

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

FURTHER DEVELOPMENTS RELATING TO THE GROUP'S NEW FACTORY

The Board of Directors (the "**Board**") of CFM Holdings Limited (the "**Company**", and together with its subsidiaries, collectively the "**Group**") refers to the Company's announcement ("**Announcement**") dated 22 May 2015 relating to the Property (as defined in the Announcement).

Further to the Announcement, Cheong Fatt Holdings Pte Ltd ("**CFH**"), a subsidiary of the Company, on 12 June 2015 has called on the insurance guarantee ("**IG**") issued by an insurance company on behalf of Seng Foo Building Construction Pte Ltd ("**SFBC**") who is the main contractor for the construction of the Property.

On 29 June 2015, a High Court Injunction ("**Injunction**") was served on CFH to restrain it from calling on, or making any claim on, or receiving any payments under the IG. The Injunction was obtained by SFBC by way of *ex parte* summons ("**Application**"), on the ground that it was unconscionable for CFH to make the call on the IG.

CFH is in the process of seeking legal advice in relation to the Injunction, with a view towards taking out a separate application to set aside the same and defend the claim by SFBC.

The Board is of the view that the outcome of CFH's application to set aside the Injunction will not have a material impact to the Group's financial performance and position, in terms of, *inter alia*, earnings per share and NTA per share for the financial year ending 30 June 2016 as SFBC are obliged to complete all outstanding work and any rectification work even if the Injunction is not set aside and CFH is not able to claim under the IG.

We will keep all shareholders updated of any material development.

Shareholders are advised to exercise caution when dealing in the Company's shares ("Shares") and to refrain from taking any action in respect of their Shares which may be prejudicial to their interests.

BY ORDER OF THE BOARD

Janet Lim Fong Li
Executive Director & Chief Executive Officer
1 July 2015

*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*