



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

**Half Year Financial Statement for the Period Ended
31 December 2017**

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

The Board of Directors announces the results of the Group and Company for the financial period ended 31 December 2017.

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

	The Group	
	1 Jul 2017 to 31 Dec 2017 S\$'000	1 Jul 2016 to 31 Dec 2016 S\$'000
Revenue	11,168	10,665
Cost of Sales	<u>(8,761)</u>	<u>(9,090)</u>
Gross profit	2,407	1,575
Other income	440	463
Marketing expenses	(208)	(300)
Administrative and other expenses	(2,229)	(2,588)
Finance costs	<u>(137)</u>	<u>(123)</u>
Profit/(Loss) before tax	273	(973)
Tax (expense)/credit	<u>(218)</u>	<u>7</u>
Profit/(Loss) for the period	55	(966)
Other comprehensive income/(loss)		
Currency translation profit/(loss)	<u>167</u>	<u>(132)</u>
Total comprehensive income/(loss) attributable to equity holders of the Company	<u>222</u>	<u>(1,098)</u>
Profit/(Loss) attributable to:		
Equity holders of the Company	55	(966)
Non-controlling interests	<u>-</u>	<u>-</u>
Profit/(Loss) for the period	<u>55</u>	<u>(966)</u>
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	222	(1,098)
Non-controlling interests	<u>-</u>	<u>-</u>
	<u>222</u>	<u>(1,098)</u>

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

	The Group	
	1 Jul 2017 to 31 Dec 2017 S\$'000	1 Jul 2016 to 31 Dec 2016 S\$'000
Allowance for doubtful trade receivables no longer required	-	(23)
Bad debts recovered	-	(85)
Depreciation on property, plant and equipment	572	670
Gain on disposal of property, plant and equipment	(4)	-
Loss/(Gain) on foreign exchange	49	(82)
Interest income	(2)	(4)
Interest on borrowings and finance leases	137	124
Inventories written down	99	55
Inventories written back	(72)	(22)
Inventories written off	2	-
Under/(Over)provision for tax in prior years	9	(11)

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

	The Group		The Company	
	31 Dec 2017 S\$'000	30 June 2017 S\$'000	31 Dec 2017 S\$'000	30 June 2017 S\$'000
Non-current assets				
Property, plant and equipment	12,246	12,592	2	4
Investments in subsidiaries	-	-	11,748	11,748
Trade receivables	155	226	-	-
	<u>12,401</u>	<u>12,818</u>	<u>11,750</u>	<u>11,752</u>
Current assets				
Inventories	2,463	2,409	-	-
Trade receivables	5,784	5,036	133	130
Other receivables and prepayment	349	515	13	8
Amounts due from subsidiaries	-	-	2,842	3,126
Cash and cash equivalents	5,721	4,457	1,630	1,050
	<u>14,317</u>	<u>12,417</u>	<u>4,618</u>	<u>4,314</u>
Total assets	<u>26,718</u>	<u>25,235</u>	<u>16,368</u>	<u>16,066</u>
Non-current liabilities				
Finance lease liabilities	48	71	-	-
Borrowings	5,259	5,552	-	-
Deferred tax liabilities	407	384	91	91
	<u>5,714</u>	<u>6,007</u>	<u>91</u>	<u>91</u>
Current Liabilities				
Trade payables	2,976	2,607	-	1
Other payables	3,178	3,713	923	1,336
Amount due to subsidiaries	-	-	-	-
Finance lease liabilities	99	111	-	-
Borrowings	2,688	2,311	1,402	1,402
Income tax payable	109	18	11	11
Provision	106	101	-	-
	<u>9,156</u>	<u>8,861</u>	<u>2,336</u>	<u>2,750</u>
Total liabilities	<u>14,870</u>	<u>14,868</u>	<u>2,427</u>	<u>2,841</u>
Net assets	<u>11,848</u>	<u>10,367</u>	<u>13,941</u>	<u>13,225</u>
Equity				
Share capital	22,963	21,704	22,963	21,704
Accumulated losses	(8,663)	(8,718)	(9,022)	(8,479)
Other reserves	(2,452)	(2,619)	-	-
	<u>11,848</u>	<u>10,367</u>	<u>13,941</u>	<u>13,225</u>
Equity attributable to equity holders of the Company	<u>11,848</u>	<u>10,367</u>	<u>13,941</u>	<u>13,225</u>
Non-controlling interest	-	-	-	-
Total Equity	<u>11,848</u>	<u>10,367</u>	<u>13,941</u>	<u>13,225</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 2017		As at 30 Jun 2017	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance lease liabilities	99	-	111	-
Borrowings	2,688	-	2,311	-
	<u>2,787</u>	-	<u>2,422</u>	-

Amount repayable after one year

	As at 31 Dec 2017		As at 30 Jun 2017	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance lease liabilities	48	-	71	-
Borrowings	5,259	-	5,552	-
	<u>5,307</u>	-	<u>5,623</u>	-

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

- a) Legal mortgage over freehold lands and buildings of a subsidiary with a combined net carrying value of approximately S\$0.68 million as at 31 December 2017 (FY2017: S\$0.70 million);
- b) Legal mortgage over leasehold lands and buildings and the fixed and floating charge on all present and future assets and joint and several guarantee from Directors of a subsidiary with a combined net carrying value of approximately S\$1.86 million as at 31 December 2017 (FY2017: S\$1.96 million);
- c) Charges over the machinery, equipment and motor vehicles of certain of our subsidiaries with a total net carrying value of approximately S\$0.29 million as at 31 December 2017 (FY2017: S\$0.29 million);
- d) With reference to (c) above, certain of the property, plant & equipment which are under finance lease and bank facilities are secured by guarantee from two of the directors;
- e) As at 31 December 2017, fixed deposits amounting to S\$1.17 million (FY2017: S\$1.17 million) were pledged with financial institutions as securities for loans and credit facilities granted to the Group;
- f) Construction loan pertaining to the Singapore factory has been drawn down to S\$4.94 million (FY2017: S\$4.94 million) as at 31 December 2017 and has been converted into mortgage loan on 1 January 2016. The bank facility for this building is secured by the fixed and floating charge on all present and future property at the premise and undertakings in connection with the operations of the property as approved by Housing Development Board. In addition, two of the directors have placed their personal property as collateral to the bank to secure the banking loan; and. As at 31 December 2017, the net carrying amount of the leasehold lands and buildings are approximately S\$ 7.07 million (FY2017: S\$7.27 million); and
- g) Corporate guarantees issued by the Company.

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

	The Group	
	1 Jul 2017 to 31 Dec 2017 S\$'000	1 Jul 2016 to 31 Dec 2016 S\$'000
Cash flows from operating activities		
Profit/(Loss) before tax	273	(973)
Adjustments for:		
Allowance for doubtful trade receivables no longer required	-	(23)
Depreciation of property, plant and equipment	572	670
Gain on disposal of property, plant and equipment	(4)	-
Interest expenses	137	124
Interest income	(4)	(4)
Inventories written down	99	55
Inventories written back	(72)	(22)
Inventories written off	2	-
Operating cash flows before working capital changes	1,003	(173)
(Increase)/Decrease in inventories	(81)	219
(Increase)/Decrease in receivables	(600)	959
Decrease in payables	(161)	(737)
Foreign currency translation adjustments	40	(38)
Cash generated from operations	201	230
Interest income received	4	2
Income tax paid	(24)	(38)
Net cash generated from operating activities	181	194
Cash flows from investing activities		
Purchase of property, plant and equipment (Note A)	(86)	(110)
Proceeds from disposal of property, plant and equipment	4	-
Net cash used in investing activities	(82)	(110)

	The Group	
	1 Jul 2017 to 31 Dec 2017 S\$'000	1 Jul 2016 to 31 Dec 2016 S\$'000
Cash flows from financing activities		
Repayment of borrowings	(945)	(737)
Proceeds from banks	973	561
Interest paid	(137)	(132)
Net repayment of finance lease liabilities	(44)	(69)
Fixed deposits pledged with financial institutions	(2)	(2)
Proceeds from issuance of new shares, net of expenses	1,259	-
Net cash generated from/(used in) financing activities	<u>1,104</u>	<u>(379)</u>
Net increase/(decrease) in cash and cash equivalents	1,203	(295)
Cash and cash equivalents at beginning of the financial year	3,286	3,978
Effect of exchange rate changes on cash and cash equivalents	59	(50)
Cash and cash equivalents at end of the financial period	<u>4,548</u>	<u>3,633</u>
Cash and cash equivalents		
Fixed deposits	1,173	1,722
Cash at bank and in hand	4,548	3,633
	<u>5,721</u>	<u>5,355</u>
Less: Fixed deposits pledged with bank	<u>(1,173)</u>	<u>(1,722)</u>
Cash and cash equivalents at end of the financial period	<u>4,548</u>	<u>3,633</u>

Note A

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of S\$0.09 million (HY2017: S\$0.19 million) of which S\$ 0.03 million (HY2017: S\$0.08 million) was financed by means of finance lease. Cash payment of S\$0.06 million (HY2017: S\$0.11 million) was made to purchase property, plant and equipment.

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

	Equity total	Share capital	Accumulated losses	Foreign currency translation reserve
	S\$'000	S\$'000	S\$'000	S\$'000
The Group				
Balance at 1 July 2017	10,367	21,704	(8,718)	(2,619)
Profit for the period	55	-	55	-
Other comprehensive income for the period				
Currency translation differences	167	-	-	167
Total comprehensive income for the period	222	-	55	167
Issue of new ordinary shares under Rights Issue	1,395	1,395	-	-
Share issue expense	(136)	(136)	-	-
	1,259	1,259	-	-
Balance at 31 December 2017	11,848	22,963	(8,663)	(2,452)
Balance at 1 July 2016	12,172	21,704	(6,620)	(2,912)
Loss for the period	(966)	-	(966)	-
Other comprehensive loss for the period				
Currency translation differences	(132)	-	-	(132)
Total comprehensive loss for the period	(1,098)	-	(966)	(132)
Balance at 31 December 2016	11,074	21,704	(7,586)	(3,044)

	Equity, total S\$'000	Share capital S\$'000	Accumulated losses S\$'000
The Company			
Balance at 1 July 2017	13,225	21,704	(8,479)
Loss/Total comprehensive loss for the period	(543)	-	(543)
Issue of new ordinary shares under Rights Issue	1,395	1,395	-
Share issue expense	(136)	(136)	-
	1,259	1,259	-
Balance at 31 December 2017	13,941	22,963	(9,022)
Balance at 1 July 2016	20,829	21,704	(875)
Loss/Total comprehensive loss for the period	(430)	-	(430)
Balance at 31 December 2016	20,399	21,704	(1,305)

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

Please refer to 1(d)(iii).

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.

	31 Dec 2017	30 Jun 2017
Total number of issued shares	108,518,995	108,518,995
Number of ordinary shares issued pursuant to the Rights Issue on 18 December 2017	93,016,281	-
	<u>201,535,276</u>	<u>108,518,995</u>

The Company did not hold any treasury shares, subsidiary holdings or other convertibles as at 31 December 2017 and 30 June 2017.

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

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

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

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

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

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

Not Applicable.

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 2017 as compared with the audited consolidated financial statements for the financial year ended 30 June 2017.

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	
	Period ended 31 Dec 2017	Period ended 31 Dec 2016
Profit/(Loss) attributable to equity holders of the Company (S\$'000)	55	(966)
Weighted average ordinary share ('000) for calculation of:		
a) Basic earnings per share	121,455	114,860
b) Diluted earning per share	121,455	114,860
Earnings per share (in cents)		
a) Based on weighted average number of ordinary shares in issue	0.05	(0.84)
b) On a fully diluted basis	0.05	(0.84)

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. The Comparatives have been restated to account for the effect of the rights issue.

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 2017	30 Jun 2017
The Group		
Net asset value per ordinary share (in cents)	5.88	9.55
The Company		
Net asset value per ordinary share (in cents)	6.91	12.19

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

Review of Consolidated Statement of comprehensive income (HY2018 vs. HY2017)

Revenue

For the financial period ended 31 December 2017 ("HY2018"), the Group registered a revenue of S\$11.17 million which was an increase of S\$0.50 million from the previous corresponding financial period. The increase was mainly due to increase in demand of metal stamping and fabrication, toolings and also contributions in trading of clean room products.

Gross Profit

Gross profit increased from S\$1.58 million in HY2017 to S\$2.41 million in HY2018. The gross profit margin increased from 14.8% to 21.6%. The increased gross profit and gross profit margin was due to higher revenue recorded during the current financial period compared to previous corresponding financial period, and decrease in direct labour costs and depreciation during the current financial period compared to previous corresponding financial period.

Other Income

Other income in HY2018 consists of income from rental income (S\$0.36 million) and other miscellaneous income (S\$0.08 million). Other income has decreased from S\$0.46 million in HY2017 to S\$0.44 million in HY2018 which was mainly due to absence of foreign exchange gain and bad debts recovered from customer, offset by the higher rental income collected from more space rented out during the current financial period.

Marketing Expenses

Marketing expenses decreased from S\$0.30 million in HY2017 to S\$0.21 million in HY2018 due to reduce in headcount and the impact from the disposal of the Company's wholly owned subsidiary, Hantong Metal Component (KL) in FY2017.

Administrative and Other Expenses

Administrative expenses in HY2018 consist mainly of directors' remuneration and salary expenses (S\$1.24 million), depreciation charge (S\$0.30 million), land lease, office rental and property tax for Singapore factory (S\$0.16 million), office repairs and maintenance (S\$0.14 million), loss in foreign exchange (S\$0.05 million) and other miscellaneous expenses (S\$0.34 million). It has decreased from S\$2.59 million in HY2017 to S\$2.23 million in HY2018.

The decrease in administrative expenses was mainly due to directors' remuneration and salary expenses and legal and professional fees, and also impact from the disposal of the Company's wholly owned subsidiary, Hantong Metal Component (KL) in FY2017.

Finance Costs

Finance costs increased from S\$0.12 million in HY2017 to S\$0.14 million in HY2018. The finance costs mainly related to finance leases for new machines and equipment and interest charge from bank borrowings. The increase in finance costs was mainly due to increase in bank interest rates and proceeds of short term borrowings by one of wholly owned subsidiary of the Company.

Income Tax Expense

The Group recorded tax expense in HY2018 of S\$0.22 million compared to a credit of S\$7,000 recorded in HY2017. It was mainly due to operating profits recorded by certain subsidiaries.

Profit for the Period

Overall, the Group recorded a profit after tax of S\$0.06 million in HY2018 as compared to a loss after tax of S\$0.97 million from the previous corresponding financial period.

Review of Consolidated Statement of financial position (HY2018 vs. FY2017)

Non-Current Assets

Property, plant and equipment decreased from S\$12.59 million as at 30 June 2017 ("FY2017") to S\$12.25 million as at 31 December 2017. This is mainly due to depreciation charge of S\$0.57 million for the financial period, offset by translation difference of S\$0.14 million and purchase of property, plant & equipment of S\$0.09 million.

Current Assets

Trade receivables increased from S\$5.04 million as at 30 June 2017 to S\$5.78 million as at 31 December 2017 due to higher sales orders from the customers during the current financial period reported. The average trade receivables turnover days of the group was 95 days (FY2017: 86 days).

Other receivables for HY2018 consist mainly of deposits and prepayments (S\$0.28 million), tax recoverable mainly from Malaysian tax authority (S\$0.03 million) and other receivables (S\$0.04 million). It has decreased from S\$0.52 million as at 30 June 2017 to S\$0.35 million as at 31 December 2017. The decrease was mainly due to the decrease in deposit and tax recoverable from the tax authority.

Current Liabilities

Trade payables increased from S\$2.61 million as at 30 June 2017 to S\$2.98 million as at 31 December 2017. This is mainly due to higher purchases made caused by higher demands from customers.

Other payables as at 31 December 2017 comprised mainly:

- a. Accrued expenses of S\$1.05 million mainly consist of accrued employee related expenses;
- b. Other creditors of approximately of S\$1.24 million (mainly construction cost of S\$0.90 million);
- c. Amount due to the substantial shareholders of approximately S\$0.35 million which was deposited by the two major shareholders for the purpose of provision for undertaking to the Rights Issue exercise. The amount has been refunded subsequent to the financial period;

- d. Other of approximately of S\$0.54 million consisting of provision for directors' fees and rental and deposit received.

Other payable decreased from S\$3.71 million as at 30 June 2017 to S\$3.18 million as at 31 December 2017. The decrease was mainly due to repayment to the Directors from the proceeds of the Rights Issue during the current financial period and the reason in (c) above.

Finance Lease and Borrowings

Total borrowings for the Group increased from S\$8.05 million as at 30 June 2017 to S\$8.09 million as at 31 December 2017. This was mainly due to the proceeds of short term borrowing from one of the wholly owned subsidiary, offset by the repayment of bank borrowing and finance lease during the financial period.

Review of Consolidated Statement of Cash Flows (HY2018 vs. HY2017)

For the half year ended 31 December 2017, the Group had generated a net cash inflow of S\$0.18 million from its operating activities as compared to cash inflow of S\$0.19 million in HY2017 mainly due to

- a. Profit before tax of S\$0.27 million in HY2018;
- b. Non-cash items i.e depreciation of S\$ 0.57 million, interest expenses of S\$ 0.14 million, inventory written down of S\$ 0.10 million and inventory written back of S\$ 0.07 million;
- c. Increase in inventories of S\$0.08 million;
- d. Increase in receivables of S\$0.60 million; and
- e. Decrease in payables of S\$0.16 million

Net cash flows used in investing activities amounted to S\$0.08 million in HY2018 and S\$0.11 million in HY2017. Net cash flow used in HY2018 was mainly due to the purchase of property, plant & equipment of S\$0.08 million.

Net cash generated from financing activities of approximately S\$1.10 million in HY2018 was mainly attributed by:

- a. Net proceeds from Rights Issue of S\$1.26 million;
- b. proceeds from bank borrowings of approximately S\$0.97 million; but offset by
- c. repayment of bank loans of S\$0.95 million;
- d. net repayment of finance lease liabilities of approximately S\$0.04 million; and
- e. Interest payment of S\$0.14 million.

The Group's cash and cash equivalent increased from S\$3.63 million as at HY2017 to S\$4.55 million as at HY2018.

- 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 that competition in the Group's core business will remain keen. While there has been a recent upturn in general economic sentiment, the customers have increased their orders to the Group. Although the Group managed to turnaround the

operating loss to operating profit for the HY2018 as a results of increased orders by the customers, the Group's expects the customer orders will affect the Group's core business .i.e. metal stamping and fabrication business, and cleanroom business for the next 6 months due to operation shutdown during Chinese and Malay new year festival.

With reference to the recent completed corporate exercise, the Group will continue to explore potential merger and acquisition activities, investment opportunities that will contribute to the Company's growth plans and will enhance shareholders' value over the long term.

A. Litigation Case

Reports on the current litigation case:-

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 and 25 August 2017.

The Malaysian Court had on 19 January 2018 instructed both lawyers to make a written submission on the case on 19 February 2018 and fixed to make judgement on 5 March 2018. 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.

The Board of Directors has assessed the information available to them as at the date of this announcement pertaining to the Claims. They are of the opinion that based on the information 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.

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

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

No.

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

Not applicable.

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

Not applicable.

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

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend has been declared/recommended for the six-months financial period ended 31 December 2017.

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

The Group has not obtained a general mandate from the shareholders for interest person transactions. There were no interested party transactions exceeding S\$0.10 million conducted during the financial period under review.

14. Use of Proceeds from the Rights Issue

Please refer to the Company's announcement on the Use of Proceeds from the Rights issue dated 9 February 2018.

15. Confirmation Pursuant to Rule 720(1) of the Catalist Rules

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

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

We, Ip Kwok Wing and Lim Fong Li Janet, being two Directors of CFM Holdings Limited ("Company"), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the half year ended 31 December 2017 set out above to be false or misleading in any material aspect.

For and on behalf of the Board

Ip Kwok Wing
Director

Lim Fong Li Janet
Director

BY ORDER OF THE BOARD

Janet Lim Fong Li
Chief Executive Officer
9 February 2018

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 Ms Foo Quee Yin.
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