



**CFM HOLDINGS LIMITED**  
**(Incorporated in Singapore under Registration No. 200003708R)**

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## **UPDATE ON THE LITIGATION SUIT**

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The Board of Directors (the “**Board**”) of CFM Holdings Limited (the “**Company**”), and together with its subsidiaries, collectively the “**Group**”) refers to the announcement no. 00116 dated 4 July 2013 (the “**Announcement**”) in respect of Showa International (HK) Co. Limited (“**Showa**”) instituting a claim against Hantong Metal Component (Penang) Sdn. Bhd. (“**HMCP**SB”), a wholly-owned subsidiary of the Group for the purported cost of producing new tooling (the “**Claims**”) due to HMCP

SB purportedly withholding Showa’s tooling for outstanding receivables. Subsequently, an ex-parte injunction was taken against HMCP

SB to return the tooling.

*Unless otherwise defined herein, all capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.*

On 5 August 2013, HMCP

SB filed a statement of defense and a counter-claim against Showa for the remaining inventories, loss of revenue, expenses related to the enforced ex-parte injunction, and outstanding receivables amounting to RM 0.9 million.

On 18 December 2013, Showa filed an application to amend their name to T-NET International (Hong Kong) Co. Limited. In this application, they have also quantified the purported cost of producing the new tooling which was not quantified earlier. The amount quantified was RM 1.1 million. This application to amend their name and quantifying the amount is pending in court, and is fixed for decision on 19 February 2014.

On 19 December 2013, HMCP

SB filed an application for “Security For Cost” against Showa for them to deposit RM 0.1 million with the Court on the basis that they are not a company incorporated in Malaysia, and have no or substantial assets within the local Malaysian jurisdiction. This application for security for cost is fixed for hearing on 6 March 2014.

On 25 January 2014, HMCP

SB has been served with an affidavit by Showa seeking the payment of RM 1.1 million being the cost of new tooling.

HMCP

SB intends to vigorously defend the Claims instituted by Showa, and is currently seeking legal advice on the Claims from its Malaysian lawyers. Based on the facts of the matter, HMCP

SB and its legal advisors are of the view that the Claims is unmeritorious.

The Board has assessed the information available to them as at the date of this announcement pertaining to the Claims and is of the opinion that based on the information available to them as at the date of this announcement including, *inter alia*, the Claims amount of approximately RM1.1 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. However, the shareholders should note that the outcome of the hearing are still uncertain as at the date of this announcement.

In the meantime, shareholders are advised to exercise caution when dealing with their shares and to refrain from taking any action in relation to their shares which may be prejudicial to their interests. The Company will keep the shareholders informed of the progress of the Claims and will make further announcements, when appropriate.

## **Director's responsibility statement**

The Directors (including any Director who may have been delegated detailed supervision of the preparation of this announcement) collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Claims, the Company and its subsidiaries, and the Directors are not aware of any fact the omission of which would make any statement in this announcement misleading.

Where information contained in this announcement has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## **BY ORDER OF THE BOARD**

Janet Lim Fong Li  
Executive Director & Chief Executive Officer  
**10 February 2014**

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*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 ("**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.*

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