



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, 6 April 2018, 24 August 2018, 1 February 2019, 28 August 2019, 12 February 2020, 2 March 2020, 27 August 2020, 2 October 2020 and 18 August 2021 relating to a claim by T-Net International (H.K.) Co. Limited (formerly known as Showa International (HK) Co., Ltd) ("**Showa**") against 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 on 12 February 2020, the Court of Appeal of Malaysia had on 29 January 2020 allowed our appeal and set aside the decision of the High Court.

Showa exercised its right to file an application to the Federal Court for leave to appeal to the Federal Court on the decision of the Court of Appeal on 28 February 2020. The leave to appeal was approved by the Federal Court of Malaysia.

The Federal Court had on the 17th January 2022, as informed by the HTPG solicitors, allowed Showa's appeal with costs of RM20,000 and the matter is now deferred to the High Court for the assessment of general damages before the Deputy Registrar. The claim is for general damages related to conversion, breach of contract and loss of reputation. Showa will have to prove all these claims and HTPG is seeking advice from its solicitors. The Federal Court restored the decision of the High Court dated 4 April 2018 including

- i) the award of special damages amounting to USD334,520.32 (equivalent in Ringgit Malaysia),
- ii) nominal damages of RM5,000
- iii) interest at 5% p.a. on item (i), (ii) and (iv)
- iv) general damages

In view of the High Court Judgement dated 4 April 2018 (FY2018), HTPG had already in 2018 made a provision of S\$0.6 million (RM1.8 million).

The Company will make further announcement to update the public if there are material developments on this matter.

Pending the High Court's assessment of the general damages, the financial impact on the Group's NTA per share and EPS up to the point of this announcement will be RM20,000 plus other costs that are yet to be determined at the point of this announcement. The known financial exposure has an immaterial adverse impact on the EPS and NTA per share of the Group for the financial year ending 30 June 2022. As of the date of this announcement, the directors have assessed that additional liabilities will be accrued as and when the amount is definitive.

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.

BY ORDER OF THE BOARD

Janet Lim Fong Li
Executive Director & Chief Executive Officer
19 January 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.*

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