



**CMC INFOCOMM LIMITED**  
**(THE "COMPANY")**

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

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**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE  
FINANCIAL YEAR ENDED 31 MAY 2017**

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*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.*

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**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**

	<b>Group</b>		
	<b>Financial Year Ended</b>		
	<b>31 May 2017</b>	<b>31 May 2016</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue	14,238	18,217	-21.8
Cost of sales	(10,864)	(13,567)	-19.9
<b>Gross profit</b>	<b>3,374</b>	<b>4,650</b>	<b>-27.4</b>
Other income	124	247	-49.8
Interest income	15	13	15.4
Other operating expenses	(3,146)	(1,687)	86.5
Administrative expenses	(4,586)	(4,570)	0.4
Finance costs	(111)	(118)	-5.9
<b>Loss before tax</b>	<b>(4,330)</b>	<b>(1,465)</b>	<b>195.6</b>
Income tax credit/(expenses)	8	(32)	N.M
<b>Loss attributable to owners of the Company, net of tax</b>	<b>(4,322)</b>	<b>(1,497)</b>	<b>188.7</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial gains/(losses) on measurements of post-employment benefit plan, net of tax	9	(29)	N.M
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences	54	(153)	N.M
<b>Total comprehensive income for the year attributable to owners of the Company</b>	<b>(4,259)</b>	<b>(1,679)</b>	<b>153.7</b>

N.M – Not Meaningful

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

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

	<b>Group</b>		
	<b>Financial Year Ended</b>		
	<b>31 May 2017</b>	<b>31 May 2016</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Amortisation of intangible assets	641	639	0.3
Impairment of intangible assets	2,385	–	N.M
Depreciation of property, plant and equipment	358	252	42.1
Employee benefit expenses	2,489	2,687	-7.4
Foreign exchange loss	9	41	-80.5
Interest expense	111	118	-5.9
Interest income	(15)	(13)	15.4
Loss from disposal of property, plant and equipment	6	9	-33.3
Rental of office premise, warehouse and equipment	364	349	4.3
Impairment of investment in joint venture	42	–	N.M
Impairment of notes receivable	63	–	N.M
Allowance for doubtful debts	45	176	-74.4
Write-back of allowance for doubtful debts <sup>(1)</sup>	(64)	(8)	700.0
IPO related expenses <sup>(2)</sup>	–	998	N.M

<sup>(1)</sup> Relating to write-back of allowance for doubtful debts in Singapore and the Philippines for which the corresponding amounts have already been collected.

<sup>(2)</sup> Relating to one-off professional fees incurred for the initial public offering (“IPO”) exercise in the previous financial year.

The major components of income tax expenses were:

	<b>Group</b>		
	<b>Financial Year Ended</b>		
	<b>31 May 2017</b>	<b>31 May 2016</b>	<b>Change</b>
	S\$'000	S\$'000	%
	(Unaudited)	(Unaudited)	
<b>Consolidated income statement:</b>			
Current income tax			
- Current income taxation	24	93	-74.2
- (Over)/under provision in prior year	(12)	5	N.M
	12	98	-87.8
Deferred income tax			
- Reversal of temporary differences	(37)	(81)	-54.3
- Under provision in respect of prior year	17	15	13.3
	(20)	(66)	-69.7
Income tax (credit)/expense recognised in profit or loss	(8)	32	N.M
<b>Statement of other comprehensive income:</b>			
Deferred tax expense/(credit) related to other comprehensive income:			
- Post employment benefit obligation	4	(11)	N.M
	4	(11)	N.M

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		Company	
	As at		As at	
	31 May 2017	31 May 2016	31 May 2017	31 May 2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	835	957	3	4
Intangible asset	178	3,193	–	–
Investment in subsidiaries	–	–	7,395	11,121
Deferred tax assets	133	155	–	–
Restricted bank deposits	–	19	–	–
Deposits	60	43	–	–
<b>Total non-current assets</b>	<b>1,206</b>	<b>4,367</b>	<b>7,398</b>	<b>11,125</b>
<b>Current assets</b>				
Gross amount due from customers for contracts work-in-progress	7,092	4,857	–	–
Trade and other receivables	4,826	7,261	19	25
Amounts due from subsidiaries	–	–	1,289	390
Cash and bank balances	2,351	5,210	1,021	3,200
<b>Total current assets</b>	<b>14,269</b>	<b>17,328</b>	<b>2,329</b>	<b>3,615</b>
<b>Total assets</b>	<b>15,475</b>	<b>21,695</b>	<b>9,727</b>	<b>14,740</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Gross amount due to customers for contracts work-in-progress	596	794	–	–
Trade and other payables	4,413	6,274	300	541
Amounts due to subsidiary companies	–	–	50	475
Loan and borrowings	1,809	1,766	941	1,148
Provision for tax	376	287	–	–
<b>Total current liabilities</b>	<b>7,194</b>	<b>9,121</b>	<b>1,291</b>	<b>2,164</b>
<b>Net current assets</b>	<b>7,075</b>	<b>8,207</b>	<b>1,038</b>	<b>1,451</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	–	30	–	–
Loan and borrowings	322	351	–	351
Employee benefit liabilities	219	194	–	–
<b>Total non-current liabilities</b>	<b>541</b>	<b>575</b>	<b>–</b>	<b>351</b>
<b>Total liabilities</b>	<b>7,735</b>	<b>9,696</b>	<b>1,291</b>	<b>2,515</b>

**Statement of Consolidated Financial Position (Cont'd)**

	Group		Company	
	As at		As at	
	31 May 2017	31 May 2016	31 May 2017	31 May 2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Net assets</b>	7,740	11,999	8,436	12,225
<b>Equity attributable to owners of the Company</b>				
Share capital	14,542	14,542	14,542	14,542
Retained earnings/(accumulated losses)	1,673	5,986	(6,106)	(2,317)
Reserves	(8,475)	(8,529)	–	–
<b>Total equity</b>	7,740	11,999	8,436	12,225
<b>Total equity and liabilities</b>	15,475	21,695	9,727	14,740

**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:**

	Group			
	As at		As at	
	31 May 2017		31 May 2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<b>Current</b>				
Amounts repayable in one year or less, or on demand	368	1,441	618	1,148
<b>Non-current</b>				
Amount repayable after one year	72	250	–	351

**Detail of any collaterals**

As at 31 May 2017, the Group's borrowings comprised:

- (i) project financing from a bank secured by fixed charge over certain trade receivables of a subsidiary and corporate guarantee provided by the Company,
- (ii) hire purchase arrangements for the purchase of testing equipment and copiers
- (iii) unsecured shareholder's loan from TEE International Limited, and
- (iv) unsecured loans from financial institutions

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**

	<b>Group</b>	
	<b>Financial Year Ended</b>	
	<b>31 May 2017</b>	<b>31 May 2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities:</b>		
Loss before tax	(4,330)	(1,465)
Adjustments for:		
Depreciation of property, plant and equipment	358	252
Loss on disposal of property, plant and equipment	6	9
Amortisation of intangible assets	641	639
Impairment of intangible assets	2,385	–
Impairment of investment in joint venture	42	–
Impairment of notes receivable	63	–
Allowance for doubtful debts	45	176
Write-back of allowance for doubtful debts	(64)	(8)
Interest income	(15)	(13)
Interest expense on borrowings	111	118
Exchange loss/(gain)	60	(71)
Payment of IPO related expenses	–	998
Employee benefit liabilities	43	42
Total adjustments	3,675	2,142
<b>Operating cash flows before changes in working capital</b>	<b>(655)</b>	<b>677</b>
Changes in working capital:		
Increase in gross amount due from customers for contracts work-in-progress	(2,236)	(1,179)
Decrease/(increase) in trade and other receivables	2,409	(1,683)
(Decrease)/increase in gross amount due to customers for contracts work-in-progress	(198)	276
(Decrease)/increase in trade and other payables	(1,622)	1,618
Total changes in working capital	(1,647)	(968)
<b>Cash flows used in operations</b>	<b>(2,302)</b>	<b>(291)</b>
Interest received	15	13
Interest paid	(116)	(118)
Taxes refund/(paid)	64	(192)
<b>Net cash flows used in operating activities</b>	<b>(2,339)</b>	<b>(588)</b>
<b>Financing activities:</b>		
Proceeds from bank borrowings	2,381	618
Repayment of bank borrowings	(1,949)	–
Repayment for hire purchases	(27)	–
Repayment of shareholder's loan	(558)	(1,129)
Placement of pledged deposits	(100)	(85)
Proceeds from issuance of shares pursuant to the IPO	–	6,000
Payment of IPO related expenses	–	(1,326)
Decrease in amounts due to related companies	(145)	(340)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(398)</b>	<b>3,738</b>

## Consolidated Statement of Cash Flows (Cont'd)

	<b>Group</b>	
	<b>Financial Year Ended</b>	
	<b>31 May 2017</b>	<b>31 May 2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Investing activities:</b>		
Purchase of property, plant and equipment	(194)	(710)
Proceeds from disposal of property, plant and equipment	1	–
Decrease in deposits pledged with bank	19	40
Investment in joint venture	(42)	–
<b>Net cash flows used in investing activities</b>	<b>(216)</b>	<b>(670)</b>
Net (decrease)/increase in cash and cash equivalents	(2,953)	2,480
Effects of exchange rate changes on cash and cash equivalents	(6)	(66)
Cash and cash equivalents at 1 June	5,125	2,711
<b>Cash and cash equivalents at 31 May (Note A)</b>	<b>2,166</b>	<b>5,125</b>

### Notes to Consolidated Statements of Cash Flows:

A) Cash and cash equivalents comprised of the following:

Cash and bank balances	2,351	5,210
Less: Pledged bank deposits	(185)	(85)
Cash and cash equivalents	<b>2,166</b>	<b>5,125</b>



**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.**

Attributable to owners of the Company								
	Share capital S\$'000	Preference shares S\$'000	Merger reserves S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total reserves S\$'000	Total equity S\$'000
<b>Group</b>								
<b>At 1 June 2016</b>	14,542	–	(10,397)	(77)	5,986	1,945	(2,543)	11,999
<b>Loss for the year</b>	–	–	–	–	(4,322)	–	(4,322)	(4,322)
<b>Other comprehensive income</b>								
Actuarial (losses)/gains on measurement of post-employment benefit plan, net of tax	–	–	–	–	9	–	9	9
Currency translation difference	–	–	–	54	–	–	54	54
<b>Total comprehensive income for the year</b>	–	–	–	54	(4,313)	–	(4,259)	(4,259)
<b>At 31 May 2017</b>	14,542	–	(10,397)	(23)	1,673	1,945	(6,802)	7,740
<b>At 1 June 2015</b>	726	78	–	76	7,512	1,945	9,533	10,337
<b>Loss for the year</b>	–	–	–	–	(1,497)	–	(1,497)	(1,497)
<b>Other comprehensive income</b>								
Actuarial (losses)/gains on measurement of post-employment benefit plan, net of tax	–	–	–	–	(29)	–	(29)	(29)
Currency translation difference	–	–	–	(153)	–	–	(153)	(153)
<b>Total comprehensive income for the year</b>	–	–	–	(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)
<b>At 31 May 2016</b>	14,542	–	(10,397)	(77)	5,986	1,945	(2,543)	11,999

	<u>Attributable to owners of the Company</u>		
	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<b>Company</b>			
At 1 June 2016	14,542	(2,317)	12,225
Loss for the year, representing total comprehensive income	–	(3,789)	(3,789)
At 31 May 2017	14,542	(6,106)	8,436
<hr/>			
At 1 June 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	14,542	(2,317)	12,225

\*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, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. 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 outstanding in a class that is listed 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 31 May 2017 and 30 November 2016	152,000,000	14,542,370

There have been no changes to the Company's issued and paid up share capital since 30 November 2016 up till 31 May 2017.

The Company had no outstanding convertibles, treasury shares and subsidiary holdings as at 31 May 2017 and 31 May 2016.

**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>As at 31 May 2017</b>	<b>As at 31 May 2016</b>
Total number of issued shares	<u>152,000,000</u>	<u>152,000,000</u>

The Company did not have any treasury shares as at 31 May 2017 and 31 May 2016.

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial year reported on.

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

The Company does not have any subsidiary holdings during and as 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 the Company's auditor.

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

Not applicable. The figures have not been audited nor reviewed by the auditor.

**4. Whether the same accounting policies and methods of computation as in the Issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year compared to its most recently audited annual financial statements for the financial year ended 31 May 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, 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 2016. These are not expected to have a material impact on the results of the Group and of the Company for the year ended 31 May 2017.

**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:**

	<b>Group</b>	
	<b>Financial Year Ended</b>	
	<b>31 May 2017</b>	<b>31 May 2016</b>
Loss attributable to owners of the Company used in the computation of basic earnings per shares (S\$'000)	(4,322)	(1,497)
(a) Basic loss per share (cents)	<u>(2.84)</u>	<u>(1.02)</u>
(b) Diluted loss per share (cents)	<u>(2.84)</u>	<u>(1.02)</u>
Weighted average number of ordinary shares in issue for computation of basic loss per share ('000)	<u>152,000</u>	<u>147,200</u>
Weighted average number of ordinary shares for computation of diluted loss per share ('000)	<u>152,000</u>	<u>147,200</u>

As at 31 May 2017 and 31 May 2016, the Company did not have any dilutive instruments. Hence, the basic and diluted earnings per share for both years under review are the same.

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>31 May 2017</b>	<b>31 May 2016</b>	<b>31 May 2017</b>	<b>31 May 2016</b>
Net assets (S\$'000)	<u>7,740</u>	<u>11,999</u>	<u>8,436</u>	<u>12,225</u>
Number of ordinary shares used in calculating net asset value per ordinary share ('000)	<u>152,000</u>	<u>152,000</u>	<u>152,000</u>	<u>152,000</u>
Net asset value per ordinary share attributable to owners of the Company (cents)	<u>5.1</u>	<u>7.9</u>	<u>5.6</u>	<u>8.0</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 the Group's Consolidated Statement of Comprehensive Income**

#### ***Revenue***

The Company recorded a lower revenue of S\$14.2 million in the financial year ended 31 May 2017 ("FY2017") as compared to S\$18.2 million in the financial year ended 31 May 2016 ("FY2016") or a decrease of 21.8%, mainly due to lower revenue contribution from both In-Building Construction ("IBC") and Telecommunications Implementation ("TI") projects in Singapore. The lower revenue contribution from the IBC projects in Singapore is partly due to billing milestones for certain projects nearing completion not yet reached. This is offset by the higher revenue contribution from IBC projects in the Philippines. Revenue in the Philippines increased by approximately S\$0.2 million or 10.7% from S\$1.7 million in FY2016 to S\$1.9 million in FY2017 as the Group increased its marketing and operational activities in the Philippines.

#### ***Cost of sales and gross profit***

Cost of sales decreased by 19.9% from S\$13.6 million in FY2016 to S\$10.9 million in FY2017 in line with the decrease in revenue.

Gross profit decreased by 27.4% from S\$4.7 million in FY2016 to S\$3.4 million in FY2017 while gross profit margins decreased from 25.5% in FY2016 to 23.7% in FY2017. This was mainly due to increased competitiveness in the industry and tougher market conditions in Singapore, Thailand and the Philippines.

#### ***Other and interest income***

Other income comprised of rebates and incentives such as the Temporary Employment Credit and Wage Credit Scheme. The decrease in other income of 49.8% is mainly due to a one-off write-back of long outstanding overpayments by the Company's customers of IBC projects in the Philippines and unused warranty provisions in the Philippines in FY2016.

Interest income comprised interest received from the Group's bank deposits.

#### ***Other operating expenses***

Other operating expenses comprised mainly of, foreign exchange losses, loss from disposal of property, plant and equipment, impairment of investment in joint venture and notes receivable, amortisation and impairment of intangible assets. The increase in other operating expenses by S\$1.5 million or 86.5% is mainly due to the S\$2.4 million impairment loss of the Group's intangible assets which is offset against the absence of IPO related expenses amounting to approximately S\$1.0 million that was incurred in the previous financial year.

The S\$2.4 million impairment loss of the Group's intangible assets is based on the Group's assessment that the recoverable values of the customer relationships are lower than its carrying values, resulting from the challenging telecommunication environment. The intangible assets pertaining to the customer relationships were recorded from the Group's acquisition of CMC Communications (Singapore) Pte. Ltd. (which has been renamed to Yinda Technology Singapore Pte. Ltd.) and CMC Communications (Thailand) Co. Ltd, in June 2011.

The impairment of investment in joint venture of S\$42,000 and notes receivable of S\$63,000, was due to the compensation provided to joint venture partner, Argosy Properties, Inc (“API”), relating to the joint venture that was announced on 27 July 2016. After further review of the merits, the Group has deliberated and decided not to proceed with the joint venture. The Group is in the midst of the administrative proceedings to execute the termination and will make the necessary announcement in due course. The notes receivable pertains to a loan that was provided from the Group’s wholly-owned subsidiary, CMC Communications (Philippines), Inc, to API for the purpose of the joint venture.

### ***Administrative expenses***

Administrative expenses comprised, amongst others, depreciation, allowance and write-back of allowance for doubtful debts, printing cost, staff cost, insurance, rental, utilities and professional fees.

The slight increase in administrative expenses of 0.4% was largely due to an increase in depreciation from the purchase of testing equipment to be used for IBC projects in the previous financial year offset by the decrease in employee benefit expenses.

### ***Finance costs***

Finance costs comprised interest expenses from bank borrowings and shareholder’s loan.

### ***Taxation***

Income tax credit arises mainly due to deferred tax asset recognised on unutilised capital allowance and losses.

## **Review of the Group’s Statement of Consolidated Financial Position**

### ***Non-current assets***

The decrease in non-current assets by 72.4% from S\$4.4 million as at 31 May 2016 to S\$1.2 million as at 31 May 2017 was mainly due to the decrease in the carrying value of the intangible assets as a result of amortisation charges of S\$0.6 million and impairment of intangible assets of \$2.4 million for the financial year.

Intangible assets consist of customer relationships arising from the purchase price allocation exercise upon acquisition of the Group’s subsidiaries CMC Communications (Singapore) Pte. Ltd. (which has been renamed to Yinda Technology Singapore Pte. Ltd.) and CMC Communications (Thailand) Co. Ltd in June 2011, post-IPO.

Net book value of property, plant and equipment decreased from S\$1.0 million as at 31 May 2016 to S\$0.8 million mainly due to the S\$0.4 million of depreciation, offset by additions of property, plant and equipment mainly relating to the purchase of testing and office equipment amounting to S\$0.2 million.

### ***Current assets***

Current assets decreased by 17.7% from S\$17.3 million as at 31 May 2016 to S\$14.3 million as at 31 May 2017.

Trade and other receivables decreased by 33.5% from S\$7.3 million as at 31 May 2016 to S\$4.8 million as at 31 May 2017 due to lower retention sums and timely collection of accounts receivable. Cash and cash equivalents decreased mainly due to repayment of trade payables and shareholder’s loan. This is partially offset by the increase in gross amount due from customers for contracts work-in-progress of S\$2.2 million which is representative of the increase in work done but not yet billed.

### ***Current liabilities***

Current liabilities decreased by 21.1% from S\$9.1 million as at 31 May 2016 to S\$7.2 million as at 31 May 2017. This was mainly due to the repayment of trade and other payables and decrease in gross amount due to customers for contracts work-in-progress, offset by an increase in loan and borrowings and current portion of hire purchases for the purchase of testing equipment and copiers.

Increase in loan and borrowing of S\$0.04 million is mainly due to unsecured term loans of S\$1.0 million from financial institutions, of which S\$0.3 million has been repaid and S\$0.5 million is classified under current liabilities. This is partially offset by the partial repayment of shareholder's loan and the net repayment of project financing of S\$0.3 million during the year.

### ***Non-current liabilities***

Non-current liabilities decreased by 5.9% from S\$0.6 million as at 31 May 2016 to S\$0.5 million as at 31 May 2017 mainly due to loan repayments made to the shareholder amounting to S\$0.6 million, partially offset by the non-current portion of the unsecured term loans amounting to S\$0.2 million and non-current portion of hire purchases amounting to S\$0.1 million.

### ***Equity attributable to owners of the Company***

The decrease in retained earnings and reserves were mainly due to current year losses offset by translation reserve movements.

### **Review of the Group's Statement of Cash Flows**

In FY2017, net cash flows used in operating activities amounted to S\$2.3 million. This includes operating cash outflows before changes in working capital of approximately S\$0.7 million, offset by an increase in gross amount due from customers for contracts work-in-progress of S\$2.2 million, decrease in gross amount due to customers for contracts work-in-progress of S\$0.2 million and a decrease in trade and other payables of S\$1.6 million which is mainly due to repayment to suppliers. This is partially offset by a decrease in trade and other receivables of S\$2.4 million.

In addition, the Group received and paid interests of S\$0.02 million and S\$0.1 million respectively. Income tax refund received in FY2017 amounted to S\$0.06 million.

For FY2016 and FY2017, the Group incurred negative cash flows from operations, which was mainly due to the increase of contracts work-in-progress that the Group has incurred costs, but the billing milestones has not been reached.

Net cash flows used in financing activities amounted to S\$0.4 million. Proceeds from bank borrowings amounted to S\$2.4 million mainly due to additional project financing of S\$1.4 million and S\$1.0 million of unsecured term loans from financial institutions obtained during the financial year. This is offset by repayment of bank borrowings of S\$1.9 million, repayment of shareholder's loan of S\$0.6 million and the placement of pledged deposits of S\$0.1 million.

Net cash flows used in investing activities amounted to S\$0.2 million which is mainly due to purchases of testing equipment and the investment in joint venture in the Philippines of S\$0.2 million and S\$0.04 million respectively.

As a result of the above, there was a net decrease of S\$3.0 million in cash and cash equivalents.

As at 31 May 2017, the Group's cash and cash equivalents amounted to S\$2.2 million.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**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.**

While the entrance of a fourth telecommunications operator and the transition of Singapore to a digital economy may open up new opportunities, the Group remains cautious amid the prevailing economic uncertainties.

The Group may face continued pressures on its margins as competition is expected to remain stiff in the telecommunication environment. However, the Group is actively taking steps to manage its costs and streamline its business processes so as to achieve cost and operational optimization.

The Group will continue to focus its efforts in marketing to its existing customers based in Singapore, Thailand and the Philippines, as well as to explore into new markets. The change in controlling shareholders of the Company will also bring a fresh perspective on the Group's business and help the Group in the evolution of its business strategy to stay relevant amidst the current economic uncertainties.

**11. Dividend**

**(a) Current Financial Period Reported on:**

Any dividend declared for the current financial period reported on?

No dividends have been declared or recommended for FY2017.

**(b) Corresponding Period of the Immediately Preceding Financial Year:**

Any dividend declared for the corresponding period of the immediately preceding financial year?

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

**(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 shareholders, this must be stated).**

Not applicable.

**(d) Date 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 or recommended in respect of FY2017.



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 pursuant to Rule 902(1)(a)(ii) of the Catalist Rules.

14. **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 hereby confirms that it has procured undertakings from all its Directors and the relevant executive officers in the format as set out in Appendix 7H in accordance with Rule 720(1) of the Catalist Rules.

15. **Update 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:

	<b>Amount allocated</b>	<b>Amount allocated after the Reallocation (<sup>1</sup>)</b>	<b>Amount utilised</b>	<b>Balance of net proceeds</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Expansion of business operations	3.20	2.20	0.18	2.02
Repayment of amount owing to TEE International Limited	0.60	0.60	0.60	-
General corporate and working capital requirements	0.18	1.18	1.18 <sup>(2)</sup>	-
<b>Total</b>	<b>3.98</b>	<b>3.98</b>	<b>1.96</b>	<b>2.02</b>

<sup>(1)</sup> The announcement on the reallocation of proceeds from IPO was announced on 31 May 2017.

<sup>(2)</sup> General corporate and working capital requirements comprised professional fees, employee benefit expenses for the Company, sundry expenses and working capital for existing on-going projects.

## PART 2 – ADDITIONAL INFORMATION REQUIRED FOR FULL-YEAR ANNOUNCEMENTS

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.

**2017**

**Geographical Information**

	Singapore \$'000	Thailand \$'000	Philippines \$'000	Malaysia \$'000	Adjustment & Elimination \$'000	Consolidated Group Total \$'000
<b><u>Revenue</u></b>						
External customers	8,727	3,571	1,940	–	–	14,238
Gross profit	1,773	907	694	–	–	3,374
<b><u>Segment results</u></b>						
Operating loss	(3,651)	(73)	(504)	(34)	28	(4,234)
Interest income						15
Finance costs						(111)
Loss before taxation						(4,330)
Income tax credit						8
Loss for the year						(4,322)
<b><u>Other Information</u></b>						
Segment assets	22,831	3,834	2,288	37	(13,515)	15,475
Segment liabilities	6,451	1,550	1,630	73	(1,969)	7,735
<b>Net assets</b>	<b>16,380</b>	<b>2,284</b>	<b>658</b>	<b>(36)</b>	<b>(11,546)</b>	<b>7,740</b>
<b><u>Additional Information</u></b>						
Allowance for doubtful debts	27	–	18	–	–	45
Write-back of allowance for doubtful debts	(25)	–	(39)	–	–	(64)
Depreciation of property, plant & equipment	210	82	66	–	–	358
Amortisation of intangible asset	596	45	–	–	–	641
Impairment of intangible asset	2,385	–	–	–	–	2,385
Purchase of property, plant & equipment	93	8	140	–	–	241

**Information about major customers**

Revenue from one major customer in Singapore contributed 29.0% (31-May-16: 55.3%) of the total revenue of the Group.

## 2016

### Geographical Information

	Singapore	Thailand	Philippines	Malaysia	Adjustment & Elimination	Consolidated Group Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>						
External customers	12,927	3,538	1,752	–	–	18,217
Gross profit	3,130	979	541	–	–	4,650
<b>Segment results</b>						
Operating (loss)/ profit	(1,031)	38	(338)	(3)	(26)	(1,360)
Interest income						13
Finance costs						(118)
Loss before taxation						(1,465)
Income tax expenses						(32)
Loss for the year						(1,497)
<b>Other Information</b>						
Segment assets	28,498	3,135	3,037	3	(12,978)	21,695
Segment liabilities	8,432	892	1,772	6	(1,406)	9,696
<b>Net assets</b>	<b>20,066</b>	<b>2,243</b>	<b>1,265</b>	<b>(3)</b>	<b>(11,572)</b>	<b>11,999</b>
<b>Additional Information</b>						
Allowance for doubtful debts	42	–	134	–	–	176
Write-back of allowance for doubtful debts	(8)	–	–	–	–	(8)
Depreciation of property, plant & equipment	148	63	41	–	–	252
Amortisation of intangible asset	596	43	–	–	–	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.

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 2017	31 May 2016	Increase/ (decrease)
	\$'000	\$'000	%
	(Unaudited)	(Unaudited)	
<b>a) Revenue</b>			
- first half year	7,741	7,970	-2.9
- second half year	6,497	10,247	-36.6
	<u>14,238</u>	<u>18,217</u>	<u>-21.8</u>
<b>b) Operating (loss)/ profit after tax</b>			
- first half year	(416)	(1,591)	-73.9
- second half year	(3,906)	94	N.M
	<u>(4,322)</u>	<u>(1,497)</u>	<u>188.7</u>

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 FY2017 and FY2016.

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 Catalist 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

Qian Zimin  
Chief Executive Officer

27 July 2017