



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 and 9 February 2018 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. Subsequently, an ex-parte injunction was taken against HTPG to return the tooling.

The Company wishes to update that the suit has been concluded and that the High Court of Malaysia (the "**Court**") released its judgement on 4 April 2018. The salient points of the judgement are:-

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

The Board expects the lawsuit to have a material adverse impact on the Group's earning per share ("EPS") and net tangible asset per share for the financial year ending 30 June 2018.

The Directors of HTPG have been advised to file an Appeal to the Court of Appeal within 30 days from the date of Decision i.e. 4 April 2018. HTPG has been advised that the Notice of Appeal will be filed on 8 April 2018. An application to stay the judgment of the High Court pending the Appeal will be filed soon thereafter.

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
6 April 2018

*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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