



CFM HOLDINGS LIMITED

(Incorporated in Singapore under Registration No. 200003708R)

RECEIPT OF A LEGAL NOTICE

The Board of Directors (the “**Board**”) of CFM Holdings Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) wishes to announce that PT PNBC Indonesia (“**PNBC**”), a supplier to the Company’s former subsidiary, PT Hantong Precision Manufacturing Batam (“**HPM**”, had on 31 July 2018 issued a letter of demand to both the Company and HPM.

HPM, a former indirect subsidiary of the Company, had on 27 June 2018 been disposed to Ms Lim Fong Li, the Chief Executive Officer of the Company. Please refer to the Company’s previous announcements of 5 June 2018 and 8 June 2018 entitled “*Proposed Disposal of Indirectly-Owned Subsidiaries*”, 22 June 2018 entitled “*Update on the Proposed Disposal of Indirectly-Owned Subsidiaries*” and 27 June 2018 entitled “*Completion of Proposed Disposal of Indirectly Owned Subsidiaries*” for details of the disposal.

Under the letter of demand, PNBC is claiming business losses consisting of completed work orders delivered, production cost, delays, cost of labour, raw materials, and work done by PNBC as well as related legal costs of Rp547,419,560/- (approximately equivalent to S\$51,728.10) and S\$24,402.32.

The management of the Company has notified the Board that all previous orders placed with PNBC were placed by HPM and all previous invoices issued by PNBC were addressed to only HPM.

The Directors of the Company will consider if legal advice will be required in connection with the letter of demand.

In the event that the Company is obligated to pay part or all of the claim and in the event that the amount claimed is as set out in the letter of demand, the Company does not expect the claim to have any material adverse impact on the Group’s financial performance and position for the current financial year ending 30 June 2019 in view of, *inter alia*, the claim amount is insignificant as compared to the Group’s net asset value.

In the meantime, shareholders and investors are advised to exercise caution when dealing in the Company's shares ("Shares"). When in doubt, shareholders and potential investors are advised to seek independent advice from their professional advisors before trading or making any investment decision on the Company's securities.

BY ORDER OF THE BOARD

Janet Lim Fong Li
Executive Director & Chief Executive Officer
1 August 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Asian Corporate Advisors Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**Exchange**”). The Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

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

*The contact person for the Sponsor is Ms Foo Quee Yin.
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