



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

**Half Year Financial Statement for the Period Ended
31 December 2018**

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 2018.

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 2018 to 31 Dec 2018 S\$'000	1 Jul 2017 to 31 Dec 2017 S\$'000
Revenue	10,683	11,168
Cost of Sales	<u>(8,082)</u>	<u>(8,761)</u>
Gross profit	2,601	2,407
Other income	358	440
Marketing expenses	(196)	(208)
Administrative and other expenses	(2,038)	(2,229)
Finance costs	<u>(145)</u>	<u>(137)</u>
Profit before tax	580	273
Tax expense	<u>(187)</u>	<u>(218)</u>
Profit for the period	393	55
Other comprehensive (loss)/income		
Currency translation (loss)/profit	<u>(200)</u>	<u>167</u>
Total comprehensive income attributable to equity holders of the Company	<u>193</u>	<u>222</u>
Profit attributable to:		
Equity holders of the Company	393	55
Non-controlling interests	<u>-</u>	<u>-</u>
Profit for the period	<u>393</u>	<u>55</u>
Total comprehensive income attributable to:		
Equity holders of the Company	193	222
Non-controlling interests	<u>-</u>	<u>-</u>
	<u>193</u>	<u>222</u>

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

	The Group	
	1 Jul 2018 to 31 Dec 2018 S\$'000	1 Jul 2017 to 31 Dec 2017 S\$'000
Depreciation on property, plant and equipment	489	572
Gain on disposal of property, plant and equipment	(16)	(4)
Loss on foreign exchange	17	49
Interest income	(1)	(2)
Interest on borrowings and finance leases	145	137
Inventories written down	56	99
Inventories written back	(51)	(72)
Inventories written off	-	2
Under provision for tax in prior years	5	9

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 2018	30 June 2018 (Restated)	1 July 2017 (Restated)	31 Dec 2018	30 June 2018
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	11,146	11,661	12,592	1	1
Investments in subsidiaries	-	-	-	14,945	14,945
Trade receivables	12	83	226	-	-
	<u>11,158</u>	<u>11,744</u>	<u>12,818</u>	<u>14,946</u>	<u>14,946</u>
Current assets					
Inventories	2,600	2,313	2,409	-	-
Trade receivables	4,952	5,485	5,036	117	113
Other receivables and prepayment	925	393	515	137	8
Amounts due from subsidiaries	-	-	-	1,944	2,501
Cash and cash equivalents	3,872	4,455	4,457	257	447
	<u>12,349</u>	<u>12,646</u>	<u>12,417</u>	<u>2,455</u>	<u>3,069</u>
Total assets	<u>23,507</u>	<u>24,390</u>	<u>25,235</u>	<u>17,401</u>	<u>18,015</u>
Non-current liabilities					
Finance lease liabilities	26	30	71	-	-
Borrowings	5,042	5,242	5,552	-	-
Deferred tax liabilities	408	413	384	91	91
	<u>5,476</u>	<u>5,685</u>	<u>6,007</u>	<u>91</u>	<u>91</u>
Current Liabilities					
Trade payables	2,185	2,630	2,607	-	-
Other payables	3,030	3,034	3,713	489	467
Amount due to subsidiaries	-	-	-	6	19
Finance lease liabilities	49	77	111	-	-
Borrowings	1,409	1,729	2,311	525	725
Income tax payable	45	112	18	12	12
Provision	95	98	101	-	-
	<u>6,813</u>	<u>7,680</u>	<u>8,861</u>	<u>1,032</u>	<u>1,223</u>
Total liabilities	<u>12,289</u>	<u>13,365</u>	<u>14,868</u>	<u>1,123</u>	<u>1,314</u>
Net assets	<u>11,218</u>	<u>11,025</u>	<u>10,367</u>	<u>16,278</u>	<u>16,701</u>
Equity					
Share capital	22,963	22,963	21,704	22,963	22,963
Accumulated losses	(11,752)	(12,145)	(11,337)	(6,685)	(6,262)

Other reserves	<u>7</u>	<u>207</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity attributable to equity holders of the	11,218	11,025	10,367	16,278	16,701
Non-controlling interest	-	-	-	-	-
Total Equity	<u>11,218</u>	<u>11,025</u>	<u>10,367</u>	<u>16,278</u>	<u>16,701</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 2018		As at 30 Jun 2018	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance lease liabilities	49	-	77	-
Borrowings	1,409	-	1,729	-
	<u>1,458</u>	<u>-</u>	<u>1,806</u>	<u>-</u>

Amount repayable after one year

	As at 31 Dec 2018		As at 30 Jun 2018	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance lease liabilities	26	-	30	-
Borrowings	5,042	-	5,242	-
	<u>5,068</u>	<u>-</u>	<u>5,272</u>	<u>-</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\$0.63 million as at 31 December 2018 (FY2018: 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\$1.64 million as at 31 December 2018 (FY2018: S\$1.77 million);
- c) Charges over the machinery, equipment and motor vehicles of certain of our subsidiaries with a total net carrying value of approximately S\$0.12 million as at 31 December 2018 (FY2018: S\$0.14 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 2018, fixed deposits amounting to S\$0.08 million (FY2018: S\$0.08 million) were pledged with financial institutions as securities for loans and credit facilities granted to the Group;
- f) Construction loan pertaining to the Singapore factory has been drawn down to S\$4.94 million (FY2018: S\$4.94 million) as at 31 December 2018 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. As at 31 December 2018, the net carrying amount of the leasehold lands and buildings are approximately S\$ 6.67 million (FY2018: S\$6.87 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 2018 to 31 Dec 2018 S\$'000	1 Jul 2017 to 31 Dec 2017 S\$'000
Cash flows from operating activities		
Profit before tax	580	273
Adjustments for:		
Depreciation of property, plant and equipment	489	572
Gain on disposal of property, plant and equipment	(16)	(4)
Interest expenses	145	137
Interest income	(1)	(2)
Inventories written down	56	99
Inventories written back	(51)	(72)
Inventories written off	-	2
Operating cash flows before working capital changes	1,202	1,005
Increase in inventories	(340)	(81)
Increase in receivables	(111)	(600)
Decrease in payables	(368)	(161)
Foreign translation adjustment of subsidiaries	6	40
Cash generated from operations	389	203
Interest income received	1	2
Income tax paid	(198)	(24)
Net cash generated from operating activities	192	181
Cash flows from investing activities		
Purchase of property, plant and equipment (Note A)	(103)	(86)
Proceeds from disposal of property, plant and equipment	20	4
Net cash used in investing activities	(83)	(82)

	The Group	
	1 Jul 2018 to 31 Dec 2018 S\$'000	1 Jul 2017 to 31 Dec 2017 S\$'000
Cash flows from financing activities		
Repayment of borrowings	(1,173)	(945)
Proceeds from banks	700	973
Interest paid	(145)	(137)
Net repayment of finance lease liabilities	(44)	(44)
Fixed deposits pledged with financial institutions	1	(2)
Proceeds from issuance of new shares, net of expenses	-	1,259
Net cash (used in)/generated from financing activities	<u>(661)</u>	<u>1,104</u>
Net (decrease)/increase in cash and cash equivalents	(552)	1,203
Cash and cash equivalents at beginning of the financial year	4,373	3,286
Effect of exchange rate changes on cash and cash equivalents	(29)	59
Cash and cash equivalents at end of the financial period	<u>3,792</u>	<u>4,548</u>
Cash and cash equivalents		
Fixed deposits	80	1,173
Cash at bank and in hand	3,792	4,548
	<u>3,872</u>	<u>5,721</u>
Less: Fixed deposits pledged with bank	(80)	(1,173)
Cash and cash equivalents at end of the financial period	<u>3,792</u>	<u>4,548</u>

Note A

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of S\$0.11 million (HY2018: S\$0.09 million) of which S\$ 0.01 million (HY2018: S\$0.03 million) was financed by means of finance lease. Cash payment of S\$0.10 million (HY2018: S\$0.06 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				
Opening balance as at 1 July 2018	11,025	22,963	(9,526)	(2,412)
Cumulative effect of adopting SFRS(I)	-	-	(2,619)	2,619
Opening balance at 1 July 2018 SFRS(I) Framework	11,025	22,963	(12,145)	207
Profit for the period	393	-	393	-
Other comprehensive loss for the period				
Currency translation differences	(200)	-	-	(200)
Total comprehensive income for the period	193	-	393	(200)
Balance at 31 December 2018	11,218	22,963	(11,752)	7
Opening balance as at 1 July 2017	10,367	21,704	(8,718)	(2,619)
Cumulative effect of adopting SFRS(I)	-	-	(2,619)	2,619
Opening balance at 1 July 2017 SFRS(I) Framework	10,367	21,704	(11,337)	-
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	(11,282)	167

	Equity, total S\$'000	Share capital S\$'000	Accumulated losses S\$'000
The Company			
Balance at 1 July 2018	16,701	22,963	(6,262)
Loss/Total comprehensive loss for the period	(423)	-	(423)
Balance at 31 December 2018	<u>16,278</u>	<u>22,963</u>	<u>(6,685)</u>
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	<u>13,941</u>	<u>22,963</u>	<u>(9,022)</u>

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

The Company did not issue any new capital during the six months financial period ended 31 December 2018.

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

	31 Dec 2018	30 Jun 2018
Total number of issued shares (excluding treasury shares)	<u>201,535,276</u>	<u>201,535,276</u>

The Company did not hold any treasury shares, subsidiary holdings or other convertibles as at 31 December 2018 and 30 June 2018.

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 Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial

reporting framework identical to the International Financial Reporting Standards in 2018. The Group has adopted the new financial reporting framework on 1 July 2018.

On the adoption the new financial reporting framework, the Group elected the option to deem cumulative translation differences for foreign operations to be zero on 1 July 2017, and accordingly, the gain or loss that will be recognized on a subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 July 2017. The Group has reclassified debit amount of \$2,619,000 foreign currency translation reserve to the opening retained earnings as at 1 July 2017.

Other than the adoption of the new standards that are effective on 1 January 2018, the adoption of the new financial reporting framework will have no material impact on the financial statements in the year of initial application.

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	
	6-months period ended 31 Dec 2018	6-months period ended 31 Dec 2017
Profits attributable to equity holders of the Company (S\$'000)	<u>393</u>	<u>55</u>
Weighted average ordinary share ('000) for calculation of:		
a) Basic earnings per share	<u>201,535</u>	<u>121,455</u>
b) Diluted earnings per share	<u>201,535</u>	<u>121,455</u>
Earnings per share (in cents)		
a) Based on weighted average number of ordinary shares in issue	<u>0.20</u>	<u>0.05</u>
b) On a fully diluted basis	<u>0.20</u>	<u>0.05</u>

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 weighted average number of shares for comparatives have been calculated 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 2018
The Group		
Net asset value per ordinary share (in cents)	<u>5.57</u>	<u>5.47</u>
The Company		
Net asset value per ordinary share (in cents)	<u>8.08</u>	<u>8.29</u>

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

Review of Consolidated Statement of comprehensive income (HY2019 vs. HY2018)

Revenue

For the financial period ended 31 December 2018 ("HY2019"), the Group registered a revenue of S\$10.68 million which was a decrease of S\$0.48 million from the previous corresponding financial period. The decrease was mainly due to impact from the disposal of the Company's indirect subsidiary, PT Hantong Precision Manufacturing Batam ("HPM") in June 2018.

Gross Profit

Gross profit increased from S\$2.40 million in HY2018 to S\$2.60 million in HY2019. The gross profit margin increased from 21.6% to 24.3%. The increased gross profit and gross profit margin was due to impact from the disposal of HPM in June 2018 and decrease in depreciation of property, plant and equipment during the current financial period compared to previous corresponding financial period.

Other Income

Other income in HY2019 consists of income from rental income (S\$0.32 million) and other miscellaneous income (S\$0.04 million). Other income has decreased from S\$0.44 million in HY2018 to S\$0.36 million in HY2019 was mainly due to decrease rental income collected from the space rented out during the current financial period.

Marketing Expenses

Marketing expenses decreased from S\$0.21 million in HY2018 to S\$0.20 million in HY2019 due to the impact from the disposal of HPM in June 2018.

Administrative and Other Expenses

Administrative expenses in HY2019 consist mainly of directors' remuneration and salary expenses (S\$1.09 million), depreciation charge (S\$0.50 million), land lease, office rental and property tax for Singapore factory (S\$0.16 million), office repairs and maintenance (S\$0.16 million), loss in foreign exchange (S\$0.02 million) and other miscellaneous expenses (S\$0.11 million). It has decreased from S\$2.23 million in HY2018 to S\$2.04 million in HY2019.

The decrease in administrative expenses was mainly due to decrease in directors' remuneration and salary expenses and the impact from the disposal of HPM in June 2018.

Finance Costs

Finance costs increased from S\$0.14 million in HY2018 to S\$0.15 million in HY2019. 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.

Tax Expense

The Group recorded a tax expense in HY2019 of S\$0.19 million compared to a tax expense of S\$0.22 million in HY2018. The decrease was mainly due to lower operating profits recorded by China and Slovak Republic subsidiaries.

Profit for the Period

Overall, the Group recorded a profit after tax of S\$0.39 million in HY2019 as compared to a profit after tax of S\$0.06 million from the previous corresponding financial period.

The results for the financial period ended 31 December 2018 is in line with the Company's profit guidance announcement on 25 January 2019.

Review of Consolidated Statement of financial position (HY2019 vs. FY2018)

Non-Current Assets

Property, plant and equipment decreased from S\$11.66 million as at 30 June 2018 ("FY2018") to S\$11.15 million as at 31 December 2018. This is mainly due to depreciation charge of S\$0.49 million for the financial period and translation difference of S\$0.14 million, offset by purchase of property, plant & equipment of S\$0.12 million.

Trade receivables decreased from S\$0.08 million as at 30 June 2018 to S\$0.01 million as at 31 December 2018. The decrease was mainly due to reclassification of accounts from non-current to current.

Current Assets

Trade receivables decreased from S\$5.49 million as at 30 June 2018 to S\$4.95 million as at 31 December 2018 due to higher collections from the customers during the current financial period reported. The average trade receivables turnover days of the group was 85 days (FY2018: 88 days).

Other receivables for HY2019 consist mainly of deposits and prepayments (S\$0.92 million) and other receivables (S\$0.01 million). It has increased from S\$0.40 million as at

30 June 2018 to S\$0.93 million as at 31 December 2018. The increase was mainly due to the increase in deposit placed with reference to the Company's announcement on 6 April 2018 in connection to the High Court judgement on the litigation case.

Current Liabilities

Trade payables decreased from S\$2.63 million as at 30 June 2018 to S\$2.19 million as at 31 December 2018. This is mainly due to more payments made to suppliers during the current financial period.

Other payables as at 31 December 2018 comprised mainly:

- a. Accrued expenses of S\$0.79 million mainly consist of accrued employee related expenses;
- b. Other creditors of S\$1.17 million (mainly construction cost of S\$0.90 million);
- c. Amount due to director of S\$0.29 million;
- d. Payable for adverse litigation judgement of S\$0.58 million; and
- e. Other of S\$0.20 million consisting of provision for directors' fees and rental and deposit received.

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, 6 April 2018 and 24 August 2018, the Malaysian Court had released its Judgement on 4 April 2018. The salient points of the judgement can be found at the Company's announcement dated 6 April 2018.

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

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

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

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.

ii) PT. PNBC Indonesia

Subsequent to the announcement dated 1 August 2018 relating to the receipt of legal notice, the Company wishes to update that the matter has been resolved

Finance Lease and Borrowings

Total borrowings for the Group decreased from S\$7.08 million as at 30 June 2018 to S\$6.53 million as at 31 December 2018. This was mainly due to the repayment of bank borrowing and finance lease during the financial period.

Review of Consolidated Statement of Cash Flows (HY2019 vs. HY2018)

For the financial year ended 31 December 2018, the Group had generated net cash inflow of S\$0.19 million from its operating activities as compared to net cash inflow of S\$0.18 million for HY2018.

The increase in net cashflow was due to the Group generated operating cash inflow before working capital changes of S\$1.20 million in HY2019, as compared to S\$1.00 million in HY2018 mainly due to profit before tax of S\$0.58 million in HY2019 as compared to profit before tax of S\$0.27 million in HY2018, as a result of increase in inventories of S\$0.34 million and receivables of S\$0.11 million, and decrease in payables of S\$0.37 million.

Net cash used in investing activities amounted to S\$0.08 million in HY2019 (HY2018: S\$0.08 million). The net cash flow used was mainly due to purchase of property, plant & equipment of S\$0.10 million, offset by the proceeds from disposal of property, plant and equipment of S\$0.02 million.

Net cash used in financing activities of approximately S\$0.66 million in HY2019 was mainly attributed by:

- a. proceeds from borrowings of S\$0.70 million;
- b. repayment of borrowings of S\$1.17 million;
- c. net repayment of finance lease liabilities of S\$0.04 million; and
- d. Interest payment of S\$0.15 million.

As a result of the above, the Group's cash and cash equivalent decreased from S\$4.55 million as at HY2018 to S\$3.79 million as at HY2019.

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 the operating conditions of the Group's remain competitive, while the general economic sentiment remained stable, the customers' orders remained constant to the Group. Nevertheless, the Group's expects the customer orders will be affected for the next 6 months due to operation shutdown for a week during festive periods.

In addition, the Group will evaluate the possibilities and streamlining its existing investments of the Company.

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/recommendeded, a statement to that effect and the reason(s) for the decision.

Due to the operating conditions faced by the Group, no dividend has been declared/recommended for the six-months financial period ended 31 December 2018.

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

The Group has not obtained a general mandate from the shareholders for interested person transactions. There were no interested party transactions 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 25 January 2019.

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 2018 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

Lim Fong Li Janet
Chief Executive Officer
1 February 2019

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