



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

**Half Year Financial Statements for the Year Ending 30 June 2014**

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

The Board of Directors announces the results of the Group and Company for the six months ended 31 December 2013.

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

	<b>The Group</b>	
	<b>1 Jul 2013 to 31 Dec 2013</b>	<b>1 Jul 2012 to 31 Dec 2012</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Revenue</b>	18,915	22,731
Cost of sales	<u>(15,503)</u>	<u>(19,382)</u>
<b>Gross profit</b>	3,412	3,349
Other income	196	505
Marketing expenses	(627)	(798)
Administrative and other expenses	(2,619)	(2,644)
Finance costs	<u>(31)</u>	<u>(43)</u>
<b>Profit before tax</b>	331	369
Tax expense	<u>(196)</u>	<u>(351)</u>
<b>Profit for the period</b>	135	18
 <b>Other comprehensive income/(loss)</b>		
Currency translation loss	<u>(129)</u>	<u>(109)</u>
<b>Total comprehensive income/(loss) for the period</b>	<u>6</u>	<u>(91)</u>
 <b>Profit attributable to:</b>		
Equity holders of the Company	135	32
Non-controlling interests	<u>-</u>	<u>(14)</u>
Profit for the period	<u>135</u>	<u>18</u>
 <b>Total comprehensive income/(loss) attributable to:</b>		
Equity holders of the Company	6	(69)
Non-controlling interests	<u>-</u>	<u>(22)</u>
Total comprehensive income/(loss) for the period	<u>6</u>	<u>(91)</u>

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

	The Group	
	1 Jul 2013 to 31 Dec 2013 S\$'000	1 Jul 2012 to 31 Dec 2012 S\$'000
Allowance for doubtful debts (trade)	76	-
Allowance for doubtful debts (non-trade)	39	-
Depreciation of:		
- property, plant and equipment	673	894
- investment property	4	4
Foreign exchange loss, net	13	188
Interest income	(3)	(15)
Interest on borrowings	31	43
Return on investment	(78)	(169)
Gain on disposal of asset held for sale	-	(17)
Loss on disposal of property, plant and equipment	9	2
Inventories written down	152	8
Inventories written back	(1)	(7)
Inventories written off	-	52

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

	<b>The Group</b>		<b>The Company</b>	
	<b>31 Dec 2013 S\$'000</b>	<b>30 Jun 2013 S\$'000</b>	<b>31 Dec 2013 S\$'000</b>	<b>30 Jun 2013 S\$'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	9,609	6,848	11	7
Investment property	317	340	-	-
Investments in subsidiaries	-	-	9,742	9,742
Amount due from subsidiaries	-	-	48	49
	<u>9,926</u>	<u>7,188</u>	<u>9,801</u>	<u>9,798</u>
<b>Current assets</b>				
Investment	-	234	-	-
Inventories	4,132	3,905	-	-
Trade receivables	8,202	8,629	172	162
Other receivables	809	1,111	13	12
Amounts due from subsidiaries	-	-	4,485	3,488
Cash and cash equivalents	5,414	8,198	1,904	2,606
	<u>18,557</u>	<u>22,077</u>	<u>6,574</u>	<u>6,268</u>
Assets classified as held for sale	451	451	-	-
	<u>19,008</u>	<u>22,528</u>	<u>6,574</u>	<u>6,268</u>
<b>Total assets</b>	<u>28,934</u>	<u>29,716</u>	<u>16,375</u>	<u>16,066</u>
<b>Non-current liabilities</b>				
Finance lease liabilities	268	295	-	-
Interest-bearing loans and borrowings	243	317	-	-
Deferred tax liabilities	655	637	91	91
	<u>1,166</u>	<u>1,249</u>	<u>91</u>	<u>91</u>
<b>Current liabilities</b>				
Trade payables	4,205	6,141	-	-
Other payables	3,853	2,821	598	623
Amount due to subsidiaries	-	-	1,277	1,269
Finance lease liabilities	217	221	-	-
Interest-bearing loans and borrowings	810	713	-	-
Income tax payable	167	61	11	11
	<u>9,252</u>	<u>9,957</u>	<u>1,886</u>	<u>1,903</u>
Liabilities associated with assets classified as held for sale	305	305	-	-
	<u>9,557</u>	<u>10,262</u>	<u>1,886</u>	<u>1,903</u>
<b>Total liabilities</b>	<u>10,723</u>	<u>11,511</u>	<u>1,977</u>	<u>1,994</u>
<b>Net assets</b>	<u>18,211</u>	<u>18,205</u>	<u>14,398</u>	<u>14,072</u>
<b>Equity</b>				
Share capital	21,704	21,704	21,704	21,704
Accumulated losses	(2,229)	(2,364)	(7,306)	(7,632)
Other reserves	(1,426)	(1,297)	-	-
Capital and reserves attributable to the Company's equity holders	<u>18,049</u>	<u>18,043</u>	<u>14,398</u>	<u>14,072</u>
Non-controlling interests	162	162	-	-
<b>Total equity</b>	<u>18,211</u>	<u>18,205</u>	<u>14,398</u>	<u>14,072</u>

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

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

	As at 31 Dec 2013		As at 30 Jun 2013	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance lease liabilities	217	-	221	-
Interest-bearing loans and borrowings	810	-	713	-
	<u>1,027</u>	<u>-</u>	<u>934</u>	<u>-</u>

**Amount repayable after one year**

	As at 31 Dec 2013		As at 30 Jun 2013	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance lease liabilities	268	-	295	-
Interest-bearing loans and borrowings	243	-	317	-
	<u>511</u>	<u>-</u>	<u>612</u>	<u>-</u>

**Details of any collateral:**

- a) Legal mortgage over freehold lands and buildings of a subsidiary with a combined net carrying value of approximately S\$1.11 million as at 31 December 2013 (FY2013: S\$1.17 million);
- b) Charges over the machinery, equipment and motor vehicles of certain of our subsidiaries with a total net carrying value of approximately S\$1.08 million as at 31 December 2013 (FY2013: S\$0.88 million);
- c) Joint personal guarantees from two of our directors for finance lease on certain machineries purchased by a subsidiary amounting to S\$0.06 million as at 31 December 2013 (FY2013: S\$0.12 million);
- d) Corporate guarantees issued by the Company; and
- e) As at 31 December 2013, fixed deposits amounting to S\$0.54 million were pledged to banks for overdraft facilities of S\$0.54 million (FY2013: S\$0.51 million).

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

	<b>The Group</b>	
	<b>1 Jul 2013 to 31 Dec 2013 S\$'000</b>	<b>1 Jul 2012 to 31 Dec 2012 S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	331	369
Adjustments for:		
Depreciation of:		
- property, plant and equipment	673	894
- investment property	4	4
Loss on disposal of property, plant and equipment	9	2
Gain on disposal of asset held for sale	-	(17)
Return on investment	(78)	(169)
Interest expenses	31	43
Interest income	(3)	(15)
<b>Operating cash flows before working capital changes</b>	967	1,111
(Increase)/decrease in inventories	(227)	114
Decrease in receivables	652	2,630
Decrease in payables	(904)	(998)
Foreign translation adjustment of subsidiaries	(74)	41
<b>Cash generated from operations</b>	414	2,898
Interest paid	(31)	(43)
Interest income received	3	15
Income tax paid	(13)	(161)
<b>Net cash from operating activities</b>	373	2,709
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,270)	(68)
Proceeds from disposal of property, plant and equipment	28	20
Proceeds from return and refund on investment	306	667
Proceeds from disposal of asset held for sale	-	40
<b>Net cash (used in)/from investing activities</b>	(2,936)	659

	<b>The Group</b>	
	<b>1 Jul 2013 to 31 Dec 2013 S\$'000</b>	<b>1 Jul 2012 to 31 Dec 2012 S\$'000</b>
<b>Cash flows from financing activities</b>		
Repayment of bank loans	(398)	(1,190)
Proceed from banks	422	846
Net repayment of finance lease liabilities	(184)	(202)
Fixed deposits pledged with financial institutions	(17)	16
<b>Net cash used in financing activities</b>	<u>(177)</u>	<u>(530)</u>
Net (decrease)/increase in cash and cash equivalents	(2,740)	2,838
Effect of exchange rate changes on cash and cash equivalents	(61)	(81)
Cash and cash equivalents at beginning of the financial period	6,403	4,317
<b>Cash and cash equivalents at end of the financial period</b>	<u><u>3,602</u></u>	<u><u>7,074</u></u>
<b>Cash and cash equivalents</b>		
Fixed deposits	1,831	1,827
Cash at bank and in hand	3,583	7,040
	<u>5,414</u>	<u>8,867</u>
Less: Fixed deposits pledged with bank	<u>(1,812)</u>	<u>(1,793)</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u><u>3,602</u></u>	<u><u>7,074</u></u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company							Non-controlling interests S\$'000
	Equity, total S\$'000	Equity attributable to equity holders of the Company, total S\$'000	Share capital S\$'000	(Accumulated losses)/ retained earnings S\$'000	Other reserves, total S\$'000	Premium paid on acquisition of non-controlling interests S\$'000	Foreign currency translation reserve S\$'000	
<b>The Group</b>								
<b>Balance at 1 July 2013</b>	18,205	18,043	21,704	(2,364)	(1,297)	(89)	(1,208)	162
Profit for the period	135	135	-	135	-	-	-	-
<u>Other comprehensive income for the period</u>								
Currency translation differences	(129)	(129)	-	-	(129)	-	(129)	-
Total comprehensive income for the period	6	6	-	135	(129)	-	(129)	-
<b>Balance at 31 December 2013</b>	18,211	18,049	21,704	(2,229)	(1,426)	(89)	(1,337)	162



	Attributable to equity holders of the Company							
	Equity, total S\$'000	Equity attributable to equity holders of the Company, total S\$'000	Share capital S\$'000	Retained earnings S\$'000	Other reserves, total S\$'000	Premium paid on acquisition of non- controlling interests S\$'000	Foreign currency translation reserve S\$'000	Non- controlling interests S\$'000
<b>The Group</b>								
<b>Balance at 1 July 2012</b>	21,952	21,754	21,704	1,657	(1,607)	(89)	(1,518)	198
Profit for the period	18	32	-	32	-	-	-	(14)
<u>Other comprehensive loss for the period</u>								
Currency translation differences	(109)	(101)	-	-	(101)	-	(101)	(8)
Total comprehensive loss for the period	(91)	(69)	-	32	(101)	-	(101)	(22)
<b>Balance at 31 December 2012</b>	<b>21,861</b>	<b>21,685</b>	<b>21,704</b>	<b>1,689</b>	<b>(1,708)</b>	<b>(89)</b>	<b>(1,619)</b>	<b>176</b>

	<b>Equity, total S\$'000</b>	<b>Share capital S\$'000</b>	<b>Accumulated losses S\$'000</b>
<b>The Company</b>			
<b>Balance at 1 July 2013</b>	14,072	21,704	(7,632)
Profit for the period	326	-	326
Total comprehensive profit for the period	326	-	326
<b>Balance at 31 December 2013</b>	14,398	21,704	(7,306)

	<b>Equity, total S\$'000</b>	<b>Share capital S\$'000</b>	<b>Accumulated losses S\$'000</b>
<b>The Company</b>			
<b>Balance at 1 July 2012</b>	18,325	21,704	(3,379)
Loss for the period	(316)	-	(316)
Total comprehensive loss for the period	(316)	-	(316)
<b>Balance at 31 December 2012</b>	18,009	21,704	(3,695)

**1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company did not issue any new capital during the 6 months financial period ended 31 December 2013.

The Company did not hold any treasury shares as at 31 December 2013 and 31 December 2012.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
Total number of issued shares (excluding treasury shares)	<u>108,518,995</u>	<u>108,518,995</u>

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not Applicable. There is no treasury shares as at 31 December 2013.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by our auditors.

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

Not Applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The same accounting policies and methods of computation have been adopted for the current financial period ended 31 December 2013 as compared with the audited consolidated financial statements for the financial year ended 30 June 2013.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for the effect of change.**

Not Applicable.

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

	The Group	
	1 Jul 2013 to 31 Dec 2013	1 Jul 2012 to 31 Dec 2012
<b>Profit after tax for the year attributable to the equity holders of the Company (S\$'000)</b>	<u>135</u>	<u>32</u>
<b>Earnings per share (in cents)</b>		
a) Based on weighted average number of ordinary shares in issue	<u>0.12</u>	<u>0.03</u>
b) On a fully diluted basis	<u>0.12</u>	<u>0.03</u>

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

	31 Dec 2013	30 Jun 2013
<b>The Group</b>		
Net asset value per ordinary share – include non-controlling interests (in cents)	<u>16.78</u>	<u>16.78</u>
<b>The Company</b>		
Net asset value per ordinary share – include non-controlling interests (in cents)	<u>13.27</u>	<u>12.97</u>

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **Review of Consolidated Profit and Loss Statement (First Half of FY2014 vs. First Half of FY2013)**

#### **Revenue**

For the financial period ended 31 December 2013 ("1H FY2014"), the Group registered a revenue of S\$18.9 million which was a decrease of S\$3.8 million from the previous corresponding financial period ("1H FY2013"). This was mainly caused by decreased contributions from operations in Malaysia, Singapore and Indonesia by S\$4.5 million but partially offset by increased contributions in China and Slovakia by S\$0.7 million.

#### **Gross Profit**

Our gross profit increased from S\$3.3 million in 1H FY2013 to S\$3.4 million in 1H FY2014. Gross profit margin also improved from 14.7% to 18% for the same period. The improved gross profit margin was attributed by the following factors:

- a. continued efforts to tighten cost control;
- b. improved productivity within our China, Malaysia, Singapore and Slovakia operations; and
- c. lower depreciation (declined from S\$0.9 million in 1H FY2013 to S\$0.7 million in 1H FY2014 mainly due to the construction of Singapore factory where no depreciation is being charged).

#### **Other Income**

Other income decreased from S\$0.5 million in 1H FY2013 to S\$0.2 million in 1H FY2014. The decrease in other income mainly attributed by:

- a. loss of rental received for Singapore operation due to the re-construction of the factory (1H FY2013: S\$0.13 million); and
- b. lower income of S\$0.08 million was received from the ceased joint-venture project in Port Dickson (1H FY2013: S\$0.17 million).

#### **Marketing Expenses**

Marketing expenses decreased from S\$0.8 million in 1H FY2013 to S\$0.6 million in 1H FY2014. This is mainly due to decrease in entertainment expenses and sales commission paid.

#### **Administrative and Other Operating Expenses**

Administrative and other operating expenses remained constant at S\$2.6 million in 1H FY2013 and 1H FY2014.

#### **Finance Costs**

Finance costs decreased from S\$0.04 million in 1H FY2013 to S\$0.03 million in 1H FY2014 due to repayment of borrowings. Total borrowings as of 31 December 2013 was S\$1.5 million, while on 31 December 2012, the amount was S\$2.4 million. Therefore, the Finance cost was higher for 1H FY2013 as compared to 1H FY2014.

#### **Income Tax Expense**

The tax expenses of S\$0.2 million incurred in 1H FY2014 was attributed by taxable income generated by our subsidiaries in Malaysia and Slovakia.

#### **Profit for the Period**

Overall, the Group recorded a profit after tax of S\$135,000 in 1H FY2014.

## **Review of Consolidated Balance Sheet (First Half of FY2014 vs. FY2013)**

### **Non-Current Assets**

Property, plant and equipment increased from S\$6.8 million as at 30 June 2013 to S\$9.6 million as at 31 December 2013. This is mainly due to the capitalization of the construction cost of the new factory in Singapore.

### **Current Assets**

As of 31 December 2013, the proceeds from divestment in a joint venture project in Port Dickson, Malaysia has been fully received. Hence, investment declined from S\$0.2 million as at 30 June 2013 to nil as at 31 December 2013.

Inventories increased by approximately S\$0.2 million as at 31 December 2013 after net of inventories written down. The inventories written down for 1H FY2014 was S\$0.2 million, out of which, S\$0.04 million related to inventories manufactured for Applicam Industries (S) Pte. Ltd., which is currently under Judicial Management (please see further details in Section 10 of this announcement).

Trade receivables decreased from S\$8.6 million as at 30 June 2013 to S\$8.2 million as at 31 December 2013 due to lower revenue generated. The Group recorded allowance for doubtful debt (trade) of approximately S\$0.08 million in relation to one customer, Showa International (HK) Co. Ltd (please see further details in Section 10). This amount relates to additional billing to the said customer in July 2013. The remaining outstanding receivables of approximately S\$0.2 million (or equivalent to RM386 thousand as announced on 4 July 2013) has been settled in July 2013. As at 31 December 2013, the Group has provided full provision for all trade receivable from Showa International (HK) Co. Ltd.

Other receivables decreased from S\$1.1 million as at 30 June 2013 to S\$0.8 million as at 31 December 2013 mainly due to full collection of the amount receivable in connection with the disposal of HTM Takahashi (Thailand) operations.

### **Current Liabilities**

Trade payables decreased from S\$6.1 million as at 30 June 2013 to S\$4.2 million as at 31 December 2013 which was in line with the lower revenue in 1H FY2014.

Other payables increased from S\$2.8 million as at 30 June 2013 to S\$3.9 million as at 31 December 2013 was mainly due to the accrual of construction cost payable to the main contractor of the Singapore factory for approximately S\$1.1 million.

Income tax payable increased from S\$0.06 million as at 30 June 2013 to S\$0.17 million was due to higher tax amount payable for one of the Malaysian subsidiaries.

### **Borrowings**

Total borrowings for the Group remained constant at S\$1.5 million as at 31 December 2013 and 30 June 2013.

## **Review of Consolidated Statement of Cash Flows (First Half of FY2014 vs. First Half of FY2013)**

For the six months ended 31 December 2013, the Group had generated a cash flow of S\$0.4 million from our operating activities as compared to S\$2.7 million in the first half of FY2013. The decrease in positive net operating cash flows was due to:

- a. S\$0.9 million payments made to payables;
- b. S\$0.2 million purchase of inventories; and
- c. S\$0.07 million foreign translation adjustment of subsidiaries; but
- d. S\$0.7 million partially offset by collection from trade receivables.

Net cash flows used in investing activities amounted to S\$2.9 million in 1H FY2014 as compared to net cash flow from investing activities of S\$0.7 million in 1H FY2013. The net cash flow used

was mainly for the construction cost payment of the new factory, but partially offset by proceed from cessation of the joint-venture project.

Net cash used in financing activities of approximately S\$0.2 million was mainly attributed to:

- a. repayment of bank loans;
- b. net repayment of finance lease liabilities;
- c. fixed deposits pledged with financial institution; and
- d. partially offset by proceed from banks.

The Group's cash and cash equivalent decreased from S\$7.1 million as at 31 December 2012 to S\$3.6 million as at 31 December 2013.

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

Not Applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group expects the industry, in which it operates, to remain challenging. The management will continue to monitor and tighten its cost control and improve productivity. In addition, the Group will continue to evaluate business opportunities locally and overseas.

Latest Architect certification dated 8 January 2014 confirmed that the construction of the Singapore factory is 42% completed. Barring unforeseen circumstances, it is expected to complete the construction in August 2014. Efforts have been spent to source for tenants and currently, there are potential tenants indicating their interests to lease a portion of the building. As at the date of this announcement, no definitive lease agreement with the potential tenants has been executed. Based on Housing & Development Board of Singapore prevailing sub-letting rules, the Company can sublet up to 50% of the estimated total build-in area of 70,000 square feet.

Updates on the current litigation case that the Company has with Showa International (HK) Co. Ltd and Applicam Industries (S) Pte. Ltd.:-

i) Showa International (HK) Co. Ltd ("Showa")

With reference to the announcement no. 00130 dated 10 February 2014, the Company has provided an update on the Showa litigation case. Showa has on 25 January 2014, filed an affidavit against Hantong Metal Component (Penang) Sdn. Bhd. ("HMCPSB"), a wholly-owned subsidiary of the Group, for the payment of RM 1.1 million for the cost of new tooling (the "Claims"). HMCPSB is counter-claiming Showa for the remaining inventories, loss of revenue, expenses related to the enforced ex-parte injunction, and outstanding receivables amounting to RM 0.9 million.

The Board has assessed the information available to them as at the date of this announcement pertaining to the Claims and is of the opinion that based on the information available to them as at the date of this announcement including, *inter alia*, the Claims amount of approximately RM 1.1 million and the advice from its solicitor, the said Claim (in the event it materialises) will have a significant adverse financial impact on the Group's financial performance and financial position. However, the shareholders should note that the outcome of the hearing are still uncertain as at the date of this announcement.

HMCPSB intends to vigorously defend the Claims instituted by Showa, and is currently seeking legal advice on the Claims from its Malaysian lawyers. The Company will keep the shareholders informed of the progress of the Claims and will make further announcements, when appropriate.

ii) Applicam Industries (S) Pte. Ltd. ("Applicam")

With reference to the announcements no. 00092 and 00193 dated 18 June 2013 and 31 October 2013 respectively, it was announced that Applicam is under Judicial Management. According to an update from the Judicial Manager, a buyer has been found and agreed to purchase the Applicam business. A creditor meeting will be arranged at a later date by the Judicial Manager to update the Applicam's creditors on the outcome of this sale and purchase agreement.

The inventories amounting to S\$0.03 million pertaining to Applicam's purchase orders have been fully written down in 1H FY2014 while full provision for doubtful debts for the total outstanding receivables of S\$0.6 million has already been fully provided in FY2013 financials.

**11. Dividend**

**(a) Current Financial Period Reported On**

**Any dividend declared during the current financial period reported on?**

Nil.

**(b) Corresponding period of the immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

Nil.

**(c) Date Payable.**

Not Applicable.

**(d) Book closure date.**

Not Applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared/recommended for the 6 months financial period ended 31 December 2013.

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

There is no general mandate obtained from shareholders for interested person transaction.

**14. Interested person transactions**

There were no interested person transactions occurred in the period under review.



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

We, Ip Kwok Wing and Janet Lim Fong Li, being two Directors of CFM Holdings Limited (“Company”), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the half year ended 31 December 2013 set out above to be false or misleading in any material aspect.

For and on behalf of the Board

Ip Kwok Wing  
Executive Chairman

Janet Lim Fong Li  
Chief Executive Officer

**BY ORDER OF THE BOARD**

Janet Lim Fong Li  
Chief Executive Officer  
**10 February 2014**

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

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

The contact person for the Sponsor is Mr Liau H.K.  
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