



CFM HOLDINGS LIMITED

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

RESPONSE TO SGX-ST QUERIES REGARDING TRADING ACTIVITY

The Board of Directors (the “**Board**”) of CFM Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries from Singapore Exchange Securities Trading Limited (the “**SGX-ST**” or the “**Exchange**”) on 17 September 2021 regarding the recent unusual price movements in the Company’s shares and wishes to respond to the queries as follows:

Question 1

Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 9 in Appendix 7A of the Catalist Rules for further examples. - If yes, the information shall be announced immediately.

Company's Response

The Company is not aware of any information not previously announced concerning the Company, its subsidiaries or associated companies which, if known, might explain the trading.

Nevertheless as disclosed by the Company on 3 June 2021 (the “**SPA Announcement**”), 4 June 21 and 16 August 2021, the Company had received the Management Accounts on 4 August 2021 and is in the process of conducting its financial due diligence on the said Management Accounts with its professional advisers. However as noted by its advisers, while the Management Accounts disclose that the Target (as defined in the SPA Announcement) had recorded revenue and net income for the financial period starting from its date of incorporation up to 31 July 2021, most of such revenue was accruing as account receivables. The Company and its professional advisers are still clarifying the nature of the distribution relationship of the Target with Changsha Sanji (as defined in the SPA Announcement), which has a bearing on the recognition of such account receivables, and as such have not concluded its financial due diligence on the Management Accounts. Therefore, the First Tranche of the Consideration Shares (each as defined in the SPA Announcement) cannot be definitively computed yet. The Company will update its shareholders as and when such financial due diligence has been resolved and the First Tranche of the Consideration Shares can be computed with certainty. As at the date of this announcement, the Company is not able to ascertain if any First Tranche payment will be made or the amounts payable or the number of Consideration Shares if such First Tranche payment is to be made. Shareholders should note that the Proposed Acquisition is subject to, *inter alia*, satisfactory due diligence, Shareholders’ approval, fulfilment of terms under the SPA, etc.

Question 2

Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Company's Response

The Company is not aware of any possible explanation for the trading.

Question 3

Can you confirm your compliance with the listing rules and, in particular, Catalist Rule 703?

Company's Response

The Board confirms that the Company is in compliance with the listing rules of the SGX-ST and, in particular, Catalist Rule 703.

The Board of the Company collectively and individually take responsibility for the accuracy of the aforesaid replies to the queries raised by the SGX-ST. Shareholders are advised to exercise caution when trading / dealing in their shares.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Lim Fong Li Janet
Executive Director and Chief Executive Officer
20 September 2021

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