact from the partial disposal of the Company's indirect subsidiary, PT Hantong Precision Manufacturing Batam, offset by higher revenue generated from tooling and components and parts segment.

Gross Profit

The gross profit increased from $4.34 million in FY2018 to $4.48 million in FY2019.The gross profit margin also increased from 19.20% to 22.04% for the same period. The increase in gross profit and improvement of gross profit margin were due to impact from the partial disposal of the Company's indirect subsidiary, PT Hantong Precision Manufacturing Batam (which was in gross loss position) and decrease in depreciation of property, plant and equipment during the current financial year.

Other Income

Other income in FY2019 consists of income from rental income ($0.64 million), interest from fixed deposit and insurance claim ($0.01 million), government grant ($0.01 million, reversal of provision for litigation expenses ($0.29 million) and other miscellaneous income ($0.03 million).

Other income has decreased from $1.80 million in FY2018 to $0.98 million in FY2019 which was mainly due to absence of gain on disposal on subsidiaries which was completed on 27 June 2018.

Administrative and Other Expenses

Administrative expenses in FY2019 consist mainly of directors' remuneration and salary expenses ($2.30 million), professional fees ($0.21 million), depreciation charge ($0.60 million), land lease, office rental and property tax for Singapore factory ($0.34 million), office repairs and maintenance ($0.30 million), printing & stationery ($0.04 million), travelling expenses ($0.05 million), provision for doubtful debts ($0.14 million), telephone ($0.06 million), provision for inventory obsolescence ($0.05 million), inventory written off ($0.03 million), and other miscellaneous expenses ($0.15 million).

It has decreased from $5.92 million in FY2018 to $4.27 million in FY2019 mainly due to:

a. absence of bad debts written off from the Group's former subsidiary, PT Hantong Precision Manufacturing Batam;
b. absence of provision of litigation fees during the current financial year;
c. absence of impairment of property, plant and equipment;
d. decrease in Directors' remuneration and salary expenses; and
e. the impact from the partial disposal of the Company's indirect subsidiary, PT Hantong Precision Manufacturing Batam and CFM Precision Tooling Sdn. Bhd.

Finance Costs

Finance costs decrease from $0.30 million in FY2018 to $0.27 million in FY2019. The decrease in finance costs was mainly due to repayment of finance lease and borrowings by the Group.

Tax Expense

The decrease in tax expense in current financial year was attributed to the lower taxable profit generated by certain profitable subsidiaries in China, the Slovak Republic and Malaysia.

Profit/(loss) for the Year

Overall, the Group recorded a profit after tax of $0.29 million in FY2019 as compared to a loss after tax of $0.81 million in FY2018.

Non-Current Assets

Property, plant and equipment decreased from $11.66 million as at 30 June 2018 to $10.80 million as at 30 June 2019. The decrease is mainly due to depreciation charge of $0.97 million, disposal of property, plant and equipment of $0.02 million and translation difference of $0.19 million, offset by purchase of property, plant and equipment of $0.32 million during the current financial year.

Current Assets

Inventories increase from $2.31 million as at 30 June 2018 to $2.95 million as at 30 June 2019. The increase was mainly due to purchase of raw materials by two subsidiaries of the Company, Hantong Metal Component (Penang) Sdn. Bhd. and CFM Slovakia s.r.o.

Trade receivables decreased from $5.49 million as at 30 June 2018 to $4.71 million as at 30 June 2019. The decrease was mainly due to lower sales orders from the customers during the current financial year reported. The average trade receivables turnover days of the group was 85 days (FY2018: 88 days).

Other receivables as at 30 June 2019 consist mainly of deposits and prepayments ($0.26 million) and other receivables ($0.01 million). It has decreased from $0.39 million as at 30 June 2018 to $0.27 million as at 30 June 2019. The decrease was mainly due to the decrease in prepaid expenses and tax recoverable from the tax authority during the current financial year.

Current Liabilities

Trade payables decreased from $2.52 million as at 30 June 2018 to $1.94 million as at 30 June 2019. This is mainly due to lower purchases in line with lower sales during the current financial year.

The increase in contract liabilities from $0.11 million as at 30 June 2018 to $0.22 million as at 30 June 2019 was mainly due to increase in advance receipts from the customers.

Other payables amounting to $1.74 million as at 30 June 2019 comprised mainly:

a. accrued expenses of $0.82 million, mainly accrued employee related expenses and other non-trade related expenses;
b. other creditors of $0.32 million;
c. amount due to a director of $0.29 million;
d. $0.31 million for others consist of provision for directors' fees and rental and deposit received.

The decrease of other payables from $3.03 million as at 30 June 2018 to $1.74 million as at 30 June 2019 was mainly due to payment of the adverse litigation judgement for litigation case as disclosed below, settlement of legal suit with the Singapore building former contractor and reversal of excess provision of legal expenses to other income.

Reports on the current litigation cases:-

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 and 6 April 2018, 24 August 2018, 1 February 2019, and 28 August 2019, 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. The Court of Appeal is now fixed the matter for decision on 8 August 2019. The case has been postponed to a date to be fixed by the 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 the date of this announcement, the outcome from the Court of Appeal is still uncertain. The Company will keep the shareholders informed of the progress of the Claims and will make further announcements, when appropriate.

Shareholders should note that the date is subjected to change and the Company will make necessary announcements as and when there are material developments on this matter.

Finance Lease and Borrowings

Total borrowings for the Group decreased from $7.08 million as at 30 June 2018 to $6.93 million as at 30 June 2019. This was mainly due to the repayment of the finance lease and borrowings, offset by proceeds from new short-term loan during the current financial year.

Review of Consolidated Statement of Cash Flows (FY2019 vs. FY2018)

For the financial year ended 30 June 2019, the Group had used net cash of $0.17 million from its operating activities as compared to net cash inflow of $0.33 million for FY2018.

The Group generated operating cash inflow before working capital changes of $1.86 million in FY2019, as compared to cash inflow of $0.87 million in FY2018 mainly due to profit before tax of $0.53 million in FY2019 as compared to loss before tax of $0.47 million in FY2018. As a result of a increase in inventories of $0.68 million, decrease in receivables of $0.62 million and payables of $1.75 million, the Group recorded a net cash used in operating activities of $0.17 million in FY2019.

Net cash used in investing activities amounted to $0.19 million in FY2019 as compared to $0.24 million in FY2018. The net cash flow used was mainly for the purchase of property, plant & equipment of $0.21 million and was offset partially by proceeds from disposal of property, plant and equipment $0.02 million.

Net cash used in financing activities of $0.46 million in FY2019 was mainly attributed by:

a. proceeds from borrowings of $1.92 million; offset by
b. repayment of borrowings of $2.02 million;
c. net repayment of finance lease liabilities of $0.09 million; and
d. Interest payment of $0.27 million.

As a result of the above, the Group's cash and cash equivalent decreased from $4.37 million as at FY2018 to $3.53 million as at FY2019.

The Board of Directors (the "Board") and the management (the "Management") of CFM Holdings Limited (the "Company") are committed to maintaining a high standard of corporate governance to ensure greater transparency and protection of shareholders' interests, and are pleased to inform that the Company has adhered to the principles and guidelines of the Code of Corporate Governance 2012 (the "Code") wherever feasible, pursuant to Rule 710 of Listing Manual Section B: Rules of Catalist (the "Catalist Rules") issued by the Singapore Exchange Securities Trading Limited ("SGX-ST"). Proper explanation would be given where there is a deviation from the recommended guidelines.

This report outlines the Company's corporate governance processes and structure, with specific reference to the principles and guidelines of the Code. The Board and Management will continue to uphold the highest standards of corporate governance within the Company in accordance with the Code.

(A) BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with the Management to achieve this and the Management remains accountable to the Board.

Role of the Board

The Board assumes responsibility for stewardship of the Company and its subsidiaries (the "Group"). Its primary role is to provide entrepreneurial leadership, set strategic aims for the Company, and protect and enhance long-term value and returns for the shareholders. It oversees the business affairs of the Group and approves the Group's strategic plans, key business initiatives, major investments and divestments proposals, and funding decisions.

Additionally, the Board has direct responsibility for decision-making in respect of the following corporate events and actions:

(a) ensure that necessary financial and human resources are in place for the Company to meet its objectives;

(b) oversee the processes of risk management, financial reporting and compliance, and evaluate the adequacy of internal controls;

(c) establish a framework of prudent effective control which enable risks to be assessed and managed including safeguarding of Shareholder's interests and Company's assets;

(d) establish, together with the Management, the strategies and financial objectives to be implemented by the Management;

(e) review the financial performance of the Group and performance of the Management, approve the nominations of the Board of Directors and appointment of key executives, as may be recommended by the Nominating Committee;

(f) review and endorse the framework of remuneration for the Board and key executives as may be recommended by the Remuneration Committee;

(g) ensure accurate, adequate and timely reporting to, and communication with shareholders;

(h) assume responsibility for corporate governance;

(i) review and assist to set company's values and standard (including ethical standards), and to ensure that obligations to shareholders and other stakeholders are understood and met;

(j) identify the key stakeholder groups and recognise that their perceptions affect the company's reputation; and

(k) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

All Directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interest of the Company and to make decision in the interest of the Company. To facilitate the Board in the execution of the Board's responsibilities, certain functions of the Board have been delegated to three (3) Board committees, comprising of an Audit Committee ("AC"), a Nominating Committee ("NC") and a Remuneration Committee ("RC"). Each of these Board committees function within clearly defined terms of reference and operating procedures which are reviewed on a regular basis. These Board committees have the authority to examine particular issues and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

The Board meets three (3) times a year and as warranted by particular circumstances. The Constitution of the Company allow Board meetings to be conducted by way of telephone conference.

The number of Board and Board committee meetings held during the financial year ended 30 June 2019, as well as the attendance of each member at these meetings, is set out below:

		Board Committee Meetings		
Name of Directors	**Board Meetings**	**Audit**	**Nominating**	**Remuneration**
Ip Kwok Wing	3	3	1	1
Lim Fong Li Janet	3	3*	1*	1*
Kenneth Ip Yew Wa [1]	3	3*	1*	1*
Ong Wei Jin	3	3	1	1
Er Kwong Wah	3	3	1	1
Ross Yu Limjoco [2]	–	–	–	–
Total No. of Meetings Held	3	3	1	1

* By way of invitation.

(1) Mr Kenneth Ip Yew Wa resigned as an Executive Director and was appointed as Chief Operating Officer on 19 July 2019.

(2) Mr Ross Yu Limjoco was appointed as an Independent Director on 19 July 2019.

The Company has adopted internal guidelines setting forth matters which require Board approval. Matters which are specifically reserved to the full Board for decision are those involving interested person transactions ("IPTs") (including, among others, conflict of interest issues in relation to substantial shareholders and directors of the Company), material acquisitions and disposal of companies or assets, corporate or financial restructuring, share issuance and dividends, and financial results and corporate strategies. Each Board member makes decisions objectively in the interests of the Group.

All newly appointed directors will be given appropriate training, if necessary including training as a director and how to discharge those duties when he is first appointed to the Board. All new directors will be briefed on the business activities of the Group and its strategic goals, and will undergo an orientation program which includes visits to the Group's operating facilities to gain a better understanding of the Group's business operations and governance practices. Upon appointment of each director, the Company will provide a formal letter to the director, setting out the director's duties and obligations. Directors who are first-time directors, or who have no prior experience as directors of a listed company, will also undergo briefings on the roles and responsibilities as directors of a listed company. With the recommendation from Nominating committee, all future appointment of directors will have both the Board Resolution and also formal letter of appointment. In addition, all first time directors will be provided with training in areas such as accounting, legal and industrial specific knowledge either internally or externally.

As and when necessary the directors would receive further relevant training especially in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, as well as changes in the relevant provisions of the Singapore Companies Act, Chapter 50, so as to update and refresh them on matters that affect or may enhance their performance as Board and Board committee members.

Board Composition and Balance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The NC determines on an annual basis whether or not a director is independent, bearing in mind the Code's definition of an "independent director" and guidance as to relationships the existence of which would deem a director not to be independent. In addition, in deciding whether or not a director is independent, the NC also takes into consideration whether a director has business relationships with the Company or any of its related companies, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent judgement with a view to the best interests of the Company. The NC is of the view that based on the Code's definition of an "independent director" and guidance as to relationships, the three (3) current independent directors are independent, and no individual or small group of individuals dominates the Board's decision-making process. In addition, none of the independent directors has served on the Board beyond nine (9) years from the date of his first appointment.

As at the date of this Annual Report, the Board comprises five (5) directors, of whom two (2) are Executive Directors and three (3) are Independent Directors. Its present composition is in compliance with the Code's guidelines where Independent Directors make up at least half of the Board even the Chairman of the Board and the Chief Executive Officer ("CEO") are immediate family members. Nevertheless, as the Group continues to face a challenging environment in the industry it operates in and is in the process of looking at new business opportunities, the Board will continue to require accountability and responsibility. Accordingly, Mr Ip Kwok Wing will be retained as the Executive Chairman for the Board to tap on his numerous years of experience in manoeuvring the Company through its current challenges.

The nature of the current directors' appointments and membership on the Board committees is as follows:

		Board Committee Membership		
Name of Directors	**Position held on the Board**	**Audit**	**Nominating**	**Remuneration**
Ip Kwok Wing [(3)]	Executive Chairman	–	–	–
Lim Fong Li Janet	Executive Director & CEO	–	–	–
Kenneth Ip Yew Wa [(1)]	–	–	–	–
Er Kwong Wah	Lead Independent Director	Chairman	Member	Member
Ong Wei Jin	Independent Director	Member	Chairman	Member
Ross Yu Limjoco [(2)]	Independent Director	Member	Member	Chairman

(1) Mr Kenneth Ip Yew Wa resigned as Executive Director and was appointed as Chief Operating Officer on 19 July 2019.

(2) Mr Ross Yu Limjoco was appointed as an Independent Director on 19 July 2019.

(3) Subsequent to the appointment of Mr. Ross Yu Limjoco as an Independent Director, Mr. Ip Kwok Wing ceased to be a member each of the Audit Committee, Nominating Committee and Remuneration Committee on 19 July 2019.

The NC is satisfied that the Board comprises directors who as a group provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, which are required for the Board to be effective in decision making.

Independent directors constructively challenge and help develop proposals on strategy; and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

The Independent Directors discuss regularly without the presence of Management matters such as the changes that they like to see in Board processes, corporate governance initiatives, and matters which they wish to discuss during the Board meetings.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Different individuals assume the roles of the Chairman of the Board ("Executive Chairman" or "Chairman") and the Chief Executive Officer ("CEO"). The Executive Chairman is Mr Ip Kwok Wing.

As the Executive Chairman, Mr Ip Kwok Wing sets guidelines on and is responsible for the exercise of control over the quantity and quality, and the timeliness of the flow of information between the Management and the Board, so that the directors receive accurate, timely and clear information for them to make sound decisions.

He also schedules Board meetings and oversees the preparation of the meeting agenda in particular strategic issue to enable the Board to perform its duties effectively and responsibly. In addition, the Chairman also promotes a culture of openness and debate at the Board.

The Executive Chairman also encourages constructive relations between the Board and Management and between the executive directors and independent directors, as well as effective communication with shareholders. To facilitate effective contribution of directors, and in particular, the independent directors, the Executive Chairman ensures that relevant information on business initiatives, industry developments and press commentaries on matters relating to the Company or the industries in which it operates are circulated to the Board members on a continuous basis so as to enable them to be updated and thereby enhance the effectiveness of the independent directors and the Board as a whole.

The Executive Chairman takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the support of the directors, the Management and the Company Secretary.

Mr Ip Kwok Wing is assisted by Mdm Lim Fong Li Janet, who assumes the role of the CEO. Mdm Lim Fong Li Janet, together with the Management comprising the Chief Operating Officer, general managers and Chief Financial Officer, are responsible for the day-to-day management, and implementing the strategic goals of the Group.

Although Mr Ip Kwok Wing and Mdm Lim Fong Li Janet are husband and wife, the Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Chairman and the CEO is independent without any influence from each other, and there is no compromise in accountability for the following reasons:

(a) the independent directors actively participate during Board meetings and challenge the assumptions and proposals of the Management unreservedly, both during and outside of Board meetings on pertinent issues affecting the affairs and business of the Group. Their view and opinion provide alternative perspective to the Group's business and they bring independent judgement to bear on business activities and transactions involving conflict of interest and other complexity. The independent directors review the management performance and management reporting frameworks on quarterly interval. They are also involved in the development and evaluation of strategy proposals proposed by Management from time to time; and

(b) all major decisions made by the Executive Chairman and CEO of the Company are reviewed and approved by the Board.

Mr Er Kwong Wah who is the Chairman of Audit Committee, a member for the Nominating Committee and the Remuneration Committee, had been appointed as Lead Independent Director on 18 July 2016. The Lead Independent Director is available to shareholders where they have concerns and for which contact through the normal channels of the Chairman, the CEO or the Chief Financial Officer ("CFO") has failed to resolve. Led by the Lead Independent Director, the independent directors meet periodically without the presence of the other directors, and the Lead Independent director provides feedback to the Chairman after such meetings.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The Company has established a NC to, among other things, make recommendations to the Board on all Board appointments. The NC currently comprises three (3) directors, all of whom, including the Chairman are independent. The NC members are:-

Ong Wei Jin	–	Chairman
Er Kwong Wah	–	Member
Ross Yu Limjoco	–	Member

Role of the NC

The role of the NC is to establish a formal and transparent process for the appointment of new directors and the re-appointment of directors retiring by rotation as well as to assess the effectiveness of the Board and the overall contribution of each director towards the effectiveness of the Board.

The primary functions of the NC include the following:

(a) to make recommendations to the Board on all Board appointments, including re-nominations having regard to that director's contribution and performance;

(b) to review the independence of the directors on an annual basis;

(c) to decide whether the director is able to and has been adequately carrying out his duties as director, in particular, where a director has multiple board representations;

(d) to review and make recommendations to the Board on all candidates nominated (whether by the Board, shareholders or otherwise) for appointment or reappointed to the Board, taking into account the candidate's track record, age, experience, capabilities and other relevant factors;

(e) to identify and nominate candidates for the approval of the Board to fill vacancies in the Board as and when they arise;

(f) to decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval;

(g) to assess the effectiveness of the Board as a whole;

(h) to review board succession plans for directors, in particular, the Chairman and for the CEO; and

(i) to review training and professional development programs for the Board.

The basis of the NC's annual determination as to whether a director is or is not independent is set out in the write up of Principle 2 of this Corporate Governance Report.

The NC has also adopted internal guidelines addressing competing time commitments that are faced when directors serve on multiple boards. The NC determines annually whether a director with multiple board representations is able to and has been adequately carrying out his duties as a director of the Company. In making this determination, the NC took into account the respective director's actual conduct and effectiveness on the Board, and the time and attention given by each of them to the affairs of the Company, and is satisfied that all the directors having multiple board representations have been able to and have adequately carried out their duties as a director. To further ensure directors could carry out his duties adequately and effectively, the NC also places a maximum limit of ten (10) non-executive directorships an independent director can hold on the board of listed companies (excluding non-listed companies and other non-profit or non-commercial organizations) if he is not holding a full time job. In the event of a director holding a full time job, the maximum limit of his directorships in listed companies should not be more than six (6). During the financial year, the NC has reviewed and confirmed that all the directors have met the criteria and are able to carry out their duties as a director.

Process for appointment of new directors

The NC has recommended, and the Board has approved, a formal process for the selection of new directors as follows:

(a) The NC evaluates the balance of skills, knowledge and experience on the Board and, in the light of such evaluation and in consultation with Management, prepares a description of the role and the essential and desirable competencies for a particular appointment;

(b) Directors and Management may suggest suitable potential candidates. If necessary, the NC may enlist external help (for example, from the Singapore Institute of Directors, search consultants, advertisements) to source for potential candidates;

(c) The NC assesses suitability of short-listed candidates and discusses with them, if necessary, to ensure that the candidate(s) are aware of the expectations and the level of commitment required; and

(d) The NC makes recommendations to the Board for approval.

Criteria for appointment of new directors

All new appointments are subject to the recommendation of the NC based on, among others, the following objective criteria:

(a) Integrity;

(b) Independent mindedness;

(c) Possess core competencies which meet the current needs of the Company and complement the skills and competencies of the existing directors on the Board;

(d) Able to commit time and effort to carry out duties and responsibilities effectively;

(e) Experience in the relevant field of business of the Company or industries in which it operates; and

(f) Financially literate.

All directors are to submit themselves for re-nomination and re-election at regular intervals of at least once every three years. The Company's Constitution provides that one-third of the Board for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting ("AGM") of the Company. In addition, the Company's Constitution also provides that newly appointed Directors are required to submit themselves for re-election at the AGM of the Company immediately following his appointment.

Mr Ip Kwok Wing, Mr Ong Wei Jin and Mr Ross Yu Limjoco will be retiring at the forthcoming AGM pursuant to the Company's Constitution. Mr Ip Kwok Wing, Mr Ong Wei Jin and Mr Ross Yu Limjoco being eligible, had consented to stand for re-election as Directors at the forthcoming AGM.

The following key information regarding directors is set out on the following pages of this Annual Report:

(a) pages 28 and 29 – Academic and professional qualifications, date of first appointment as director, date of last re-election as director, directorships or chairmanships both present and those held over the preceding three (3) years in other listed companies and other principal commitments, whether appointment is executive or non-executive, or considered by the NC to be independent; and

(b) page 33 – Shareholdings in the Company and its related companies.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The Board has implemented a formal process for assessing the effectiveness of the Board as a whole.

The NC determines how the Board's performance may be evaluated and proposes objective performance criteria. Such performance criteria are approved by the Board and address how the Board has enhanced long-term shareholders' value.

Evaluation process

Each Board member is required to complete a Board Assessment Checklist. Based on the returns from each of the directors, the Chairman of the NC prepares a consolidated report and thereafter presents the report to the Board for discussion on the changes which should be made to help the Board discharge its duties more effectively. No external facilitator was appointed for the purposes of the Board assessment.

Performance criteria

The performance criteria for the Board evaluation are in respect of the Board size, composition and independence, conduct of meetings, corporate strategy and planning, risk management and internal control, Board performance in relation to discharging its principal functions, Board committee performance in relation to discharging their responsibilities as set out in their respective terms of reference, achievement of financial targets which includes return on equity, improvement of performance of the Company's share price vis-a-vis the Singapore Straits Times Index, recruitment policy, process for determining remuneration and compensation of directors and key executives, financial reporting, and communication with shareholders.

The Board assessment exercise provided an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes allowed him to discharge his duties effectively and the changes that should be made to enhance the effectiveness of the Board as a whole. The Board is of the view that such evaluation is sufficient and more meaningful than an assessment of each individual director's performance.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

To assist the Board in fulfilling its responsibilities, the Management provides the Board with complete and adequate information in a timely manner. As a general rule, Board papers are required to be sent to directors at least seven (7) days before the Board meeting so that the members may better understand the matters prior to the Board meeting and discussion may be focused on questions that the Board has about the Board papers. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Key executives who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting.

The Management also provides the Board members with background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets, forecasts, quarterly internal financial statements, together with explanations for any material variance between the projections and actual results in respect of its financial performance. Given the current company's operation, the Board deems that the provision of quarterly internal financial statement is sufficient.

The directors are also provided with the names and contact details of the Company's Management and the Company Secretary to facilitate direct, separate and independent access to Management and the Company Secretary.

The Company Secretary administers, attend meetings and prepares minutes for all the Board proceedings. He assists the Executive Chairman to ensure that Board procedures (including but not limited to assisting the Chairman to ensure the timely and good information flow to the Board and Board committees, and between senior management and the independent directors, and facilitating orientation and assisting in the professional development of the directors) are followed and regularly reviewed to ensure effective functioning of the Board, and that the Company's Constitution and relevant rules and regulations, including requirements of the Companies Act, Cap. 50 and the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited ("SGX-ST") are complied with. He also assists the Chairman and the Board to implement and strengthen corporate governance practices and processes with a view to enhancing long-term shareholders' value.

The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Subject to the approval of the Executive Chairman, the directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in the discharge of their duties, at the expense of the Company.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises three (3) Directors, all of whom, including the Chairman are independent.

Ross Yu Limjoco	–	Chairman
Er Kwong Wah	–	Member
Ong Wei Jin	–	Member

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors and senior management. The principal functions of the RC include the following:

(a) to review and recommend to the Board a framework of remuneration for the Executive Chairman, directors, and key management personnel of the Company. The framework will cover all aspects of remuneration, including without limitation, directors' fees, basic salaries, allowances, bonuses, options and benefits-in-kind;

(b) to review the remuneration packages of all managerial staff who are related to any of the executive directors or CEO;

(c) in the case of directors' service contracts, to consider what compensation or commitments the directors' contracts of service, if any, would entail in the event of early termination;

(d) to recommend to the Board in consultation with senior management and the Executive Chairman, any long-term incentive scheme (including share schemes) and to consider the eligibility of directors for benefits under such long-term incentive schemes; and

(e) consider and make recommendations to the Board concerning the disclosure of details of the Company's remuneration policy, level and mix of remuneration and procedure for setting remuneration, and the details of the specific remuneration packages of the directors and executives of the Company, in addition (if appropriate) to those required by law or by the Code.

The RC also administers the CFM Holdings Performance Share Scheme, which was approved at the Company's extraordinary general meeting ("EGM") held on 30 April 2015.

The RC has access to professional advice from experts outside the Company on executive remuneration matters as and when necessary. In accessing the professional advice from experts outside the Company, the RC will ensure that existing relationships, if any, between the company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The Company will also disclose the names and firms of the remuneration consultants in the annual remuneration report, and include a statement on whether the remuneration consultants have any such relationships with the company. The Company did not appoint any remuneration professionals to advise on the executive remuneration during the financial year.

Each member of the RC will refrain from voting on any resolution in respect of the assessment of his remuneration. No director will be involved in determining his own remuneration.

In addition to the above, the RC will also review the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoids rewarding poor performance.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The RC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise shareholders' value.

In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and in comparable companies. As part of its review, the RC ensures that the performance related elements of remuneration form a significant part of the total remuneration package of executive directors and is designed to align the directors' interests with those of shareholders and link rewards to corporate and individual performance, as well as taking into consideration the risk policies of the Company to be symmetric with risk outcomes and sensitive to the time horizon of such risk. The performance related remuneration elements of the executive directors and key management personnel does not incentivise short termism based business decisions.

The RC also reviews all matters concerning the remuneration of independent directors to ensure that the remuneration commensurate with the level of contribution, taking into account factors such as effort and time, and responsibilities of the directors. The Company will submit the quantum of directors' fees for each year to the shareholders for approval at each AGM.

The Board and RC note the recommendation by the Code on the long term incentive scheme for executive directors and key management personnel. The RC had reviewed and recommended to the Board the adoption of a performance share scheme for directors, key management personnel and employees. The Company had adopted the CFM Performance Share Plan on 30 April 2015.

Only the executive directors have entered into service contracts with the Company, which are for a fixed appointment period and thereafter renewed annually, unless earlier terminated by either party by not less than six (6) months written notice, or payment of an amount equal to six (6) months' salary in lieu of notice. The RC reviews what compensation commitments the executive directors' contracts of service would entail in the event of early termination, and aims to be fair and avoid rewarding poor performance. Through the use of contractual provisions, the Group has the ability to reclaim incentive components of remuneration from the relevant management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Policy in respect of independent directors' remuneration

The independent directors do not enter into service contracts with the Company. They are paid directors' fees, the amount of which is dependent on their level of responsibilities. Each independent director is paid a basic fee and variable allowance. In addition, independent directors who perform additional services through Board committees are paid an additional fee for such services. The Chairman of the AC is also paid a higher fee compared to members of that committee in view of the greater responsibilities carried by that office. The amount of directors' fees payable to independent directors is subject to shareholders' approval at the Company's AGMs.

Remuneration policy in respect of executive directors and other key management personnel

The Company advocates a performance-based remuneration system that is highly flexible and responsive to the market and the performance of the Company and the individual employee. This allows the Company to better align executive compensation with shareholders value creation. The total remuneration mix comprises annual fixed cash and annual performance incentive. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances. The annual performance incentive is tied to the performance of the Company and the individual employee.

Remuneration of the directors, key management personnel (who are not also directors) for the financial year ended 30 June 2019.

The level and mix of each of the directors' remuneration, and that of each of the key management personnel (who are not also directors), in bands of $250,000 for the financial year ended 30 June 2019, are set out below:

	Base Salary	Variable/ Performance Related Income	Director Fees	Benefit in Kind/ Allowance	Total
Remuneration Band Name of Director					
$250,000 to $500,000					
Kenneth Ip Yew Wa [1]	82%	11%	–	7%	100%
$250,000 and below					
Ip Kwok Wing	78%	6%	–	16%	100%
Lim Fong Li Janet	87%	7%	–	6%	100%
Er Kwong Wah	–	–	100%	–	100%
Ong Wei Jin	–	–	100%	–	100%
Ross Yu Limjoco [2]	–	–	–	–	–
Remuneration Band Name of Top 5 Existing Key Management Personnel					
$250,000 and below					
Lee Chong Ping*	67%	19%	–	14%	100%

Notes:

- Mr Ip Kwok Wing and Mdm Lim Fong Li Janet are husband and wife.

* The Group has only one Key Management Personnel who is not also a Director, and the remuneration paid to such key management personnel is below $250,000.

(1) Mr Kenneth Ip Yew Wa, who had resigned as an Executive Director and was appointed as Chief Operating Officer on 19 July 2019 is the son of Mr Ip Kwok Wing (Executive Chairman) and Mdm Lim Fong Li Janet (CEO). The remuneration for his appointment as Executive Director of the Company and as a General Manager of Hantong Metal Component (Penang) Sdn. Bhd. and Executive Officer of CFM Slovakia s.r.o during the financial year ended 30 June 2019 was within the range of $250,000 to $500,000.

(2) Mr Ross Yu Limjoco was appointed as an Independent Director on 19 July 2019.

The Company has not disclosed exact details of the remuneration of its CEO, directors and key management personnel as it is not in the best interests of the Company and the employees to disclose such details due to the sensitive nature of such information.

No termination, retirement and post-employment benefits were granted to directors, the CEO or the top five (5) key management personnel for the financial year ended 30 June 2019.

Apart from Mr Andrew Ip Jowa, being the son of Mr Ip Kwok Wing (Executive Chairman) and Mdm Lim Fong Li Janet (CEO) and brother of Mr Kenneth Ip Yew Wa (COO), who holds the position of Sales Manager with a remuneration band between $50,000 to $100,000 for the financial year ended 30 June 2019, the Company does not have any employees who are immediate family members of any director or the CEO, during the financial year ended 30 June 2019. The RC was of the view that the remuneration of $50,000 to $100,000 is in line with the staff remuneration guidelines and commensurate with his job scope and level of responsibilities.

"Immediate family member" means the spouse, child, adopted child, stepchild, brother, sister or parent.

CFM Performance Share Plan

The Company had undertaken a comprehensive review of employee remuneration and benefits and introduced a new employee share performance scheme on 30 April 2015 (the "Plan") that is intended to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to improve their performance. In line with this, the Company believes that the Plan will strengthen the overall effectiveness of performance-based compensation schemes. The Plan applies to executive directors, non-executive directors (including independent Directors) and group employees.

The Plan allows the Company to target specific performance objectives and to provide an incentive for who are awarded shares under the Plan ("Participants") to achieve these targets, which ultimately, will create and enhance economic value for Shareholders. The Directors believe that the Plan will incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company. Through the Plan, the Company will be able to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group's long-term prosperity. In addition, the Plan aims to foster an ownership culture within the Group.

The Company believes that attracting and retaining outstanding individuals as employees is paramount to the Group's long-term objective of achieving continuous growth, expansion and profitability in its business and operations. It is hoped that through the implementation of the Plan, the Company will be able to remain an attractive and competitive employer and be better positioned to manage its fixed overhead costs without compromising on performance standards and efficiency.

Through the Plan, the award of fully-paid Shares, free of charge, to the Participants (the "Awards") is intended to be a more attractive form of bonus from the Company to the Participants. In addition, the Company believes that the Plan will be more effective than cash bonuses in motivating employees as it gives them a stake in the ownership of the Company whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with other multinational companies.

The Plan will serve as an additional and flexible incentive tool. With the Plan, the Company would be able to tailor share-based incentives according to the objectives to be achieved.

The Awards granted under this Plan will be determined at the sole discretion of the RC which will oversee and administer the Plan. In considering the grant of an Award to a Participant, the RC shall take into account (where applicable) criteria such as the rank, scope of responsibilities, performance, years of service and potential for future development of the selected Employee. In respect of the grant of an award to a participant who is also a member of the RC, the participant shall not be involved in the deliberation of the award to be granted to him to minimise the potential conflict of interest and to not compromise his independence of as a member of the RC.

The total number of New Shares which may be issued pursuant to Awards granted under the Plan shall not exceed 15% of the issued Shares of the Company (excluding any Shares held in treasury) on the day Shareholders approve the Plan, provided always that the total number of New Shares which may be issued pursuant to Awards granted under the Plan when aggregated with the aggregate number of Shares which may be granted under any other share plan or share option scheme shall not exceed any limits prescribed by the SGX-ST. Further details of the Plan can also be found on page 35 of the Directors' Statement.

There were no performance shares issued by the Company since the commencement of the performance share scheme on 30 April 2015.

(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

The Board is responsible for providing a balanced and understandable assessment of the Company's performance, position and prospects, including interim and other price sensitive public reports, and reports to regulators (if required). The Management currently provides Executive Directors with appropriately detailed management accounts, which shows a balanced and understandable assessment of the Company's performance, position and prospects on a quarterly basis. Based on the current size and scope of operations of the Group, such quarterly management accounts are adequate. In the event where the Group undertakes any major corporate exercises or projects, the Board is kept appraised with the most updated financial information of the Group to facilitate the Board's review in its decision making.

Each quarter's financial results are also presented to all members of the Board for their review on a quarterly basis. The Board has embraced openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial reports and other price sensitive information are disseminated to shareholders through announcements via SGXNET to the SGX-ST, press releases, the Company's website, and public webcast and media and analyst briefings. The Board will take adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the listing rules of the securities exchange, for instance, by establishing written policies where appropriate.

Risk Management And Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board recognises that it is responsible for maintaining a system of risk management and internal controls including those addressing financial, operational, compliance and information technology risk (collectively "internal controls") to safeguard shareholders' interests and the Group's businesses and assets. Together with Management, the Board identifies and evaluates significant risks applicable to the Group's business, taking into consideration the Group's risk tolerance level and policies; as well as establishes and designs an appropriate internal control system and the Management is tasked to operate and implement the internal control procedures. These risks are assessed on a regular basis.

Through the reports from Management and internal auditors on any material non-compliance and internal control weaknesses, the AC oversees and monitors the implementation of any improvements thereto and reviews the adequacy and effectiveness of the internal control system annually. An independent internal audit firm was engaged in previous financial years to undertake the review of material internal controls, including financial, operational, compliance controls on a significant business unit of the Group.

For FY2019, the AC reviewed with the internal auditor its findings on internal control recommendations. The Group had also appointed MS Risk Management Pte. Ltd. ("IA") as an outsourced internal audit function. The IA had presented its internal audit findings and recommendations to the AC for FY2019.

The Board also notes that all risk management system and internal control system contain inherent limitations and cost effective system of risk management system and or internal controls could only provide reasonable and not absolute assurance against the occurrence of material errors, financial misstatement, poor judgement in decision making, human error, losses and or other irregularities.

Based on the various control systems put in place and maintained by the Company, the report from the IA and follow-up implementation action taken by the Management based on IA's recommendations, periodic reviews by the Management, the AC and the Board, the Board with the concurrence of the AC is of the opinion that the Group's internal controls and risk management systems were adequate and effective in addressing financial, operational, compliance and information technology controls risks.

For the financial year ended 30 June 2019, the Board had received assurance from the CEO and CFO that (i) the financial records have been properly maintained and the financial statements gives a true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems were effective.

The Board, with the assistance of the AC, will continue to review, monitor and take appropriate steps to maintain effectiveness or strengthen the Group's overall internal control system.

Audit Committee

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The AC currently comprises the following three (3) non-executive independent directors, including the Chairman:

Er Kwong Wah	–	Chairman
Ong Wei Jin	–	Member
Ross Yu Limjoco	–	Member

The Board is of the view that the members of the AC have sufficient financial management knowledge and experience to discharge their responsibilities as members of the AC. The primary functions of the AC are as follows:

(a) to review the financial and operating results and accounting policies of the Group;

(b) to review the scope and results of the internal and external audits and its cost effectiveness;

(c) to review the financial statements before their submission to the Board and the external auditors' report on those financial statements;

(d) to review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any formal announcements relating to the Company's financial performance;

(e) to review the half-yearly and annual announcement of results of the Group to SGX-ST before submission to the Board for approval;

(f) to consider and review the assistance given by the Management to the auditors;

(g) to discuss with the external auditors before the audit commences the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

(h) to review the external audit plan and the results of the external auditors' examination and evaluate the effectiveness of the Group's internal control system including review of the internal auditor's internal audit plan and internal audit findings;

(i) to review and report to the Board the adequacy and effectiveness of the Company's risk management and internal controls system, including financial, operational, compliance and information technology controls once a year;

(j) to review the independence and objectivity of the external auditors;

(k) to recommend the appointment or re-appointment of external auditors, and approve the terms of engagement and audit fees payable to the external auditors;

(l) to review IPTs to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of shareholders, and are in compliance with the then prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Catalist Rules of the SGX-ST);

(m) to review the scope and the results of internal audit procedures and the evaluation of the overall internal control systems by the internal auditors;

(n) to commission and review the major findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any relevant law, rule or regulation which has or is likely to have a material impact on the Company's operating results and/or financial position; and

(o) to undertake such other functions and duties as may be required by law or the Catalist Rules of the SGX-ST and by such amendments made thereto from time to time.

The AC has the explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

In addition, the AC has independent access to the internal auditors and the external auditors, who report independently their findings and recommendations to the AC. The AC meets with the internal auditors and external auditors without the presence of Management and reviews the adequacy of the internal control established by the Management annually on the basis of work down by the internal auditors and the external auditors on the internal control environment of the Group

During the year, the AC performed independent reviews of the financial statements of the Company before the announcement of the Company's half year and full year results. The AC also reviewed and approved both the Company's external auditors' plans to ensure that the plans covered sufficiently the terms of audit scope in reviewing the significant internal controls of the Company. Such significant controls comprise financial, operational and compliance controls. All audit findings and recommendations put up by the external auditors were forwarded to the AC. Significant issues were discussed at these meetings.

In addition, the AC undertook a half yearly review of the independence and objectivity of the external auditors through discussions with the external auditors, as well as reviewing the non-audit fees awarded to them and has confirmed that the non-audit services performed by the external auditors would not affect their independence. Fees paid or payable by the Group to external auditors for audit services for the financial year ended 30 June 2019 amounted to $62,500 and there were no non-audit fees paid or payable.

The Company appointed Baker Tilly TFW LLP as auditors of the Company. The Company confirmed that Rule 712 and Rule 716 of the Catalist Rules in relation to the auditors of the Company have been complied with. The Board and AC are satisfied that the appointment of different auditing firms for subsidiaries companies would not compromise the standard and effectiveness of the audit of the Group.

The Company has implemented a "Whistle-Blower Policy" ("Policy") which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters to the AC Chairman. The AC will review the Policy to ensure arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

On a quarterly basis, the Management reports to the AC on any Interest Person Transactions.

As part of efforts by the AC in keeping abreast of changes to accounting standards and issues, the AC is kept updated by the external auditors on new financial reporting standards during the year.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The role of the internal auditors is to assist the AC to ensure that the Company maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular in-depth audits of high risk areas. The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. The primary line of reporting of the internal auditors is to the AC Chairman.

The IA was engaged in FY2019 to undertake the review of material internal controls on a significant subsidiary of the Group. All findings and recommendations of the IA were submitted to the AC for deliberation with copies of these reports extended to the CEO and the relevant senior management officers. The Group has implemented the recommendations of the IA based on its internal audit work performed for FY2019 and continues to maintain sufficient safeguards and controls over the Group's operations. The AC also continues to monitor that such safeguards and controls are in place.

The AC reviews the adequacy and effectiveness of the internal audit function of the Group annually and ensures that the internal audit function is adequately resourced and has appropriate standing within the Group. For FY2019, the AC noted that the IA had carried out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The IA is an outsourced professional firm with persons who are engaged in the Group's internal audit, possessing the relevant internal audit qualifications and experience. The AC is satisfied that the IA function is independent, effective and adequately resourced.

(D) COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Group values dialogue with shareholders. The Board is also mindful of its obligations to provide timely and fair disclosure of material information to the SGX-ST in accordance with the Corporate Disclosure Policy as set out in the Catalist Rules of the SGX-ST. The Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group.

Although the Group does not have a formalised investor relations policy for communications with shareholders, the Board and Management is of the view that the Group is able to effectively communicate with its shareholders as material information is disclosed and communicated to shareholders in a comprehensive, accurate and timely manner through:

(a) announcements of full year and half year financial results which are published via the SGXNET;

(b) annual reports or circulars of the Company that are prepared and sent to all shareholders;

(c) notices of annual general meetings and extraordinary general meetings published in the newspapers; and

(d) press releases on major developments of the Group.

Shareholders are invited to attend shareholders' meetings to put forth any questions they may have on the motions to be debated and decided upon. The Constitution of the Company allows a shareholder (who is not a relevant intermediary, as defined in Section 181(6) of the Companies Act) to vote either in person or appoint not more than two (2) proxies to attend and vote in his stead. Such proxy to be appointed need not be a shareholder. Pursuant to the Companies (Amendment) Act 2014, a shareholder of the Company who is a relevant intermediary (as defined in Section 181(6) of the Companies Act), may appoint more than two proxies to attend, speak and vote at the AGM.

In the general meeting of shareholders, the Company will ensure that shareholders have the opportunities to participate effectively by informing them of the rules, including voting procedures that govern general meetings of shareholders. At shareholders' meetings, each distinct issue is proposed as a separate resolution. All directors are present at the general meetings and the chairman of each Board committee is required to be present to address questions at annual general meetings. External auditors are also present at such meetings to assist the directors to address shareholders' queries, if necessary. The Company Secretary prepares minutes of shareholders' meetings, which incorporates substantial comments or queries that are relevant to the AGM agenda, if any, from shareholders and responses from the Board and Management. These minutes are available to shareholders upon request. Results of general meetings are announced on the same day following the conclusion of the general meeting.

Pursuant to Catalist Rule 730A(2), the Company will put all resolutions to vote by poll at its shareholders general meeting and an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages will be made on the same day. Independent Scrutineers will be appointed to oversee the voting process and enhance their disclosures on voting outcomes.

The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. However, the Company will establish and maintain regular dialogue with shareholders to gather views or inputs and their concerns.

In addition to the opportunities provided to all shareholders to ask questions to the Board at its general meetings, the Board, together with Management, responds to any shareholders' queries that the Company may receive from time to time, either directly or if warranted, an SGXNet announcement is released accordingly. The Board had also previously responded to queries raised by Securities Investors Association (Singapore) through SGXNet announcements so that all shareholders are kept updated equally.

The Group currently does not have a formal dividend policy as it needs to conserve its financial resources and further improve its financial performance.

(E) DEALINGS IN SECURITIES

The Company has adopted its own guidelines based substantially on the provisions of Rule 1204(19) of the Catalist Rules of the SGX-ST. These internal guidelines apply to dealings in securities by certain employees (including directors and other officers) of the Group. The Company issues circulars to its directors and officers reminding them not to deal in the listed securities of the Company, for a period of one (1) month before the half year and full year results, or if they are in possession of unpublished price-sensitive information. In addition, the directors and officers of the Company are advised not to deal in the Company's securities on short-term considerations.

(F) RISK MANAGEMENT

The Company does not have a Risk Management Committee. However, the Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC.

(G) IPTs

The Board has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC. All IPTs are subject to review by the AC to ensure that all such transactions are conducted at arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the shareholders.

As a listed company on the Singapore Exchange, the Company is required to comply with Chapter 9 of the SGX-ST's Catalist Rules on Interested Person Transactions. To ensure compliance, the Company has taken the following steps:

(a) Compliance with Chapter 9 is an integral part of the credit approval process for the Company; and

(b) An annual update of directors' personal particulars is obtained.

There were no interested person transactions exceeding $100,000 conducted during the financial period under review.

(H) MATERIAL CONTRACTS

Save for the executive directors' service contracts, there were no material contracts, not being contracts entered into in the ordinary course of business, had been entered into by the Company and its subsidiaries involving the interest of the CEO, any director or controlling shareholder of the Company during the period under review.

(I) NON-SPONSOR FEES

There was no non-sponsor fees paid to the Company's sponsor, Asian Corporate Advisors Pte. Ltd. in FY2019.

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE

Name	Academic/ Professional Qualifications/ Affiliations	Board Appointment Executive/ Non-Executive/ Independent	Date of Appointment	Date Last Re-elected	Directorship/ Chairmanships in other Listed Companies in Singapore (Present & Held Over the Preceding Three Years) & Other Principal Commitments
Ip Kwok Wing	Hong Kong Secondary School	Executive Chairman	28 April 2000	31 October 2017	Other Listed Companies Nil Other principal commitments Nil
Lim Fong Li Janet	Bachelor of Science in Business Administration and Master's Degree in Marketing Communication	Chief Executive Officer	28 April 2000	26 October 2018	Other Listed Companies Nil Other principal commitments Nil
Ross Yu Limjoco	Bachelor of Science in Business Administrative Major in Accounting	Non-Executive Independent Director	19 July 2019	Not Applicable	Other Listed Companies Present: Camsing International Holdings Ltd (listed on HKSE) Over preceding 3 years: IPCO International Limited (listed on SGX) 8Telecom International Holdings Co, Ltd (listed on SGX) Other principal commitments Assurance Director and Head of M&A Nexia TS Pte Ltd
Ong Wei Jin	LLB (Hons) MBA (Investment and Finance) LLM	Independent Director	7 January 2014	26 October 2016	Other Listed Companies Present: China XLX Fertiliser Ltd (listed on HKSE) Luzhou Bio-chem Technology Limited (listed on SGX) Over preceding 3 years: Camsing Healthcare Ltd (listed on SGX) Other principal commitments Partner, Eversheds Harry Elias Partnership LLP

Name	Academic/ Professional Qualifications/ Affiliations	Board Appointment Executive/ Non-Executive/ Independent	Date of Appointment	Date Last Re-elected	Directorship/ Chairmanships in other Listed Companies in Singapore (Present & Held Over the Preceding Three Years) & Other Principal Commitments
Er Kwong Wah	Bachelor of Applied Science (Honours) in Electrical Engineering Master in Business Administration	Independent Director	28 February 2013	31 October 2017	Other Listed Companies Present: Cosco Corporation (Singapore) Ltd (listed on SGX) Ecowise Holdings Limited (listed on SGX) The Place Holding Ltd. (listed on SGX) Chaswood Resources Holdings Ltd (listed on SGX) USP Group Limited (listed on SGX) Luxking Group Holdings Limited (listed on SGX) Over preceding 3 years: China Essence Group (Delisted from SGX) Success Dragon Ltd (listed on HKSE) China Environment Ltd (listed on SGX) China Sky Chemical Fibre Co., Ltd (listed on SGX) Other principal commitments Nil

APPENDIX

Code of Corporate Governance
Specific principles and guidelines for disclosure

Relevant Guidelines or Principles	Page(s) Reference in this Annual Report
Guideline 1.3 Delegation of authority, by the Board to any board committee, to make decisions on certain board matters	11-12
Guideline 1.4 The number of meetings of the Board and board committees held in the year, as well as the attendance of every board member at these meetings	12
Guideline 1.5 The type of material transactions that require board approval under guidelines	12
Guideline 1.6 The induction, orientation and training provided to new and existing directors	12
Guideline 2.3 The Board should identify in the company's Annual Report each director it considers to be independent. Where the Board considers a director to be independent in spite of the existence of a relationship as stated in the Code that would otherwise deem a director not to be independent, the nature of the director's relationship and the reasons for considering him as independent should be disclosed	13
Guideline 2.4 Where the Board considers an independent director, who has served on the Board for more than nine years from the date of his first appointment, to be independent, the reasons for considering him as independent should be disclosed.	13
Guideline 3.1 Relationship between the Chairman and CEO where they immediate family members	14
Guideline 4.1 Names of the members of the NC and the key terms of reference of the NC, explaining its role and the authority delegated to it by the Board	15
Guideline 4.4 The maximum number of listed company board representations which directors may hold should be disclosed	15
Guideline 4.6 Process for the selection, appointment and re-appointment of new directors to the Board, including the search and nomination process	16
Guideline 4.7 Key information regarding directors, which directors are executive, non-executive or considered by the nominating committee to be independent	16, 28-29
Guideline 5.1 The Board should state in the company's Annual Report how assessment of the Board, its board committees and each director has been conducted. If an external facilitator has been used, the Board should disclose in the company's Annual Report whether the external facilitator has any other connection with the company or any of its directors. This assessment process should be disclosed in the company's Annual Report	17

Relevant Guidelines or Principles	Page(s) Reference in this Annual Report
Principle 7.1 Names of the members of the RC and the key terms of reference of the RC, explaining its role and the authority delegated to it by the Board	18-19
Guideline 7.3 Names and firms of the remuneration consultants (if any) should be disclosed in the annual remuneration report, including a statement on whether the remuneration consultants have any relationships with the company	19
Guideline 9 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration	19
Guideline 9.1 Remuneration of directors, the CEO and at least the top five key management personnel (who are not also directors or the CEO) of the company. The annual remuneration report should include the aggregate amount of any termination, retirement and post-employment benefits that may be granted to directors, the CEO and the top five key management personnel (who are not directors or the CEO)	19-21
Guideline 9.2 Fully disclose the remuneration of each individual director and the CEO on a named basis. There will be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives	20
Guideline 9.3 Name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of $250,000. There will be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel	20
Guideline 9.4 Details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds $50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of $50,000	21
Guideline 9.5 Details and important terms of employee share schemes	21-22, 34
Guideline 9.6 For greater transparency, companies should disclose more information on the link between remuneration paid to the executive directors and key management personnel, and performance. The annual remuneration report should set out a description of performance conditions to which entitlement to short-term and long-term incentive schemes are subject, an explanation on why such performance conditions were chosen, and a statement of whether such performance conditions are met	20

Relevant Guidelines or Principles	Page(s) Reference in this Annual Report
Guideline 11.3 The Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems. The commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems The Board should also comment on whether it has received assurance from the CEO and the CFO: (a) that the financial records have been properly maintained and the financial statements give true and fair view of the company's operations and finances; and (b) regarding the effectiveness of the company's risk management and internal control systems	22-23
Guideline 12.1 Names of the members of the AC and the key terms of reference of the AC, explaining its role and the authority delegated to it by the Board	23-24
Guideline 12.6 Aggregate amount of fees paid to the external auditors for that financial year, and breakdown of fees paid in total for audit and non-audit services respectively, or an appropriate negative statement	24
Guideline 12.7 The existence of a whistle-blowing policy should be disclosed in the company's Annual Report	24
Guideline 12.8 Summary of the AC's activities and measures taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements	24
Guideline 15.4 The steps the Board has taken to solicit and understand the views of the shareholders e.g. through analyst briefings, investor roadshows or Investors' Day briefings	25-26
Guideline 15.5 Where dividends are not paid, companies should disclose their reasons	26

The directors hereby present their statement to the members together with the audited consolidated financial statements of CFM Holdings Limited (the "Company") and its subsidiary corporations (collectively, the "Group") and the balance sheet of the Company for the financial year ended 30 June 2019.

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the balance sheet of the Company as set out on pages 40 to 95 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019 and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Ip Kwok Wing	-	Executive Chairman
Lim Fong Li Janet	-	Chief Executive Officer
Er Kwong Wah	-	Lead Independent Director
Ong Wei Jin	-	Independent Director
Ross Yu Limjoco	-	Independent Director (Appointed on 19 July 2019)

Arrangement to enable directors to acquire benefits

Except as disclosed in this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act except as follows:

	Number of ordinary shares Holdings registered in the name of director	
Name of director	**At beginning of the financial year**	**At end of the financial year**
The Company		
Ip Kwok Wing	74,319,300	74,319,300
Lim Fong Li Janet	61,601,150	61,601,150

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2019.

By virtue of Section 7 of the Act, Ip Kwok Wing and Lim Fong Li Janet are deemed to have an interest in the shares held by the Company in its wholly-owned subsidiary corporations.

CFM Performance Share Plan

The Company has an employee performance share plan which was implemented on 30 April 2015 (the "PS Plan"). The PS Plan allows the Company to target specific performance objectives and to provide an incentive for participants who are awarded fully-paid shares under the PS Plan ("Participants") for free of charge. The PS Plan applies to executive directors, non-executive directors (including Independent Directors) and group employees.

The awards granted under this PS Plan will be determined at the sole discretion of the Remuneration Committee ("RC"), comprising of Er Kwong Wah, Ong Wei Jin and Ross Yu Limjoco, which will oversee and administer the PS Plan. In considering the grant of an award to a Participant, the RC shall take into account (where applicable) criteria such as the rank, scope of responsibilities, performance, years of service and potential for future development of the selected Employee. In respect of the grant of an award to a Participant who is also a member of the RC, the Participant shall not be involved in the deliberation of the award to be granted to him to minimise the potential conflict of interest and to not compromise his independence of as a member of the RC.

The total number of new shares which may be issued pursuant to awards granted under the PS Plan shall not exceed 15% of the issued shares of the Company (excluding any shares held in treasury) on the day shareholders approve the PS Plan, provided always that the total number of new shares which may be issued pursuant to awards granted under the PS Plan when aggregated with the aggregate number of shares which may be granted under any other share plan or share option scheme shall not exceed any limits prescribed by the SGX-ST.

At the end of the financial year, there were no performance shares issued by the Company since the implementation of the PS Plan on 30 April 2015.

Audit committee

The members of the Audit Committee ("AC") during the year and at the date of this report are:

Er Kwong Wah	- Chairman
Ong Wei Jin	
Ross Yu Limjoco	(appointed on 19 July 2019)
Ip Kwok Wing	(ceased on 19 July 2019)

The AC carried out its functions in accordance with Section 201B(5) of the Act which include:

(a) to review the financial and operating results and accounting policies of the Group;

(b) to review the scope and results of the audit and its cost effectiveness;

(c) to review the financial statements before their submission to the Board of Directors ("Board") and the external auditor's report on those financial statements;

(d) to review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any formal announcements relating to the Company's financial performance;

(e) to review the half-yearly and annual announcement of results of the Group to Singapore Exchange Securities Trading Limited ("SGX-ST") before submission to the Board for approval;

(f) to consider and review the assistance given by the Management to the auditors;

(g) to discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

(h) to review the external audit plan and the results of the external auditor's examination and evaluate the effectiveness of the Group's internal control system including review of the internal auditor's internal audit plan and internal audit findings;

Audit committee (cont'd)

(i) to review and report to the Board the adequacy and effectiveness of the Company's Risk Management and Internal Controls System, including financial, operational, compliance and information technology controls once a year;

(j) to review the independence and objectivity of the external auditor;

(k) to recommend the appointment or re-appointment of external auditor, and approve the terms of engagement and audit fees payable to the external auditor;

(l) to review interested person transactions ("IPTs") to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of shareholders, and are in compliance with the then prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Catalist Rules of the SGX-ST);

(m) to review the scope and the results of internal audit procedures and the evaluation of the overall internal control systems by the internal auditors;

(n) to commission and review the major findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any relevant law, rule or regulation which has or is likely to have a material impact on the Company's operating results and/or financial position; and

(o) to undertake such other functions and duties as may be required by law or the Catalist Rules of the SGX-ST and by such amendments made thereto from time to time.

The AC is satisfied with the independence and objectivity of the external auditor and has nominated Baker Tilly TFW LLP for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Ip Kwok Wing
Executive Chairman

Lim Fong Li Janet
Chief Executive Officer

26 September 2019

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of CFM Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 40 to 95, which comprise the balance sheets of the Group and the Company as at 30 June 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment review of investment in subsidiaries

The key audit matter:

As disclosed in Notes 3 and 12 to the financial statements, the net carrying amount of the investments in subsidiaries is stated at $12,445,000 (2018: $14,945,000), after deducting impairment loss of $10,132,000 (2018: $7,632,000) as at 30 June 2019.

The assessment of recoverable amount of the Company's investments in subsidiaries is considered to be significant to our audit as carrying value of investment is material to the Company's financial statements and the assessment requires application of judgement and use of subjective assumptions by management.

The Company has assessed the recoverable amount of its investments in subsidiaries based on fair value less cost to sell and value-in-use of the investment in subsidiaries using the discounted cash flow ("DCF") method. The determination of fair value less cost to sell involves estimation of the underlying fair value of the net assets of the subsidiaries. The use of the DCF involves significant judgement in the forecast projection of sales and operating cash flows for the next five years. The DCF model also include assumptions on terminal growth rate and weighted average cost of capital ("WACC"). A small change in the assumptions can affect the recoverable amount of investments in subsidiaries determined based on value in use ("VIU") and fair value less cost to sell.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

How the matter was addressed in our audit:

We have obtained an understanding of management's impairment policy and impairment assessment process.

We have obtained management's assessment of the VIU of the investment and the key inputs to the DCF model which includes budgeted revenue, budgeted gross profit margin, budgeted expenditures and discount rates. We have assessed these key inputs by comparing the budgets to recent performance and management plans as well as assessing the discount rates computation for reasonableness.

We have obtained management's assessment of fair value less cost to sell and evaluated the assessment for reasonableness.

We have also assessed the appropriateness of the disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2019, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tiang Yii.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

26 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2019

		Group	
		2019	2018
	Note	**$'000**	$'000
Revenue	4	**20,308**	22,627
Cost of sales		**(15,832)**	(18,283)
Gross profit		**4,476**	4,344
Other income	5	**975**	1,798
Marketing and distribution expenses		**(388)**	(402)
Administrative and other expenses		**(4,266)**	(5,917)
Finance costs	6	**(269)**	(296)
Profit/(loss) before tax	7	**528**	(473)
Tax expense	9	**(238)**	(335)
Profit/(loss) for the year		**290**	(808)
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising on consolidation		**(285)**	242
Reclassification of foreign currency translation reserve upon disposal of subsidiaries		**–**	(35)
Other comprehensive (loss)/income, net of tax		**(285)**	207
Total comprehensive income/(loss) for the financial year		**5**	(601)
Profit/(loss) attributable to:			
Equity holders of the Company		**290**	(808)
Non-controlling interests		**–**	–
Profit/(loss) for the year		**290**	(808)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**5**	(601)
Non-controlling interests		**–**	–
Total comprehensive income/(loss) for the financial year		**5**	(601)
Earnings/(loss) per share (EPS) ***(expressed in cents per share)***			
- Basic	10	**0.14**	(0.50)
- Diluted	10	**0.14**	(0.50)

The accompanying notes form an integral part of these financial statements.

	Note	Group 30.6.2019 $'000	Group 30.6.2018 $'000	Group 1.7.2017 $'000	Company 30.6.2019 $'000	Company 30.6.2018 $'000	Company 1.7.2017 $'000
Non-current assets							
Property, plant and equipment	11	**10,797**	11,661	12,592	**–**	1	4
Investments in subsidiaries	12	**–**	–	–	**12,445**	14,945	11,748
Trade receivables	15	**–**	83	226	**–**	–	–
		10,797	11,744	12,818	**12,445**	14,946	11,752
Current assets							
Inventories	14	**2,954**	2,313	2,409	**–**	–	–
Trade receivables	15	**4,706**	5,485	5,036	**7**	113	130
Other receivables and prepayments	16	**273**	393	515	**6**	8	8
Amounts due from subsidiaries	13	**–**	–	–	**1,713**	2,501	3,126
Cash and cash equivalents	17	**3,607**	4,455	4,457	**162**	447	1,050
		11,540	12,646	12,417	**1,888**	3,069	4,314
Total assets		**22,337**	24,390	25,235	**14,333**	18,015	16,066
Non-current liabilities							
Finance lease liabilities	18	**85**	30	71	**–**	–	–
Borrowings	19	**5,454**	5,242	5,552	**–**	–	–
Deferred tax liabilities	20	**355**	413	384	**55**	91	91
		5,894	5,685	6,007	**55**	91	91
Current liabilities							
Trade payables		**1,943**	2,523	2,563	**–**	–	1
Contract liabilities	21	**216**	107	44	**–**	–	–
Other payables	22	**1,745**	3,034	3,713	**455**	467	1,336
Amount due to a subsidiary	13	**–**	–	–	**8**	19	–
Finance lease liabilities	18	**35**	77	111	**–**	–	–
Borrowings	19	**1,358**	1,729	2,311	**525**	725	1,402
Income tax payables		**116**	112	18	**–**	12	11
Provision	23	**–**	98	101	**–**	–	–
		5,413	7,680	8,861	**988**	1,223	2,750
Total liabilities		**11,307**	13,365	14,868	**1,043**	1,314	2,841
Net assets		**11,030**	11,025	10,367	**13,290**	16,701	13,225
Equity							
Share capital	24	**22,963**	22,963	21,704	**22,963**	22,963	21,704
Accumulated losses	25	**(11,855)**	(12,145)	(11,337)	**(9,673)**	(6,262)	(8,479)
Foreign currency translation reserve		**(78)**	207	–	**–**	–	–
Equity attributable to equity holders of the Company		**11,030**	11,025	10,367	**13,290**	16,701	13,225
Non-controlling interests		**–**	–	–	**–**	–	–
Total equity		**11,030**	11,025	10,367	**13,290**	16,701	13,225

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2019

	← Attributable to equity holders of the Company →					
	Equity, total $'000	**Equity attributable to equity holders of the Company, total $'000**	**Share capital $'000**	**Accumulated losses $'000**	**Foreign currency translation reserve $'000**	**Non-controlling interests $'000**
2019						
Opening balance at 1 July 2018 SFRS(I) Framework	11,025	11,025	22,963	(12,145)	207	–
Profit for the year	290	290	–	290	–	–
Other comprehensive loss:						
Currency translation differences arising on consolidation	(285)	(285)	–	–	(285)	–
Other comprehensive loss, net of tax	(285)	(285)	–	–	(285)	–
Total comprehensive income/(loss) for the year	5	5	–	290	(285)	–
Balance at 30 June 2019	**11,030**	**11,030**	**22,963**	**(11,855)**	**(78)**	**–**
2018						
Balance at 1 July 2017	10,367	10,367	21,704	(8,718)	(2,619)	–
Cumulative effect of adopting SFRS(I)	–	–	–	(2,619)	2,619	–
Opening balance at 1 July 2018 SFRS(I) Framework	10,367	10,367	21,704	(11,337)	–	–
Loss for the year	(808)	(808)	–	(808)	–	–
Other comprehensive income/(loss):						
Currency translation differences arising on consolidation	242	242	–	–	242	–
Reclassification of foreign currency translation reserve upon disposal of subsidiaries	(35)	(35)	–	–	(35)	–
Other comprehensive income, net of tax	207	207	–	–	207	–
Total comprehensive loss for the year	(601)	(601)	–	(808)	207	–
Issue of new ordinary shares	1,395	1,395	1,395	–	–	–
Share issue expenses	(136)	(136)	(136)	–	–	–
Balance at 30 June 2018	11,025	11,025	22,963	(12,145)	207	–

The accompanying notes form an integral part of these financial statements.

	Note	Group 2019 $'000	Group 2018 $'000
Cash flows from operating activities			
Profit/(loss) before tax		**528**	(473)
Adjustments for:			
Depreciation on property, plant and equipment		**967**	1,116
Gain on disposal of subsidiaries		**–**	(919)
Gain on disposal of property, plant and equipment		**(15)**	(4)
Property, plant and equipment written off		**9**	–
Impairment loss on property, plant and equipment		**–**	156
Inventories written down		**48**	12
Inventories written off		**34**	36
Inventories written back		**(115)**	(267)
Impairment allowance for trade receivables		**142**	–
Interest expenses		**269**	296
Interest income		**(5)**	(5)
Receivables from disposed subsidiaries written off		**–**	921
Operating cash flows before working capital changes		**1,862**	869
Inventories		**(679)**	93
Receivables and prepayments		**618**	(361)
Trade and other payables and contract liabilities		**(1,747)**	(17)
Foreign currency translation adjustments		**(2)**	(54)
Cash generated from operations		**52**	530
Interest received		**5**	5
Income tax paid		**(223)**	(207)
Net cash (used in)/generated from operating activities		**(166)**	328
Cash flows from investing activities			
Purchases of property, plant and equipment	A	**(205)**	(104)
Proceeds from disposal of property, plant and equipment		**20**	4
Proceeds from disposal of subsidiaries, net of cash disposed		**–**	(135)
Net cash used in investing activities		**(185)**	(235)
Cash flows from financing activities			
Repayment of borrowings		**(2,019)**	(2,786)
Proceeds from borrowings		**1,920**	1,792
Interest paid		**(269)**	(296)
Net repayment of finance lease liabilities		**(94)**	(122)
Proceeds from issuance of new shares, net of issuance expenses		**–**	1,259
Fixed deposits pledged with financial institutions		**(1)**	1,089
Net cash (used in)/generated from financing activities		**(463)**	936
Net (decrease)/increase in cash and cash equivalents		**(814)**	1,029
Cash and cash equivalents at beginning of the financial year		**4,374**	3,286
Effect of exchange rate changes on opening cash and cash equivalents		**(35)**	59
Cash and cash equivalents at end of the financial year	17	**3,525**	4,374

Note A:
During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $317,000 (2018: $145,000) of which $112,000 (2018: $41,000) was financed by means of finance lease, cash payment of $205,000 (2018: $104,000) was made to purchase property, plant and equipment.

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate information

The Company (Co. Reg. No. 200003708R) is incorporated and domiciled in Singapore and is a public limited company listed on the Catalist of Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 4 Ang Mo Kio Avenue 12, CFM Building, Singapore 569498.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 12.

The ultimate controlling party of the Group is Ip Kwok Wing and his spouse, Lim Fong Li Janet.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements are presented in Singapore dollar ("$"), which is the Company's functional currency and all information presented in Singapore dollar are rounded to the nearest thousand ($'000) except when otherwise indicated. The financial statements of the Group and the balance sheet of the Company have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

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 a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and current amounts due from subsidiaries approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2. Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards

Convergence with International Financial Reporting Standards (IFRS)

In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises the standards and interpretations that are identical to the International Financial Reporting Standards. As required by the listing requirements of Singapore Exchange ("SGX"), the Group has adopted SFRS(I) on 1 July 2018. These financial statements for the year ended 30 June 2019 are the first set of financial statements of the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 30 June 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 July 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I).

Under SFRS(I), these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 30 June 2018. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group has also presented statement of financial position as at 1 July 2017, which is the date of transition to SFRS(I).

In addition to the adoption of the new framework, the Group also concurrently applied all new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are effective for the current financial year. The application of these new and revised SFRS(I) and SFRS(I) INT do not have a material effect on the financial statements except as set out below:

Application of SFRS(I) 1 and IFRS Convergence

In adopting SFRS(I) in 2018, the Group has applied the transition requirements in SFRS(I) with 1 July 2017 as the date of transition.

SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, subject to certain mandatory exceptions and optional exemptions under SFRS(I) 1. Except as described below, there were no material adjustments to the Group's financial statements arising on transition to SFRS(I).

Foreign currency translation reserve

The Group elected the optional exemption to reset its cumulative foreign currency translation reserve for all foreign operations to nil at the date of transition on 1 July 2017. As a result, the foreign currency translation reserve of $2,619,000, determined in accordance with FRSs as at 1 July 2017 was reclassified to accumulated losses as at 1 July 2017. Subsequent to the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

By electing this optional exemption, the cumulative foreign currency translation reserve decreased by $2,619,000 and accumulated losses increased by the same amount as at 30 June 2018.

2. Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards (cont'd)

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 replaces FRS 18 'Revenue', FRS 11 'Construction contracts' and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. SFRS(I) 15 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in SFRS(I) 15 by applying a 5-step approach.

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. The entity is required to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model; to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted SFRS(I) 15 using the full retrospective approach. The Group has elected the practical expedient to apply the standard to contracts that are not completed at the date of initial application.

At the date of initial application and 30 June 2019, the Group has assessed that the adoption of SFRS(I) 15 does not have any material impact to the financial position and results of the Group and the Company except for presentation on the balance sheet as stated below:

Presentation of contract liabilities

Upon adoption of SFRS (I) 15, the Group has also changed the presentation of the following amount:

Advance billings of $107,000 as at 30 June 2018 and $44,000 as at 1 July 2017 were reclassified to contract liabilities.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 replaces FRS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. It includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on expected credit loss model and replace FRS 39 incurred loss model.

The Group and the Company applied SFRS(I) 9 using a modified retrospective approach, with date of initial application on 1 July 2018. The Group and the Company have not restated the comparative information, which continues to be reported under FRS 39. Differences arising from adoption of SFRS (I) 9 have been recognised directly in accumulated losses.

2. Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards (cont'd)

SFRS(I) 9 Financial Instruments (cont'd)

The impact upon adoption of SFRS(I) 9 as at 1 July 2018 was as follows:

(a) Classification and measurement

Under SFRS(I) 9, the Group classifies its financial assets based on entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The assessment of the Group's business model was made as of the date of initial application on 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Loans and receivables (including trade and other receivables (excluding prepayments)) as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost beginning 1 July 2018.

The Group has not designated any financial liabilities at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

(b) Impairment

SFRS(I) 9 requires the Group to record expected credit losses on all of its financial assets at amortised cost either on a 12-month or lifetime basis.

At the date of initial application and 30 June 2019, the Group has assessed that the adoption of SFRS(I) 9 does not have any material impact to the financial position and results of the Group.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 30 June 2019 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company except as disclosed below:

SFRS(I) 16 Leases

SFRS(I) 16 replaces the existing FRS 17: Leases. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their balance sheets to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and lease of low value items. In addition, the nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability. The accounting for lessors will not change significantly.

The Group plans to adopt the new standard on the required effective date using the modified retrospective approach and recognises any differences in the carrying amounts of assets and liabilities resulting from the adoption of SFRS(I) 16 at the date of initial application in the opening accumulated losses as at 1 July 2019. Right-of-use assets are recognised at an amount equal to the lease liability (adjusted for any prepaid or accrued lease payments) on adoption.

The standard is effective for annual periods beginning on or after 1 January 2019. The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $3,589,000 (2018: $3,978,000). The Group expects to recognise the above right-of-use assets and lease liabilities on 1 July 2019. The Group is in the process of performing a detailed assessment of the impact.

2. Summary of significant accounting policies (cont'd)

(b) Revenue recognition

Sales of metal components and cleanroom products

Revenue from sales of goods in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO. The transaction price is the amount of consideration in the sales contract to which the Group expects to be entitled in exchange for transferring the promised goods. Revenue is recognised at the point when the goods are delivered to the customer. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. For goods which require advance consideration from the customers, the advance consideration are recognised as contract liability at the time of the initial sales transaction and recognised as revenue when the Group satisfies the performance obligation under its contract.

Rendering of logistics services

Revenue from logistics services are recognised at a point in time when control over the goods to be delivered is transferred to the customer and the timing of which is determined by the delivery. The performance obligation is measured at a point in time once the service has been completed upon transfer or delivery of goods as the performance obligation has been met. The Group will bill customer when the service has been performed and the customer is required to pay at the point service is performed.

Sale of tooling products

Revenue from sale of tooling products is recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods. For goods which require advance consideration from the customers, the advance consideration are recognised as contract liability at the time of the initial sales transaction and recognised as revenue when the Group satisfies the performance obligation under its contract.

Sales are made with a credit term of 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Storage services

Revenue from storage services is recognised over time on a monthly basis when the services are rendered and billed in accordance with contractual terms.

Rental income

Rental income from operating leases is accounted for on a straight-line basis over the lease term.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

2. Summary of significant accounting policies (cont'd)

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if the subsidiary incurred losses and the losses allocated exceed the non-controlling interests in the subsidiary's equity.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and any corresponding gain or loss, if any, is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners) and therefore, no gain or loss is recognised in profit or loss.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated losses if required by a specific SFRS(I).

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(e) Property, plant and equipment

Property, plant and equipment are initially stated at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

No depreciation is provided on freehold land. Depreciation of other property, plant and equipment is calculated on a straight-line basis to allocate the depreciable amount of the property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Years
Freehold buildings	20
Leasehold land and building	18 - 20
Renovation	5
Office equipment	3 - 5
Machinery and equipment	5
Furniture and fittings	3 - 5
Toolings	5
Motor vehicles	3 - 5

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis except for cleanroom products whereby cost is determined on weighted average cost basis. The cost of finished goods and work in progress comprises raw material, direct labour, other direct costs and related production overheads based on normal operating capacity but excluded borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

2. Summary of significant accounting policies (cont'd)

(g) Cash and cash equivalents in the consolidated statement of cash flows

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, bank overdrafts that form an integral part of the Group's cash management, and other short-term high liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(h) Financial assets

The accounting policy for financial assets before 1 July 2018 is as follows:

Classification

The Group classifies its financial assets according to the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group's financial assets are loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within trade and other receivables (excluding prepayments and tax recoverable), amounts due from subsidiaries and cash and bank balances on the balance sheets.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss.

Initial measurement

Loans and receivables are initially recognised at fair value plus transaction costs.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the assets become uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

2. Summary of significant accounting policies (cont'd)

(h) Financial assets (cont'd)

Impairment (cont'd)

If in subsequent periods, the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

The accounting policy for financial assets from 1 July 2018 onwards is as follows:

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets at amortised cost. The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Subsequent measurement

Debt instruments

Debt instruments for the Group include trade receivables, other receivables (excluding prepayments) and cash and cash equivalents.

Amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

2. Summary of significant accounting policies (cont'd)

(h) Financial assets (cont'd)

The accounting policy for financial assets from 1 July 2018 onwards is as follows (cont'd):

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Group applies a simplied approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-months ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the balance sheet when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the assets and settle the liability simultaneously.

(i) Financial liabilities

Financial liabilities include trade and other payables (excluding accruals for employee leave, contract liabilities and goods and service tax), finance lease liabilities and borrowings. Financial liabilities are recognised on the balance sheets when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

2. Summary of significant accounting policies (cont'd)

(j) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

(k) Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

(l) Employee benefits

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

(m) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable or recoverable in respect of previous years.

Deferred income tax is provided using the liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

2. Summary of significant accounting policies (cont'd)

(m) Income tax (cont'd)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or liability is settled, based on currently enacted or substantively enacted tax rates at the balance sheet date.

(n) Foreign currency

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is the Company's functional and presentation currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign entities and borrowings and other currency instruments qualifying as net investment hedges for foreign operations which are included in the foreign currency translation reserve within equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rate at the date when the fair values are determined.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities are translated at the closing rates at the date of the balance sheet;

(b) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(c) All resulting exchange differences are taken to the foreign currency translation reserve within equity.

2. Summary of significant accounting policies (cont'd)

(n) Foreign currency (cont'd)

Translation of Group entities' financial statements (cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header Foreign Currency Translation Reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

(o) Leases

When a Group entity is the lessee:

Finance leases

Leases of property, plant and equipment where the group entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between reduction of the liability and finance charges. The corresponding lease liabilities, net of finance charges, are included in finance lease liabilities. The interest element of the finance cost is taken to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

When a Group entity is the lessor:

Operating leases

Leases where the group entity retains substantively all the risks and rewards of ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2. Summary of significant accounting policies (cont'd)

(p) Impairment of non-financial assets

At each balance sheet date, the Group reviews the carrying amount of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(q) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value plus transaction costs. Financial guarantees are classified as financial liabilities.

Subsequent to initial measurement, financial guarantees are stated at the higher of the initial fair values less cumulative amortisation and the expected loss computed using the impairment methodology under SFRS(I) 9. Financial guarantees contracts are amortised in the profit or loss over the period of the guarantee.

Prior to 1 July 2018, financial guarantees were subsequently measured at the higher of the initial fair value less cumulative amortisation and the expected amount payable to the holder.

(r) Dividends

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group's financial statements as a liability in the period in which they are approved by the Company's shareholders.

(s) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2. Summary of significant accounting policies (cont'd)

(t) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

(u) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

3. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, the preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the balance sheet date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each balance sheet date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

In determining the recoverable amount of investment in Cheong Fatt (Note 12(b)), the FVLCS included the fair value of a building derived based on the assumption that the market value of the building as at 30 June 2019 will decrease ratably over the building's remaining lease term. Any changes in the expected fair value of the building would affect the carrying amount of investment in Cheong Fatt and reversal of impairment on investment in Cheong Fatt for the financial year.

At 30 June 2019, the carrying amounts of property, plant and equipment and investments in subsidiaries are disclosed in Notes 11 and 12 respectively.

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

(ii) Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the relevant assets. In addition, the estimation of useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, the future results of operations could be materially affected by changes in the estimates brought about by changes in these factors mentioned above.

At 30 June 2019, the carrying amounts of property, plant and equipment is disclosed in Note 11.

(iii) Write-down of inventories

Management reviews the inventory listing on a periodic basis. This review involves 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.

At 30 June 2019, the carrying amount of inventories of the Group after the write-down is disclosed in Note 14.

(iv) Impairment of receivables

(a) Amounts due from subsidiaries

The allowance for impairment of receivables on amounts due from subsidiaries is based on management's assessment of the recoverability. The management manages this through monitoring outstanding amounts owing and the credit period agreed between the parties.

At 30 June 2019, the amounts due from subsidiaries are disclosed in Note 13.

(b) Calculation of loss allowance

When measuring 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 on 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. Details of ECL measurement and carrying value of trade and other receivables at reporting date are disclosed in Note 30(b).

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

(v) Income taxes

The Group has exposures to income taxes in various jurisdictions. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determined is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

At 30 June 2019, the carrying amounts of the Group's and the Company's current tax payables were $116,000 (2018: $112,000) and $Nil (2018: $12,000) respectively; current tax recoverable were $Nil (2018: $52,000) and $Nil (2018: $Nil); and deferred tax liabilities were $355,000 (2018: $413,000) and $55,000 (2018: $91,000) respectively.

4. Revenue

	Group	
	2019	2018
	$'000	$'000
Revenue stream and timing of revenue recognition		
At a point in time		
- Sales of metal components	**15,660**	18,527
- Logistic services	**256**	180
- Sales of cleanroom products	**2,745**	2,778
- Sales of tooling products	**1,403**	1,015
Over time		
- Storage services	**244**	127
	20,308	22,627

5. Other income

	Group	
	2019	2018
	$'000	$'000
Gain on disposal of property, plant and equipment	**15**	4
Government grants	**13**	25
Insurance claim	**–**	1
Interest income	**5**	5
Rental income	**640**	678
Gain on disposal of subsidiaries	**–**	919
Waiver of trade payables	**–**	6
Others	**302**	160
	975	1,798

6. Finance costs

	Group	
	2019	2018
	$'000	$'000
Interest expense on finance leases	**7**	10
Interest expense on bank loans	**262**	286
	269	296

7. Profit/(loss) before tax

	Group	
	2019	2018
	$'000	$'000
Profit/(loss) before tax is stated after charging/(crediting):		
Impairment allowance for trade receivables (Note 15)	**142**	–
Audit fees paid/payable to:		
- auditor of the Company	**63**	69
- other auditors*	**63**	61
Non-audit fees paid/payable to auditors	**–**	–
Bad debts written off (trade)	**–**	6
Depreciation		
- property, plant and equipment (Note 11)	**967**	1,116
Directors' fees paid/payable to non-executive directors of the Company	**42**	54
Gain on disposal of property, plant and equipment	**(15)**	(4)
Loss on foreign currency exchange	**46**	60
Gain on disposal of subsidiaries (Note 12)	**–**	(919)
Receivables from disposed subsidiaries written off	**–**	921
Property, plant and equipment written off	**9**	–
Impairment loss on property, plant and equipment (Note 11)	**–**	156
Inventories written down (Note 14)	**48**	12
Inventories written back (Note 14)	**(115)**	(267)
Inventories written off (Note 14)	**34**	36
Operating lease expenses	**345**	319
Staff costs (Note 8)	**6,973**	7,634
Loss relating to adversed litigation judgement (Note 27(b))	**–**	584

* Includes independent member firms of the Baker Tilly International network.

8. Staff costs

	Group	
	2019	2018
	$'000	$'000
Salaries and bonuses	**5,614**	6,166
Contributions to defined contribution plans	**371**	394
Other benefits	**988**	1,074
	6,973	7,634

9. Tax expense

Major components of income tax expense for the financial years ended 30 June 2019 and 2018 are:

	Group	
	2019	2018
	$'000	$'000
Current year:		
Current tax	**310**	398
Deferred tax	**(16)**	(15)
	294	383
Over provision of tax in prior years:		
Current tax	**(29)**	(24)
Deferred tax	**(27)**	(24)
	(56)	(48)
Income tax expense	**238**	335

The income tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax to profit/(loss) before tax due to the following factors:

	Group	
	2019	2018
	$'000	$'000
Profit/(loss) before tax	**528**	(473)
Tax calculated at statutory rate of 17%	**90**	(80)
Effect of different tax rates in foreign jurisdictions	**32**	(23)
Income not subject to tax	**(6)**	(15)
Expenses not deductible for income tax purposes	**185**	415
Utilisation of unabsorbed losses brought forward	**(177)**	–
Tax rebates and exemptions	**(20)**	(75)
Over provision of tax in prior years	**(56)**	(48)
Deferred tax assets not recognised	**190**	161
	238	335

At the balance sheet date, the Group has unutilised tax losses, deferred capital allowances and accelerated accounting depreciation amounting to $8,806,000 (2018: $8,465,000) that are available for carry forward to offset against future taxable income subject to the compliance with the tax regulations of the respective countries in which the Group companies are incorporated and the approval by the relevant tax authorities. Deferred tax assets in respect of the tax losses and deferred capital allowances carried forward have not been recognised in the financial statements as it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised.

10. Earnings/(loss) per share (EPS)

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company are based on the following:

	Group	
	2019	2018
	$'000	$'000
Earnings		
Profit/(loss) attributable to equity holders of the Company ($'000)	**290**	(808)
Number of shares ('000)		
Weighted average number of ordinary shares in issue	**201,535**	161,166

In December 2017, the Company issued 93,016,281 ordinary shares for cash pursuant to a renounceable underwritten Rights issue on the basis of 6 rights share for every 7 existing shares in the capital of the Company.

Basic and diluted loss per share are calculated by dividing the Group's net profit/(loss) attributable to shareholders of the Company by the weighted average number of fully-paid ordinary shares in issue during the comparative financial year.

The denominations used are the same as those detailed above for both basic and diluted loss per share.

11. Property, plant and equipment

	Freehold land $'000	Freehold buildings $'000	Leasehold land and buildings $'000	Renovation $'000	Office equipment $'000	Machinery and equipment $'000	Furniture and fittings $'000	Toolings $'000	Motor vehicles $'000	Total $'000
Group										
2019										
Cost										
At 1.7.2018	785	3,085	10,104	1,076	1,275	16,978	204	476	859	34,842
Additions	–	3	–	9	59	83	–	9	154	317
Disposals/ write-off	–	–	–	–	(14)	(163)	–	–	(94)	(271)
Exchange differences	(37)	(137)	(58)	(25)	(30)	(492)	(2)	(16)	(23)	(820)
At 30.6.2019	**748**	**2,951**	**10,046**	**1,060**	**1,290**	**16,406**	**202**	**469**	**896**	**34,068**
Accumulated depreciation										
At 1.7.2018	–	1,757	1,661	867	893	16,324	121	472	786	22,881
Depreciation charge (Note 7)	–	49	495	82	80	193	14	–	54	967
Disposals/ write-off	–	–	–	–	(14)	(147)	–	–	(92)	(253)
Exchange differences	–	(71)	(10)	(24)	(27)	(454)	(2)	(16)	(20)	(624)
At 30.6.2019	**–**	**1,735**	**2,146**	**925**	**932**	**15,916**	**133**	**456**	**728**	**22,971**
Accumulated impairment losses										
At 1.7.2018 and 30.6.2019	**–**	**–**	**–**	**–**	**136**	**137**	**27**	**–**	**–**	**300**
Carrying amount										
At 30.6.2019	**748**	**1,216**	**7,900**	**135**	**222**	**353**	**42**	**13**	**168**	**10,797**

11. Property, plant and equipment (cont'd)

	Freehold land $'000	Freehold buildings $'000	Leasehold land and buildings $'000	Renovation $'000	Office equipment $'000	Machinery and equipment $'000	Furniture and fittings $'000	Toolings $'000	Motor vehicles $'000	Total $'000
Group										
2018										
Cost										
At 1.7.2017	739	3,011	10,010	1,531	1,331	18,730	205	481	898	36,936
Additions	–	–	–	14	38	41	8	42	2	145
Disposals/ write-off	–	–	–	–	(9)	(57)	–	–	–	(66)
Disposal of subsidiaries	–	–	–	(506)	(120)	(2,181)	(10)	(42)	(70)	(2,929)
Reclassification	–	–	–	–	–	10	–	(10)	–	–
Exchange differences	46	74	94	37	35	435	1	5	29	756
At 30.6.2018	785	3,085	10,104	1,076	1,275	16,978	204	476	859	34,842
Accumulated depreciation										
At 1.7.2017	–	1,682	1,155	1,166	953	17,849	116	443	755	24,119
Depreciation charge (Note 7)	–	52	494	157	34	222	14	67	76	1,116
Disposals/ write-off	–	–	–	–	(9)	(57)	–	–	–	(66)
Disposal of subsidiaries	–	–	–	(488)	(114)	(2,095)	(10)	(42)	(70)	(2,819)
Exchange differences	–	23	12	32	29	405	1	4	25	531
At 30.6.2018	–	1,757	1,661	867	893	16,324	121	472	786	22,881
Accumulated impairment losses										
At 1.7.2017	–	–	–	–	66	132	27	–	–	225
Impairment loss (Note 7)	–	–	–	–	70	86	–	–	–	156
Disposal of subsidiaries	–	–	–	–	–	(83)	–	–	–	(83)
Exchange differences	–	–	–	–	–	2	–	–	–	2
At 30.6.2018	–	–	–	–	136	137	27	–	–	300
Carrying amount										
At 30.6.2018	785	1,328	8,443	209	246	517	56	4	73	11,661
At 1.7.2017	739	1,329	8,855	365	312	749	62	38	143	12,592

11. Property, plant and equipment (cont'd)

	Office equipment $'000
Company	
2019	
Cost	
At 1.7.2018 and 30.6.19	**18**
Accumulated depreciation	
At 1.7.2018	17
Depreciation charge	1
At 30.6.2019	**18**
Carrying amount	
At 30.6.2019	–
2018	
Cost	
At 1.7.2017 and 30.6.18	18
Accumulated depreciation	
At 1.7.2017	14
Depreciation charge	3
At 30.6.2018	17
Carrying amount	
At 30.6.2018	1
At 1.7.2017	4

(a) The net carrying amounts of property, plant and equipment of the Group held under finance lease arrangements (Note 18) at the end of the financial year are as follows:

	Group		
	30.6.2019 $'000	30.6.2018 $'000	1.7.2017 $'000
Office equipment	**10**	31	34
Machinery and equipment	**43**	97	181
Motor vehicles	**127**	16	80
	180	144	295

11. Property, plant and equipment (cont'd)

(b) The net carrying amounts of property, plant and equipment which have been charged to financial institutions for credit facilities and borrowings granted to the Group are as follows:

	Group		
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Freehold land	**550**	577	534
Freehold buildings	**300**	357	328
Leasehold land and building	**7,900**	8,443	8,855
	8,750	9,377	9,717

(c) Details of land and buildings of the Group are as follows:

Location	Description	Tenure	Approximate build-up area (sqm)	Held by
No. 4 Ang Mo Kio Avenue 12 Singapore 569498	Office/factory	Leasehold	5,733	Cheong Fatt Holdings Pte. Ltd.
No. 4, Jalan Haji Sa'at Sungai Tiram 81800 Ulu Tiram Johor Darul Takzim Malaysia	Office/factory	Freehold	4,905	Hantong Metal Component Sdn. Bhd.
Radlinskeho 17 052 01 Spisska Nova Ves Slovak Republic	Office/factory	Freehold	5,253	CFM Slovakia s.r.o.
Lot no.83 & 84 Jalan PKNK 1/8 Kawasan Perusahaan Sungai Petani LPK, Taman Ria Jaya, 08000 Sungai Petani, Kedah, Malaysia	Office/factory	Leasehold	8,391	Hantong Metal Component (Penang) Sdn. Bhd.
Batu 14 ¾ Jalan Sungai Tiram, Johor Darul Takzim Malaysia	Vacant land	Freehold	–	Hantong Metal Component Sdn. Bhd.

12. Investments in subsidiaries

	Company		
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Unquoted equity shares, at cost and beginning of the financial year	**22,577**	22,805	22,013
Increase during the year	**–**	–	1,730
Disposed during the year	**–**	(228)	(838)
Written off during the year	**–**	–	(100)
Unquoted equity shares, at cost and end of the financial year	**22,577**	22,577	22,805
Less: Impairment losses	**(10,132)**	(7,632)	(11,057)
	12,445	14,945	11,748

Movements in the impairment losses are as follows:

Balance at beginning of the financial year	**7,632**	11,057	5,108
Additional impairment loss (Note (b))	**2,500**	–	6,660
Disposed during the year	**–**	(228)	–
Reversal of impairment loss (Note (b))	**–**	(3,197)	(711)
Balance at end of the financial year	**10,132**	7,632	11,057

(a) Details of the subsidiaries held by the Company are:

Name	Country of incorporation	Principal activities	Equity interest **2019** %	2018 %	2017 %
Held by the Company					
Cheong Fatt Holdings Pte. Ltd. (2)	Singapore	Warehousing and logistics services	**100**	100	100
Hantong Metal Component Sdn. Bhd. (1)	Malaysia	Manufacturing of metal plates and metal stamping	**100**	100	100
Hantong Metal Component (Penang) Sdn. Bhd. (1)	Malaysia	Manufacturing of metal plates and metal stamping	**100**	100	100
CFM Slovakia s.r.o. (5)	Slovak Republic	Manufacturing of metal plates and metal stamping	**100**	100	100
CFM (USA), Inc. (4)	The United States of America	Dormant	**100**	100	100
Dalian CFM Precision Tooling Co., Ltd (3)	The People's Republic of China	Manufacturing and fabricating engineering tools	**100**	100	100
CFM Infratrade Pte. Ltd. (2)	Singapore	Trading and supplying disposable and wearable for use in clean room, bio-medical, laboratories and hospitals	**100**	100	100

12. Investments in subsidiaries (cont'd)

(a) Details of the subsidiaries held by the Company are (cont'd):

(1) Audited by independent member firms of Baker Tilly International in the respective countries.

(2) Audited by Baker Tilly TFW LLP, Singapore.

(3) Audited by Huanyu Certified Public Accountants, The People's Republic of China.

(4) Not required to be audited by law of country of incorporation.

(5) Audited by Crowe Horwath, Slovakia.

(b) Company level - Impairment review of investment in subsidiaries

During the financial year, management performed an impairment test for the investment in Dalian CFM Precision Tooling Co., Ltd ("CFM Dalian") as this subsidiary had been persistently making losses in the past. The recoverable amount of the investment in CFM Dalian has been determined based on a value-in-use calculation using cash flow projections from forecasts approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projection and the forecasted growth rate used to extrapolate cash flow projections beyond the five-year period are 17.75% and 0% (2018: 18.37% and 0%) respectively. An impairment loss of $2,200,000 was recognised for the year ended 30 June 2019 to write down its subsidiary to its recoverable amount of $674,000.

During the financial year, management performed an impairment test for the investment in Hantong Metal Component Sdn. Bhd. ("HTJB") as this subsidiary had been making losses in the past. The recoverable amount of the investment in HTJB has been computed based on Fair Value Less Costs to Sell ("FVLCS"). The FVLCS is determined based on the net assets of the Company which management had estimated that the book values are fairly comparable at market value which approximates the fair value less cost to sell of the Company's investment in HTJB. No additional impairment loss was recognised in current financial year. The fair value measurement for disclosure purposes is categorised in Level 3 of the fair value hierarchy.

During the financial year, management performed an impairment test for investment in Cheong Fatt Holdings Pte. Ltd. ("Cheong Fatt") as this subsidiary had been persistently making losses in the past. Management had assessed the recoverable amount based on fair value less costs to sell. The FVLCS is computed based on discounted cash flows method with assumption that the subsidiary, including the building, will be sold at end of the Housing Development Board's minimum occupation period ("MOP") in 3 years' time. The building's projected realisable value was derived by reference to a desktop valuation performed by independent valuation specialist using direct comparison method. The pre-tax discount rate used is 5.7% (2018: 5.5%). An impairment loss of $300,000 is recognised to reduce the carrying amount to its recoverable amount of $4,691,000. The fair value measurement for disclosure purposes is categorised in Level 3 of the fair value hierarchy.

With regards to the assessment of value in use, management believes that the changes in the estimated recoverable amount from any reasonably possible changes in any of the above key assumptions would not cause the recoverable amount to be materially lower than the carrying amounts of subsidiaries.

12. Investments in subsidiaries (cont'd)

(c) Disposal of subsidiaries

In 2018, the Group disposed its indirect subsidiaries, CFM Precision and PT Hantong Precision Manufacturing Batam to a director of the Company. Details of the disposal were as follows:

(i) Carrying amounts of assets and liabilities disposed of:

	Group 2018 $'000
Property, plant and equipment	27
Inventories	291
Trade and other receivables	267
Cash and cash equivalents	135
Tax recoverable	14
Total assets	734
Trade and other payables	1,677
Deferred tax liabilities	(59)
Total liabilities	1,618
Net liabilities disposed off	(884)
Gain on disposal (Note 7)	919
Realisation of foreign currency translation reserve	(35)
Proceeds from disposal of subsidiaries	–

(ii) Net cash outflow arising on disposal:

	Group 2018 $'000
Proceed from disposal	–
Less: cash and cash equivalents in subsidiaries disposed of	(135)
Net cash outflow on disposal of subsidiaries	(135)

13. Amounts due from/(to) subsidiaries

	Company		
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Current assets			
Receivables due from subsidiaries (non-trade)	**815**	984	1,251
Loans to subsidiaries			
- interest at 6.0% per annum	**423**	426	483
- interest-free	**475**	1,091	2,170
	1,713	2,501	3,904
Allowance for doubtful receivables			
- non-trade receivables	**–**	–	(18)
- loans to subsidiaries	**–**	–	(760)
	–	–	(778)
	1,713	2,501	3,126
Current liabilities			
Payable due to a subsidiary	**(8)**	(19)	–

Current assets

The non-trade receivables amounting to $815,000 (30.6.2018: $984,000; 1.7.2017: $1,251,000) are unsecured, interest-free and repayable on demand.

During the financial year ended 30 June 2019 and 30 June 2018 and as at 1 July 2017, the Company has agreed to waive the interest charges on certain loans to subsidiaries. These loans amounted to $423,000 (30.6.2018: $426,000; 1.7.2017: $483,000) at the balance sheet date.

Loans to subsidiaries are unsecured and repayable on demand.

Movements in allowance for doubtful receivables on non-trade receivables and loans to subsidiaries are as follows:

	Company	
	30.6.2018	1.7.2017
	$'000	$'000
Balance at beginning of the financial year	778	339
Allowance for doubtful receivables	71	547
Allowance written back	–	(108)
Allowance written off	(849)	–
Balance at end of the financial year	–	778

Current liabilities

The amount due to a subsidiary is non-trade in nature, unsecured, interest-free and payable on demand.

14. Inventories

	Group		
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Raw materials	**913**	714	778
Work-in-progress	**458**	513	600
Finished goods	**1,472**	1,086	1,031
Goods in-transit	**111**	–	–
	2,954	2,313	2,409

Raw materials, consumables and changes in finished goods and work-in-progress included as cost of sales during the financial year amounted to $15,030,000 (2018: $17,618,000).

Inventories are stated at net realisable value after deducting inventories write-down of $48,000 (2018: $12,000) (Note 7), inventories write-off of $34,000 (2018: $36,000) (Note 7).

The Group had recognised a reversal of $115,000 (2018: $267,000) (Note 7) as the inventories were sold above their carrying amounts. The reversal was included in cost of sales.

15. Trade receivables

	Group			Company		
	30.6.2019	30.6.2018	1.7.2017	**30.6.2019**	30.6.2018	1.7.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Non-current assets						
External parties	**–**	83	226	**–**	–	–
Current assets						
External parties	**4,860**	6,116	5,752	**7**	7	24
Related party	**67**	67	1	**–**	–	–
Subsidiaries	**–**	–	–	**–**	106	106
	4,927	6,183	5,753	**7**	113	130
Less: Impairment allowance for trade receivables						
External parties	**(154)**	(698)	(717)	**–**	–	–
Related parties	**(67)**	**–**	–	**–**	–	–
	4,706	5,485	5,036	**7**	113	130

Movements in impairment allowance for trade receivables are as follows:

	Group		
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Balance at beginning of the financial year	**698**	717	1,005
Disposal of a subsidiary	**–**	(5)	(139)
Amount written off against allowance	**(618)**	(14)	(46)
Allowance made for the financial year (Note 7)	**142**	–	31
Allowance written back	**–**	–	(130)
Exchange differences	**(1)**	–	(4)
Balance at end of the financial year	**221**	698	717

16. Other receivables and prepayments

	Group			Company		
	30.6.2019	30.6.2018	1.7.2017	**30.6.2019**	30.6.2018	1.7.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Deposits	**94**	92	166	**–**	–	–
Interest receivables	**–**	–	1	**–**	–	1
Prepayments	**167**	236	177	**6**	8	7
Tax recoverable	**–**	52	113	**–**	–	–
Sundry debtors	**15**	16	64	**–**	–	–
	276	396	521	**6**	8	8
Less: Impairment allowance for other receivables	**(3)**	(3)	(6)	**–**	–	–
	273	393	515	**6**	8	8

Movements in impairment allowance for other receivables are as follows:

	Group		
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Balance at beginning of the financial year	**3**	6	6
Disposal of subsidiaries	**–**	(3)	–
Balance at end of the financial year	**3**	3	6

17. Cash and cash equivalents

	Group			Company		
	30.6.2019	30.6.2018	1.7.2017	**30.6.2019**	30.6.2018	1.7.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Bank and cash balances	**3,525**	4,374	3,286	**162**	447	474
Fixed deposits	**82**	81	1,171	**–**	–	576
	3,607	4,455	4,457	**162**	447	1,050

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group		
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Bank and cash balances	**3,525**	4,374	3,286
Fixed deposits	**82**	81	1,171
	3,607	4,455	4,457
Fixed deposits pledged	**(82)**	(81)	(1,171)
	3,525	4,374	3,286

17. Cash and cash equivalents (cont'd)

Group

Fixed deposits amounting to $82,000 (2018: $81,000) are pledged with financial institutions as securities for loans and credit facilities granted to the Group.

At the balance sheet date, the fixed deposits earn interest of 3.35% (2018: 3.10%) per annum and mature within 10 to 12 months (2018: 10 to 12 months).

Company

In 2017, fixed deposits amounting to $576,000 were pledged with financial institutions as securities for loans and credit facilities granted to the Company and subsidiaries of the Company.

At 1 July 2017, the fixed deposits earned interest of 0.25% per annum and matured within 10 months.

18. Finance lease liabilities

	Group					
	Minimum lease payments	**Present value of payments**	Minimum lease payments	Present value of payments	Minimum lease payments	Present value of payments
	2019	**2019**	2018	2018	2017	2017
	$'000	**$'000**	$'000	$'000	$'000	$'000
Not later than one year	**41**	**35**	81	77	119	111
Later than one year but not later than five years	**93**	**85**	32	30	74	71
Total minimum lease payments	**134**	**120**	113	107	193	182
Less: finance charges	**(14)**	**–**	(6)	–	(11)	–
Present value of minimum lease payments	**120**	**120**	107	107	182	182

	Group		
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Representing finance lease liabilities:			
Current	**35**	77	111
Non-current	**85**	30	71
	120	107	182

The net carrying amounts of plant and equipment acquired and held as security under finance lease arrangements are disclosed in Note 11(a). The interest rates range from 2.80% to 3.80% (2018: 3.00% to 8.66%) per annum.

19. Borrowings

		Group			Company		
		30.6.2019	30.6.2018	1.7.2017	**30.6.2019**	30.6.2018	1.7.2017
		$'000	$'000	$'000	**$'000**	$'000	$'000
Current							
Secured							
Bank loan I	(a)	**267**	275	257	**–**	–	–
Bank loan II	(b)	**525**	725	1,402	**525**	725	1,402
Bank loan III	(c)	**86**	84	76	**–**	–	–
Bankers' acceptances	(d)	**480**	645	576	**–**	–	–
		1,358	1,729	2,311	**525**	725	1,402
Non-current							
Secured							
Bank loan I	(a)	**4,314**	3,977	4,271	**–**	–	–
Bank loan III	(c)	**1,140**	1,265	1,281	**–**	–	–
		5,454	5,242	5,552	**–**	–	–

Details of the borrowings are as follows:

(a) Bank loan I bears interest at 4.00% to 4.75% (2018: 2.60% to 4.30%) per annum. This construction loan has been converted into mortgage loan on 1 January 2016, which is repayable over 20 years.

The mortgage loan is secured by:

(i) Fixed and floating charge on all present and future property at No.4 Ang Mo Kio Avenue 12 Singapore 569498, including assets and liabilities of a subsidiary;

(ii) Undertakings in connection with the operations of the leasehold property as approved by Housing Development Board;

(iii) Corporate guarantee by the Company; and

(iv) First legal mortgage of a property of two directors of a subsidiary.

(b) Bank loan II bears interest at 4.01% (2018: 3.58%) per annum.

(c) Bank loan III bears interest at 4.85% (2018: 4.85%) per annum and is repayable in 180 monthly instalments commencing August 2015. It is secured by a first charge over the subsidiary's leasehold land and building with a net carrying amount of $1,434,000 (2018: $1,574,000) and fixed deposits of a subsidiary.

(d) Bankers' acceptances bear interest at 3.94% to 5.30% (2018: 4.19% to 5.30%) per annum and are secured by a first and legal charge over the subsidiary's freehold land and building with a net carrying amount of $701,000 (2018: $729,000) and a corporate guarantee by the Company.

19. Borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Finance lease liabilities $'000	Borrowings $'000
Balance at 1 July 2018	107	6,971
Changes from financing cash flows:		
- Proceeds	112	1,920
- Repayment	(94)	(2,019)
- Interest paid	(7)	(262)
Non-cash changes:		
- Interest expense	7	262
Effect of changes in foreign exchange rates	(5)	(60)
Balance at 30 June 2019	**120**	**6,812**
Balance at 1 July 2017	182	7,863
Changes from financing cash flows:		
- Proceeds	41	1,792
- Repayment	(122)	(2,786)
- Interest paid	(10)	(286)
Non-cash changes:		
- Interest expense	10	286
Effect of changes in foreign exchange rates	6	102
Balance at 30 June 2018	107	6,971

20. Deferred tax liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movements in the deferred tax liabilities are as follows:

	Group			**Company**		
	30.6.2019 $'000	30.6.2018 $'000	1.7.2017 $'000	**30.6.2019 $'000**	30.6.2018 $'000	1.7.2017 $'000
Balance at beginning of the financial year	**413**	384	516	**91**	91	91
Credit to profit or loss	**(43)**	(39)	(144)	**(36)**	–	–
Disposal of subsidiaries	**–**	59	–	**–**	–	–
Exchange differences	**(15)**	9	12	**–**	–	–
Balance at end of the financial year	**355**	413	384	**55**	91	91

20. Deferred tax liabilities (cont'd)

Net deferred tax liabilities as at 30 June/1 July relate to the following:

	Group			Company		
	30.6.2019	30.6.2018	1.7.2017	**30.6.2019**	30.6.2018	1.7.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Deferred tax liabilities						
Excess of tax written down value over net carrying amount of property, plant and equipment	**335**	356	355	**–**	–	–
Other temporary differences	**20**	57	29	**55**	91	91
	355	413	384	**55**	91	91

21. Contract liabilities

Contract liabilities relate to advance consideration received from customers. Contract liabilities are recognised as revenue as (or when) the Group satisfies the performance obligations under its contracts.

The following table provides information about contract liabilities from contracts with customers:

	Group		
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Contract liabilities	**216**	107	44

There were no significant changes in the contract liabilities during the financial year.

22. Other payables

	Group			Company		
	30.6.2019	30.6.2018	1.7.2017	**30.6.2019**	30.6.2018	1.7.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Sundry creditors	**323**	176	306	**14**	8	–
Accrued operating expenses	**1,090**	1,020	1,409	**109**	115	523
Amounts due to directors	**290**	290	1,061	**290**	290	771
Accrual for directors' fee	**42**	54	42	**42**	54	42
Amount payable in relation to pending litigation against former contractor	**–**	895	895	**–**	–	–
Payable for adversed litigation judgement	**–**	599	–	**–**	–	–
	1,745	3,034	3,713	**455**	467	1,336

The amounts due to directors are non-trade in nature, unsecured, interest-free and expected to be repaid within the next 12 months after the balance sheet date.

23. Provision

	Group		
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Provision for litigation expenses	**–**	98	101

In 2018, provision for litigation expenses related to the ongoing legal case against the former contractor of the Group's property in Singapore. During the year, a settlement has been reached between the Company and the former contractor. The provision has been reversed after deduction of legal fees upon conclusion of the legal case.

Movements in provision for litigation expenses during the financial year are as follows:

	Group		
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
At beginning of financial year	**98**	101	200
Utilised during the financial year	**(8)**	(3)	(99)
Reversal of provision for litigation no longer required	**(90)**	–	–
At end of the financial year	**–**	98	101

24. Share capital

	Group and Company					
	30.6.2019		30.6.2018		1.7.2017	
	Number of issued shares	**Issued share capital**	Number of issued shares	Issued share capital	Number of issued shares	Issued share capital
		$'000		$'000		$'000
Balance at beginning of the financial year	**201,535,276**	**22,963**	108,518,995	21,704	108,518,995	21,704
Issue of new ordinary shares	**–**	**–**	93,016,281	1,395	–	–
Share issue expenses	**–**	**–**	–	(136)	–	–
Balance at end of the financial year	**201,535,276**	**22,963**	201,535,276	22,963	108,518,995	21,704

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.

On 18 December 2017, the Company issued 93,016,281 ordinary shares of $0.015 per share for cash to provide fund for the expansion of the Group's operations.

The newly issued shares rank pari passu in all respects with the previously issued shares.

25. Accumulated losses

Group

Included in accumulated losses of the Group is an amount of $318,000 (2018: $318,000; 2017: $318,000) relating to legal reserve fund of a subsidiary. In accordance with the Slovak Commercial Code applicable to the subsidiary in the Slovak Republic, the subsidiary is required to make appropriation to a legal reserve fund based on a minimum amount of 5% of net profit annually, until the legal reserve fund exceeds at least 10% of the registered share capital. This fund can be used for covering the subsidiary's losses only and thus not available for dividend distribution to shareholders. No appropriation was made during the financial years ended 30 June 2017, 2018 and 2019 as the legal reserve fund is at least 10% of the registered share capital of the subsidiary.

		Company	
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Accumulated losses			
Balance at beginning of the financial year	**(6,262)**	(8,479)	(875)
(Loss)/profit for the financial year	**(3,411)**	2,217	(7,604)
Balance at end of the financial year	**(9,673)**	(6,262)	(8,479)

26. Operating lease commitment

As lessee:

The Group has various operating lease agreements for equipment, offices and other facilities. Most leases contained renewable options and escalation clauses. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing. Future minimum leases payments for the remaining terms of one year or more are as follows:

		Group	
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Not later than one year	**257**	362	340
Later than one year but not later than five years	**506**	663	825
After 5 years	**2,826**	2,953	3,168
	3,589	3,978	4,333

As lessor:

The future minimum lease amounts receivable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables:

		Group	
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Not later than one year	**512**	499	664
Later than one year but not later than five years	**28**	342	742
	540	841	1,406

The leases have varying terms and renewal rights.

27. Contingent liabilities

(a) Guarantees

	Company		
	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Corporate guarantees provided by the Company to financial institutions for banking facilities granted to subsidiaries	**7,076**	7,747	8,167
Amount utilised by the subsidiaries	**5,062**	4,897	5,104

The directors have assessed the fair values of these financial guarantees to have no material financial impact on the results and the accumulated losses of the Company for the financial years ended 30 June 2019 and 30 June 2018 and 1 July 2017.

(b) Legal claim

Group

As disclosed during the financial year ended 30 June 2013, an ex-parte injunction (the "Injunction") has been granted by the High Court of Malaya on 30 June 2013 and served on Hantong Metal Component (Penang) Sdn. Bhd., a wholly-owned subsidiary of the Company on 2 July 2013.

The legal suit was concluded on 4 April 2018 and was in favour of T-Net International (H.K.) Co. Limited (formerly known as Showa International (HK) Co. Limited ("Showa"). Hantong Metal Component (Penang) Sdn. Bhd. has applied for appeal to Court of Appeal had fixed for case management on 29 August 2018.

In 2018, the Group has recognised liabilities amounted to $599,000. On 11 July 2018, the amount has been paid to Showa's solicitor which was placed in an interest bearing fixed deposit account. At the date of these financial statements, the directors had assessed that no additional liabilities need to be accrued.

28. Significant related party transactions

(a) Other than as disclosed elsewhere in the financial statements, the following significant related party transactions took place between the Group and related parties during the financial year on terms agreed by the parties concerned:

	Group	
	2019	2018
	$'000	$'000
Sales	**–**	24
Purchases	**–**	1
Service fees charged to a related party	**–**	21
Payment of expenses on behalf by a related party	**–**	1
Payment of expenses on behalf of a related party	**–**	23
Services rendered by a firm which an Independent Director has interest	**–**	8

Related party refers to a company in which the son of the directors of the Company has significant interest.

28. Significant related party transactions (cont'd)

(b) Key management personnel compensation

Total key management personnel compensation is analysed as follows:

	Group	
	2019	2018
	$'000	$'000
Salaries and bonus	**676**	966
Directors' fees	**42**	54
Contributions to defined contribution plan	**48**	79
Other short-term benefits	**27**	36
	793	1,135

Included in the above are remuneration paid to the directors of the Company totalling $637,000 (2018: $733,000).

29. Segment information

For management purposes, the Group is organised into 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 die;

iii) Components and parts and others - trading of other components and parts, and warehousing and service logistic business; and

iv) Cleanroom products - trading of disposables and wearables for use in cleanroom, bio-medical, laboratories and hospitals.

29. Segment information (cont'd)

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

	Metal stamping		Tooling		Components and parts and others		Cleanroom products		Consolidated	
	2019[1]	2018[1]	2019	2018	2019[1]	2018[1]	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue										
- Sales to external customers	**15,660**	18,510	**1,403**	1,015	**500**	324	**2,745**	2,778	**20,308**	22,627
Segment result	**704**	321	**510**	267	**220**	(228)	**544**	545	**1,978**	905
Unallocated expenses									**(1,181)**	(1,082)
Finance costs									**(269)**	(296)
Profit/(loss) before tax									**528**	(473)
Tax expense									**(238)**	(335)
Profit/(loss) after tax									**290**	(808)
Group assets and liabilities										
Segment assets	**13,116**	14,212	**157**	142	**6,935**	7,711	**1,955**	1,863	**22,163**	23,928
Unallocated assets									**174**	462
Total assets									**22,337**	24,390
Segment liabilities	**2,694**	3,374	**124**	128	**273**	1,244	**410**	549	**3,501**	5,295
Unallocated liabilities									**7,806**	8,070
Total liabilities									**11,307**	13,365

1 The Group has re-allocated its assets and liabilities which related to warehousing and service logistic business from Metal stamping segment to Component and parts segment in line with the growing of warehousing and service logistic business during the current financial year. Comparative has been restated to account for the effect of the re-allocation.

	Metal stamping		Tooling		Components and parts		Cleanroom products		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Other segment information										
Capital expenditure	**227**	50	**10**	42	**–**	29	**80**	24	**317**	145
Depreciation of property, plant and equipment	**458**	588	**1**	26	**470**	472	**38**	30	**967**	1,116
Property, plant and equipment written off	**9**	–	**–**	–	**–**	–	**–**	–	**9**	–
Impairment loss on property, plant and equipment	**–**	156	**–**	–	**–**	–	**–**	–	**–**	156

29. Segment information (cont'd)

Segment results

Performance of each segment is evaluated based on segment profit which is measured differently from the net loss before tax in the consolidated financial statements. Corporate and finance expenses are not allocated to segments as these are managed on a Group basis.

Segment assets

The amounts provided to Management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than corporate assets which are classified as unallocated assets.

Corporate assets included assets from investment holding company.

Segment liabilities

The amounts provided to Management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than corporate liabilities, deferred tax liabilities, income tax payables, finance lease liabilities and borrowings which are classified as unallocated liabilities.

Corporate liabilities included liabilities from investment holding company.

Geographical segments

The revenue and non-current assets by geographical segments are based on the geographical location of customers and assets.

29. Segment information (cont'd)

Geographical information

	Singapore		Malaysia		Japan		United States of America		Slovak Republic		Czech Republic		Netherlands		Others*		Group	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Sales to external customers	**4,569**	5,557	**6,483**	6,907	**–**	–	**890**	396	**2,010**	2,225	**783**	947	**1,269**	1,221	**4,304**	5,374	**20,308**	22,627
Non-current assets	**6,650**	7,060	**2,370**	2,670	**–**	–	**–**	–	**1,720**	1,835	**–**	–	**–**	–	**57**	96	**10,797**	11,661
Other geographical information:																		
Capital expenditure	**97**	52	**126**	45	**–**	–	**–**	–	**88**	45	**–**	–	**–**	–	**6**	3	**317**	145

* Others comprise Indonesia, Hong Kong, The People's Republic of China, Canada, Switzerland, Poland, Italy, United Kingdom, Germany, Hungary and Romania.

Revenue of approximately $3,028,000 (2018: $2,488,000) are derived one (2018: one) external customer with revenue more than 10% of the Group's revenue and are attributable to the Metal Stamping and Tooling Segments.

30. Financial instruments

(a) Categories of financial instruments

The financial instruments as at balance sheet date are:

	Group			Company		
	30.6.2019	30.6.2018	1.7.2017	**30.6.2019**	30.6.2018	1.7.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Financial assets						
Loans and receivables	**–**	10,105	9,939	**–**	3,061	4,307
At amortised costs	**8,419**	–	–	**1,879**	–	–
Financial liabilities						
At amortised costs	**10,457**	12,463	14,172	**973**	1,196	2,726

(b) Financial risk management

The Group, in its normal course of business, is exposed to credit risk, interest rate risk, foreign currency risk and liquidity and cash flow risk. The overall business strategies of the Group, its tolerance for risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions. In determining its risk management policies, the management ensures that an acceptable balance is made between the cost of risks occurring and the cost of managing the risk.

There has been no significant change to the Group's exposure to these financial risks or the manner in which it manages and measures financial risks as compared to previous financial year.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by management.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	**Basis for recognition and measurement of ECL**
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 120 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Company has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

30. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition the Group considers:

- historical and current payment patterns of the debtors; and
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available).

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables are generally not recoverable.

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

30. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

As the Group and Company do not hold any collateral, the maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial asset presented on the balance sheets, except for a notional amount of $7,076,000 (2018: $7,747,000) relating to corporate guarantees provided by the Company to financial institutions for banking facilities extended to subsidiaries as disclosed in Note 27(a).

The Group's and the Company's major classes of financial assets are cash and bank balances, and trade and other receivables.

The credit risk for trade receivables and amounts due from subsidiaries based on the information provided to key management is as follows:

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
By geographical areas				
Singapore	**1,048**	966	**521**	1,106
Malaysia	**1,610**	1,770	**485**	650
Indonesia	**4**	–	**–**	–
Slovak Republic	**311**	713	**–**	–
People's Republic of China	**901**	1,274	**714**	858
Others	**832**	845	**–**	–
	4,706	5,568	**1,720**	2,614
By types of debtors				
Subsidiaries	**–**	–	**1,713**	2,607
Non-related parties				
- Multi-national companies	**3,204**	4,048	**–**	–
- Other companies	**1,502**	1,520	**7**	7
	4,706	5,568	**1,720**	2,614

30. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Movements in credit loss allowance

There are no movement in the allowance for impairment of financial assets under SFRS (I) during the financial year for the Group and Company except for the following:

	Trade receivables $'000	Other receivables $'000
Group		
Balance as at 1 July 2018	698	3
Loss allowance recognised in profit or loss during the year on:		
- Credit impaired - Lifetime ECL (Note 7)	142	–
Receivables written off as uncollectable	(618)	–
Exchange differences	(1)	–
Balance at 30 June 2019	**221**	**3**

Trade receivables and other financial assets at amortised cost

The Group has applied the simplified approach in SFRS(I) 9 to measure the lifetime expected credit loss allowance for trade receivables.

The Company estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

The table below details the credit quality of the Group's financial assets as at 30 June 2019:

Group	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Trade receivables	Lifetime ECL	4,927	(221)	4,706
Other receivables	Not applicable (Exposure limited)	109	(3)	106
Cash and cash equivalents	Not applicable (Exposure limited)	3,607	–	3,607

The expected credit loss on other receivables and cash and cash equivalents is immaterial at 30 June 2019.

30. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables and other financial assets at amortised cost (cont'd)

The table below details the credit quality of the Company's financial assets as at 30 June 2019:

Company	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Trade receivables	Lifetime ECL	7	–	7
Amounts due from subsidiaries	12-month ECL	1,713	–	1,713
Cash and cash equivalents	Not applicable (Exposure limited)	162	–	162

The expected credit loss on other receivables and cash and cash equivalents is immaterial at 30 June 2019.

Financial guarantee

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries are financially able to meet the contractual cash flow obligations and does not expect significant credit losses arising from these guarantees.

Previous accounting policy for impairment of financial assets

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and bank balances that are neither past due nor impaired are placed with reputable financial institutions. Therefore, credit risk arises mainly from the inability of its customers to make payments when due. The amounts presented in the balance sheets are net of allowances for impairment of trade receivables, estimated by management based on prior experience and the current economic environment.

Financial assets that are past due but not impaired

The age analysis of the trade receivables and amounts due from subsidiaries that are past due but not impaired is as follows:

	Group		Company	
	30.6.2018 $'000	1.7.2017 $'000	30.6.2018 $'000	1.7.2017 $'000
Past due 0-3 months	1,135	1,332	–	5
Past due 3-6 months	80	13	–	74
Past due over 6 months	335	471	2,563	1,270
	1,550	1,816	2,563	1,349

30. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Previous accounting policy for impairment of financial assets (cont'd)

Financial assets that are individually determined to be impaired

The carrying amount of trade receivables and amounts due from subsidiaries that are individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	30.6.2018	1.7.2017	30.6.2018	1.7.2017
	$'000	$'000	$'000	$'000
Gross amount:				
Past due over 6 months	699	719	–	778
Less: Allowance for impairment	(698)	(717)	–	(778)
	1	2	–	–

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Interest rate risk

The Group's policy is to obtain the most favourable interest rates available without increasing its interest rate risk exposure. The Group constantly monitors its interest rate risk and does not utilise forward contracts or other arrangements for trading or speculative purposes. As at 30 June 2019, there were no such arrangements, interest rate swap contracts or other derivative instruments that were outstanding.

The following table sets out the carrying amounts, by maturity of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Group			Company		
	30.6.2019	30.6.2018	1.7.2017	**30.6.2019**	30.6.2018	1.7.2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Within one year-fixed rates						
Borrowings	**480**	645	576	**–**	–	–
Finance lease liabilities	**35**	77	111	**–**	–	–
Within one year-variable rates						
Borrowings	**878**	1,085	1,735	**525**	725	1,402
More than one year-fixed rates						
Finance lease liabilities	**85**	30	71	**–**	–	–
More than one year-variable rates						
Borrowings	**5,454**	5,242	5,552	**–**	–	–

The Group's and the Company's certain borrowings are variable-rate financial instruments. No disclosure of the impact of a reasonably possible 100 basis point increase/decrease is made as insignificant.

30. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily United States Dollar ("USD"), Euro ("EUR"), Hong Kong Dollar ("HKD"), Thai Baht ("THB"), Malaysian Ringgit ("MYR"), Singapore Dollar ("SGD") and Indonesian Rupiah ("INR"). There is no formal hedging policy with respect to foreign currency exposure. The Group's exposure to foreign currency risk is not significant.

At the balance sheet date, the Company has the following financial assets which are denominated in USD:

	30.6.2019	30.6.2018	1.7.2017
	$'000	$'000	$'000
Financial assets			
Trade and other receivables	**–**	106	106
Cash and cash equivalents	**12**	114	108
Amounts due from subsidiaries	**423**	426	431
Net financial assets denominated in foreign currencies	**435**	646	645

No disclosure of the impact of a reasonably possible 10% change in USD:SGD rate is made as insignificant.

Liquidity and cash flow risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposures to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company manage the liquidity risk by maintaining a level of cash and cash equivalents to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities.

30. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Liquidity and cash flow risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	Repayable on demand or within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000	Total $'000
Group				
30.6.2019				
Trade payables	1,943	–	–	1,943
Other payables	1,598	–	–	1,598
Borrowings	1,579	2,181	5,139	8,899
Finance lease liabilities	41	93	–	134
	5,161	**2,274**	**5,139**	**12,574**
30.6.2018				
Trade payables	2,523	–	–	2,523
Other payables	2,862	–	–	2,862
Borrowings	1,983	2,383	4,297	8,663
Finance lease liabilities	81	32	–	113
	7,449	2,415	4,297	14,161
1.7.2017				
Trade payables	2,563	–	–	2,563
Other payables	3,563	–	–	3,563
Borrowings	2,565	2,142	5,283	9,990
Finance lease liabilities	119	74	–	193
	8,810	2,216	5,283	16,309

30. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Liquidity and cash flow risk (cont'd)

	Repayable on demand or within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000	Total $'000
Company				
30.6.2019				
Trade payables	–	–	–	–
Other payables	440	–	–	440
Amount due to a subsidiary	8	–	–	8
Borrowings	529	–	–	529
	977	**–**	**–**	**977**
30.6.2018				
Trade payables	–	–	–	–
Other payables	451	–	–	451
Amount due to a subsidiary	19	–	–	19
Borrowings	730	–	–	730
	1,200	–	–	1,200
1.7.2017				
Trade payables	1	–	–	1
Other payables	1,324	–	–	1,324
Amount due to a subsidiary	–	–	–	–
Borrowings	1,411	–	–	1,411
	2,736	–	–	2,736

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

		Company	
	30.6.2019 **$'000**	30.6.2018 $'000	1.7.2017 $'000
Repayable on demand or not later than 1 year			
Financial guarantee contract	**5,062**	4,897	5,104

31. Fair values of assets and liabilities

Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and

c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets and liabilities not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of trade and other receivables, current amounts due from subsidiaries, cash and cash equivalents, trade and other payables, amounts due to subsidiaries, borrowings and finance lease liabilities approximate their fair values due to the relatively short-term maturity of these financial instruments.

The carrying amounts of non-current borrowings and finance lease liabilities approximate their fair values as these financial instruments bear interest rates which approximate the market interest rates at the balance sheet date. These fair value measurement for disclosure purpose are categorised in Level 3 of the fair value hierarchy.

32. Capital management

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the returns to stakeholders through the optimisation of the debt and equity balance.

In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return on capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2019 and 2018.

As disclosed in Note 25, a subsidiary of the Group is required to make appropriation to a legal reserve fund. This externally imposed capital requirement has been complied with by the subsidiary for the financial years ended 30 June 2019 and 2018.

The Group monitors capital using gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total financial liabilities, less cash and cash equivalents. Total capital is calculated as equity plus net debt. Equity includes equity attributable to equity holders of the Company less legal reserve fund.

	Group	
	2019	2018
	$'000	$'000
Net debt	**6,850**	8,008
Equity	**10,712**	10,707
Total capital	**17,562**	18,715
Gearing ratio	**39%**	43%

33. Authorisation of financial statements

The consolidated financial statements of the Group and the balance sheet of the Company for the financial year ended 30 June 2019 were authorised for issue in accordance with a resolution of the directors dated 26 September 2019.

STATISTICS OF SHAREHOLDINGS

As at 23 September 2019

Issued and fully Paid-up Capital	:	S$23,099,267
Number of Ordinary Shares in Issue (excluding treasury shares)	:	201,535,276
Number of Treasury Shares held	:	Nil
Number of Subsidiary Holdings held	:	Nil
Class of Shares	:	Ordinary
Voting Rights (on a poll)	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	1	0.20	2	0.00
100 - 1,000	118	24.08	105,250	0.05
1,001 - 10,000	126	25.71	776,940	0.39
10,001 - 1,000,000	229	46.74	25,008,001	12.41
1,000,001 AND ABOVE	16	3.27	175,645,083	87.15
TOTAL	490	100.00	201,535,276	100.00

Substantial Shareholders

As shown in the Register of Substantial Shareholders:

	No. of Ordinary Shares	
	Direct Interest	Deemed Interest
Ip Kwok Wing	74,319,300	61,601,150
Lim Fong Li Janet	61,601,150	74,319,300
Ang Hao Yao (Hong Haoyao)	11,935,989	–

Note:

Mr Ip Kwok Wing and Mdm Lim Fong Li Janet are deemed interested in shares held by the other by virtue of their relationship as spouses.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	IP KWOK WING	74,319,300	36.88
2	LIM FONG LI JANET	61,601,150	30.57
3	ANG HAO YAO (HONG HAOYAO)	11,935,989	5.92
4	CHAN TIN JOR	4,994,714	2.48
5	NG BEE KEOW	3,661,200	1.82
6	TAN YEOK MENG	3,551,830	1.76
7	TAN ENG CHUA EDWIN	2,764,200	1.37
8	LEE YAN KIT	2,754,900	1.37
9	PANG CHEOW JOW	1,700,000	0.84
10	GOH GUAN SIONG (WU YUANXIANG)	1,392,900	0.69
11	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,374,900	0.68
12	GAN SENG KUEI	1,178,600	0.58
13	CHUA SHUN LOONG (CAI SHANLONG)	1,162,000	0.58
14	LIM HOE KOK	1,128,000	0.56
15	CHEW YI HONG (ZHOU YUFENG)	1,106,600	0.55
16	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	1,018,800	0.51
17	PHYLLIS TEH SIOK KHIM	992,900	0.49
18	TAN HWEE JUAN AGNES	828,000	0.41
19	JEANETTE KOH CHEW TEE	813,428	0.40
20	KOH CHIN HWA	811,400	0.40
	TOTAL	**179,090,811**	**88.86**

PUBLIC FLOAT

Based on the information available to the Company as at 23 September 2019, approximately 26.64% of the issued ordinary shares of the Company are held by the public. Accordingly the Company has complied with Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist.

CFM HOLDINGS LIMITED

(Company Registration No. 200003708R)
(Incorporated in The Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CFM Holdings Limited (the "Company") will be held at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807, on Friday, 25 October 2019 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2019 together with the Independent Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company who retire pursuant to Article 107 of the Constitution of the Company, and being eligible, have each offered themselves for re-election:

   (a) Mr Ip Kwok Wing **(Resolution 2)**
   (b) Mr Ong Wei Jin **(Resolution 3)**
   [See Explanatory Note (i)]

3. To re-elect Mr Ross Yu Limjoco who retire pursuant to Article 117 of the Constitution of the Company, and being eligible, has offered himself for re-election.
   [See Explanatory Note (ii)] **(Resolution 4)**

4. To approve the payment of Directors' fees of $41,600 for the financial year ended 30 June 2019. (2018:$53,600) **(Resolution 5)**

5. To re-appoint Messrs Baker Tilly TFW LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business that may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. Authority to allot and issue shares and/or convertible securities

   That pursuant to Section 161 of the Singapore Companies Act, Cap. 50 and Rule 806 of Section B of the Singapore Exchange Securities Trading Limited Listing Manual: Rules of Catalist (the "Catalist Rules"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares (including shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) in the capital of the Company shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

   (a) new shares arising from the conversion or exercise of any convertible securities;

   (b) new shares arising from the exercising of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

   (c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution, for the time being, of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iii)] **(Resolution 7)**

8. Authority to allot and issue shares under the CFM Performance Share Plan

That pursuant to Section 161 of the Singapore Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to grant awards in accordance with the provisions of the CFM Performance Share Plan (the "Plan") and to allot and issue from time to time, such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Plan, provided the total number of new shares which may be issued pursuant to awards granted under the Plan shall not exceed fifteen per centum (15%) of the issued shares of the Company (excluding any shares held in treasury and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iv)] **(Resolution 8)**

By Order of the Board

Tan Wee Sin
Company Secretary
Singapore,
10 October 2019

Explanatory Notes:

(i) Mr Ip Kwok Wing, upon re-election as a Director of the Company, will remain as the Executive Chairman of the Company. Mr Ip Kwok Wing is also a controlling shareholder of the Company.

Mr Ong Wei Jin, upon re-election as a Director of the Company, will remain as the Chairman of the Nominating Committee, a member of the Audit Committee and Remuneration Committee and will be considered Independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

(ii) Mr Ross Yu Limjoco, upon re-election as a Director of the Company, will remain as the Chairman of the Remuneration Committee, a member of the Audit Committee and Nominating Committee and will be considered Independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

(iii) The Ordinary Resolution 7, if passed, will authorise the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.

(iv) The Ordinary Resolution 8, if passed, will authorise the Directors of the Company to grant awards under the Plan in accordance with the provisions of the Plan and pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue shares under the Plan.

The total number of new shares which may be issued pursuant to awards granted under the Plan shall not exceed fifteen per centum (15%) of the issued Shares of the Company (excluding any shares held in treasury and subsidiary holdings) on the day shareholders approve the Plan, provided always that the total number of new shares which may be issued pursuant to awards granted under the Plan when aggregated with the aggregate number of shares which may be granted under any other share plan or share option scheme shall not exceed any limits prescribed by the SGX-ST.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint one or two proxies to attend and vote at the annual general meeting ("Meeting") of the Company.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the Meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. A proxy need not be a member of the Company.

3. A member of the Company which is a corporation is entitled to appoint its authorised representatives or proxies to vote on his behalf.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 4 Ang Mo Kio Avenue 12, CFM Building, Singapore 569498 not less than forty-eight (48) hours before the time appointed for holding the Meeting of the Company.

5. This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Sponsor has not independently verified the contents of this notice including the correctness of any of the figures used, statements or opinions made.

   This notice has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this notice including the correctness of any of the statements or opinions made or reports contained in the notice.

   The contact person for the Sponsor is Ms Foo Quee Yin. Telephone number: +65 6221 0271

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Ip Kwok Wing, Mr Ong Wei Jin and Mr Ross Yu Limjoco are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 25 October 2019 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Catalist Rule 720(5) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7F is set out below:

	Mr Ip Kwok Wing	Mr Ong Wei Jin	Mr Ross Yu Limjoco
Date of Appointment	28 April 2000	7 January 2014	19 July 2019
Date of last re-appointment	31 October 2017	26 October 2016	N.A.
Age	67	53	49
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experience and suitability of Mr Ip Kwok Wing for re-appointment as Executive Chairman of the Company. The Board have reviewed and concluded that Mr Ip Kwok Wing possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experience and suitability of Mr Ong Wei Jin for re-appointment as Independent Director, Chairman of Nominating Committee and a member of the Audit Committee and Remuneration Committee of the Company. The Board have reviewed and concluded that Mr Ong Wei Jin possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experience and suitability of Mr Ross Yu Limjoco for re-appointment as Independent Director, Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee of the Company. The Board have reviewed and concluded that Mr Ross Yu Limjoco possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for the overall management, strategic planning and technical activities of the Company	Non-Executive	Non-Executive

	Mr Ip Kwok Wing	Mr Ong Wei Jin	Mr Ross Yu Limjoco
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman	Independent Director, Chairman of Nominating Committee and a member of the Audit Committee and Remuneration Committee	Independent Director, Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee
Working experience and occupation(s) during the past 10 years	Appointed as the Managing Director since the incorporation of the Group and is responsible for the Group's strategic planning and development of new products and markets.	Since 2012, a Partner of Eversheds Harry Elias Partnership LLP. Prior to that, a Partner of Colin Ng & Partners LLP.	1 April 2016 to present: Assurance and M&A Director, Nexia TS Advisory Pte. Ltd. 6 May 2014 to present: Director, TMS Capital Advisory Ltd and Anchorage Consulting Private Limited 1 November 2012 to 5 May 2014: Chief Financial Officer, PSL Holdings Limited February 2003 to 31 October 2012: Director/ Head of Business Advisory, BDO LLP/ BDO Advisory Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 74,319,300 ordinary shares Indirect interest 61,601,150 ordinary shares	Nil	Nil
any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Spouse of Mdm Lim Fong Li Janet, who is the Chief Executive Officer and substantial shareholder of the Company Father of Mr Kenneth Ip Yew Wa, who is the Chief Operating Officer of the Company	No	No
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

	Mr Ip Kwok Wing	Mr Ong Wei Jin	Mr Ross Yu Limjoco
Other Principal Commitments* Including Directorships# (for the last 5 year Present	**Other Principal Commitments** Nil **Past Directorships (for the last 5 years)** • CFM F&B Pte. Ltd. (struck off) • Hantong Metal Component (KL) Sdn. Bhd. **Present Directorships** • CFM Holdings Limited • Cheong Fatt Holdings Pte. Ltd. • CFM Infratrade Pte. Ltd. • Hantong Metal Component Sdn. Bhd. • Hantong Metal Component (Penang) Sdn. Bhd. • Dalian CFM Precision Tooling., Ltd. • CFM USA Inc.	**Other Principal Commitments** Partner, Eversheds Harry Elias Partnership LLP **Past Directorships (for the last 5 years)** • Organisation & Management (Pte) Limited (struck off) • Camsing Healthcare Limited Present Directorships • China XLX Fertliser Ltd • Luzhou Bio-chem Technology Limited • Siong Chwee Pte. Ltd. • Siong Kang Pte. Ltd. • Upekkha Capital Pte. Ltd. • CFM Holdings Limited	**Other Principal Commitments** Assurance Director and Head of M&A, Nexia TS Pte Ltd **Past Directorships (for the last 5 years)** • Darco Water Technologies Limited • Toon Express (Singapore) Pte. Ltd. (struck off) • Emcap Partners Pte. Ltd. (struck off) • Allied Empire Energy Pte. Ltd. • IPCO International Limited • 8Telecom Inti Holdings Co Ltd • Hubei Zhonglianhuan Energy Investment Management Inc. • IPCO Constructors Private Limited • Friendship Bridge Holding Company Private Limited • Nueviz Investments Private Limited • Gulf Asia Holdings Ltd • JC Canyon Insurance Services Pte. Ltd. • Prospect 33 Pte. Ltd. • Ministry of Nano Technology Pte. Ltd. • Myanmar Imperial Marble & Granite Pte. Ltd. • Sino Gas Holdings Pte Limited **Present Directorships** • Camsing International Holdings Ltd • Anchorage Consulting Private Limited • TMS Capital Advisory Ltd • EM Frenquency Solutions Pte. Ltd.

	Mr Ip Kwok Wing	Mr Ong Wei Jin	Mr Ross Yu Limjoco
			• Weinstenier Private Limited • Thalesmead Global Pte. Ltd. • A Best Trade Private Limited • Quantaplex Solutions Pte. Ltd. • CFM Holdings Limited
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No

	Mr Ip Kwok Wing	Mr Ong Wei Jin	Mr Ross Yu Limjoco
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

	Mr Ip Kwok Wing	Mr Ong Wei Jin	Mr Ross Yu Limjoco
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	See below.	No

	Mr Ip Kwok Wing	Mr Ong Wei Jin	Mr Ross Yu Limjoco
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	Ong Wei Jin resigned as a director of Camsing Healthcare Limited on 20 March 2019. On 29 March 2019, the SGX issued a notice of compliance addressed to the board of directors of Camsing Healthcare Limited that required the company to obtain and disclose by SGXnet explanations from the former independent directors as to why they considered it proper and appropriate to resign when certain audit matters have yet to be resolved and the auditors have suspended their audit pending resolution of such audit matters. On 5 April the former independent directors responded. On 23 April 2019, special auditors were appointed.by Camsing Healthcare Limited.	No

	Mr Ip Kwok Wing	Mr Ong Wei Jin	Mr Ross Yu Limjoco
Disclosure applicable to the appointment of Director only			
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.	N.A.

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CFM HOLDINGS LIMITED

Company Registration No. 200003708R
(Incorporated In The Republic of Singapore)

PROXY FORM
(Please see notes overleaf before completing this Form)

IMPORTANT
1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We, ____________________ (Full Name) ____________________ (NRIC no./Passport No./Company No.)

of____ (Full Address)

being a *member/members of CFM Holdings Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting (the "Meeting") as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Meeting of the Company to be held at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807 on 25 October 2019 at 10.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/ proxies will vote or abstain from voting at *his/her discretion.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Statement and Audited Financial Statements for the year ended 30 June 2019 together with the Independent Auditors' Report thereon		
2	Re-election of Mr Ip Kwok Wing as a Director		
3	Re-election of Mr Ong Wei Jin as a Director		
4	Re-election of Mr Ross Yu Limjoco as a Director		
5	Approval of Directors' fees amounting to $41,600 for the financial year ended 30 June 2019		
6	Re-appointment of Messrs Baker Tilly TFW LLP as the Company's Auditors		
7	Authority to issue new shares and/or convertible securities		
8	Authority to grant awards and to allot and issue shares under the CFM Performance Share Plan		

Dated this __________ day of ____________________ 2019

Total number of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Member(s) or,
Common Seal of Corporate Member

*Delete where inapplicable

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her name in the Depository Register and any second named proxy as an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid.

4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 4 Ang Mo Kio Avenue 12, CFM Building, Singapore 569498 not less than 48 hours before the time appointed for the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 October 2019.

CFM HOLDINGS LIMITED

No. 4 Ang Mo Kio Avenue 12, CFM Building, Singapore 569498
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Email : irc@cfmholdings.com
www. cfmholdings.com