



CFM HOLDINGS LIMITED

(Incorporated in Singapore under Registration No. 200003708R)

RESPONSE TO SGX-ST QUERIES ON CIRCULAR TO SHAREHOLDERS CONCERNING THE SHAREHOLDERS' REQUISITION

The board of directors (the “**Board**”) of CFM Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the Company’s circular to shareholders dated 10 January 2025, as announced on 9 January 2025 (the “**Circular**”), in relation to the requisition for a meeting of the shareholders pursuant to Section 176(1) of the Companies Act 1967 of Singapore for (1) the proposed removal of Mr. Chia Seng Hee as an independent director of the Company with effect from the date of the EGM; (2) the proposed appointment of Mr. Lim Chi Yui, Clarence as an independent director of the Company with effect from the date of the EGM; (3) the proposed appointment of Ms. Lin Sijia as an independent director of the Company with effect from the date of the EGM; and (4) the proposed appointment of Mr. Abdul Khair bin Abdul Jabar as the lead independent director of the Company with effect from the date of the EGM.

The Company has on 13 January 2025, received queries from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in relation to the Circular.

Unless otherwise defined, capitalised terms in this announcement shall have the same meaning as set out in the Circular.

Question 1

Please provide the Sponsor’s assessment on the suitability of each of the Proposed New Independent Directors.

Company’s Response

In assessing the suitability of (a) Mr. Lim Chi Yui, Clarence (“**Mr. Lim**”); (b) Ms. Lin Sijia (“**Ms. Lin**”); and (c) Mr. Abdul Khair bin Abdul Jabar (“**Mr. Khair**”) as Independent Directors of the Company, the Sponsor had assessed the qualifications and professional experiences of Mr. Lim, Ms. Lin and Mr. Khair. The Sponsor had conducted independent background checks, desktop searches, reviews of their curriculum vitae and disclosure forms, and interviews with all three (3) Proposed New Independent Directors prior to their appointment as part of the due diligence process. The Sponsor would also like to highlight that the appointments of all the Proposed New Independent Directors will be subject to Shareholders’ approval at the Company’s upcoming EGM.

Having considered the due diligence carried out, nothing has come to the attention of the Sponsor that would indicate that any of Mr. Lim, Ms. Lin and Mr. Khair are not suitable to act as Independent Directors of the Company.

Question 2

Please explain, with justifications, the Sponsor's assessment on the efficacy of the Board as a whole for the Company's needs.

Company's Response

In assessing the efficacy of the Board, the Sponsor has considered the following:

- (a) upon the appointment of the Proposed New Independent Directors, the Board will be able to fill the vacancies in the Board Committees;
- (b) the various Board Committees (namely, the Audit Committee, the Nominating Committee and the Remuneration Committee) are governed by clear written terms of reference;
- (c) the Company has engaged its legal adviser, Icon Law LLC, to conduct a briefing with the Proposed New Independent Directors in relation to their directors' duties within the first month of their appointments, if so appointed, the scope of which will be cleared with the Sponsor;
- (d) the Company will conduct a comprehensive orientation programme to ensure that the Proposed New Independent Directors become familiar with the Group, the Board processes and the terms of reference of the Board and the Board Committees;
- (e) the Company will continuously assess the performance of the Proposed New Independent Directors, and take any necessary remedial action;
- (f) the Company will hold meetings between the Proposed New Independent Directors and the Group's internal auditors, on at least one (1) occasion, and external auditors, on a separate occasion, for the Proposed New Independent Directors to receive an update on the Group, and to allow the Proposed New Independent Directors an opportunity to inquire into the Group's operations, performance, accounting standards and internal control matters; and
- (g) the Company will ensure the availability and support of its legal advisers, Icon Law LLC, the Sponsor, and its company secretary and corporate services provider to each of the Proposed New Independent Directors.

The Sponsor notes that the Nominating Committee, on behalf of the Board, and together with the Company Secretary, is to conduct regular reviews and assessments of the Board's composition, with an aim to maintain a well-balanced mix of skills, experience, and backgrounds among the Board members, ensuring effective governance. This will include, among others, the development and evaluation of the performance of each director.

The Proposed New Independent Directors are individuals with diverse expertise and experience, with skillsets which are transferable to assist them in their proposed positions within the Company's Board. With a Board comprising directors with diverse expertise and experience, the Board will be able to collectively provide efficient direction for the Company, and nothing has come to the Sponsor's attention that the proposed Board will not be effective as a whole, and cannot meet the requirements of the Company now and moving forward.

Question 3

As set out in Paragraph 4.6(a) of the Circular, each of the Proposed New Independent Directors will, subject to their availability of non-conflicting dates (but in any event, endeavour to by no later than the end of 2025), complete the mandatory training as required under Catalist Rule 406(3)(a).

In view that the Proposed New Independent Directors have no prior experience as a director of a listed company, would the Company and the Proposed New Independent Directors consider expediting the completion of the mandatory trainings instead of to no later than the end of 2025?

Company's Response

The Company intends for the Proposed New Independent Directors to attend the next run of the Singapore Institute of Directors' Listed Entity Director Programme, which will take place between 11 and 26 March 2025, should the Proposed New Independent Directors be appointed at the upcoming EGM. The Proposed New Independent Directors have committed that, if appointed, they will complete all the core and elective modules at the earliest time possible. Barring exigences, the Proposed New Independent Directors should complete the mandatory training by 26 March 2025.

Question 4

Provision 10.2 of the Code of Corporate Governance ("CG Code") states that at least two members, including the AC Chairman, should have recent and relevant accounting or related financial management expertise or experience.

Please clarify whether the Company meets this provision with the appointment of the Proposed New Independent Directors. If yes, who are the two members and what are their recent and relevant accounting or related financial management expertise or experience? If not, please explain the reason for variation, and explain how the practices the Company has or will adopt are consistent with the intent of Principle 10 of the CG Code.

Company's Response

Yes, it does. The two (2) members are Ms. Lin Sijia (who is proposed to be the Audit Committee Chair) and Mr. Lim Chi Yuin, Clarence.

Ms. Lin Sijia

Ms. Lin Sijia brings with her over a decade of experience and expertise in economics, international trade finance, financial law and financial services (emphasis added) having held various roles across risk management, relationship management, structuring and sales at global banks and other non-bank financial institutions. Presently, Ms. Lin serves as the Head of Trade Asset Management and is an Executive Director of Transaction Banking at the Australia and New Zealand Banking Group Ltd, where she oversees and manages a global team in transaction banking, including core trade finance, commodity finance, and supply chain finance. Her responsibilities also include buying and selling trade assets in line with internal strategy to expand the bank's portfolio and to identify appropriate solutions, and developing relationships with financial institutions, internal stakeholders, fintech firms, and platform providers.

Ms. Lin has a Bachelor of Arts in Economics and Finance (First Class Honours) from University of Keele, and a Master of Science in Finance and Financial Law from The School of Oriental and African Studies, University of London (emphasis added).

Additionally, Ms. Lin has informed the Company that she has completed the following (relevant) courses and obtained the following certificates (emphasis added):

- (a) Asian Institute of Digital Finance, National University of Singapore, Digital Assets and Blockchain
- (b) Saïd Business School, University of Oxford, Women's Leadership Development Programme
- (c) Moody's ESG Risk Assessment for Lenders & Asset Managers
- (d) Chartered Financial Analyst (Passed CFA Level 2)
- (e) Moody's Project Finance Masterclass
- (f) WhiteSpace Executive Coaching
- (g) Corality Financial Modelling
- (h) APLMA (Asia Pacific Loan Market Association) Documentation Training
- (i) RogenSi Winning Trust and Client Relationships
- (j) Pimley The Role of Credit Risk Analysis in Business Development
- (k) Fitch Warning Signals & Lessons Learned in Corporate Credit

Mr. Lim Chi Yuin, Clarence

Mr. Lim Chi Yuin, Clarence is an experienced operations professional with almost two (2) decades of expertise in retail inventory services. For the past 10 years, he has served as the Operations Director at RGIS, a multi-national corporation operating in Singapore and 42 other countries. In this role, Mr. Lim

oversees and manages all aspects of business, including sales, operations, and administration, across Southeast Asia and China markets. *Through his tenure at RGIS, Mr. Lim has developed his knowledge of corporate boards, their relevant committees and the corporate governance regulatory framework in Singapore, and is experienced in day-to-day operations, statutory audits and financial matters (emphasis added).*

Mr. Lim also has a proven track record of driving positive changes in challenging markets. Notably, he successfully established RGIS operations in Thailand in 2020 and led the restructuring of operations in China. He holds roles as an executive director in RGIS Singapore Pte Ltd, RGIS Malaysia Sdn Bhd, RGIS Hong Kong Ltd and RGIS Taiwan LLC and is familiar with the roles and responsibilities of a director.

Particularly, it should be noted that directors of Singapore companies must, amongst others, ensure that the company keeps proper accounting records, prepare financial statements that provide a true and fair view of the financial position and performance of the company, and approve and sign-off on such financial statements (following review). These are responsibilities that Mr. Lim has experience with.

Mr. Lim graduated from the Nanyang Technological University with a Bachelor of Engineering in Mechanical Engineering (Honours).

BY ORDER OF THE BOARD

Lim Fong Li Janet
Executive Director and Chief Executive Officer
15 January 2025

This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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. Lin Huiying, Head of Continuing Sponsorship, at 7 Temasek Boulevard, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.