



## CFM HOLDINGS LIMITED

(Incorporated in Singapore under Registration No. 200003708R)

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### PROFIT GUIDANCE

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The Board of Directors (the “**Board**”) of CFM Holdings Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) deems it appropriate to issue a profit guidance following the preliminary assessment of the management accounts for the Group for the nine months ended 31 March 2016 (“**9M2016**”).

Based on the preliminary assessment of the management accounts for the Group for 9M2016, the Group is expecting to record a net loss after tax for 9M2016 as compared to profit after tax recorded for the previous corresponding period. In addition, the Group’s net loss after tax for the three months period ended 31 March 2016 (“**3Q2016**”) is expected to be higher than the first two quarters of the financial year ended 30 June 2016.

The reasons for the net loss after tax for 9M2016 are mainly due to:-

1. Lower revenue recorded for 9M2016 as compared to the previous corresponding period mainly due to lower sales expected from certain subsidiaries.
2. Decline in gross profit margin mainly due to:
  - a. Provisioning of inventory which are not in usage conditions; and
  - b. Revised depreciation rates for some of the property plant and equipment to be in-line with their deteriorating usable conditions.
3. Increase in administrative and other expenses for 9M2016 mainly due to:
  - a. Higher salaries from additional headcounts resulting from acquisition of a new subsidiary as previously announced;
  - b. Higher depreciation charges from a revised depreciation policy for the Group’s non-income generating property plant and equipment; and
  - c. Higher professional fees in relation to legal suits relating to the TOP issues as announced previously.

The Company will announce its unaudited financial results for the financial year ended 30 June 2016 (“**FY2016**”) with further details on the Group’s financial performance on or before 29 August 2016. Shareholders should note that the aforementioned are based on preliminary assessment based on accounting policies and may be subject to further adjustments and/or review by the Company’s auditor.

**In the meantime, shareholders and investors are advised to exercise caution when dealing in the Company's shares ("Shares"). When in doubt, shareholders and potential investors are advised to seek independent advice from their professional advisors before trading or making any investment decision on the Company's securities.**

**BY ORDER OF THE BOARD**

Janet Lim Fong Li  
Executive Director & Chief Executive Officer  
20 May 2016

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*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 ("**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.*

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