

CM STRUCTURED FINANCE (1) LTD

COMMUNIQUE

The board of directors (the “**Board**”) of CM Structured Finance (1) Ltd (the “**Company**”) refers to the scheme of compromise proposed to the noteholders of the Company (the “**Scheme**”). The objective of the Scheme was to improve the timing and quantum of the noteholders’ recovery amount.

Following the majority of votes obtained in favour of the Scheme at the special meeting of noteholders of 14 October 2022, a petition (the “**Petition**”) was presented on 4 November 2022 to the Bankruptcy Division of the Supreme Court. The Petition was made returnable on 23 November 2022 for physical appearance, on which day a minority of noteholders and the noteholders’ representative have objected to the sanction of the Scheme. The Court ordered that the Petition be served on all noteholders and the matter was postponed to 20 January 2023.

At that Court hearing, the Company, acting under legal advice, withdrew the Petition for the following reasons:

- In view of the objections to the Scheme by a minority of noteholders and the noteholders’ representative (representing all noteholders), the probability of the Scheme succeeding was significantly reduced; and
- The Company would incur substantial legal and ancillary expenses to (i) resist the objections raised and (ii) comply with the Court order of 23 November 2022 to effect service by usher on all noteholders (some being overseas). Such costs and lengthy proceedings would further reduce the recovery amount available to noteholders, thereby defeating the purpose of the Scheme.

As a result of the Scheme not proceeding, the noteholders will (i) not receive any meaningful recovery amount until such time as the NMC exit instruments are repaid, (ii) continue to bear the legal and administrative costs incurred by the Company, and (iii) continue to be exposed to the risks of NMC Group in accordance with the listing particulars dated 6th August 2019.

The Company will keep noteholders and the noteholders’ representative informed of major developments.

By Order of the Board

Date: 30 January 2023

This Communiqué is issued pursuant to the SEM Listing Rule 11.3 and the rules and regulations made thereunder. The Board accepts full responsibility for the accuracy of the information contained in this Communiqué.