CFM HOLDINGS LIMITED

REGISTRATION NO. 200003708R

SUSTAINABILITY REPORT 2021

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Introduction

We are pleased to present our annual sustainability report for our financial year ended 30 June 2021 (“**FY2021**”).

Since our establishment in 1979, CFM Holdings Limited (“Company”) and its subsidiaries (“CFM” or “the Group”) have transformed itself into a customer-oriented manufacturer that provides metal stamping services, fabrication, designs, and sale of tool-and-die used for manufacturing of stamped metal components. Our vision is to be a global business name that delivers quality, performance, integrity, teamwork, and innovation to the satisfaction of our customers. We recognise the importance of responsible business practices and sound risk management especially in light of the uncertain and highly competitive business environment. We formulate our business strategies in response to evolving market demands and sustainability challenges.

The Group is also involved in trading in wearable and disposable gears for cleanroom, bio-medical, laboratories, pharmaceutical, and hospitals.

The Company had on 3 June 2021 entered into a Sale and Purchase Agreement (the “SPA”) with Wang Xinmeng, Gao Hong and New Energy Industry Sweden AB (collectively, the “Vendors”) and SING-SWE MM Biotechnology Pte. Ltd. (the “Target”), in relation to the proposed acquisition of 51% of the issued share capital of the Target (the “Proposed Acquisition”). Under the SPA, the Company shall acquire 51 ordinary shares in the capital of the Target from the Vendors, representing 51% of the total issued ordinary share capital of the Target, for an aggregate consideration of up to S$6,120,000. Upon completion of the Proposed Acquisition, the Company will own 51% of the Target and the Target will become a subsidiary of the Company.

On 21 September 2021, the Company signed a Supplementary Agreement (the “Supplementary Agreement”) with the Vendors and Target. Based on the Supplementary Agreement, the following are the amendments to the SPA: -

(a) Extending the Long-Stop Date from the current 30 September 2021 to 31 December 2021 or such other date as mutually agreed in writing between the parties to the SPA, or such date falling three months from the date on which the Proposed Whitewash Resolution is approved, whichever is earlier, and

(b) Extending the cut-off date of the Target’s Net Profit After Tax (“NPAT”) for the computation of the First Tranche of Consideration Shares from the current 31 July 2021 to 30 September 2021 and management accounts evincing the Target’s NPAT from the date of the Target’s date of incorporation up to 30 September 2021 shall be delivered to the Company no later than 15 October 2021.

The Company had, as of 15 October 2021, received the said management accounts from the Vendors.

The Company is in the process of conducting its legal and financial due diligence on the Target as well as its review of the aforementioned management accounts, in consultation with its professional advisers. The Company will announce its determination on the amount of Consideration payable under the First Tranche, by way of Consideration Shares, in compliance with the relevant listing rules in due course.

Shareholders should note that the Proposed Acquisition is subject to, inter alia, completion of due diligence, approvals from shareholders and the Singapore Exchange Securities Trading Limited. We are optimistic that the Group is positioned to take advantage of this opportunity that would bring growth to the Group’s business in a sustainable manner.

Today, our customer base ranges from electronics, automotive, telecommunication, technology, M&E, and pharmaceutical industries. The three industries contributing to our revenue are automotive, electronics, and engineering.

We are aware of our environmental and social duties as an ethical and responsible corporation operating manufacturing and production lines. CFM is committed to reducing environmental footprints and safeguarding every individual employee’s well-being to build a sustainable future. Through our thorough and continuous assessment of our business environment impact with our valued stakeholders, we strive to integrate sustainability into our business model and keep our business model relevant.

About this report

For our sustainability report, we have adopted a phased-in approach. As we embark on our sustainability reporting odyssey, we have first identified the material Economic, Environmental, Social and Governance ("ESG") factors based on our current practices and future initiatives of the Group. Our current practices and future initiatives will undergo continuous and consistent reviews in consideration of our business environment and valued stakeholders' concerns.

Drawing reference from the Global Reporting Initiative ("GRI") standards (core option) and under SGX-ST Catalist Rules (711A and 711B) and Practice Note 7F – Sustainability Reporting Guide. We have chosen to report using the GRI Standards because it is an internationally recognised sustainability reporting framework that covers a comprehensive range of sustainability disclosures.

We prepared the sustainability report of our operations for the period 1 July 2020 to 30 June 2021. The GRI Content Index is provided at the end of this report for the relevant references.

The contact point for questions regarding this report is Madam Lim Fong Li Janet, the Chief Executive Officer of the Group. We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems, and results. Please send your comments and suggestions to irc@cfmholdings.com.

The content of this report has not been externally assured by independent parties. The GRI Standards have been used since the first sustainability report.

About The Group

We are listed on Singapore Exchange Securities Trading Limited on 16 January 2004 and headquartered in Singapore.

The Group's mission is to deliver high-quality components to our customers by implementing stringent process control and deliver at the lowest cost possible. In addition, we strive to constantly upgrade our skills and keep abreast with technological advancement to satisfy beyond customers' requirements.

The locations of our operations include Singapore, Malaysia, China, and the Slovak Republic. We proactively approach our existing customers and increase our customer engagement efforts to enhance customer service and lay the foundation for future revenue growth. We have expanded our metal stamping services in the automotive industry to reach the United States and other European countries. We are developing new metal stamping services and products to better serve our valued customers.

During the financial year ended 30 June 2021 ("**FY2021**"), we reported a revenue of S$20.7 million, compared with revenue of S$17.4 million for the financial year ended 30 June 2020 ("**FY2020**"), an increase of approximately S$3.3 million. The increase was mainly due to the increase in sales from the metal stamping, tooling segments whilst the cleanroom products segment recorded a lower revenue.

The Group's Gross Profit increased by approximately S$0.6 million or 16.0% from S$3.9 million in FY2020 to S$4.5 million in FY2021. The increase in gross profit was largely contributed by higher revenue. However, the gross profit margin reduced slightly mainly due to higher raw material costs.

The Group recorded a net profit after tax of approximately S$417k for FY2021, an increase from net loss after tax of approximately S$703k in FY2020. This can be attributed to the higher revenue recorded during the financial year.

For detailed financial results, please refer to our Group website: www.cfmholdings.com or SGX website, for the sections in our FY2021 annual report:

Chairman's statement (page 4);

- Financial statements (pages 34 to 91).

Board's Statement

The Board of Directors of CFM Holdings Limited ("**CFM**" or the "Group") is pleased to present our Sustainability Report for the financial year 1 July 2020 to 30 June 2021 ("**FY2021**"). This report highlights the key economic, environmental, social, and governance ("**ESG**") related initiatives carried throughout FY2021.

Our goal is to highlight the progress and achievements of sustainability issues and to set out strategic responses to the sustainability risks exposed to the Group transparently and effectively.

As such, the key material ESG factors for the Group have been identified and cautiously reviewed by the management. The board of directors of the Group (the "**Board**") has considered sustainability issues as part of its strategic formulation and also oversees the management and monitoring of these factors and considers them in the determination of the Group's strategic direction and policies.

PRODUCT QUALITY

We are placing our consumers as our highest importance by building trust through our qualitative and sustainable product offerings through the discipline of product quality, consistency through the recognition of ISO as our group-wide objective.

VALUING OUR PEOPLE

We valued our employees as a top priority as we work hard to strengthen labour practices in areas such as wages and employment, health and safety, labour relations, code of ethics, training, and development.

MINIMISING OUR ENVIRONMENTAL FOOTPRINT

The focus covers our impact on various environmental footprints in terms of waste management at our manufacturing premises.

GOVERNANCE

This report is available on the SGXNet and the Company's website at www.cfmholdings.com. We are strictly in compliance with mandatory all listing requirements and new code of conduct, and also promote awareness and maintain compliance with our existing Group policies such as whistleblowing and anti-corruption policy.

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems, and results. Please send your comments and suggestions to irc@cfmholdings.com.

Board of Directors

22 November 2021

Defining Material Topics

The Group evaluated all aspects of business operations in defining material topics affecting CFM from its stakeholders' concerns and perspectives. The identified sustainability topics were assessed based on the feedback from our dialogues with our valued stakeholders and carefully calibrated with GRI disclosures. In the prioritisation of the material topics, we identified a list of sustainability topics in the sections of our report as such: **Our Economy**, **Our Environment**, **Our Community**, and **Our Governance**.

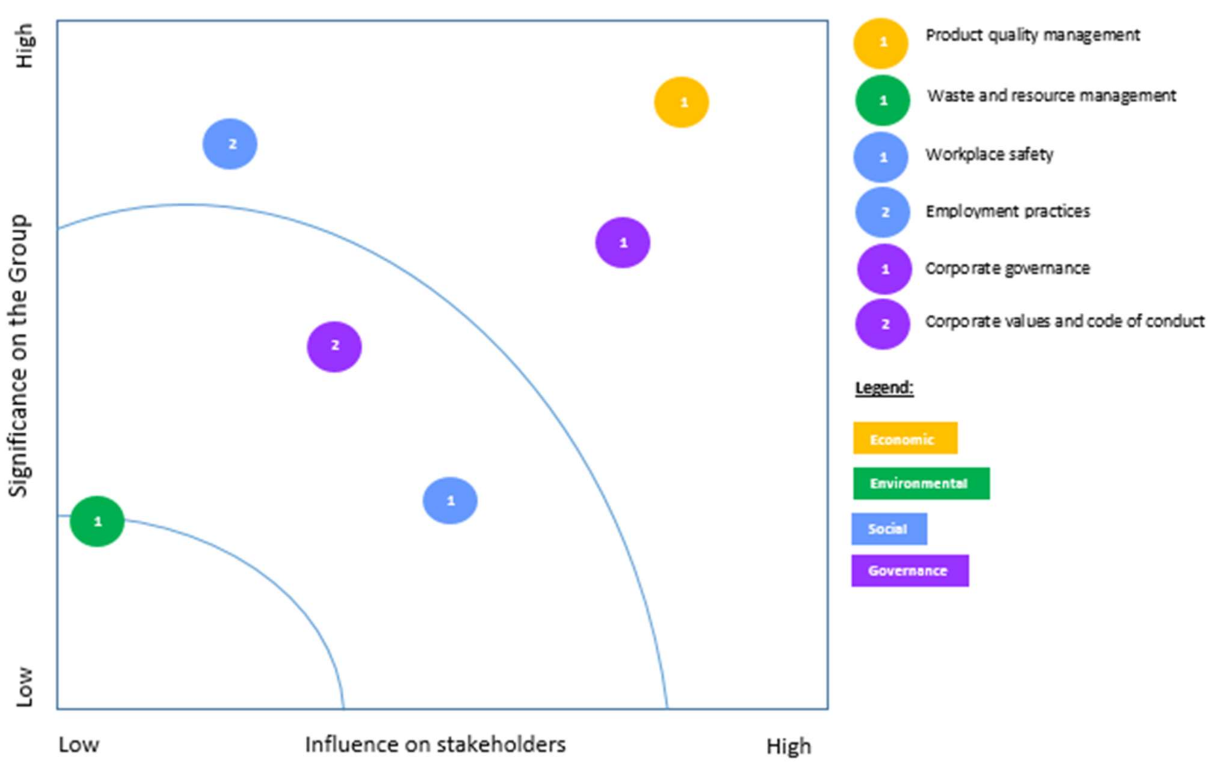
In assessing the materiality of ESG factors, the Group has considered -

External factors such as geography, markets, social environment, and the global Covid pandemic has had affected the supply chain and cost of raw materials cost to increase, and the business environment remains uncertain. Despite the current global situation, the Group's markets and businesses remain stable.

Walk-in customers and suppliers visiting our premises will be required to put on masks, observe safe distancing, use Trace Together. Taking of temperature is required and such devices are placed at the entrance of our premises. Sanitisers are also placed at the entry point.

Internal factors such as business cycle – Slovakia's operations performance remains strong the year. The Covid pandemic did not spare our Malaysia operations with key personnel taking a pay cut during the year as operations were instructed to halt or operate at permissible percentage. Staff were instructed to put on masks at all times, observe safe distancing measures and gathering of no more than two, sanitisers were provided at the entrance point, offices, cleaning high touch points were more frequent. Isolated areas were set up in case any staff is suspected to have contracted the virus, arrangement for an ambulance to pick up the infected staff will be arranged to send them to hospital.

The material ESG factors were identified and ranked through the use of questionnaires, and further concurred by key management personnel of the Group. The ranking of material topics was based on the topics' significance to CFM and influences on their valued key stakeholders.



Key Stakeholders

We have carefully identified five key stakeholders with significant influences on our business operating environment and sustainability efforts. We recognise the value of our key stakeholders' engagement in achieving goal congruence and economic success. The following table below reflects our identification of key stakeholders and the corresponding ways to engage them:

Key Stakeholders	Topics	Stakeholder Engagements
1. Shareholders	- Financial returns - Industry conditions and business outlook - Business strategies - Financial performance	- Annual General Meeting - Extraordinary General Meeting - Financial information and announcement release via SGX announcement - Discussion via calls and emails
2. Customers	- Quality management - Privacy of customers' data	- Customer feedback management - Face-to-Face meetings with key customers - Informal dialogues - Email correspondence
3. Employees	- Employees' welfare - Occupational health and safety - Training and development	- Annual appraisals - Employee feedback - Daily maintenance schedules for manufacturing sites - Periodic emergency drills - Continuing education programme
4. Suppliers	- Value for money purchases - Product quality	- Face-to-face meetings with key suppliers - Discussion via calls and emails
5. Government	- Updates of policies - Regulation compliance - Government projects (service logistics, warehousing and storage)	- Annual compliance audit - Adhere to statutory disclosures and requirements - Participation in seminars and conferences for updates in policies - Discussion via calls and emails - Participation and bidding in government projects (e.g. service logistics, warehousing and storage)

Strategies and Targets

Our current strategies and targets to achieve optimal sustainable operations as set forth below:

Key ESG Factors		Strategies	Targets
Our Economy	Product Quality Mangement	-Drive business expansion through the discipline of product quality consistency through continuous compliance w ith ISO and IATF standards.	- To ensure quality assurance audits are conducted w ith the *ISO 9001 and 16949 standards of compliance. * The International Organisation for Standardisation ("ISO"), ISO 9001:2015 is quality management systems and International Automotive Task Force ("IATF"), IATF 16949:2016 is technical specifications of quality management systems. - To aim for less than 0.05% AQL (Approved Quality Unit) defects in our production.
Our Enivronment	Waste and Resource Management	- Engages licensed scrap contractor to manage materials w aste to reduce envirnomental footprints.	- To conduct audits to ensure compliance w ith *ISO 14001 standards to ensure minimal w aste. * The International Organisation for Standardisation ("ISO"), ISO 14001:2015 is environmental management systems.
Our Community	Workplace Safety	- Conducts monthly inspections to ensure the safety of w ork premises. - Ensure compliance to safety rules and regulations during the discharge of their responsibilities by ensuring active participations of employees in regular drills.	- To ensure employees are kept up to date w ith safety rules and regulations through conducted periodic drills
	Employment Practices	- Provide trainings to build and broaden employees' know ledge and skillset. - Conduct annual appraisals to rew ard employees based on performance and merits	- To send key management personnel to attend tranings, and conduct internal trainings by key management personnel to ensure goal congruence and to narrow the gaps in know ledge. - To devise a comprehensive traning plan to cater to all employees to keep up w ith industry updates and changes. - Employeees empow erment through objective annual evaluations.
Our Governance	Corporate Governance	- Complies w ith the new code of corporate governance 2018.	- Endeavour compliance w ith all mandatory listing requirements and new code of governance.
	Corporate Values and Code of Conduct	- Complies w ith our w histle blow ing and anti-corruption policy.	- To promote aw areness and maintain compliance w ith our existing policies. We seek to actively revise and update our policies.

Risk and Opportunities

	Our Economy	Our Environment	Our Community	Our Governance
Risks	• Unable to meet customers' demand resulting in loss of future economic benefits. • Poor product quality resulting in wastage.	• Non-compliant with regulation acts and rules, resulting in imposed penalties and operations disruption. • Extensive environmental footprints as a resultant of improper waste disposal.	• Risk of injury resulting in damaging the social well-being of employees. • Lack of knowledge and confidence to meet job expectations.	• Business operating losses resulting from reputational damage, legal implications and lost trust of valued stakeholders.
Opportunities	• Foster long term relationship with our valued customers. • Increase brand trust through strong quality management.	• Increase environmental awareness to preserve the nature from anthropogenic afflictions. • Reduce environmental footprints for future generation via proper waste disposal.	• Increase vigilance in Occupational Health and Safety through regular trainings. • Improve employees' knowledge and confidence by sending them to accredited training courses or seminars.	• Attaining long term success and maximising promising financial returns for our valued stakeholders. • Enhancement of policies and procedures framework through thorough continual assessment.
Approaches	• We strive to achieve excellent customer satisfaction with periodical review of customers' feedback. • We strive to maintain compliance with quality assurance audits.	• We continuously strive to be compliant with new and existing ISO standards. • We strive to continuously review of obsolete stock to reduce production waste.	• We aim to create a healthy and safe environment for our employees through conducting regular safety training and periodic emergency drills. • We aim to enhance the working mind of our employees through continuing education.	• We strive to comply with the new code of corporate governance 2018 through the establishment of robust policies and procedures framework to deliver sustainable value to our stakeholders.

Economy

Product Quality Management

There is an increasing emphasis on organisations focusing on the quality of products and services. The Group recognises quality management and the continual improvement of its production process to be most critical in meeting our customers' demand for high-quality products at a reasonable price.

Our established manufacturing plants are proudly certified by the International Organization for Standardization 9001:2015 and International Organization for Standardization 9001:2016 for quality management systems and International Automotive Task Force ("IATF") 16949:2016 for technical specifications of quality management systems.

The standards ISO 9001:2015 and ISO 9001:2016 offer a comprehensive framework for maintaining quality. The ISO 9001:2015 and ISO 9001:2016 standards set forth robust quality management principles with heavy reliance on customer focus.

The IATF 16949:2016 is a technical specification, a certification that provides emphasis on preventing defects and reducing variability and waste in the automotive industry, on top of the development of quality management systems.

The intrinsic value of quality management standards lies in the confirmed assurance that there is quality in our products and our manufacturing systems. As part of our quality management practices, the Group engages an external party to conduct annual precision calibrations for our manufacturing machinery. We are constantly optimising our manufacturing process to improve operating efficiency, decrease wastage and reduce our environmental footprint.

We believe in responsible procurement. We evaluate our suppliers to ensure that we only procure raw materials from approved vendors. The Group strives to maintain compliance with the ISO and IATF standards by conducting periodic ISO and IATF certification audits and strives for continuous consistency to meet the expectations of the customers.

The Group is a member of the Singapore Business Federation ("SBF"). The function of the association is to increase the networking opportunities for the Group for economic, business growth and share advice on business continuity management, finance, and branding.

We will continue to ensure our product quality management and improvement to meet our customer's demands, as well as reduce the variations and waste.

During the year subsidiaries in each country renewed the PQM certificates after each audit.

The PQM certification lasts for several years, our quality and standard have to be maintained as our production requires precision.

As our production requires precision, we will continue to aim for less than 0.05% AQL (Approved Quality Limit) defects in our products so that customers will have continued confidence in our products.

List of ISO 9001:2015 & 2016 Certificates:


CERTIFICATE

N° CN/ 100631

SOCOTEC

CFM Infratrade Pte Ltd

ISO 9001 : 2015

for the scope of activities:

Sales and distribution of cleanroom products.


KGS

QUALITY SYSTEM CERTIFICATE

This is to Certify that the Quality Management System of

HANTONG METAL COMPONENT (PG) SDN. BHD. (342618-W)

Lot 83 & 84, Jalan PKNK 1/8,
Kawasan Perusahaan LPK, Taman Ria Jaya,
08000 Sungai Petani, Kedah Darul Aman,
Malaysia

has been assessed by KGS Certification Sdn. Bhd.
and found to comply with

ISO 9001:2015
Quality Management System

for the scope

Precision Parts Manufacturing, Stamping, Fabrication, Degreasing and Assembly

Certificate No	:	110407
Date of Initial Certification	:	09 November 2015
Date of Issue/Reissue	:	13 July 2021
Renewal Due	:	10 October 2024

Authorized Signatory

KGS Certification Sdn. Bhd.


ITQ - INŠTITÚT TEÓRIE KVALITY, s.r.o.

Certification body for management systems (CQ) Accredited in accordance with ISO/IEC17021-1:2015

CERTIFICATE

QS 793

Quality management system

CFM Slovakia s.r.o.

Radlinského 17, 052 01 Spišská Nová Ves
Slovenská republika

on the basis of the recertification audit No. 1378/2021, complies with the requirements of the standard for quality management systems:

STN EN ISO 9001 : 2016

This certificate shall apply for the following sphere of application:

Fabrication of metal components, silk screening and secondary processes.
Assembly of electrical motors.

Certificate is valid:
from: 19. 05. 2021
to: 19. 05. 2024


CERTIFICATE

HANTONG METAL COMPONENT SDN.BHD.

has implemented and maintains a Quality Management System

ISO 9001:2015

CERTIFICATE • ZERTIFIKAT • CERTIFICATE • ZERTIFIKAT • CERTIFICATE • ZERTIFIKAT • CERTIFICATE

List of IATF 16949:2016 Certificates:


Certificate

Standard	IATF 16949:2016
Certificate Holder:	CFM SLOVAKIA s.r.o.
Scope:	Manufacturing of metal stamped parts
	Excluding Product Design
Validity:	The certificate is valid from 2019-04-03 until 2022-04-02.
Release date:	2019-04-09

TÜVRheinland
Precisely Right.

Certificate of Registration

nqa

This is to certify that the Quality Management System of

Dalian CFM Precision Tooling Co., Ltd.

applicable to

has been assessed and registered by

against the provisions of

IATF 16949 : 2016

Managing Director

American Systems Registrar, LLC, Certificate Number: IAOB-1021

HANTONG METAL COMPONENT (PENANG) SDN. BHD.

LOT 83 & 84, JALAN PKNK 1/8, KAWASAN PERUSAHAAN LPK TAMAN RIA JAYA, 08000 SUNGAI PETANI KEDAH, MALAYSIA

with a scope of:

MANUFACTURE OF METAL STAMPED PARTS

American Systems Registrar issues this certificate and applicable appendices to HANTONG METAL COMPONENT (PENANG) SDN. BHD. after assessing their quality system and find it in compliance with the first edition of:

IATF 16949:2016

IATF Certificate Number:	0392828
ASR Certificate Number:	5282
Exclusions:	8.3 Product Design
Date of Certification:	March 31, 2021
Date of Certification Expiration:	March 30, 2024
Revision:	

President

CERTIFICATE OF REGISTRATION

Environment

Waste and Resource Management

In the era of increasing sustainability efforts, customers are becoming more environmentally conscious. The Group recognises the corporate responsibility to increase the standards of living while preserving the profitability of the organisation. We integrate our environmental efforts into our business operations. Our subsidiaries are also certified with ISO 14001:2015 and ISO 14001:2016 for environmental management systems. Similar to the concept of continual improvement established in the standards of quality management systems, the ISO 14001 standard dictates environmental performance through more efficient use of resources and reducing potential waste.

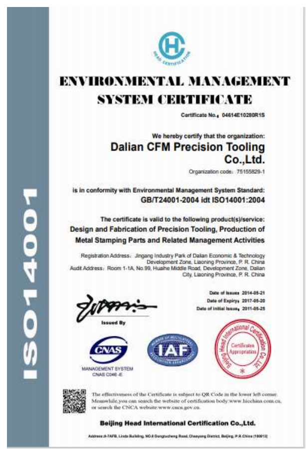
Our environmental initiatives aid in gaining a competitive advantage against other market players, and in building trust with our valued stakeholders.

The Group conducts proper disposal of material waste in all subsidiaries through the engagement of licensed scrap contractors in our bid to build a sustainable supply chain. All approved licensed scrap contractors are accredited and certified by their local regulations and standards for proper waste disposal. We strive to maintain compliance with the ISO 14001:2015 and ISO 14001:2016 environmental management systems' requirements by conducting periodic audits to minimise environmental footprints.

During the year the Group obtained renewal for its ISO14001:2015 for its plant after the audits were conducted at the plants, to maintain its operational standards.

The Group will continue to ensure proper disposal of materials waste in all subsidiaries through the engagement of licensed scrap contractors and ensure that there was no non-compliance to regulations. In addition, the Group will continue to maintain its ISO 14001:2015 and ISO 14001:2016 standards.

List of ISO Certificates: ISO 14001:2015 and ISO 14001:2016



COMMUNITY – WORKPLACE SAFETY

Every individual has a role to play in maintaining a safe and healthy working environment. The Group adopts the Fire Safety Manager ("FSM") Scheme from the Singapore Civil Defence Force ("SCDF") to ensure and enhance the fire safety standards within the building. The FSM scheme provides a comprehensive set of fire safety standards and prevention measures within the building premises.

A monthly inspection is conducted by the appointed fire safety manager to evaluate the building's fire protection system and identify potential safety breaches and/or fire hazards. The observations are highlighted for management's rectification. Emergency drills are conducted bi-annually where the execution shortfalls of the evacuation exercises and their recommendation are recorded in the Emergency Evacuation Drill Report by the appointed fire safety manager for management's attention.

Fire safety precautions were conducted by service provider via web meeting and attended by staff in FY2021. The Company did not conduct physical fire drill as advised by service provider due to Covid 19 heightened alert and took into consideration the safety management measures.

An Emergency Response Plan ("ERP") was developed by the Group under the Fire Safety Act (Section 20). The ERP provides detailed measures and operational actions to minimise injury and damage to property in the event of an emergency. All subsidiaries with manufacturing premises are certified with Fire Certificate per the local regulations where they operate.

As part of the safety measures, the manufacturing premises perform daily safety preventive maintenance on all machinery and record it on a safety checklist before the commencement of day-to-day operations.

Hazard boards and safety instructions are conveniently located within manufacturing floors to serve as a constant safety reminder for every individual.

In the reporting year, the Group has zero (FY2020: Zero (0)) injuries reported at the workplace.

During the year there was no engagement of external assurance to conduct periodic safety compliance audit, however, the Department of Occupational Safety & Health for Malaysia conducted routine onsite compliance check at our facilities to ensure compliance to workplace health and safety in accordance to the health and safety rules.

The Group displays commendable vigilance and seeks continual improvements to maintain zero workplace ill-health and injury.

The unprecedented global Covid-19 pandemic moved the Group to respond to the various countries' governments' call to institute safe distancing measures and embraced 'work from home' arrangements to the furthest extent possible. When staff returned to work, they were encouraged to wear a face mask at all times, temperature measurements were taken when they report for work, hand sanitisers were made available to them for use. More regular cleaning with disinfectant was used and staggered working hours were implemented. Any suspected case will be isolated and barred from reporting to work till clearance from the relevant health authorities. Staff are encouraged to meet suppliers and customers via web meetings or through phone calls.

Visitors to our premises are required to put on masks at all times, use Trace together, take temperature using the temperature device installed at our premises. Sanitisers are provided at the entry point.

Community

Employment Practices

Fair employment practices create an inclusive workplace culture. Training and performance evaluations are critical business development tools. While both development tools can be utilised independently, there are points where the two intersect. Continuing education training complements performance evaluations by establishing an active communication process between employees and employers.

The Group conducts annual performance appraisals for all employees to validate their merit performance to complete job tasks. Objective evaluations aid in the recognition of employees' competency and shortfalls, potentially allowing adjustments to the training program.

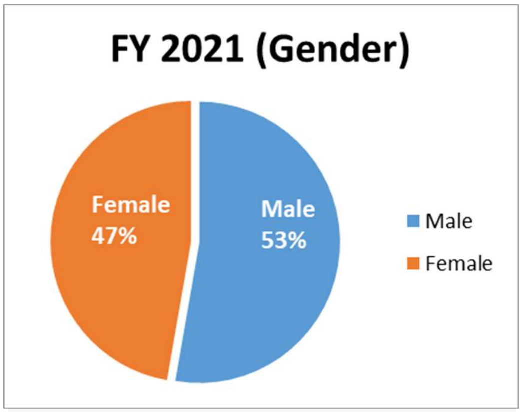
New and inexperienced employees will be placed at entry level and will be trained with the required skillsets internally.

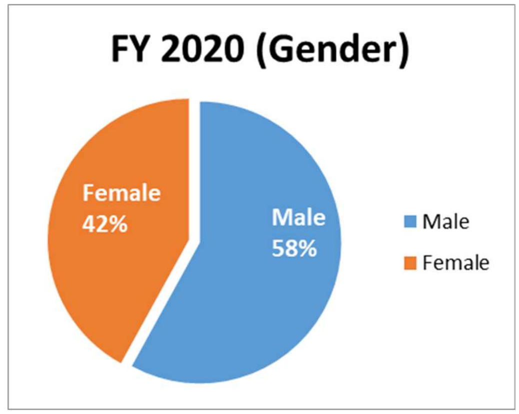
For certain staff to enhance their skill, they are sent for external training to enable the Group to build its core capabilities.

A comprehensive training map prescribes well-defined goals. It helps in narrowing the knowledge gaps of our employees. The Group sees the simultaneous synergy of the development tools and aims to devise a training plan to cater to employees to keep up with industry updates and changes.

The Group will continue to review the training needs of its staff on a need basis so as to improve staff skillset and build confidence in their performances.

As of 30 June 2021, the Group has a total of 419 (FY2020:419) employees. The headcount was distributed as follows:-





Board Diversity

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board comprises directors who as a group provide core competencies such as accounting or finance, legal, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, which are required for the Board to be effective in decision making.

Governance

Corporate governance involves balancing the interests of the Group's valued stakeholders. It provides a framework for attaining the Group's objectives and encompasses every sphere of management from performance measurements to corporate disclosures. The Group is committed to the sound practice of good corporate governance with zero tolerance for unethical behaviours and unprofessionalism.

The Group's anti-bribery and corruption policy sets forth the constitutions of misconduct and emphasises the prohibition of dishonest acts. We have formulated a whistleblowing policy and adopts an open-door policy to provide an avenue to all employees of CFM and members of the public to disclose any improper acts.

A dedicated whistleblowing communication channel to the Audit Committee Chairman using email is made available to anyone who wants to report any anti-bribery or corruption issue on a confidential basis.

In the current reporting year, the Group reported zero incidents of bribery and whistleblowing (FY2020: NIL).

The Group's goal is to maintain zero incidents of corruption in the upcoming years. The Group will regularly review policies on whistleblowing and anti-corruption.

In addition, the Group recognises that personal data collection and analysis have become widespread with the rapid developments in technology. As part of our control measures, a Personal Data Protection ("PDP") policy is set forth to protect the integrity of stakeholders' data from inappropriate use. With our extensive range of Policies and Procedures ("P&P"), the Group seeks to enhance our corporate framework with continual risk assessment and management of our internal controls, at least annually, to perform and operate in the advancing business environment.

There has been no reported incident or complaint of personal data leaking during the current financial year (FY2020: Nil). The Group will continue to keep the privacy of personal data collected and target no incident reported in the following years.

Shareholders

We value every opportunity to communicate with our shareholders. Active communication builds a robust trust platform. Effective communication ensures that the shareholders' interest and the Group's objectives are being addressed and conveyed. We encourage active participation during our Annual General Meetings and Extraordinary General Meetings, with every attempt to address concerns that are raised by our shareholders. The Group strives to maintain effective communication to foster long-term relationships and continual success.

Board of Directors ("BOD")

As at the date of this Sustainability Report, the Board comprises five (5) directors, of whom two (2) are Executive Directors and three (3) are Independent Directors. The Executive Chairman of the Group has more than 40 years of experience in the metal stamping and tooling industries. As a co-founder, he has been leading all the growth and expansion of the Group. The Chief Executive Officer oversees the day-to-day operations and general management with the assistance of the Group's Chief Financial Officer.

Two of the Independent Directors hold multiple directorships from several public listed companies. Mr Lo Kim Seng who is the Chairman of the Nominating Committee and Mr Chia Seng Hee. Mr Chia Seng Hee is the Lead Independent Non-Executive Director, he was appointed on 29 October 2021 to the Board. He is the Chairman of the Audit and Remuneration Committees and a member of the Nominating Committee.

Mr Teo Kian Huat, Independent Non-Executive Director, was appointed on 29 October 2021 to the Board. He is member of the Audit, Nominating and Remuneration Committees.

With the appointments of Mr Chia Seng Hee and Mr Teo Kian Huat, the current Board and Board Committees composition are in compliance with the Catalist Rules and Corporate Governance 2018.

The Independent Directors will constructively challenge the Group's business proposals and review its operating performance

The Group seeks to maintain compliance with the Code of Corporate Governance 2018 and Catalist Rules and stand ready to revise its policies whenever required.

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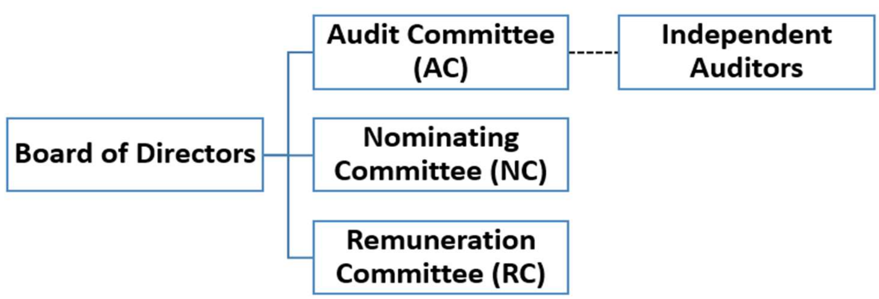

GLOBAL REPORTING INITIATIVE CONTENT INDEX

General Standard Disclosures

GRI No.	Description	Page or direct references
GENERAL DISCLOSURES		
Organisational profile		
102-1	Name of the organisation	CFM Holdings Limited
102-2	Activities, brands, products, and services	Pg. 3
102-3	Location of headquarters	CFM Holdings Limited No. 4, Ang Mo Kio Avenue 12, #05-01, CFM Building, Singapore 569498
102-4	Location of operations	Singapore, Malaysia, China and the Republic of Slovakia
102-5	Ownership and legal form	Pg. 3
102-6	Markets served	Pg. 3
102-7	Scale of the organisation	Pg. 5
102-8	Information on employees and other workers	Pg. 15
102-9	Supply chain	Pg. 11
102-10	Significant changes to the organisation and its supply chain	No significant changes
102-11	Precautionary principle or approach	Pg. 16
102-12	External initiatives	No external initiatives
102-13	Membership of associations	Pg. 12-14
Strategy		
102-14	Statement from senior decision-maker	Pg. 6
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	Pg. 16-17
Governance		
102-18	Governance structure	Pg. 17
Stakeholder engagement		
102-40	List of Stakeholder Groups	Pg. 8
102-41	Collective bargaining agreements	No Collective Bargaining Agreement
102-42	Identifying and selecting stakeholders	Pg. 8
102-43	Approach to stakeholder engagement	Pg. 8
102-44	Key topics and concerns raised	None
Reporting practice		
102-45	Entities included in the consolidated financial statements	This is adopted in the FY2021 Annual Report
102-46	Defining report content and topic Boundaries	Pg. 7
102-47	List of material topics	Pg. 7
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	1 July 2020 to 30 June 2021
102-51	Date of most recent report	15 October 2020
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	Madam Lim Fong Li Janet, the Chief Executive Officer of CFM
102-54	Claims of reporting in accordance with the GRI Standards	Pg. 3
102-55	GRI content index	Pg. 18
102-56	External assurance	None