



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

**Full Year Financial Statement for the Year Ended  
30 June 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 year ended 30 June 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.**

	<b>The Group</b>	
	<b>30 June 2017 S\$'000</b>	<b>30 June 2016 S\$'000</b>
<b>Revenue</b>	21,167	25,618
Cost of sales	(17,349)	(21,897)
<b>Gross profit</b>	3,818	3,721
Other income	856	582
Marketing and distribution expenses	(548)	(774)
Administrative and other expenses	(5,933)	(7,265)
Finance costs	(277)	(287)
<b>Loss before tax</b>	(2,084)	(4,023)
Tax (expense)/credit	(13)	38
<b>Loss for the year</b>	(2,097)	(3,985)
<b>Other comprehensive loss</b>		
Currency translation differences arising on consolidation	293	(493)
<b>Total comprehensive loss for the year</b>	(1,804)	(4,478)
<b>Loss attributable to:</b>		
Equity holders of the Company	(2,097)	(3,985)
Non-controlling interests	-	-
<b>Loss for the year</b>	(2,097)	(3,985)
<b>Total comprehensive loss attributable to:</b>		
Equity holders of the Company	(1,804)	(4,478)
Non-controlling interests	-	-
	(1,804)	(4,478)

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

	<b>The Group</b>	
	<b>30 June 2017 S\$'000</b>	<b>30 June 2016 S\$'000</b>
Allowance for doubtful trade receivables	31	206
Allowance for doubtful trade receivables written back	(130)	(1)
Allowance for doubtful non-trade receivables written back	-	(21)
Amortisation of intangible assets	-	70
Audit fees paid/payable to		
- auditor of the Company	71	78
- other auditors	66	68
Bad trade debts written off	24	31
Depreciation of property, plant and equipment	895	2,349
Directors' fees paid/payable to non-executive directors of the Company	45	62
Gain on disposal of property, plant and equipment	-	(16)
(Gain)/loss on foreign exchange	(14)	63
Impairment loss on property, plant and equipment	93	56
Intangible asset written off	-	594
Interest income	(10)	(7)
Interest on borrowings and finance leases	277	287
Inventories written down	272	413
Inventories written back	(47)	(47)
Inventories written off	85	141
Property, plant and equipment written off	-	16
Staff costs	7,827	8,012
Overprovision for tax in prior years	(11)	(8)
Waiver of trade payables	-	3
Loss on disposal of a subsidiary	321	-

**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.**

	The Group		The Company	
	30 June 2017 S\$'000	30 June 2016 S\$'000	30 June 2017 S\$'000	30 June 2016 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	12,592	13,415	3	7
Intangible assets	-	-	-	-
Investments in subsidiaries	-	-	11,748	16,905
Trade receivables	226	369	-	-
	<u>12,818</u>	<u>13,784</u>	<u>11,751</u>	<u>16,912</u>
<b>Current assets</b>				
Inventories	2,409	3,021	-	-
Trade receivables	5,036	6,213	118	142
Other receivables and prepayments	515	698	20	111
Amounts due from subsidiaries	-	-	3,126	5,271
Available-for-sale financial asset	-	-	-	-
Cash and cash equivalents	4,458	5,702	1,051	1,551
	<u>12,418</u>	<u>15,634</u>	<u>4,315</u>	<u>7,075</u>
<b>Total assets</b>	<u>25,236</u>	<u>29,418</u>	<u>16,066</u>	<u>23,987</u>
<b>Non-current liabilities</b>				
Finance lease liabilities	71	101	-	-
Borrowings	5,552	5,988	-	-
Deferred tax liabilities	384	516	91	91
	<u>6,007</u>	<u>6,605</u>	<u>91</u>	<u>91</u>
<b>Current liabilities</b>				
Trade payables	2,607	3,317	1	6
Other payables	3,713	4,419	1,336	1,602
Amount due to subsidiaries	-	-	-	46
Finance lease liabilities	111	97	-	-
Borrowings	2,311	2,580	1,402	1,402
Income tax payable	18	28	11	11
Provision	101	200	-	-
	<u>8,861</u>	<u>10,641</u>	<u>2,750</u>	<u>3,067</u>
<b>Total liabilities</b>	<u>14,868</u>	<u>17,246</u>	<u>2,841</u>	<u>3,158</u>
<b>Net assets</b>	<u>10,368</u>	<u>12,172</u>	<u>13,225</u>	<u>20,829</u>

	The Group		The Company	
	30 June 2017 S\$'000	30 June 2016 S\$'000	30 June 2017 S\$'000	30 June 2016 S\$'000
<b>Equity</b>				
Share capital	21,704	21,704	21,704	21,704
Accumulated losses	(8,717)	(6,620)	(8,479)	(875)
Foreign currency translation reserve	(2,619)	(2,912)	-	-
Equity attributable to owners of the company	10,368	12,172	13,225	20,829
Non-controlling interests	-	-	-	-
<b>Total equity</b>	<b>10,368</b>	<b>12,172</b>	<b>13,225</b>	<b>20,829</b>

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

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

	As at 30 Jun 2017		As at 30 Jun 2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance lease liabilities	111	-	97	-
Borrowings	2,311	-	2,580	-
	<u>2,422</u>	<u>-</u>	<u>2,677</u>	<u>-</u>

**Amount repayable after one year**

	As at 30 Jun 2017		As at 30 Jun 2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Finance lease liabilities	71	-	101	-
Borrowings	5,552	-	5,988	-
	<u>5,623</u>	<u>-</u>	<u>6,089</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\$0.70 million as at 30 June 2017 (FY2016: S\$0.93 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\$1.96 million as at 30 June 2017 (FY2016: S\$2.27 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 30 June 2017 (FY2016: S\$0.46 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 30 June 2017, fixed deposits amounting to S\$1.17 million (FY2016: S\$1.72 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 as at 30 June 2017 (FY2016: S\$4.94 million) 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 30 June 2017, the net carrying amount of the leasehold lands and buildings are approximately S\$7.27 million (FY2016: S\$7.67 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.**

	<b>Group</b>	
	<b>30 June 2017 S\$'000</b>	<b>30 June 2016 S\$'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(2,084)	(4,023)
Adjustments for:		
Loss on disposal of a subsidiary	321	-
Depreciation on property, plant and equipment	895	2,349
Loss/(gain) on disposal of property, plant and equipment	3	(16)
Property, plant and equipment written off	-	16
Impairment loss on property, plant and equipment	93	56
Intangible assets written off	-	594
Amortisation of intangible assets	-	70
Inventory write down	272	413
Inventory write off	85	141
Inventory write back	(47)	(47)
Interest expenses	277	287
Interest income	(10)	(7)
Operating cash flows before working capital changes	(195)	(167)
Inventories	189	270
Receivables and prepayments	1,005	2,438
Payables	(620)	(25)
Foreign currency translation adjustment	22	13
Cash generated from operating activities	401	2,529
Interest received	10	7
Income tax paid	(128)	(135)
Net cash generated from operating activities	283	2,401
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (Note A)	(200)	(1,005)
Proceeds from disposal of property, plant and equipment	7	16
Proceeds from disposal of a subsidiary, net of cash disposed (Note B)	386	-
Repayment of outstanding consideration for the acquisition of a subsidiary	(600)	(400)
<b>Net cash used in investing activities</b>	(407)	(1,389)

	<b>Group</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2017</b>	<b>2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(1,894)	(1,564)
Proceeds from borrowings	1,266	1,400
Interest paid	(277)	(287)
Net repayment of finance lease liabilities	(133)	(200)
Fixed deposits pledged with financial institutions	513	2
<b>Net cash used in financing activities</b>	<b>(525)</b>	<b>(649)</b>
Net (decrease)/increase in cash and cash equivalents	(647)	363
Cash and cash equivalents at beginning of the financial year	3,978	3,774
Effect of exchange rate changes on opening cash and cash equivalents	(44)	(159)
Cash and cash equivalents at end of the financial year	<u>3,287</u>	<u>3,978</u>

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

	<b>Group</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2017</b>	<b>2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and cash equivalents		
Fixed deposits	1,171	1,724
Cash and bank balances	3,287	3,978
	<u>4,458</u>	<u>5,702</u>
Less : fixed deposits pledged with bank	(1,171)	(1,724)
	<u>3,287</u>	<u>3,978</u>

#### **Note A**

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S\$0.31 million (2016: S\$1.17 million) of which S\$0.11 million (2016: S\$0.11 million) was financed by means of finance lease, cash payment of S\$0.20 million (S\$1.05 million) was made to purchase property, plant and equipment.



**Note B**

During the current financial year, the Group disposed the entire issued share capital of Hantong Metal Component (KL) Sdn Bhd for RM 2.0 million (Approximately S\$0.64 million). the book values of net assets of subsidiary disposed were as follow;

	<b>FY2017</b> <b>S\$'000</b>
Property, plant and equipment	77
Inventory	112
Trade receivables	379
Deposit, prepayment and other receivables	73
Cash and cash equivalents	251
Trade payables	(254)
Other payables	(41)
<b>Net assets disposed of</b>	<b>597</b>
Net loss on disposal	(321)
Realisation of foreign currency translation reserve	361
<b>Sale proceeds</b>	<b>637</b>
Less: Bank balances and cash disposed	(251)
<b>Cash flow on disposal</b>	<b>386</b>

- (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.

	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	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Non- controlling interests S\$'000
<b>The Group</b>						
<b>Balance at 1 July 2016</b>	12,172	12,172	21,704	(6,620)	(2,912)	-
Loss for the year	(2,097)	(2,097)	-	(2,097)	-	-
<u>Other comprehensive loss:</u>						
Currency translation differences arising on consolidation	293	293	-	-	293	-
Total comprehensive loss for the year	(1,804)	(1,804)	-	(2,097)	293	-
<b>Balance at 30 June 2017</b>	10,368	10,368	21,704	(8,717)	(2,619)	-

	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 S\$'000	Foreign currency translatio n reserve S\$'000	
<b>The Group</b>						
<b>Balance at 1 July 2015</b>	16,650	16,650	21,704	(2,635)	(2,419)	-
Loss for the year	(3,985)	(3,985)	-	(3,985)	-	-
<u>Other comprehensive loss:</u>						
Currency translation differences arising on consolidation	(493)	(493)	-	-	(493)	-
Total comprehensive loss for the year	(4,478)	(4,478)	-	(3,985)	(493)	-
<b>Balance at 30 June 2016</b>	12,172	12,172	21,704	(6,620)	(2,912)	-

	<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 2016</b>	20,829	21,704	(875)
Loss and total comprehensive loss for the financial year	(7,604)	-	(7,604)
<b>Balance at 30 June 2017</b>	<u>13,225</u>	<u>21,704</u>	<u>(8,479)</u>

	<b>Equity, total S\$'000</b>	<b>Share capital S\$'000</b>	<b>Retained Earnings/ (Accumulated losses) S\$'000</b>
<b>The Company</b>			
<b>Balance at 1 July 2015</b>	22,101	21,704	397
Loss and total comprehensive loss for the financial year	(1,272)	-	(1,272)
<b>Balance at 30 June 2016</b>	<u>20,829</u>	<u>21,704</u>	<u>(875)</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 for the financial year ended 30 June 2017.

**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>30 June 2017</b>	<b>30 June 2016</b>
Total number of issued shares (excluding treasury shares)	<u>108,518,995</u>	<u>108,518,995</u>

The Company did not hold any treasury shares, subsidiary holdings or other convertibles as at 30 June 2017 and 30 June 2016.

**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 year ended 30 June 2017 as compared to the audited consolidated financial statements for the financial year ended 30 June 2016.

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.

	<b>The Group</b>	
	<b>30 June 2017</b>	<b>30 June 2016</b>
<b>Losses attributable to equity holders of the Company (S\$'000)</b>	<u>(2,097)</u>	<u>(3,985)</u>
<b>Loss per share (in cents)</b>		
a) Based on weighted average number of ordinary shares in issue	<u>(1.93)</u>	<u>(3.67)</u>
b) On a fully diluted basis	<u>(1.93)</u>	<u>(3.67)</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.

	<b>30 June 2017</b>	<b>30 June 2016</b>
<b>The Group</b>		
Net asset value per ordinary share – include non-controlling interests (in cents)	<u>9.55</u>	<u>11.22</u>
<b>The Company</b>		
Net asset value per ordinary share (in cents)	<u>12.19</u>	<u>19.19</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 for the Financial Year Ended 30 June 2017 ("FY2017") vs Financial Year Ended 30 June 2016 ("FY2016")**

**Revenue**

For FY2017, the Group registered a revenue of S\$21.17 million which was a decrease of S\$4.45 million from the previous corresponding financial year. The decrease was mainly due to decreased in demand of metal stamping and fabrication, toolings and also contributions in trading of clean room products.

**Gross Profit**

Our gross profit increased from S\$3.72 million in FY2016 to S\$3.82 million in FY2017. The gross profit margin also increased from 14.52% to 18.04% for the same period. The increased gross profit and profit margin was mainly due to lower depreciation expense recorded during the current financial year compared to the previous corresponding financial year as there was a revised depreciation rates for certain property, plant and equipment to be in line with their deteriorating usable conditions.

**Other Income**

Other income in FY2017 consists of income from rental income (S\$0.56 million), allowance for doubtful debts written back (S\$0.13 million), interest from fixed deposit and insurance claim of (S\$0.01 million), gain from forex (S\$0.01 million) and other miscellaneous income (S\$0.15 million). Other income has increased from S\$0.58 million in FY2016 to S\$0.86 million in FY2017 which was mainly attributed by:

- a. Increase in rental income in FY2017 due to full year rental income earned compared to FY2016 as a result of temporary occupancy permit ("TOP") issue which was obtained on 2 December 2015;
- b. Bad debts recovered from a trade related receivable; offset by
- c. Absence of miscellaneous income from HDB re-assignment fee; and
- d. Absence of gain from sale of machinery.

**Marketing Expenses**

Marketing expenses decreased from S\$0.77 million in FY2016 to S\$0.55 million in FY2017 was mainly due to decrease in sales commission paid/payable as a result of lower sales in FY2017 as compared to FY2016.

**Administrative and Other Expenses**

Administrative expenses in FY2017 consist mainly of directors' remuneration and salary expenses (S\$2.78 million), professional fees (S\$0.59 million), depreciation charge (S\$0.71 million), land lease, office rental and property tax for Singapore factory (S\$0.40 million), office repairs and maintenance (S\$0.27 million), printing & stationery (S\$0.06 million), travelling expenses (S\$0.08 million), allowance for doubtful debts (S\$0.04 million), telephone (S\$0.05 million), provision for inventory obsolescence (S\$0.28 million), loss on disposal of a subsidiary

(S\$0.32 million), impairment loss on property, plant and equipment (\$0.09 million) and other miscellaneous expenses (S\$0.25 million).

It has decreased from S\$7.27 million in FY2016 to S\$5.93 million in FY2017 mainly due to:

- a. Absence of intangible asset written off of S\$0.60 million;
- b. Absence of amortisation of intangible asset of S\$0.06 million;
- c. Absence of foreign exchange loss of S\$0.06 million;
- d. Decrease in staff costs of S\$0.10 million;
- e. Decrease in depreciation expenses from property, plant and equipment of S\$0.05 million;
- f. Decrease in professional fees of S\$0.26 million; and
- a. Decrease in allowance for doubtful debts of S\$0.19 million and other miscellaneous expenses;

### **Finance Costs**

Finance costs decrease from S\$0.29 million in FY2016 to S\$0.28 million in FY2017. The decrease was mainly due to decrease in interest on finance lease offset partially by the increase in the interest on bank borrowings as a result of increase in interest rate and proceeds from bank borrowings.

### **Tax (Expense)/Credit**

The increase in tax expense in current financial year was attributed to the income tax expenses incurred for certain profitable subsidiaries.

### **Loss for the Year**

Overall, the Group recorded a loss after tax of S\$2.09 million in FY2017 as compared to a loss after tax of S\$3.99 million in FY2016.

The results for the financial year ended 30 June 2017 is in line with the Company's profit guidance announcement on 17 August 2017.

## **Review of Consolidated Balance Sheet (FY2017 vs. FY2016)**

### **Company Level**

The investment in subsidiaries was decrease from S\$16.91 million in FY2016 to S\$11.75 million in FY2017. During the current financial year, the Company has increased share capital of S\$1.73 million in a Singapore subsidiary and disposal of a Malaysian subsidiary. The Management also performed an impairment test for its investment in subsidiaries. As a result of the assessment, the Management have made impairment loss in investment in Singapore subsidiaries of S\$6.66 million (FY2016: \$1.45 million) in view of the recoverable amount is below the carrying value, offset by the reversal of impairment loss on China subsidiary for S\$0.56 million.

### **Group Level**

#### **Non-Current Assets**

Property, plant and equipment decreased from S\$13.42 million as at 30 June 2016 to S\$12.59 million as at 30 June 2017. The decrease is mainly due to depreciation charge of S\$0.90 million, disposal of property, plant and equipment S\$0.04 million, disposal of a subsidiary of S\$0.08 million, impairment loss on property, plant and equipment of S\$0.09 million, translation difference of S\$0.03 million, offset by purchase of property, plant and equipment of S\$0.31 million during the current financial year.



Trade receivables decreased from S\$0.37 million as at 30 June 2016 to S\$0.23 million as at 30 June 2017. The decrease was mainly due to reclassification of accounts from non-current to current accounts.

### **Current Assets**

Inventories decreased by approximately S\$0.61 million as at 30 June 2017 after net of inventories written down. The decrease in inventory was mainly due to less purchases during the current financial year.

Trade receivables decreased from S\$6.21 million as at 30 June 2016 to S\$5.04 million as at 30 June 2017. 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 87 days (FY2016: 89 days).

Other receivables as at 30 June 2017 consist mainly of deposits and prepayments (S\$0.33 million), tax recoverable mainly from Malaysian and Slovakia tax authorities (S\$0.11 million) and other receivables (S\$0.06 million). The decrease was mainly due to the decrease in prepaid expenses and repayment of staff loans by the staffs during the current financial year.

### **Current Liabilities**

Trade payables decrease from S\$3.32 million as at 30 June 2016 to S\$2.61 million as at 30 June 2017. The decrease in trade payables was mainly due to less purchases of materials made caused lower demand from customers.

Other payables as at 30 June 2017 comprised mainly:

- a. Accrued expenses of S\$1.12 million, mainly accrued employee related expenses and other non-trade related expenses;
- b. Other creditors of approximately of S\$1.20 million (mainly construction cost of S\$0.90 million);
- c. Amount due to a director of approximately S\$0.77 million, which is unsecured, no interest bearing, and with no fixed terms of repayment. The amount due to a director was used for temporary cash management purpose of the Company and it does not affect the going concern of the Group;
- d. approximately S\$0.62 million for others consist of provision of withholding tax, provision for directors' fees and rental and deposit received.

The decreased of other payables from S\$4.42 million as at 30 June 2016 to S\$3.71 million as at 30 June 2017 was mainly due to payment to the seller for the acquisition of CFM Intrade Pte Ltd.

### **Finance Lease and Borrowings**

Total borrowings for the Group decreased from S\$8.77 million as at 30 June 2016 to S\$8.05 million as at 30 June 2017. This was mainly due to the repayment of the finance lease and borrowings during the current financial year.

### **Review of Consolidated Statement of Cash Flows (FY2017 vs. FY2016)**

For the financial year ended 30 June 2017, the Group had generated net cash inflow of S\$0.28 million from its operating activities as compared to net cash inflow of S\$2.40 million for FY2016.

The decrease in net cash flow was due to the Group generated operating cash outflow before working capital changes of S\$0.19 million in FY2017, as compared to cash outflow of S\$0.17 million in FY2016 mainly due to loss before tax of S\$2.08 million in FY2017 as compared to loss before tax of S\$4.02 million in FY2016. As a result of a decrease in inventories of S\$0.19

million, receivables of S\$1.00 million and payables of S\$0.63 million, the Group recorded a net cash generated from operating activities of S\$0.28 million in FY2017.

Net cash used in investing activities amounted to S\$0.41 million in FY2017 as compared to S\$1.39 million in FY2016. The net cash flow used was mainly for the purchase of property, plant & equipment of S\$0.20 million, repayment of outstanding consideration for the acquisition of a subsidiary but offset by proceeds from disposal of a subsidiary, net of cash disposed of S\$0.39 million and proceeds from disposal of property, plant and equipment S\$7,000.

Net cash used in financing activities of approximately S\$0.52 million in FY2017 was mainly attributed by:

- a. proceeds from borrowings of S\$1.27 million;
- b. Withdrawal of fixed deposit pledged with financial institutions; but offset by
- c. repayment of borrowings of S\$1.89 million;
- d. net repayment of finance lease liabilities of approximately S\$0.13 million; and
- e. Interest payment of S\$0.27 million.

As a result of the above, the Group's cash and cash equivalent decreased from S\$3.98 million as at FY2016 to S\$3.29 million as at FY2017.

**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.**

In view of the general market sentiments remained weak and on-going uncertainties in the global economy, the Management expects the business prospects to be challenging to the Group's core business .i.e. metal stamping and fabrication business. Therefore, the management will continue to monitor and tighten cost control over its operations and to constantly improve productivity.

In addition, the Group has evaluated the possibilities and streamlining its existing investments of the Company.

As announced on 3 August 2016, the Group had taken a step to withdraw its investment into Midsouth Camca Mexico.

As announced on 4 May 2016, the Group has completed the disposal of its wholly owned subsidiary, Hantong Metal Component (KL) Sdn Bhd to Easiyo Engineering Sdn Bhd.

The Company also had make an application to the Accounting and Corporate Regulatory Authority to have the name of CFM F&B struck-off from the register pursuant to Section 344A of the Companies Act, Cap. 50.

Further, after the attempts to approach the Embassy of Uzbekistan and the person in charge of CFM ProEnergies LLC, the Board after due deliberating and discussion, is in view that the subsidiary has been loss of control and not able to recover its investment or realise its investment to another party, decided to write off the investment in CFM ProEnergies LLC. The written off of CFM ProEnergies have no any material impact on the net tangible assets or earnings per share of the Company for the current financial year ended 30 June 2017.

Besides, the Group will also 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. As such, on 30 June 2017, the Company has announced to propose renounceable non-underwritten Rights Issue of up to 93,016,281 new ordinary shares in the capital of the Company.

#### Litigation Cases

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 and 5 February 2016, the Malaysian Court had on 23 May 2016 fixed the trial on 8 September 2017 and 26 September 2017. 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. As the date of this announcement, the outcome is still uncertain. The Company will keep the shareholders informed of the progress of the Claims and will make further announcements, when appropriate.

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/recommendeded for the financial year ended 30 June 2017.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**Operating segment – business segments**

	Metal Stamping		Tooling		Components and parts		Cleanroom products		Group	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Segment revenue										
Sales to external customers	17,318	20,308	1,277	2,467	297	269	2,275	2,574	21,167	25,618
Segmental result	(439)	(1,002)	90	(803)	126	173	137	74	(86)	(1,558)
Unallocated segment									(1,721)	(2,178)
Finance costs									(277)	(287)
Loss before tax									(2,084)	(4,023)
Income tax expense/(credit)									(13)	38
Loss after tax									(2,097)	(3,985)
Group Assets and Liabilities										
Segmental assets	21,622	24,224	725	369	436	1,408	1,254	1,672	24,037	27,673
Unallocated assets									1,199	1,745
Total assets									25,236	29,418
Segmental liabilities	4,400	4,946	343	373	34	670	307	345	5,084	6,334
Unallocated liabilities									9,784	10,912
Total liabilities									14,868	17,246

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**Operating segment – business segments (cont'd)**

	Metal Stamping		Tooling		Components and parts		Cleanroom products		Group	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Other segment information										
Amortisation of intangible assets	-	-	-	-	-	-	-	70	-	70
Intangible assets written off	-	-	-	-	-	-	-	594	-	594
Capital expenditure	251	1,073	35	-	-	-	23	44	309	1,117
Depreciation of property, plant and equipment	853	2,101	2	226	-	-	40	22	895	2,349
Impairment loss on property, plant and equipment	93	-	-	56	-	-	-	-	93	56
Property, plant and equipment written off	-	10	-	-	-	-	-	6	-	16

**Geographical information**

	Singapore		Malaysia		Japan		United States of America		Slovak Republic		Czech Republic		Netherlands		Others*		Group	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Sales to external customers	4,609	5,113	8,442	11,046	-	2,278	197	688	1,728	1,563	1,037	1,326	1,012	1,055	4,142	2,549	21,167	25,618
Non-current assets	7,777	8,252	2,984	3,497	-	-	-	-	1,950	1,924	-	-	-	-	107	111	12,818	13,784
Other geographical information																		
Capital expenditure	100	746	151	332	-	-	-	-	36	25	-	-	-	-	22	14	309	1,117

\* Other comprise Indonesia, Hong Kong, The People's Republic of China, Mexico, United Kingdom, Germany, Hungary, Romania and Austria.

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to note 8.

15. **A breakdown of sales.**

	<b>The Group</b>			
	<b>FY2017</b>	<b>FY2016</b>	<b>Changes</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Sales reported for the first half year	10,665	13,285	(2,620)	(19.7)
Loss after tax before deducting non-controlling interests reported for the first half year	(966)	(1,542)	576	37.4
Sales reported for second half year	10,502	12,333	(1,831)	(14.9)
Loss after tax before deducting non-controlling interests reported for the second half year	(1,131)	(2,443)	1,312	53.7

16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	<b>Latest Full Year</b>	<b>Previous Full Year</b>
	<b>S\$</b>	<b>S\$</b>
Ordinary Share	-	-
Preference Share	-	-

17. **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.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ip Kwok Wing	64	Husband of Ms Janet Lim Fong Li, CEO and substantial shareholder of the Company.	(i) Current Position: Executive Chairman (ii) Duties: Responsible for the strategic planning, expansion and growth of the Group (iii) Appointed Since: Year 2000	N.A.
Janet Lim Fong Li	60	Wife of Mr Ip Kwok Wing, Executive Chairman and substantial shareholder of the Company	(i) Current Position: Chief Executive Officer (ii) Duties: Responsible for overseeing the day-to-day operations, finance and overall management of the Group (iii) Appointed Since: Year 2000	N.A.
Kenneth Ip Yew Wa	33	Son of Mr Ip Kwok Wing (Executive Chairman and substantial shareholder of the Company) and Ms Janet Lim Fong Li (CEO and substantial shareholder of the Company)	(i) Current Position: Executive Director and General Manager of Hantong Metal Component (Penang) Sdn Bhd. (ii) Duties: Overall performance of Hantong Metal Component (Penang) Sdn Bhd (iii) Appointed Since: 8 July 2013	N.A.

19. **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.

**BY ORDER OF THE BOARD**

**Janet Lim Fong Li**  
**Chief Executive Officer**  
**25 August 2017**



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.  
Telephone number: 6221 0271