



CFM HOLDINGS LIMITED

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

**PROPOSED DISPOSAL OF THE PROPERTY
AT 4 ANG MO KIO AVENUE 12 SINGAPORE 569498**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of CFM Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements on 16 June 2022, 28 June 2022, 1 August 2022, 17 August 2022, 29 August 2022, 13 September 2022, 12 October 2022, 13 October 2022, relating to the disposal of the whole of Lot MK18-10984C together with the building(s) erected thereon and known as 4 Ang Mo Kio Avenue 12, Singapore 569498 (the “**Property**”) (the “**Proposed Disposal**”) by one of its subsidiaries Cheong Fatt Holdings Pte. Ltd. (“**CFH**”).

2. RECEIPT OF JURONG TOWN COUNCIL (“JTC”) CONSENT

The Board wishes to announce that it had on 31 October 2022 received Consent Letter (“**CL**”) dated 28 October 2022 from JTC for the assignment of lease/licence for the Property (“**Assignment**”), subject to the conditions to be complied with by CFH and the Hi-Beau Group Pte. Ltd. (“**Purchaser**”).

Conditions to be fulfilled by CFH (“Assignor”):-

CFH is to pay the following on or before the actual completion of the Assignment (“**Assignment Completion Date**” or “**ACD**”)

- (a) the Land Rent, Waterfront Fee/Allocated Waterfront Boundary Line Rent, Service Charge (where applicable) and all other sums due;
- (b) all Outgoings (including property tax) outstanding in respect of the Property up to the date immediately preceding the ACD, which shall be no later than 6 months from 28 October 2022 to the relevant Authorities;
- (c) all legal fees, stamp duty and other reasonable costs and disbursements incurred by JTC in preparation of the CL, and the legal fees relating to any enforcement of our Obligations on a full indemnity basis.
- (d) any such breaches shall be remedied by CFH to JTC requirements before ACD.
- (e) CFH is to ensure that the mortgages are discharged by the ACD.

Conditions to be fulfilled by Purchaser (“Assignee”) are, *inter alia*.

- (a) The Assignee must use the Property for the Authorised Use set out in the CL.
- (b) Standard Terms shall apply, which can be found in JTC’s website at <http://www.jtc.gov.sg>.
- (c) Land Rent to be paid at prevailing market rate.
- (d) Land Rent Fee to be revised from 1 November 2022 and thereafter every November. The Assignee shall pay the revised land rent from ACD.
- (e) Control Requirement:
 - (i) As at the date of the CL, 100% of the Assignee’s issued shares are directly or indirectly owned by the Key Entity.
 - (ii) Any decrease in the Key Entity’s aforesaid percentage ownership of the Assignee’s issued shares to 50% or below (“**Control Requirement**”) will require JTC’s prior consent. Consent may be granted subject to terms and conditions at JTC’s discretion.
 - (iii) (a) “Key Entity” refers to ZHANG MING and DU WEI , collectively>; and
(b) the percentage of the Assignee’s issued shares that is "indirectly owned" by a person shall be computed by multiplying the percentage of the Assignee’s issued shares at each level of ownership.
- (f) Approval to be obtained from JTC and relevant authorities for any increase in the maximum Gross Plot Ratio (“**GPR**”), charges which are payable to JTC are:
 - (i) all development charges and differential premium which may be imposed on or charged to JTC by the relevant Authorities;
 - (ii) any other charges which may be imposed in connection with any increase in the Maximum GPR; and
 - (iii) additional Land Rent or premium as JTC may in their absolute discretion determine.
- (g) Prohibition period :
 - i) For the first 5 years after the Assignment Completion Date, the Assignee must not engage in Prohibited Transactions (set out in Clause 12 of the Standard Terms of JTC) or change the Control Requirement under any circumstances whatsoever except that the Assignee may sublet or mortgage the Property with JTC’s prior written consent (“Initial Assignment Prohibition Period”).
 - ii) After the 5th year anniversary of the Assignment Completion Date, and subject to clause 12.2 of the Standard Terms of JTC, the Assignee may sublet, grant a licence, encumber or otherwise part with or share possession or occupation of the Property or any part of the Property, or transfer, assign, charge, create a trust or agency over the Agreement for Lease or the Lease with JTC’s prior written consent.
 - iii) For the last 5 years before the end of the remaining lease term, the Assignee must not engage in Prohibited Transactions (set out in Clause 12 of the Standard Terms of

JTC) or change the Control Requirement under any circumstances whatsoever except that the Assignee may sublet or mortgage the Property with JTC's prior written consent ("End Assignment Prohibition Period").

- (h) To reinstate, vacate and deliver to JTC accordingly at the end of the remaining lease term.
- (i) Installation of Solar Panel to be removed at the end of the lease period.
- (j) The Assignee shall take over the remainder of the original lease term from the Assignment Completion Date and at its own costs and expense, enter into a Variation of Lease/Supplemental Document with JTC on completion of the Assignment to incorporate the terms in the letter and the terms and conditions set out in JTC's Memorandum of Lease registered as IG/84932T T ("Standard Terms"). A copy of the Standard Terms is available on our website at <http://www.jtc.gov.sg>.
- (k) If after completion of the Assignment, JTC discovers any breach of the terms and conditions in the Agreement for Lease/Lease/Building Agreement/Schedule of Building Terms/Variation of Lease/ Supplemental Agreement/Supplemental Deed ("Existing Document") or the CL (whether or not originally perpetrated by the Assignor), the Assignee shall assume all liabilities and responsibilities to rectify and remedy such breaches failing which JTC shall be entitled to exercise JTC's rights of re-entry under the Agreement for Lease/Lease, without prejudice to any other right or remedy JTC may have. If there is any inconsistency between the terms of the Existing Document and the CL, the terms in the letter shall prevail to the extent of the inconsistency.

Conditions to be complied by both Assignor and Assignee are, *inter alia*:-

- 1) Submission of Environmental Baseline Study ("EBS"), which the Company had submitted to JTC on 4 August 2022.
- 2) After completion of the Assignment, the Assignee's is to provide the EBS decontamination and reinstatement obligations per the EBS Requirements
- 3) Existing approved subletting at the Property continue After the Completion Date. The Assignee is required to submit a letter confirming its acceptance of all the rights and liabilities as the lessor under the various subletting agreements. JTC to be notified if any of the approved sublettings are terminated before the expiry of the sublet term.
- 4) Both Assignor and Assignee to execute the Transfer Instrument / Supplemental Agreement.
- 5) ACD shall be no later than 6 months from date of the consent letter.

The Assignor and the Assignee will accept the conditions by 18 November 2022 and will provide the following to JTC upon acceptance :-

From the Assignor

- (a) duly signed original Letter of Acceptance.
- (b) a certified true copy of the Assignor's Board of Director's resolution.

From the Assignee

- (a) duly signed original Letter of Acceptance and copy of Payment Advice for \$101.65 paid to JTC being administrative fees for the issuance of the Variation of Lease.
- (b) duly completed GIRO authorisation form (available on JTC's website at <http://www.jtc.gov.sg>).
- (c) a certified true copy of the Assignee's Board of Director's resolution.
- (d) a certified true copy of the Assignee's Certificate of Incorporation and Memorandum and Articles of Association or Constitution.
- (e) duly signed Variation of Lease.

3. FURTHER ANNOUNCEMENT

With this JTC's CL, the Company has fulfilled the Condition stated in the 16 June 2022 Announcement, para 3.6.1.

The Purchaser has fulfilled para 3.6.2 and 3.6.3 as of 1 November 2022.

The Company will make further announcement(s) when there are material developments to the Proposed Disposal.

4. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company. There is no certainty or assurance that the Proposed Disposal will be completed. The Company will make the necessary announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments in respect of the Proposed Disposal. 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 advisers 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
1 November 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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