



## CFM HOLDINGS LIMITED

(Incorporated in Singapore under Registration No. 200003708R)

---

### UPDATE ON THE LITIGATION SUIT

---

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 announcements ("**Announcement**") dated 4 July 2013, 10 February 2014, 26 August 2014, 4 February 2015, 27 August 2015, 5 February 2016, 26 August 2016, 9 February 2017, 25 August 2017, 9 February 2018 and 6 April 2018, 24 August 2018, 1 February 2019, 28 August 2019 relating to a claim by T-Net International (H.K.) Co. Limited (formerly known as Showa International (HK) Co., Ltd) ("**Showa**") against to Hantong Metal Component (Penang) Sdn. Bhd. ("**HTPG**"), a wholly-owned subsidiary of the Company for the purported cost of producing new tooling due to HTPG purportedly withholding Showa's tooling for outstanding receivables.

As set out in the Company's announcement of 6 April 2018, the High Court of Malaysia had previously made the following orders:

- "1. The Court ordered HTPG to pay Showa for costs of fabrication of USD334,520.32;*
- 2. The Court ordered HTPG to pay a nominal damage of RM5,000.00 for the costs of flight expenses, hotel expenses, taxi charges and legal costs expenses.*
- 3. The Court ordered HTPG to pay general damages for conversion, breach of contract and loss of reputation to be assessed;*
- 4. The Court ordered interest at 5% per annum on items (1) and (2) from the date of the filing of the writ until full payment. The Court further orders interest at 5% per annum on item (3) from the date of decision of the Deputy Registrar/ Senior Assistant Registrar on item (3) until full payment;*
- 5. Court ordered HTPG to pay RM50,000.00 costs of the trial to Showa and to refund the RM80,000.00 security for costs paid earlier by Showa to HTPG with interest"*

Subsequently, an ex-parte injunction was taken against HTPG to return the tooling.

The appeal from the decision of the High Court came up for Hearing at Court of Appeal on 10 July 2019. After hearing both the Solicitors, the Court of Appeal adjourned the appeal to another date for Decision. The Court of Appeal then fixed the matter for decision on 29 January 2020. On 29 January 2020 the Court of Appeal allowed our appeal and set aside the decision of the High Court. We have not received the Grounds of Judgment from the Court of Appeal and therefore our Solicitors have written in on 30 January 2020 to request for a copy of the Grounds of Judgment. The full reasons and grounds in allowing the appeal will only be known after reading the Grounds of Judgment. The Company wishes to emphasis that as it was only an oral decision of the Court, the Company may have to wait for the written Grounds of Judgement to confirm the specific orders made by the Court of Appeal.

In the meantime our Solicitors have requested for the return of the judgment sum paid earlier, USD334,520.32, to Showa's Solicitors as stakeholders and Showa's Solicitors are in the midst of arranging for the return of the judgment sum.

Further, Showa has the right to file an application to the Federal Court (*within 30 days*) for leave to appeal to the Federal Court on the decision of the Court of Appeal. We have been advised by our Solicitors that the Federal will only grant leave to appeal if Showa able to raise :-

- i) a point / question of general principle which the Federal Court have not previously decided; or
- ii) a point / question which requires further argument and decision of the Federal Court for public advantage.

In view of the Court Judgement dated 4 April 2018 (FY2018), HTPG had made a provision of \$0.6 million.

The financial impact on the Group's NTA per share and EPS for the current year (including whether there will be a write back of the said provision) cannot be determined at this juncture pending the written Grounds of Judgement.

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 make further announcements as and when there are material developments in this matter.

## **BY ORDER OF THE BOARD**

Janet Lim Fong Li  
Executive Director & Chief Executive Officer  
12 February 2020

---

*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"), in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("Exchange") Listing Manual Section B: Rules of Catalist for compliance with the relevant rules of 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*