



ANNUAL REPORT 2024

CFM HOLDINGS LIMITED
Registration No.: 200003708R

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This annual report has been prepared by CFM Holdings Limited (the "Company") and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Ms. Lin Huiying at 7 Temasek Boulevard, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

CORPORATE INFORMATION

BOARD OF DIRECTORS

IP KWOK WING

Executive Chairman

LIM FONG LI JANET

Executive Director and
Chief Executive Officer

CHIA SENG HEE

Lead Independent Director

TEO KIAN HUAT

Independent Director

STEPHEN POH YONG MENG

Independent Director

AUDIT COMMITTEE

CHIA SENG HEE (Chairman)

TEO KIAN HUAT

STEPHEN POH YONG MENG

NOMINATING COMMITTEE

TEO KIAN HUAT (Chairman)

CHIA SENG HEE

LIM FONG LI JANET

STEPHEN POH YONG MENG

REMUNERATION COMMITTEE

CHIA SENG HEE (Chairman)

TEO KIAN HUAT

STEPHEN POH YONG MENG

AUDITORS

BAKER TILLY TFW LLP

Chartered Accountants of Singapore
600 North Bridge Road #05-01
Parkview Square
Singapore 188778

PARTNER: NG WEI LUN

(appointed since financial year ended 30 June 2021)

COMPANY SECRETARIES

GOH XUN ER

CHEOK HUI YEE

REGISTERED OFFICE

3 Ang Mo Kio Street 62
#05-16, LINK@ AMK
Singapore 569139
Tel: +65 6481 2888
Email: irc@cfmholdings.com

SHARE REGISTRAR

IN.CORP CORPORATE SERVICES PTE. LTD.

30 Cecil Street #19-08
Prudential Tower
Singapore 049712

PRINCIPAL BANKERS

RHB BANK BERHAD SINGAPORE

DBS BANK LTD

CONTINUING SPONSOR

NOVUS CORPORATE FINANCE PTE. LTD.

7 Temasek Boulevard #04-02
Suntec Tower 1
Singapore 038987

CORPORATE PROFILE

Established since 1979, CFM has evolved into a customer-focused manufacturer providing metal stamping services, design, fabrication and the sale of tool-and-die used for the manufacturing of stamped metal components. Backed by production facilities in Malaysia, the Slovak Republic and the People's Republic of China, our Group supports a customer base of MNCs.

CFM reached an important milestone in our corporate history with the launch of our Initial Public Offering on 16 January 2004.

In FY2015, the Group expanded into trading in disposable and wearable for use in pharmaceutical, cleanroom, bio-medical, laboratories and hospitals.

Today, we serve customers in the electronics industry as well as customers from the automotive, telecommunication, technology, M&E industries and pharmaceutical industries.

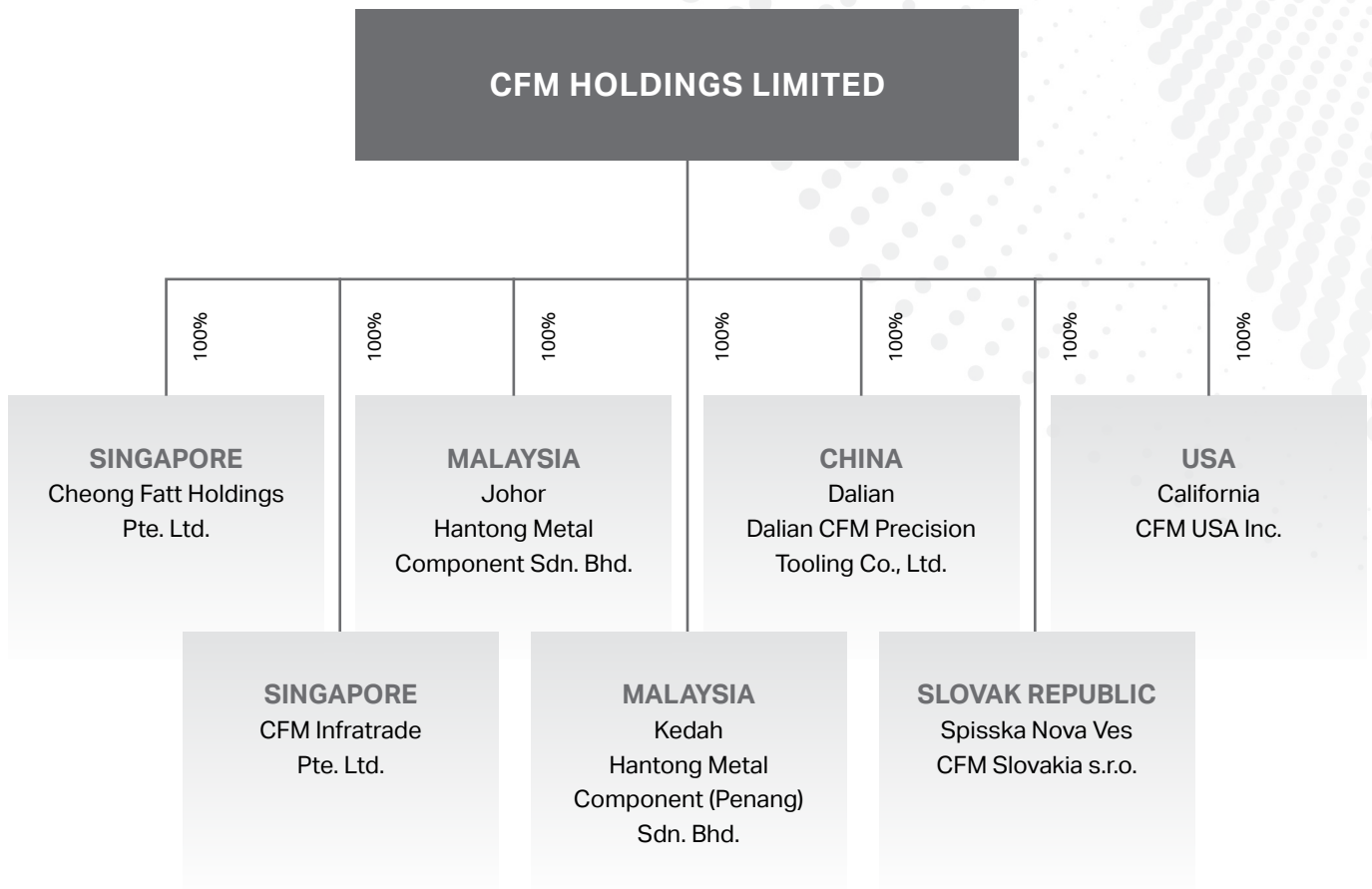
VISION

CFM ENVISIONS TO BE A GLOBAL BUSINESS NAME THAT DELIVERS QUALITY, PERFORMANCE, INTEGRITY, TEAMWORK & INNOVATION TO THE SATISFACTION OF OUR CUSTOMERS.

MISSION

WE AIM TO DELIVER HIGH QUALITY COMPONENTS TO OUR CUSTOMERS BY IMPLEMENTING STRINGENT PROCESS CONTROL AND DELIVER AT THE LOWEST COST POSSIBLE. WE STRIVE TO CONSTANTLY UPGRADE OUR SKILLS AND KEEP ABREAST WITH TECHNOLOGICAL ADVANCEMENT TO SATISFY BEYOND CUSTOMERS' REQUIREMENTS.

CORPORATE STRUCTURE



OUR GLOBAL FOOTPRINT

CFM HOLDINGS LIMITED

3 Ang Mo Kio Street 62,
#05-16, LINK@AMK, Singapore 569139
Tel: +65 6481 2888
Email: irc@cfmholdings.com
www.cfmholdings.com

SUBSIDIARIES

SINGAPORE

Cheong Fatt Holdings Pte. Ltd.
CFM Infratrade Pte. Ltd.

PEOPLE'S REPUBLIC OF CHINA

Dalian CFM Precision Tooling Co., Ltd.
Room 1-1A
No. 99, Huai He Zhong Road,
Dalian Economic Development Zone,
116600, Dalian,
People's Republic of China

SLOVAK REPUBLIC

CFM Slovakia, s.r.o.
Radlinskeho 17, 052 01, Spisska Nova
Ves, Slovak Republic

MALAYSIA

Hantong Metal Component Sdn. Bhd.
No. 4 Jalan Haji Sa'at, Sungai Tiram,
81800 Ulu Tiram, Johor, Malaysia

Hantong Metal Component (Penang) Sdn. Bhd.

Lot 83 & 84, Jalan 1/8 PKNK, Kawasan
Perindustrian Sungai Petani,
08000 Sungai Petani, Kedah, Malaysia

Note: The Company holds an interest in shareholdings of 14.67% in PT Hantong Precision Manufacturing Batam. The investment was written off in FY2018.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am presenting the annual report of CFM Holdings Limited (the "Company" and together with its subsidiaries, the "Group") for this financial year.

Our core business of metal stamping has been performing on an upward trend since 2021, though Covid-19 was a global pandemic then. This is evidence that our strategies are working favorably. To double down on this growth and to increase our core competency, some new machines were purchased during FY2024.

PERFORMANCE HIGHLIGHTS

Despite the much-reported Ukraine-Russian war and the Hamas-Israel conflicts, the Group has generated revenue of \$29.6 million for this financial year. In total, revenue from metal stamping increased by about 2%.

The Group's gross profit for this financial year was \$8.1 million compared with \$7.8 million for the previous financial year, an improvement of 3.85%.

As cleanroom sales is on a downtrend, we disposed our building located at No. 4 Ang Mo Kio Avenue 12, Singapore 569498 in the previous financial year.

The Group's profit after tax was \$1.8 million for this financial year, compared to \$10.5 million for the previous financial year. This difference arose from the gain on disposal of the property in the previous financial year. Excluding the profit on the one-off sale of the property, FY2024 profit after tax is marginally lower than last year due to increased administrative and manpower costs.

For more details of the Group's financial performance, please refer to the section titled "FY2024 - Operational and Financial Review" on pages 8 to 9 in this annual report for further details.

OUTLOOK

The European and Middle Eastern unrest is influencing certain markets in which the Group operates. Nevertheless, we remain focused on continued customer satisfaction and increasing our core competency. Also, our Penang factory has installed solar panels covering the entirety of its roof. When it is operational it will reduce our Group's carbon footprint and will also reduce some cost as we strive for environmental and business sustainability.

APPRECIATION AND THANKS

I would like to express my gratitude to all the shareholders, customers, suppliers, bankers, professional service providers and staff for their constant and continued support.

I also thank the Board for their contribution.

IP KWOK WING
EXECUTIVE CHAIRMAN

BOARD OF DIRECTORS

MR IP KWOK WING EXECUTIVE CHAIRMAN

Mr Ip Kwok Wing ("**Mr Ip**") is the Executive Chairman of our Group. Together with Mdm Lim Fong Li Janet, Mr Ip was a co-founder of our Group in 1979, and was appointed as Managing Director since the incorporation of our Group. Mr Ip was first appointed to the Board on 28 April 2000. He was last re-elected on 28 October 2022.

Mr Ip is responsible for the Group's strategic planning and development of new products and markets. He has been spearheading all the expansion and growth of our Group. He began his career in metal stamping, tool & dies fabrication and has an aggregate of more than 40 years of working experience in the metal stamping and tooling industries.

MDM LIM FONG LI JANET EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mdm Lim Fong Li Janet is the Executive Director and Chief Executive Officer ("**CEO**") of our Group. Assisted by the Group Chief Financial Officer, she oversees day-to-day operations, finance and general management of our Group. Mdm Janet was first appointed to the Board on 28 April 2000.

She is a member of the Nominating Committee.

She holds a Bachelor of Science in Business Administration from the University of Wales and a Masters in Marketing Communication from the University of Canberra.

She was appointed on 28 April 2000 and last re-elected on 26 October 2023.

MR CHIA SENG HEE LEAD INDEPENDENT DIRECTOR

Mr Chia Seng Hee ("**Mr Chia**") is the Lead Independent Director and Chairman of both the Audit Committee and the Remuneration Committee; he is also a member of the Nominating Committee.

Currently, he sits as an Independent Director on the Boards of several public companies listed in the Singapore Exchange. He brings to the Group significant experience in corporate governance and risk management.

Mr Chia graduated from the National University of Singapore with a degree in Accountancy and from the International University of Japan with a Master of Arts in International Relations. He also completed the General Manager Program at Harvard Business School. After approximately 15 years in various capacities with Arthur Andersen, Singapore Technologies and the Government of Singapore Investment Corporation, he was appointed Senior Director, Enterprise Singapore (then the International Enterprise Singapore Board) covering China operations from Shanghai, based at the Consulate General of Singapore in Shanghai.

He is a fellow member of the Institute of Singapore Chartered Accountants.

He was first appointed on 29 October 2021 and last re-elected on 28 October 2022. He will be standing for re-election in the upcoming AGM and his present and past years' directorships can be found in the section titled "Additional Information on Director Seeking Re-Election" in this Annual Report.

BOARD OF DIRECTORS

MR TEO KIAN HUAT INDEPENDENT DIRECTOR

Mr Teo Kian Huat (“**Mr Teo**”) is our Independent Director and is the Chairman of the Nominating Committee, and a member of the Audit Committee and the Remuneration Committee.

Mr Teo has over 25 years’ experience in the financial services sector, spanning across investment management, corporate finance and audit. He has significant experience in the areas of private equity investments, initial public offerings (IPO) and merger and acquisition (M&A) transactions.

He is currently the Chief Executive Officer of iCapital Holdings (SG) Pte Ltd, a corporate finance advisory services firm. Prior to iCapital, he was an Executive Director with ZACD Capital Pte Ltd, a fund management company focusing on real estate investments. He was the founding Managing Director of Carrington RHT Investments Pte. Ltd. in 2018 to 2019 and an Executive Director of Accion Capital Management Pte Ltd from 2010 to 2017, focusing on private equity investment opportunities. In that role, he originated and structured the investments and plan for exit of investments.

Prior to this, he was with various financial institutions including OCBC Bank and as part of the corporate finance team in Hong Leong Finance Limited where he provided corporate finance services such as IPO, M&A, secondary fund raisings and independent financial advisory work.

Mr Teo started his career as an auditor in KPMG in 1996. He graduated with a Bachelor of Accountancy degree from Nanyang Technological University.

He was appointed on 29 October 2021 and last re-elected on 28 October 2022.

He will be retiring at the upcoming AGM.

MR STEPHEN POH YONG MENG INDEPENDENT DIRECTOR

Mr Stephen Poh Yong Meng (“**Mr Stephen**”) is our Independent Director and is a member of the Audit Committee, the Remuneration Committee and the Nominating Committee.

Mr Stephen currently is an Executive Master Mediator and volunteers at the Community Mediation Centre, concurrently a CMC Assessor and he variously assesses new candidates’ suitability for appointment, and for current appointed mediators who seek higher level of industry recognition. He is also a Friend of Litigant-in-Person of the Community Justice Centre where he facilitates court appearances and hearings.

He is a volunteer mediator at FAST (Foreign Domestic Worker Association for Social Support and Training) where he manages cases of dispute referred to by the Ministry of Manpower.

Currently, he is also a director of Standard Commerce Services Pte. Ltd. He was previously the Vice President of First National Bank of Chicago.

He is an Associate of The Chartered Institute of Arbitrators, a CEDR Accredited Mediator, a Certified SIMI Mediator and a Certified Behavioral Consultant

He was appointed to the Board on 13 January 2023 and last re-elected on 26 October 2023.

He tendered his resignation on 27 August 2024 and the effective date of cessation is 28 October 2024.

KEY MANAGEMENT PERSONNEL

MR KENNETH IP YEW WA CHIEF OPERATING OFFICER

Mr Kenneth Ip Yew Wa (“**Mr Ip**”) joined the Group on 16 June 2010 and is currently the Chief Operating Officer of the Company. He is also the General Manager of Hantong Metal Component (Penang) Sdn. Bhd. and Executive Officer of CFM Slovakia s.r.o.. Prior to joining the Group, Mr Ip was a Marketing Executive in various corporations and a tooling designer in an MNC.

Mr Ip obtained his Bachelor’s Degree in Mechanical Engineering from Nanyang Technological University.

MS TAN LAY LEE CHIEF FINANCIAL OFFICER

Ms Tan Lay Lee (“**Ms Tan**”) joined the Group on 10 January 2020 as the Chief Financial Officer. She is responsible for all key financial matters of the Group.

She was previously with Informatics Education Ltd, a SGX mainboard listed company for more than 10 years and was their Group Financial Controller. She joined Mary Chia Holdings Limited, a SGX catalyst listed company in December 2015 as their Financial Controller. In both companies, she oversaw the full spectrum of the finance and accounting functions, taxation and compliance.

She is a member of Institute of Singapore Chartered Accountants (ISCA) and Fellow member of Association of Chartered Certified Accountants (ACCA).

FY2024 – OPERATIONAL AND FINANCIAL REVIEW

REVENUE

The Group's revenue decreased by approximately S\$165,000, or 0.6%, from S\$29.7 million for FY2023 to approximately S\$29.6 million for FY2024. The lower revenue was contributed by the metal stamping segment in Europe which is facing weaker exports to the conflict in neighboring countries. Furthermore, costs have risen significantly because of the Nord Stream pipeline not being in operation, thus driving up electricity and gas prices significantly, causing a large increase of our product prices. Due to the increased product prices, customers tend to be more inclined to source from China. Coupled with the semiconductor industry downturn that affected the cleanroom segment, these two headwinds mainly accounted for the drop in revenue for the Group.

GROSS PROFIT

The Group's Gross Profit increased by approximately S\$293,000 or 3.85% from S\$7.8 million in FY2023 to approximately S\$8.1 million in FY2024. The increase in gross profit was largely contributed by the production of large orders that brought about efficiency in production. Gross profit margin improvement came from the metal stamping segment.

OTHER INCOME

Other income decreased by approximately S\$8.2 million from S\$8.8 million in FY2023 to S\$539,000 in FY2024 mainly due to the absence of the one-off-disposal gain on non-current assets held for sale in FY2023, lower foreign exchange gain, lower rental income, lower government grant, and was offset by higher interest income and miscellaneous income.

MARKETING EXPENSES

Marketing and distribution expenses decreased slightly from approximately S\$335,000 in FY2023 to approximately S\$328,000 in FY2024 due to lower manpower expenses.

ADMINISTRATIVE AND OTHER EXPENSES

Administrative and other expenses increased from approximately S\$4.7 million in FY2023 to approximately S\$5.4 million in FY2024 due to higher manpower costs, higher depreciation, higher stock impairment and offset by lower professional fees, lower lease rental and lower repair and maintenance.

FINANCE COSTS

Finance costs decreased slightly from approximately S\$187,000 in FY2023 to approximately S\$149,000 in FY2024, mainly due to the early settlement of mortgage loans which was partially offset by an increase in right-of-use assets interest.

TAX EXPENSE

The tax expense for the year is approximately S\$1.1 million in FY2024 compared to approximately S\$0.9 million last year due to a higher operational profit for the metal stamping segment.

PROFIT FOR THE FINANCIAL YEAR

In spite of slightly lower revenue, the Group reported a higher gross profit and improved gross profit margin, increasing from a gross profit margin of 26.31% in FY2023 to a gross profit margin of 27.45% in FY2024. However, higher administrative and other expenses resulted in lower operational profits.

NON-CURRENT ASSETS

The increase in property, plant and equipment from approximately S\$6.4 million to S\$6.5 million was mainly due to the purchase of property, plant & equipment which amounted to approximately S\$1.0 million, offset by a depreciation charge of approximately S\$833,000 for the financial year.

At the Company level, the investments in subsidiaries were impaired by \$1.52 million, decreasing the net carrying amount from approximately S\$18.80 million to S\$17.28 million.

The Company had during the year reviewed the performance of its subsidiaries and performed an impairment test on its subsidiary Cheong Fatt Holdings Pte. Ltd. and recognised an impairment loss of S\$1.26 million.

The Company had during the year reviewed the performance of its subsidiaries and performed an impairment test on its subsidiary CFM Infratrade Pte. Ltd. An impairment loss of S\$1.68 million was recognized to reduce the carrying amount to its recoverable amount.

Prepayments of S\$302,000 as at 30 June 2024 relate to the partial prepayments for purchase of property, plant & equipment.

CURRENT ASSETS

Inventories increased from approximately S\$3.7 million as at 30 June 2023 to approximately S\$4.1 million as at 30 June 2024, due to pending sales orders that have yet to be fulfilled.

Trade receivables decreased from approximately S\$6.4 million as at 30 June 2023 to approximately S\$5.9 million as at 30 June 2024. The decrease was mainly due to faster collections of payments from customers.

FY2024 – OPERATIONAL AND FINANCIAL REVIEW

Other receivables and prepayments consist mainly of deposits and prepayments. Other receivables decreased by approximately S\$40,000 from approximately S\$275,000 as at 30 June 2023 to approximately S\$235,000 as at 30 June 2024, mainly due to a reduction in interest receivables and prepayments.

CASH AND BANK BALANCES

The cash and bank balances improved from S\$13.7 million as at 30 June 2023 to S\$14.0 million as at 30 June 2024. This was mainly due to faster collections of payments from customers.

CURRENT LIABILITIES

Trade payables increased from approximately S\$2.4 million as at 30 June 2023 to approximately S\$2.6 million as at 30 June 2024. This was mainly due to an increase in purchases to fulfill increased sales orders.

Contract liabilities decreased from S\$129,000 as at 30 June 2023 to S\$30,000 as at 30 June 2024 as the Group's performance obligations were fulfilled.

Other Payables increased from approximately S\$2.1 million as at 30 June 2023 to approximately S\$2.7 million as at 30 June 2024 mainly due to accruals of administrative and other expenses.

BORROWINGS AND LEASES

Total borrowings and lease liabilities for the Group decreased from S\$3.2 million as at 30 June 2023 to S\$3.0 million as at 30 June 2024. This was mainly due to the repayment of loans and leases.

REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2024, the Group generated a net cash inflow of approximately S\$3.5 million from operating activities as compared to net cash generated from operating activities of approximately S\$2.7 million for FY2023.

The operating profit before working capital changes decreased from approximately S\$3.8 million in FY2023 to approximately S\$3.5 million in FY2024. The Group's operating profit before working capital changes of approximately S\$3.5 million is attributed to profit before tax of approximately S\$2.9 million and was offset by higher depreciation, lower gain on disposal of property, plant and equipment, lower interest expense, higher interest income, higher inventories write-down, higher net reversal of impairment losses of financial assets and lower unrealised foreign currency exchange gain.

Cash generated from operations increased from approximately S\$3.5 million in FY2023 to approximately S\$4.5 million in FY2024. This is mainly due to higher trade payables and other payables, lower trade receivables, higher inventories and higher foreign currency translation adjustments.

Net cash generated from investing activities decreased to approximately S\$2.6 million in FY2024 from S\$4.5 million in FY2023. This was mainly due to the purchase of property, plant & equipment of approximately S\$1.1 million and was offset by proceeds from the disposal of property plant and equipment of S\$84,000 and the cash proceeds from the maturation of fixed deposit of S\$3.6 million.

Net cash used in financing activities was approximately S\$2.0 million in FY2024, and is mainly attributable to:

- a. repayment of borrowings of S\$150,000
- b. repayment on lease liabilities of S\$275,000
- c. interest payment of S\$149,000
- d. dividend paid for FY2023 amounting to S\$1.5 million
- e. receipt of restricted balances which matured of S\$35,000
- f. matured fixed deposit pledged with financial institution S\$1,000

As a result of the above, the Group's cash and cash equivalents increased to approximately S\$10.3 million as at 30 June 2024 from approximately S\$6.3 million as of 30 June 2023.

SUBSEQUENT DEVELOPMENT

Subsequent to the finalisation of the audit for the Company's results for FY2024, the Company reported a lower loss as compared to the unaudited results announced on 27 August 2024. This arose from a variance in the audited results, which resulted in the Company reporting a \$1.43 million reversal of impairment loss on investment in two subsidiaries of the Company; CFM Infratrade Pte. Ltd. \$1.09 million and Hantong Metal Components Sdn. Bhd \$342,000.

Accordingly, the Company's audited loss after tax for FY2024 is S\$2.17 million.

SUSTAINABILITY REPORT

BOARD'S STATEMENT

With great pleasure, the Board of Directors ("**Board**") of CFM Holdings Limited ("**CFM**") and its subsidiaries (collectively known as the "**Group**") is pleased to present our Sustainability Report for the financial year ended 30 June 2024 ("**FY2024**" or "**Reporting Period**"). In this Sustainability Report, we provide insights into the way we do business, while highlighting our main economic, environmental, social and governance ("**ESG**") factors. This sustainability report includes our climate-related disclosures and its four pillars, namely governance, strategy, risk management, and metrics and targets, according to the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**").

CFM Holdings Limited has been listed on the Singapore Exchange Securities Trading Limited since 16 January 2004 and is headquartered in Singapore.

The key locations of our Group operations include Singapore, Malaysia, China, and the Slovak Republic. We proactively engage with our existing key stakeholders to enhance relationships and lay the foundation for future revenue growth. Today we provide metal stamping services in the automotive industry to customers in the United States and other European countries. We are also in the midst of developing new metal stamping services and products to better serve our valued customers.

Our sustainability reporting outlines the Group's approach to establishing a sustainability governance structure, developing strategies for a sustainable business, conducting materiality assessment and processes to identify and monitor material topics, with a mechanism in place to review and update the material topics on a periodic basis.

Vision

The Group envisions being a global business name that delivers quality metal stamping and the supply of tooling, components and parts, and cleanroom products while striving to be a sustainable business via adopting sustainable practices.

Our vision statement reflects a strong commitment to being the leader in metal stamping and the supply of tooling, components and parts, and cleanroom products. To support this vision, we have instilled a culture of strong teamwork and innovation in our team, adopted green technology through the installation of solar panels and procured decarbonised materials.

Over the years, the Group has persistently embraced this vision and gained consistent support from key stakeholders.

Mission

Our mission is to deliver high quality metal stamping and the supply of tooling, components and parts, and cleanroom products to our customers by implementing stringent process controls and delivering them at the most competitive prices. In the procurement of various types of metals and cleanroom products, we consider the sources of these materials and their environmental and social impact on our stakeholders. We are committed to sourcing sustainable and environmentally friendly metals and cleanroom products where possible. This is part of the Group's strategy to become a sustainable business while protecting the environment. By adopting sustainable practices, we enhance our competitiveness, build stronger relationships with stakeholders, and create long-term value for our shareholders.

Additionally, we strive to constantly upgrade the skills of our employees and management team and keep abreast of technological advancements to satisfy our stakeholders' requirements. The Group conducted a business review to enhance competitiveness and improve operational efficiencies. During the financial year, the Group undertook a refreshing exercise of its outdated machinery, selling these outdated machines to second-hand dealers and scrap metal companies. The new machineries are technologically more advanced, providing improved operational efficiency, reducing resource usage and better catering to our customers' needs.

For detailed financial results, please refer to our Group website: www.cfmholdings.com or the SGX website for the sections in our FY2024 annual report:

- FY2024 – Operational and Financial Review (pages 8 to 9);
- Financial statements (pages 70 to 117).

Board of Directors
11 October 2024

SUSTAINABILITY REPORT

ABOUT THIS REPORT

Reporting Scope

This Sustainability Report covers all operating entities within the Group during the Financial Reporting Period FY2024, namely:

COMPANY	COUNTRY	BUSINESS
CFM Holdings Limited (Listco)	Singapore	Investment holding company
CFM Infratrade Pte. Ltd.	Singapore	Trading and supplying disposable and wearable for use in clean room, bio-medical, laboratories and hospitals
Cheong Fatt Holdings Pte. Ltd.	Singapore	Warehousing and logistics services
CFM Slovakia s.r.o	Slovak Republic	Manufacturing of metal plates and metal stamping
Dalian CFM Precision Tooling Co., Ltd.	China	Manufacturing and fabricating engineering tools
Hantong Metal Component Sdn. Bhd.	Malaysia	Manufacturing of metal plates and metal stamping
Hantong Metal Component (Penang) Sdn. Bhd.	Malaysia	Manufacturing of metal plates and metal stamping

The four business segments of the Group are metal stamping, tooling, components and parts, and cleanroom products.

Reporting Framework

The Sustainability Report has been prepared in accordance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) with reference to the guidelines set out in SGX-ST’s Practice Note 7F Sustainability Reporting Guide. This Sustainability Report has been prepared with reference to the Global Reporting Initiative (“**GRI**”) Standards and TCFD, which are internationally recognised sustainability reporting frameworks that cover a comprehensive range of sustainability disclosures. The TCFD and GRI Content Indexes can be found on pages 34 to 37 of this Sustainability Report.

Reporting Frequency and Period

The sustainability report is released annually together with the annual report. This sustainability report covers the twelve-month period from 1 July 2023 until 30 June 2024, unless otherwise stated. All values reported in Sustainability Report or Annual Report are in Singapore dollar, the Group’s reporting currency.

External Assurance

The Group has relied on internal data monitoring and verification to ensure accuracy of this sustainability report. The sustainability reporting process has been internally reviewed. The risk-based limited review of selected processes was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. While the Company has not obtained external assurance for FY2024, it intends to do so by FY2027.

Feedback

To enhance our approaches, systems, and performance on sustainability, we appreciate and value your feedback, views and opinions with regards to our sustainability practices. You are encouraged to share any feedback with us in terms of our sustainability efforts by writing to irc@cfmholdings.com.

SUSTAINABILITY REPORT

KEY STAKEHOLDERS

Through an internal stakeholders mapping exercise, the Group has carefully identified six key categories of stakeholder groups who are affected or could be affected by the Group's activities. We prioritise our engagements with these stakeholder groups, considering their significant influence on our business operating environments and sustainability efforts. These include shareholders and investors, customers, suppliers, governments and regulators, local communities and employees. The Group recognises the value of our key stakeholders' involvement in achieving our goal congruence, as our economic successes are affected or could be affected by the Group's activities.

It is important to engage our stakeholders and consider their interests in our business decisions making process as we constantly seek to manage our business more sustainably. We continuously engage our stakeholders in the performance of our business through various channels as follows:

KEY

STAKEHOLDERS	STAKEHOLDER ENGAGEMENTS	FREQUENCY	KEY CONCERNS
Shareholders & Investors	<ul style="list-style-type: none"> Annual general meeting Annual report <hr/> <ul style="list-style-type: none"> Results announcements via SGXNet <hr/> <ul style="list-style-type: none"> Announcements via SGXNet 	<ul style="list-style-type: none"> Annually <hr/> <ul style="list-style-type: none"> Semi Annually <hr/> <ul style="list-style-type: none"> As and when required 	<ul style="list-style-type: none"> Profitability Integration of ESG considerations in business decisions Business strategy Timely release of results Corporate governance
Customers	<ul style="list-style-type: none"> Customers' feedback Face to face meeting with key customers Email correspondences 	<ul style="list-style-type: none"> As and when required 	<ul style="list-style-type: none"> Product quality and service reliability Competitive pricing GRI/TCFD/*EU CBAM compliance
Suppliers	<ul style="list-style-type: none"> Face to face meetings with all suppliers <hr/> <ul style="list-style-type: none"> Discussions via calls and emails Company's website 	<ul style="list-style-type: none"> As and when required <hr/> <ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Product quality Competitive pricing GRI/TCFD/*EU CBAM compliance Compliance with terms and conditions provided in the contracts
Local Communities	<ul style="list-style-type: none"> Company's website which serves as a central hub of information and updates. It is also a channel by which the local community can give feedback to the Company. 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Environmental activities
Employees	<ul style="list-style-type: none"> Annual appraisal <hr/> <ul style="list-style-type: none"> Periodic emergency drills <hr/> <ul style="list-style-type: none"> Employees' feedback Continuing education program Occupational Health & Safety Daily maintenance schedule for manufacturing sites 	<ul style="list-style-type: none"> Annually <hr/> <ul style="list-style-type: none"> Periodic <hr/> <ul style="list-style-type: none"> Ongoing 	
Government and Regulators	<ul style="list-style-type: none"> Participation in seminars and conferences for updates in policies and regulations <hr/> <ul style="list-style-type: none"> Annual compliance audit 	<ul style="list-style-type: none"> As and when required <hr/> <ul style="list-style-type: none"> Annually 	<ul style="list-style-type: none"> Timely reporting and compliance with relevant rules and regulations Keeping abreast with new policies, guidelines and compliance

Note: *EU CBAM – EU Carbon Border Adjustment Mechanism

SUSTAINABILITY REPORT

SUSTAINABILITY APPROACH

SUSTAINABILITY GOVERNANCE STRUCTURE

A robust governance structure directs our Group commitment to a sustainable business. Our Group's sustainability strategy is headed by the sustainability committee ("SC") which oversees the Group-wide sustainability strategies and initiatives. The SC is led by the Chief Operating Officer ("COO") and Chief Financial Officer ("CFO") and is supported by general managers.

The Board of Directors advises and supervises sustainability strategies, governance, and performance targets. The SC is responsible for developing, reviewing, and executing the sustainability strategies, including performing materiality assessments, setting targets and goals for the Group's sustainability efforts. The SC reports to the Board and is also responsible for collecting, verifying, monitoring, and reporting performance data for this Sustainability Report.

BOARD OF DIRECTORS (Executive Chairman, 1 ED, 3 IDs)

- Executive Chairman Mr Ip Kwok Wing
- Executive Director and CEO Mdm Lim Fong Li Janet (Chief Sustainability Officer ("CSO"))
- Lead ID Mr Chia Seng Hee
- ID Mr Teo Kian Huat
- ID Mr Stephen Poh Yong Meng

Responsibilities include:

- (i) Oversight of the development of sustainability strategies and the implementation process
- (ii) Provision of oversight of governance and risk management matters



SUSTAINABILITY COMMITTEE ("SC") (COO, CFO, General Managers ("GM"))

- COO Mr Kenneth Ip Yew Wa
- CFO Ms Tan Lay Lee
- GM Mr Chong Tze Huei
- AGM Mr Andrew Ip
- GM Mr Miroslav
- GM Mr Wong Lai Cheung

Responsibilities include:

- (i) Reviewing key material topics, sustainability performance, setting of targets and goals
- (ii) Reviewing, implementing and executing the approved sustainability strategies
- (iii) Taking into consideration sustainability topics when implementing operational plans

SUSTAINABILITY REPORT

MATERIALITY REVIEW PROCESS

The Group has undertaken a detailed review of its business operations before identifying the material topics and assessing their impact on its stakeholders. The identified material topics were assessed based on the feedback received from our valued stakeholders and carefully calibrated against GRI disclosures. In prioritising the material topics, the Group has identified a list of material topics in the sections of this Sustainability Report: **Economic, Environment, Social, and Governance**.

In assessing the material topics, the Group has considered factors beyond our control, such as geopolitical matters, market conditions, social surroundings, which impact supply chain and raw material costs. The rising costs due to the Nord stream pipeline not being in operation and the significant increase in electricity and gas prices have led to higher inflationary pressures and interest rates, particularly for our European markets, thus creating a more challenging business landscape. Despite this, the Group's businesses will continue to demonstrate resilience and stability.

The materiality review process involves 4 steps:



SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

The materiality assessment is conducted with reference to the GRI's Standards on the process to identify material topics. This includes considering the likelihood of the occurrence of actual and potential negative and positive impacts ("Likelihood of Impact") and assessing the significance of these impacts on the economy, environment, social and key stakeholders. The identified material topics are ranked through the use of questionnaires provided to the respective managers within the Group by the SC and are subsequently endorsed by the Board of Directors. The material topics are determined based on their significance to the Group's business operations and their impact on the key stakeholders.

In FY2024, the SC conducted a materiality assessment to address the concerns and expectations of key stakeholders. Through this materiality assessment, factors with significant impacts on the economy, environment, society and governance have been updated. The SC identified eight material topics that are applicable to the Group as table below:

SUSTAINABILITY FACTOR	MATERIAL TOPICS	KEY STAKEHOLDERS
Economic	Financial Performance	<ul style="list-style-type: none"> Shareholders and Investors Customers Suppliers
	Product Quality	
Environment	Electricity, Fuel, Water and Waste	<ul style="list-style-type: none"> Regulators and Government Shareholders and Investors Local Communities Suppliers
Social	Occupational Health and Safety	<ul style="list-style-type: none"> Regulators and Government Shareholders and Investors Employees
	Equal Opportunity and Diversity	<ul style="list-style-type: none"> Employees
	Retention, Development and Training	<ul style="list-style-type: none"> Employees
Governance	Corporate Governance	<ul style="list-style-type: none"> Regulators and Government Customers Shareholders and Investors Employees Suppliers
	Equal Opportunity and Board Diversity	<ul style="list-style-type: none"> Shareholders and Investors

PERFORMANCE TRACKING

The SC reviews sustainability performance on a half-yearly basis, keeping track of the material topics, monitoring and checking against performance targets to ensure that the strategy and goals are on track. Any variances are compared and checked against performance targets. The Group will continuously enhance its performance monitoring system to improve data collection processes and overall sustainability performance.

SUSTAINABILITY REPORT

SUSTAINABILITY PERFORMANCE MEASUREMENT

Our sustainability performance for the financial year FY2024 is as follows:

MATERIAL TOPIC	PERFORMANCE INDICATOR	SUSTAINABILITY PERFORMANCE	
		FY2023	FY2024
Economic			
Financial Performance	Revenue	\$29,729,000	\$29,564,000
	Gross Profit	\$7,822,000	\$8,115,000
	Operating Expenses	\$4,948,000	\$5,570,000
	Payment to Providers of Capital (Dividend)	\$200,000	\$1,500,000
	Income Taxes (Paid)	\$905,000	\$1,387,000
Product Quality	Local Purchases	90%	96%
	Overseas Purchases	10%	4%
Environment			
Electricity	Electricity consumption	3,277,000 kWh	3,443,000 kWh
	Electricity consumption intensity kWh/revenue \$'000s	110.23	116.46
Fuel	Fuel	*42,500 litres	47,700 litres
	Fuel consumption intensity Litres/revenue \$'000s	1.43	1.61
Water	Water	24,500 m ³	31,400 m ³
	Water consumption intensity m3/revenue \$'000s	0.82	1.06
Waste	Waste – liquid	900 litres	1,960 litres
	Waste – solid	440 kg	510 kg
Social			
Occupational Health and Safety	Number of incidents of non-compliance with labour standards	Nil	Nil
	Number of fatalities from work-related injuries	Nil	Nil
	Number of high-consequence work-related injuries	Nil	Nil
	Number of recordable work-related injuries	Nil	Nil
	Number of recordable work-related illness	Nil	Nil

SUSTAINABILITY REPORT

MATERIAL TOPIC	PERFORMANCE INDICATOR	SUSTAINABILITY PERFORMANCE	
		FY2023	FY2024
Equal opportunity and diversity (Employees)	Gender ratio:		
	- Male	**50%	58%
	- Female	**50%	42%
	Age ratio:		
	< 30 years old	29%	31%
	30-50 years old	51%	51%
	>50 years old	20%	18%
	New hire:		
	Gender ratio:		
	- Male	**58%	86%
	- Female	**42%	14%
	Age ratio:		
	< 30 years old	44%	54%
	30-50 years old	52%	43%
	>50 years old	4%	3%
	Turnover:		
	Gender ratio:		
	- Male	**52%	55%
- Female	**48%	45%	
Age ratio:			
< 30 years old	53%	33%	
30-50 years old	42%	52%	
>50 years old	5%	15%	
Development & Training	Average training hours per employee		
	Average training hours per employee by gender:	8.16	8.29
	Male	***11.63	7.65
	Female	***4.69	9.18
Governance			
Board Composition	Board Independence	60%	60%
Equal opportunity and diversity (Board)	Gender ratio:		
	Male	80%	80%
	Female	20%	20%
Ethical Behaviour	Number of reported anti-corruption cases	Nil	Nil
	Number of reported whistleblowing cases	Nil	Nil

Noted:

* FY2023 fuel data being restated due to error in information disclosed in FY2023 Sustainability Report.

** Minor change to the percentage of male and female employees due to error in source data for FY2023.

*** There is a change to the average training hours by gender for FY2023 Sustainability Report: 6 hours on average for male employees and 7 hours on average for female employees. The amendment is due to the error in classification of data.

SUSTAINABILITY REPORT

ECONOMIC

Financial Performance

We believe in creating long-term economic value for all our stakeholders. We are committed to providing value to all our stakeholders. In line with this commitment, value created in FY2024 is distributed as follows:

PERFORMANCE INDICATOR	FY2023 (\$'000)	FY2024 (\$'000)
Direct Economic Value Generated (Revenue)	29,729	29,564
Gross Profit	7,822	8,115
Operating Expenses	4,948	5,570
Payment to Providers of Capital (Dividend)	200	1,500
Income Taxes (Paid)	905	1,387

Further details of our financial performance can be found on pages 70 to 117 of the audited financial statements of this Annual Report.

Product Quality

Precision is a crucial and significant factor for the parts produced for our customers. The Group strongly believes that quality management and ongoing improvement of its production process are essential in satisfying our customers' need for high-quality products at reasonable prices.

Our manufacturing plants have been accredited by the International Organization for Standardization International Automotive Task Force ("IATF") 16949:2016 for quality management systems, as well as International Organization for Standardization ("ISO") 9001:2015 Quality Management Systems. These certificates are available on our website www.cfmholdings.com.

The IATF 16949:2016 is a thorough guideline for quality control in the automotive industry. IATF standards emphasise strong quality management principles, with a focus on sustainability and detecting external threats.

The ISO:9001:2015 Quality Management Systems is an international standard for quality control.

The intrinsic value of quality management standards lies in the confirmed assurance of quality in our products and our manufacturing systems. As part of our quality management practices, the Group engaged certified external experts to perform precision calibrations for our measurement instruments. We are continuously enhancing our manufacturing processes to boost operational efficiency, minimise wastage and lessen our environmental impact.

We advocate for ethical sourcing practices and conduct assessments of our suppliers to ensure we source raw materials only from authorized vendors. The Group aims to adhere to the IATF and ISO standards by conducting periodic IATF and ISO certification audits and strives for continuous consistency to satisfy customer needs.

In FY2024, the Group consistently achieved its target of keeping defects at less than 0.05% Approved Quality Limit ("AQL") by implementing rigorous operational protocols. For FY2025, the Group is determined to maintain our product quality with an AQL of less than 0.05%.

SUSTAINABILITY REPORT

We will persist in ensuring the management of our products quality, with the aim of meeting customers' demands proficiently, minimising discrepancies and wastes.

During the year, subsidiaries in each country renewed their quality management certificates after relevant audits, as the products we produced require precision. The renewal is an assurance that our products meet the industry standards.

Below are the various quality certifications obtained by the Group for the respective locations.

ATF 16949: 2016 – Penang, Slovakia, China

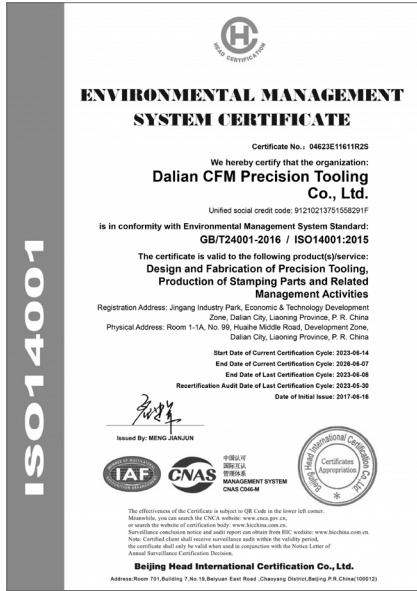
The image displays three quality management certificates. The first is an NQA Certificate of Registration for ATF 16949:2016, issued to Dalian CFM Precision Tooling Co., Ltd. in China. The second is a TÜV Rheinland Certificate for ATF 16949:2016, issued to CFM Slovakia s.r.o. in Slovakia. The third is an ASR Certificate of Registration for ATF 16949:2016, issued to HANTONG METAL COMPONENT (PG) SDN. BHD. in Malaysia. Each certificate details the scope of the certification, the certifying body, and the validity period.

ISO9001:2015/2016 – Johor, Singapore, Slovakia, Penang

The image displays four ISO 9001:2015/2016 certification certificates. The first is from SOCOTEC for CFM Infratec Pte Ltd in Singapore. The second is from ITQ - INŠTITÚT TEÓRIE KVALITY, s.r.o. for CFM Slovakia s.r.o. in Slovakia. The third is from KGS for HANTONG METAL COMPONENT (PG) SDN. BHD. in Malaysia. The fourth is from AIBEN for HANTONG METAL COMPONENT SDN. BHD. in Malaysia. Each certificate specifies the scope of the certification and the certifying body's details.

SUSTAINABILITY REPORT

ISO14001: 2015/2016 – China, Johor, Slovakia



ISO45001:2019 - Slovakia



SUSTAINABILITY REPORT

Our sustainability approaches for economic

ELEMENTS	MATERIAL TOPIC	
	FINANCIAL PERFORMANCE	PRODUCT QUALITY
Risks	<ul style="list-style-type: none"> Potential delays in shipment due to strikes, resulting in inability to meet customer demand and a loss of future economic benefits. 	<ul style="list-style-type: none"> Substandard product quality leading to wastage, reduced revenue, reputation risks and increase in costs.
Opportunities	<ul style="list-style-type: none"> Foster long-term relationships with our valued customers. 	<ul style="list-style-type: none"> Reduce environmental footprints by buying decarbonised raw materials. Source new suppliers to secure more competitive pricing.
Impact on the Key Stakeholders	<ul style="list-style-type: none"> Shareholders and Investors Customers Suppliers 	<ul style="list-style-type: none"> Shareholders and Investors Customers Suppliers
Management Approach	<ul style="list-style-type: none"> Generate higher revenue and report improved net profit. Strive to maintain compliance with quality assurance audits. Consistently monitor domestic developments and have contingency plans in place. Source additional suppliers and freight service providers. 	<ul style="list-style-type: none"> Purchase only from authorised suppliers. Conduct stringent selection process for suppliers. Regular monitor products quality and costs. Continuously review obsolete stock to reduce wastage.

SUSTAINABILITY REPORT

ENVIRONMENTAL

Electricity

The Group's operations rely on electricity for its production. The primary energy consumers in the Group are machineries, trucks, elevators, air conditioners, heaters, lighting, and office equipment.

Our Group endeavours to actively contribute to minimising carbon emissions and will proceed with the installation of our first solar panels at our Penang factory in Q4 of FY2024. The solar panels will be operational by Q1 of FY2025. These solar panels will allow the Group to claim double tax allowance and capital allowance, and special tax allowance for green project (MIDA) Malaysia authority.

The second set of solar panels is targeted to be installed at our Johor factory by Q3 of FY2025 and is expected to be operational by Q4 FY2025. These solar panels will also allow the Group to claim double tax allowance and capital allowance, and special tax allowance for green project (MIDA) Malaysia authority.

MATERIAL TOPIC	FY2023 ACTUAL (KWH)	FY2024 ACTUAL (KWH)	FY2025 TARGET (KWH)
Group electricity	3,277,000	3,443,000	3 to 5% lower
Manufacturing electricity	3,228,000	3,413,000	3 to 5% lower

The manufacturing plants used 3,413,000 kWh in FY2024 compared to 3,228,000 kWh in FY2023.

The Group did not meet its target for FY2024 to reduce electricity consumption by 15,000 kWh. This was due to a ramp-up of sales orders from customers for the metal component segment which required the plants to be operational for longer hours to optimise output.

The Group targets to reduce its electricity consumption by approximately 3 to 5% in FY2025 to do our part for the environment and achieve costs savings through: -

- 1) deployment of solar panels in two of our factories during FY2025
- 2) refreshing with energy-saving equipment and/or appliances
- 3) regular servicing and maintenance of machinery
- 4) planned usage of machinery to optimise outcomes and save energy consumption
- 5) setting the air conditioning to 25 degrees Celsius to conserve energy

SUSTAINABILITY REPORT

Using the electricity grid emission factors provided by various sources as denoted below, the Group's Scope 2 carbon emissions¹ for FY2024 was 2,339tCO₂e (tonnes of carbon dioxide equivalent).

PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	FY2023	FY2024
Electricity consumption	kWh	3,277,000	3,443,000
Electricity consumption intensity	kWh / revenue \$'000	110.23	116.46
GHG emissions			
Indirect GHG emissions (Scope 2) ¹	tonnes CO ₂ e	*2,195	2,339
Total GHG emissions	tonnes CO₂e	2,195	2,339
GHG emissions intensity	tonnes CO ₂ e / revenue \$'000	0.0738	0.0791
		tonnes CO ₂ e per \$1,000 of revenue earned	tonnes CO ₂ e per \$1,000 of revenue earned

¹ This is computed from purchased electricity consumption under scope 2, and some direct energy consumption under scope 1 (mainly fuels such as diesel and petrol) as defined by the GHG Protocol (operational control approach) and using individual country CO₂e emission factors retrieved from the GHG Protocol, EMA, Carbon Footprint and TENAGA.

*Restatement #1

The total indirect GHG emissions have been restated for FY2023. The total indirect GHG emissions for FY2023 should have been 2,195tCO₂e instead of 2,250tCO₂e as previously reported. This adjustment is due to the emission factor source used in FY2023 being from Carbon Footprint, whereas for FY2024, we used the GHG Protocol and local emission factors for scope 2 as recommended by ISSB. Moving forward, we will continue using these sources.

Fuel Consumption

To transport our products to customers, the Group operates a fleet of trucks. Timely and efficient shipping of goods is a critical component of providing excellent customer service. Effective route planning reduces vehicle maintenance and servicing, thereby lowering carbon monoxide emissions from unforeseen and unplanned routes and deliveries.

In FY2024, the Group used approximately 47,700 litres of fuel (FY2023: 42,500 litres). The higher fuel consumption resulted from sales orders for the metal component segment in our Malaysia operations, offset by lower revenue from the European operations, which faced weaker exports due to regional conflict and increased costs. As such, the Group's revenue did not show an increase compared to last year. This explains the higher fuel consumption intensity of 1.61 litres/revenue \$'000 in FY2024 compared to 1.43 litres/revenue \$'000 in FY2023.

MATERIAL TOPIC	FY2023 ACTUAL	FY2024 ACTUAL	FY2025 TARGET
Fuel	*42,500 litres	47,700 litres	47,000 litres

* A subsidiary failed to provide the fuel consumption of 2 lorries for FY2023, amounting to 17,000 liters of fuel, equivalent to 49.61 tCO₂e.

SUSTAINABILITY REPORT

Using the fuel grid emission factors provided by GHG Protocol, the Group's Scope 1 carbon emissions¹ were 137.13tCO₂e (tonnes of carbon dioxide equivalent).

PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	FY2023	FY2024
Fuel consumption	litres	*42,500	47,700
Fuel consumption intensity	litres / revenue \$'000	1.43	1.61
GHG emissions			
Direct GHG emissions (Scope 1) ¹	tonnes CO ₂ e	*129.89	137.13
Total GHG emissions	tonnes CO₂e	129.89	137.13
GHG emissions intensity	tonnes CO ₂ e / revenue \$'000	0.00436	0.00463
		tonnes CO ₂ e per \$1,000 of revenue earned	tonnes CO ₂ e per \$1,000 of revenue earned

* A subsidiary short provided 2 lorries fuel consumption for FY2023 amounting to 17,000 litres of fuel equivalent to 49.61tCO₂e.

¹ This is computed from direct energy consumption under scope 1 (mainly fuels such as diesel and petrol) as defined by the GHG Protocol (operational control approach) and using individual country CO₂e emission factors retrieved from the GHG Protocol calculation table.

*Restatement #2

The total fuel consumption has been restated for FY2023. The total fuel consumption for FY2023 should have been 42,500 litres instead of 25,000 litres as previously reported. The total direct emission for FY2023 should have been 129.89tCO₂e instead of 110tCO₂e as previously reported. This was due to error in information disclosed in FY2023 annual report.

Water

We recognise the importance of managing water resource effectively by optimising consumption and properly managing wastewater treatment. During the year, the Group used 31,400m³ of water in our operations. The Group's presence in Singapore is mainly its headquarters operations which do not require a substantial amount of water supply.

The Johor facility consumes a higher amount of water due to its silk-screening and spraying processes that require more water. Our approach to decreasing water usage includes turning off water taps when not in use and performing regular maintenance of water outlets to prevent water leakages.

The Group's water consumption for FY2024 was 31,400 m³ compared to 24,500 m³ in FY2023. We did not meet the reduction target of 50 m³ for FY2024 due to the manufacturing facilities' usage of 31,400 m³ in FY2024, compared to 24,500 m³ in FY2023. The increase in water consumption intensity 1.06 m³/revenue \$'000 in FY2024 from 0.82 m³/revenue \$'000 in FY2023 was due to an increase in staff headcount and an incident of water pipe leakage.

The Group aims to decrease its consumption by 400 m³ for FY2025. However, it is noteworthy that the water consumption is closely linked to customer orders, particularly for silk-screen and spraying orders.

PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	FY2023 ACTUAL	FY2024 ACTUAL	FY2025 TARGET
Water consumption	m ³	24,500	31,400	31,000
Water consumption intensity	m ³ / revenue \$'000	0.82	1.06	–

SUSTAINABILITY REPORT

Waste Management

The Group acknowledges the importance of prioritising environmental awareness while also safeguarding the financial viability of the organisation. We incorporate our environmental initiatives into our business operations. Our subsidiaries have been accredited with ISO 14001 for their 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 by promoting resource efficiency and waste reduction. The ISO certificates are available for viewing on our website www.cfmholdings.com.

Our environmental efforts contribute to our competitive edge over other market player and enhance trust with our esteemed stakeholders.

The Group conducts proper disposal of material waste in all subsidiaries by engaging licensed scrap contractors, thereby establishing a sustainable supply chain. All approved licensed scrap contractors are accredited and certified by their local regulations and standards for proper waste disposal. We maintain compliance with the ISO 14001 environmental management systems' requirements by conducting periodic audits to minimise our environmental impact.

In FY2024 the Group's disposed materials waste was 1,960 litres in liquid and 510 kg solid waste (FY2023: 900 litres and 440 kg respectively). This increase was due to increased sales orders for the metal stamping segment in one of the subsidiaries. The Group's waste generation included metal scraps, papers, plastic, usage of gloves, sanitising agent and masks. The Group is committed to the principles of recycling, reusing, and reducing waste. In the coming years, the Group anticipates a decrease in liquid waste disposal as one subsidiary disposes of its liquid waste on an irregular basis. The liquid is stored in a large tank of 1,200 litres and is only disposed when the tank is full, as was the case this year. However, the Group does not foresee a significant drop in solid waste disposal if business operations continue as usual. For FY2025, the Group expects a much lower figure for liquid waste disposal.

The Group did not meet its target of reducing waste by 20 liters of liquid wastes and 10 kg of solid waste for FY2024 due to disposal of waste by our Slovakia operation. The operations dispose waste only when it has been fully collected in a collection tank, which is then collected by an authorised organisation for disposal. This does not happen on an annual basis and disposal happens only when the tank is full. This does not cause health problems to the staff.

MATERIAL TOPIC	FY2023 ACTUAL	FY2024 ACTUAL	FY2025 TARGET
Waste			
Liquid waste	900 litres	1,960 litres	900 litres
Solid waste	440 kg	510 kg	400 kg

SUSTAINABILITY REPORT

Our sustainability approaches for environmental

ELEMENTS	MATERIAL TOPIC			
	WASTE MANAGEMENT	ELECTRICITY	FUEL	WATER
Risks	<ul style="list-style-type: none"> Non-compliant with regulation acts and rules, resulting in imposed penalties and operations disruption. 	<ul style="list-style-type: none"> Non-compliant with regulation acts and rules, resulting in imposed penalties and operations disruption. 	<ul style="list-style-type: none"> Non-compliant with regulation acts and rules, resulting in imposed penalties and operations disruption. 	<ul style="list-style-type: none"> Prompt action not taken to tackle potential wastage and leakage.
	<ul style="list-style-type: none"> Extensive environmental footprints due to improper waste disposal. 	<ul style="list-style-type: none"> Increase in GHG emissions leading to higher GHG emissions intensity. 	<ul style="list-style-type: none"> Increase in GHG emissions leading to higher GHG emissions intensity. 	
Opportunities	<ul style="list-style-type: none"> Increase environmental awareness to preserve the nature from anthropogenic afflictions. 	<ul style="list-style-type: none"> Increase efficiency in energy usage leads to reduced emissions. 	<ul style="list-style-type: none"> Increase efficiency through planned routes. 	<ul style="list-style-type: none"> Increase efficiency in operational water use.
	<ul style="list-style-type: none"> Reduce environmental footprints for future generation through proper waste disposal. 	<ul style="list-style-type: none"> Invest in energy-saving technologies (e.g. solar panels and more efficient machinery). 	<ul style="list-style-type: none"> Invest in hybrid / electric vehicles. 	
Impact on the Key Stakeholders	<ul style="list-style-type: none"> Shareholders and Investors 	<ul style="list-style-type: none"> Shareholders and Investors 	<ul style="list-style-type: none"> Shareholders and Investors 	<ul style="list-style-type: none"> Shareholders and Investors
	<ul style="list-style-type: none"> Local Communities 	<ul style="list-style-type: none"> Local Communities 	<ul style="list-style-type: none"> Local Communities 	<ul style="list-style-type: none"> Local Communities
	<ul style="list-style-type: none"> Government 	<ul style="list-style-type: none"> Government 	<ul style="list-style-type: none"> Government 	<ul style="list-style-type: none"> Government
Management Approach	<ul style="list-style-type: none"> Strive to continuously review obsolete stock to reduce waste produced. 	<ul style="list-style-type: none"> Reviewing and exploring other avenues to mitigate GHG emissions. 	<ul style="list-style-type: none"> Reviewing other avenues to mitigate GHG emissions such as regular vehicle inspections and servicing. 	<ul style="list-style-type: none"> Exploring using freshwater and recycled water for our operations to lower operational costs.
	<ul style="list-style-type: none"> Recycling waste and obsolete stock. 	<ul style="list-style-type: none"> Installation of solar panels to provide long-term cost savings. Replacing existing lights with LED lights. Installing variable refrigerant flow ("VRF") air-conditioners with 5 ticks on the green label sticker on the air-conditioners. 		<ul style="list-style-type: none"> One subsidiary has installed 5 water tap controls to prevent leakages.

SUSTAINABILITY REPORT

SOCIAL

Occupational Health and Safety

Ensuring worker safety and occupational health is a shared responsibility between the Group and each individual to uphold a safe and healthy work environment.

At each subsidiary, the designated fire safety managers conduct monthly inspections to assess the effectiveness of the manufacturing plant's fire protection system, as well as to identify potential safety breaches and fire hazards. The assessment report is brought to the attention of the subsidiary's management for necessary action. Annual emergency drills are carried out to evacuation procedures and practices, with any deficiencies noted in the Emergency Evacuation Drill Report by the fire safety manager for management review.

Fire safety precautions were conducted by an authorised service provider in FY2024. The Company and its subsidiaries conducted physical fire drills during the year in accordance with the recommendations of the service provider.

The Group has formulated an Emergency Response Plan ("ERP") in accordance with Section 20 of the Fire Services Act. This plan outlines specific measures and operational procedures aimed at reducing harm and property damage during emergency situations. All subsidiaries' operating manufacturing facilities hold Fire Certificates as required by local regulations in their respective locations.

In adherence to safety protocols, the manufacturing facility conducts daily preventative maintenance on all machinery as a precautionary measure. This maintenance is documented on a safety checklist prior to the commencement of daily operations. Furthermore, hazard boards and safety instructions are prominently exhibited throughout the manufacturing floors to consistently remind all individuals of safety precautions.

During FY2024, external assurance was engaged to carry out regular safety compliance audits. The Department of Occupational Health and Safety in the countries where our Group operates manufacturing facilities conduct routine onsite compliance inspections to ensure adherence to workplace health and safety regulations. Non-compliance with the established standards could result in the temporary suspension of manufacturing operations until rectification is made. In FY2024, the Group achieved its goal of zero-day workplace safety related shutdowns.

The Group aims to maintain the track record of zero workplace safety-related shutdowns for FY2025.

MATERIAL TOPIC	FY2023 ACTUAL	FY2024 ACTUAL	FY2025 TARGET
Number of incidents of non-compliance with labour standards	Zero	Zero	Zero
Number of fatalities from work-related injuries	Zero	Zero	Zero
Number of high-consequence work-related injuries	Zero	Zero	Zero
Number of recordable work-related injuries	Zero	Zero	Zero
Number of recordable work-related illness	Zero	Zero	Zero

The Singapore factory operation is required by the authority to be registered with the Commissioner for Workplace Safety and Health ("WSH"), which conducts on-spot inspection without advance notice. The factory is required to review its risk management every two years. The operation stays guided by the WSH guidelines.

The Group does not operate in a dangerous environment and no occupational illness or health problem resulting from exposure to hazards at work were reported for the for the financial year FY2024.

SUSTAINABILITY REPORT

Equal Opportunity and Diversity

An inclusive workplace culture is created by fair employment practices.

It is essential for our Group's hiring practices to be fair, merit-based, and non-discriminatory to recruit people with the right knowledge and skills to contribute to the growth of our business. Our workforce is diverse and consists of employees from diverse backgrounds. We continue to build a conducive and harmonious working environment to attract and retain our employees.

The Group's headcount are as follows:-

Employee Distribution

FINANCIAL YEAR	AGE GROUP					
	< 30 YEARS		30-50 YEARS		> 50 YEARS	
	OLD	%	OLD	%	OLD	%
2023	130	29	226	51	91	20
2024	161	31	259	51	94	18

FINANCIAL YEAR	GENDER			
	MALE	%	FEMALE	%
2023	*224	50	*223	50
2024	299	58	215	42

Employee by Nationality

NATIONALITY	FY2023	%	FY2024	%
Singapore	9	2	11	2
Malaysia	214	48	243	47
China	29	7	37	7
Slovakia	99	22	82	16
Ukraine	5	1	-	-
Bangladesh	35	8	58	12
Nepal	23	5	31	6
Indonesia	1	-	1	-
Myanmar	30	7	46	9
India	2	-	5	1
Total	447	100	514	100

SUSTAINABILITY REPORT

New hires and staff turnover

GENDER	NEW HIRES				STAFF TURNOVER			
	FY2023	%	FY2024	%	FY2023	%	FY2024	%
Male	*115	58	108	86	*102	52	45	55
Female	*82	42	17	14	*93	48	37	45
Total	*197	100	125	100	*195	100	82	100
Age								
< 30 years old	86	44	67	54	103	53	27	33
30-50 years old	103	52	54	43	82	42	43	52
> 50 years old	8	4	4	3	10	5	12	15
Total	*197	100	125	100	*195	100	82	100

The overall staff headcount increased for FY2024 due to one subsidiary requiring more personnel to meet its increased productivity activities resulting from increased sales orders. In FY2024, there were 82 resignations and 125 new hires, with the Penang subsidiary increasing its headcount due to higher sales. This is due to the expiration of the contract staff and the company needing to source new contract staff.

*Restatement #3

The number of total employees, new hires, and staff turnover has been restated for FY2023. The total number of employees for FY2023 should have been 447 instead of 541 as previously reported (new hires were 197 instead of 189, while total staff turnover was 195 instead of 146). This was due to an error in the source data for FY2023.

Development and Training

The essential elements for staff development are training and performance evaluation. While these two approaches can be used independently, there are certain points where they intersect. By establishing an active communication process between employees and employers, continuing education training complements performance evaluations.

The Group carries out annual performance appraisals for all employees to evaluate their performance. Objective assessments can help to identify the competencies and weaknesses of employees, allowing for adjustments in training program.

Existing staff and new hires are provided with training either internally or externally. Internal training involves on-the-job training, while external training focuses on upskilling their skillset so that employees can discharge their duties efficiently and promptly. Knowledge is key in every aspect of work in the Group.

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

To increase the Group's core competencies, staff are often sent out for external training in order to improve their skills.

Well defined objectives are laid down in a comprehensive training map, which helps to narrow the knowledge gap of our employees. The Group sees the simultaneous synergy of the development tools and aims to devise a training plan to keep employees updated with industry changes.

The Group will continually review the training needs of its staff on a need basis to enhance their skills and increase their confidence in their performance.

SUSTAINABILITY REPORT

Training hours

GENDER	2023 (HRS)		2024 (HRS)		2025 (HRS)	
	ACTUAL	%	ACTUAL	%	TARGET	%
Male	2,604	71	2,286	54	2,392	58
Female	1,045	29	1,973	46	1,720	42
Total	3,649	100	4,259	100	4,112	100

Average Training hours

GENDER	2023 (HRS)	2024 (HRS)	2025 (HRS)
	ACTUAL	ACTUAL	TARGET
Male	*11.63	7.65	8.00
Female	*4.69	9.18	8.00
Per employee	8.16	8.29	8.00

***Restatement #4**

The number of total training hours has been restated for FY2023. The total training for FY2023 should have been 3,649 hours instead of 4,110 hours as previously reported, due to incorrect data provided in FY2023. Another reason for the restatement is the change in the total number of male and female employees as provided above.

Our Group provides ongoing training for staff to ensure they are well-equipped for their assigned jobs.

The external training provided to staff includes various areas:-

1. Economic and legislation
2. Operation in pressure vessels
3. Professional competence in electronics
4. Operation of lifting equipment
5. Microsoft Excel
6. Forklift and safety operation
7. Machinery and safety operation
8. Safety and health officer certification
9. Awareness of ISO14001
10. First Aid training
11. Chemical Safety and awareness
12. Process audit interpretation

The drop in the training hours for male employees in FY2024 was due to an increase in male staff headcount and the requirement to move towards e-Invoicing (a national requirement) for the Malaysia operations, which involved more administrative female employees and hours trained on this switch over. Training planned for male employees faced absentees due to employees on sick leave and and resignations, and there were more new male employees for FY2023 compared to FY2024. The Group achieved the target of 4,200 training hours set for FY2024 where actual training hours in FY2024 was 4,259 hours. This was mainly due to more headcount recruited during the year.

SUSTAINABILITY REPORT

Our sustainability approaches for social

ELEMENTS	MATERIAL TOPIC	
	OCCUPATIONAL HEALTH AND SAFETY	EQUAL OPPORTUNITY AND DIVERSITY
Risks	<ul style="list-style-type: none"> Risks of accidents and injuries can impacts or influence the social well-being of employees, lead to regulatory penalties and cause reputational damage. 	<ul style="list-style-type: none"> Challenges in recruiting the right talents.
	<ul style="list-style-type: none"> May negatively affect the Group's financial performance due to potential litigation risks and insurance claims. 	<ul style="list-style-type: none"> Poor employee retention rate.
Opportunities	<ul style="list-style-type: none"> Increase vigilance in Occupational Health and Safety through regular training sessions. 	<ul style="list-style-type: none"> Lower staff turnover by upgrading and upskilling staff with various skills training for new roles.
	<ul style="list-style-type: none"> Build on the Group's OHS reputation and attracting potential new employees. 	<ul style="list-style-type: none"> Maintain competitiveness advantage with a pool of employees with the required skills and experience.
Impact on the Key Stakeholders	<ul style="list-style-type: none"> Shareholders and investors Customers Employees 	<ul style="list-style-type: none"> Employees
Management Approach	<ul style="list-style-type: none"> Enhance the working mind of our employees through continuing education. 	<ul style="list-style-type: none"> To achieve an age balance in the workplace.
	<ul style="list-style-type: none"> Achieving zero work-related accidents and injuries. 	<ul style="list-style-type: none"> To maintain diversity in terms of gender and nationality.

SUSTAINABILITY REPORT

GOVERNANCE

The Group is committed to adhering to SGX's Code Corporate Governance 2018 and the Catalist Rules and is prepared to revise its policies as needed. Additionally, the Group fosters a culture of regulatory compliance and ethical behaviour to achieve long-term business sustainability.

The interests of our valued stakeholders are integral to the Group's corporate governance, which encompasses all management areas from performance measurement to corporate disclosures, establishing a framework for achieving our Group objectives. With zero tolerance for unethical behaviour and unprofessionalism, the Group is committed to good corporate governance.

Anti-Bribery and Anti-Corruption

Our anti-bribery and anti-corruption policy defines misconduct and prohibits dishonest acts. To enable employees and the public to report any wrongdoings, we have established a whistleblowing policy and adopted an open-door policy.

Whistleblowing

A dedicated whistleblowing communication channel to the Audit Committee Chairman is available via an anonymous email for any anti-bribery or corruption issues confidentially. The Chairman can be reached at ac@cfmholdings.com.

In the current reporting year, the Group had zero incidents of whistleblowing and bribery (FY2023: Zero for both), meeting our target for the year.

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

PERFORMANCE INDICATOR	ACTUAL FY2023	ACTUAL FY2024	TARGET FY2025
Anti-bribery	Zero	Zero	Zero cases of bribery
Whistleblowing	Zero	Zero	Zero cases of whistleblowing

The Group acknowledges the widespread collection and analysis of personal data due to rapid technological advancements. To protect stakeholders' data integrity, we have established a Personal Data Protection policy. We continuously enhance our corporate framework through annual risk assessments and internal control management to operate effectively in the evolving business environment.

There has been no incident or complaint of personal data leakage during the financial year FY2024 (FY2023: Nil), meeting our target for the year.

The Group will continue to protect the privacy of collected personal data and aims to maintain zero breaches in FY2025.

SUSTAINABILITY REPORT

Equal Opportunity and Diversity (Board)

The Board possesses the necessary independence and diversity of thought and background to make decisions in the best interests of the Group.

The Board consists of five directors: two Executive Directors and three Independent Directors, with independent directors representing 60% of the Board. Since March 2023, the Group has implemented a diversity policy, achieving a ratio of 80% male and 20% female directors.

BOARD DIVERSITY	EDS	%	IDS	%	TOTAL
FY2024	2	40	3	60	5
FY2023	2	40	3	60	5

BOARD DIVERSITY	MALE	%	FEMALE	%	TOTAL
FY2024	4	80	1	20	5
FY2023	4	80	1	20	5



The Board's core competencies include accounting, finance, legal, business management, industry knowledge, strategic investment, mergers and acquisitions, and customer-based experience. These combined skills effectively contribute to the Group's plans. For further details on our Board diversity policy and objectives, please refer to the Corporate Governance section in the Annual Report.

Our sustainability approaches for governance

ELEMENTS	MATERIAL TOPIC	
	CORPORATE GOVERNANCE	EQUAL OPPORTUNITY AND DIVERSITY (BOARD)
Risks	<ul style="list-style-type: none"> Business operating losses can result from reputational damage due to bribery and corruption within the Group, leading to legal implications and loss of trust among valued stakeholders. 	<ul style="list-style-type: none"> Perception of male dominated board and gender bias.
Opportunities	<ul style="list-style-type: none"> Attaining long-term success and maximising financial returns for our valued stakeholders. 	<ul style="list-style-type: none"> Provide balanced gender representation on the board.
Impact on the Key Stakeholders	<ul style="list-style-type: none"> Shareholders and Investors Government and Regulators Customers Employees Suppliers 	<ul style="list-style-type: none"> Government and Regulators
Management Approach	<ul style="list-style-type: none"> Comply with the Code of Corporate Governance 2018 by establishing robust policies and procedures to deliver sustainable value to our stakeholders. 	<ul style="list-style-type: none"> Comply with the SGX listing rules.

SUSTAINABILITY REPORT

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

KEY AREA	OUR APPROACH
 <p>Governance</p>	<p>The Board oversees climate-related risks and opportunities, discussing a wide range of business matters, strategies, risks, and opportunities, including long-term capital allocation projects and the progress of decarbonisation efforts, on a half-year and full-year basis.</p> <p>Our COO and CFO lead the Sustainability Committee with the support from the general managers. Climate-related risks and opportunities are updated to the Board in various formal and informal meetings. The COO and CFO report to the CSO on a periodic basis for matters relating to sustainability, and the CSO will update the Board accordingly.</p> <p>The CEO delegates the the management of climate-related risks and opportunities to the management of each subsidiary, with updates provided on a half-yearly basis. In urgent situations, issues are brought up to the COO's attention immediately.</p>
 <p>Strategy</p>	<p>The Group, strategically positioned in different parts of the world, has identified risks and opportunities based on the climate conditions of these operational locations, categorised into short, medium and long term</p> <p>As one of its subsidiaries is in the EU, the Group has to comply with the EU Carbon Border Adjustment Mechanism (“CBAM”) Regulation, which came into force on 17 May 2023 and took effect on 1 October 2023. As a result, goods sold to the US and EU will incur tariff based on their carbon footprint, encouraging exporters to decarbonise their production processes.</p> <p>The Group is negotiating with a key supplier to secure decarbonised products. Success in this negotiation will provide a competitive advantage in supplying decarbonised parts to US and EU.</p> <p>Internally, the Group's strategy to reduce Global Warming Potential (“GWP”) involves a two-pronged approach to electricity supply:-</p> <ul style="list-style-type: none"> i) Implementing the installation of solar panels for the two subsidiaries in Malaysia, covering short, medium and long term needs. ii) Purchasing long-term energy contracts for the EU subsidiary. <p>These two approaches will help reduce operational costs especially in the EU, where energy costs are rising.</p> <p>The Group will continue to evaluate and promote operational efficiency without compromising the goal of net-zero decarbonisation. Implementing low-carbon footprint expenditures and promoting energy-saving products will enhance operational efficiency.</p> <p>The Audit Committee and the Board receive updates from internal auditors on key risk factors. Any identified gaps are addressed and mitigated.</p>

SUSTAINABILITY REPORT

KEY AREA

OUR APPROACH



Risks Management

The Audit Committee and the Board receive updates from internal auditors on key risk factors. Any identified gaps are addressed and mitigated.

At the management level, the CEO and COO oversee significant risks faced by the Group.

Management discusses operational risks with relevant stakeholders and provide yearly updates. These discussions identify key issues, which are documented. Key potential costs include electricity as our operational output depends on machinery. Our goal is to reduce the carbon footprint and costs effectively.

The Group discusses climate-related risks with each subsidiary to identify their specific risks.



Metrics and Targets

The Group has disclosed Scope 1 and Scope 2 GHG emissions in this Sustainability Report.

The Group's heaviest reliance is on electricity, consuming 3,443,000 kWh equivalent to 2,39tCO₂e and fuel consumed 47,700 litres equivalent to 137.13tCO₂e for FY2024.

All related carbon emissions have been disclosed, and targets have been set as reported in the relevant segment of the Sustainability Report.

SUSTAINABILITY REPORT

GLOBAL REPORTING INITIATIVE CONTENT INDEX

GRI NO.	DESCRIPTION	PAGE OR DIRECT REFERENCES	
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	The organisation and its reporting practices		
	2-1	Organizational details	Page 1 - 7
	2-2	Entities included in the organisation's sustainability reporting	Page 11
	2-3	Reporting period, frequency and contact point	Page 11
	2-4	Restatements of information	Pages 23, 24, 29 - 30
	2-5	External assurance	Page 11
	2-6	Activities, value chain and other business relationships	Pages 2 - 12
	2-7	Employees	Pages 17, 28 - 30, 33
	2-9	Governance structure and composition	Pages 38 - 39, 42, 45, 48, 54
	2-10	Nomination and selection of the highest governance body	CG Principle 4 Page 45
	2-11	Chair of the highest governance body	CG Principle 3 Page 43
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 13
	2-13	Delegation of responsibility for managing impacts	Page 13
	2-14	Role of the highest governance body in sustainability reporting	Page 13
	2-15	Conflicts of interest	CG Principles 1, 3, 8
	2-16	Communication of critical concerns	CG Principles 12,13
	2-17	Collective knowledge of the highest governance body	CG Principle 1
	2-18	Evaluation of the performance of the highest governance body	CG Principles 5
	2-19	Remuneration policies	CG Principles 6, 7, 8
	2-20	Process to determine remuneration	CG Principle 6
	2-21	Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22	Statement on sustainable development strategy	Page 10
	2-23	Policy commitments	Page 32
	2-24	Embedding policy commitments	Page 32
	2-25	Process to remediate negative impacts	Pages 21, 26, 31, 33 - 35
	2-26	Mechanisms for seeking advice and raising concerns	Page 11
	2-27	Compliance with laws and regulations	Page 27
	2-28	Membership associations	Singapore Business Federation
	2-29	Approach to stakeholder engagement	Page 12
	2-30	Collective bargaining agreements	No Collective Bargaining Agreement

SUSTAINABILITY REPORT

GRI NO.		DESCRIPTION	PAGE OR DIRECT REFERENCES
GENERAL DISCLOSURES			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Page 14
	3-2	List of material topics	Page 15
	3-3	Management of material topics	Pages 15 - 33
SPECIFIC STANDARDS DISCLOSURES			
GRI 201 Economic Performance 2016	201	Economic Performance 2016	Page 18
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Page 32
GRI 302: Energy 2016	302-1	Energy Consumption within the organisation	Pages 22, 23
GRI 303: Water and Effluents 2018	303-5	Water Consumption	Page 24
GRI 305 TCFD, IFRS S1	305-1 305-2	Scope 1 and Scope 2	Pages 22 - 24
GRI 306: Waste 2020	306-3	Waste Generated	Page 25
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Page 29
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	Page 27
GRI 403 2016	403-10	Recordable work-related ill health cases	Page 27
GRI 404 2016	404	Training and Education	Page 30
	404-1	Average training hours per employee and by gender	Page 30
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Pages 28 and 33
GRI 405: Diversity and Equal Opportunity 2016	405-1	Current employees by age group	Page 28
Certification		<ul style="list-style-type: none"> - ISO 9001-2015 - Quality Management System - ISO 14001 - Environmental Management System - IATF 16949:2016 International Organization for Standardization International Automotive Task Force ("IATF") - ISO 45001:2019 Occupational health and safety management systems 	Pages 19, 20 Page 20 Page 19 Page 20
Assurance		<ul style="list-style-type: none"> a) External independent assurance b) Internal assurance c) No assurance 	Page 11

CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**”) and the management (the “**Management**”) of CFM Holdings Limited (the “**Company**”) are committed to maintaining a high standard of corporate governance to ensure greater transparency and protection of shareholders’ interests, and are pleased to inform shareholders that the Company has adhered to the principles of, and has adopted practices based on the Code and the Practice Guidance of the Code of Corporate Governance 2018 issued on 6 August 2018 (“the **Code**”) by the Corporate Governance Committee, pursuant to Rule 710 of Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”) issued by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Explanations are given where there is a deviation from the recommended provisions.

This report describes the corporate governance practices of the Company for the financial year ended 30 June 2024 (“**FY2024**”), with specific reference to the principles and provisions of the Code. Where applicable, deviations from the provisions of the Code have been explained. The Board and Management will continue to uphold the highest standards of corporate governance within the Company in accordance with the Code.

(A) BOARD MATTERS

BOARD’S CONDUCT OF ITS AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Role of the Board

The Board assumes responsibility for stewardship of the Company and its subsidiaries (the “**Group**”). Its primary role is to provide entrepreneurial leadership, set strategic aims for the Company, and protect and enhance long-term value and returns for the shareholders. It oversees the business affairs of the Group and approves the Group’s strategic plans, key business initiatives, major investments and divestments proposals, and funding decisions.

Additionally, the Board has direct responsibility for decision-making in respect of the following corporate events and actions:

- (a) ensure that necessary financial and human resources are in place for the Company to meet its objectives;
- (b) oversee the processes of risk management, financial reporting and compliance, and evaluate the adequacy of internal controls;
- (c) establish a framework of prudent effective control which enable risks to be assessed and managed including safeguarding of shareholder’s interests and Company’s assets;
- (d) establish, together with the Management, the strategies and financial objectives to be implemented by the Management;
- (e) review the financial performance of the Group and performance of the Management, constructively challenge Management, approve the nominations of the Board of Directors and appointments of key executives, as may be recommended by the Nominating Committee;
- (f) review and endorse the framework of remuneration for the Board and key executives as may be recommended by the Remuneration Committee;
- (g) ensure accurate, adequate and timely reporting to, and communication with shareholders;

CORPORATE GOVERNANCE REPORT

- (h) assume responsibility for corporate governance;
- (i) review and assist to set company's values and standard (including ethical standards), and to ensure transparency that obligations to shareholders and other stakeholders are understood and met;
- (j) identify the key stakeholder groups and recognise that their perceptions affect the company's reputation;
- (k) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation;
- (l) ensure transparency and accountability to key stakeholder groups;
- (m) put in place policies, structures and mechanisms to ensure compliance with legislative and regulatory requirements; and
- (n) establish appropriate tone-at-the-top, desired organisational culture and standards of ethical behaviour.

The Directors have put in place policies, structures and mechanisms to ensure compliance with various legislative and regulatory requirements, establish appropriate tone-at-the-top, desired organisational culture and standards of ethical behaviour.

All Directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interest of the Company and to make decisions in the interest of the Company. To facilitate the Board in the execution of the Board's responsibilities, certain functions of the Board have been delegated to three (3) Board Committees, comprising of an Audit Committee ("AC"), a Nominating Committee ("NC") and a Remuneration Committee ("RC"). Each of these Board Committees functions within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. These Board Committees have the authority to examine particular issues and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

The Board meets three (3) times a year and as warranted by particular circumstances. The Constitution of the Company allows Board meetings to be conducted by way of teleconference.

The attendance record of each Director at meetings of the Board and Board Committees during FY2024 is set out below:

NAME OF DIRECTORS	BOARD MEETINGS	BOARD COMMITTEE MEETINGS		
		AUDIT	NOMINATING	REMUNERATION
Ip Kwok Wing	3	3*	1*	1*
Lim Fong Li Janet	3	3*	1	1*
Chia Seng Hee	3	3	1	1
Teo Kian Huat	3	3	1	1
Stephen Poh Yong Meng	3	3	1	1
Total No. of Meetings Held	3	3	1	1

* by way of invitation.

Please also refer to Principle 2 below for details of the composition of each Board Committee.

CORPORATE GOVERNANCE REPORT

The Company has adopted internal guidelines setting forth matters which require Board approval. Matters which are specifically reserved to the full Board for decision are those involving interested person transactions (“**IP**Ts”) (including, among others, conflict of interest issues in relation to substantial shareholders and Directors of the Company), material acquisitions and disposal of companies or assets, corporate or financial restructuring, share issuance and dividends, and financial results and corporate strategies. Each Board member makes decisions objectively in the interests of the Group. Directors facing any conflict of interest are required to disclose that they are faced with conflict of interest and recuse themselves from discussions and decisions involving the issue of conflict.

All newly appointed Directors are given appropriate training, if necessary, including training as a Director and how to discharge those duties when first appointed to the Board. All new Directors are briefed on the business activities of the Group and its strategic goals. Upon appointment of each Director, the Company provides a formal letter which sets out the Director’s duties and obligations.

Directors who are first-time Directors, or who have no prior experience as Directors of a listed company, will also undergo briefings on the roles and responsibilities as Directors of a listed company. After taking into consideration the recommendation from the NC, all appointment of Directors will be approved via a Board Resolution and a formal letter of appointment will be issued to the Director. In addition, all first-time Directors are provided with training in areas such as accounting, legal and industry specific knowledge either internally or externally.

As and when necessary, the Directors would receive further relevant training especially in areas such as Directors’ duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, as well as changes in the relevant provisions of the Singapore Companies Act 1967 (“**Companies Act**”), so as to update and refresh them on matters that affect or may enhance their performance as Board and Board committee members. The cost of training programs provided to Directors are borne by the Company. To get a better understanding of the Group’s business, the Directors are also given the opportunity to visit the Group’s operational facilities and meet with Management. In compliance with the requirements of Catalyst Rule 720(6), all the Company’s Directors have attended the mandatory sustainability training as at the date of this Annual Report.

Based on the attendance of the Directors and their contributions at meetings of the Board and Board Committees and their time commitment to the affairs of the Company, the NC is satisfied that the Directors continue to meet the demands of the Group and are discharging their duties effectively. The NC has also adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards. The NC determines annually whether a Director with multiple board representations is able to and has been adequately carrying out his duties as a Director of the Company. In making this determination, the NC has taken into account the respective Director’s actual conduct and effectiveness on the Board, and the time and attention given by each of them to the affairs of the Company, and is satisfied that all the Directors having multiple board representations have been able to and have adequately carried out their duties as a Director.

To further ensure Directors could carry out his duties adequately and effectively, the NC also places a maximum limit of ten (10) Non-Executive Directorships an independent Director can hold on the board of listed companies (excluding non-listed companies and other non-profit or non-commercial organizations) if he is not holding a full-time job. In the event of a Director holding a full-time job, the maximum limit of his directorships in listed companies should not be more than six (6). During the financial year, the NC has reviewed and confirmed that all the Directors have met the criteria and are able to carry out their duties as a Director.

While some Directors have multiple board representations and other principal commitments, the NC is satisfied that the Directors are able to adequately carry out their duties as Directors for FY2024 based on the attendance of the Directors and their contributions at meetings of the Board and Board Committees and their time commitment to the affairs of the Company.

CORPORATE GOVERNANCE REPORT

In assessing the capacity of Directors, the NC considers, amongst others, the following:

- (i) Expected and/or competing time commitments of Directors, including whether such commitment is in a full-time or part-time employment capacity;
- (ii) Geographical location of Directors;
- (iii) Size and composition of the Board;
- (iv) Nature and scope of the Group's operations and size;
- (v) Capacity, complexity and expectations of the other listed Directorships and principal commitments held, if any; and
- (vi) Similar financial year end/reporting timeline.

The measures and evaluation tools in place to assess the performance and consider competing time commitments of the Directors include the following:

- Declarations by individual Directors of their other listed company board Directorships and principal commitments; and
- Attention to the Company's affairs, having regard to his other commitments.

Currently, the Company does not have any alternate Director.

The Company believes that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge of its duties effectively. The Management provides members of the Board with quarterly management accounts, as well as relevant background and explanatory information relating to the matters that would be discussed in the Board meetings, prior to the scheduled meetings. All Directors are also furnished with timely updates on the financial position and any material development of the Group as and when necessary. The Management approves and monitors operational budgets, variances from budget are explained to the Management and the management accounts of each subsidiary are reported to the AC and the Board.

Directors are aware of their duties and obligations and the requirements in respect of disclosure of interests in securities, disclosure of conflicts of interests in transactions involving the Company, prohibitions on dealings in Company's securities and restrictions on disclosure of price-sensitive information.

The Board has separate and independent access to the Company Secretaries and Management at all times. The role of the Company Secretaries includes responsibility for ensuring the Board's procedures are followed and that the applicable rules and regulations are complied with. The Company Secretaries attends and prepares minutes of meetings of the Board and Board Committees and assists the Board in ensuring that the Company complies with the relevant statutory requirements. The appointment and removal of the Company Secretaries are subject to the approval of the Board as a whole.

Each Director has access to the Group's independent professional advisors, as and when necessary, to enable each Director to discharge his responsibility effectively. Any cost of obtaining professional advice will be borne by the Company.

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE

Principle 2: 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 NC determines on an annual basis whether or not a Director is independent, taking into account the Code's definition of independence and whether the Director falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. In respect of the review of the independence of each Director, the NC assessed the independence of each Director and considers Mr. Chia Seng Hee, Mr. Teo Kian Huat and Mr. Stephen Poh Yong Meng to be independent.

As at the date of this Annual Report, the Board comprises five (5) Directors, of whom two (2) are Executive Directors and three (3) are Independent Directors. Its present composition is in compliance with the Code's guidelines where Independent Directors make up at least half of the Board when the Chairman of the Board is not independent. The Chairman of the Board, Mr. Ip Kwok Wing, is the husband of the Chief Executive Officer ("**CEO**"), Mdm. Lim Fong Li Janet. Nevertheless, as the Group continues to face a challenging environment in the industry it operates in and is in the process of looking at new business opportunities, the Board will continue to require accountability and responsibility. Accordingly, Mr. Ip Kwok Wing will remain as the Executive Chairman of the Board to tap on his numerous years of experience in manoeuvring the Group through its current challenges.

The nature of the Directors' appointments and memberships on the Board committees for FY2024 is as follows:

NAME OF DIRECTORS	POSITION HELD ON THE BOARD	BOARD COMMITTEE MEMBERSHIP		
		AUDIT	NOMINATING	REMUNERATION
Ip Kwok Wing	Executive Chairman	–	–	–
Lim Fong Li Janet	Executive Director & CEO	–	Member	–
Chia Seng Hee	Lead Independent Director	Chairman	Member	Chairman
Teo Kian Huat	Independent Director	Member	Chairman	Member
Stephen Poh Yong Meng	Independent Director	Member	Member	Member

The NC is satisfied that 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.

Independent Directors constructively challenge and help develop proposals on strategy; and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. The Independent Directors regularly discuss without the presence of Management matters such as the changes that they would like to see in Board processes, corporate governance initiatives, and matters which they wish to discuss during the Board meetings. The outcome/feedback will either be brought to the Chairman's attention or discussed at the Board meetings. In FY2024, the Independent Directors met without the presence of Management.

The NC is of the view that the current Board and Board Committees comprise persons who as a group provide an appropriate balance and diversity of skills, experiences and knowledge for the Board to be effective. The Company has an existing board diversity policy and is reviewed as and when practicable.

CORPORATE GOVERNANCE REPORT

The board diversity policy recognises that a diverse Board is able to better support the Company to achieve its strategic goals for continuous development by enhancing the decision-making process of the Board with an appropriate mix of, among others, various skills, industry experience, business experience, gender and age. The NC is to consider all aspects of diversity to arrive at a balanced Board composition, when reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of Directors. The policy also sets out that gender is a key contributor to diversity, and the NC is to ensure that:

- a) when search consultants are used to search for candidates for Board appointments, the brief will include a requirement to also present female candidates;
- b) when seeking to identify a new Director for appointment to the Board, the NC will request for female candidates to be fielded for consideration;
- c) female representation on the Board be continually improved over time based on the set objectives of the Board; and
- d) at least one (1) female Director be appointed to the NC.

Since year 2000, the Company has had a female director. The Company believes that the Board is sufficiently diverse, having considered the current Board members' skills, including but not limited to each member's diversity of skills, business experience, industry knowledge, strategic planning experience, corporate governance experience, financial or investment experience, gender and age. Accordingly, the Company presently does not have a specific target to meet. Nonetheless, the NC will continue to monitor the Company's needs from time to time, and take into consideration the board diversity policy in assessing the Board's needs or when a vacancy on the Board arises.

The Board has also taken the following steps to maintain and to enhance its balance and diversity:-

1. Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhances the efficacy of the Board; and
2. Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Different individuals assume the roles of the Chairman of the Board ("**Executive Chairman**" or "**Chairman**") and the CEO. The Executive Chairman is Mr. Ip Kwok Wing.

As the Executive Chairman, Mr. Ip Kwok Wing sets guidelines on and is responsible for the exercise of control over the quantity and quality, and the timeliness of the flow of information between the Management and the Board, so that the Directors receive accurate, timely and clear information for them to make sound decisions.

He also schedules Board meetings and oversees the preparation of the meeting agenda in particular strategic issue to enable the Board to perform its duties effectively and responsibly. In addition, the Chairman also promotes a culture of openness and debate at the Board.

CORPORATE GOVERNANCE REPORT

The Executive Chairman also encourages constructive relations between the Board and Management and between the Executive Directors and Independent Directors, as well as effective communication with shareholders. To facilitate effective contribution of Directors, and in particular, the Independent Directors, the Executive Chairman ensures that relevant information on business initiatives, industry developments and press commentaries on matters relating to the Company or the industries in which it operates are circulated to the Board members on a continuous basis so as to enable them to be updated and thereby enhance the effectiveness of the Independent Directors and the Board as a whole.

The Executive Chairman takes a leading role in the Company's drive to achieve, promote and maintain a high standard of corporate governance with the support of the Directors, the Management and the Company Secretaries.

Mr. Ip Kwok Wing is assisted by Mdm. Lim Fong Li Janet, who assumes the role of the CEO. Mdm. Lim Fong Li Janet, together with the Management comprising the Chief Operating Officer ("**COO**"), general managers and Chief Financial Officer ("**CFO**"), are responsible for the day-to-day management, and implementing the strategic goals of the Group.

Although Mr. Ip Kwok Wing and Mdm. Lim Fong Li Janet are husband and wife, the Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Chairman and the CEO is independent without any influence from each other, and there is no compromise in accountability for the following reasons:

- (a) the Independent Directors actively participate during Board meetings and challenge the assumptions and proposals of the Management unreservedly, both during and outside of Board meetings on pertinent issues affecting the affairs and business of the Group. Their view and opinion provide alternative perspective to the Group's business and they bring independent judgement to bear on business activities and transactions involving conflict of interest and other complexity. The Independent Directors review the management performance and management reporting frameworks on quarterly interval. They are also involved in the development and evaluation of strategy proposals proposed by Management from time to time; and
- (b) all major decisions made by the Executive Chairman and CEO of the Company are reviewed and approved by the Board.

The Company's Lead Independent Director is Mr. Chia Seng Hee. Mr. Chia's role as Lead Independent Director is to lead and coordinate activities of Independent Directors and to provide a channel to Non-Executive Directors for confidential discussions on any concerns and to resolve conflicts of interest, as and when necessary. In addition, the Lead Independent Director may also help the NC conduct annual performance evaluation and develop succession plans for the Chairman and CEO and help the RC design and assess the Chairman's remuneration. The Lead Independent Director may chair Board meetings in the absence of the Chairman, working with the Chairman in leading the Board.

The Lead Independent Director is available to shareholders where they have concerns and for which contact through the normal channels of the Chairman, the CEO or the CFO has failed to resolve. Led by the Lead Independent Director, the Independent Directors meet periodically without the presence of the other Directors, and the Lead Independent Director provides feedback to the Chairman after such meetings. The Lead Independent Non-Executive Director can be contacted at ac@cfmholdings.com.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

The Company has established a NC to, among other things, make recommendations to the Board on all Board appointments. The NC currently comprises four (4) Directors, majority of whom, including the Chairman, are independent. The Lead Independent Director is a member of the NC. The NC members are:-

Mr. Teo Kian Huat	:	Chairman
Mdm. Lim Fong Li Janet	:	Member
Mr. Chia Seng Hee	:	Member
Mr. Stephen Poh Yong Meng	:	Member

Role of the NC

The role of the NC is to establish a formal and transparent process for the appointment of new Directors and the re-appointment of Directors (including alternate directors, if any) retiring by rotation as well as to assess the effectiveness of the Board and the overall contribution of each Director towards the effectiveness of the Board.

The primary functions of the NC include the following:

- (a) to make recommendations to the Board on all Board appointments, including re-nominations having regard to that Director's contribution and performance;
- (b) to review the independence of the Directors on an annual basis, having regard to the circumstances set forth in Provision 2.1;
- (c) to decide whether the Director is able to and has been adequately carrying out his duties as Director, in particular, where a Director has multiple board representations;
- (d) to review and make recommendations to the Board on all candidates nominated (whether by the Board, shareholders or otherwise) for appointment or re-appointed to the Board, taking into account the candidate's track record, age, experience, capabilities and other relevant factors;
- (e) to identify and nominate candidates for the approval of the Board to fill vacancies in the Board as and when they arise;
- (f) to develop a process for evaluation of the performance of the Board, its committees and Directors and address how the Board has enhanced long-term shareholders' value;
- (g) to assess the effectiveness of the Board as a whole;
- (h) to review board succession plans for Directors, in particular, the appointment and/or replacement of the Executive Chairman, the CEO and key management personnel; and
- (i) to review training and professional development programs for the Board, including the onboarding of new Directors, to ensure that new Directors are aware of their duties and obligations.

CORPORATE GOVERNANCE REPORT

Process for appointment of new Directors

The NC has recommended, and the Board has approved, a formal process for the selection of new Directors as follows:

- (a) The NC evaluates the balance of skills, knowledge and experiences on the Board, taking into consideration the Company's Board Diversity Policy, and, in the light of such evaluation and in consultation with Management, prepares a description of the role and the essential and desirable competencies for a particular appointment;
- (b) Directors and Management may suggest suitable potential candidates. If necessary, the NC may enlist external help (for example, from the Singapore Institute of Directors, search consultants, advertisements) to source for potential candidates;
- (c) The NC assesses suitability of short-listed candidates and discusses with them, if necessary, to ensure that the candidate(s) are aware of the expectations and the level of commitment required; and
- (d) The NC makes recommendations to the Board for approval.

Criteria for appointment of new Directors

All new appointments are subject to the recommendation of the NC based on, among others, the following objective criteria:

- (a) Integrity;
- (b) Independent mindedness;
- (c) Possess core competencies which meet the current needs of the Company and complement the skills and competencies of the existing Directors on the Board;
- (d) Able to commit time and effort to carry out duties and responsibilities effectively;
- (e) Experience in the relevant field of business of the Company or industries in which it operates; and
- (f) Financially literate.

All Directors are to submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. The Company's Constitution provides that one-third of the Board for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting ("**AGM**") of the Company. In addition, the Company's Constitution also provides that newly appointed Directors are required to submit themselves for re-election at the AGM of the Company immediately following his appointment.

Mr. Chia Seng Hee and Mr. Teo Kian Huat will be retiring at the forthcoming AGM, pursuant to the Company's Constitution. Mr. Chia Seng Hee, being eligible, has consented to stand for re-election as Director of the Company at the forthcoming AGM whilst Mr. Teo Kian Huat has expressed his intention not to seek re-election at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

The following key information regarding Directors is set out on the following pages of this Annual Report:

- (a) page 61-62 Academic and professional qualifications, date of first appointment as Director, date of last re-election as Director, Directorships or chairmanships both present and those held over the preceding five (5) years in other listed companies and other principal commitments, whether appointment is executive or non-executive, or considered by the NC to be independent; and
- (b) page 63 Shareholdings in the Company and its related companies.

For the financial year under review, the NC considers the Independent Directors of the Company independent (as further detailed under Principle 2 of this Annual Report) and are able to exercise judgement on the corporate affairs of the Group that is independent of the Management. None of the Independent Directors have any relationships with the Company, its related corporations, substantial shareholders or officers.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal assessment of its effectiveness as a whole, and that of each of its board committees and individual Directors.

The Board has implemented a formal process for assessing the effectiveness of the Board as a whole.

The NC determines how the Board's performance may be evaluated and proposes objective performance criteria. Such performance criteria are approved by the Board and address how the Board has enhanced long-term shareholders' value.

The NC has in place a performance evaluation process whereby the Board and individual Directors will complete confidential group and individual assessment questionnaires to assess the effectiveness of the Board, its committees and the contributions of each Director, including the Chairman. The Board and committee assessment parameters include areas such as Board composition, Board processes in managing the Group's performance and the effectiveness of the Board in its monitoring role and the effectiveness of the respective committee. The individual assessment areas include attendance and contributions during Board and committee meetings as well as commitment to their role as Directors. Individual Directors are also evaluated on their respective areas of expertise across business, industry, finance and legal. The Company Secretaries have been requested to collate the Board's and Directors' evaluation and to provide the summary observations for the NC Chairman and Board Chairman. The Board Chairman will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed, or resignation of Directors may be sought.

Following the review of the assessment of the Board, its committees and individual Directors, including the Chairman for FY2024, the NC and the Board are of the view that the Board and its committees have operated effectively and each Director has contributed to the overall effectiveness of the Board in FY2024. No external facilitator was used in the evaluation process.

All NC members have abstained from voting or review process of any matters in connection with the assessment of his/her performance.

The NC meets at least once a year, and as warranted by circumstances, to discharge its functions. In FY2024, one (1) NC meeting was held.

CORPORATE GOVERNANCE REPORT

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.

The RC comprises the following three (3) Directors, all of whom, including the Chairman are Independent Directors:-

Mr. Chia Seng Hee	:	Chairman
Mr. Teo Kian Huat	:	Member
Mr. Stephen Poh Yong Meng	:	Member

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors and senior management. The principal functions of the RC include the following:

- (a) to review and recommend to the Board a framework of remuneration for the Executive Chairman, Directors, and key management personnel of the Company. The framework will cover all aspects of remuneration, including without limitation, Directors' fees, basic salaries, allowances, bonuses, options and benefits-in-kind;
- (b) RC reviews and recommends the specific remuneration packages for each Director as well as for the key management personnel;
- (c) to review the remuneration packages of all managerial staff who are related to any of the Executive Directors or CEO;
- (d) in the case of Directors' service contracts, to consider what compensation or commitments the Directors' contracts of service, if any, would entail in the event of early termination;
- (e) to recommend to the Board in consultation with senior management and the Executive Chairman, any long-term incentive scheme (including share schemes) and to consider the eligibility of Directors for benefits under such long-term incentive schemes; and
- (f) consider and make recommendations to the Board concerning the disclosure of details of the Company's remuneration policy, level and mix of remuneration and procedure for setting remuneration, and the details of the specific remuneration packages of the Directors and executives of the Company, in addition (if appropriate) to those required by law or by the Code.

The RC also administers the CFM Holdings Performance Share Plan, which was approved at the Company's extraordinary general meeting ("**EGM**") held on 30 April 2015.

CORPORATE GOVERNANCE REPORT

The RC has access to professional advice from experts outside the Company on executive remuneration matters as and when necessary. In assessing the professional advice from experts outside the Company, the RC will ensure that existing relationships, if any, between the company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The Company will also disclose the names and firms of the remuneration consultants in the annual remuneration report, and include a statement on whether the remuneration consultants have any such relationships with the company. The Company did not appoint any remuneration professionals to advise on the executive remuneration during the financial year ended 30 June 2024.

Each member of the RC will refrain from voting on any resolution in respect of the assessment of his remuneration. No Director will be involved in determining his own remuneration.

In addition to the above, the RC will also review the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoids rewarding poor performance.

The RC meets at least once a year, and as warranted by circumstances, to discharge its function. In FY2024, one (1) RC meeting was held.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The RC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise shareholders' value.

In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and in comparable companies. As part of its review, the RC ensures that the performance related elements of remuneration form a significant part of the total remuneration package of Executive Directors and is designed to align the Directors' interests with those of shareholders and link rewards to corporate and individual performance, as well as taking into consideration the risk policies of the Company to be symmetric with risk outcomes and sensitive to the time horizon of such risk. The performance related remuneration elements of the Executive Directors and key management personnel does not incentivise short term based business decisions.

The RC also reviews all matters concerning the remuneration of Independent Directors to ensure that the remuneration is commensurate with the level of contribution, taking into account factors such as effort and time, and responsibilities of the Directors. The Company will submit the quantum of Directors' fees for each year to the shareholders for approval at each AGM.

The Board and RC note the recommendation by the Code on the long-term incentive scheme for Executive Directors and key management personnel. The RC had reviewed and recommended to the Board the adoption of a performance share scheme for Directors, key management personnel and employees. The Company had adopted the CFM Performance Share Plan on 30 April 2015.

CORPORATE GOVERNANCE REPORT

The Executive Directors have entered into service contracts with the Company, which are for a fixed appointment period and thereafter renewed annually, unless earlier terminated by either party by not less than six (6) months written notice, or payment of an amount equal to six (6) months' salary in lieu of notice. The RC reviews what compensation commitments the Executive Directors' contracts of service would entail in the event of early termination, and aims to be fair and avoid rewarding poor performance. The Company does not use contractual provisions which allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. As the Directors owe a fiduciary duty to the Company, it should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

During FY2024, the RC reviewed the compensation and remuneration packages and believes that the Directors and Management are sufficiently compensated.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Policy in respect of Independent Directors' remuneration

The Independent Directors are paid Directors' fees, the amount of which is dependent on their level of responsibilities. Each Independent Director is paid a basic fee. In addition, Independent Directors who perform additional services through Board committees are paid an additional fee for such services. The Chairman of the AC is also paid a higher fee compared to members of that committee in view of the greater responsibilities carried by that office. The amount of Directors' fees payable is subject to shareholders' approval at the Company's AGMs.

Remuneration policy in respect of Executive Directors and other key management personnel

The Company advocates a performance-based remuneration system that is highly flexible and responsive to the market and the performance of the Company and the individual employee. This allows the Company to better align executive compensation with shareholders value creation. The total remuneration mix comprises annual fixed cash and annual performance incentive. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances. The annual performance incentive is tied to the performance of the Company and the individual employee.

CORPORATE GOVERNANCE REPORT

Remuneration of the Directors and key management personnel (who are not also Directors) for the financial year ended 30 June 2024.

The level and mix of each of the Directors' remuneration, and that of each of the key management personnel (who are not also Directors), in bands no wider than \$250,000 for the financial year ended 30 June 2024, are set out below:

	BASE SALARY	VARIABLE/ PERFORMANCE RELATED INCOME	DIRECTOR FEES	#BENEFITS IN KIND/ ALLOWANCE	TOTAL
Remuneration Band and Name of Director					
\$750,000 to \$1,000,000					
Mr. Ip Kwok Wing [^]	32%	62%	–	6%	100%
\$500,000 to \$750,000					
Mdm. Lim Fong Li Janet [^]	31%	67%	–	2%	100%
\$250,000 and below					
Mr. Chia Seng Hee	–	–	100%	–	100%
Mr. Teo Kian Huat	–	–	100%	–	100%
Mr. Stephen Poh Yong Meng	–	–	100%	–	100%
Remuneration Band and Name of Key Management Personnel*					
\$500,001 to \$750,000					
Mr. Kenneth Ip Yew Wa	34%	64%	–	2%	100%
\$250,000 and below					
Ms. Tan Lay Lee	84%	7%	–	9%	100%

Notes:

- # Benefits in kind refer to contributions to the Central Provident Fund account and motor vehicle payment for Mr Ip Kwok Wing. Benefits in kind for Mdm Janet Lim Fong Li, Mr Kenneth Ip Yew Wa and Ms. Tan Lay Lee refer to the contributions to their Central Provident Fund accounts.
- [^] Ip Kwok Wing and Lim Fong Li Janet are husband and wife, and are both also substantial shareholders of the Company.
- * The Group has only two (2) Key Management Personnel who are not Directors.

The Company has not disclosed exact details of the remuneration of its CEO, Directors and key management personnel, including the aggregate remuneration paid to key management personnel (who are not Directors or the CEO) as the Company believes that it is not in the best interests of the Company and the employees to disclose such details due to the sensitive nature of such information. While the Company does not comply with Provision 8.1 of the Code, the Company believes it has disclosed sufficient information and still complies with Principle 8 of the Code. The Group does not have other Key Management Personnel save for those disclosed above.

There were no termination, retirement and post-employment benefits granted to Directors, the CEO and key management personnel for the financial year ended 30 June 2024.

Mr. Kenneth Ip Yew Wa is the Company's COO and Mr. Andrew Ip Jowa is the Assistant General Manager of Hantong Metal Component Sdn. Bhd. and Management Representative of CFM Infratrade Pte. Ltd.. They are the sons of Mr. Ip Kwok Wing (Executive Chairman) and Mdm. Lim Fong Li Janet (CEO) and their remuneration both fall within the range of S\$500,001 to S\$600,000 and S\$100,001 to S\$200,000 for the financial year ended 30 June 2024, respectively. Mr. Ip Kwok Wing and Mdm. Lim Fong Li Janet are both substantial shareholders of the Company and their remuneration is within the range of S\$700,001 to S\$800,000. Save for the foregoing, the Company does not have any employees who are immediate family members of any substantial shareholder, Director or the CEO, during the financial year ended 30 June 2024. The RC was of the view that the remuneration is in line with the staff remuneration guidelines and commensurate with their job scope and level of responsibilities.

CORPORATE GOVERNANCE REPORT

CFM Performance Share Plan

The Company had undertaken a comprehensive review of employee remuneration and benefits and introduced an employee share performance plan on 30 April 2015 (the "**Plan**") that is intended to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to improve their performance. In line with this, the Company believes that the Plan will strengthen the overall effectiveness of performance-based compensation schemes. The Plan applies to Executive Directors, Non-Executive Directors (including Independent Directors) and group employees.

The Plan allows the Company to target specific performance objectives and to provide an incentive for who are awarded shares under the Plan ("**Participants**") to achieve these targets, which ultimately, will create and enhance economic value for shareholders. The Directors believe that the Plan will incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company. Through the Plan, the Company will be able to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group's long-term prosperity. In addition, the Plan aims to foster an ownership culture within the Group.

The Company believes that attracting and retaining outstanding individuals as employees is paramount to the Group's long-term objective of achieving continuous growth, expansion and profitability in its business and operations. It is hoped that through the implementation of the Plan, the Company will be able to remain an attractive and competitive employer and be better positioned to manage its fixed overhead costs without compromising on performance standards and efficiency.

Through the Plan, the award of fully-paid Shares, free of charge, to the Participants (the "**Awards**") is intended to be a more attractive form of bonus from the Company to the Participants. In addition, the Company believes that the Plan will be more effective than cash bonuses in motivating employees as it gives them a stake in the ownership of the Company whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with other multinational companies.

The Plan will serve as an additional and flexible incentive tool. With the Plan, the Company would be able to tailor share-based incentives according to the objectives to be achieved.

The Awards granted under this Plan will be determined at the sole discretion of the RC which will oversee and administer the Plan. In considering the grant of an Award to a Participant, the RC shall take into account (where applicable) criteria such as the rank, scope of responsibilities, performance, years of service and potential for future development of the selected Employee. In respect of the grant of an award to a participant who is also a member of the RC, the participant shall not be involved in the deliberation of the award to be granted to him to minimise the potential conflict of interest and to not compromise his independence of as a member of the RC.

The total number of New Shares which may be issued pursuant to Awards granted under the Plan shall not exceed 15% of the issued Shares of the Company (excluding any Shares held in treasury) on the day shareholders approve the Plan, provided always that the total number of New Shares which may be issued pursuant to Awards granted under the Plan when aggregated with the aggregate number of Shares which may be granted under any other share plan or share option scheme shall not exceed any limits prescribed by the SGX-ST. Further details of the Plan can also be found on page 64 of the Directors' Statement.

There were no Awards nor performance shares issued by the Company since the commencement of the Plan on 30 April 2015.

CORPORATE GOVERNANCE REPORT

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board recognises that it is responsible for maintaining a system of risk management and internal controls including those addressing financial, operational, compliance and information technology risk (collectively "**internal controls**") to safeguard shareholders' interests and the Group's businesses and assets. Together with Management, the Board identifies and evaluates significant risks applicable to the Group's business, taking into consideration the Group's risk tolerance level and policies, and establishes and designs an appropriate internal control system. The Management is tasked to operate and implement the internal control procedures. These risks are assessed on a regular basis.

Through the reports from Management and internal and external auditors on any material non-compliance and internal control weaknesses, the AC oversees and monitors the implementation of any improvements thereto and reviews the adequacy and effectiveness of risk management system and the internal controls system annually. An independent internal audit firm was engaged in previous financial years to undertake the review of material internal controls on a significant business unit of the Group.

For FY2024, the AC reviewed with the external auditors its findings on internal control recommendations. The Group had appointed Messrs. PKF-CAP Risk Consulting Pte. Ltd. ("**PKF**") as the Company's external internal auditor. The internal auditor had presented its internal audit findings and recommendations to the AC for FY2024.

With the assistance from PKF and through the AC, the Board also notes that all risk management system and internal control system contain inherent limitations and cost-effective system of risk management system and or internal controls could only provide reasonable and not absolute assurance against the occurrence of material errors, financial misstatement, poor judgement in decision making, human error, losses and or other irregularities.

For the financial year ended 30 June 2024, the Board had received assurance from the CEO and CFO that (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (ii) there were no significant internal control issues or incidents to be brought to the attention of the Audit Committee or the Directors of the Company, and the Group's risk management and internal control systems addressing financial, operational, compliance and information technology risks were adequate and effective.

The Board, with the assistance of the AC, will continue to review, monitor and take appropriate steps to maintain effectiveness or strengthen the Group's overall internal controls system.

Based on the various control systems put in place and maintained by the Company, the report from the external auditors and internal auditor and follow-up implementation action taken by the Management based on the internal auditor's recommendations, periodic reviews by the Management, the AC and the Board, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective in FY2024.

More details of the Group's risk management are set out in page 60 of this Annual Report.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The AC currently comprises the following three (3) Independent Directors:

Mr. Chia Seng Hee	:	Chairman
Mr. Teo Kian Huat	:	Member
Mr. Stephen Poh Yong Meng	:	Member

The Board is of the view that the members of the AC have relevant accounting or related financial management expertise, knowledge and experience to discharge their responsibilities as members of the AC.

The Lead Independent Director is the AC Chairman and he sits as an Independent Director and AC Chair on the boards of several public companies listed on the Singapore Exchange. He has significant experience in corporate governance and risk management and is also a fellow member of the Institute of Singapore Chartered Accountants. Another AC member is also accounting trained and is an experienced financial services professional dealing with initial public offerings and merger and acquisition transactions. The third AC member possesses strong mediation and dispute resolution experience, and has extensive experience in the banking industry and providing related consultancy services. Collectively, the AC's expertise and experience contributes significantly to the Board in dealing with financial and business matters.

The primary functions of the AC are as follows:

- (a) to review the financial and operating results and accounting policies of the Group;
- (b) to review the adequacy, effectiveness, independence, scope and results of the internal and external audits and its cost effectiveness;
- (c) to review the financial statements before their submission to the Board and the external auditors' report on those financial statements;
- (d) to review the significant financial reporting issues and judgements, so as to ensure the integrity of the financial statements, and any formal announcements relating to the Company's financial performance;
- (e) to review the half-yearly and annual announcement of results of the Group to SGX-ST before submission to the Board for approval;
- (f) to consider and review the assistance given by the Management to the auditors;
- (g) to review and discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one (1) audit firm is involved;
- (h) to review the external audit plan and the results of the external auditors' examination and evaluate the effectiveness of the Group's internal control system including review of the internal auditor's internal audit plan and internal audit findings;
- (i) to review and report to the Board the adequacy and effectiveness of the Company's risk management and internal controls system, including financial, operational, compliance and information technology controls at least once a year;

CORPORATE GOVERNANCE REPORT

- (j) to review the independence and objectivity of the external auditors;
- (k) to recommend the appointment, re-appointment or removal of external auditors, and approve the terms of engagement and audit fees payable to the external auditors;
- (l) to review IPTs to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of shareholders, and are in compliance with the then prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Catalist Rules of the SGX-ST);
- (m) to commission and review the major findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any relevant law, rule or regulation which has or is likely to have a material impact on the Company's operating results and/or financial position;
- (n) to undertake such other functions and duties as may be required by law or the Catalist Rules of the SGX-ST and by such amendments made thereto from time to time;
- (o) to review the assurance from the CEO and CFO on the financial records and financial statements; and
- (p) to review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The AC has the explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

In addition, the AC has independent access to the internal auditors and the external auditors, who report independently their findings and recommendations to the AC. The AC meets up with the internal and external auditors without the presence of Management at least once annually and reviews the adequacy of the internal controls established by the Management annually on the basis of the assessment of the above mentioned controls by the external auditors.

During the year, the AC carried out independent reviews of the financial statements of the Company before the announcement of the Company's half year and full year results. The AC also reviewed and approved the Company's external auditors' plans to ensure that the plans covered sufficiently the terms of audit scope in reviewing the significant internal controls of the Company. The abovementioned significant controls comprise financial, operational and compliance controls. All audit findings and recommendations put up by the external auditors were forwarded to the AC. Significant issues, including but not limited to, a major departure from accounting standards and general acceptable accounting practices, if any, will be discussed at these meetings.

In addition, the AC undertook a half yearly review of the independence and objectivity of the external auditors through discussions with the external auditors and reviewed non-audit fees paid to the external auditors, if any. Fees paid or payable by the Group to external auditors for audit services for the financial year ended 30 June 2024 amounted to \$67,000 and there were no non-audit fees paid or payable.

Messrs. Baker Tilly TFW LLP is the external auditors of the Company and its Singapore-incorporated subsidiaries. The Company confirms that Rule 712 and Rule 715 of the Catalist Rules in relation to the auditors of the Company have been complied with.

CORPORATE GOVERNANCE REPORT

The AC has recommended to the Board that Messrs. Baker Tilly TFW LLP be nominated for re-appointment as the auditors of the Company at the forthcoming AGM of the Company to be held on 28 October 2024. None of the AC members are former partners or directors of the Company's external audit firm within the last twenty-four (24) months and none of the AC members hold any financial interest in the external audit firm. The AC took into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority ("**ACRA**") in its evaluation of the external auditors.

The Company has implemented a "whistle-blower policy" ("**Policy**") which provides for the procedures by which employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters to the AC Chairman. Details of the Policy together with information on the dedicated whistle-blowing communication channels have been made available to all employees of the Group. The AC Chairman, who is independent, has been designated to investigate whistleblowing reports made in good faith and the identity of the whistleblower is kept confidential at all times. The Group is committed to ensure protection of the whistleblower against detrimental or unfair treatment and the AC is responsible for the oversight and monitoring of the Policy. The AC will review the Policy to ensure arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. There was no whistle-blowing case reported during the financial year ended 30 June 2024.

On a half yearly basis, the Management reports to the AC on any interested person transactions ("**IPT**").

As part of efforts by the AC in keeping abreast of changes to accounting standards and issues, the AC is kept updated by the external auditors on new financial reporting standards during the year.

The role of the internal auditors ("**IA**") is to assist the AC to ensure that the Company maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular in-depth audits of high-risk areas. The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. The primary line of reporting of the internal auditors is to the AC Chairman.

The IA was engaged in FY2024 to undertake the review of material internal controls on a significant subsidiary of the Group. All findings and recommendations of the IA were submitted to the AC for deliberation with copies of these reports extended to the CEO and the relevant senior management officers. The Group has implemented the recommendations of the IA based on its internal audit work performed for FY2024 and continues to maintain sufficient safeguards and controls over the Group's operations. The AC also continues to monitor that such safeguards and controls are in place.

The AC reviews the adequacy and effectiveness of the internal audit function of the Group annually and ensures that the internal audit function is adequately resourced and has appropriate standing within the Group. For FY2024, the AC noted that the IA had carried out its function according to the standards set by nationally or internationally recognised professional bodies including the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The IA is an outsourced professional firm with persons who are engaged in the Group's internal audit, possessing the relevant internal audit qualifications and experience. The internal audit firm engaged was Messrs. PKF-CAP Risk Consulting Pte. Ltd., and the partner-in-charge is Mr Alvin Tee. The AC has assessed and is satisfied that the IA and internal audit function is independent, effective and adequately resourced to perform its function effectively.

CORPORATE GOVERNANCE REPORT

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Board is committed to providing clear and full information of the Group to shareholders through the publication of notices, announcements, circulars, half-yearly and full-year financial results. The Company does not practise selective disclosure and releases its financial results and other material information to the shareholders on a timely basis in accordance with the requirements of the Catalist Rules, via SGXNET.

Shareholders are encouraged to attend the AGM of the Company to ensure a greater level of shareholder participation and for them to be kept up to date as to the strategies and goals of the Group. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including voting procedures that govern the AGM. All shareholders of the Company receive a copy of the annual report, the notice of AGM and circulars and notices pertaining to any extraordinary general meeting of the Company. The documents and information relating to the business of the AGM (including the annual report, notice of AGM and proxy form) have been published on the Company's website at <https://cfmholdings.com/>, the SGX website at <https://www.sgx.com/securities/company-announcements> and the notice is also advertised in a newspaper.

To facilitate participation of the shareholders, the Company's Constitution allow a shareholder to appoint not more than two (2) proxies to attend and vote at general meetings.

At the general meetings, the external auditors as well as all the Directors, in particular the Chairman of the Board and the respective Chairman of the Board Committees, are in attendance to answer queries from shareholders. Shareholders are given the opportunity to submit their views and questions to the Directors and Management on matters relating to the Group and its operations in advance of the AGM. The Board members also avail themselves after general meetings to solicit and understand the view of the shareholders.

Minutes of general meetings, which include substantial comments or queries from shareholders and responses from the Board and Management would be published on the SGXNET and the Company's website within one (1) month from the AGM. In FY2024, all the Directors were present at the annual general meeting convened by the Company.

All resolutions are put to vote by poll and the voting results of all votes cast for, or against, or abstain, each resolution and the respective percentages are announced at the meeting and via SGXNET upon the conclusion of the general meetings.

The Company does not practice bundling of resolutions. Each resolution is separately tabled at the general meeting. The Company's Constitution does not allow for absentia voting at the general meetings of shareholders.

The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. However, the Company will establish and maintain regular dialogue with shareholders to gather views or inputs and their concerns.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Company does not have a specific dividend policy. Nonetheless, the Management after reviewing the performance of the Company in the relevant financial period will make an appropriate recommendation to the Board. Any dividend declaration will be communicated to shareholders via announcement through SGXNET.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNET. Such announcements made and press releases of the Group are also available on the Company's website at <https://cfmholdings.com/>. The annual general meeting is also another avenue through which the Board and all shareholders may communicate.

The Company's half-yearly and full year results announcement are issued via SGXNET. The Company also publishes the presentation slides used during the briefings on SGXNET and on its website <https://cfmholdings.com/>. Once the annual report for FY2024 is completed, an electronic copy will be made available on the website and published via SGXNet.

The Company does not have a formal investor relations policy due to its size and operations but considers advice from its professionals on appropriate disclosure requirements before announcing material information to shareholders. Pertinent information is regularly disseminated to the shareholders through SGXNet. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arise. Shareholders may reach the Company through the email: irc@cfmholdings.com for any published matters of, or questions it may have for the Company.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, community, government and regulators, shareholders and investors. The Company engages its stakeholders through various channels including the Company's website at https://cfmholdings.com and aims to balance the business interests of the Group against the needs and interests of its stakeholders.

The Company engages with stakeholders through various channels to ensure that its business interests are aligned with those of the stakeholders, to understand and address their concerns, so as to improve management strategies, as well as to sustain business operations for long-term growth.

CORPORATE GOVERNANCE REPORT

Stakeholders are either entities or individuals who are either directly or indirectly involved in the Company and may be significantly impacted by how the Group operates. The key stakeholders include financial institutions, investors, shareholders, government, regulators, employees, customers, and vendors. The Company has identified and prioritised the matters raised, such as economic, environmental, social and governance factors, details of which can be found in the Sustainability Report 2024 in this Annual Report. These factors have been ranked in accordance to the importance to the stakeholders and importance to the Group.

The Group has undertaken a process to determine the environmental, social and governance (“ESG”) factors which are important to these stakeholders. A more detailed elaboration on the Company’s sustainability strategy and key areas of focus in relation to the management of stakeholder relationship is set out in the Sustainability Report 2024 which is published within this annual report on pages 10-37.

DEALINGS IN SECURITIES

Catalist Rule 1204(19)

The Company has adopted its own guidelines based substantially on the provisions of Rule 1204(19) of the Catalist Rules. These internal guidelines apply to dealings in securities by all employees (including Directors and other officers) of the Group. The Company sends notifications via email to notify all its employees (including its officers and Directors) one (1) month prior to the announcement of the Company’s financial statements for the Company’s half year and full year financial statements, that trading in the Company’s securities is strictly prohibited. In addition, the Directors and officers of the Company are advised not to deal (whether directly or indirectly) in the Company’s securities on short-term considerations and are to be mindful of the laws on insider trading as prescribed by the Securities and Futures Act 2001 of Singapore at all times even when dealing in securities within the permitted trading period.

The Company and its employees are not to deal in the listed securities of the Company for a period of one (1) month before the half year and full year results are released, or if they are in possession of unpublished price-sensitive information.

INTERESTED PERSON TRANSACTIONS (“IPT”)

Catalist Rule 1204(17)

The Company has established procedures to ensure that all IPTs are reported in a timely manner to the AC. All IPTs are subject to review by the AC to ensure that all such transactions are conducted at arm’s length basis, on normal commercial terms and will not be prejudicial to the interests of the shareholders.

As a listed company on the Singapore Exchange, the Company is required to comply with Chapter 9 of the SGX-ST’s Catalist Rules on Interested Person Transactions. To ensure compliance, the Company has taken the following steps:

- (a) Compliance with Chapter 9 is an integral part of the credit approval process for the Company; and
- (b) An annual update of Directors’ personal particulars is obtained.

There was no IPT with a value of \$100,000 or more, conducted during the financial period under review, and the Company does not have a general mandate for IPTs.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT

The Company does not have a Risk Management Committee. However, the Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC.

Risk Appetite of the Group

The Group relies on Management to monitor day to day operations. Key corporate decisions, such as investments or acquisitions of businesses are subject to Board approval. The Group's performance is monitored closely by the Board periodically and any significant matters that might have an impact on the operating results are required to be brought to the immediate attention of the Board.

The Group has also taken a strict stance towards avoiding any risks that might result in breaching relevant laws and regulations and risks that could adversely affect the reputation of the Group. Active efforts are also in place to manage risks within impact such as transferring them to third party insurers or having internal control procedures to better mitigate the likelihood of their occurrence.

Risk Assessment and Monitoring

The nature and extent of risks to the Group will be assessed regularly by key management personnel and risk reports covering the top risks to the Group will be submitted to the AC when it arises. The Board has also received assurance from the CEO and the CFO that: (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are adequate and effective to address the financial, operational, compliance and information technology risks.

MATERIAL CONTRACTS

Catalist Rule 1204(8)

Save for the Executive Directors' service contracts, there were no material contracts, not being contracts entered into in the ordinary course of business, that were entered into by the Company and its subsidiaries that involved the interests of the CEO, any Director or controlling shareholder of the Company either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSOR FEES

Catalist Rule 1204(21)

There were no non-sponsor fees paid to the Company's sponsor, Novus Corporate Finance Pte. Ltd. during the financial year ended 30 June 2024.

CORPORATE GOVERNANCE REPORT

PARTICULARS OF DIRECTORS PURSUANT TO PROVISION 4.5 OF THE CODE

NAME	ACADEMIC/ PROFESSIONAL QUALIFICATIONS/ AFFILIATIONS	BOARD APPOINTMENT EXECUTIVE/ NON- EXECUTIVE/ INDEPENDENT	DATE OF APPOINTMENT	DATE LAST RE-ELECTED	DIRECTORSHIP/ CHAIRMANSHIPS IN OTHER LISTED COMPANIES IN SINGAPORE (PRESENT & HELD OVER THE PRECEDING FIVE YEARS) & OTHER PRINCIPAL COMMITMENTS
Ip Kwok Wing	Nil	Executive Chairman	28 April 2000	28 October 2022	Other Listed Companies Nil Other principal commitments Nil
Lim Fong Li Janet	<ul style="list-style-type: none"> Bachelor of Science in Business Administration, University of Wales Master's Degree in Marketing Communication, University of Canberra 	Executive Director and Chief Executive Officer	28 April 2000	26 October 2023	Other Listed Companies Nil Other principal commitments Nil
Chia Seng Hee	<ul style="list-style-type: none"> Bachelor of Accountancy, National University of Singapore Masters of Arts in International Relations, International University of Japan General Manager Program, Harvard Business School 	Non-Executive Lead Independent Director	29 October 2021	28 October 2022	Other Listed Companies Present: <ul style="list-style-type: none"> MM2 Asia Limited Ying Li International Real Estate Limited CDW Holdings Ltd Past over the preceding 5 years: <ul style="list-style-type: none"> Combine Will International Holdings Ltd Debao Property Development Ltd China Shenshan Orchard Holdings Co., Ltd. Other principal commitments <ul style="list-style-type: none"> Jieyu Business Consulting (Chongqing) Limited Liability Company Jack Capital Pte. Ltd.

CORPORATE GOVERNANCE REPORT

NAME	ACADEMIC/ PROFESSIONAL QUALIFICATIONS/ AFFILIATIONS	BOARD APPOINTMENT EXECUTIVE/ NON- EXECUTIVE/ INDEPENDENT	DATE OF APPOINTMENT	DATE LAST RE-ELECTED	DIRECTORSHIP/ CHAIRMANSHIPS IN OTHER LISTED COMPANIES IN SINGAPORE (PRESENT & HELD OVER THE PRECEDING FIVE YEARS) & OTHER PRINCIPAL COMMITMENTS
Teo Kian Huat	<ul style="list-style-type: none"> Bachelor of Accountancy, Nanyang Technological University 	Non-Executive Independent Director	29 October 2021	28 October 2022	Other Listed Companies Present: Nil Past over the preceding 5 years: Nil Other principal commitments <ul style="list-style-type: none"> Chief Executive Officer, iCapital Holdings (SG) Pte Ltd
Stephen Poh Yong Meng	<ul style="list-style-type: none"> Associate of The Chartered Institute of Arbitrators CEDR Accredited Mediator Certified SIMI Mediator Certified Behavioral Consultant 	Non-Executive Independent Director	13 January 2023	26 October 2023	Other Listed Companies Present: Nil Past over the preceding 5 years: Nil Other principal commitments <ul style="list-style-type: none"> Executive Master Mediator Volunteers at the Community Mediation Centre CMC Assessor Standard Commerce Services Pte. Ltd.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of CFM Holdings Limited (the "Company") and its subsidiary corporations (collectively, the "Group") and the balance sheet of the Company for the financial year ended 30 June 2024.

In the opinion of the directors:

- (i) the consolidated financial statements of the Group and the balance sheet of the Company as set out on pages 70 to 117 are drawn up so as to give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2024 and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"); and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors in office at the date of this statement are:

Ip Kwok Wing	-	Executive Chairman
Lim Fong Li, Janet	-	Chief Executive Officer
Chia Seng Hee	-	Lead Independent Director
Teo Kian Huat	-	Independent Director
Stephen Poh Yong Meng	-	Independent Director

ARRANGEMENT TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act except as follows:

NAME OF DIRECTOR	NUMBER OF ORDINARY SHARES			
	SHAREHOLDINGS REGISTERED IN THE NAME OF DIRECTOR		SHAREHOLDINGS IN WHICH A DIRECTOR IS DEEMED TO HAVE AN INTEREST	
	AT BEGINNING OF THE FINANCIAL YEAR		AT BEGINNING OF THE FINANCIAL YEAR	
	AT END OF THE FINANCIAL YEAR	AT END OF THE FINANCIAL YEAR	AT END OF THE FINANCIAL YEAR	AT END OF THE FINANCIAL YEAR
The Company				
Ip Kwok Wing	74,319,300	74,319,300	-	-
Lim Fong Li, Janet	61,601,150	61,601,150	-	-

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONT'D)

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2024.

By virtue of Section 7 of the Act, Ip Kwok Wing and Lim Fong Li, Janet are deemed to have an interest in the shares held by the Company in its wholly-owned subsidiary corporations.

CFM PERFORMANCE SHARE PLAN

The Company has an employee performance share plan which was implemented on 30 April 2015 (the "PS Plan"). The PS Plan allows the Company to target specific performance objectives and to provide an incentive for participants who are awarded fully-paid shares under the PS Plan ("Participants") for free of charge. The PS Plan applies to executive directors, non-executive directors (including Independent Directors) and group employees.

The awards granted under this PS Plan will be determined at the sole discretion of the Remuneration Committee ("RC"), comprising Chia Seng Hee, Stephen Poh Yong Meng and Teo Kian Huat, which will oversee and administer the PS Plan. In considering the grant of an award to a Participant, the RC shall take into account (where applicable) criteria such as the rank, scope of responsibilities, performance, years of service and potential for future development of the selected employee. In respect of the grant of an award to a Participant who is also a member of the RC, the Participant shall not be involved in the deliberation of the award to be granted to him to minimise the potential conflict of interest and to not compromise his independence of as a member of the RC.

The total number of new shares which may be issued pursuant to awards granted under the PS Plan shall not exceed 15% of the issued shares of the Company (excluding any shares held in treasury) on the day shareholders approve the PS Plan, provided always that the total number of new shares which may be issued pursuant to awards granted under the PS Plan when aggregated with the aggregate number of shares which may be granted under any other share plan or share option scheme shall not exceed any limits prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST").

At the end of the financial year, there were no performance shares issued by the Company since the implementation of the PS Plan on 30 April 2015.

AUDIT COMMITTEE

The members of the Audit Committee ("AC") during the year and at the date of this statement are:

Chia Seng Hee - Chairman
Teo Kian Huat
Stephen Poh Yong Meng

The AC carried out its functions in accordance with Section 201B(5) of the Act. Their functions are detailed in the Report on Corporate Governance.

In performing its functions, the AC met with the Company's independent and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

DIRECTORS' STATEMENT

AUDIT COMMITTEE (CONT'D)

The AC also reviewed the following:

- (a) assistance provided by the Company's management to the internal and independent auditors;
- (b) half yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- (c) interested person transactions (as defined in Chapter 9 of the Catalist Rules of the SGX).

The AC is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

INDEPENDENT AUDITOR

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Ip Kwok Wing
Executive Chairman

Lim Fong Li, Janet
Chief Executive Officer

1 October 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CFM HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of CFM Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 70 to 117, which comprise the balance sheets of the Group and the Company as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment review of investment in subsidiaries in Company's financial statements

As disclosed in Note 12 to the financial statements, the net carrying amount of the investment in subsidiaries is stated at \$17,283,000 (2023: \$18,799,000) after deducting impairment loss of \$5,294,000 (2023: \$3,778,000) as at 30 June 2024. During the financial year, the Company recognised a net impairment loss amounting to \$1,516,000 (2023: a reversal of \$2,364,000).

The assessment of recoverable amount of the Company's investment in subsidiaries is considered to be significant to our audit as the carrying amount of investment in subsidiaries is material to the Company's financial statements and the assessment requires use of subjective assumptions by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CFM HOLDINGS LIMITED (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Impairment review of investment in subsidiaries in Company's financial statements (cont'd)

Management assessed the recoverable amount of its investment in subsidiaries based on fair value less costs of disposal or value in use ("VIU") of the investment in subsidiaries. The determination of fair value less costs of disposal involve estimation of the fair values of the underlying assets and liabilities of the subsidiary. The determination of VIU of the investment was based on the discounted cash flow ("DCF") method. The use of the DCF involves significant estimates for the key assumptions in the forecasted revenue and forecasted gross profit margin.

The significant estimates applied in the impairment assessment of investment in subsidiaries and disclosures for key assumptions used are included in Notes 3 and 12 to the financial statements.

How the matter was addressed in our audit:

We obtained an understanding of management's impairment assessment process for their assessment of the recoverable amount of the Company's investment in subsidiaries.

We obtained management's assessment of the fair value less costs of disposal, which is determined based on the underlying assets and liabilities of the subsidiaries. We assessed the elements of the underlying assets and liabilities in determining the fair value less costs of disposals to ensure the valuation methodology was appropriate and the assumptions were reasonable. We also checked the arithmetic accuracy of the computation.

We obtained management's assessment of the VIU and the key assumptions used in the DCF model. We assessed the reasonableness of management's key assumptions used such as compound annual growth rate for revenue and forecasted gross profit margin against historical and expected future financial performances. We assessed the reasonableness of forecasted terminal growth rate taking into consideration the current economic and market conditions. We involved our internal valuation specialist in assessing the reasonableness of management's discount rates. We assessed the sensitivity of the key assumptions on the impairment assessments based on reasonably possible changes in the key assumptions.

We also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2024, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CFM HOLDINGS LIMITED (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CFM HOLDINGS LIMITED (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Wei Lun.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

1 October 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2024

	NOTE	GROUP	
		2024 \$'000	2023 \$'000
Revenue	4	29,564	29,729
Cost of sales		(21,449)	(21,907)
Gross profit		8,115	7,822
Other income	5	539	8,768
Marketing and distribution expenses		(328)	(335)
Administrative and other expenses		(5,386)	(4,708)
Net reversal of impairment losses on financial assets		144	95
Finance costs	6	(149)	(187)
Profit before tax	7	2,935	11,455
Tax expense	9	(1,133)	(907)
Profit for the financial year		1,802	10,548
Other comprehensive loss for the financial year, net of tax:			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising on consolidation		(143)	(634)
Total comprehensive income for the financial year		1,659	9,914
Earnings per share ("EPS")	10	Cents	Cents
Basic and diluted		0.89	5.23

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

At 30 June 2024

	NOTE	GROUP		COMPANY	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Non-current assets					
Property, plant and equipment	11	6,467	6,400	–	–
Investment in subsidiaries	12	–	–	17,283	18,799
Prepayments	11(d)	302	–	–	–
Total non-current assets		6,769	6,400	17,283	18,799
Current assets					
Inventories	13	4,059	3,749	–	–
Trade receivables	14	5,911	6,391	–	–
Other receivables and prepayments	15	235	275	3	3
Amounts due from subsidiaries	16	–	–	–	1
Cash and bank balances	17	13,993	13,651	38	273
Income tax recoverable		142	–	–	–
Total current assets		24,340	24,066	41	277
Total assets		31,109	30,466	17,324	19,076
Non-current liabilities					
Borrowings	18	2,063	2,225	–	–
Lease liabilities	19	149	143	–	–
Deferred tax liabilities	20	253	191	–	–
Total non-current liabilities		2,465	2,559	–	–
Current liabilities					
Trade payables		2,560	2,428	–	–
Contract liabilities	21	30	129	–	–
Other payables	22	2,726	2,088	693	226
Amounts due to subsidiaries	16	–	–	3,242	1,781
Lease liabilities	19	318	377	–	–
Borrowings	18	422	418	–	–
Income tax payable		450	488	5	17
Total current liabilities		6,506	5,928	3,940	2,024
Total liabilities		8,971	8,487	3,940	2,024
Net assets		22,138	21,979	13,384	17,052
Equity					
Share capital	23	22,963	22,963	22,963	22,963
Accumulated profits/(losses)	24	397	95	(9,579)	(5,911)
Foreign currency translation reserve		(1,222)	(1,079)	–	–
Total equity		22,138	21,979	13,384	17,052

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2024

	SHARE CAPITAL \$'000	ACCUMULATED PROFITS/ (LOSSES) \$'000	FOREIGN CURRENCY TRANSLATION RESERVE \$'000	TOTAL EQUITY \$'000
2024				
Balance at 1 July 2023	22,963	95	(1,079)	21,979
Profit for the financial year	–	1,802	–	1,802
Other comprehensive loss for the financial year, net of tax - Currency translation differences arising on consolidation	–	–	(143)	(143)
Total comprehensive income/(loss) for the financial year	–	1,802	(143)	1,659
Final tax-exempt dividend of 0.7443 cents per ordinary shares in respect of financial year 2023	–	(1,500)	–	(1,500)
Balance at 30 June 2024	22,963	397	(1,222)	22,138
2023				
Balance at 1 July 2022	22,963	(10,253)	(445)	12,265
Profit for the financial year	–	10,548	–	10,548
Other comprehensive loss for the financial year, net of tax - Currency translation differences arising on consolidation	–	–	(634)	(634)
Total comprehensive income/(loss) for the financial year	–	10,548	(634)	9,914
Final tax-exempt dividend of 0.09924 cents per ordinary shares in respect of financial year 2022	–	(200)	–	(200)
Balance at 30 June 2023	22,963	95	(1,079)	21,979

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2024

	NOTE	GROUP	
		2024 \$'000	2023 \$'000
Cash flows from operating activities			
Profit before tax		2,935	11,455
Adjustments for:			
Depreciation on property, plant and equipment		833	649
Gain on disposal of non-current asset classified as held for sale		–	(8,132)
Gain on disposal of property, plant and equipment		(51)	(61)
Gain on lease termination and modification		*	(12)
Inventories written down		176	84
Inventories written back		(128)	(129)
Inventories written off		69	82
Net reversal of impairment losses on financial assets		(144)	(95)
Interest expenses		149	187
Interest income		(353)	(150)
Property, plant and equipment written off		–	11
Unrealised gain on foreign currency exchange		(17)	(70)
Operating cash flows before working capital changes		3,469	3,819
Inventories		(459)	361
Receivables		630	(722)
Payables and contract liabilities		710	(34)
Foreign currency translation adjustments		141	31
Cash generated from operations		4,491	3,455
Interest received		353	150
Income tax paid		(1,387)	(905)
Net cash generated from operating activities		3,457	2,700
Cash flows from investing activities			
Purchases of property, plant and equipment	11(d)	(1,065)	(1,662)
Proceeds from disposal of non-current asset held for sale		–	13,293
Proceeds from disposal of property, plant and equipment		84	110
Withdrawal/(placement) of fixed deposits		3,627	(7,202)
Net cash generated from investing activities		2,646	4,539
Cash flows from financing activities			
Repayment of borrowings		(150)	(4,261)
Repayment of lease liabilities		(275)	(193)
Interest paid		(149)	(187)
Dividend paid		(1,500)	(200)
Restricted balance in use		35	(70)
Uplift of fixed deposit pledged with financial institutions		1	135
Net cash used in financing activities		(2,038)	(4,776)

* Amount is less than \$1,000

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the financial year ended 30 June 2024

	NOTE	GROUP	
		2024 \$'000	2023 \$'000
Net increase in cash and cash equivalents		4,065	2,463
Cash and cash equivalents at beginning of the financial year		6,303	4,003
Effect of exchange rate changes on cash and cash equivalents		(60)	(163)
Cash and cash equivalents at end of the financial year	17	10,308	6,303

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

The Company (Co. Reg. No. 200003708R) is incorporated and domiciled in Singapore and is a public limited company listed on the Catalist of Singapore Exchange Securities Trading Limited ("SGX-ST").

The address of its registered office and principal place of business is at 3 Ang Mo Kio Street 62, LINK@AMK, #05-16, Singapore 569139.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 12.

The ultimate controlling party of the Group is Ip Kwok Wing and his spouse, Lim Fong Li, Janet.

2. MATERIAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are presented in Singapore dollar ("S\$"), which is the Company's functional currency and all information presented in Singapore dollar are rounded to the nearest thousand (S\$'000) except when otherwise indicated. The financial statements of the Group and the balance sheet of the Company have been prepared in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and bank balances, trade and other current receivables and payables (other than lease liabilities and non-current borrowings) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

a) Basis of preparation (cont'd)

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial performance or position of the Group and the Company except as disclosed below:

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies

The amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies, and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Company has adopted the amendments to SFRS(I) 1-1 on disclosures of accounting policies. The amendments have no impact on the measurement, recognition and presentation of any items in the Company's financial statements.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 30 June 2024 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

b) Revenue recognition

Sales of metal components and cleanroom products

Revenue from sales of goods in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO. The transaction price is the amount of consideration in the sales contract to which the Group expects to be entitled in exchange for transferring the promised goods. Revenue is recognised at the point when the goods are delivered to the customer. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. For goods which require advance consideration from the customers, the advance consideration are recognised as contract liability upon cash receipts from customers and recognised as revenue when the Group satisfies the performance obligation under its contract.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

b) Revenue recognition (cont'd)

Logistics services

Revenue from logistics services are recognised at a point in time when control over the goods to be delivered is transferred to the customer and the timing of which is determined by the delivery. The performance obligation is measured at a point in time once the service has been completed upon transfer or delivery of goods as the performance obligation has been met. The Group will bill the customer when the service has been performed and the customer is given a credit term of 30 days, which is consistent with market practice.

Sales of tooling products

Revenue from sales of tooling products is recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods. For goods which require advance consideration from the customers, the advance consideration are recognised as contract liability at the time of the initial sales transaction and recognised as revenue when the Group satisfies the performance obligation under its contract.

Sales are made with a credit term of 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Storage services

Revenue from storage services is recognised over time on a monthly basis when the services are rendered and billed at the commencement of each month.

c) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost incurred in bringing the inventories to their present location and conditions are accounted for as follow:

- Raw materials: purchase costs on a first-in first-out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

d) Leases

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities using the effective interest method and reducing the carrying amount to reflect the lease payments made.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within "property, plant and equipment" in the balance sheets.

e) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

The Group classifies its financial assets at amortised cost. The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Group reclassifies financial assets when and only when its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

e) Financial assets (cont'd)

Subsequent measurement

Debt instruments include cash and bank balances, trade receivables and other receivables (excluding prepayments and GST receivables).

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

f) Financial liabilities

Financial liabilities include trade payables, other payables, borrowings and lease liabilities. Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value minus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through amortisation process.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment assessment of investment in subsidiaries - Company level

The Company reviews the investment in subsidiaries at the balance sheet date to determine whether there is any indication of impairment.

Management assessed the recoverable amount of the Company's investment in subsidiaries based on fair value less costs of disposal or value in use ("VIU") of the investment in subsidiaries. The determination of fair value less costs of disposal involve estimation of the fair values of the underlying assets and liabilities of the subsidiary. The determination of VIU of the investment was based on the discounted cash flow ("DCF") method. The use of the DCF involves significant estimates for the key assumptions in the forecasted revenue and forecasted gross profit margin. The DCF model also includes other assumptions on forecasted terminal growth rate and discount rates. A small change in the key assumptions used in VIU could affect the recoverable amount of investment in subsidiaries.

The carrying amount of the Company's investment in subsidiaries as at 30 June 2024 is disclosed in Note 12.

Write-down of inventories

Management reviews the inventory listing on a periodic basis. This review involves comparison of the carrying amount of the aged inventory items with the respective net realisable value. The purpose is to estimate the net realisable value, based on the estimated selling price in the ordinary course of business and to determine any write-down or reversal of write-down is to be made in the financial statements for slow-moving items. Management is satisfied that the inventories have been written down adequately in the financial statements.

At 30 June 2024, the carrying amounts of inventories of the Group after the write-down or reversal of write-down are disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

4. REVENUE

The following table provides a disaggregation disclosure of the Group's revenue by service lines and timing of revenue recognition.

	GROUP	
	2024 \$'000	2023 \$'000
<i>At a point in time</i>		
- Sales of metal components	27,460	26,828
- Logistic services	–	4
- Sales of cleanroom products	1,435	1,915
- Sales of tooling products	628	829
<i>Over time</i>		
- Storage services	41	153
	29,564	29,729
Revenue recognised during the financial year from:		
Amounts included in contract liabilities at the beginning of the financial year	129	106

The Group applies the practical expedient in SFRS(I) 15 Revenue from Contracts with Customers and does not disclose information about its remaining performance obligation if:

- The performance obligation is part of a contract that has an original expected duration of one year or less; or
- The Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

5. OTHER INCOME

	GROUP	
	2024 \$'000	2023 \$'000
Government grants	40	35
Interest income	353	150
Rental income	1	220
Unrealised (loss)/gain on foreign currency exchange	(19)	70
Realised gain on foreign currency exchange	36	82
Gain on disposal of non-current asset classified as held for sale	–	8,132
Gain on disposal of property, plant and equipment	51	61
Others	77	18
	539	8,768

6. FINANCE COSTS

	GROUP	
	2024 \$'000	2023 \$'000
Interest expenses:		
- Lease liabilities	30	18
- Bank loans and banker's acceptances	119	169
	149	187

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

7. PROFIT BEFORE TAX

	GROUP	
	2024	2023
	\$'000	\$'000
Profit before tax is arrived at after charging/(crediting):		
Audit fees paid/payable to:		
- Auditor of the Company	67	67
- Other auditors – network firms	20	24
- Other auditors – non-network firms	28	21
Non-audit fees paid/payable to:		
- Auditors of the Company	–	–
- Other auditors – network firms	–	–
- Other auditors – non-network firms	–	–
Depreciation of property, plant and equipment (Note 11)	833	649
Directors' fees paid/payable to non-executive directors of the Company	82	57
Inventories written down (Note 13)	176	84
Inventories written back (Note 13)	(128)	(129)
Inventories written off (Note 13)	69	82
Gain on lease termination and modification	*	(12)
Property, plant and equipment written off	–	11
Net reversal of impairment losses on financial assets	(144)	(95)
Lease expense - short-term leases (Note 19)	49	186
Professional fees	184	532
Staff costs (Note 8)	10,943	9,510

* Amount is less than \$1,000.

8. STAFF COSTS

	GROUP	
	2024	2023
	\$'000	\$'000
Salaries and bonuses	9,187	7,742
Contributions to defined contribution plans	489	451
Other benefits	1,267	1,317
	10,943	9,510

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

9. TAX EXPENSE

	GROUP	
	2024 \$'000	2023 \$'000
Tax expense attributable to profits is made up of:		
- Current income tax provision	1,203	1,003
- Deferred tax	66	(4)
	1,269	999
Over provision in prior years		
- Current income tax	(136)	(32)
- Deferred tax	-	(60)
	(136)	(92)
	1,133	907

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the domestic statutory rate of income tax applicable to the countries where the Group operates due to the following factors:

	GROUP	
	2024 \$'000	2023 \$'000
Profit before tax	2,935	11,455
Tax at the domestic rates applicable to profit in the countries where the Group operates	840	1,987
Income not subject to tax	(79)	(1,426)
Expenses not deductible for income tax purposes	486	504
Tax rebates and exemptions	-	(4)
Over provision of tax in prior years	(136)	(92)
Utilisation of previously unrecognised tax losses	(27)	(43)
Change in unrecognised temporary differences	49	(19)
	1,133	907

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

9. TAX EXPENSE (CONT'D)

The reconciliation is prepared by aggregating separate reconciliations using the domestic rate in each individual jurisdiction under which the Group's major components operate. For these components which are located in Singapore, Malaysia, Slovak Republic and The People's Republic of China, the applicable domestic tax rates used are 17% (2023: 17%), 24% (2023: 24%), 21% (2023: 21%) and 25% (2023: 25%) respectively.

At the balance sheet date, the Group has unutilised tax losses amounting to \$5,171,000 (2023: \$5,317,000) that are available for carry forward to offset against future taxable income subject to the compliance with the tax regulations of the respective countries in which the Group companies are incorporated and the approval by the relevant tax authorities.

The potential deferred tax assets on the following temporary differences have not been recognised at the balance sheet date as it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised:

	GROUP	
	2024	2023
	\$'000	\$'000
<i>Unrecognised deductible temporary differences:</i>		
Unutilised tax losses	5,171	5,317
Other deductible temporary differences	524	430
	5,695	5,747

The income tax benefits from tax losses carried forward is available for an unlimited period subject to the conditions imposed by law, except for unrecognised tax losses of \$Nil (2023: \$251,000) which will expire progressively over the next 10 years, subject to the conditions imposed by the Malaysian tax authorities.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company are based on the following:

	GROUP	
	2024	2023
Net profit attributable to equity holders of the Company (\$'000)	1,802	10,548
Weighted average number of ordinary shares in issue ('000)	201,535	201,535

Basic and diluted earnings per share are calculated by dividing the Group's net profit attributable to shareholders of the Company by the weighted average number of fully-paid ordinary shares in issue during the financial year.

The denominators used are the same as those detailed above for both basic and diluted earnings per share as there is no dilutive share outstanding during the relevant period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

11. PROPERTY, PLANT AND EQUIPMENT

	FREEHOLD LANDS \$'000	FREEHOLD BUILDINGS \$'000	LEASEHOLD LAND AND BUILDINGS \$'000	RENO- VATION \$'000	OFFICE EQUIPMENT \$'000	MACHINERY AND EQUIPMENT \$'000	FURNITURE AND FITTINGS \$'000	TOOLINGS \$'000	MOTOR VEHICLES \$'000	TOTAL \$'000
Group										
2024										
Cost										
At 1.7.2023	643	2,745	4,308	820	1,058	16,444	107	451	779	27,355
Additions	-	-	43	28	105	546	2	-	279	1,003
Lease modification/ termination	-	-	(42)	-	-	-	-	-	-	(42)
Disposals/write-off	-	-	-	-	(93)	(289)	(2)	(19)	(308)	(711)
Exchange differences	(10)	(50)	(15)	(6)	(8)	(142)	(1)	(5)	(3)	(240)
At 30.6.2024	633	2,695	4,294	842	1,062	16,559	106	427	747	27,365
Accumulated depreciation										
At 1.7.2023	-	1,932	762	683	796	15,384	44	448	750	20,799
Depreciation charge (Note 7)	-	42	329	32	32	339	12	1	46	833
Lease modification/ termination	-	-	(25)	-	-	-	-	-	-	(25)
Disposals/write-off	-	-	-	-	(93)	(273)	(2)	(19)	(291)	(678)
Exchange differences	-	(33)	(6)	(5)	(8)	(121)	(1)	(6)	(7)	(187)
At 30.6.2024	-	1,941	1,060	710	727	15,329	53	424	498	20,742
Accumulated impairment losses										
At 1.7.2023 and 30.6.2024	-	-	-	-	70	86	-	-	-	156
Carrying amount										
At 30.6.2024	633	754	3,234	132	265	1,144	53	3	249	6,467

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	FREEHOLD LANDS	FREEHOLD BUILDINGS	LEASEHOLD LAND AND BUILDINGS	RENO- VATION	OFFICE EQUIPMENT	MACHINERY AND EQUIPMENT	FURNITURE AND FITTINGS	TOOLINGS	MOTOR VEHICLES	TOTAL
Cost										
At 1.7.2022	704	2,753	2,104	1,012	1,190	16,555	198	445	888	25,849
Additions	-	-	2,721	143	63	919	41	-	18	3,905
Lease modification	-	-	(52)	-	-	-	-	-	-	(52)
Disposals/write-off	-	-	(285)	(275)	(138)	(327)	(129)	-	(77)	(1,231)
Exchange differences	(61)	(8)	(180)	(60)	(57)	(703)	(3)	6	(50)	(1,116)
At 30.6.2023	643	2,745	4,308	820	1,058	16,444	107	451	779	27,355
Accumulated depreciation										
At 1.7.2022	-	1,841	880	1,002	903	16,040	135	441	817	22,059
Depreciation charge (Note 7)	-	63	265	14	25	235	9	1	37	649
Lease modification	-	-	(27)	-	-	-	-	-	-	(27)
Disposals/write-off	-	-	(285)	(273)	(77)	(245)	(98)	-	(60)	(1,038)
Exchange differences	-	28	(71)	(60)	(55)	(646)	(2)	6	(44)	(844)
At 30.6.2023	-	1,932	762	683	796	15,384	44	448	750	20,799
Accumulated impairment losses										
At 1.7.2022	-	-	-	-	125	137	27	-	-	289
Disposals/write-off	-	-	-	-	(55)	(51)	(27)	-	-	(133)
At 30.6.2023	-	-	-	-	70	86	-	-	-	156
Carrying amount										
At 30.6.2023	643	813	3,546	137	192	974	63	3	29	6,400

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	OFFICE EQUIPMENT \$'000
Company	
Cost	
At 1.7.2022, 30.6.2023, and 30.6.2024	4
Accumulated depreciation	
At 1.7.2022, 30.6.2023, and 30.6.2024	4
Carrying amount	
At 30.6.2023 and 30.6.2024	–

- (a) Included in property, plant and equipment are right-of-use assets with carrying amount of \$3,446,000 (2023: \$3,606,000) (Note 19).
- (b) The net carrying amounts of property, plant and equipment which have been charged to financial institutions for credit facilities and borrowings granted to the Group are as follows:

	GROUP	
	2024	2023
	\$'000	\$'000
Freehold land	452	458
Freehold buildings	239	250
Leasehold land and buildings	2,948	3,080
	3,639	3,788

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Details of land and buildings of the Group are as follows:

LOCATION	DESCRIPTION	TENURE	APPROXIMATE BUILD-UP AREA (SQM)	HELD BY
No. 4, Jalan Haji Sa'at, Sungai Tiram 81800 Ulu Tiram, Johor Darul Takzim Malaysia	Office/factory	Freehold	4,905	Hantong Metal Component Sdn. Bhd.
Radlinskeho 17, 052 01 Spisska Nova Ves Slovak Republic	Office/factory	Freehold	5,253	CFM Slovakia s.r.o.
Lot no.83 & 84 Jalan PKNK 1/8 Kawasan Perusahaan Sungai Petani LPK, Taman Ria Jaya, 08000 Sungai Petani, Kedah, Malaysia	Office/factory	Leasehold	8,391	Hantong Metal Component (Penang) Sdn. Bhd.
Batu 14 1/4 Jalan Sungai Tiram, Johor Darul Takzim Malaysia	Vacant land	Freehold	–	Hantong Metal Component Sdn. Bhd.
No. 3 Ang Mo Kio Street 62, LINK@AMK, #05-15 and #05-16, Singapore 569139	Office/factory	Leasehold	400	CFM Infratrade Pte. Ltd.

(d) Net cash outflow for additions of property, plant and equipment are as follows:

	GROUP	
	2024 \$'000	2023 \$'000
Aggregate cost of property, plant and equipment acquired	1,003	3,905
Downpayment for property, plant and equipment	302	–
Less: Acquired through new lease arrangement (Note 19)	(240)	(563)
Less: Acquired through bank borrowings (Note 18)	–	(1,680)
Net cash outflow for purchase of property, plant and equipment	1,065	1,662

Downpayment for property, plant and equipment is included within non-current "Prepayment" in the balance sheets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (f) Depreciation of property, plant and equipment

No depreciation of freehold lands is provided. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Freehold buildings	20
Leasehold land and buildings	18 - 48
Renovation	5
Office equipment	3 - 5
Machinery and equipment	5
Furniture and fittings	3 - 5
Toolings	5
Motor vehicles	3 - 5

12. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2024	2023
	\$'000	\$'000
Unquoted equity shares, at cost	22,577	22,577
Less: Impairment losses	(5,294)	(3,778)
	17,283	18,799
Movements in the impairment losses are as follows:		
Balance at beginning of the financial year	3,778	6,142
Addition/(reversal) of impairment loss	1,516	(2,364)
Balance at end of the financial year	5,294	3,778

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries held by the Company are:

NAME	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	EQUITY INTEREST	
			2024 %	2023 %
<i>Held by the Company</i>				
Cheong Fatt Holdings Pte. Ltd. ⁽²⁾	Singapore	Warehousing and logistics services	100	100
Hantong Metal Component Sdn. Bhd. ⁽¹⁾	Malaysia	Manufacturing of metal plates and metal stamping	100	100
Hantong Metal Component (Penang) Sdn. Bhd. ⁽¹⁾	Malaysia	Manufacturing of metal plates and metal stamping	100	100
CFM Slovakia s.r.o. ⁽⁵⁾	Slovak Republic	Manufacturing of metal plates and metal stamping	100	100
CFM (USA), Inc. ⁽⁴⁾	The United States of America	Dormant	100	100
Dalian CFM Precision Tooling Co., Ltd ⁽³⁾	The People's Republic of China	Manufacturing and fabricating engineering tools	100	100
CFM Infratrade Pte. Ltd. ⁽²⁾	Singapore	Trading and supplying disposable and wearable for use in clean room, bio-medical, laboratories and hospitals	100	100

(1) Audited by independent member firms of Baker Tilly International.

(2) Audited by Baker Tilly TFW LLP, Singapore.

(3) Audited by Huanyu Certified Public Accountants, The People's Republic of China.

(4) Not required to be audited by law of country of incorporation.

(5) Audited by Kreston Slovakia, Slovakia.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (b) Company level - Impairment review of investment in subsidiaries

CFM Infratrade Pte. Ltd.

During the financial year, management performed an impairment test for the investment in CFM Infratrade Pte. Ltd. ("CFM Infratrade") from cleanroom products segment as the performance of CFM Infratrade did not meet its budget. The recoverable amount of the investment in CFM Infratrade has been determined based on fair value less costs of disposal ("FVLCD"). The FVLCD is determined based on the fair valuation of CFM Infratrade taking into account the fair values of the underlying assets and liabilities of CFM Infratrade, which mainly comprises leasehold buildings. The fair value of the leasehold buildings is determined using direct comparison with recent transactions of comparable properties within the vicinity. Based on the assessment performed, additional impairment of \$596,000 is recorded for the financial year ended 30 June 2024 to write down the cost of investment in CFM Infratrade to its recoverable amount of \$1,087,000. The fair value measurement for disclosure purposes is categorised in Level 3 of the fair value hierarchy.

In the previous financial year, management performed an impairment test for the investment in CFM Infratrade. The recoverable amount of the investment in CFM Infratrade was determined based on value in use calculation using cash flow projections approved by management covering a five-year period. The compound annual growth rate for revenue and pre-tax discount rate applied to the cash flow projections were 4% and 13.7% respectively. The forecasted terminal growth rate used to extrapolate cash flow projections beyond the five-year period was 2%. Based on the assessment performed, no additional or reversal of impairment is recorded for the financial year ended 30 June 2023. An increase/decrease in the compound annual growth rate for revenue by 1% would increase/decrease the recoverable amount of CFM Infratrade by \$401,000.

Hantong Metal Component Sdn. Bhd.

During the financial year, management performed a review of recoverable amount of the investment in Hantong Metal Component Sdn. Bhd. ("HTJB") from tooling segment as the performance of HTJB did not meet its budget. The recoverable amount of the investment in HTJB has been determined based on FVLCD. The FVLCD is determined based on the fair valuation of HTJB taking into account the fair values of the underlying assets and liabilities of HTJB, which mainly comprises freehold lands and building. The fair values of the freehold lands and building are determined based on valuation performed by professional valuers using direct comparison with recent transactions of comparable properties within the vicinity. Based on the assessment performed with recoverable amount of \$2,097,000, a reversal of impairment of \$343,000 is recorded for the financial year ended 30 June 2024. The fair value measurement for disclosure purposes is categorised in Level 3 of the fair value hierarchy.

In the previous financial year, management performed an impairment test for the investment in HTJB. The recoverable amount of the investment in HTJB was determined based on value in use calculation using cash flow projections from forecasts approved by management covering a five-year period. The compound annual growth rate, gross profit margin and pre-tax discount rate applied to the cash flow projections were 5%, 16% and 11.8% respectively. The forecasted terminal growth rate used to extrapolate cash flow projections beyond the five-year period was 2.4%. Based on the assessment performed with recoverable amount of \$1,754,000, a reversal of impairment loss of \$375,000 is recognised for the financial year ended 30 June 2023. An increase/decrease in the gross profit margin by 1% would increase/decrease the recoverable amount of HTJB by \$86,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

12. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (b) Company level - Impairment review of investment in subsidiaries (cont'd)

Cheong Fatt Holdings Pte. Ltd.

During the financial year, the management performed a review of recoverable amount of the investment in Cheong Fatt Holdings Pte. Ltd. ("Cheong Fatt") from components and parts segment as the net assets of Cheong Fatt was higher than the net carrying amount of investment. The recoverable amount of the investment in Cheong Fatt has been determined based on FVLCD. The FVLCD is determined based on the fair valuation of Cheong Fatt taking into account the fair values of underlying assets and liabilities of Cheong Fatt, which mainly comprises cash at bank and other receivables. An additional impairment loss of \$1,263,000 (2023: reversal of impairment loss of \$753,000) is recognised for the financial year ended 30 June 2024 as the recoverable amount of \$7,337,000 (2023: \$8,600,000) is lower than the carrying amount. The fair value measurement for disclosure purposes is categorised in Level 3 of the fair value hierarchy.

Dalian CFM Precision Tooling Co., Ltd

In the previous financial year, management performed a review of recoverable amount of the investment in Dalian CFM Precision Tooling Co., Ltd ("CFM Dalian") from metal stamping segment as this subsidiary showed improved performance. The recoverable amount of the investment in CFM Dalian was determined based on value in use calculation using cash flow projections approved by management covering a five-year period. The compound annual growth rate for revenue and pre-tax discount rate applied to the cash flow projections were 1.8% and 10.0% respectively. The forecasted terminal growth rate used to extrapolate cash flow projections beyond the five-year period was 2.2%. Full reversal of impairment loss of \$1,236,000 was recognised for the financial year ended 30 June 2023 as the recoverable amount of \$4,705,000 was higher than the carrying amount.

13. INVENTORIES

	GROUP	
	2024	2023
	\$'000	\$'000
Raw materials	1,178	1,447
Work in progress	862	773
Finished goods	2,019	1,529
	4,059	3,749

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

13. INVENTORIES (CONT'D)

Raw materials, consumables and changes in finished goods and work in progress included as cost of sales during the financial year amounted to \$19,977,000 (2023: \$20,535,000).

The Group has recognised an inventories written down of \$176,000 (2023: \$84,000), inventories written off of \$69,000 (2023: \$82,000) and inventories written back of \$128,000 (2023: \$129,000) (Note 7). The inventories written back is due to the inventories being sold above their carrying amount. The written down, reversal and written off were included in cost of sales.

14. TRADE RECEIVABLES

	GROUP	
	2024 \$'000	2023 \$'000
Third parties	5,911	6,535
Less: Impairment allowance for trade receivables (Note 28(b))	–	(144)
	5,911	6,391

15. OTHER RECEIVABLES AND PREPAYMENTS

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Deposits	114	109	–	–
Prepayments	68	102	1	1
Sundry debtors	56	67	2	2
	238	278	3	3
Less: Impairment allowance for other receivables (Note 28(b))	(3)	(3)	–	–
	235	275	3	3

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

16. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	COMPANY	
	2024 \$'000	2023 \$'000
<i>Current assets</i>		
Receivables due from subsidiaries (non-trade)	–	1
<i>Current liabilities</i>		
Amounts due to subsidiaries	(3,242)	(1,781)

Current assets

The non-trade receivables from subsidiaries are unsecured, interest-free and repayable on demand.

Current liabilities

The amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and payable on demand.

17. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash and bank balances	4,455	6,373	38	273
Fixed deposits	9,538	7,278	–	–
	13,993	13,651	38	273

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	GROUP	
	2024 \$'000	2023 \$'000
Cash and bank balances	4,455	6,373
Fixed deposits	9,538	7,278
	13,993	13,651
Fixed deposits pledged	(76)	(76)
Restricted balance in use	(35)	(70)
Short-term deposits with maturities of more than three months	(3,574)	(7,202)
	10,308	6,303

Fixed deposits and bank balance amounting to \$76,000 (2023: \$76,000) and \$35,000 (2023: \$70,000) respectively are pledged with financial institutions as securities for loans and credit facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

18. BORROWINGS

	NOTE	GROUP	
		2024 \$'000	2023 \$'000
Current			
<i>Secured</i>			
Bank loan I	(a)	97	94
Bank loan II	(b)	58	53
Bankers' acceptances	(c)	267	271
		422	418
Non-current			
<i>Secured</i>			
Bank loan I	(a)	524	628
Bank loan II	(b)	1,539	1,597
		2,063	2,225
		2,485	2,643

Details of the borrowings are as follows:

- (a) Bank loan I bears interest at 4.65% (2023: 3.65% to 4.65%) per annum and is repayable in 180 monthly instalments commencing August 2015. It is secured by a first charge over the subsidiary's leasehold land and building with a net carrying amount of \$865,000 (2023: \$952,000) and fixed deposits of a subsidiary.
- (b) Bank loan II bears interest at 0.65% per annum above 1-month Cost of Funds and is repayable over 20 years.

The mortgage loan is secured by:

- (i) All-monies legal charge over the property at 3 Ang Mo Kio Street 62 #05-15 and #05-16, LINK@AMK, Singapore 569139 with a net carrying amount of \$2,083,000 (2023: \$2,128,000).
 - (ii) A joint and several personal guarantees for all monies owing to be provided by the directors.
 - (iii) A charge over the Debt Servicing Reserve Account.
- (c) Bankers' acceptances bear interest at 4.23% to 4.73% (2023: 3.15% to 4.88%) per annum and are secured by a first and legal charge over the subsidiary's freehold land and building with a net carrying amount of \$594,000 (2023: \$708,000) and a corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

18. BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	LEASE LIABILITIES (NOTE 19) \$'000	LOAN FROM A THIRD PARTY (NOTE 22) \$'000	BORROWINGS \$'000	TOTAL \$'000
Balance at 1 July 2023	520	40	2,643	3,203
Changes from financing cash flows:				
- Repayment	(275)	-	(150)	(425)
- Interest paid	(30)	-	(119)	(149)
Non-cash changes:				
- Interest expense	30	-	119	149
- New leases	240	-	-	240
- Leases termination	(13)	-	-	(13)
- Modification	(4)	-	-	(4)
Effect of changes in foreign exchange rates	(1)	-	(8)	(9)
Balance at 30 June 2024	467	40	2,485	2,992

	LEASE LIABILITIES (NOTE 19) \$'000	LOAN FROM A THIRD PARTY (NOTE 22) \$'000	BORROWINGS \$'000	TOTAL \$'000
Balance at 1 July 2022	215	40	5,320	5,575
Changes from financing cash flows:				
- Repayment	(193)	-	(4,261)	(4,454)
- Interest paid	(18)	-	(169)	(187)
Non-cash changes:				
- Interest expense	18	-	169	187
- New leases	563	-	-	563
- Leases termination	(17)	-	-	(17)
- Acquisition of property, plant and equipment	-	-	1,680	1,680
- Modification	(20)	-	-	(20)
Effect of changes in foreign exchange rates	(28)	-	(96)	(124)
Balance at 30 June 2023	520	40	2,643	3,203

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

19. LEASES

The Group leases various motor vehicles, machinery and equipment and office equipment and also makes annual lease payments for leasehold land. The right-of-use of these assets are classified as property, plant and equipment (Note 11). As at 30 June 2024, the leasehold land of the Group has remaining tenure period of 47 years.

In addition, the Group leases certain other office equipment. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 28(b).

Information about leases for which the Group is a lessee is presented below:

Amounts recognised in consolidated balance sheet

	GROUP	
	2024	2023
	\$'000	\$'000
<i>Carrying amount of right-of-use assets classified within property, plant and equipment</i>		
Leasehold land and building	3,234	3,546
Machinery and equipment	126	47
Motor vehicles	79	3
Office equipment	7	10
	3,446	3,606
<i>Carrying amount of lease liabilities</i>		
Current	318	377
Non-current	149	143
	467	520
<i>Additions to right-of-use assets</i>		
Leasehold land and building	43	2,721
Machinery and equipment	103	–
Motor vehicles	94	–
	240	2,721

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

19. LEASES (CONT'D)

Amounts recognised in profit or loss

	GROUP	
	2024 \$'000	2023 \$'000
<i>Depreciation charge for the financial year</i>		
Leasehold land and building	329	265
Machinery and equipment	24	14
Motor vehicles	19	18
Office equipment	3	2
	375	299
<i>Lease expense not included in the measurement of lease liabilities</i>		
Lease expense - short-term leases (Note 7)	49	186
Interest expense on lease liabilities	30	18
Gain on lease termination and modification	*	12

Total cash flow for leases during the financial year amounted to \$354,000 (2023: \$397,000).

* Amount is less than \$1,000.

20. DEFERRED TAX LIABILITIES

Deferred tax liabilities arising from:

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Excess of net carrying amount over tax written down value of property, plant and equipment	235	206	–	–
Other temporary differences	18	(15)	–	–
	253	191	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

20. DEFERRED TAX LIABILITIES (CONT'D)

The movements in the deferred tax account are as follows:

	GROUP		COMPANY	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year	191	260	–	45
Tax charge/(credit) to profit or loss (Note 9)	66	(64)	–	(45)
Exchange differences	(4)	(5)	–	–
Balance at end of the financial year	253	191	–	–

21. CONTRACT LIABILITIES

Contract liabilities relate to advance consideration received from customers. Contract liabilities are recognised as revenue as (or when) the Group satisfies the performance obligations under its contracts.

The following table provides information about contract liabilities from contracts with customers:

	GROUP			COMPANY		
	2024	2023	1.7.2022	2024	2023	1.7.2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade receivables from contracts with customers (Note 14)	5,911	6,391	5,903	–	–	–
Contract liabilities	30	129	134	–	–	–

Significant changes in the contract liabilities during the financial year was due to performance obligation has been satisfied and amounts were recognised as revenue during the financial year.

22. OTHER PAYABLES

	GROUP		COMPANY	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Sundry creditors	253	378	62	23
Loan from a third party	40	40	40	40
Accrued operating expenses	2,351	1,613	509	106
Accrual for directors' fee	82	57	82	57
	2,726	2,088	693	226

The loan from a third party is non-trade in nature, unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

23. SHARE CAPITAL

	GROUP AND COMPANY	
	2024	2023
	\$'000	\$'000
Issued and fully paid capital		
201,535,276 ordinary shares with no par value	22,963	22,963

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restrictions.

24. ACCUMULATED PROFITS/(LOSSES)

Group

Included in accumulated profits/(losses) of the Group is an amount of \$318,000 (2023: \$318,000) relating to legal reserve fund of a subsidiary. In accordance with the Slovak Commercial Code applicable to the subsidiary in the Slovak Republic, the subsidiary is required to make appropriation to a legal reserve fund based on a minimum amount of 5% of net profit annually, until the legal reserve fund exceeds at least 10% of the registered share capital. This fund can be used for covering the subsidiary's losses only and thus not available for dividend distribution to shareholders. No appropriation was made during the financial years ended 30 June 2024 and 30 June 2023 as the legal reserve fund is at least 10% of the registered share capital of the subsidiary.

Company

The movements in the accumulated losses of the Company are as follows:

	2024	2023
	\$'000	\$'000
Balance at beginning of the financial year	(5,911)	(7,217)
(Loss)/profit and total comprehensive (loss)/income for the financial year	(2,168)	1,506
Final tax-exempt dividend of 0.7443 cents per ordinary shares in respect of financial year 2023	(1,500)	–
Final tax-exempt dividend of 0.09924 cents per ordinary shares in respect of financial year 2022	–	(200)
Balance at end of the financial year	(9,579)	(5,911)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

25. CONTINGENT LIABILITIES AND COMMITMENTS

Guarantees

	COMPANY	
	2024	2023
	\$'000	\$'000
Corporate guarantees provided by the Company to financial institutions for banking facilities granted to subsidiaries	460	464
Amount utilised by the subsidiaries	267	271

The directors have assessed the fair values of these financial guarantees to have no material financial impact on the financial performance of the Company for the financial years ended 30 June 2024 and 30 June 2023.

Capital expenditure commitments

Significant capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	GROUP	
	2024	2023
	\$'000	\$'000
Property, plant and equipment	987	–

26. KEY MANAGEMENT PERSONNEL COMPENSATION

Total key management personnel compensation is analysed as follows:

	GROUP	
	2024	2023
	\$'000	\$'000
Salaries and bonus	2,350	1,099
Directors' fees	82	57
Contributions to defined contribution plan	39	69
Other short-term benefits	69	42
	2,540	1,267

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27. SEGMENT INFORMATION

For management purposes, the Group is organised into business segments, with each segment representing a strategic business segment that offers different products in the respective markets. The Group has four reportable operating segments as follows:

- i) Metal stamping - manufacturing of metal plates and metal stamping
- ii) Tooling - manufacturing and fabricating of engineering tools and die
- iii) Components and parts - trading of other components and parts, and warehousing and others service logistic business
- iv) Cleanroom products - trading of disposables and wearables for use in cleanroom, bio-medical, laboratories and hospitals

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27. SEGMENT INFORMATION (CONT'D)

The segment information provided to management for the reportable segments are as follows:

	METAL STAMPING		TOOLING		COMPONENTS AND PARTS AND OTHERS		CLEANROOM PRODUCTS		ELIMINATIONS		CONSOLIDATED	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue	27,460	26,828	628	829	41	157	1,435	1,915	-	-	29,564	29,729
- Sales to external customers	57	-	319	-	-	51	12	-	(388)	(51)	-	-
- Intersegment sales												
Segment result	5,452	4,378	211	407	181	7,858	(303)	276	-	-	5,541	12,919
Unallocated expenses												
Finance costs											(2,457)	(1,277)
Profit before tax											(149)	(187)
Tax expense											2,935	11,455
Profit after tax											(1,133)	(907)
Group assets and liabilities											1,802	10,548
Segment assets	23,787	21,381	62	55	7,288	8,469	3,523	3,850	(3,592)	(3,575)	31,068	30,180
Unallocated assets											41	286
Total assets											31,109	30,466
Segment liabilities	6,091	6,317	-	-	10	38	1,964	2,026	(237)	(617)	7,828	7,764
Unallocated liabilities											1,143	723
Total liabilities											8,971	8,487

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27. SEGMENT INFORMATION (CONT'D)

The segment information provided to management for the reportable segments are as follows (cont'd):

	METAL STAMPING		TOOLING		COMPONENTS AND PARTS		CLEANROOM PRODUCTS		CONSOLIDATED	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other segment information										
Capital expenditure	908	1,404	-	-	-	-	95	2,501	1,003	3,905
Depreciation of property, plant and equipment	631	537	7	4	1	9	194	99	833	649
Net reversal of impairment losses on financial assets	(144)	(95)	-	-	-	-	-	-	(144)	(95)
Inventories written down	17	84	-	-	-	-	160	-	176	84
Inventories written back	(47)	(115)	-	-	-	-	(81)	(14)	(128)	(129)
Inventories written off	69	82	-	-	-	-	-	-	69	82
Other significant non-cash income	(51)	(16)	-	-	-	(8,132)	-	(45)	(51)	(8,193)

Segment results

Performance of each segment is evaluated based on segment profit which is measured differently from the net profit before tax in the consolidated financial statements. Corporate and finance expenses are not allocated to segments as these are managed on a Group basis.

Segment assets

The amounts provided to Management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than corporate assets which are classified as unallocated assets.

Corporate assets included assets from investment holding company.

Segment liabilities

The amounts provided to Management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than corporate liabilities which are classified as unallocated liabilities.

Corporate liabilities included liabilities from investment holding company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

27. SEGMENT INFORMATION (CONT'D)

Geographical information

The revenue and non-current assets by geographical segments are based on the geographical location of customers and assets.

Geographical information

The revenue and non-current assets by geographical segments are based on the geographical location of customers and assets.

	SINGAPORE		MALAYSIA		UNITED STATES OF AMERICA		SLOVAK REPUBLIC		REST OF EUROPE*		THE PEOPLE'S REPUBLIC OF CHINA		OTHERS		GROUP	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales to external customers	2,299	2,869	7,301	6,833	8,545	7,087	2,075	2,616	5,563	6,726	3,770	3,575	11	23	29,564	29,729
Non-current assets	2,294	2,387	2,704	2,285	-	-	1,451	1,470	-	-	320	258	-	-	6,769	6,400
Other geographical information:																
Capital expenditure	95	2,501	703	839	-	-	12	279	-	-	193	286	-	-	1,003	3,905

* Rest of Europe comprise Austria, Czech Republic, Germany, Hungary, Italy, Netherland, Poland, Portugal, Romania and Switzerland.

Revenue is derived from one (2023: one) external customer who contributed more than 10% of the Group's revenue and are attributable to the segments as detailed below:

	GROUP	
	2024	2023
	\$'000	\$'000
Customer 1	10,566	9,215
Metal Stamping and Tooling		
ATTRIBUTABLE SEGMENTS		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

Financial instruments at their carrying amounts as at balance sheet date are as follows:

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<i>Financial assets</i>				
At amortised costs	20,068	20,215	38	274
<i>Financial liabilities</i>				
At amortised costs	8,071	7,565	3,928	1,998

b) Financial risk management

The Group, in its normal course of business, is exposed to credit risk, interest rate risk, foreign currency risk and liquidity and cash flow risk. The overall business strategies of the Group, its tolerance for risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions. In determining its risk management policies, the management ensures that an acceptable balance is made between the cost of risks occurring and the cost of managing the risk.

There has been no significant change to the Group's exposure to these financial risks or the manner in which it manages and measures financial risks as compared to previous financial year.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by management.

As the Group and Company do not hold any collateral, the maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial asset presented on the balance sheets, except for a notional amount of \$460,000 (2023: \$464,000) relating to corporate guarantees provided by the Company to financial institutions for banking facilities extended to subsidiaries as disclosed in Note 25.

The Group's and the Company's major classes of financial assets are cash and bank balances, and trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Credit risk (cont'd)

The credit risk for trade receivables and amounts due from subsidiaries based on the information provided to key management is as follows:

	GROUP		COMPANY	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
By geographical areas				
Singapore	331	500	–	1
Malaysia	1,348	1,544	–	–
Slovak Republic	921	1,268	–	–
The People's Republic of China	1,032	1,051	–	–
United States of America	2,279	1,982	–	–
Others	–	46	–	–
	5,911	6,391	–	1
By types of debtors				
Non-related parties				
- Multi-national companies	4,237	4,847	–	–
- Other companies	1,674	1,544	–	1
	5,911	6,391	–	1

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Credit risk (cont'd)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

DESCRIPTION OF EVALUATION OF FINANCIAL ASSETS	BASIS FOR RECOGNITION AND MEASUREMENT OF ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 1 year past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Company has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- historical and current payment patterns of the debtors; and
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available).

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk (cont'd)

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, in full.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 1 year past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Movements in credit loss allowance

Movements in allowance for expected credit losses are as follows:

	TRADE RECEIVABLES \$'000	OTHER RECEIVABLES \$'000
Group		
2024		
Balance as at 1 July 2023	144	3
Loss allowance recognised/(reversed) in profit or loss during the year on:		
Lifetime ECL - credit impaired, net	(144)	–
Balance at 30 June 2024	–	3
2023		
Balance as at 1 July 2022	290	3
Loss allowance recognised/(reversed) in profit or loss during the year on:		
Lifetime ECL - credit impaired, net	(95)	–
Receivables written off as uncollectable	(28)	–
Exchange difference	(23)	–
Balance at 30 June 2023	144	3

Trade receivables and other financial assets at amortised cost

The Group has applied the simplified approach in SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") to measure the lifetime expected credit loss allowance for trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables and other financial assets at amortised cost (cont'd)

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

The table below details the credit quality of the Group's financial assets:

GROUP 2024	12-MONTH OR LIFETIME ECL	GROSS CARRYING AMOUNT \$'000	LOSS ALLOWANCE \$'000	NET CARRYING AMOUNT \$'000
Trade receivables	Lifetime ECL	5,911	–	5,911
Other receivables	Not applicable (Exposure limited)	167	(3)	164
Cash and bank balances	Not applicable (Exposure limited)	13,993	–	13,993
2023				
Trade receivables	Lifetime ECL	6,535	(144)	6,391
Other receivables	Not applicable (Exposure limited)	176	(3)	173
Cash and bank balances	Not applicable (Exposure limited)	13,651	–	13,651

The expected credit loss on other receivables and cash and bank balances are immaterial at 30 June 2024 and 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables and other financial assets at amortised cost (cont'd)

The table below details the credit quality of the Company's financial assets:

COMPANY 2024	12-MONTH OR LIFETIME ECL	GROSS CARRYING AMOUNT \$'000	LOSS ALLOWANCE \$'000	NET CARRYING AMOUNT \$'000
Cash and bank balances	Not applicable (Exposure limited)	38	–	38
2023				
Amounts due from subsidiaries	12-month ECL	1	–	1
Cash and bank balances	Not applicable (Exposure limited)	273	–	273

The expected credit loss on the Company's financial assets is immaterial at 30 June 2024 and 30 June 2023.

Financial guarantees

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries are financially able to meet the contractual cash flow obligations and does not expect significant credit losses arising from these guarantees.

Interest rate risk

The Group's policy is to obtain the most favourable interest rates available without increasing its interest rate risk exposure. The Group constantly monitors its interest rate risk and does not utilise forward contracts or other arrangements for trading or speculative purposes. As at 30 June 2024, there were no such arrangements, interest rate swap contracts or other derivative instruments that were outstanding.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Interest rate risk (cont'd)

The following table sets out the carrying amounts, by maturity of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	GROUP		COMPANY	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<i>Within one year-variable rates</i>				
Borrowings	422	418	–	–
<i>More than one year-variable rates</i>				
Borrowings	2,063	2,225	–	–

The Group's and the Company's certain borrowings are variable-rate financial instruments. No disclosure of the impact of a reasonably possible 100 basis point increase/decrease is made as insignificant.

Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily United States Dollar ("USD"), Euro ("EUR"), Hong Kong Dollar ("HKD"), Thai Baht ("THB"), Malaysian Ringgit ("MYR"), Singapore Dollar ("SGD") and Indonesian Rupiah ("IDR"). There is no formal hedging policy with respect to foreign currency exposure. The Group's exposure to foreign currency risk is not significant.

At the balance sheet date, the Group and the Company have the following financial assets and financial liabilities which are denominated in USD:

	GROUP		COMPANY	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	1,013	1,203	–	–
Trade receivables	2,279	2,353	–	–
Other receivables	16	–	–	–
Trade payables	–	(48)	–	–
Other payables	(25)	(47)	–	–
Net financial assets denominated in foreign currencies	3,283	3,461	–	–

No disclosure of the impact of a reasonably possible 10% change in USD/SGD rate is made as it is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Liquidity and cash flow risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposures to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company manage the liquidity risk by maintaining a level of cash and cash equivalents to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	REPAYABLE ON DEMAND OR WITHIN 1 YEAR \$'000	WITHIN 2 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000	TOTAL \$'000
Group				
2024				
Trade payables	2,535	–	–	2,535
Other payables	2,584	–	–	2,584
Borrowings	603	1,010	1,917	3,530
Lease liabilities	330	157	–	487
	6,052	1,167	1,917	9,136
2023				
Trade payables	2,410	–	–	2,410
Other payables	1,992	–	–	1,992
Borrowings	531	1,105	2,386	4,022
Lease liabilities	403	141	10	554
	5,336	1,246	2,396	8,978
Company				
2024				
Other payables	686	–	–	686
Amounts due to subsidiaries	3,242	–	–	3,242
	3,928	–	–	3,928
2023				
Other payables	217	–	–	217
Amounts due to subsidiaries	1,781	–	–	1,781
	1,998	–	–	1,998

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Liquidity and cash flow risk (cont'd)

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	COMPANY	
	2024	2023
	\$'000	\$'000
<i>Repayable on demand or not later than 1 year</i>		
Financial guarantee contract (Note 25)	267	271

The Company does not consider it probable a claim will be made against the Company under the intragroup financial guarantee.

29. FAIR VALUES OF ASSETS AND LIABILITIES

Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

- a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
- c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets and liabilities not carried at fair value but which fair values are disclosed

The recoverable amounts of certain investment in subsidiaries of the Company have been computed based on fair value less costs of disposal. The basis for determining fair value less costs of disposal is disclosed in Note 12.

The carrying amounts of non-current borrowings approximate their fair values as these financial instruments bear interest rates which approximate the market interest rates at the balance sheet date. These fair value measurements for disclosure purposes are categorised in Level 3 of the fair value hierarchy.

Assets and liabilities not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of trade and other receivables, amounts due from subsidiaries, cash and bank balances, trade and other payables, amounts due to subsidiaries and current borrowings approximate their fair values due to the relatively short-term maturity of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the returns to stakeholders through the optimisation of the debt and equity balance.

In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return on capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2024 and 30 June 2023.

As disclosed in Note 24, a subsidiary of the Group is required to make appropriation to a legal reserve fund. This externally imposed capital requirement has been complied with by the subsidiary for the financial years ended 30 June 2024 and 30 June 2023.

31. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group and the balance sheet of the Company for the financial year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors dated 1 October 2024.

STATISTICS OF SHAREHOLDINGS

As at 19 September 2024

Issued and fully Paid-up Capital	:	S\$23,099,267
Number of Ordinary Shares in issue (excluding treasury shares)	:	201,535,276
Number of Treasury Shares held	:	Nil
Number of Subsidiary Holdings held	:	Nil
Class of Shares	:	Ordinary
Voting Rights (on a poll)	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	4	0.43	86	0.00
100 - 1,000	118	12.87	99,678	0.05
1,001 - 10,000	181	19.74	1,274,400	0.63
10,001 - 1,000,000	604	65.87	52,821,232	26.21
1,000,001 AND ABOVE	10	1.09	147,339,880	73.11
TOTAL	917	100.00	201,535,276	100.00

Substantial Shareholders

As shown in the Register of Substantial Shareholders:

	NO. OF ORDINARY SHARES	
	DIRECT INTEREST	DEEMED INTEREST
Ip Kwok Wing	74,319,300	–
Lim Fong Li Janet	61,601,150	–

STATISTICS OF SHAREHOLDINGS

As at 19 September 2024

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	IP KWOK WING	74,319,300	36.88
2	LIM FONG LI JANET	61,601,150	30.57
3	PHILLIP SECURITIES PTE LTD	2,964,431	1.47
4	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	1,738,900	0.86
5	TIGER BROKERS (SINGAPORE) PTE. LTD.	1,248,200	0.62
6	OCBC SECURITIES PRIVATE LIMITED	1,246,800	0.62
7	DBS NOMINEES (PRIVATE) LIMITED	1,136,314	0.56
8	UOB KAY HIAN PRIVATE LIMITED	1,062,071	0.53
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,022,700	0.51
10	CHAN TIN JOR	1,000,014	0.50
11	HOW BECK POO	870,000	0.43
12	TAN SIEW CHOO	795,000	0.39
13	RAFFLES NOMINEES (PTE.) LIMITED	773,400	0.38
14	WONG NGIAN CHONG	700,000	0.35
15	OH CHEE KEONG	690,000	0.34
16	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	685,400	0.34
17	CHIN SIEW LING	600,000	0.30
18	TAN GHEE TEE	565,600	0.28
19	ABN AMRO CLEARING BANK N.V	520,200	0.26
20	LIM CHIN HOCK	500,000	0.25
	TOTAL	154,039,480	76.44

Public Float

Based on the information available to the Company as at 19 September 2024, approximately 32.55% of the issued ordinary shares of the Company are held by the public. Accordingly the Company has complied with Rule 723 of the Singapore Exchange Securities Trading Limited Manual Section B: Rules of Catalyst.

NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING

CFM HOLDINGS LIMITED

(Company Registration No. 200003708R)
(Incorporated in The Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Twenty-Fourth Annual General Meeting ("AGM") of CFM Holdings Limited (the "Company") will be held at 293 Lor 6 Toa Payoh, SAFRA Toa Payoh, Reef Room, Level 3, Singapore 319387 on Monday, 28 October 2024 at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2024 together with the Independent Auditors' Report thereon. **(Resolution 1)**
2. To re-elect Mr. Chia Seng Hee as a Director of the Company who retires pursuant to Article 117 of the Constitution of the Company, and being eligible, offered himself for re-election.
[See Explanatory Note (i)] **(Resolution 2)**
3. To note the retirement of Mr. Teo Kian Huat who is retiring as a Director of the Company pursuant to Article 117 of the Constitution of the Company.

Mr. Teo Kian Huat will not seek re-election and will retire as a Director of the Company upon conclusion of the AGM. Accordingly, Mr. Teo Kian Huat will relinquish his position as the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.

4. To approve the payment of Directors' fees of S\$82,000 for the financial year ended 30 June 2024. (2023: S\$57,000) **(Resolution 3)**
5. To approve the payment of Directors' fees of S\$88,000 for the financial year ending 30 June 2025, payable quarterly in arrears.
[See Explanatory Note (ii)] **(Resolution 4)**
6. To re-appoint Messrs. Baker Tilly TFW LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**
7. To transact any other ordinary business that may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. Authority to allot and issue shares and/or convertible securities

That pursuant to Section 161 of the Singapore Companies Act 1967 and Rule 806 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (the "Catalist Rules"), the Directors of the Company be authorised and empowered to:

NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING

- (a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares (including shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) in the capital of the Company shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new shares arising from the conversion or exercise of any convertible securities;
- (b) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
- (c) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with (a) or (b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution, for the time being, of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

(Resolution 6)

NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING

9. Authority to allot and issue shares under the CFM Performance Share Plan

That pursuant to Section 161 of the Singapore Companies Act 1967, the Directors of the Company be and are hereby authorised to grant awards in accordance with the provisions of the CFM Performance Share Plan (the "Plan") and to allot and issue from time to time, such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Plan, provided the total number of new shares which may be issued pursuant to awards granted under the Plan shall not exceed fifteen per centum (15%) of the issued shares of the Company (excluding any shares held in treasury and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

(Resolution 7)

By Order of the Board

Cheok Hui Yee
Goh Xun Er
Company Secretaries

Singapore,
11 October 2024

Explanatory Notes:

- (i) Mr. Chia Seng Hee, upon re-election as an Independent Non-Executive Director of the Company, will remain as the the Lead Independent Director, Chairman of each of the Audit Committee and Remuneration Committee and a member of the Nominating Committee. The Board considers him independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST. Please refer to table A of the Corporate Governance Report on page page 125 to page 129 of the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST.
- (ii) The **Ordinary Resolution 4**, if passed, will facilitate the payment of Directors' fees during the financial year ending 30 June 2025 in which the fees are incurred which is payable quarterly in arrears.
- (iii) The **Ordinary Resolution 6**, if passed, will authorise the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.

- (iv) The **Ordinary Resolution 7**, if passed, will authorise the Directors of the Company to grant awards under the Plan in accordance with the provisions of the Plan and pursuant to Section 161 of the Companies Act 1967, to allot and issue shares under the Plan.

The total number of new shares which may be issued pursuant to awards granted under the Plan shall not exceed fifteen per centum (15%) of the issued Shares of the Company (excluding any shares held in treasury and subsidiary holdings) on the day shareholders approve the Plan, provided always that the total number of new shares which may be issued pursuant to awards granted under the Plan when aggregated with the aggregate number of shares which may be granted under any other share plan or share option scheme shall not exceed any limits prescribed by the SGX-ST.

NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2.
 - (a) A member who is not a relevant intermediary is entitled to appoint one (1) or two (2) proxies to attend and vote at the AGM of the Company.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. A proxy need not be a member of the Company.
4. A member of the Company which is a corporation is entitled to appoint its authorised representatives or proxies to vote on his behalf.
5. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), if required by law, be duly stamped and lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

In appointing the Chairman of the AGM as proxy, members should specifically indicate in the proxy form how they wish to vote for or vote against (or abstain from voting on) the resolutions set out in the Notice of the AGM, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 3 Ang Mo Kio Street 62 #05-16 Link@AMK Singapore 569139 by 10.00 a.m. on 26 October 2024 (being not less than forty-eight (48) hours before the time appointed for holding the AGM of the Company).
7. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited ("CDP") as at seventy-two (72) hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote on any or all of the resolutions at the AGM. In view of Section 81SJ(4) of the Securities and Futures Act 2001, Singapore, a Depositor shall not be regarded as a shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his/her name appears in the Depository Register maintained by the CDP as at seventy-two (72) hours before the AGM. Any shareholder who is holding his/her shares via the CDP but whose name is not registered with the CDP as at seventy-two (72) hours before the AGM will not be entitled to attend and vote at the AGM, even if such shareholder deposits his/her proxy form forty-eight (48) hours before the AGM.
8. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their votes at least seven (7) working days before the AGM. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the AGM.

NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING

ACCESS TO DOCUMENTS OR INFORMATION RELATING TO THE AGM

All documents and information relating to the business of the AGM (including the Annual Report and Proxy Form) have been published on the Company's website at <https://cfmholdings.com/> and the SGX website at <https://www.sgx.com/securities/company-announcements>. The Company will mail the Annual Report, Notice of AGM and Proxy Form to the shareholders accordingly.

SUBMISSION OF QUESTIONS PRIOR TO THE AGM

Shareholders may submit questions related to the resolutions to be tabled at the AGM via email to irc@cfmholdings.com or by post to 3 Ang Mo Kio Street 62 #05-16 Link@AMK Singapore 569139. Questions must be submitted by 18 October 2024 so that relevant and substantial queries may be addressed prior to the AGM. The responses would be published on SGXNet and the Company's corporate website no later than 48 hours before the deadline for submission of the proxy form.

Any relevant and subsequent queries received after 18 October 2024 will be addressed at the AGM and published in the minutes of the AGM on SGXNet and the Company's website within one (1) month after the date of AGM.

If the questions are deposited in physical copy at the Company's registered office or sent via email, and in either case not accompanied by the completed and executed Proxy Form, the following details must be included with the submitted questions: (i) the member's full name; and (ii) his/her/its identification/registration number for verification purposes, failing which the submission will be treated as invalid. Any question without the identification details will not be addressed.

ATTENDANCE AT THE AGM

As the venue has limited sitting capacity, only shareholders whose names appear in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM shall be entitled to attend the AGM of the Company or appoint a proxy(ies) on his or her behalf.

PERSONAL DATA PRIVACY:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) or the Chairman of the AGM as a proxy to vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM in accordance with this Notice, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Mr. Chia Seng Hee, the Lead Independent Director is seeking re-election at the forthcoming annual general meeting of the Company to be convened on 28 October 2024 ("**AGM**") ("**Retiring Director**").

Pursuant to Catalist Rule 720(5) of the Listing Manual of the SGX-ST, the information relating to the Retiring Director as set out in Appendix 7F is set out below:

MR. CHIA SENG HEE	
Date of Appointment	29 October 2021
Date of last re-appointment	28 October 2022
Age	63
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	<p>The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Mr. Chia Seng Hee for re-appointment as Lead Independent Non-Executive Director of the Company, Chairman each of the Audit Committee and Remuneration Committee and a member of the Nominating Committee.</p> <p>The Board has reviewed and concluded that Mr. Chia Seng Hee possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Non-Executive Director, Chairman of the Audit and Remuneration Committees and a member of the Nominating Committee
Professional qualifications	<ul style="list-style-type: none"> • Bachelor of Accountancy from National University of Singapore • Master of Arts in International Relations from International University of Japan
Working experience and occupation(s) during the past 10 years	See the "Board of Directors" section and principal commitments below.
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

MR. CHIA SENG HEE

Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments (as defined in the Code of Corporate Governance 2018) including Directorships	<u>Other Principal Commitments</u> Nil
Past directorships (for the last 5 years)	<u>Past Directorships (for the last 5 years)</u> <ul style="list-style-type: none"> • China Shenshan Orchard Holdings Co. Ltd. • Debao Property Development Limited • Combine Will International Holdings Limited
Present directorships	<u>Present Directorships</u> <ul style="list-style-type: none"> • CFM Holdings Limited • CDW Holding Limited • Ying Li International Real Estate Limited • MM2 Asia Limited • Jieyu Business Consulting (Chongqing) Limited Liability Company • Jack Capital Pte. Ltd.
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

MR. CHIA SENG HEE

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|--|----|
| (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No |
| (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No |
| (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No |
| (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No |
| (h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No |
| (i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No |
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ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

MR. CHIA SENG HEE

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-

No

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

Yes

On 16 February 2022, the board of directors of Debao Property Development Limited was collectively reprimanded by the SGX for breaches of the Listing Rules.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

MR. CHIA SENG HEE

Any prior experience as a director of an issuer listed on the Exchange?

If yes, please provide details of prior experience.

If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).

Yes, please see past and present directorships listed above

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CFM HOLDINGS LIMITED

Company Registration No. 200003708R
(Incorporated In The Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. Relevant intermediaries as defined in Section 181(1C) of the Companies Act 1967 may appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy the Company's shares, this Proxy Form is **NOT VALID** for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors should contact their respective CPF Agents Banks or SRS Operators to submit their votes and specify their voting instructions and to ensure that their votes are submitted, at least seven (7) working days (by 10.00 a.m. on 16 October 2024) before the AGM and contact their CPF Agents Banks or SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representatives, a member accepts and agrees to the personal data privacy terms set out in the Notes to this Proxy Form.

I/We, _____ (Full Name) _____ (NRIC No./Passport No./Company No.)
of _____ (Full Address)
being a *member/members of CFM Holdings Limited (the "**Company**"), hereby appoint:

NAME	NRIC/PASSPORT NUMBER	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

and/or (delete as appropriate)

NAME	NRIC/PASSPORT NUMBER	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

or failing the person, or either or both of the persons referred to above, the Chairman of the annual general meeting ("**AGM**") as *my/our proxy/proxies to attend and to vote for *me/us on *my/our behalf at the AGM of the Company to be held at 293 Lor 6 Toa Payoh, SAFRA Toa Payoh, Reef Room, Level 3, Singapore 319387 on Monday, 28 October 2024 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/ our proxy/proxies to vote for or against, or to abstain from voting on the resolution(s) proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as my/our proxy for that resolution will be treated as invalid.**

The Proxy Form is made available on SGXNet and the Company's corporate website [www. https://cfmholdings.com](https://cfmholdings.com).

(Please indicate your vote "For" or "Against" with a tick "✓" within the box provided. Alternatively, please indicate the no. of votes as appropriate.)

NO.	RESOLUTIONS RELATING TO:	BY WAY OF POLL		
		FOR**	AGAINST**	ABSTAIN**
1	Directors' Statement and Audited Financial Statements for the year ended 30 June 2024 together with the Independent Auditors' Report thereon			
2	Re-election of Mr. Chia Seng Hee as Director			
3	Approval of Directors' fees amounting to S\$82,000 for the financial year ended 30 June 2024			
4	Approval of Directors' fees amounting to S\$88,000 for the financial year ending 30 June 2025, payable quarterly in arrears.			
5	Re-appointment of Messrs. Baker Tilly TFW LLP as the Company's Auditors			
6	Authority to allot and issue shares			
7	Authority to allot and issue shares under the CFM Performance Share Plan			

** If you wish to exercise all your votes "For", "Against" or to "Abstain" from voting, please indicate with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this _____ day of _____, 2024

TOTAL NUMBER OF SHARES IN:	NO. OF SHARES
(a) CDP Register	
(b) Register of Members	

Signature of Member(s) and/or, Common Seal of Corporate Member

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead.
3. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholdings concerned to be represented by each proxy shall be specified in the form of proxy.
4. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" means:

- (a) A banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) A person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 - (c) The Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. A proxy need not be a member of the Company.
 6. Where a member appoints more than one proxy, the member must specify the proportion of shareholdings to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100% of the shareholdings of his/her appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
 7. The instrument appointing a proxy must be deposited at or posted to the registered office of the Company at 3 Ang Mo Kio Street 62 #05-16 Link@AMK Singapore 569139 or via email to irc@cfmholdings.com by 10.00 a.m. on 26 October 2024 (being not less than 48 hours before the time appointed for holding the AGM).
 8. Completion and return of the instrument appointing a proxy or proxies by a member shall not preclude him from attending and voting at the AGM if he so wishes. Any appointment of a proxy or proxies by a member shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.
 9. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.
 10. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
 11. The Company shall be entitled to reject an instrument of proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
 12. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act 1967 (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their votes at least 7 working days before the AGM. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regards to the appointment of proxy for the AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representative appointed for the meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representatives to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representatives for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representatives for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

AGM VENUE MAP

The AGM venue is at



**293 LOR 6 TOA PAYOH, SAFRA TOA PAYOH,
REEF ROOM, LEVEL 3, SINGAPORE 319387.**

It is accessible by MRT/bus or taxi.

Bus services towards Kim Keat Link

8, 26, 31, 57, 59, 60, 90A, 142, 230, 235, 238, 506

**ALIGHT AFTER LORONG 4 TOA PAYOH CROSS OVER TO
OPPOSITE SIDE – WALK ABOUT 6 MINS TO MEETING VENUE**



Directions by MRT

**ALIGHT AT TOA PAYOH MRT
AND GO TO EXIT AND WALK
FOR ABOUT 18 MINS TO
MEETING VENUE**

Bus services towards

Toa Payoh ActiveSG Stadium

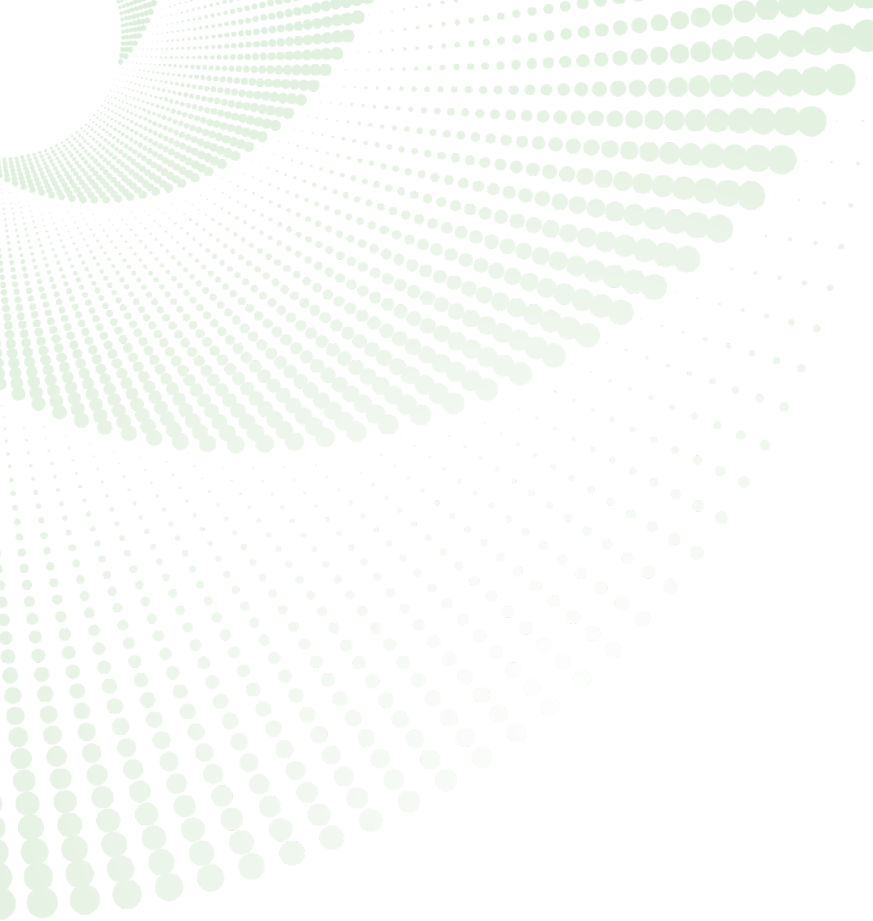
**8, 26, 31, 57, 59, 90, 142, 230, 235,
238, 506**

**ALIGHT AFTER SAFRA BUS STOP –
WALK ABOUT 4 MINS TO MEETING
VENUE**

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