



**CMC INFOCOMM LIMITED
(THE “COMPANY”)**

(Incorporated in the Republic of Singapore under Registration Number 201506891C)

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 MAY 2016**

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (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.

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

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Background

CMC Infocomm Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) was listed on the Catalist Board (the “Catalist”) of the Exchange on 13 August 2015. The Company, is a regional integrated and innovative communications solutions and services provider with operations in Singapore, Thailand and the Philippines.

The Company was incorporated on 16 March 2015 under the Singapore Companies Act as a private limited company under the name of CMC Infocomm Pte. Ltd. The Company was incorporated pursuant to the restructuring exercise (“**Restructuring Exercise**”) as disclosed in the Company’s offer document dated 31 July 2015 (the “**Offer Document**”). On 14 July 2015, the Company was converted to a public limited company and changed its name to CMC Infocomm Limited. Please refer to the Offer Document for further details on the Restructuring Exercise.

For the purpose of this announcement, the consolidated financial statements result of the Group for the financial year ended 31 May 2016 (“**FY2016**”) and the comparative financial statements result of the Group for the financial year ended 31 May 2015 (“**FY2015**”) have been prepared on the assumption that the Group’s structure, following the completion of the Restructuring Exercise, had been in place or in existence since 1 June 2014.

PART 1 – INFORMATION REQUIRED FOR HALF YEAR AND FULL-YEAR ANNOUNCEMENTS

1(a)(i) A consolidated statement of comprehensive income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

	Group		
	Financial Year Ended 31 May		
	2016	2015	Change
	S\$'000	S\$'000	%
	(Unaudited)	(Unaudited)	
Revenue	18,217	16,321	11.6
Cost of sales	(13,567)	(12,052)	12.6
Gross profit	4,650	4,269	8.9
Other income	247	91	171.4
Interest income	13	4	225.0
Other operating expenses	(1,687)	(1,206)	39.9
Administrative expenses	(4,570)	(3,021)	51.3
Finance costs	(118)	(27)	337.0
(Loss)/profit before tax	(1,465)	110	N.M
Income tax expenses	(32)	(296)	(89.2)
Loss net of tax	(1,497)	(186)	704.8
Loss attributable to owners of the Company, net of tax	(1,497)	(186)	704.8
Other comprehensive income:			
<u>Items that will not be reclassified to profit or loss</u>			
Actuarial (losses)/gains on measurements of post-employment benefit plan, net of tax	(29)	3	N.M
<u>Items that may be reclassified subsequently to profit or loss</u>			
Currency translation differences	(153)	180	N.M
Total comprehensive income for the year	(1,679)	(3)	N.M
Total comprehensive income attributable to owners of the Company	(1,679)	(3)	N.M

N.M. - Not Meaningful

1(a)(ii) Notes to the consolidated statement of comprehensive income

The Group's (loss)/profit before tax was arrived at after charging/(crediting) the following:

	Group		
	Financial Year Ended 31 May		
	2016	2015	Change
	S\$'000	S\$'000	%
	(Unaudited)	(Unaudited)	
Amortisation of intangible assets	639	641	-0.3
Depreciation of property, plant and equipment	252	232	8.6
Employee benefit expenses	2,687	1,494	79.9
Foreign exchange loss/(gain)	41	(85)	N.M
Interest expense	118	27	337.0
Interest income	(13)	(4)	225.0
Loss from disposal of property, plant and equipment	9	-	N.M
Rental of office premise, warehouse and equipment	349	315	10.8
Provision for doubtful debts	176	39	351.3
Write-back of provision for doubtful debts	(8)	-	N.M
IPO related expenses*	998	600	66.3

N.M – Not Meaningful

* Relating to one-off professional fees incurred for the initial public offering ("IPO") exercise.

The major components of income tax expenses were:

	Group		
	Financial Year Ended 31 May		
	2016	2015	Change
	S\$'000	S\$'000	%
	(Unaudited)	(Unaudited)	
Consolidated income statement:			
Current income tax			
- Current income taxation	94	286	(67.1)
- Under provision in prior year	4	8	(50.0)
	98	294	(66.7)
Deferred income tax			
- (Reversal)/origination of temporary differences	(81)	*	N.M
- Under provision in respect of prior year	15	2	650.0
	(66)	2	N.M
Income tax expense recognised in profit or loss	32	296	(89.2)
Statement of other comprehensive income:			
Deferred tax (credit)/expense related to other comprehensive income:			
- Post employment benefit obligation	(11)	1	N.M
	(11)	1	N.M

*denotes amounts less than \$1,000

N.M – Not Meaningful

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.

Statement of Consolidated Financial Position

	Group As at		Company As at	
	31 May 2016 S\$'000 (Unaudited)	31 May 2015 S\$'000 (Unaudited)	31 May 2016 S\$'000 (Unaudited)	31 May 2015 S\$'000 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	957	513	4	–
Intangible asset	3,193	3,844	–	–
Investment in subsidiaries	–	–	11,121	–
Deferred tax assets	155	50	–	–
Restricted bank deposits	19	60	–	–
Deposits	43	16	–	–
Total non-current assets	4,367	4,483	11,125	–
Current assets				
Gross amount due from customers for contracts work-in-progress	4,857	3,678	–	–
Trade and other receivables	7,261	5,398	25	95
Amounts due from subsidiaries	–	–	390	–
Cash and bank balances	5,210	2,711	3,200	–
Total current assets	17,328	11,787	3,615	95
Total assets	21,695	16,270	14,740	95
EQUITY AND LIABILITIES				
Current liabilities				
Gross amount due to customers for contracts work-in-progress	794	518	–	–
Trade and other payables	6,138	4,520	405	752
Amounts due to shareholders and related companies	136	396	136	–
Shareholder's loan	1,148	–	1,148	–
Amounts due to subsidiary companies	–	–	475	–
Loan and borrowings	618	–	–	–
Provision for tax	287	381	–	–
Total current liabilities	9,121	5,815	2,164	752
Net current assets/(liabilities)	8,207	5,972	1,451	(657)
Non-current liabilities				
Deferred tax liabilities	30	–	–	–
Shareholder's loan	351	–	351	–
Employee benefit liabilities	194	118	–	–
Total non-current liabilities	575	118	351	–
Total liabilities	9,696	5,933	2,515	752
Net assets/(liabilities)	11,999	10,337	12,225	(657)

Statement of Consolidated Financial Position (Cont'd)

	Group		Company	
	As at		As at	
	31 May 2016	31 May 2015	31 May 2016	31 May 2015
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Equity attributable to owners of the Company				
Share capital	14,542	804	14,542	*
Retained earnings/(accumulated losses)	5,986	7,512	(2,317)	(657)
Reserves	(8,529)	2,021	–	–
Total equity	11,999	10,337	12,225	(657)
Total equity and liabilities	21,695	16,270	14,740	95

*denotes amounts less than \$1,000

1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debts securities, specify the following at the end of the financial period reported on with comparative figures at the end of the immediately preceding financial year:

Amount repayable by the Group in one year or less, or on demand

As at 31 May 2016		As at 31 May 2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	SS\$'000	S\$'000
618	1,148	–	–

Account repayable after one year

As at 31 May 2016		As at 31 May 2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	SS\$'000	S\$'000
–	351	–	–

As at 31 May 2016, the Group's borrowings comprised:

- (i) project financing from bank secured by a fixed charge over certain trade receivables of a subsidiary and corporate guarantee provided by the Company, and
- (ii) unsecured and interest bearing shareholder's loan from TEE International Limited that was novated pursuant to the Restructuring Exercise.

1(c) **A statement of cash flow (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Cash Flows

	Group	
	Financial Year Ended 31 May 2016 S\$'000 (Unaudited)	Financial Year Ended 31 May 2015 S\$'000 (Unaudited)
Operating activities:		
(Loss)/profit before tax	(1,465)	110
Adjustments for:		
Depreciation of property, plant and equipment	252	232
Loss on disposal of property, plant and equipment	9	–
Amortisation of intangible asset	639	641
Provision for doubtful debts	176	39
Write-back of provision for doubtful debts	(8)	–
Interest expense on borrowings	118	27
Exchange (gain)/loss	(74)	134
Interest income	(13)	(4)
Payment of IPO related expenses	998	600
Employee benefit liabilities	52	20
Total adjustments	2,149	1,689
Operating cash flows before changes in working capital	684	1,799
Changes in working capital:		
(Increase)/decrease in gross amount due from customers for contracts work-in-progress	(1,179)	89
(Increase)/decrease in trade and other receivables	(1,683)	356
Increase/(decrease) in gross amount due to customers for contracts work-in-progress	276	(1,840)
Increase in trade and other payables	1,618	1,621
Total changes in working capital	(968)	226
Cash flows (used in)/from operations	(284)	2,025
Interest received	13	4
Interest paid	(118)	(27)
Taxes paid	(192)	(150)
Net cash flows (used in)/generated from operating activities	(581)	1,852
Financing activities:		
Proceeds from bank borrowings	618	–
Repayment of shareholder's loan	(1,129)	–
Placement of pledged deposits	(85)	–
Proceeds from issuance of shares pursuant to the IPO	6,000	–
Payment of IPO related expenses	(1,326)	(696)
Decrease in amounts due to related companies	(440)	(48)
Increase in amount due to shareholder	100	–
Net cash flows generated from/(used in) financing activities	3,738	(744)

Consolidated Statement of Cash Flows (Cont'd)

	Group	
	Financial Year Ended 31 May 2016 \$'000 (Unaudited)	Financial Year Ended 31 May 2015 \$'000 (Unaudited)
Investing activities:		
Purchase of property, plant and equipment	(710)	(220)
Withdrawal of deposits pledged with bank	33	215
Incorporation of immediate holding company	–	2
Net cash flows used in investing activities	(677)	(3)
Net increase in cash and cash equivalents	2,480	1,105
Effects of exchange rate changes on cash and cash equivalents	(66)	45
Cash and cash equivalents at 1 June	2,711	1,561
Cash and cash equivalents as at 31 May (Note A)	5,125	2,711

Notes to Consolidated Statements of Cash Flows:

A) Cash and cash equivalents comprised of the following:

Cash and bank balances	5,210	2,711
Less: Pledged bank deposit	(85)	–
Cash and cash equivalents	5,125	2,711

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.

	Share capital \$'000	Preference shares \$'000	Merger reserves \$'000	Foreign currency translation reserve \$'000	Retained Earnings \$'000	Other reserves \$'000	Total Reserves \$'000	Total Equity \$'000
Group								
At 1 June 2015	726	78	–	76	7,512	1,945	9,533	10,337
Loss for the year	–	–	–	–	(1,497)	–	(1,497)	(1,497)
Other comprehensive income								
Actuarial losses on measurement of post-employment benefit plan, net of tax	–	–	–	–	(29)	–	(29)	(29)
Currency translation difference	–	–	–	(153)	–	–	(153)	(153)
Total comprehensive income	–	–	–	(153)	(1,526)	–	(1,679)	(1,679)
Adjustment arising from Restructuring Exercise	8,239	(78)	(10,397)	–	–	–	(10,397)	(2,236)
Share issued pursuant to initial public offering	6,000	–	–	–	–	–	–	6,000
Capitalisation of IPO related expenses	(423)	–	–	–	–	–	–	(423)
At 31 May 2016	14,542	–	(10,397)	(77)	5,986	1,945	(2,543)	11,999
At 1 June 2014	726	78	–	(104)	7,695	1,945	9,536	10,340
Profit for the year	–	–	–	–	(186)	–	(186)	(186)
Other comprehensive income								
Actuarial gains on measurement of post-employment benefit plan, net of tax	–	–	–	–	3	–	3	3
Currency translation difference	–	–	–	180	–	–	180	180
Total comprehensive income	–	–	–	180	(183)	–	(3)	(3)
At 31 May 2015	726	78	–	76	7,512	1,945	9,533	10,337

	Equity total \$'000	Share capital \$'000	Accumulated losses \$'000
Company			
At 31 May 2015	(657)	*	(657)
Loss for the year, representing total comprehensive income	(1,660)	–	(1,660)
Adjustment arising from Restructuring Exercise	8,965	8,965	–
Share issued pursuant to initial public offering	6,000	6,000	–
Capitalisation of IPO related expenses	(423)	(423)	–
At 31 May 2016	12,225	14,542	(2,317)
At 16 March 2015 (Date of Incorporation)	*	*	–
Loss for the year, representing total comprehensive income	(657)	–	(657)
At 31 May 2015	(657)	*	(657)

*denotes amounts less than \$1,000

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

	Number of Shares Issued	Paid-up Capital (S\$)
As at 30 November 2015 and 31 May 2016	152,000,000	14,542,370

As at 31 May 2016 and 31 May 2015, the Company did not have outstanding options, convertibles and treasury shares.

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.

	As at 31 May 2016	As at 31 May 2015
Total number of issued shares (excluding treasury shares)	152,000,000	2

Company did not have any treasury shares as at 31 May 2016 and 31 May 2015.

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

Not applicable. The Company did not have any treasury shares at the beginning and end of the financial period.

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 the Company's 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 Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period compared to its annual financial statements for the financial period ended 28 February 2015, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 June 2015.

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, and the effect of the change.

The Group has adopted new and revised Singapore Financial Reporting Standards ("SFRS") and interpretations of SFRS applicable to the Group which are effective for the financial year beginning 1 June 2015. These are not expected to have a material impact on the Group's financial statements.

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

	Group	
	31 May 2016 (Unaudited)	31 May 2015 (Unaudited)
Loss attributable to owners of the Company used in the computation of basic earnings per shares (\$'000)	(1,497)	(186)
(a) Basic earnings per share (cents)	<u>(0.98)</u>	<u>(0.12)</u>
(b) Diluted earnings per share (cents)	<u>(0.98)</u>	<u>(0.12)</u>
Weighted average number of ordinary shares in issue for computation of basic earnings per share ('000)	<u>152,000</u>	<u>152,000</u>
Weighted average number of ordinary shares for computation of diluted earnings per share ('000)	<u>152,000</u>	<u>152,000</u>

As at 31 May 2016 and 2015, the Company did not have any dilutive instruments. Hence, the basic and diluted earnings per share for both periods under review are the same. For illustrative and comparative purposes, the earnings per share for respective periods have been computed based on the net profit attributable to owners of the Company and the Company's post-IPO share capital of 152,000,000 shares.

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	31 May 2016 (Unaudited)	31 May 2015 (Unaudited)	31 May 2016 (Unaudited)	31 May 2015 (Audited)
Net assets (S\$'000)	<u>11,999</u>	<u>10,337</u>	<u>12,225</u>	<u>(657)</u>
Number of ordinary shares used in calculating net asset value per ordinary share ('000)	<u>152,000</u>	<u>152,000⁽¹⁾</u>	<u>152,000</u>	<u>152,000⁽¹⁾</u>
Net asset value per ordinary share attributable to owners of the Company (cents)	<u>7.9</u>	<u>6.8⁽¹⁾</u>	<u>8.0</u>	<u>(0.4)⁽¹⁾</u>

⁽¹⁾ For illustrative and comparative purposes, the net asset value per share has been computed based on the net asset attributable to owners of the Company and the Company's post-IPO share capital of 152,000,000 shares.

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 the Group's Consolidated Statement of Comprehensive Income

Revenue, cost of sales and gross profit

The Company recorded higher revenue of S\$18.2 million in the financial year ended 31 May 2016 as compared to S\$16.3 million for the financial year ended 31 May 2015 by 11.6% mainly due to higher revenue contribution from its subsidiaries in Singapore and the Philippines arising from In-Building Coverage ("IBC") projects. The Group completed its first billing for its S\$5.4 million project in Changi Terminal 2 for which work commenced in 2015.

The increase in revenue was partially offset by a drop in revenue contribution from the Company's Thai subsidiary mainly due to a delay in commencement of projects as the customers were focusing on upgrading their existing systems to cater for the new technologies to be installed for them.

Cost of sales increased by 12.6% from S\$12.1 million in FY2015 to S\$13.6 million in FY2016 which is in line with the increase in revenue. This was mainly due to higher sub-contracting costs incurred when delivering projects on hand.

Gross profit increased by 8.9% from S\$4.3 million in FY2015 to S\$4.7 million in FY2016 in line with the increase in revenue. Gross profit margin decreased from 26.2% in FY2015 to 25.5% in FY2016 mainly due to lower margin contributed from some projects as a result of increased competitiveness in the industry and tougher market conditions in Singapore, Thailand and the Philippines.

Other and interest income

The increase in other income of 171.4% was mainly due to higher rebates received from the Wage Credit Scheme in Singapore, the write-back of long outstanding overpayments by customers and unused warranty provision in the Philippines.

Interest income comprised interest received from bank deposits.

Other operating expenses

Other operating expenses comprised foreign exchange gains and losses, one-off IPO related expenses, amortisation of intangible assets and also loss on disposal of property, plant and equipment ("PPE"). The increase in other operating expenses by 39.9% was mainly due to higher IPO related expenses incurred during the year.

Administrative expenses

Administrative expenses comprised depreciation, printing cost, staff cost, insurance, rental, utilities, professional fees etc.

The increase in administrative expenses of 51.3% from S\$3.0 million in FY2015 to S\$4.6 million in FY2016 was largely due to an increase in overhead expenses which comprised mainly payroll expenses due to additional headcount to support the execution of the Group's expansion plan into new and complementary businesses in Singapore, Malaysia and the Philippines.

Finance costs

Finance costs increased by S\$0.1 million or 337.0% from S\$0.03 million in FY2015 to S\$0.12 million in FY2016. This was mainly due to the interest of S\$0.1 million paid for the shareholder's loan and also the interest of S\$0.02 million incurred for project financing which was obtained for the Group's project in Singapore. This was partially offset by the absence of interest expense paid to the Group's related company for their loan in FY2015.

Taxation

Income tax expenses for FY2016 was lower than FY2015 mainly due to higher capital allowances and claims under the Productivity and Innovation Credit Scheme from the Company's Singapore office due to the change of office premises and also on the purchase of certain testing equipment to be used for its outdoor drive-test project.

In addition, the Group had a lower taxable position in the Philippines as a result of net losses due to higher payroll and professional expenses as its strengthened the management team in the Philippines.

Review of the Group's Statement of Consolidated Financial Position

Non-current assets

The decrease in non-current assets by 2.6% from S\$4.5 million as at 31 May 2015 to S\$4.4 million as at 31 May 2016 was mainly due to the decrease in the carrying value of the intangible assets attributable to the amortisation charges of S\$0.6 million for the financial year, partially offset by the increase in the net book value of PPE by S\$0.4 million and increase in deferred tax assets by S\$0.1 million.

Net book value of PPE increased due to purchase of PPE of S\$0.7 million, offset by S\$0.3 million of depreciation. The purchase was mainly due to the Company's office move in Singapore to cater for business expansion and also to streamline the equipment and materials storage and also on the purchase of certain testing equipment to be used for its projects.

Current assets

Current assets increased by 47.0% from S\$11.8 million as at 31 May 2015 to S\$17.3 million as at 31 May 2016. This was attributable to higher gross amount due from customers for contracts work-in-progress mainly due to Changi Terminal 2 project as a result of higher project costs incurred but yet to be billed to the customers as at 31 May 2016.

Trade and other receivables increased by 34.5% from S\$5.4 million as at 31 May 2015 to S\$7.3 million mainly due to higher amount of retention sums not yet due and higher accrued income from IBC projects in Singapore and Thailand. Cash and cash equivalents increased due to the proceeds from IPO.

The increase in trade and other receivables as well as cash and cash equivalents contributed to higher current assets as at 31 May 2016 as well.

Current liabilities

Current liabilities increased by 56.9% from S\$5.8 million as at 31 May 2015 to S\$9.1 million as at 31 May 2016. This was partly due to the novation of shareholder's loan and the acceptance of project financing.

Trade and other payables also increased mainly due to higher outstanding invoices due to suppliers and other payables as at 31 May 2016 as a result of more work done for the Group's IBC projects in Singapore.

Non-current liabilities

Non-current liabilities increased by 387.3% from S\$0.1 million as at 31 May 2015 to S\$0.6 million as at 31 May 2016 mainly due to the novation of shareholder's loan.

Share capital and reserves

The increase in share capital was due to the Restructuring Exercise and the issue of new shares pursuant to the IPO. The decrease in reserves was due to the adjustments made pursuant to the Restructuring Exercise and current year losses.

Review of the Group's Statement of Cash Flows

In FY2016, net cash flows used in operating activities amounted to S\$0.6 million mainly due to operating cash outflows before changes in working capital of S\$0.7 million, an increase in gross amount due from customers for contracts work-in-progress of S\$1.2 million and an increase in trade and other receivables of S\$1.7 million. The increase in gross amount due from customers for contracts work-in-progress was mainly due to our work in the Changi Terminal 2 project for which our cost incurred is currently higher than our billings, offset by an increase in trade and other payables of S\$1.6 million.

In addition, the Group received and paid interests of S\$0.01 million and S\$0.1 million respectively. Income tax paid in FY2016 amounted to S\$0.2 million.

Net cash flows generated from financing activities amounted to S\$3.8 million. This was mainly due to proceeds of S\$6.0 million received from the issuance of shares pursuant to the IPO of which S\$0.6 million was used for the repayment of shareholder's loan and payment of professional fees incurred in relation to the IPO of S\$1.38 million. During the year, the Group also made further repayment of amounts due to shareholder and related companies and obtained project financing of S\$0.6 million.

Net cash flows used in investing activities amounted to S\$0.7 million due to renovation cost, purchases of tools and testing equipment and office equipment, partially offset by the withdrawal of deposits pledged with bank of S\$0.03 million.

As a result of the above, there was a net increase of S\$2.5 million in cash and cash equivalents. As at 31 May 2016, the Group's cash and cash equivalents amounted to S\$5.1 million.

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

The Company had, in the Offer Document, stated that it intended to declare and distribute dividends of at least 20.0% of net profit after tax for FY2016 to shareholders of the Company. However, after taking into consideration the Group's loss attributable to owners of the Company for FY2016, the Board is proposing that no dividend to be declared in respect of FY2016.

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.

Since its listing in August 2015, the Group has embarked on its plans to expand from its core IBC business and is actively looking for opportunities to expand through organic growth or acquisitions. The Group has also formed a joint venture to tap on new market opportunities

arising from the Philippines, which is one of the fastest growing economy among the Southeast Asia countries.

Over the last year, the Group has laid the platform for growth. Going forward, the Group see three main growth drivers: 1) Securing larger-scale projects; 2) Strengthening regional growth; and 3) Expansion into new and complementary businesses.

The Group will continue its effort in marketing to its existing customers based in Singapore, Thailand and the Philippines, as well as in delivering its existing projects expeditiously. The Group remains cautious amid the prevailing economic uncertainties and will be selective in pursuing projects and investment opportunities as part of its expansion plan into new and complementary businesses in Singapore, Thailand, Malaysia and the Philippines.

11. If a decision regarding dividend has been made:

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

No dividends have been declared or recommended for FY2016.

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

Not applicable.

(b)(ii) Previous corresponding period

No dividends were declared or recommended in the previous corresponding period.

(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) The date on which Registrable Transfers received by the company (up to 5:00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended for FY2016.

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

The Group does not have a general mandate from shareholders for interested person transactions.

14. Updates on use of IPO proceeds

As of the date of this announcement, the utilisation of the Group's IPO net proceeds is set out as below:

	Amount allocated (as stated in Offer Document) S\$'million	Amount used as at the date of this announcement S\$'million	Balance of net proceeds as at the date of this announcement S\$'million
(a) Expansion of business operations	3.20	0.18	3.02
(b) Repayment of amount owing to TEE International	0.60	0.60	-
(c) General corporate and working capital requirements	0.18	0.18 ⁽¹⁾	-
Total	3.98	0.96	3.02

⁽¹⁾ Breakdown of the general and corporate working capital requirements:

	\$'000
Professional fees	117
Employee benefit expenses for the Company	23
Sundry expenses	40
	180

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H under Rule 720(1))

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

Part II Additional Information Required for Full Year Announcement

16. Segmented revenue and results for operating 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.

Business segment information

For management purposes, the Group is organised into operating segments based on their geographical locations in Singapore, Thailand, the Philippines and Malaysia.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

2016

Geographical Information

	Singapore \$'000	Thailand \$'000	The Philippines \$'000	Malaysia \$'000	Adjustment & Elimination \$'000	Consolidated Group Total \$'000
Revenue						
External customers	12,927	3,538	1,752	–	–	18,217
Gross profit	3,130	979	541	–	–	4,650
Segment results						
Operating (loss)/ profit	(435)	81	(338)	(3)	(665)	(1,360)
Interest income						13
Finance costs						(118)
Loss before taxation						(1,465)
Income tax expenses						(32)
Loss for the year						(1,497)
Other Information						
Segment assets	25,517	2,923	3,037	3	(9,785)	21,695
Segment liabilities	8,432	892	1,772	6	(1,406)	9,696
Net assets	17,085	2,031	1,265	(3)	(8,379)	11,999
Additional Information						
Provision for doubt debt	42	–	134	–	–	176
Write-back of provision for doubtful debts	(8)	–	–	–	–	(8)
Depreciation of property, plant & equipment	148	63	41	–	–	252
Amortisation of intangible asset	–	–	–	–	639	639
Purchase of property, plant & equipment	500	133	77	–	–	710

Information about major customers

Revenue from one major customer in Singapore contributed 55.3% (31-May-15: 46.8%) of the total revenue of the Group.

2015

Geographical Information

	Singapore \$'000	Thailand \$'000	The Philippines \$'000	Adjustment & Elimination \$'000	Consolidated Group Total \$'000
Revenue					
External customers	10,299	4,641	1,381	–	16,321
Gross profit	2,237	1,342	690	–	4,269
Segment results					
Operating profit/(loss)	116	491	167	(641)	133
Interest income					4
Finance costs					(27)
Profit before taxation					110
Income tax expenses					(296)
Loss for the year					(186)
Other Information					
Segment assets	7,179	3,324	3,267	2,500	16,270
Segment liabilities	4,017	1,269	1,647	(1,000)	5,933
Net assets	3,162	2,055	1,620	3,500	10,337
Additional Information					
Provision for doubtful debt	39	–	–	–	39
Depreciation of property, plant & equipment	134	55	43	–	232
Amortisation of intangible asset	–	–	–	641	641
Purchase of property, plant & equipment	185	17	18	–	220

Information about major customers

Revenue from one major customer in Singapore contributed 46.8% (31 May 2014: 36.2%) of the total revenue of the Group.

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8.

18. A breakdown of sales and operating profit after tax are as follows:

	Group		
	Financial Year Ended 31 May		
	2016	2015	Increase/ (decrease)
	\$'000	\$'000	%
	(Unaudited)	(Unaudited)	
a) Revenue			
- first half year	7,970	9,009	(11.5)
- second half year	10,247	7,312	40.1
	18,217	16,321	11.6
b) Operating (loss)/ profit after tax			
- first half year	(1,591)	477	N.M
- second half year	94	(663)	N.M
	(1,497)	(186)	704.8

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows: —

No dividend has been declared or paid by the Company for FY2016 and FY2015.

20. 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.

Pursuant to Rule 704(10) of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in CMC Infocomm Limited or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

On behalf of the Board of Directors

Phua Cher Chuan
Chief Executive Officer
and Executive Director

Hazwan Alif Bin Abdul Rahman
Executive Director

27 July 2016