



CFM HOLDINGS LIMITED

(Incorporated in Singapore under Company Registration No. 200003708R)

UPDATE ON THE PROPOSED ACQUISITION OF SING-SWE MM BIOTECHNOLOGY PTE. LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of CFM Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements of the Company dated 3 June 2021, 4 June 2021, 16 August 2021, 20 September 2021, 22 September 2021, 22 October 2021, 1 December 2021, 31 December 2021, 9 February 2022 and 18 February 2022 (collectively, the “**Announcements**”).

2. UPDATE ON THE ACQUISITION AND LOAN

The Board wishes to announce that the Company is terminating the Proposed Acquisition of 51% of SSMM (please refer to the Company’s announcements dated 3 June 2021, 4 June 2021, 16 August 2021, 20 September 2021, 22 September 2021, 22 October 2021, 1 December 2021, 31 December 2021 9 February 2022 and 18 February 2022) and terminating the Loan Agreement as announced on 18 February 2022. The Proposed Acquisition was to acquire 51% of SSMM as part of the Company’s diversification of its businesses; and the loan was for payment of professional fees incurred relating to the acquiring of SSMM.

3. RATIONALE FOR THE TERMINATION

- i) The Company requested SSMM for their management accounts for the period from September 2021 to the period ending 28 February 2022 to review the sustainability of its business; SSMM did not respond to the request.
- ii) As announced on 18 February 2022, SSMM has agreed to provide \$500,000 loan to the Company. The Company attempted to draw down on the loan but received no response from SSMM.

After careful consideration the Board decided to terminate the Sales and Purchase Agreement, the Supplemental Agreement and the Loan Agreement (collectively, “**the Agreements**”).

4. TERMS FOR TERMINATION

The agreed terms to the termination for the Proposed Acquisition are :-

- (a) the fees, costs and expenses incurred by the Company in relation and incidental to the negotiation, preparation, execution and performance by the Company of the SPA and all of the Proposed Transactions shall be fully and finally settled by the Vendors, on a joint and several basis, in accordance with Clause 13 of the SPA;

- (b) further to the Company's announcement dated 31 December 2021, the SPA shall, as from the date of this letter, be terminated (save for the Surviving Clauses and Clause 13 of the SPA) without the need for any further action on the part of any Party; and
- (c) each Party hereby releases and discharges the other Party from the further observance and performance of the SPA (save for the Surviving Clauses and Clause 13 of the SPA) as from the date of the Termination.
- (d) Clauses 31 (Governing Law) and 32 (Dispute Resolution) of the SPA shall apply *mutatis mutandis* to the Termination Letter.

The Loan Termination Letter was agreed upon as follows :-

- (a) no Loan was drawn down by the Company under the Loan Agreement and as such, no unpaid sums are owing from the Company to the SSMM under the Loan Agreement;
- (b) the Loan Agreement shall, as from the date of the Termination Letter, be terminated (save for clauses expressed or intended to survive such termination) without the need for any further action on the part of any Party; and
- (c) each Party hereby releases and discharges the other Party from the further observance and performance of the Loan Agreement (save for clauses expressed or intended to survive such termination) as from the date signing.
- (d) Clauses 18.6 (Governing Law) and 18.7 (Dispute Resolution) of the Loan Agreement shall apply *mutatis mutandis* to the Termination Letter.

The Board view that if the fees, costs, and expenses are not paid by SSMM per the termination letter then this may have a material adverse impact on the consolidated earnings per share and net tangible assets per share of the Group for the current financial year ending 30 June 2022, due to the expenses incurred up-to-date amounting to \$293,000.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors, Controlling Shareholders or their associates have any interest, direct or indirect in SSMM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts of termination of the Proposed Acquisition of 51% of SSMM and the termination of the loan arrangement, and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

7. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company as the Proposed Acquisition and loan agreements are now being terminated. In the event of any doubt as to the action they should take, Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisors.

8. DOCUMENTS FOR INSPECTION

A copy of the Termination Letters are available for inspection during normal business hours at 4 Ang Mo Kio Avenue 12, CFM Building, #05-01, Singapore 569498, for a period of three (3) months commencing from the date of this Announcement.

Pursuant to the relevant health and safety measures imposed in respect of the COVID-19 pandemic, all Shareholders are to register their intention to inspect said document at least five (5) business days before the date of their appointment, via the Company's email address janet@cfmholdings.com. The Company shall be entitled to reject requests for inspection as it deems necessary, in compliance with the relevant laws and regulations relating to the COVID-19 pandemic.

BY ORDER OF THE BOARD

Lim Fong Li Janet
Executive Director and Chief Executive Officer
31st March 2022

*This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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, at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271