



## CFM HOLDINGS LIMITED

(Incorporated in Singapore under Registration No. 200003708R)

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### ENTRY INTO SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION OF SUCH NUMBER OF SHARES IN MIDSOUTH CAMCA S.A. DE C.V. - TERMINATION OF SALE AND PURCHASE AGREEMENT DATED 1 JULY 2015

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*Capitalised terms used in this announcement, unless otherwise defined herein, have the same meanings as used in the Company's SGXNet announcements dated 1 July 2015 (the "Announcement").*

#### 1. INTRODUCTION

The Board of Directors (the "**Directors**") of CFM Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement dated 1 July 2015 relating to the proposed acquisition of such number of shares in the Midsouth Camca S.A. De. C.V. (the "**Target Company**"), representing 10% of the issued share capital of the Target Company (the "**Proposed Acquisition**") pursuant to the conditional sale and purchase agreement dated 1 July 2015 (the "**Agreement**") between the Company and Midsouth Technology Pte. Ltd. (the "**Vendor**").

#### 2. TERMINATION OF THE AGREEMENT

The Proposed Acquisition has not been completed and the title transfer for the 10% issued share capital of the Target Company to the Company has not taken place. The Company has therefore, decided to abort its decision to expanding its metal stamping operations into Mexico through holding a stake in the Target Company. As such, the Company and the Vendor have mutually agreed to enter into a termination agreement (the "**Termination Agreement**") on 3 August 2016 pursuant to which the Agreement shall be terminated with effect on the same date. The Company will continue other forms of cooperation, i.e trade of home appliance components with the Target Company.

Following the execution of the Termination Agreement, the Company's and the Vendor's respective obligations and liabilities under the Agreement shall cease and the assignment stipulated in the Agreement, which has occurred between the date of the Agreement to the date of the Termination Agreement, shall be void *ab initio*, and the trade payables of S\$500,000 remain owing and payable by Midsouth Electric Pte. Ltd ("**Midsouth Electric**"), a related party of Target Company to Cheong Fatt Holdings Pte. Ltd. ("**Cheong Fatt**"), a wholly owned subsidiary of the Company. On 3 August 2016, Cheong Fatt and Midsouth Electric have entered into a Settlement Agreement and both parties agreed on the terms of repayment of S\$500,000 to be paid in 42 monthly installments commencing from 3 August 2016. Based on longstanding relationship between Cheong Fatt and Midsouth Electric as well as the Target Company, the Directors are of the view that the amount owing by Midsouth Electric would be recovered.

The termination of the Agreement will not have any material effect on the Group's earnings per share and net tangible assets per share for the financial year ending 30 June 2016.

None of the Directors has any interest, direct or indirect, in the Termination Agreement (other than through their shareholdings in the Company) and as far as the Directors are aware, none of the substantial shareholders of the Company has any interest, direct or indirect in the Termination Agreement (other than through their shareholdings in the Company).

### **3. ACTION BY SHAREHOLDERS**

Shareholders are advised to read this announcement carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisor if they have any doubt about the actions they should take.

### **BY ORDER OF THE BOARD**

Janet Lim Fong Li  
Executive Director & Chief Executive Officer  
3 August 2016

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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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