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GST Reg No: M90367530Y0Y

Issuer: CFM Holdings Limited

Stock code: 5EB

Meeting details:

Date: 23 October 2026

Time: 10.00 a.m.

Venue: 293 Lorong 6 Toa Payoh, SAFRA Toa Payoh, Victoria Room, Level 3, Singapore 319387

Q1. Revenue declined by approximately \$3.49 million, or 14.1%, from \$24.72 million for FY2025 to approximately \$21.23 million for FY2026.

Management attributed the decline mainly to lower revenue from the metal stamping segment, following customer overstocking in the previous financial period, lower orders from customers in the US and China, end-of-life-cycle products, maturing customer contracts and the effects of US tariff policies. These factors were partly offset by higher revenue from Slovakia and Europe, supported by new projects and additional orders for parts and tools.

The revenue trend over the past five financial years is as follows:

- FY2026: \$21.23 million
- FY2025: \$24.72 million
- FY2024: \$29.56 million
- FY2023: \$29.73 million
- FY2022: \$26.85 million

Two decades ago, in FY2007, group revenue was \$51.4 million, more than twice FY2026 revenue.

- (i) What are the group's principal growth drivers over the next three years, and how much incremental revenue is management targeting from existing customers, new customer wins and new product applications?**
- (ii) Has the group secured any new customers or projects linked to data centre construction and AI infrastructure, either directly or through suppliers serving these markets? If not, what capabilities or commercial relationships are preventing the group from accessing these opportunities?**
- (iii) Given the weak revenue trend, what specific targets and milestones has the board set for management to restore growth? How does the board monitor progress against these targets, and what corrective action will it take if management fails to deliver?**

Q2. The group reported another loss of \$(1.3) million in FY2026, despite management's stated commitment to improving operational efficiency and managing costs prudently.

However, administrative and other expenses amounted to \$4.3 million, substantially exceeding gross profit of \$2.9 million. In FY2025, administrative and other costs of \$5.12 million were broadly in line with gross profit of \$5.14 million.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2026

	NOTE	GROUP	
		2026 \$'000	2025 \$'000
Revenue	4	21,232	24,721
Cost of sales		(18,300)	(19,581)
Gross profit		2,932	5,140
Other income	5	593	464
Marketing and distribution expenses		(286)	(282)
Administrative and other expenses		(4,303)	(5,124)
Net impairment losses on financial assets		-	(1)
Finance costs	6	(59)	(116)
(Loss)/Profit before tax	7	(1,123)	81
Tax expense	9	(206)	(408)
Loss for the financial year		(1,329)	(327)

(Source: company annual report; emphasis added)

In addition, Note 8 of the annual report shows that staff costs declined from \$9.50 million in FY2025 to \$8.89 million in FY2026, a reduction of 6.4% while revenue fell by 14.1%.

- (i) What are the main components of administrative and other expenses, and which items account for the largest recurring costs? What concrete measures has management implemented to reduce these expenses, and what measurable savings have they delivered?
- (ii) Has management benchmarked the group's cost structure and operating performance against comparable metal stamping businesses? What do the comparisons reveal about the group's overheads, capacity utilisation and labour productivity, and which specific operational inefficiencies has management identified and committed to addressing?

The group's stated vision and mission are set out in the corporate profile of the annual report.

VISION

CFM envisions being a global business name that delivers quality, performance, integrity, teamwork & innovation to the satisfaction of our customers.

MISSION

CFM aims to deliver high quality components to our customers by implementing stringent process control and delivering at the lowest cost possible. We strive to constantly upgrade our skills and keep abreast with technological advancements to satisfy beyond customers' requirements.

(Source: company annual report)

- (iii) What specific operational capabilities must the group develop or strengthen to achieve a sustainable low-cost position in metal stamping? What investments, process improvements or other initiatives will be required, and how will the board assess whether these initiatives are delivering a sustainable improvement in the group's cost competitiveness?**

Q3. Following Ms Lin Sijia's cessation as an independent director with effect from 4 August 2026, the board comprises only four directors: two independent directors and two executive directors. The audit committee has only two members, below the minimum of three required under section 201B of the Companies Act and Catalist Rule 704(7).

The current board composition also does not meet Provision 2.3 of the Code of Corporate Governance, which calls for non-executive directors to form a majority of the board. Given that the chairman is not independent, the board would also fall short of Provision 2.2, which requires independent directors to form a majority where the chairman is non-independent.

Ms Lin was appointed on 10 February 2025 and served for approximately 18 months before resigning. She cited her intention to devote more time to personal and other professional commitments as the reason for her departure.

- (i) Given that more than two months have lapsed since the cessation, what progress has the nominating committee (NC) made in identifying a new director? What specific skills, industry experience and governance expertise has the NC prioritised, and what is the expected timeline for**

appointing a suitable candidate and restoring the audit committee to the required minimum size?

- (ii) Has the board engaged an independent professional search firm to identify and assess a broad pool of potential candidates, including those beyond its existing professional networks? If not, why has it chosen not to do so, and how will the nominating committee ensure that the search is sufficiently broad and rigorous to identify the strongest candidates?

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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