

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

ISSUES 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 paragraph 10 of the announcement of half year financial statement for the period ended 31 December 2014 on 9 February 2015, wherein the Company had disclosed that a subsidiary of the Company had obtained "Temporary Occupation Permit" ("**TOP**") status for its newly completed factory building. This disclosure was made on the basis that the Company had received an email from its architect that TOP had been issued.

It has come to the attention of the management of the Company (the "**Management**") that the TOP was not issued by the proper authority. The Management is currently working with the relevant parties (including the authorities and the Company's contractors and advisers) to:

- (a) determine the extent of the impact and the risks to the Group as a result of the above; and
- (b) take action necessary to regularise the issuance of TOP in order to minimise the impact and risks on the Group.

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
22 May 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 Mr. Liau H.K.
Telephone number: 6221 0271*