



WHERE GROWTH MEETS EFFICIENCY

ANNUAL REPORT 2025

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This annual report has been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this 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. Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

China Kunda Technology Holdings Limited 中国群达科技控股有限公司 (“**Kunda Technology**” or the “**Company**” and together with its subsidiaries, the “**Group**”) is an integrated plastics engineering solutions specialist focusing on (i) In-Mould Decoration (“**IMD**”), and (ii) Plastic Injection Parts (“**PIP**”).

The Group works closely with its customers across diverse industries, including automotive, electrical and electronics, medical devices, new energy and energy storage, and security equipment. The Group utilises in-house capabilities to collaborate with customers from the product design phase through research and development on tooling design, mould construction, and the production of PIP for specific components or modules of customers’ final products used in automobiles, electrical appliances, electronic devices, medical devices, renewable energy and energy storage, and security equipment.

The Group’s IMD moulding technology aims at enhancing performance and quality while also increasing the design versatility of the final products, enabling unique design features and ornamental alternatives such as attractive backlighting and selectable textures on hard-scratch and solvent-resistant surfaces. This technique also improves the durability and aesthetics of consumers’ final products.

As the landscape of manufacturing continues to evolve, Kunda Technology stands out as an essential player in the realm of integrated plastics engineering solutions. By specialising in IMD and PIP, the Group not only enhances the aesthetic appeal and functionality of products but also addresses the growing demand for efficient and sustainable manufacturing practices. This dual focus on innovation and quality places Kunda Technology at the forefront of industry advancements, enabling it to meet diverse client needs while contributing to a more sustainable future.

Headquartered in Hong Kong and with manufacturing facilities in the People’s Republic of China, the Group continues to harness its expertise in integrated plastics engineering solutions to meet its customers’ evolving requirements, which, in turn, is essential for modern applications.

Kunda Technology is listed on the Singapore Exchange under stock code **GU5**.



LETTER TO SHAREHOLDERS



DEAR FELLOW SHAREHOLDERS,

The escalation of trade tensions between the United States of America (“US”) and China in late 2024 heightened global economic uncertainties and increased inflationary pressures across all industries. The sudden fluctuations in tariff impositions and the expanding list of merchandise enforced by the US trade administration disrupted the stabilising supply chains that were beginning to recover post-COVID. Businesses are continually seeking alternative options to mitigate adverse impacts on their continuity and sustainability.

RESPONDING TO UNCERTAINTIES WITH RESOLUTE DETERMINATION

While the Group anticipated challenges in the business environment in the financial year ended 31 March 2025 (“FY2025”), we did not foresee the sudden increases in tariffs imposed by the US, which have adversely affected various technology-related industries, including consumer electronics, automobiles, electronic devices and healthcare. Nevertheless, we continued to respond to the rapidly evolving business landscape, particularly in the second half of FY2025, where we implemented measures to boost our competitiveness and capitalised on opportunities to support our long-term business partners.

During FY2025, we sold our customised In-Mould Decoration (“IMD”) moulds at more competitive prices to our long-term customers, who require these moulds for the production of IMD and plastic injection parts (collectively, the “IMD Products”) aimed at their end consumer products. The production and sale of IMD Products remain our primary source of revenue. We believe this strategy is effective in attracting new customers while retaining existing ones who may be considering alternatives in a highly competitive market. Although the Group anticipates facing short-term challenges due to the need to absorb higher costs, we view this sacrifice as both necessary and temporary. By enhancing our value proposition for customers, we aim to strengthen our market position and ensure sustainable, long-term growth.

As at 31 March 2025, we recorded an increase of 8.5% or 6 units of IMD moulds under construction at 77 units, up from 71 units as at 31 March 2024. Correspondingly, we have secured an order book amounting to approximately HK\$ 13.2 million as at 31 March 2025, with a significant proportion expected to be recognised as revenue in the financial year ending 31 March 2026 (“FY2026”).

LETTER TO SHAREHOLDERS

The Group recorded a 36.7% year-on-year revenue increase, rising from HK\$ 28.5 million for the financial year ended 31 March 2024 ("FY2024") to HK\$ 38.9 million in FY2025. This revenue growth was primarily driven by increased sales of IMD Products to customers, particularly in the consumer electronics sector. However, despite the increase in revenue, the Group also faced higher costs and expenses, leading to a widening of net losses from HK\$ 8.8 million in FY2024 to HK\$ 10.5 million in FY2025. Consequently, the Group reported a negative working capital of HK\$ 9.1 million as at 31 March 2025, a reversal from a positive working capital of HK\$ 0.6 million as at 31 March 2024. Additionally, the Group was at a net liability position of HK\$ 3.3 million as at 31 March 2025, compared to a net asset position of HK\$ 7.2 million as at 31 March 2024.

Nevertheless, the Group does not anticipate any issues with operating as a going concern over the next twelve months after the date of this Annual Report, following an injection of a HK\$ 2.1 million interest-free loan from a director-related company in FY2025. The Group will continue to enhance our cost management efforts, explore new markets and address short term cash flow shortages to fulfil our current sales orders.

We remain committed to enhancing our overall financial position and performance through our identified three-pronged approach: (i) customer base expansion, which aims to capitalise on the growing demand for complex and miniaturised plastic components across various industries, including smart home products, electronics, healthcare, and consumer goods; (ii) sales channel expansion with a focus on cultivating sustainable demand for its IMD business; and (iii) maintaining production efficiency while ensuring consistency in quality.

We are determined to steer our financial performance around together with our long-term business associates across the supply chain, emerging stronger from this challenging business landscape.

ACKNOWLEDGMENT AND APPRECIATION

On behalf of the Board, I would like to convey our heartfelt appreciation to our bankers, business associates and customers for their continued support and trust in the Group. I also wish to express my gratitude to our management and staff for their commitment and contributions throughout the past year, as well as to our fellow directors for their assistance and invaluable insights to the Group.

Our unwavering commitment to addressing challenges in order to achieve long-term growth and enhance shareholder value remains strong. We wish to extend our sincere gratitude to our shareholders for their continued support, and we look forward to your ongoing support as we strive to pursue new growth for the Group.

CAI KAOQUN

Executive Chairman and Chief Executive Officer

OPERATIONS AND FINANCIAL REVIEW

The Group, having previously enhanced its In-Mould Decoration (“**IMD**”) production line, continued to prioritise product quality consistency and operational efficiency to drive sales and production. The rapidly evolving business landscape, particularly in the second half of FY2025 (“**2H FY2025**”), prompted the Group implement measures aimed at bolstering its competitiveness and capitalising on opportunities to support its long-term business partners throughout the supply chain across various industries. As a result of these initiatives, the Group’s revenue increased by 36.7% year-on-year, rising from HK\$ 28.5 million for the financial year ended 31 March 2024 (“**FY2024**”) to HK\$ 38.9 million for the financial year ended 31 March 2025 (“**FY2025**”). This revenue growth was primarily driven by higher sales of IMD and plastic injection parts (collectively, the “**IMD Products**”) to customers, particularly within the consumer electronics sector.

REVENUE ANALYSIS

(in HK\$'000)	1H FY2025	2H FY2025	Variance	FY2025	FY2024	Variance
IMD Products	19,361	16,216	(16.2)%	35,577	25,491	+39.6%
IMD Moulds	1,190	2,161	+ 81.6%	3,351	2,977	+12.6%
Group Revenue	20,551	18,377	(10.6)%	38,928	28,468	+36.7%

Note: 1H denotes six months ended 30 September and 2H denotes six months ended 31 March.

Amidst intense competition, the Group commenced selling its IMD moulds at reduced prices to broaden its customer base and stimulate demand and sales orders for its IMD Products, which are its primary source of revenue. This strategic decision aimed not only to attract new customers but also to retain existing customers who may be contemplating alternatives in the market. By enhancing its value proposition, the Group aspires to strengthen its market position while ensuring sustainable long-term growth.

While the efforts led to an increase in revenue, the Group must absorb higher expenses in the short term, which has inevitably resulted in widening the Group’s net losses from HK\$ 8.8 million in FY2024 to HK\$ 10.5 million in FY2025.

The Group is exploring financing options to mitigate short term cash flow shortages, if any, to meet the sales orders on hand. Nevertheless, the Group does not anticipate any issues operating as a going concern over the next twelve months after the date of this Annual Report. Nevertheless, the Group remains committed and vigilant in light of inflationary pressures and a challenging business environment. The Group will continue to optimise its cost management and seek out new markets. The Group’s efforts are evident with the increase of IMD moulds under construction from 71 units as at 31 March 2024 to 77 units as at 31 March 2025. Correspondingly, the Group secured an order book amounting to approximately HK\$ 13.2 million as at 31 March 2025, with a significant proportion expected to be recognised as revenue in the financial year ending 31 March 2026.

The Group remains committed to enhancing its overall financial position and performance through a three-pronged approach: (i) customer base expansion, which aims to capitalise on the growing demand for complex and miniaturised plastic components across various industries, including smart home products, electronics, healthcare, and consumer goods; (ii) sales channel expansion, with a focus on cultivating sustainable demand for its IMD business; and (iii) maintaining production efficiency while ensuring consistency in quality.

FINANCIAL PERFORMANCE

The Group’s revenue rose by 36.7% year-on-year, increasing from HK\$ 28.5 million in FY2024 to HK\$ 38.9 million in FY2025. This growth was primarily due to a rise in sales of IMD Products to customers within the consumer electronics sector.

Despite the increase in revenue, gross profit declined by 1.6% year-on-year, decreasing from HK\$ 3.6 million in FY2024 to HK\$ 3.5 million in FY2025. This decline can be attributed to (i) an unfavourable sales mix in FY2025 compared to FY2024, where higher sales stemmed from relatively lower-margin, small-sized and low-priced IMD Products, along with small-volume orders that required more labour; and (ii) IMD moulds being sold at reduced prices to encourage higher sales of IMD products. Consequently, gross margin decreased from 12.7% in FY2024 to 9.1% in FY2025.

OPERATIONS AND FINANCIAL REVIEW

Interest income decreased by 61.5% year-on-year from HK\$ 26,000 in FY2024 to HK\$ 10,000 in FY2025, while other income declined from HK\$ 0.9 million in FY2024 to HK\$ 0.3 million in FY2025. The reduction in other income was primarily attributed to a decrease in government grants from the Chinese authorities.

Selling and distribution expenses increased by 100.4% year-on-year to HK\$ 2.3 million in FY2025, up from HK\$ 1.1 million in FY2024. This was mainly due to an increase in sales commission and entertainment expenses, which was in line with the higher revenue sales of products recorded in FY2025.

General and administrative expenses remained relatively stable in FY2025 at HK\$ 10.9 million compared to FY2024.

Other expenses decreased by 12.9% year-on-year to HK\$ 1.1 million in FY2025, down from HK\$ 1.3 million in FY2024. These expenses include (i) inventories written down amounting to HK\$ 1.0 million in FY2025, compared to HK\$ 1.1 million in FY2024, primarily related to certain IMD moulds under construction, and (ii) an impairment loss on trade and other receivables of HK\$ 0.1 million in FY2025, reduced from HK\$ 0.2 million in FY2024.

Consequently, the Group's net loss increased by 19.5% year-on-year, rising from HK\$8.8 million in FY2024 to HK\$10.5 million in FY2025.

FINANCIAL POSITION ANALYSIS

(HK\$'000)	FY2025	FY2024	Variance
Non-current assets	5,721	6,611	(13.5)%
Current assets	19,672	20,453	(3.8)%
Current liabilities	28,726	19,888	+44.4%
Working capital	(9,054)	565	N.M. ²
Equity attributable to owners of the Company	(3,333)	7,176	N.M. ²
Net asset value per share (HK Cents) ¹	(0.81)	1.75	N.M. ²

Notes:

1. Net (liabilities)/assets value per share for FY2025 and FY2024 are computed based on the total number of issued ordinary shares of 409.8 million.

2. N.M. denotes not meaningful.

Non-current assets, primarily consisting of plant and equipment, decreased by 13.5% year-on-year from HK\$ 6.6 million as at 31 March 2024 to HK\$ 5.7 million as at 31 March 2025. The decline was mainly due to depreciation charges of HK\$ 0.8 million and a foreign currency translation loss of HK\$ 0.1 million in FY2025. Meanwhile, the Group's intangible assets remained relatively stable as at 31 March 2025. During FY2025, the Group acquired a manufacturing execution system for its plastic injection machines, amounting to HK\$ 0.2 million in intangible assets, which was partially offset by amortisation of HK\$ 0.2 million.

Current assets decreased by 3.8% year-on-year from HK\$ 20.5 million as at 31 March 2024 to HK\$ 19.7 million as at 31 March 2025. This was mainly due to:

- the reduction in cash and cash equivalents from HK\$ 8.1 million as at 31 March 2024 to HK\$ 3.1 million as at 31 March 2025, which was primarily due to the utilisation of funds for the Group's operating expenses amounting to HK\$ 7.0 million and investing activities totalling HK\$ 0.1 million. Additionally, there was an injection of a HK\$ 2.1 million interest-free loan from a director-related company in FY2025.

The decrease was partially offset by:

- the increase in inventories from HK\$ 4.1 million as at 31 March 2024 to HK\$ 4.4 million as at 31 March 2025, which was attributed to the increases in IMD moulds under construction and raw materials, amounting to HK\$ 0.5 million and HK\$ 0.2 million, respectively. This increase was partially offset by a decrease in finished goods by HK\$ 0.4 million. The increase aims to fulfil secured orders for the 77 units of IMD moulds under construction as at 31 March 2025, an increase from 71 units as at 31 March 2024; and
- the increase in trade and other receivables from HK\$ 8.0 million as at 31 March 2024 to HK\$ 12.0 million as at 31 March 2025. The increase was due to higher sales of IMD Products inclusive of VAT by HK\$ 4.2 million in 2H FY2025, compared to 2H FY2024.

OPERATIONS AND FINANCIAL REVIEW

Current liabilities increased by 44.4% year-on-year from HK\$ 19.9 million as at 31 March 2024 to HK\$ 28.7 million as at 31 March 2025. The increase was mainly due to:

- the increase in trade and other payables from HK\$ 10.9 million as at 31 March 2024 to HK\$ 16.0 million as at 31 March 2025, which was attributed to an increase in procurement, primarily for the IMD Products business. This aligns with the increase in cost of goods sold; and
- the increase in the amount due to related parties from HK\$ 3.3 million as at 31 March 2024 to HK\$ 7.9 million as at 31 March 2025, mainly attributable to (i) a HK\$ 2.1 million interest-free loan obtained from a director-related company in 2H FY2025 and (ii) the accrual of rental expenses of the Group's production premise at Bao Long Yi Road in FY2025.

The increase was partially offset by:

- the decrease in other liabilities from HK\$ 4.7 million as at 31 March 2024 to HK\$ 4.2 million as at 31 March 2025, due to the decrease in accrued operating expenses as part of a cost-cutting initiative in FY2025.

Taking into account the aforementioned, the Group reports a negative working capital of HK\$ 9.1 million as at 31 March 2025, a reversal from a positive working capital of HK\$ 0.6 million as at 31 March 2024. Consequently, the Group was at a net liability position of HK\$ 3.3 million as at 31 March 2025, from a net asset position of HK\$ 7.2 million as at 31 March 2024.

CASH FLOW ANALYSIS

(HK\$'000)	FY2025	FY2024	Variance
Net cash used in operating activities	(6,975)	(4,110)	+69.7%
Net cash used in investing activities	(63)	(442)	(85.7)%
Net cash from financing activities	2,159	-	N.M.
Net cash and cash equivalents	3,131	8,081	(61.3)%

N.M. denotes as not meaningful.

In FY2025, the Group's cash and cash equivalents decreased by HK\$ 4.9 million, comprising net cash flow used in operating activities of HK\$ 7.0 million and net cash flow used in investing activities of HK\$ 63,000, partially offset by the HK\$ 2.1 million interest-free loan provided by a director-related company.

The working capital inflow in FY2025 mainly arose from increase in trade and other payables of HK\$ 5.2 million and increase in amount due to related parties of HK\$ 2.6 million, which was partially offset by increase in trade and other receivables of HK\$ 4.1 million, increase in inventories of HK\$ 1.3 million and decrease in other

liabilities of HK\$ 0.8 million.

In FY2025, net cash flow used in investing activities was due to the purchase of the manufacturing execution system software of HK\$ 0.3 million for the Group's IMD automated production line, which was partially offset by the proceeds of HK\$ 0.2 million from the disposal of property, plant and equipment.

In FY2025, the Group obtained an interest-free loan of HK\$ 2.1 million provided by a director-related company for working capital purposes.



BOARD OF DIRECTORS

MR. CAI KAOQUN

Executive Chairman and CEO

Mr. Cai Kaoqun is the founder, the Executive Chairman and Chief Executive Officer of the Company. He is a member of the Nominating Committee. He was appointed to the Board on 26 December 2007 and was last re-elected on 28 July 2023.

Mr. Cai, with more than 30 years of experience in the plastics and moulds industry, has been instrumental in successfully leading the Group to become an established player in the plastics precision engineering industry. He is responsible for the overall strategic and business management of our Group.

Mr. Cai started his career at the age of 18 as an operator in 深圳龙丰塑胶电子厂 (Shenzhen Longfeng Plastic Electronics Factory) in 1988. From 1992 to 1993, he was the mould supervisor at 深圳飞达模具厂 (Shenzhen Feida Mould Factory). In 1994, Mr Cai worked as a freelance engineer providing maintenance and repair services in respect of plastic injection moulds prior to setting up Yick Kwan Tat in 1998.

Mr. Cai graduated from Aotearoa Business School, established by Phoenix International University and University of New Zealand, with an Executive Master of Business Administration in 2006. In the same year, he was certified as a Certified International Organization Planning Manager by the American Certification Institution. He was also appointed as the vice-president at 广东省模具工业协会 (Guangdong Die & Mould Industry Association) in December 2006, and as the Technical Advisor to 材料形成与模具技术国家重点实验室 (The National Key Laboratory of Material Forming and Mould Technology) in 2007.

MR. CAI KAOBING

Executive Director

Mr. Cai Kaobing is an Executive Director of the Company. He was appointed to the Board on 26 December 2007 and was last re-elected on 29 July 2022.

Mr. Cai joined the Board in 1998, and he works with the Chief Executive Officer to oversee the overall management of the Group.

Starting his career with the Group in 1994, Mr. Cai was responsible for the provision of maintenance and repair services of plastic injection moulds from 1994 to 1997, and oversaw the production and quality control of moulds in Yick Kwan Tat from 1998 to 2009. He assumed the position of the General Manager of the IMD division from 2010 to 2013. Prior to joining the Group, Mr. Cai had been a woodworker in the renovation industry since 1986.

Mr. Cai graduated from Beijing Business School 北京工商管理专修学院 with a Diploma in Business Enterprise Management 工商管理文凭 in 1986. He also obtained a Master of Business Administration from Newport University in the USA in 2004. Mr. Cai is the brother of Cai Kaoqun.

MR. THOMAS LAM KWONG FAI

Lead Independent Director

Mr. Thomas Lam Kwong Fai is the Lead Independent Director of the Company, the Chairman of the Audit Committee and a member of the Remuneration Committee. He was appointed to the Board on 1 October 2019 and was last re-elected on 29 July 2022.

Mr. Lam started his career as a regulator before moving into investment banking, where he handled a variety of initial public listings (IPOs) and other corporate actions. He then moved into Catalyst regulation, working with a wide portfolio of listed companies, advising on the listing rules and corporate governance. He set up 3 Peaks Capital Private Limited, a boutique corporate finance advisory firm, and remains active in providing corporate governance advisory, financial advisory for equity and debt fundraising, financial advisory for corporate actions and independent financial advisory opinions. Through his various capacities, he has amassed over 20 years of experience in the Singapore corporate finance scene.

Mr. Lam graduated from Nanyang Technological University with a Bachelor of Accountancy in 2002. He is also an independent director of several Singapore public listed companies, including Soon Lian Holdings Limited, Katrina Group Limited, SDAI Limited, VCPlus Limited, A-Smart Holdings Ltd., and Aimpart Capital Pte. Ltd..

BOARD OF DIRECTORS

MS. CHEN LIPING

Independent Director

Ms. Chen Liping is an Independent Director of the Company, the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. She joined the Board on 31 March 2024 and was last re-elected on 30 July 2024.

Ms. Chen had a few years of experience in commercial bank after graduation. She was the Chief Editor of the magazine <<The Fund>>. She founded the “International Brand Summit” and established the “Gold Brand Award”.

She was an executive director of a Mainboard listed company on the Singapore Exchange, Pavillon Holdings Limited, from 2014 to 2016.

She has also founded the Innovative Corporation Pte Ltd as the Chairman and CEO and has approximately over 15 years of experience in real estate development.

Ms. Chen graduated with a Master's Degree in Business from the University of Hull and a Bachelor Degree in Economics from the Nankai University.

MS. FOO QUEK CHENG

Independent Director

Ms. Foo Quek Cheng is an Independent Director of the Company, the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. She joined the Board on 1 July 2024 and was re-elected on 30 July 2024.

Ms. Foo is currently the Chief Financial Officer cum Acting Chief Executive Officer of Sen Yue Holdings Limited, a company listed on the Singapore Exchange. Ms. Foo began her career with Ernst & Young and Deloitte & Touche and she brings with her more than 20 years of experience in auditing and accounting in various sectors including manufacturing, trading, plantations, property development and investment holding companies.

She held position as the Chief Financial Officer in Singapore public listed companies, including Heatec Jietong Holdings Ltd and Eindex Corporation Limited (“**Eindex**”). During her tenure with Eindex, she also wore two hats as the Acting Chief Executive Officer from December 2019 to August 2022.

Ms. Foo graduated with a Master of Business Administration (Distinction) from the University of Manchester, United Kingdom, and a degree of Bachelor of Commerce, majoring in Accounting from the University of Adelaide, Australia. Ms. Foo is a Fellow of CPA Australia.

KEY MANAGEMENT

MR. HE WUQING

General Manager of Kunda Plastic Electronic (Shenzhen) Company Limited

Mr. He Wuqing is the General Manager of Kunda Plastic Electronic (Shenzhen) Company Limited.

Mr. He joined the Group as the Administrative and Sales Executive in July 2007 and rose through the ranks to become the Deputy Manager of Quality Control Department in January 2009, the Head of Quality Control and Production departments in January 2013, the Assistant General Manager in December 2015, the Deputy General Manager in January 2018 and the General Manager on 1 March 2021. He is currently in charge of the IMD operations of the Group.

Prior to joining the Group, Mr. He started his career as a quality system engineer and quality control supervisor with Shenzhen City Xiongtao Technology Limited 深圳市雄韬科技有限公司 from 2003 to 2007.

Mr. He obtained an advanced diploma in business administration from Hubei University 湖北大学 in June 1998.

MR. ALEX LIM KHENG ONN

Group Financial Controller

Mr. Alex Lim Kheng Onn is the Group Financial Controller of the Company. He joined the Group as the Finance Manager in February 2010 and was promoted to the current position in April 2016.

Mr. Lim is responsible for the Group's overall accounting and finance functions including finance, budgeting, and taxation matters, risk management, and corporate reporting of the Group.

Prior to joining the Group, Mr. Lim rose through the ranks, between July 2004 and January 2010, from an audit assistant to become an audit supervisor in Ernst and Young.

Mr. Lim graduated from University of Plymouth with a Bachelor in Accounting and Finance in July 2002. He is a fellow member of the Association of Chartered Certified Accountant (United Kingdom) and a member of Institute of Singapore Chartered Accountants.



SUSTAINABILITY REPORT

BOARD STATEMENT

The board of directors (the **"Board"**) of China Kunda Technology Holdings Limited (**"China Kunda"** or the **"Company"**) and together with its subsidiaries, the **"Group"**) is pleased to present the annual sustainability report for the financial year ended 31 March 2025 (**"FY2025"**).

Despite our preparations for a challenging financial year, we did not foresee the worsening geopolitical uncertainty and the escalation of trade tensions, not only between the United States of America (**"US"**) and China but also with most of the US's trading partners, which followed Donald Trump's re-election as the President of the US in late 2024. The sudden fluctuations in tariff impositions and expanding list of merchandise enforced by the US trade administration disrupted the stabilising supply chains that were beginning to recover post-COVID. This environment has created significant volatility in the markets, leading to unexpected shifts in consumer behaviours. As a result, we find ourselves re-evaluating our strategies to navigate these turbulent times effectively in a bid to safeguard the interests of our key stakeholders, including customers, suppliers, employees and shareholders.

The Board and our management team remain vigilant regarding the evolving business environment. We consistently oversee and monitor the economic, environmental, social, and governance (**"EESG"**) material factors pertinent to our Group's industry and operations while validating our sustainability practices. During FY2025, we established a preliminary process to assess climate-related risks and opportunities that may potentially impact the sustainability of our business. We aim to enhance our assessments and to implement contingency plans and solutions to further strengthen our business fundamentals. We believe this proactive approach will help us mitigate potential risks during unforeseen circumstances, fostering resilience and long-term growth. We are committed to engaging with stakeholders to ensure that our strategies align with their expectations and enable us to overcome the prevailing challenges together.

This sustainability report comprises our EESG performance in FY2025, focusing exclusively on the Group's plastic engineering solutions businesses in the People's Republic of China (**"PRC"**). Our Singapore operation primarily handles corporate reporting for the listed company. Although the Group's business activities are predominantly based in the PRC, we remain steadfast in our commitment to uphold our integrity and business ethics, adhering to the relevant rules and regulations of the countries in which we operate and engage in business dealings.

This sustainability report has been prepared with reference to the 2021 Global Reporting Initiative (**"GRI"**) Sustainability Reporting Standards (**"GRI Standards"**) and in compliance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) Listing Manual Section B: Rules of Catalyst (the **"Catalist Rules"**) as well as the Practice Note 7F of the Catalyst Rules. We have chosen the GRI framework, as it is a well-known and globally recognised sustainability reporting standard. In view of the latest enhancement to the sustainability reporting regime announced by the SGX-ST on 23 September 2024, the Company endeavours to work towards greater maturity of its climate-related disclosures by incorporating climate-related requirements in the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (**"ISSB"**) for the financial year ending 31 March 2026 (**"FY2026"**).

For this sustainability report, we did not seek external assurance. However, as part of our internal audit plan, our internal auditors did an annual review of our sustainability reporting processes in line with the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors.

This sustainability report forms part of the annual report of the Company for FY2025, which is available on the Company's corporate website at www.chinakunda.com and on SGXNet at www.sgx.com/securities/company-announcements.

We would like to express our gratitude to our stakeholders for their continued support and invite any feedback or suggestions regarding our sustainability practices, as these insights could assist us in enhancing our efforts. If you wish to get in touch, please contact us via our investor relations email at ir@chinakunda.com.

On behalf of the Board

CAI KAOQUN

Executive Chairman and Chief Executive Officer

20 June 2025

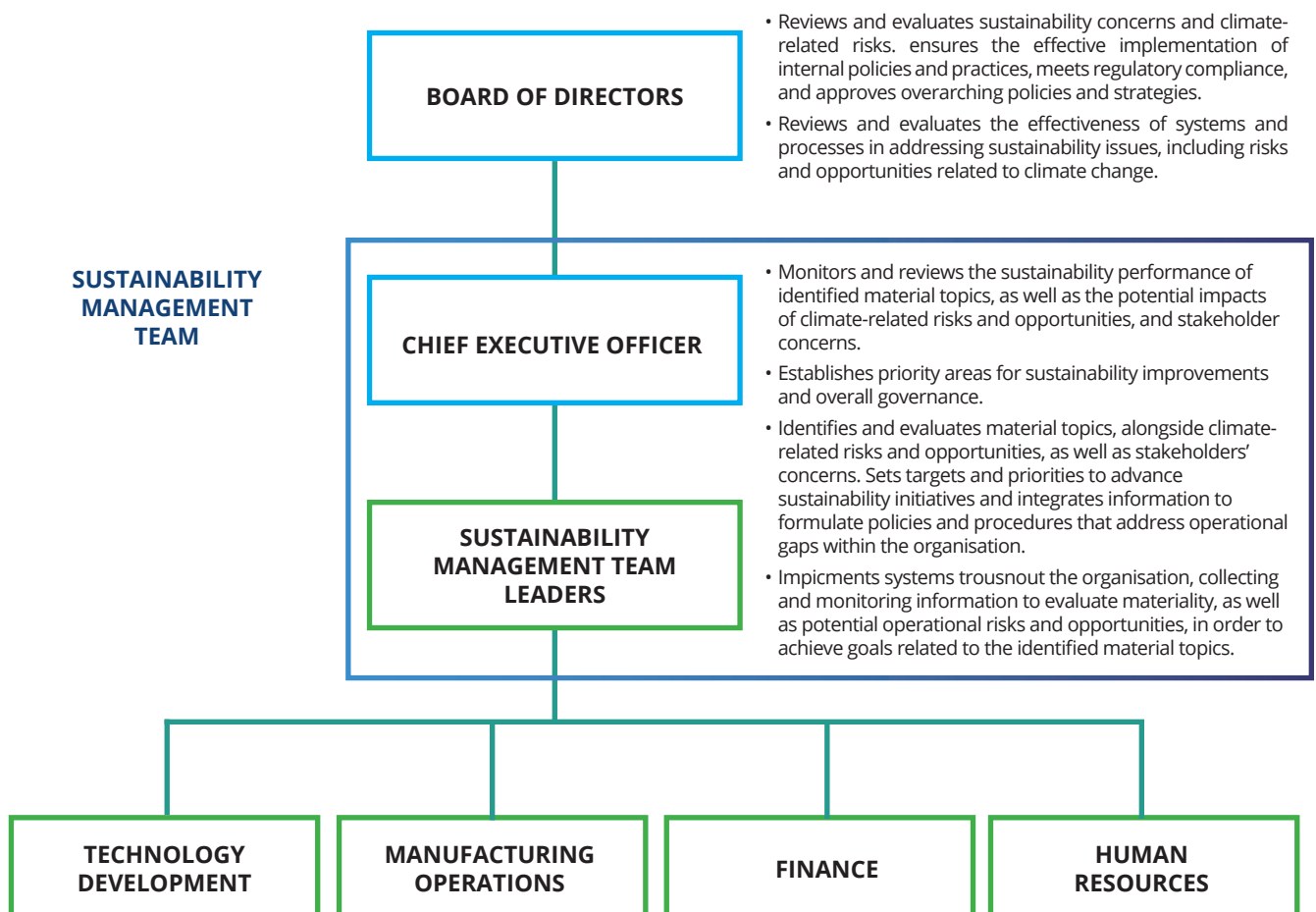
SUSTAINABILITY GOVERNANCE

At China Kunda, our sustainability focus is to generate stable and sustainable value for our key stakeholders, including customers, employees, business partners and shareholders. We believe that our approach to sustainability, specifically in managing the impact of material EESG factors and evaluating the risks and opportunities in our business, enables the Board and our management team to guide the Group in overcoming challenges and achieving long-term stability.

The Group has in place a Sustainability Management Team (“SMT”) composed of leaders from various departments within the organisation. This team is overseen by the Chief Executive Officer, who reports to the Board for advice and guidance. Any sustainability concerns regarding the Group’s risks and opportunities will be brought to the SMT’s attention. The SMT will then conduct an assessment of enterprise risk management related to the raised concern before presenting its findings to the Board. The Board ensures effective oversight of the SMT by reviewing and considering the relevance of the practices in place to address potential sustainability issues. Additionally, the Board will incorporate these findings when formulating strategies and policies to better manage the sustainability risks and opportunities that the Group may encounter. This process ensures that all EESG and climate-related matters significant to the business are appropriately considered and addressed.

The Board will review and deliberate on the sustainability issues, while the SMT is responsible for ensuring that the EESG factors are continuously monitored and effectively managed. The SMT oversees the Group’s sustainability performance and material topics, analyses climate-related risks and opportunities, addresses stakeholder concerns, sets targets and goals for material factors and establishes systems to collect, verify, monitor and report the information required for this sustainability report. The SMT meets at least once a year to discuss, propose, coordinate and promote the Group’s sustainability practices.

SUSTAINABILITY GOVERNANCE STRUCTURE



SUSTAINABILITY REPORT

We remain committed to maintaining business continuity by effectively managing the potential impacts of EESG and climate-related risks and opportunities from within.

STAKEHOLDER ENGAGEMENT

At China Kunda, we believe that sustainable operations require regular communication with both internal and external stakeholders. We are committed to understanding our stakeholders' concerns and strive to address them effectively. Our goal is to engage our stakeholders in participating in the Group's sustainable business journey.

Our engagements with our key stakeholders are summarised as follows:

STAKEHOLDERS	AREAS OF CONCERN	OUR ENGAGEMENT APPROACH	OUR ACTIONS
INTERNAL			
Board of Directors	<ul style="list-style-type: none"> Ensure that the internal policies and practices are current, effectively implemented and monitored consistently throughout the Group Adherence to applicable laws and regulations 	<ul style="list-style-type: none"> Board meetings Regular updates via electronic communications (emails, phone calls, virtual meetings) 	<ul style="list-style-type: none"> Regular updates on corporate activities, developments, and financial performance Seek advice and approvals from the Board on all material proposed developments
INTERNAL			
Employees	<ul style="list-style-type: none"> Career stability and prospect Training and education opportunities Competitive salaries and incentives Pleasant and safe working environment 	<ul style="list-style-type: none"> Regular internal communications through staff meetings and electronic communications (emails, phone calls, internal notices, virtual meetings) Regular review of working environment Training and development programmes Performance appraisal Employee welfare discussion 	<ul style="list-style-type: none"> Ensure effective implementation of human resources policies internal systems and procedures Regular internal meetings to review safety and healthy working environment and measures Grievance mechanism Sponsor employees to attend courses and conferences Annual performance appraisal
EXTERNAL			
Government & Regulators	<ul style="list-style-type: none"> Good governance practices and regulatory compliance Occupational health & safety Socioeconomic compliance Tax issues 	<ul style="list-style-type: none"> Meetings when required Mails Electronic communications (emails, phone calls, virtual meetings) Through external professionals and agencies Announcements on SGXNet 	<ul style="list-style-type: none"> Ensure compliance with applicable laws and regulations Regular communication with external professionals and agencies Correspondence with relevant authorities when necessary Regular updates on pertinent laws and regulations via seminars and training sessions Ensure all public disclosures are disclosed accurately and timely via official announcements as appropriate

SUSTAINABILITY REPORT

STAKEHOLDERS	AREAS OF CONCERN	OUR ENGAGEMENT APPROACH	OUR ACTIONS
EXTERNAL			
Customers	<ul style="list-style-type: none"> Quality assurance On-time delivery Pre- and post- project support and services Reasonable payment terms Competitive pricing 	<ul style="list-style-type: none"> Customer feedback via materiality assessment form / in-person meetings Regular follow-up via calls and in-person meetings Electronic communications (emails, virtual meetings) 	<ul style="list-style-type: none"> Active follow-ups based on our customers' preferences Regular internal meetings to review customer fulfilment and identify new requirements Obtain product and quality certifications to guarantee a consistent level of product quality in our products Provide timely updates to our customers
Suppliers / Business Partners	<ul style="list-style-type: none"> Updates on new product developments and market trends Timely payments and adherence to agreed terms Commitment to long-term working relationship 	<ul style="list-style-type: none"> Regular interactions and updates with suppliers Electronic communications (emails, phone calls, virtual meetings) 	<ul style="list-style-type: none"> Regular review, evaluation and feedback on the quality, pricing, delivery lead time and evolving requirements Ensure compliance with standards and applicable laws and regulations, and align with good corporate practices Perform periodic evaluation
Shareholders & Investment Community	<ul style="list-style-type: none"> Financial performance Business sustainability and profitability Dividends and/or investment returns Industry prospect and market presence Transparency and good corporate governance 	<ul style="list-style-type: none"> Announcements on SGXNet Shareholders' general meetings Electronic communications (emails, virtual meetings) Annual reports Company website 	<ul style="list-style-type: none"> Ensure all public disclosures on corporate results and developments are disclosed accurately and timely via official announcements as and when required Conduct general meetings with shareholders at least once a year Ensure sustainable business operations

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

The Group's sustainability reporting process is subject to an internal review and analysis to evaluate the relevance of the material topics in accordance with the latest requirements of the GRI Standards and the Catalist Rules. We assessed the materiality based on industry standards, analysed peer benchmarking information from companies with comparable operations and management perspectives and took into account recommendations from our internal auditors that arose from their annual audit cycle and sustainability reports.

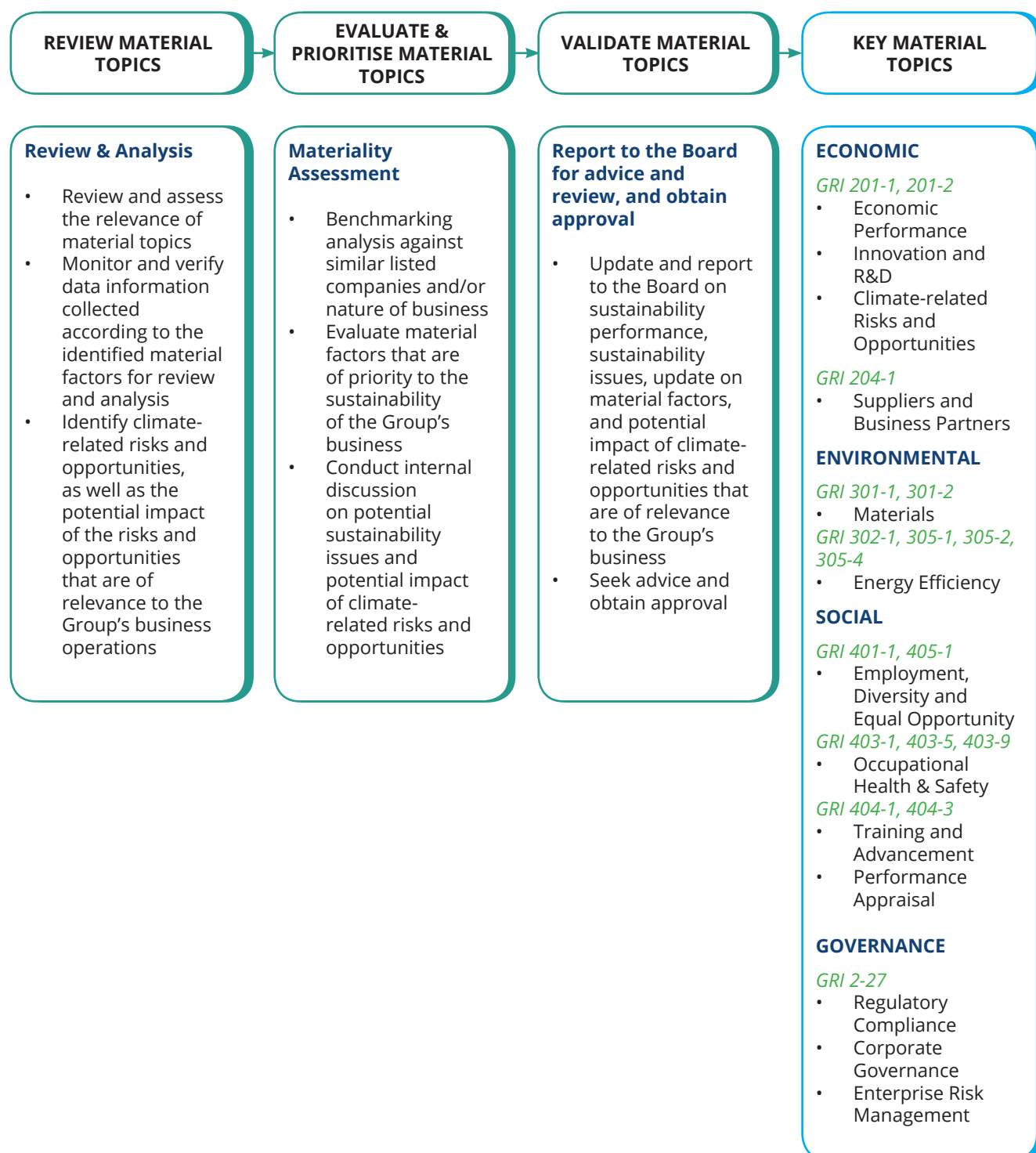
We conducted further discussions with internal stakeholders to evaluate the impact of the identified material topics on the Group's business operations. These identified material topics were subsequently ranked by representatives from both external and internal stakeholders to establish their priority. The Board then considered and approved the selected material topics for inclusion in the sustainability report.

We ensure that data is collected in accordance with the selected material topics relevant to our business operations, thereby facilitating an analysis of our sustainability performance for FY2025. By integrating data collection into our operational activities, we enable regular monitoring and a swift response should any events arise. We remain focused on material topics that are pertinent and significant to the Group's operations while also making strides towards compliance with the new reporting standards in the near future. Furthermore, analysing our performance allows us to set targets for the relevant material topics for FY2026.

We remain committed to enhancing our engagement with stakeholder groups concerning the material topics we have identified, particularly as we navigate our restructuring efforts in the face of global economic challenges. We have initiated an internal dialogue and assessment regarding the potential impacts of climate-related risks and opportunities on our business operations. We will maintain our progressive approach and make the best use of our available resources to improve the disclosures in our upcoming sustainability reports.

SUSTAINABILITY REPORT

The chart below summarises our materiality assessment process for material topics, along with the corresponding GRI Standards referenced in this sustainability report.



SUSTAINABILITY REPORT

MATERIAL TOPIC: ECONOMIC ECONOMIC PERFORMANCE

GRI 201

The Group reported losses for FY2025 due to the challenging business environment. The decline primarily stemmed from the potential volatility in orders from certain customers who market and sell their products in both domestic and international markets.

Despite the anticipation of losses, the Group did not foresee the sudden increases in tariffs imposed by the US, which have adversely affected our customers in technology-related industries, particularly within the consumer electronics sector. In response, the Group has implemented measures to enhance its competitiveness and support its long-standing customers by offering customised In-Mould Decoration (“**IMD**”) moulds at reduced prices. These customers require these moulds to manufacture IMD and plastic injection parts (collectively, the “**IMD Products**”) for their end consumer products, thereby reinforcing our primary source of revenue – the production and sale of IMD Products.

While this approach results in the Group facing short-term challenges due to the need to absorb higher costs, it aims to strengthen its market position and ensure sustainable, long-term growth.

The Group reported a year-on-year increase in net loss of 19.5%, rising from HK\$ 8.8 million in FY2024 to HK\$ 10.5 million in FY2025. This was on the back of a 36.7% year-on-year increase in revenue, from HK\$ 28.5 million in FY2024 to HK\$ 38.9 million in FY2025. The increase in net loss can be attributed to a reduction in gross profit due to (i) an unfavourable sales mix in FY2025 compared to FY2024, where the growth in sales was primarily driven by relatively lower-margin, small-sized and low-priced IMD Products, as well as small-volume orders that required more labour; and (ii) the sale of IMD moulds at reduced prices to stimulate higher sales of IMD Products. Consequently, the gross margin decreased from 12.7% in FY2024 to 9.1% in FY2025.

Please refer to the following sections in this annual report for details on our operations and financial information:

- Operations and Financial Review on page 4
- Financial Statements on page 69

PERFORMANCE IN FY2025

- Achieved targets for revenue growth and increase in new projects in FY2025.
- Recorded an increase in revenue to HK\$ 38.9 million in FY2025, up from HK\$ 28.5 million in FY2024.
- Recorded an increase in IMD moulds construction from 71 units in FY2024 to 77 units in FY2025, and order book increased from HK\$ 7.0 million at end FY2024 to HK\$ 13.2 million at end FY2025.
- Net losses increased from HK\$ 8.8 million in FY2024 to HK\$ 10.5 million in FY2025 due to a reduction in gross profit.

TARGETS FOR FY2026

- » The Group will continue to strive to improve its financial performance despite the adverse business environment of ongoing trade disputes, geopolitical uncertainties, and rising inflationary cost pressure.
- » To continue fostering organic growth through its three-pronged strategy: (i) expanding customer base, (ii) broadening sales channels, and (iii) enhancing competitiveness.

The table below provides an analysis of our economic value distributed to various stakeholders, and the economic value retained.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

GRI 201-1

(in HKD thousands)	FY2025	FY2024	FY2023
Economic value generated	38,928	28,468	28,807
Economic value distributed	(49,439)	(37,264)	(39,612)
Operating costs	(35,059)	(26,484)	(27,702)
Employee wages and benefits	(14,380)	(10,780)	(11,910)
Payments to providers of capital	-	-	-
Payments to government by country (taxes)	-	-	-
Economic value retained	(10,511)	(8,796)	(10,805)

Notes:

- Operating costs include cost of sales, marketing and distribution expenses, other expenses and exclude employee wages and benefits.
- Employee wages and benefits include Directors' remuneration and employee salaries.
- Payments to providers of capital denotes interest paid to banks.
- Payments to government by country (taxes) denotes income tax

The Group remains committed to enhancing its overall financial position and performance through its identified three-pronged approach: (i) customer base expansion, which aims to capitalise on the growing demand for complex and miniaturised plastic components across various industries, including smart home products, electronics, healthcare, and consumer goods; (ii) sales channel expansion with a focus on cultivating sustainable demand for its IMD business; and (iii) maintaining production efficiency while ensuring consistency in quality.

INNOVATION AND R&D

China Kunda's success is driven by our innovation and research and development ("R&D") competencies at IMD, where we collaborate directly with customers during the product conceptualisation stage.

We appreciate our customers' trust in our areas of expertise to help them bring their products to fruition. At China Kunda, we try to fulfil our clients' evolving needs by providing dedicated support in innovation, technical and production processes, as well as ensuring the success of projects entrusted to us.

While our involvement in customers' projects serves as one of our primary revenue sources, the timeline for completing R&D projects and generating revenue is contingent upon our customers' rigorous evaluation process, which may extend up to three months. This evaluation process consists of several stages, including project audit, project design, R&D of the IMD process, product manufacture with moulds and plastic injection machines and testing of the IMD Products produced.

PERFORMANCE IN FY2025

- Achieved target number of new projects with 77 units of IMD moulds under construction.
- Order book increased from HK\$ 7.2 million at end FY2024 to HK\$ 13.2 million at end FY2025.

TARGETS FOR FY2026

- ▶ Maintain to strive to achieve 50 – 80 new projects annually.
- ▶ To leverage the increasing need for intricate and compact plastic components in diverse sectors such as smart home products, electronics, healthcare devices, and consumer goods, thereby expanding its order book.

SUSTAINABILITY REPORT

At China Kunda, our Technology Development Department has implemented an 'innovation policy' aimed at upholding the practices and evaluation procedures that support our customers during their product conceptualisation stage. This policy is subject to annual review and audit, and the Group achieved zero incidents of policy violations in FY2025, a consistent achievement over the years. We are committed to maintaining a zero-incident policy violation in the long term.

The incorporation of innovation incentives in employee wages and benefits in FY2025 has encouraged our employees to collaborate on innovative initiatives within the organisation. As at 31 March 2025, the Group reported an increase of 8.5%, amounting to 6 additional units of IMD moulds under construction, bringing the total to 77 units, compared to 71 units as at 31 March 2024. Additionally, the Group has a secured order book amounting to approximately HK\$ 13.2 million as at 31 March 2025, with the majority expected to be recognised as revenue in FY2026.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

GRI 201-2

The Group is aware of the recent changes to the improved framework for sustainability reporting of Singapore Exchange Regulation Pte. Ltd. (the "**SGX RegCo**"). This framework now requires the incorporation of the IFRS Sustainability Disclosure Standards (IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures), which were issued by the ISSB, which were built on the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") that the SGX RegCo has mandated in a phased approach since financial year 2022. We comprehend that these standards will establish a global standard for sustainability-related disclosures and for disclosing the impact of climate-related risks and opportunities on a company's prospects.

The Group is conscious of the hazards that climate change poses to both our industry and business, as well as to society at large. We are devoted to comprehending climate-related risks and opportunities and integrating contingency plans into the Group's strategy and operations for risk management and sustainability.

Over the last two financial years, we have carefully followed the TCFD recommendations and tracked our Scope 1 and Scope 2 greenhouse gas emissions ("**GHG**") to set our starting emissions level as the Group works to bounce back from the challenges during the endemic phase, all while facing ongoing global trade issues and political uncertainties.

PERFORMANCE IN FY2025

- Achieved target in reporting Scope 1 and Scope 2 of GHG emissions under IFRS S2.

TARGETS FOR FY2026

- » To engage in internal discussions aimed at identifying and evaluating climate-related risks and opportunities that may be vital to the Group's sustainability.
- » To explore and consider scenario analysis to progressively assess the Group's climate resilience.

We have also conducted preliminary discussions on identifying and assessing climate-related risks that are critical to the Group's business sustainability in FY2025. Due to the updated changes, we strive to incorporate our relevant disclosures in accordance with IFRS S1 and IFRS S2 in the subsequent sustainability reports.

SUPPLIERS AND BUSINESS PARTNERS

GRI 204-1

At China Kunda, we are committed to maintaining mutually beneficial partnerships with the local suppliers for our manufacturing operations in the PRC whenever possible.

We believe that sourcing raw materials from local suppliers not only benefits the local economy and business sustainability, but it also improves cost efficiency and assures a steady supply of raw materials for our manufacturing operations. Nonetheless, the quality and performance of raw materials remain the top priorities for our customers' products.

We have established a supplier evaluation procedure and procurement control mechanisms, evaluating our suppliers on an annual basis. Our suppliers are required to meet the following basic criteria: (i) a robust quality assurance system and raw material performance in line with the Company's 'Incoming Material Inspection Control Procedures'; (ii) reasonable pricing; (iii) the ability to supply consistently over the long term and deliver punctually; and (iv) effective after-sales service.

Amid the ongoing trade disputes and the uncertainty arising from supply chain disruptions, which have resulted in inflationary pressures and intense competition, we strive to uphold strong business relationships with our suppliers to ensure long-term sustainability. We view our suppliers as partners and treat them with the same respect as our customers.

In FY2025, there were no changes to our appointed suppliers and the proportion of our local purchases remained relatively stable. The local purchases accounted for HK\$ 19.0 million or approximately 63.8% of the total purchases of HK\$ 29.8 million in FY2025, compared to HK\$ 14.7 million or approximately 64.4% of total purchases of HK\$ 22.8 million in FY2024.

PERFORMANCE IN FY2025

- Achieved targets set for FY2025.
- Evaluated suppliers and satisfied with their consistency in quality and delivery. No changes to appointed suppliers.
- Total purchases increased from HK\$ 22.8 million in FY2024 to HK\$ 29.8 million in FY2025 to meet the increase in secured orders and new projects in FY2025.

TARGETS FOR FY2026

- ▶ Strive to prioritise purchase of raw materials from local suppliers, subject to the requirements of customers.
- ▶ Continue to maintain strong business relationships with its suppliers as its long-term strategy.

SUSTAINABILITY REPORT

MATERIAL TOPIC: ENVIRONMENTAL

MATERIALS

GRI 301-1, 301-2

At China Kunda, we prioritise resource management, as we believe that prudent operational practices not only enhance economic efficiency but also contribute to waste reduction, thereby promoting the Group's business sustainability.

We continuously monitor and review the use of both renewable and non-renewable materials to optimise our manufacturing processes, minimise product defect rates and reduce material losses. Our management system is certified to ISO 14001 and ISO 9001 standards, ensuring adherence to effective environmental and quality management practices. We believe that waste reduction and recycling lead to cost savings for the Group while enabling us to better address our customers' environmental and regulatory needs.

PERFORMANCE IN FY2025

- Did not achieve target of maintaining the quantity of renewable materials recycled set for FY2025.
- Recorded a decrease of 7.9% in consumption of non-renewable materials from 287,944.3 kg in FY2024 to 265,132.9 kg in FY2025.

TOTAL WEIGHT OF NON-RENEWABLE MATERIALS CONSUMED (IN KILOGRAMMES)

Material type	FY2025	FY2024	FY2023	FY2022
Plastic sheet	11.6	6.5	2,114.9	4,488.4
Plastic pellet	247,388.9	278,942.5	179,030.0	128,698.4
Paint	132.5	66.6	3,276.1	6,043.6
Protective film	17,599.9	8,928.7	11,902.5	17,280.5
Total	265,132.9	287,944.3	196,323.5	156,510.9

TOTAL AMOUNT OF RENEWABLE MATERIALS CONSUMED AND RECYCLED (IN PIECES)

Cardboard boxes	FY2025	FY2024	FY2023	FY2022
Consumed	51,639	23,583	21,684	11,814
Recycled	3,751	7,648	6,843	3,271
Recycled/used	7.3%	32.4%	31.6%	27.7%

The materials usage is intended for IMD Products, which include In-Mould Decoration and plastic injection parts for both existing and new projects.

The Group consumed a total of 265,132.9 kilogrammes of non-renewable materials, representing a decrease of 7.9% from 287,944.3 kilogrammes in FY2024. The decline was primarily attributed to the newly acquired manufacturing execution system, which improved the efficiency in the production of IMD Products. In contrast, total consumption of renewable materials, predominantly cardboard boxes, surged by 119.0% year-on-year, rising from 23,583 pieces in FY2024 to 51,639 pieces in FY2025, in line with higher sales revenue. However, due to some customers being located in different cities, it is neither feasible nor cost-effective to collect and recycle the

TARGETS FOR FY2026

- ▶ Monitor and review materials usage as manufacturing activities stabilise.
- ▶ To ensure that the recyclable proportion of renewable materials remains above 5%.

cardboard boxes. Consequently, the rate of resource recycling declined significantly from 32.4% or 7,648 pieces in FY2024 to 7.3% or 3,751 in FY2025.

Amid a challenging business landscape characterised by geopolitical uncertainties and trade tensions, our operations are evolving in tandem with our customers. We believe that comprehending the baseline of our production, along with client demand and orders, will be essential before establishing realistic short-, medium- and long-term targets for the Group.

ENERGY EFFICIENCY

GRI 302-1, 305-1, 305-2, 305-4

The manufacturing of IMD Products continues to be the primary revenue driver and energy consumer for the Group. Consequently, we are committed to monitoring and recording energy data from our operations in the PRC to gain insights into the efficiency of our resources and environmental impact. We have computed the total annual greenhouse gas (“GHG”) emissions, in line with the GHG Protocol, as stipulated by the IFRS Sustainability Disclosure Standard S2 (“IFRS S2”).

Electricity is primarily utilised for the production of IMD Products at our manufacturing and office facilities, whereas fuel is necessary for transportation. In FY2025, the Group responded to an increase in sales orders from customers situated beyond its delivery scope. This expansion necessitated outsourcing logistics to a third party to ensure timely deliveries. As a result, there was a decline in fuel consumption, while electricity consumption surged due to the need to produce more IMD Products at our facilities in FY2025.

The total energy consumed by the Group in FY2025 was 6,683.8 gigajoules (“GJ”), comprising 613.2 GJ of fuel and 6,070.6 GJ of electricity. This represents a 53.1% increase compared to the total energy consumption of 4,366.0 GJ in FY2024, which included 677.9 GJ of fuel and 3,688.1 GJ of electricity. The increase in electricity consumption can be attributed to higher manufacturing activities corresponding with the Group’s increased revenue. The reduction in fuel consumption was due to the outsourcing of logistics delivery.

The Group’s overall GHG emissions rose by 60.8%, increasing from 918.1 tonnes CO₂e (“tCO₂e”) in FY2024 to 1,476.1 tCO₂e in FY2025. The increase was primarily due to higher electricity consumption, although it was partially offset by a reduction in fuel consumption. Additionally, the carbon emission intensity saw a 17.7% increase, rising from 32.2 tCO₂e per HKD million of revenue in FY2024 to 37.9 tCO₂e per HKD million of revenue in FY2025.

PERFORMANCE IN FY2025

- Did not achieve target of maintaining carbon emission intensity set for FY2025.
- Total energy consumption increased by 53.1% from 4,336.0 GJ in FY2024 to 6,683.8 GJ in FY2025.
- Total GHG emissions recorded a CAGR of 11.8% from FY2023 to FY2025.
- Carbon emission intensity increased by 17.6% from 32.2 tCO₂e per HKD million in FY2024 to 37.9 tCO₂e per HKD million in FY2025. However, the Group recorded a CAGR of 1.1% from FY2023 to FY2025.

TARGETS FOR FY2026

- ▶ To monitor and review the energy consumption as manufacturing activities amid the macroeconomic challenges.
- ▶ Strive to reduce or at least maintain its carbon emission intensity as the Group continues to improve production efficiency.

SUSTAINABILITY REPORT

Considering the Group's continuous efforts to address present macroeconomic challenges, including trade tensions and a global economic slowdown, we find it both fair and reasonable to set objectives once we have gained a more thorough understanding of our baseline. At that point, our business operations will have reached a state of stability.

ENERGY CONSUMED FROM NON-RENEWABLE SOURCES

GRI 302-1

Energy Source	Group Consumption (in GJ)			CAGR (%)
	FY2025	FY2024	FY2023	
Fuel (petrol)	613.2	677.9	639.0	(9.1)
Electricity	6,070.6	3,688.1	4,288.2	5.5
Total energy consumed	6,683.8	4,336.0	4,927.2	3.7

Note: CAGR denotes compound annual growth rate.

DIRECT (SCOPE 1) AND ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

GRI 305-1, GRI 305-2

GHG Emissions (in tCO ₂ e)	FY2025	FY2024	FY2023	CAGR (%)
Scope 1	42.8	47.3	44.6	(9.1)
Scope 2	1,433.3	870.8	1,012.5	5.5
Total GHG emissions	1,476.1	918.1	1,057.1	4.9

Note: Conversion factors are sourced from and Institute for Global Environmental Strategies <https://www.iges.or.jp/en/pub/list-grid-emission-factor/en>.

CARBON EMISSION INTENSITY (IN TCO₂E PER HKD MILLION OF REVENUE)

GRI 305-4

	FY2025	FY2024	FY2023	CAGR (%)
Revenue (in HKD million)	38.9	28.5	28.8	10.4
GHG emissions (in tCO ₂ e)	1,476.1	918.1	1,057.1	4.9
Carbon emission intensity	37.9	32.2	36.7	(5.0)

MATERIAL TOPIC: SOCIAL EMPLOYMENT, DIVERSITY AND EQUAL OPPORTUNITY GRI 401-1, 405-1

At China Kunda, we believe the health, well-being and career growth of our employees are essential for the continual growth of our business and maintaining long-term success. Fair employment practices and a working environment that respects and empowers our employees to perform at their best are our commitments.

The Group strictly prohibits all forms of forced labour, human trafficking, and modern slavery. We do not discriminate against our employees or potential recruits because of their colour, age, gender, religion, ethnicity, facial attractiveness, physical disabilities, sexual preferences, political beliefs or nationality. Recruitment, salary, promotion and benefits must be handled based on an objective evaluation of merit, equal opportunity, and non-discrimination.

We have in place a staff handbook and human resources manual that comply with the laws and regulations of the country of our operations. Additionally, we have implemented distinctive performance employee incentive policy, an integrated business incentive programme for our employees and an employee performance appraisal system to foster employee retention. We regularly conduct engagement seminars to promote teamwork and enhance working relationships among employees. In FY2025, we conducted eight employee engagement sessions, which is comparable to FY2024.

In FY2025, human capital movement continued, and our employees left due to natural attrition. Nevertheless, we have been able to attract new employees, resulting in a 16.0% increase in headcount from 81 in FY2024 to 94 in FY2025. The Group remains committed to zero reported incidence of non-compliance with the applicable laws and regulations relating to fair employment practices for the short, medium and long terms.

The nature of the profession continues to contribute to the ongoing male dominance within the industry in terms of gender diversity. We have managed to maintain the proportion of male employees at 61.7% and female employees at 38.3% in FY2025, which is consistent with FY2024. However, we expect that the proportion of male employees is likely to remain above 60% in the near to medium term.

Our workforce remains relatively young, with approximately 88.3% of our total employees under the age of 50 in FY2025,

PERFORMANCE IN FY2025

- Reported zero incidents of non-compliance with relevant laws and regulations relating to fair employment practices.
- Maintained above 80% of the Group's workforce below the age of 50.
- Conducted eight (8) engagement sessions with employees.
- Maintained gender diversity with approximately 61.7% males and 38.3% females in FY2025.
- Achieved targets set for FY2025.

TARGETS FOR FY2026

- ▶ Continue to uphold a zero reported incidence of non-compliance with the relevant laws and regulations concerning fair employment practices.
- ▶ Continue to monitor and review the recruitment procedures and systems to ensure fairness and non-discrimination in hiring practices.
- ▶ Aim to conduct at least eight engagement sessions in FY2026 to enhance employee cohesion and improve talent retention.

SUSTAINABILITY REPORT

compared to approximately 86.4% in FY2024. Due to the challenges in the business environment and market dynamics from our customers, we continue to experience high employee mobility with turnover rate increasing from 66.3% in FY2024 to 153.1% in FY2025.

The demographics of our employees for our operations in the Group are as follows:

EMPLOYEES BY GENDER

FYE 31 March / Gender	FY2025	FY2024	FY2023	CAGR (%)
Male	61.7%	61.7%	55.3%	5.1
Female	38.3%	38.3%	44.7%	(4.2)
Group Headcount	94	81	85	1.1

Note: CAGR denotes compound annual growth rate.

EMPLOYEES BY AGE GROUP

FYE 31 March / Age Group	FY2025	FY2024	FY2023	CAGR (%)
Below 30-year-old	18.1%	11.1%	12.9%	(1.9)
Between 30-50- year-old	70.2%	75.3%	69.5%	3.8
Above 50-year-old	11.7%	13.6%	17.6%	(7.7)
Group Headcount	94	81	85	1.1

NEW EMPLOYEES BY GENDER AND AGE GROUP

FYE 31 March	FY2025	FY2024	FY2023	CAGR (%)
By Gender				
Male	69.4%	54.9%	76.0%	98.7
Female	30.6%	45.1%	24.0%	51.3
By Age Group				
Below 30-year-old	33.3%	27.5%	50.7%	55.6
Between 30-50- year-old	66.0%	70.6%	44.0%	113.3
Above 50-year-old	0.7%	2.0%	5.3%	(30.7)
Total New Hires	147	51	75	78.1

EMPLOYEE TURNOVER

Gender	New Hires			Resigned			Employee Turnover		
	FY2025	FY2024	FY2023	FY2025	FY2024	FY2023	FY2025	FY2024	FY2023
Male	69.4%	54.9%	76.0%	70.1%	45.5%	74.1%	174.1%	51.5%	123.7%
Female	30.6%	45.1%	24.0%	29.9%	54.5%	25.9%	119.4%	87.0%	53.2%
Group Average							153.1%	66.3%	92.0%

DIVERSITY BY EMPLOYEE CATEGORY, GENDER, AND AGE GROUP

FYE 31 March	FY2025			FY2024		
	Mgmt	Executive	Non-Exec	Mgmt	Executive	Non-Exec
By Gender						
Male	100.0%	80.0%	56.8%	100.0%	87.5%	51.7%
Female	0.0%	20.0%	43.2%	0.0%	12.5%	48.3%
By Age Group						
Below 30-year-old	0.0%	0.0%	23.0%	0.0%	0.0%	15.0%
Between 30-50-year-old	60.0%	93.3%	66.2%	60.0%	93.8%	71.7%
Above 50-year-old	40.0%	6.7%	10.8%	40.0%	6.3%	13.3%
Group	5	15	74	5	16	60

Note: Mgmt denotes senior management; Executive includes middle management and supervisory positions; Non-Exec denotes non-executive personnel.

BOARD DIVERSITY

Gender	FY2025	FY2024	FY2023
Male	60.0%	66.7%	100.0%
Female	40.0%	33.3%	0.0%

SUSTAINABILITY REPORT

OCCUPATIONAL HEALTH AND SAFETY

GRI 403-4, 403-5, 403-9

At China Kunda, we are committed to providing a healthy and safe working environment for our employees. We manage and monitor our operations in accordance with Chinese labour laws and standards, as well as the ISO 9001:2015 quality management system and the ISO 14001:2015 environmental management system.

To uphold a healthy and safe workplace, the Group adopts a cautious approach to managing and monitoring health and safety risks by enforcing policies and procedures such as the Workplace Safety Policy and the employee behaviour and responsibility guidelines outlined in the Employees Handbook. We believe that fostering self-responsibility through regular reminders and education will minimise workplace injuries and accidents.

The human resources personnel will brief all new employees on workplace health and safety issues. Team leaders will continue to supervise and monitor the implementation of health and safety measures aimed at detecting and managing occupational risks, thereby minimising the occurrence of occupational hazards. This proactive approach not only ensures compliance with regulations but also fosters a culture of safety and well-being with the organisation.

Regular training sessions will be conducted quarterly to ensure that all employees are informed and actively engaged in fostering a safe working environment. These sessions aim to help employees comprehend various policies and standard procedures while also emphasising the significance of adhering to workplace safety standards and regulations in order to minimise work-related injuries.

In FY2025, we maintained the record of zero incidents resulting in fatalities and permanent disabilities. The Group is committed to maintaining a record of zero incidents of non-compliance with applicable occupational health and safety rules and regulations, protecting its employees from occupational hazards in the short, medium and long terms.

PERFORMANCE IN FY2025

- Reported zero incidents resulting in fatalities or permanent disabilities.
- Maintained no instances of non-compliance with applicable laws and regulations concerning occupational health and safety.
- Conducted training sessions for employees on a quarterly basis.
- Achieved targets set for FY2025.

TARGETS FOR FY2026

- ▶ Continue to carry out refresher training courses every quarter to ensure employees are familiar with the health and safety policies and standard operating procedures and maintain compliant with the safety standards and requirements in the workplace.
- ▶ Aim to maintain zero incidents resulting in fatalities and permanent disabilities.
- ▶ Strive to maintain zero occurrences of non-compliance with relevant laws and regulations concerning occupational health and safety, thereby protecting the Group's employees from occupational hazards.

TRAINING AND ADVANCEMENT

GRI 404-1

At China Kunda, we believe that every employee in our organisation plays a vital role in our success. Therefore, it is essential to enhance our employees' value by improving their knowledge, qualifications, and skills, enabling them to perform more effectively in their roles and responsibilities.

The current challenging business environment has led to movements in human capital. Despite high employee turnover in FY2025, we continue to offer training programmes for our employees to keep them informed about advancements in our manufacturing systems. In FY2025, we achieved an average of 57.5 training hours per employee, reflecting a 0.9% increase from the 57.1 training hours per employee recorded in FY2024. This increase in average training hours per employee can be attributed to a 3.5% reduction in total training hours, which decreased from 4,622 hours in FY2024 to 4,463 hours in FY2025, along with a 3.7% decrease in the Group's headcount, from 81 to 78.

AVERAGE TRAINING HOURS PER EMPLOYEE

FYE 31 March / Gender	FY2025	FY2024	FY2023	CAGR (%)
Male	2,839	2,750	2,727	2.0
Female	1,624	1,872	2,096	(12.0)
Total training hours	4,463	4,622	4,823	(3.8)
Group average headcount	78	81	85	(4.2)
Average per employee	57.5	57.1	56.7	0.7

Note: CAGR denotes compound annual growth rate.

Our Group is committed to delivering relevant educational and skills training programmes for our employees. We aim to achieve at least a 1% increase in average training hours per employee annually, addressing the short-, medium- and long-term targets. In FY2025, we did not achieve this target. Nevertheless, we endeavour to increase training hours and subsidies to support employees' enrichment opportunities, including pursuing higher studies and upgrading skill sets, as we strive to improve our financial performance.

PERFORMANCE IN FY2025

- Did not achieve the target of an increase of 1% in average training hour per employee in FY2025.
- Recorded an average of 57.6 training hours per employee in FY2025, a 0.9% increase from 57.1 training hours per employee in FY2024.
- Achieved the target to explore new training programmes to upgrade the knowledge and skills for the Group's employees.

TARGETS FOR FY2026

- To achieve at least 1% increase in average training hour per employee on an annual basis.

SUSTAINABILITY REPORT

PERFORMANCE APPRAISAL

GRI 404-3

Our Group conducts annual performance evaluations for all employees, a practice that will continue indefinitely.

The employee performance review primarily comprises quantitative evaluation criteria that are based on specific positions and responsibilities. We actively gather performance information from direct supervisors and hold regular communication meetings with employees. We believe that regular communication fosters stronger working relationships and helps us stay informed about our employees' growth and well-being, ultimately enhancing talent retention.

Discretionary incentives, such as bonuses, are awarded to eligible employees based on their performance, contributions to the Group and the overall performance of the Group. Remuneration policies and packages are regularly reviewed to ensure they remain competitive within the industry. This process also supports the Group's efforts in talent acquisition and retention.

PERFORMANCE IN FY2025

- Achieved target 100% performance evaluation for all employees, both male and female, set for FY2025.
- Achieved target of conducting regular meetings with employees.

TARGETS FOR FY2026

- ▶ To conduct regular meetings with employees to encourage active participation in the business operations.
- ▶ Maintain annual performance evaluation for all employees.

MATERIAL TOPIC: GOVERNANCE REGULATORY COMPLIANCE

GRI 2-27

At China Kunda, we are dedicated to conducting our business in accordance with pertinent social and economic factors, alongside applicable environmental regulations and standards.

We strive to proactively monitor, identify, assess and address socio-economic and environmental concerns, as well as the potential impacts arising from climate-related risks and opportunities that are pertinent to the sustainability of the Group's business. We remain committed to conducting our operations with integrity and safeguarding the interests of all our stakeholders.

The Group is committed to achieving zero incidents of non-compliance with relevant laws and regulations in the areas of socio-economics and the environment for the short, medium, and long terms.

CORPORATE GOVERNANCE

The Board and the management team of China Kunda are committed to maintaining high standards in corporate governance and transparency, which is essential for ensuring the sustainability of the Group's business operations.

We are committed to upholding best practices in corporate transparency and disclosures. We have established a comprehensive set of procedures and policies to ensure compliance with applicable legislation and adherence to our risk management guidelines. Our unwavering pursuit for corporate excellence fosters a more transparent, accountable, and equitable system, ultimately delivering greater value to our stakeholders.

Please refer to the Corporate Governance Report found on page 33 of the annual report for details of the Group's corporate governance principles and practices.

The Corporate Governance Report outlines the Group's corporate governance practices that were in place during FY2025, with specific reference made to the principles and the provisions of the Code of Corporate Governance 2018 pursuant to Rule 710 of the Catalyst Rules.

PERFORMANCE IN FY2025

- Recorded zero incidents of non-compliance with relevant laws and regulations in the socio-economic and environmental areas, which could potentially lead to internal disciplinary action or public allegations.
- Complied with the principles and guidelines outlined in the Code of Governance 2018, where applicable.
- Recorded no incidents of non-compliance with management controls and procedures.
- Achieved targets set for FY2025.

TARGETS FOR FY2026

- ▶ Ensure there are no incidents of non-compliance with relevant socio-economic and environmental laws and regulations.
- ▶ Ensure there are no incidents of non-compliance with management controls and procedures.
- ▶ Continuously monitor and update the adequacy and effectiveness of risk management policies, controls, and procedures, as necessary.

SUSTAINABILITY REPORT

ENTERPRISE RISK MANAGEMENT

The Board maintains overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has in place an Enterprise Management Framework ("ERM"), supported by the Audit Committee of the Company. The members of the Audit Committee of the Company are non-executive directors who oversee how the management of the Company monitors compliance with the Group's risk management policies and procedures, and from time to time, reviews the adequacy of the risk management framework in relation to the risks faced by the Group. This ERM facilitates our management team to manage risks and seize opportunities.

The Audit Committee is assisted by the internal auditors of the Company in its oversight of the Group's risk management. In turn, the internal auditors of the Company undertake both regular and ad-hoc reviews of the Group's risk management controls and procedures and report their findings to the Audit Committee of the Company.

The Group remains vigilant and continues to perform risk assessments on our business operations at least once per year, either internally or with the assistance of a third-party professional as determined by the Audit Committee of the Company.

During FY2025, the Group held internal discussions with the SMT, comprising key executives from various departments across the Group. The aim was to identify and assess climate-related risks and opportunities that are essential for the Group's business sustainability, as outlined under the Climate-related Risks and Opportunities topic on page 18.

The SMT is in the process of developing a proposal outlining the necessary measures to address the identified risks and will provide regular updates to the Audit Committee of the Company.

While we believe the Group's risk management policies and procedures are both relevant and adequate, it is crucial that our operational teams uphold their practices to effectively address the identified risks and minimise the potential impact on the Company.

SUSTAINABILITY REPORT

Statement of use	China Kunda Technology Holdings Limited has reported this information cited in this GRI Content Index for the period from 1 April 2024 to 31 March 2025 ("FY2025") with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE		REFERENCE
GRI 2: General Disclosures 2021	2-1	Organisational details	Annual Report ("AR") – Company Profile
	2-2	Entities included in the organisation's sustainability reporting	Sustainability Report ("SR") - Board Statement
	2-3	Reporting period, frequency and contact point	SR - Board Statement
	2-6	Activities, value chain, and other business relationships	AR – Letter to Shareholders
	2-7	Employees	AR – Business Operations
	2-9	Governance structure and composition	SR – SOCIAL: Employment, Diversity and Equal Opportunity
	2-10	Nomination and selection of the highest governance body	SR – Sustainability Governance
	2-27	Compliance with laws and regulations	AR – Board of Directors
	2-29	Approach to stakeholder engagement	AR – Corporate Governance Report
GRI 3: Material Topics 2021	3-1	Process to determine material topics	SR – SUSTAINABILITY GOVERNANCE: Materiality Assessment
	3-2	List of material topics	SR – SUSTAINABILITY GOVERNANCE: Materiality Assessment
	3-3	Management of material topics	SR – SUSTAINABILITY GOVERNANCE: Materiality Assessment
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	SR – ECONOMIC: Economic Performance Innovation and R&D
	201-2	Financial implications and other risks and opportunities due to climate change	SR – ECONOMIC: Climate-related Risks and Opportunities
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	SR – ECONOMIC: Suppliers and Business Partners

SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE		REFERENCE
GRI 301: Materials 2016	201-1	Materials used by weight or volume	SR – ENVIRONMENTAL: Materials
	301-2	Recycled input materials used	SR – ENVIRONMENTAL: Materials
GRI 302: Energy 2016	302-1	Energy consumption	SR – ENVIRONMENTAL: Energy Efficiency
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	SR – ENVIRONMENTAL: Energy Efficiency
	305-2	Energy Indirect (Scope 2) GHG emissions	SR – ENVIRONMENTAL: Energy Efficiency
	305-4	GHG emissions intensity	SR – ENVIRONMENTAL: Energy Efficiency
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	SR – SOCIAL: Employment, Diversity and Equal Opportunity
GRI 403: Occupational Health and Safety (2018)	403-4	Worker participation, consultation, and communication on occupational health and safety	SR – SOCIAL: Occupational Health and Safety
	403-5	Worker training on occupational health and safety	SR – SOCIAL: Occupational Health and Safety
	403-9	Work related injuries	SR – SOCIAL: Occupational Health and Safety
GRI 404: Training & Education (2016)	404-1	Average hours of training per year per employee	SR – SOCIAL: Training and Advancement
	404-3	Performance appraisal	SR – SOCIAL: Performance Appraisal
GRI 405: Diversity and equal opportunity (2016)	405-1	Diversity of governance bodies and employees	SR – SOCIAL: Employment, Diversity and Equal Opportunity

CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**” or “**Directors**”) of China Kunda Technology Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is committed to continually uphold high standards of good corporate governance, as a fundamental part of its responsibilities to protect and enhance shareholders’ value and the financial performance of the Group.

This report outlines the Company’s corporate governance framework and practices with specific reference to the principles of the Code of Corporate Governance 2018 (the “**Code**”) for the financial year ended 31 March 2025 (“**FY2025**”). Pursuant to the Rule 710 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”), a company listed on the SGX-ST must comply with principles of the Code, or explicitly identify and explain variations from the Code. As such, this report sets out the Company’s main corporate governance framework and practices with specific reference to the Code for FY2025.

The Board is pleased to report that for FY2025, the Group has adhered closely with the core principles of corporate governance laid down by the Code. Where there are any deviations from the provisions or guidelines of the Code, appropriate explanations on how the Company’s practices adopted are consistent with the intent of the relevant principle have been provided where appropriate.

1. **BOARD MATTERS**

1.1. **THE BOARD’S CONDUCT OF 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.

The Primary Functions of the Board

The Board’s primary role is to objectively discharge its duties and responsibilities at all times in the interests of the Company and enhance the long-term shareholders’ value. The Board is collectively responsible for the setting of the overall strategy and the success of the Group. The Board exercises close oversight over key areas in corporate governance practices, finance performances reviews, strategy plans, risk management and internal controls, and is supported by three board committees, namely the Audit Committee (“**AC**”), Remuneration Committee (“**RC**”) and Nominating Committee (“**NC**”) (collectively, the “**Board Committees**”). Each Board Committee is governed by clear terms of reference setting out the duties and authorities which have been approved by the Board.

Apart from its statutory responsibilities, the principal functions of the Board encompass the following:

- (a) providing stewardship to the Company including charting its corporate strategies and business plans which should include appropriate focus on value creation, innovation and sustainability;
- (b) ensuring that the necessary financial and human resources are in place for the Company to meet its objectives;
- (c) authorizing and monitoring major investments and strategic commitments;
- (d) reviewing and assessing the performance of the executive management (comprising executive directors (“**Executive Directors**”) (“**Management**”) and key management personnel of the Company (“**Executive Officers**”);
- (e) overseeing the evaluation of the adequacy of internal controls, addressing risk management, financial reporting and compliance, and satisfying itself as to the sufficiency of such processes;
- (f) establishing a framework for effective control, including the safeguarding of shareholders’ interests and the company’s assets;
- (g) supervising the management of the businesses and affairs of the Group, and providing guidance and advice to Management;
- (h) being responsible for corporate governance practices;

CORPORATE GOVERNANCE REPORT

- (i) considering sustainability issues, including environmental and social factors, as part of the Company's strategic formulation;
- (j) identifying key stakeholder groups of the Company and recognising that their perceptions affect the Company's reputation; and
- (k) setting the Company's values and standards, including ethical standards, and ensuring that the obligations to its shareholders and other stakeholders are understood and met.

Each member of the Board has a fiduciary duty and statutory duty pursuant to section 157 of the Companies Act 1967 to exercise due care in discharging his or her duties and responsibilities and is obliged to act in the best interests of the Company at all times.

Board Approval

In ensuring proper accountability within the Company, the Board supervises the Management and holds the Management accountable for performance. The Company has internal guidelines and approval limits for operational, financial and capital requirements. Under these guidelines, the matters which specifically require the Board's decision or approval are those involving, *inter alia*, the following:-

- (a) interested persons transactions of a material nature and matters involving a conflict of interest of a substantial shareholder or a Director;
- (b) material acquisitions and disposal of assets exceeding 5% of the Group's net asset value or mergers and acquisitions;
- (c) corporate or financial restructuring;
- (d) share issuances, interim dividends and other returns to shareholders;
- (e) release of the Group's quarterly and full year results announcements;
- (f) acceptance of bank facilities; and
- (g) any material investments or expenditures not in the ordinary course of the Group's businesses.

In recognition of the Directors' duties to act objectively in good faith and the best interests of the Company, while exercising due care, skills and diligence, and avoiding conflicts of interest in the discharge of the duties of their office, while the Management is responsible for the day-to-day operations and administration of the Group, matters relating to the Group's strategies and policies remain subject to the Directors' decision and approval. Directors facing conflicts of interest recuse themselves from meetings discussions and decisions involving the issues of conflict.

Board Processes

Board Committees have been established to further assist the Board in the discharge of its responsibilities. These Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The delegation of authority by the Board to the Board Committees enables the Board to achieve operational efficiency by empowering these Board Committees to decide on matters within their respective terms of reference and/or limits of delegated authority and yet maintain control over major policies and decisions. The effectiveness of each Board Committee is also constantly monitored. Minutes of all Board Committee meetings will be circulated to the Board so that the Directors are aware of and kept updated as to the proceedings and matters discussed during such meetings.

Board and Board Committees Meetings

The Board conducts regular scheduled meetings and convenes at other times as warranted by particular circumstances to discuss the Group's key activities. Dates of the Board meetings are normally set by the Directors well in advance. In between the scheduled meetings, the Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing.

CORPORATE GOVERNANCE REPORT

During FY2025, the Directors were provided with updates on changes in laws and regulations which were of relevance to the Group, including amendments to the Companies Act 1967 of Singapore (the “**Companies Act**”) and the Catalyst Rules. The external auditor regularly update the Audit Committee and the Board of the developments in the Singapore financial Reporting Standards (International) which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during the Board and Board committee meetings.

To facilitate the attendance and participation of the Directors at Board meetings, the Company's Constitution permits the Directors of the Company to attend meetings through the use of audio-visual communication equipment.

Details of the Board and Board Committee meetings held during FY2025 and the attendance of each Board member are summarised in the table below:-

	Board Meetings	Board Committee Meetings		
		AC	RC	NC
No. of Meetings Held	3	3	1	1
No. of Meetings Attended				
Cai Kaoqun	3	3*	1*	1
Cai Kaobing	3	3*	1*	1*
Lam Kwong Fai	3	3	1	1*
Chen Liping	3	3	1	1
Foo Quek Cheng**	2	2	N/A	N/A

N/A – Not Applicable

* By invitation

** Ms Foo Quek Cheng was appointed as an Independent Director of the Company with effect from 1 July 2024. Hence, she did not attend some of the meetings held before the effective date of her appointment during FY2025.

Access to Complete, Adequate and Timely Information

The Company recognises the importance of continual dissemination of relevant information which is explicit, accurate, timely and vital to the Board in carrying out its duties.

The Management endeavours to furnish the Board with complete, relevant and adequate information concerning the Group, including periodic financial summary reports, budgets, forecasts and other disclosure documents, prior to Board meetings and on an on-going basis, to enable the Board to make informed decisions and discharge its duties and responsibilities. Directors may request explanation, briefing or discussion on any aspect of the Group's operation or business from the Management. When circumstances require, Board members exchange views outside the formal environment of Board meetings.

The Board is also updated regularly on corporate governance, risk management and key changes in the relevant regulatory requirements and financial reporting standards by the Management, Auditor, the Company's Sponsor and the Company Secretary. Relevant news releases issued by the SGX-ST, the Accounting and Corporate Regulatory Authority and the Monetary Authority of Singapore are also circulated to the Board.

The Directors have unrestricted access to records and information of the Group and have separate and independent access to the Management, Company Secretaries and external advisers. The Company Secretary attends all meetings of the Board and Board Committees and ensures that Board procedures are followed, and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a decision of the Board as a whole. The Directors and the Chairman of the respective Board Committees, whether as a group or individually, are also given unrestricted access to professionals for consultations as and when they deem it necessary at the expense of the Company, in furtherance of their duties and responsibilities as Directors.

CORPORATE GOVERNANCE REPORT

Board Orientation and Training

Pursuant to Rule 406(3)(a) of the Catalist Rules, newly appointed Directors who do not have prior experience as a director of a publicly listed company in Singapore will undergo training covering the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST, which includes relevant areas such as accounting, legal and industry-specific knowledge or other relevant training courses to familiarise them with the duties and responsibilities as a Director of a listed company, or as may be appropriate, within one year from their respective date of appointment.

Newly appointed Directors will undergo a comprehensive and tailored orientation program and be provided with materials to facilitate better understanding of the Group's operations and projects. They are also provided with the Company's constitution (the "**Constitution**") and terms of reference of the Board Committees which help them familiarise themselves with their duties and obligations as a Director and how to discharge those duties, business and governance practices of the Company.

The Directors may, from time to time, attend appropriate courses, conferences and seminars to keep pace with the fast-changing laws, financial and other regulatory developments. The Directors are also updated on the requirements, as well as amendments thereto, of the SGX-ST and other statutory and regulatory bodies from time to time, to enable them to make well-informed decisions and carry out their roles and responsibilities competently. The Board encourages the Directors to continually develop and refresh their professional knowledge and skills, and to keep themselves abreast of relevant developments in the Group's business and the regulatory and industry-specific environments in which the Group operates. The Company also works closely with professionals to provide its Directors with updates on changes to relevant laws, regulations and accounting standards.

1.2. 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.

Board Independence

The Board currently has five (5) members, comprising two (2) Executive Directors and three (3) Non-Executive Directors of which all are Independent Directors. Under the Code, Non-Executive Directors should make up a majority of the Board, and Independent Directors should make up a majority of the Board where the Chairman is not independent. As the Chairman is not independent, and there is a majority of Independent and Non-Executive Directors on the Board, the requirements of the Code are met.

As at the date of this report, the Board comprises the following members:

Executive Directors

Cai Kaoqun	Executive Chairman and Chief Executive Officer
Cai Kaobing	Executive Director

Non-Executive Directors

Mr. Thomas Lam Kwong Fai	Lead Independent Director
Ms. Chen Liping	Independent Director
Ms. Foo Quek Cheng	Independent Director

The NC and the Board consider an "Independent" Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company.

CORPORATE GOVERNANCE REPORT

The independence of each Director is reviewed annually by the NC in accordance with the definition of independence in the Code and Rule 406(3)(d) of the Catalist Rules. The NC and the Board review the independence of the Independent Directors annually. Each Independent Director is required to complete a checklist annually to confirm his/her independence. The checklist is drawn up based on the Code's provision and its Practice Guidance as well as the Catalist Rules. The NC and the Board have reviewed and ascertained that the Independent Directors, namely Mr Thomas Lam, Ms Chen Liping and Ms Foo Quek Cheng are independent for FY2025.

The integrity and professionalism of the Directors have enabled and facilitated them to discharge their responsibilities with due care and diligence. The Independent Directors provide oversight on the Management's performance by constructively challenging and helping to develop proposals on strategy. The Non-Executive Directors and Independent Directors regularly meet without the Management's presence to review the effectiveness and performance of the Management in meeting agreed goals and objectives, and feedback is thereafter provided to the Management.

Board Composition and Size

The Board constantly examines its size to determine if the current size of the Board is appropriate for the scope and nature of the Group's operations to facilitate effective decision-making. For FY2025, the NC is of the view that the present size of the Board allows it to be effective and not too large as to be unwieldy. The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate balance and mix of skills, knowledge and experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate.

The current Board members comprise persons whose diverse skills, experience and attributes provide for effective decision-making for the Group, taking into account the nature and scope of the Group's operations. The members of the Board have the core competencies, such as accounting or finance, business or management experience, industry knowledge, corporate actions and strategic planning experience required for the Board to be effective in all aspects of its roles. Nonetheless, the Board is committed to continuous improvement and therefore, in concurrence with the NC, the Board continues to explore and consider more measures to ensure appropriate balance and diversity of its members so as to supplement the collective skillsets of the existing Directors and bring different perspectives to the Board.

CORPORATE GOVERNANCE REPORT

Name of Director	Date of initial appointment	Date of last re-election	Directorships in other listed companies and other principal commitments	
			Current	Past 3 Years
Cai Kaoqun	26 December 2007	28 July 2023	<ul style="list-style-type: none"> Shenzhen Kunda Precision Mould Co., Ltd Shenzhen Kunda Qi Cheng Investment Co. Ltd Shenzhen Zhong Qi Kai Hua Shi Ye Co. Ltd Shanghai Xuan Xi Que Enterprise Service Limited Partnership 	Nil
Cai Kaobing	26 December 2007	29 July 2022	<ul style="list-style-type: none"> Shenzhen Kunda Precision Mould Co., Ltd 	Nil
Thomas Lam Kwong Fai	1 October 2019	29 July 2022	<ul style="list-style-type: none"> Soon Lian Holdings Limited Katrina Group Limited SDAI Limited VCPlus Limited A-Smart Holdings Ltd 	<ul style="list-style-type: none"> Sevens Atelier Limited Alder Corporate Services Pte Ltd Capital World Limited
Chen Liping	31 March 2024	30 July 2024	<ul style="list-style-type: none"> Innovative Corporation Pte Ltd Innovative Cooperation Pte Ltd Singapore Institute of Innovative Pte Ltd HPJG Foundation Pte Ltd HPC Holdings Limited Tianjin Association (Singapore) 	<ul style="list-style-type: none"> Newmarket Trading Pte Ltd China Petroleum & Gas Development Pte Ltd China Petroleum Development Pte Ltd China Aero Supply (Singapore) Pte Ltd Chinamate Singapore Pte Ltd Convoy General Trading Pte Ltd Singapore Fullrich Technology Pte Ltd
Foo Quek Cheng	1 July 2024	30 July 2024	<ul style="list-style-type: none"> V-Pure Pte Ltd 	<ul style="list-style-type: none"> Eindec Holding Pte Ltd Eindec Singapore Pte Ltd

CORPORATE GOVERNANCE REPORT

The Company maintains a board diversity policy that aims to ensure an appropriate balance of diversity of skills, knowledge, experience and gender on the Board, with core competencies in accounting and finance, business and management experience, industry knowledge and strategic planning expertise. As each Director brings valuable insights from different perspectives vital to the strategic interests of the Group, the NC considers that the Directors possess the necessary competencies to provide the Management with a diverse and objective perspective on issues to lead and govern the Group effectively. During FY2025 and as of the date of this Annual Report, there were two (2) female Directors on the Board of five (5) members.

The NC is of the view that the current Board composition serves the needs and plans of the issuer. Apart from possessing the core competencies listed above, certain Directors of our Group, including our Executive Directors, have substantial experience in conducting business in China, where our Group carries a significant portion of its business.

Moving forward, the Company continues targeting to maintain an optimal balance of diversity, beyond gender diversity, on the Board. To that end, the Company may from time to time arrange appropriate training and upskilling courses for the Directors so that they may acquire or refine skillsets and knowledge beneficial to the Group's operation and will where in the Group's best interests change the composition of the Board by changes in Board appointments. Instead of setting a fixed timeline for achieving the Board diversity target, as diversity is dependent on a host of factors which vary in importances from time to time, the Company aims to maintain, on an overall basis, an optimal level of Board diversity taking into account the competencies and attributes described in this section. The NC is responsible for reviewing the level of Board diversity and whether this target is achieved.

The Board's policy in identifying director nominees is primarily for the Board to have the appropriate diversity of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making. The NC has reviewed and is of the view that the current Board comprises persons who as a group provide an appropriate balance and diversity of skills, experience, and capabilities required for the Board to be effective.

<i>Balance and Diversity of the Board</i>		
Core Competencies	Number of Directors	Proportion of Board
Accounting or finance	2	40%
Business management	5	100%
Legal or corporate governance	3	60%
Relevant industry knowledge or experience	4	80%
Strategic planning experience	5	100%
Customer based experience or knowledge	3	60%
Female Directors on Board	2	40%

The composition of the Board will be reviewed on an annual basis. The Board has taken the following steps to maintain or enhance its balance and diversity:

- (a) annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- (b) annual appraisal carried out on each director on the skill set they possess.

The NC will evaluate and act on the results of these exercises and where appropriate, recommend to the Board for the appointment of new directors and/or seek the resignation of incumbent directors. In sourcing for new directors, the Company and NC first consider the current composition of the Board and whether the appointment of new directors will contribute positively to the Company. This ensures that changes made are in line with diversity requirements of the Board.

CORPORATE GOVERNANCE REPORT

The Independent Directors will constructively challenge and assist in the development of proposals on strategy, assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance.

The profiles of the Directors are set out on pages 7 and 8 of this Annual Report.

1.3. 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.

Mr Cai Kaoqun is the Executive Chairman of the Board and Chief Executive Officer ("CEO") of the Company. The Board is aware of the guidelines in the Code and is of the view, that given the scope and nature of the operations of the Group, it is not necessary to separate the functions of Chairman and CEO.

Provision 3.3 of the Code provides that a Lead Independent Director should be appointed to provide leadership in situations where the Chairman is conflicted, and especially where the Chairman is not independent. In the interests of good corporate governance, the NC and the Board had carefully reviewed its Directors' performance and contributions and appointed Mr Thomas Lam Kwong Fai ("**Mr Lam**") as the Group's Lead Independent Non-Executive Director.

Mr Lam serves as a sounding board to the Chairman and also as an intermediary between the Non-Executive Directors and the Chairman, providing a channel to Non-Executive Directors for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary. He may also call for meetings of Non-Executive Directors from time to time without the presence of other Directors and the Management and provide feedback to the Chairman after such meetings. He will be available to the shareholders where they have concerns which cannot be resolved through the normal channels of communication via the Executive Chairman, the CEO and/or the Group Financial Controller, or where such communication is not possible or inappropriate. In FY2025, the Independent Non-Executive Directors had met separately without the presence of Management.

As the CEO, Mr Cai Kaoqun works with the Board to determine the strategy for the Group and is responsible for the Group's business performance and bears overall daily operational responsibility for the Group's business. He also works with the senior management of the Group to ensure that the senior management operates in accordance with the strategic and operational objectives of the Group.

As the Executive Chairman, Mr Cai Kaoqun leads the Board to ensure its effectiveness in all aspects of its role. He approves the agendas for the Board and ensures that adequate time is available for discussion of all agenda items during the meetings, in particular strategic issues. The agendas for Board Committees are approved by the Executive Chairman together with the respective chairpersons of the Board Committees.

The Executive Chairman also exercises control over the quality, quantity and timeliness of information flow between the Board, the Management and the shareholders of the Company. He encourages interactions between the Board and the senior management, as well as between the Executive and Non-Executive Directors, promotes a culture of openness and debate at the Board and facilitates the effective contribution of all directors. Furthermore, the Executive Chairman takes a leading role in ensuring the Company's compliance with corporate governance guidelines. The Executive Chairman also ensures that the Directors receive complete, adequate and timely information and ensures effective communication with shareholders.

1.4. 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 Composition and Role of NC

The Board reviews the composition of the Board and Board Committees annually, taking into account the need for progressive renewal of the Board and each Director's competencies, commitment, contribution and performance.

CORPORATE GOVERNANCE REPORT

The NC is established for the purposes of ensuring that there is a formal and transparent process for all Board appointments and overseeing the Company's succession and leadership development plans. The NC establishes and reviews the profile of Board members, and makes recommendations to the Board on the appointment, re-nomination and retirement of Directors. To make informed recommendations, the NC evaluates individual contributions, including factors such as attendance, preparedness, participation and constructive engagement. In its evaluation, the NC takes into account the need for progressive renewal of the Board and considers each Director's competencies, commitment, contribution and performance. This ensures that the Company remains well-equipped to address its evolving needs in terms of both governance and business strategy of the Group.

The NC comprises three Directors, the majority of whom (including the NC Chairman) are independent, namely:

Ms. Chen Liping	Chairman
Ms. Foo Quek Cheng	Member
Mr. Cai Kaoqun	Member

The primary function of the NC is to determine the criteria for identifying candidates, review nominations for the appointment of Directors to the Board, to decide how the Board's performance may be evaluated and to propose objective performance criteria for the Board's approval. Its duties and functions are outlined as follows:-

- (a) to make recommendations to the Board on the appointment of new Directors, including making recommendations on the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board;
- (b) to regularly review the Board structure, size and composition and make recommendations to the Board regarding any adjustments that are deemed necessary;
- (c) to determine the process for search, nomination, selection and appointment of new board members and be responsible for assessing nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent;
- (d) to ensure that all Directors submit themselves for re-nomination and re-election at regular intervals and at least once in every three (3) years, and to recommend Directors who are retiring by rotation to be put forward for re-election;
- (e) to determine annually whether a Director is independent, in accordance with the guidelines contained in the Code and the Catalist Rules;
- (f) to decide whether a Director is able to and has adequately carried out his duties as a director of the Company, in particular, where the Director has multiple board representations; If the NC considers it necessary, it shall make recommendations to the Board to address the competing time commitments.
- (g) to review and approve any new employment of persons related to the Directors or CEO or substantial shareholder of the Company to a managerial position in the Company and the proposed terms of their employment;
- (h) to put in place and review Board succession plans and candidates for appointment as Directors, and in particular, for the Chairman of the Board, the CEO or other executive officers and key management personnel of the Company;
- (i) to assess the effectiveness of the Board as a whole and its Board Committees, and the contribution made by each individual Director to the effectiveness of the Board;
- (j) to decide how the Board's performance may be evaluated and to propose objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced long term shareholders' value; and
- (k) to review the training and professional development programs for the Board.

CORPORATE GOVERNANCE REPORT

The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his or her duties as a Director of the Company.

Criteria and Process for Nomination and Selection of New Directors

There is a formal and transparent process for the appointment of new Directors to the Board. The NC reviews and recommends all new Board appointments to the Board. In doing so, the NC ensures that Directors appointed to the Board possess the background, experience and knowledge in technology, business, legal, finance and management skills critical to the Group's business and that each Director contributes and brings to the Board an objective perspective to enable balanced and well-considered decisions to be made.

Where a vacancy arises under any circumstances, or where it is considered that the Board could benefit from the services of a new Director with particular skills, in the nomination and selection process of a new Director, the NC, in consultation with the Board, will take into consideration the current Board size and its composition – including the mix of expertise, skills and attributes of the Directors – and determine if the candidate's background, experience and knowledge will bolster the core competencies of the Board. The NC will consider candidates proposed by the Management or may engage external search consultants where necessary. The NC will identify key attributes required of an incoming Director based on the requirements of the Board and interview the candidates to assess their suitability prior to recommending them to the Board for approval.

Re-nomination of Directors

In the process of re-election of incumbent Directors, the NC will assess the performance of the Director in accordance with the performance criteria set by the Board and consider the current needs of the Board. Subject to the NC's satisfactory assessment, the NC will recommend the proposed re-appointment of the Director to the Board for its consideration and approval. Each NC member will abstain from his or her assessment as a Director or any matters in which he or she may have an interest in, whenever applicable.

Under the Company's Constitution, all Directors, including Executive Directors, must submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. Regulation 107 of the Company's Constitution provides that one-third of the Board, or the number nearest to one-third is to retire by rotation at every AGM. In addition, Regulation 117 of the Company's Constitution provides that new Directors appointed during the financial year either to fill a casual vacancy or as an addition to the Board are required to submit themselves for re-election at the next AGM of the Company. Each Director must abstain from voting on any resolutions in respect of his/her re-nomination and re-election at the next AGM of the Company. Accordingly, the following Directors are retiring at the forthcoming AGM:

- (a) Mr Cai Kaobing; and
- (b) Mr Thomas Lam Kwong Fai.

Information on Directors nominated for re-election – Appendix 7F of the Catalist Rules

NAME OF DIRECTOR	CAI KAOBING	THOMAS LAM KWONG FAI (LIN GUANGHUI)
Date of Appointment	26 December 2007	1 October 2019
Date of Last Re-Appointment	29 July 2022	29 July 2022
Age	55	46
Country of principal residence	China	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	On recommendation of the Nominating Committee, the Board approved the re-appointment of Mr Cai Kaobing (" Mr Cai ") as Independent Director of the Company based on his qualifications, expertise and past experiences.	On recommendation of the Nominating Committee, the Board approved the re-appointment of Mr Thomas Lam Kwong Fai (" Mr Lam ") as Independent Director of the Company based on his qualifications, expertise and past experiences.

CORPORATE GOVERNANCE REPORT

NAME OF DIRECTOR	CAI KAOBING	THOMAS LAM KWONG FAI (LIN GUANGHUI)
Whether appointment is executive, and if so, the area of responsibility	Executive, Mr Cai Kaobing assists the CEO in the overall management of the Group	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Lead Independent Director Chairman of Audit Committee, Member of Remuneration Committee
Professional qualifications	Master of Business Administration Newport University, USA (2004) Diploma in Business Enterprise Management, Beijing Business School, China (2003)	Bachelor of Accountancy, Nanyang Technological University
Working experience and occupation(s) during the past 10 years	1998 to present: Executive Director, China Kunda Technology Holdings Limited (2010 to 2013: General Manager of IMD Division 1998 to 2009: Director, Production and Quality Control)	October 2024 to present: Independent Director, A-Smart Holdings Limited July 2024 to present: Independent Director, VCPlus Limited May 2023 to present: Head of Business Development ESG Division, Aimpact Capital Pte Ltd June 2023 to present: Independent Director, SDAI Limited (formerly known as Kitchen Culture Holdings Ltd.) May 2022 to present: Independent Director, Katrina Group Limited June 2020 to present: Independent Director, Soon Lian Holdings Limited October 2019 to present: Independent Director, China Kunda Technology Holdings Limited December 2020 to October 2024: Independent Director, Capital World Limited November 2020 to May 2023: Director, Alder Corporate Services Pte. Ltd. January 2020 to July 2020: Independent Director, OEL (Holdings) Limited July 2019 to Dec 2021: Independent Director, D'Nonce Technology Bhd July 2019 to May 2020: Chief Executive Officer, Crowe Horwath Capital Pte Ltd October 2017 to November 2022: Independent Director, Sevens Atelier Limited

CORPORATE GOVERNANCE REPORT

NAME OF DIRECTOR	CAI KAOBING	THOMAS LAM KWONG FAI (LIN GUANGHUI)
		<p>June 2017 to June 2019: Chief Executive Officer, 3 Peaks Capital Private Limited</p> <p>July 2015 to June 2019: Independent Director, Medtecs International Corporation Limited</p> <p>July 2014 to June 2017: Associate Director, Continuing Sponsorship, PrimePartners Corporate Finance Pte Ltd</p>
Shareholding interest in the listed issuer and its subsidiaries	Yes. Good Moral Technology Limited ("GMT") holds 19,200,000 ordinary shares in the Company. Mr Cai Kaobing holds 80% equity interest in GMT and he is deemed to have an interest in the shares of the Company held by GMT.	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes, Mr Cai Kaobing is the brother of Mr Cai Kaoqun, the Executive Chairman and CEO of the Company.	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Nil	<ul style="list-style-type: none"> • Crowe Horwath Capital Pte Ltd • OEL (Holdings) Ltd • D'Nonce Technology Bhd • Capital World Limited • Alder Corporate Services Pte Ltd • Sevens Atelier Limited
Present	<ul style="list-style-type: none"> • China Kunda Technology Holdings Limited – Executive Director • Shenzhen Kunda Precision Mould Co., Ltd – Executive Director 	<ul style="list-style-type: none"> • China Kunda Technology Holdings Limited • Soon Lian Holdings Limited • Katrina Group Limited • VCPlus Limited • A-Smart Holdings Limited • SDAI Limited (formerly known as Kitchen Culture Holdings Ltd.)

CORPORATE GOVERNANCE REPORT

NAME OF DIRECTOR	CAI KAOBING	THOMAS LAM KWONG FAI (LIN GUANGHUI)
Information required pursuant to Listing Rule 704(7) or Catalist Rule 704(6)		
(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	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	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(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	No

CORPORATE GOVERNANCE REPORT

NAME OF DIRECTOR	CAI KAOBING	THOMAS LAM KWONG FAI (LIN GUANGHUI)
(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	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	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	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	No

CORPORATE GOVERNANCE REPORT

NAME OF DIRECTOR	CAI KAOBING	THOMAS LAM KWONG FAI (LIN GUANGHUI)
(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	No
(j) Whether he has ever, to his knowledge, been concerned with the management of conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	Yes. Mr Lam has been an independent director of Katrina Group Ltd. since 4 May 2022. On 22 June 2022 and 25 June 2022, Katrina Group Ltd. announced that the Chief Executive Officer and 2 employees of a subsidiary of Katrina Group Ltd., ST Hospitality Pte. Ltd., received a notice to assist with an investigation being conducted by the Urban Redevelopment Authority (URA) into possible breaches of the minimum stay requirement in respect of the provision of short-term accommodation provided by ST Hospitality Pte. Ltd. and/or its subsidiaries. As at the date of this Annual Report, the investigations are still ongoing.
(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	No	No
(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	No	No

CORPORATE GOVERNANCE REPORT

NAME OF DIRECTOR	CAI KAOBING	THOMAS LAM KWONG FAI (LIN GUANGHUI)
(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?	No	No
(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.	No	No
Disclosure applicable to appointment of Director only		
Any prior experience as a director of a listed company? 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).	Not Applicable, this relates to a re-appointment of director.	Not Applicable, this relates to a re-appointment of director.

Mr Cai Kaobing and Mr Thomas Lam Kwong Fai, being eligible, have offered themselves re-election, and the NC has recommended their re-election to the Board. Each of them has abstained from the NC's recommendation pertaining to his re-election respectively. In making the recommendation, the NC had considered the overall contribution and performance of the aforementioned Directors. The Board has accepted the recommendations of the NC.

Mr Cai Kaobing will, upon re-election as a Director of the Company, remain as an Executive Director of the Company.

CORPORATE GOVERNANCE REPORT

Mr Thomas Lam Kwong Fai will, upon re-election as a Director of the Company, remain as the Lead Independent Director of the Company and the Chairman of the Audit Committee and a member of Remuneration Committee of the Company. Mr Lam will be considered independent for the purposes of Rule 704(7) of the Catalyst Rules. Mr Lam does not have any relationship including immediate family relationship with the Directors, the Company or its substantial shareholders (as defined in the Code).

Multiple Directorships and Directors' Time Commitment

The NC has reviewed the contribution of each Director taking into account their listed company board representations and other principal commitments. At present, the Board does not intend to set a maximum number of listed company board representations a Director may hold because Directors have different capabilities. The Board is of the view that the effectiveness of a Director should be evaluated by a qualitative assessment of his or her contributions to the Company's affairs taking into account his or her other commitments including his or her directorships in other listed companies.

Accordingly, each Director would personally determine the demands of his or her competing directorships and obligations and assess the number of directorships he or she could hold and serve effectively. In any case, the NC notes that none of the Directors hold five or more listed company directorships. The NC shall review from time to time the listed company board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

The considerations in assessing the capacity of Directors include the following:

- a) expected and/ or competing time commitments of Directors;
- b) competencies of Directors;
- c) geographical location of Directors;
- d) size and composition of the Board; and
- e) nature and scope of the Group's operations and size.

Notwithstanding the number of listed company board representations and other principal commitments which some of the Directors are holding, the NC, having reviewed each Director's attendance, participation and contribution, is of the view that sufficient time and attention to the affairs of the Company has been given by these Directors and is satisfied that all Directors have discharged their duties adequately for FY2025.

None of the Directors have appointed an alternate director.

1.5. BOARD PERFORMANCE

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

Board Evaluation Process and Individual Director Evaluation Criteria

The NC is responsible for recommending and implementing a process to assess the performance and effectiveness of the Board as a whole and its Board Committees as well as evaluating the performance of each Director in his or her contribution to the effectiveness of the Board.

The objective of the performance evaluation exercises is to uncover strengths and challenges so that different Board Committees are in a better position to provide the required expertise and oversight. The NC assesses the Board's and Board Committees' effectiveness as a whole by completing a Board Evaluation Form, which takes into consideration factors such as the Board's structure, conduct of meeting, risk management and internal control, the Board's relationship with the Management, as well as the Board Committee's performance in relation to discharging their responsibilities. The NC also assesses the Board's performance based on a set of quantitative criteria and financial performance indicators. The NC assesses the individual director's performance by completing an Individual Director Self Appraisal Form which takes into consideration factors such as commitment of time for meetings, level of participation and contribution to such meetings and technical knowledge of the Directors.

CORPORATE GOVERNANCE REPORT

The results of the performance review were deliberated during the NC meeting and tabled at the Board meeting for further discussion. The NC, having reviewed the overall performance of the Board and the respective committees in terms of its roles and responsibilities and the conduct of its affairs as a whole, and the individual Director's performance, is of the view that the performance of the Board, the respective Board Committees and each individual Director have been satisfactory for FY2025. Each member of the NC has abstained from voting on any resolution and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his or her performance or re-nomination as a Director. No external facilitator was engaged by the Board for this purpose.

2. REMUNERATION MATTERS

2.1. 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 three Directors, all of whom are Independent Non-Executive Directors, namely:

Ms. Foo Quek Cheng	Chairman
Ms. Chen Liping	Member
Mr. Thomas Lam Kwong Fai	Member

The RC is governed by a set of written terms of reference, which include:

- (a) to review and recommend to the Board a framework of remuneration for the Directors and key management personnel of the Company, and determine the specific remuneration package for each Executive Director;
- (b) to review the remuneration package and any adjustment proposal of senior management being the top five (5) Executive Officers of the Company;
- (c) to perform an annual review of the remuneration and any adjustment thereto of employees related to the Directors, CEO and controlling shareholders of the Company to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increase and/or promotions for these employees;
- (d) to review and approve the overall compensation policy of the Company; and
- (e) to administer any long-term incentive schemes including share schemes which may be implemented by the Company, and to consider whether any Director should be eligible for benefits under such long-term incentive schemes.

The RC reviews all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments, and submits its recommendations to the Board for endorsement. The RC also reviews any obligation on the part of the Company in the event of termination of executive directors' or key management personnel's contract of service, to ensure that such contracts contain fair and reasonable termination clauses. In undertaking such review and recommendation, the RC aims to be fair and avoids rewarding poor performance. Each member of the RC shall abstain from voting on any resolutions in respect of his or her remuneration package. The overriding principle is that no Director should be involved in deciding his or her own remuneration.

The RC holds at least one meeting in each financial year to consider and review the remuneration packages of the Executive Directors and Executive Officers, including those employees related to the Directors and controlling shareholders of the Company, if any.

CORPORATE GOVERNANCE REPORT

Expert advice on remuneration

The RC may from time to time, and where necessary or required, engage independent external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management. Among other things, this helps the Company to stay competitive when developing its remuneration packages. No independent external consultants have been engaged by the Company for this purpose during FY2025.

2.2. 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.

In setting remuneration packages, the RC takes into account compensation and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors.

The Independent Directors receive fixed Directors' fees, which takes into account factors such as effort, time spent and responsibilities of each Director. The RC recognises the need to pay competitive fees to attract, motivate and retain such Independent Directors, yet not over-compensate them to the extent that their independence may be compromised. Directors' fees are recommended by the Board for approval and subjected to shareholders' approval at the Company's AGM.

The Executive Directors, namely Mr Cai Kaoqun and Mr Cai Kaobing, do not receive Directors' Fees and are remunerated based on their service agreements with the Company. Their service contracts cover the terms of employment, salaries and other benefits. The RC seeks to ensure that the level and mix of remuneration for Executive Directors are competitive and would promote the Group's long-term success. The Executive Directors have a remuneration package comprising a fixed salary, a one-month fixed bonus and performance bonuses linked to corporate and individual performances.

The Group's compensation framework comprises fixed pay and short-term and long-term incentives. The compensation framework articulates to staff that total compensation is linked to the achievement of organizational and individual performance objectives and benchmarked against relevant and comparative compensation in the market or the industry.

The following performance conditions were chosen for the Group to remain competitive and to motivate the Management to work in alignment with the goals of all stakeholders:

Performance Conditions	Short-term Incentives (such as performance bonus)	Long-term Incentives (such as the employee share option scheme)
Qualitative	<ol style="list-style-type: none"> Leadership People development Commitment Teamwork Current market and industry practices Macro-economic factors Securing new business Identifying business expansion opportunities 	<ol style="list-style-type: none"> Group's major project or development Current market and industry practices
Quantitative	<ol style="list-style-type: none"> Profit before tax¹ 	

Note:

(1) Please refer to page 136 and page 137 of the Prospectus dated 30 September 2008 for more detailed information.

CORPORATE GOVERNANCE REPORT

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company. For FY2025, no professional experts were engaged.

2.3. 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.

The compensation packages for employees including the CEO, Executive Directors and key management personnel comprised a fixed component (in the form of a base salary and/or fixed bonus), and a variable component (which would normally include variable performance bonuses), where applicable taking into account amongst other factors, the individual's performance and the performance of the Group.

After reviewing the industry practice and analysing the advantages and disadvantages of disclosing the Directors' remuneration in dollar terms, the Company believes that it is not in the best interests of the Company to fully disclose details of the remuneration of each individual Director given the highly competitive industry conditions.

Details of remuneration of Directors

The breakdown of remuneration paid to or accrued to the CEO and each Director for FY2025 is as follows:

Directors/ Chief Executive Officer	Director Fees ⁽¹⁾ %	Salaries %	Bonus ⁽²⁾ %	Total Remuneration S\$
Cai Kaoqun	–	100	–	216,000
Cai Kaobing	–	100	–	66,000
Hau Khee Wee ⁽³⁾	100	–	–	18,150
Thomas Lam Kwong Fai	100	–	–	43,350
Chen Liping	100	–	–	30,000
Foo Quek Cheng ⁽⁴⁾	100	–	–	22,500

Notes:

- (1) The Directors' fees were approved at the Company's Annual General Meeting held on 30 July 2024.
- (2) Remuneration package of Executive Directors includes a fixed bonus of one (1)-month salary as long as the Executive Director is under the employment of the Company on the last day of March. Mr Cai Kaoqun and Mr Cai Kaobing had voluntarily agreed to waive their fixed bonus for FY2025.
- (3) As Mr Hau Khee Wee ceased to be the Lead Independent Director of the Company with effect from 30 July 2024, he is eligible for pro-rated director remuneration in FY2025.
- (4) As Ms Foo Quek Cheng was appointed as an Independent Director of the Company with effect from 1 July 2024, she is eligible for pro-rated director remuneration in FY2025.

The aggregate total remuneration of Directors, including the proposed Directors' fees for FY2025 is approximately S\$396,000.

Details of remuneration of top key management personnel

Given the highly competitive environment that the Company is operating in and the confidentiality attached to the remuneration matters, the Company believes that disclosing remuneration in bands of S\$250,000 and disclosing in aggregate the total remuneration paid to the Management and Board provides sufficient overview of the remuneration of the Management and Board.

CORPORATE GOVERNANCE REPORT

The Group only had two Executive Officers (who are not Directors or the CEO) for FY2025, details of remuneration paid to these Executive Officers of the Group for FY2025 are as follows:

Executive Officers	Salary %	Bonus %	Total %
Below S\$250,000 per annum			
He Wuqing	100	–	100
Lim Kheng Onn	100	–	100

The aggregate total remuneration of the above Executive Officers for FY2025 was approximately S\$234,500.

There are no termination, retirement and post-employment benefits that may be granted to the Directors, the CEO and the Executive Officers (who are not Directors or the CEO).

Details of remuneration of employees who are immediate family members of a Director, the CEO, or a substantial shareholder.

There were no employees who were immediate family members of a Director, the CEO, and/or a substantial shareholder, whose remuneration exceeded S\$100,000 during FY2025.

3. ACCOUNTABILITY AND AUDIT

3.1. 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.

Risk Management

The Board is responsible for the overall internal control framework and places high importance on the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, as well as to manage risks.

As part of its purview, the Company has in place an enterprise risk management ("ERM") framework which includes a set of processes to ensure that the Group is aware of, and attends to, current and emerging risks. The Management is expected to constantly review the business operations and environment to identify significant risks and ensure that mitigating measures, including preventive controls and detective and corrective measures, are promptly implemented to address these risks. These significant risks and mitigating measures, taken together with the risk owners and action plans to address any gaps, are documented in a risk register.

The AC, with the assistance of the internal auditor, annually reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls.

The internal auditor, BDO Advisory Pte Ltd, has carried out internal audit according to standards set out by the Institute of Internal Auditor on the system of internal controls and reported the findings to the AC. The external auditor, Baker Tilly TFW LLP, has also, in the course of their statutory audit, gained an understanding of the key internal accounting controls assessed to be relevant to the statutory audit. In this respect, the AC has reviewed the findings of both the internal and external auditor and will ensure that the Company follows up on the auditor's recommendations raised during the audit processes.

CORPORATE GOVERNANCE REPORT

Internal Controls

The Board recognised the importance of maintaining a sound system of internal controls to safeguard shareholders' interests and investments and the Group's assets. The Board oversees the Management in the design, implementation and monitoring of risk management and internal control systems (including financial, operational, compliance and information technology risk) and ensure that necessary corrective actions are taken on a timely basis. As such, the Company reviews annually the adequacy and effectiveness of the risk management policies and systems, and key internal controls.

The Board has also received assurances from the CEO and Group Financial Controller of the Group that in respect of FY2025:

- (a) 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
- (b) the Company's risk management and internal control systems are adequate and effective.

Based on the risk management and internal controls systems established and maintained by the Group, the work performed by the internal and external auditor with no significant matters highlighted to the AC and the written assurance from the CEO and the Group Financial Controller, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management systems and internal control (addressing key financial, operational, compliance and information technology controls) were effective and adequate for FY2025.

3.2. AUDIT COMMITTEE

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

All members of the AC are non-executive directors and all members of the AC, including the Chairman of the AC, are independent, namely: -

Mr. Thomas Lam Kwong Fai	Chairman
Ms. Chen Liping	Member
Ms. Foo Quek Cheng	Member

The AC members possess many years of experience in accounting, legal, business and financial management. None of the AC members were previous partners or directors of the Company's external audit firm within the last two years or hold any financial interest in the external audit firm. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience. The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities as the members have extensive and practical knowledge and experience.

The AC is authorised to investigate any matter within its terms of reference, and has full access to, and cooperation of, the Management. The AC has full discretion to invite any Director or key management personnel to attend its meetings, as well as access to reasonable resources to enable it to discharge its functions properly. In performing its functions, the AC also reviews the assistance given by the Company's officers to the independent auditor.

The AC has written terms of reference that are approved by the Board and clearly set out its responsibilities. The AC carries out its functions in accordance with the Companies Act and the Code. The terms of reference are set out below, amongst others: -

- (a) review the adequacy, effectiveness, scope and results of the external and internal audit and its cost effectiveness;
- (b) review the independence and objectivity of the external and internal auditor annually;

CORPORATE GOVERNANCE REPORT

- (c) review the significant financial reporting issues and judgements for any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's financial position so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance;
- (d) review the assurance from the CEO and the Group Financial Controller on the financial records and financial statements;
- (e) review the quarterly and full year financial results, comprising the statement of comprehensive income required by the Catalist Rules before submission to the Board for approval;
- (f) review the adequacy and effectiveness of the Group's internal controls and risk management system, as set out in the Code;
- (g) review the effectiveness of the Group's internal audit function;
- (h) meet periodically with the Company's internal and external auditors to review their audit plan and discuss the results of their respective examinations and their evaluation of the Group's system of internal accounting controls without the presence of the Company's Management;
- (i) consider and recommend to the Board on the appointment, re-appointment and removal of the external and internal auditors, and approving the remuneration and terms of engagement of the external and internal auditors;
- (j) review arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;
- (k) review the external and internal auditor's reports;
- (l) review the co-operation given by the Group's officers to the external auditor;
- (m) review and approve interested persons transactions, if any, falling within the scope of Chapter 9 of the Catalist Rules;
- (n) review the adequacy of the business risk management process;
- (o) review potential conflicts of interest, if any, and ensuring procedures for resolving such conflicts are strictly adhered to;
- (p) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- (q) review and establish procedures for receipt, retention and treatment of complaints received by the Group regarding inter alia, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; and
- (r) generally undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments made thereto from time to time.

Apart from the above functions, the AC is empowered to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results or financial position. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Group. Each member of the AC will abstain from any deliberations and/or voting in respect of matters in which he has an interest in.

The AC is kept abreast of changes to accounting standards and issues which may have an impact on the financial statements, through presentations by the auditor of changes in financial reporting standards and issues which have a direct impact on financial statements.

CORPORATE GOVERNANCE REPORT

For the financial year reported on, the AC reviewed and approved the scope of the audit plans of the independent auditor. In its recommendation to the Board to approve the full year financial statements, the AC reviewed the results of the audit, significant findings or areas of emphasis and audit recommendations. The AC also discussed with the Management the various accounting principles that were applied and the bases of the assumptions and methodologies used by the Management in relation to matters of significant impact.

The AC met with the internal auditor and external auditor without the presence of the Management once during FY2025. These meetings enable the internal and external auditor to raise issues encountered in the course of their works directly to the AC. At such meetings, the AC obtains feedback on the competency and adequacy of the finance function, reviews the assistances given to the internal and external auditor and discusses the financial reporting process and the Group's financial condition,

The AC selects and approves the appointment of the internal auditor. The internal auditor's primary line of reporting is the Chairman of the AC on audit matters and administratively to the Management. The AC has the responsibility to review the adequacy, effectiveness and independence of the internal audit function annually and ensure co-ordination between the internal auditor and the Management. The AC ensures that the internal auditor meets or exceeds the standards set by nationally or internationally recognised professional bodies, and also decides on the appointment, termination and remuneration of the internal auditor.

External Auditor

It is the Company's practice for the external auditor to present its audit plan to the AC with updates relating to any change in accounting standards impacting the financial statements of the Group. During FY2025, the changes in accounting standards did not have any material impact on the Groups' financial statements.

In line with the recommendations of the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and the SGX-ST, the AC can help to improve transparency and enhance the quality of corporate reporting by providing a commentary on Key Audit Matters ("**KAM**"). The AC reviewed the KAM and concurred and agreed with Baker Tilly TFW LLP ("**Baker Tilly**") on its assessment, judgements and estimates on the significant matters reported by Baker Tilly.

The AC is mindful of the need to maintain a balance between the independence and objectivity of the external auditor and the work carried out by the external auditor based on a value for money consideration. The AC is satisfied that Baker Tilly and its audit engagement partner assigned to the audit have adequate resources and experience to meet its audit obligations. The AC concluded that the auditor had demonstrated appropriate qualifications and expertise and that the audit process was effective. The Company confirms that Baker Tilly complies with Rules 712 and 715 of the Catalist Rules.

The total audit fees paid or payable to Baker Tilly and the independent member firm of Baker Tilly International for FY2025 was S\$92,000, and there is no non-audit services fee provided by Baker Tilly. In the AC's opinion, Baker Tilly is suitable for re-appointment as the Group's external auditor and it has accordingly recommended by the AC to the Board that Baker Tilly be nominated for re-appointment as external auditor of the Company at the forthcoming AGM.

Internal Audit

The Board recognises the importance of an internal audit function to maintain a sound system of internal control within the Group to safeguard shareholders' investments and the Company's assets, while the Management is responsible for establishing and implementing the internal control procedures. The role of the Internal Audit ("**IA**") is to assist the AC in ensuring that the controls are adequate and effective and functioning as intended, to undertake investigations as directed by the AC and to conduct regular in-depth audits of high-risk areas. The AC will also approve the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to. The AC is satisfied that the internal audit function is independent, effective and adequately resourced, and has appropriate standing within the Company.

CORPORATE GOVERNANCE REPORT

BDO Advisory Pte Ltd ("IA"), an established international auditing firm was appointed to conduct an internal audit and to follow up on past internal audit issues for FY2025. The IA conducts the internal audits based on the BDO Global Internal Audit Methodology which is consistent with the International Professional Practices Framework established by the Institute of Internal Auditor. For FY2025, the annual internal audit plan has been expanded to incorporate the internal review of the Company's sustainability reporting processes, which was approved by the AC. The IA reports directly to the AC Chairman and the AC, and administratively to the Group Financial Controller, and the IA has full and unfettered access to the Group's documents, records, properties and personnel, including access to the AC. The AC approves the hiring, removal, evaluation and compensation of the IA. The AC reviews annually the adequacy, effectiveness and independence of the internal audit function. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit.

The IA engagement partner has more than 20 years of audit and advisory experience and is a Chartered Accountant (Singapore), Certified Internal Auditor and Certified Information System Auditor. The IA performs outsourced internal audits of several other listed companies, government bodies and regulated entities. Members of the internal audit team also have relevant academic qualifications, professional certifications and internal audit experience.

The Audit Committee is satisfied that the outsourced internal audit function is adequately staffed by suitably qualified and experienced professionals and adheres to the International Professional Practices Framework established by The Institute of Internal Auditor.

In respect of the audit, the audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. The Internal Auditor's primary line of reporting is to the Chairman of the AC, which will include reviewing the risk control environment and business processes. The primary objective of the internal audit is to report to the AC and the Board the extent that sound risk management processes and controls are in place and operate effectively. The Internal Auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. The internal audits are carried out in accordance with the BDO Global Internal Audit Methodology which is consistent with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditor, and the coverage of the internal audits are rotated to cover potential risk areas. The AC reviews the adequacy and effectiveness of the internal audit function at least on an annual basis. The AC is accordingly satisfied with the internal audit work that was carried out during FY2025.

The AC reviews the activities of the internal auditor on a regular basis, including overseeing and monitoring the implementation of the improvements required on internal control weaknesses identified. Internal audit plans are also aligned with the Company's risk management programme. The aim is to ensure that an effective and efficient control environment is in place to manage those risks exclusive to a particular business unit in addition to those that may be relevant on an enterprise-wide basis.

Whistle Blowing Policy

The Group has established a whistle-blowing policy, endorsed overseen and monitored by the AC, which seeks to provide a channel for the Group's employees and any other persons to raise concerns in good faith and in confidence about possible improprieties in matters of financial reporting or other matters such as possible corruption, suspected fraud and other non-compliance issues. The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to wbccommittee@kunda.com. According to the Company's whistle-blowing policy, whistle-blowers shall be protected from detrimental or unfair treatment and the identity of the whistle-blower and the concern raised will be treated with the strictest confidentiality.

Following the implementation of the whistle-blowing policy, a set of policies which was reviewed by the AC and approved by the Board, was issued to assist the AC in managing allegations of fraud, corruption, dishonest practices or other misconduct which may be made, so that:

- (a) all cases reported are objectively investigated, treated fairly and be protected from reprisal;
- (b) appropriate remedial measures are taken where warranted; and
- (c) appropriate action is taken to correct the weaknesses in the existing system of internal processes and policies which allowed the perpetration of the fraud and/or misconduct, and to prevent a recurrence.

CORPORATE GOVERNANCE REPORT

There were no reported incidents pertaining to whistle-blowing during FY2025 and up till the date of this Annual Report.

Significant matter impacting the financial statements

Significant matter for FY2025	How the Committee reviewed this matter and what decision was taken
Impairment assessment of investment in subsidiaries	<p>The AC reviewed the information of the current business outlook for the Group's existing business segments and inquired Management for any unusual transactions.</p> <p>The impairment assessment of investment in subsidiaries was a significant risk for the external auditor. The external auditor has included this item as a key audit matter in its audit report for FY2025.</p> <p>The AC reviewed the external auditor's comments on the key audit matter. (See audit opinion on page 65 of this Annual Report). The Audit Committee was satisfied that sufficient analysis and assessments had been performed in this area.</p>

4. SHAREHOLDERS RIGHTS AND ENGAGEMENT

4.1. 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.

In line with continuous disclosure obligations of the Company, pursuant to the Catalist Rules and the Companies Act 1967 of Singapore, the Board's policy is that shareholders are informed of all major developments that impact the Group regularly and on a timely basis. The Board establishes and maintains regular dialogue with its shareholders, to gather views or input and to address shareholders' concerns. The Board is also accountable to the shareholders and is mindful of its obligations pursuant to the Catalist Rules. The AGM of the Company is a principal forum for dialogue and interaction with all shareholders. The Board encourages shareholders to attend the Company's general meetings to ensure a greater level of shareholder participation and to meet with the Board and key management staff so as to stay informed on the Group's developments. The Directors regard AGMs as an opportunity to communicate directly with shareholders and encourage greater shareholder participation.

All shareholders of the Company will receive the Annual Report and Notice of AGM via the Company's announcement on SGXNet and physical copies of the Annual Report and Notice of AGM will be despatched to the address in Singapore registered by the shareholders with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. Shareholders are invited to such meetings to put forth any questions they may have on the motions to be debated and decided upon. Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures. Shareholders are informed of the voting rules and procedures at the general meeting.

A shareholder who is unable to attend the general meetings is entitled to appoint up to two proxies unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the general meetings, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder.

The Board notes that there should be separate resolutions at general meetings on each substantially separate issue. In the event that there are resolutions which are interlinked, the Board will explain the reasons and material implications. Each item of special business included in the notice of meetings will be accompanied by the relevant explanatory notes. This is to enable the shareholders to understand the nature and effect of the proposed resolutions.

CORPORATE GOVERNANCE REPORT

The Chairpersons of AC, RC and NC are present at the AGM to answer questions relating to the work of these Board Committees. To ensure that all shareholders can participate effectively in and vote at general meeting, voting at general meetings of the Company are conducted by poll. The Chairman of the meeting, with the assistance of service providers engaged by the Company, will brief shareholders on the procedure involved in voting by poll. An announcement of the detailed results of the poll showing the number of votes cast for and against each resolution and the respective percentage of votes cast will be announced after the general meeting via SGXNet.

The Company prepares minutes of general meetings which incorporate substantial and relevant comments or queries from shareholders, and responses from the Board and Management, and publishes these on SGXNet within one month of the general meeting, for the benefit of all shareholders.

The forthcoming AGM will be held by way of physical meeting at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807 on the 30th day of July 2025 at 9.00 a.m..

Shareholders may appoint the Chairman of the AGM or persons other than the Chairman of the AGM as proxy to vote on their behalf at the AGM. Shareholders may submit questions relating to the business of the meeting in advance. Please refer to the notice of AGM accompanying this Annual Report and the announcement on SGXNet of the same date for further information.

Dividend policy

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Where dividends are not paid, the Company expressly discloses the reasons together with the announcement of the financial statements. Notwithstanding the above, any declaration of dividends is clearly communicated to the shareholders via SGXNet.

Due to the Group's subdued financial performance, no dividend has been declared or recommended for the current reporting period on grounds of prudence.

4.2. 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.

All shareholders are treated fairly and equitably to facilitate their ownership rights. The Board is accountable to shareholders and aims to provide the shareholders with a balanced and understandable assessment of the Group's performance, position and prospects by furnishing timely information and ensuring full disclosure of material information to shareholders in compliance with statutory requirements and the Catalist Rules. The Management is responsible to the Board and the Board itself is accountable to the shareholders of the Company. The Board is provided with the management accounts of the Group's performance and position on a quarterly basis. The Board has also taken steps to ensure compliance with legislative and regulatory requirements.

In line with the continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Companies Act 1967 of Singapore, it is the Board's policy to ensure that all shareholders are informed regularly and on a timely basis of every significant development that has an impact on the Group.

Pertinent information is communicated to shareholders on a regular and timely basis through the following means:

- (a) financial results and annual reports are announced or issued within the legally prescribed period;
- (b) material information is disclosed in a comprehensive, accurate and timely manner via SGXNet and the media channels (where applicable) thereafter; and
- (c) the Company's general meetings.

CORPORATE GOVERNANCE REPORT

Investor Relations Policy

The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arise.

The Company welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis. At shareholders' meetings, shareholders are given the opportunity to communicate their views and to ask the Directors and Management questions regarding the Group. The Company is open to meetings with shareholders, and in conducting such meetings, is mindful to ensure fair disclosure.

5. MANAGING STAKEHOLDER RELATIONSHIPS

5.1 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 undertakes an annual review in identifying its material stakeholders through various mediums and channels to understand their needs and expectations, address their concerns so as to improve services and products' standards, as well as to align the business interest with those of the stakeholders and ultimately generate sustainable value in the long run. It assesses the material environment, social and governance factors that affect the Group.

Currently, the Company updates its shareholders on its corporate developments through SGXNet as well as the URL link of the Company's announcements provided on the corporate website – <https://www.chinakunda.com>. The Board is of the view that such mediums are sufficient to keep shareholders updated.

The corporate website is maintained to communicate and engage with stakeholders. Stakeholders may also send their queries to the email address or mailing address provided on the corporate website - <https://www.chinakunda.com>.

6. DEALINGS IN SECURITIES

Pursuant to Rule 1209(19) of the Catalist Rules, the Company has adopted a policy on dealings in the Company's securities by the Directors, officers and employees of the Company and its subsidiaries.

Directors and all key executives are advised not to deal in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Directors and officers are prohibited to deal in the Company's securities, during the period commencing one month before the announcement of the Company's half yearly results or full year results and ending on the date of the announcement of the results.

Directors and officers are also expected to observe insider-trading laws at all times and to ensure that their dealings in securities do not contravene the laws on insider trading under the Securities and Futures Act, and the Companies Act.

7. MATERIAL CONTRACTS

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that there was no material contract entered into by the Company or any of its subsidiary companies involving the interests of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2025 or if not then subsisting, entered into since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

8. INTERESTED PERSONS TRANSACTIONS ("IPTs")

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on an arm's length basis that are not prejudicial to the interests of the shareholders in compliance with the requirements of Rule 1204(17) of the Catalist Rules. When a potential conflict of interests occurs, the Director concerned will be excluded from discussions and refrain from exercising any influence over other members of the Board. Save for as disclosed below, there are no other IPTs conducted during the financial year, which exceeds S\$100,000 in value.

Name of Interested Person	Nature of Relationship	Aggregate value of all IPTs conducted during FY2025 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted during FY2025 under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		HK\$'000	HK\$'000
<u>Shenzhen Kunda Precision Mould Co., Ltd</u> Rental of factory premise at Bao Long Yi Road	Refer to note ⁽²⁾	3,576 ⁽¹⁾	–
Total		3,576	–

The Group does not have a general mandate obtained from shareholders for IPTs.

Notes:

- (1) The total rental of RMB 3,312,000 was translated at the average exchange rate of RMB1.00:HK\$1.0797 for FY2025. The difference between the value at risk announced on 28 June 2024 and the table above is due to the differences in exchange rate used during the respective time period.
- (2) Shenzhen Kunda Precision Mould Co., Ltd – a company incorporated in PRC. The shareholders of Shenzhen Precision are our Executive Chairman and CEO, Cai Kaoqun and our Executive Director, Cai Kaobing who hold 95% and 5% of the equity interests in Shenzhen Precision respectively. The directors of Shenzhen Precision are Cai Kaoqun, and our Executive Director, Cai Kaobing.

9. NON-SPONSOR FEES

Pursuant to Rule 1204(21) of the Catalist Rules, no non-sponsor fees were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2025.

Financial Content

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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of China Kunda Technology Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2025.

1. Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 69 to 106 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company 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, after considering the measures taken by the Group and the Company with respect to the Group's and the Company's ability to continue as going concerns as described in Note 3 to the financial statements, there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Cai Kaoqun
Cai Kaobing
Lam Kwong Fai
Chen Liping
Foo Quek Cheng

3. Arrangements to enable directors to acquire shares and debentures

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 or debentures of the Company or any other body corporate.

4. Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under section 164 of the Singapore Companies Act 1967, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Name of director				
Ordinary shares of the Company				
Cai Kaoqun	8,010,000	8,010,000	123,084,000	123,084,000
Cai Kaobing	–	–	19,200,000	19,200,000

China Hongda Holdings Limited ("CHH") and Good Moral Technology Limited ("GMT") holds 123,084,000 and 19,200,000 shares in the Company respectively.

DIRECTORS' STATEMENT

4. Directors' interests in shares and debentures (continued)

Mr. Cai Kaoqun holds 100% equity interests in CHH and Mr. Cai Kaobing hold 80% equity interests in GMT. By virtue of their controlling interest of not less than 20% in CHH and GMT respectively, Mr. Cai Kaoqun and Mr. Cai Kaobing are deemed under section 7 of the Singapore Companies Act 1967, to have an interest in the shares of the Company held by CHH and GMT respectively.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 April 2025.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

5. Options

No option to take up unissued shares of the Company or its subsidiary corporations was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

6. Audit committee

The Audit Committee ("AC") carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance. The functions performed and further details are set up in the Corporate Governance Report.

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened three meetings during the year with full attendance from all members. The AC has also met with internal and external auditor, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Corporate Governance Report.

7. Independent Auditor

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

On behalf of the board of directors:

Cai Kaoqun
Director

Cai Kaobing
Director

20 June 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of China Kunda Technology Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of China Kunda Technology Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") as set out on pages 69 to 106, which comprise the balance sheets of the Group and the Company as at 31 March 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statements of cash flows of the Group and statement of changes in equity of the Company for the 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 and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore 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 31 March 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the 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 assessment of investment in subsidiaries

Description of key audit matter

As disclosed in Note 11 to the financial statements, the Company has net investment in subsidiaries amounting to HK\$25.3 million after deducting impairment loss of HK\$46.7 million as at 31 March 2025. During the financial year ended 31 March 2025, management performed an impairment review of its subsidiaries, which have been incurring operating losses. Based on the results of this assessment, no additional impairment loss nor reversal of previously recognised impairment loss was recognised during the financial year.

We identified this as a key audit matter because it represents a significant area of focus in the audit, due to the magnitude of the carrying amount of the investment in subsidiaries and the significant management judgement and estimates involved in the assessment.

Management assessed the recoverable amount of the investment in subsidiaries based on value in use ("VIU") using the discounted cash flow ("DCF") method. The use of the DCF involves significant estimates for the key assumptions in forecasted revenue, gross profit margin, discount rate and long-term growth rate as disclosed in Notes 3.2 and 11 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of China Kunda Technology Holdings Limited

Report on the audit of the financial statements (continued)

Key audit matters (continued)

Impairment assessment of investment in subsidiaries (continued)

Our procedures to address the key audit matter

We obtained an understanding of management's impairment assessment process. We assessed and challenged the key estimates applied in the VIU calculation by comparing the cash flow projections to the subsidiaries' historical data and performance, contracts with customers and expected future financial performance. We also test management's ability to make reliable estimates by comparing actual results in current financial year to prior year forecast. In addition, we involved our internal valuation specialist in assessing the reasonableness of the discount rate used. We performed stress testing on certain assumptions to evaluate the sensitivity of the outcomes, considering the downside scenarios against reasonably plausible changes to the key assumptions.

We have also assessed the adequacy and appropriateness of the disclosures in respect of the impairment assessment.

Other matter

The consolidated financial statements of the Group and the balance sheet and the statement of changes in equity of the Company for the financial year ended 31 March 2024 were audited by another independent auditor whose report dated 24 June 2024 expressed an unmodified opinion on those financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, 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.

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.

INDEPENDENT AUDITOR'S REPORT

To the Members of China Kunda Technology Holdings Limited

Report on the audit of the financial statements (continued)

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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of China Kunda Technology Holdings Limited

Report on the audit of the financial statements (continued)

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 auditor 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 Guo Shuqi.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

20 June 2025

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2025

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	4	38,928	28,468
Cost of sales		(35,381)	(24,863)
Gross profit		<u>3,547</u>	<u>3,605</u>
Other items of income			
Interest income	5	10	26
Other income	6	289	902
Other items of expense			
Selling and distribution expenses		(2,267)	(1,131)
General and administrative expenses		(10,944)	(10,882)
Other expenses	7	<u>(1,146)</u>	<u>(1,316)</u>
Loss before tax	8	(10,511)	(8,796)
Income tax expense	9	<u>-</u>	<u>-</u>
Loss for the year		<u><u>(10,511)</u></u>	<u><u>(8,796)</u></u>
Attributable to:			
Owners of the Company			
Loss for the year attributable to owners of the Company		<u><u>(10,511)</u></u>	<u><u>(8,796)</u></u>
Loss per share (HK cents per share)			
Basic and diluted	10	<u><u>(2.6)</u></u>	<u><u>(2.1)</u></u>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2025

	Note	2025 HK\$'000	2024 HK\$'000
Loss for the year		(10,511)	(8,796)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation, net of tax		(50)	(232)
Items that will not be reclassified subsequently to profit or loss			
Foreign currency translation, net of tax		52	(571)
Other comprehensive income/(loss) for the year, net of tax		2	(803)
Total comprehensive loss for the year		<u>(10,509)</u>	<u>(9,599)</u>
Attributable to:			
Owners of the Company			
Total comprehensive loss for the year attributable to owners of the Company		<u>(10,509)</u>	<u>(9,599)</u>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2025

		Group		Company	
	Note	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
ASSETS					
Non-current assets					
Investment in subsidiaries	11	–	–	25,342	25,607
Plant and equipment	12	5,278	6,175	–	–
Intangible assets	13	443	436	–	–
		5,721	6,611	25,342	25,607
Current assets					
Inventories	14	4,440	4,137	–	–
Trade and other receivables	15	11,977	8,040	–	–
Prepayments	16	124	195	73	77
Amounts due from related parties	17	–	–	414	365
Cash and cash equivalents	18	3,131	8,081	117	188
		19,672	20,453	604	630
Total assets		25,393	27,064	25,946	26,237
LIABILITIES					
Current liabilities					
Trade and other payables	19	16,007	10,944	729	267
Contract liabilities	4(b)	515	953	–	–
Other liabilities	20	4,217	4,651	1,419	1,547
Amounts due to related parties	17	7,975	3,328	5,327	1,440
Income tax payable		12	12	–	–
		28,726	19,888	7,475	3,254
Net current (liabilities)/assets		(9,054)	565	(6,871)	(2,624)
Total liabilities		28,726	19,888	7,475	3,254
Net (liabilities)/assets		(3,333)	7,176	18,471	22,983
EQUITY					
Equity attributable to owners of the Company					
Share capital	21	148,309	148,309	148,309	148,309
Accumulated losses		(93,020)	(82,509)	(139,219)	(134,915)
Restructuring reserve	22(a)	(74,397)	(74,397)	–	–
Foreign currency translation reserve	22(c)	15,775	15,773	9,381	9,589
Total equity		(3,333)	7,176	18,471	22,983
Total equity and liabilities		25,393	27,064	25,946	26,237

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2025

	Attributable to owners of the Company					
	Equity, total	Equity attributable to owners of the Company, total	Share capital (Note 21)	Accumulated losses	Restructuring reserve (Note 22 (a))	Foreign currency translation reserve (Note 22(c))
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Group						
2025						
Opening balance at 1 April 2024	7,176	7,176	148,309	(82,509)	(74,397)	15,773
Loss for the year	(10,511)	(10,511)	-	(10,511)	-	-
<u>Other comprehensive income</u>						
Foreign currency translation	2	2	-	-	-	2
Other comprehensive income for the year, net of tax	2	2	-	-	-	2
Total comprehensive (loss)/ income for the year	(10,509)	(10,509)	-	(10,511)	-	2
Closing balance at 31 March 2025	(3,333)	(3,333)	148,309	(93,020)	(74,397)	15,775
Group						
2024						
Opening balance at 1 April 2023	16,775	16,775	148,309	(73,713)	(74,397)	16,576
Loss for the year	(8,796)	(8,796)	-	(8,796)	-	-
<u>Other comprehensive loss</u>						
Foreign currency translation	(803)	(803)	-	-	-	(803)
Other comprehensive loss for the year, net of tax	(803)	(803)	-	-	-	(803)
Total comprehensive loss for the year	(9,599)	(9,599)	-	(8,796)	-	(803)
Closing balance at 31 March 2024	7,176	7,176	148,309	(82,509)	(74,397)	15,773

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2025

	Equity, total HK\$'000	Share capital (Note 21) HK\$'000	Accumulated losses HK\$'000	Foreign currency translation reserve (Note 22(c)) HK\$'000
Company				
2025				
Opening balance at 1 April 2024	22,983	148,309	(134,915)	9,589
Loss for the year	(4,304)	–	(4,304)	–
<u>Other comprehensive loss</u>				
Foreign currency translation	(208)	–	–	(208)
Other comprehensive loss for the year, net of tax	(208)	–	–	(208)
Total comprehensive loss for the year	(4,512)	–	(4,304)	(208)
Closing balance at 31 March 2025	18,471	148,309	(139,219)	9,381
Company				
2024				
Opening balance at 1 April 2023	28,851	148,309	(130,512)	11,054
Loss for the year	(4,403)	–	(4,403)	–
<u>Other comprehensive loss</u>				
Foreign currency translation	(1,465)	–	–	(1,465)
Other comprehensive loss for the year, net of tax	(1,465)	–	–	(1,465)
Total comprehensive loss for the year	(5,868)	–	(4,403)	(1,465)
Closing balance at 31 March 2024	22,983	148,309	(134,915)	9,589

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2025

		Group	
	Note	2025 HK\$'000	2024 HK\$'000
Operating activities			
Loss before tax, total		(10,511)	(8,796)
<u>Adjustments for:</u>			
Depreciation of plant and equipment	12	837	966
Amortisation of intangible assets	13	213	55
Inventories written-down, net	7	1,000	1,134
Impairment loss on trade and other receivables	7	99	171
Gain on disposal of plant and equipment	6	(159)	(49)
Interest income	5	(10)	(26)
Effect of exchange rate changes		23	(31)
Total adjustments		2,003	2,220
Operating cash flows before changes in working capital		(8,508)	(6,576)
<u>Changes in working capital</u>			
Trade and other receivables		(4,148)	1,051
Inventories		(1,348)	(3,402)
Prepayments		69	(14)
Trade and other payables		5,214	2,941
Other liabilities		(820)	(142)
Amount due to related parties, net		2,556	2,006
Total changes in working capital		1,523	2,440
Cash flows used in operations		(6,985)	(4,136)
Interest received		10	26
Net cash flows used in operating activities		(6,975)	(4,110)
Investing activities			
Purchase of plant and equipment	12	(56)	-
Proceeds from disposal of plant and equipment		217	52
Purchase of computer software	13	(224)	(494)
Net cash flows used in investing activities		(63)	(442)
Financing activities			
Proceeds from interest-free loan from a related party		2,159	-
Net cash flows generated from financing activities		2,159	-
Net decrease in cash and cash equivalents		(4,879)	(4,552)
Effect of exchange rate changes on cash and cash equivalents		(71)	(624)
Cash and cash equivalents at 1 April		8,081	13,257
Cash and cash equivalents at 31 March	18	3,131	8,081

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2025

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

	Note	Group Amount due to a related party (non-trade)	
		2025 HK\$'000	2024 HK\$'000
Balance at 1 April		2,855	1,120
Changes from operating cash flows		1,574	1,696
Changes from financing cash flows:			
- Loan from		2,159	-
Non-cash changes:			
- Effect of exchange rate changes		138	39
Balance at 31 March	17	6,726	2,855

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

1. Corporate information

China Kunda Technology Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange.

The registered office of the Company is at 4 Shenton Way, SGX Centre 2, #17-01, Singapore 068807. The principal place of business of the Group is located at Bao Long Industrial Park, Bao Long Yi Road, Longgang District, Shenzhen City, Guangdong Province, People’s Republic of China (“PRC”).

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

2. Material accounting policy information

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity 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 on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Hong Kong Dollars (HKD or HK\$) and all values in the tables are rounded to the nearest thousand (HK\$’000), except when otherwise indicated.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumption 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 and 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 a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

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

2.2 Changes in accounting policies and disclosure

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. Material accounting policy information (continued)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Annual Improvements to SFRS(I)s	1 January 2026
Amendments to SFRS(I) 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to SFRS(I) 19 <i>Subsidiaries without Public Accountability: Disclosure</i>	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the accounting standards above will have no material impact on the financial statements in the year of initial application except as disclosed below:

SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18 will replace SFRS(I)1-1 *Presentation of Financial Statements* for annual reporting period beginning on or after 1 January 2027, with earlier application permitted. It requires retrospective application with specific transition provisions.

The new standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present subtotals and totals for “operating profit”, “profit or loss before financing and income taxes”, and “profit or loss” in the statement of profit or loss;
- Enhanced guidance on aggregating and disaggregating information in financial statements; and
- Management-defined performance measures (“MPMs”) are disclosed in a single note within the financial statements. This note includes details on how the measure is calculated, the relevance of the information provided to users, and a reconciliation to the most comparable subtotal specified by the SFRS(I).

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is in the process of assessing the impact of the new standard on the primary financial statements and notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. Material accounting policy information (continued)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Consolidation of the subsidiaries in Hong Kong and PRC is based on the subsidiaries' financial statements prepared in accordance with SFRS(I). Profits reflected in the financial statements prepared in accordance with SFRS(I) may differ from those reflected in the PRC statutory financial statements of the subsidiaries, prepared for PRC statutory reporting purposes. In accordance with the relevant laws and regulations, profits available for distribution by the PRC subsidiaries are based on the amounts stated in their respective statutory financial statements.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2.5 Foreign currency

The financial statements are presented in Hong Kong Dollars. The functional currency of the Company is Renminbi ("RMB"). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into RMB and then into HKD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. Material accounting policy information (continued)

2.6 *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

		<u>Years</u>
Office equipment	–	2 to 5
Plant and machinery	–	3 to 10
Motor vehicles	–	4 to 5
Renovations	–	3 to 5

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

2.7 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.8 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. Material accounting policy information (continued)

2.9 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes party to the contractual provisions of the instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, through amortisation process.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gain and losses and interest calculated using the effective interest method are recognised in profit or loss.

The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. Material accounting policy information (continued)

2.9 Financial instruments (continued)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.10 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. 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 expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. 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 recognised for credit losses expected over the remaining life of exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises 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 for forward-looking factors specific to the debtors and the economic environment.

For bill receivables at fair value through OCI, the Group accesses the credit risk of the financial institution, which issues the bills at every reporting date. The Group evaluates whether the bills are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort.

The Group considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. Material accounting policy information (continued)

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a weighted-average cost 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.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the company in Singapore in the Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme.

Subsidiaries incorporated in the PRC are required to provide certain staff pension benefits to their employees under existing PRC legislation. Pension contributions are provided at rates stipulated by PRC regulations and are contributed to a pension fund managed by government agencies, which are responsible for paying pensions to the PRC's subsidiaries' retired employees.

Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.14 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. Material accounting policy information (continued)

2.15 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised goods or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of IMD mould and products

Revenue from the sale of IMD mould and sale of IMD products is recognised at a point in time when control of the goods is transferred to the customer, generally upon delivery.

2.16 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. Material accounting policy information (continued)

2.16 Taxes (continued)

(b) *Deferred tax (continued)*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

2.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with in the subsequent paragraphs).

Going concern

The Group reported a net loss of HK\$10.5 million (FY2024: HK\$8.8 million) and operating cash outflow of HK\$7.0 million (FY2024: HK\$4.1 million) for the financial year ended 31 March 2025. As at 31 March 2025, the Group is in a net liability position and net current liability position of HK\$3.3 million (FY2024: net asset position of HK\$7.2 million) and HK\$9.1 million (FY2024: net current asset of HK\$0.6 million) respectively and the Company is in a net current liability position of HK\$6.9 million (FY2024: HK\$2.6 million).

Management has performed a detailed analysis of the Group's and Company's going concern assessment and continues to have a reasonable expectation that the Group and the Company have adequate resources to continue in operation for at least the next 12 months from the date of authorisation of these financial statements and that the going concern basis of preparation of these financial statements remains appropriate. Accordingly, the going concern basis of preparation remains appropriate, based on the following considerations:

- (a) The Group has an arrangement with a director of the Company to defer his salary payments for the next twelve months from the date of authorisation of these financial statements, in order to ease the Group's cash flow requirements. The deferred salary will be settled once the Group's cash flow position permits.
- (b) The Group has obtained a loan facility of RMB4,000,000 from a related party, to enable it to meet its current and ongoing financial obligations and working capital requirements. The loan is unsecured, non-interest bearing and flexible repayment terms whereby the Group may determine the timing and repayment amount based on its own financial capability.
- (c) The Group has obtained a letter of undertaking from a related party, confirming that it will not demand repayment of any outstanding amounts due to it, whether currently due or falling within the next twelve months from the date of authorisation of these financial statements.
- (d) A director of the Company has undertaken to provide financial support to the Group and the Company to ensure their ability to meet short-term obligations and continue as going concerns for at least twelve months from the date of authorisation of these financial statements.

In addition, management has assessed the Group's cash flow projections for the twelve-month period following the date of authorisation of these financial statements and are satisfied that, together with the factors stated above, the Group will have sufficient liquidity to meet its liabilities as and when they fall due.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Impairment assessment on investment in subsidiaries

The Company has net investment in subsidiaries amounting to HK\$25.3 million after deducting impairment loss of HK\$46.7 million as at 31 March 2025. During the financial year ended 31 March 2025, management performed an impairment review of its subsidiaries, which have been incurring operating losses. Based on the results of this assessment, no additional impairment loss nor reversal of previously recognised impairment loss was recognised during the financial year.

The key assumptions applied in determination of the value in use are disclosed in Note 11 to the financial statements.

(ii) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 15.

The carrying amount of trade receivables as at 31 March 2025 amounted to HK\$11,588,000 (2024: HK\$7,914,000).

(iii) Impairment assessment for plant and equipment

As of 31 March 2025, the Group has plant and equipment of HK\$5.3 million (2024: HK\$6.2 million) that are used in a cash generating unit ("CGU") operating in the People's Republic of China. In consideration of the net loss of HK\$10.5 million incurred by the Group for the year ended 31 March 2025, the Group has identified indicators of impairment on the plant and equipment used in this CGU. Pursuant to the assessment of recoverable amounts based on value in use of these assets, the management assessed that no impairment was required for plant and equipment.

The key assumptions applied in determination of the value in use are disclosed in Note 12 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

4. Revenue

(a) Disaggregation of revenue

Segments	IMD and Plastic Injection Parts Total revenue	
	2025 HK\$'000	2024 HK\$'000
Primary geographical markets		
People's Republic of China ("PRC")	38,735	27,614
Europe	91	741
Others	102	113
	<u>38,928</u>	<u>28,468</u>
Major products		
IMD products	35,577	25,491
IMD moulds	3,351	2,977
	<u>38,928</u>	<u>28,468</u>
Timing of transfer of goods		
At a point in time	<u>38,928</u>	<u>28,468</u>

(b) Contract liabilities

Information about contract liabilities from contracts with customers is disclosed as follows:

Group	2025 HK\$'000	Group 2024 HK\$'000	1.4.2023 HK\$'000
Trade receivables from contracts with customers	11,588	7,914	9,750
Contract liabilities	<u>515</u>	<u>953</u>	<u>620</u>

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for sale of IMD products and IMD moulds.

Contract liabilities are recognised as revenue as the Group performs under the contract. Revenue recognised during the year that was included in the contract liabilities at the beginning of the year amounted to HK\$953,000 (2024: HK\$620,000).

5. Interest income

	Group	
	2025 HK\$'000	2024 HK\$'000
Interest income from bank balances	<u>10</u>	<u>26</u>

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

6. Other income

	Group	
	2025	2024
	HK\$'000	HK\$'000
Sale of raw materials/scrap materials	97	18
Government grants related to income	21	768
Gain on disposal of plant and equipment	159	49
Net foreign exchange gain	-	31
Others	12	36
	<u>289</u>	<u>902</u>

7. Other expenses

	Group	
	2025	2024
	HK\$'000	HK\$'000
Impairment loss on trade and other receivables	99	171
Inventories written-down, net	1,000	1,134
Net foreign exchange loss	23	-
Others	24	11
	<u>1,146</u>	<u>1,316</u>

8. Loss before tax

The following items have been included in arriving at loss before tax:

		Group	
	Note	2025	2024
		HK\$'000	HK\$'000
Audit fees:			
- Auditors of the Company		425	409
- Other auditors		108	240
Non-audit fees:			
- Auditors of the Company		-	35
- Other auditors		35	-
Amortisation of intangible assets		213	55
Depreciation of plant and equipment		837	966
Employee benefits expense		15,045	12,192
Expenses relating to short-term leases	25	1,574	1,696
Research expenses		1,871	1,057
Inventories recognised as an expense in cost of sales	14	<u>35,381</u>	<u>24,863</u>

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

8. Loss before tax (continued)

Breakdown of employee benefits expenses:

	Group	
	2025	2024
	HK\$'000	HK\$'000
Employee benefits expense (including directors):		
Salaries and bonuses	13,333	10,780
Directors' fees (Note 24(b))	665	749
Contribution to defined contribution plans	813	478
Other personnel expenses	234	185
	<u>15,045</u>	<u>12,192</u>

9. Income tax expense

Relationship between tax expense and accounting loss

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rates for the financial years ended 31 March 2025 and 2024 is as follows:

	Group	
	2025	2024
	HK\$'000	HK\$'000
Loss before tax	<u>(10,511)</u>	<u>(8,796)</u>
Tax at the domestic rates applicable to profits in the countries where the Group operates	2,199	1,437
Adjustments:		
Non-deductible expenses	(1,147)	(972)
Income not subject to taxation	614	316
Tax effect on tax losses arising in the current year not recognised	<u>(1,666)</u>	<u>(781)</u>
Income tax expenses recognised in profit or loss	<u>-</u>	<u>-</u>

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

(i) China Kunda Technology Holdings Limited

The Company is incorporated in Singapore and the corporate income tax rate applicable to the Company for the financial years ended 31 March 2025 and 31 March 2024 is 17%. No provision for income tax has been made as the Company has no assessable profits for the financial years ended 31 March 2025 and 31 March 2024.

(ii) Kunda Plastic Electronic (Shenzhen) Co., Ltd ("KPE")

Pursuant to the Enterprise Income Tax of the PRC (the "EIT Law") promulgated by the National People's Congress on 16 March 2007 (effective from 1 January 2008), resident and non-resident enterprises deriving income from the PRC are subject to Enterprise Income Tax ("EIT"). Under the EIT Law, EIT applies to all enterprises, including Foreign-invested enterprises and domestic enterprises. The general applicable EIT rate in the PRC is 25%.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

9. Income tax expense (continued)

(iii) Kunda Industrial Limited ("BVI")

BVI was incorporated in the British Virgin Islands ("BVI") under the International Business Companies Act of the British Virgin Islands and, accordingly, is exempted from payment of British Virgin Islands income taxes. Under the prevailing PRC Income Tax Law, BVI is being treated as having a permanent establishment in the PRC as BVI rendered its services in the PRC through its employees stationed in Shenzhen. Accordingly, a portion of the technical service fee earned by BVI is regarded as onshore taxable income and is subjected to the PRC applicable tax rate of 25% for the financial year ended 31 March 2010. The rendering of technical services has ceased on 28 July 2009. Hence, BVI does not have any taxable profits for the financial years ended 31 March 2025 and 31 March 2024.

(iv) Yick Kwan Tat Enterprise Co., Ltd. ("YKT")

YKT is incorporated in Hong Kong and is subjected to a tax rate of 16.5% for the financial years ended 31 March 2025 and 31 March 2024.

Unrecognised tax losses

As at the end of the reporting period, the Group has unrecognised tax losses of HK\$30,598,000 (2024: HK\$24,862,000), that are available for offset against future taxable profits of the companies in which the losses arose. The tax losses expire in 2026 - 2030 (2024: 2026 - 2029).

Unappropriated profits

As at 31 March 2025 and 2024, the PRC subsidiary has no unappropriated profits for which no deferred tax liability has been recognised.

10. Loss per share

Basic loss per share is calculated by dividing loss net of tax, attributable to owners of the Company by the weighted average of the 409,800,000 (2024: 409,800,000) ordinary shares outstanding during the financial year.

The basic and diluted loss per share of the Group are the same as there were no potential dilutive ordinary shares outstanding as at 31 March 2025 and 2024.

The following tables reflect the loss and share data used in the computation of basic and diluted loss per share for the financial years ended 31 March:

	Group	
	2025	2024
	HK\$'000	HK\$'000
Loss net of tax, attributable to owners of the Company used in the computation of basic and diluted loss per share	<u>(10,511)</u>	<u>(8,796)</u>

Loss per share computation

The basic and diluted loss per share are calculated by dividing the loss for the year attributable to owners of the Company by the weighted average number of ordinary shares for basic and diluted earnings per share computation.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

11. Investment in subsidiaries

	Company	
	2025	2024
	HK\$'000	HK\$'000
Shares, at cost	72,009	72,762
Impairment losses	(46,667)	(47,155)
Carrying amounts ⁽¹⁾	<u>25,342</u>	<u>25,607</u>

⁽¹⁾ The difference in carrying amounts of investments in subsidiaries was due to translation at the closing rate at the respective year-end as a result of using a presentation currency different from the Company's functional currency.

Impairment testing of investment in subsidiaries

During the financial year ended 31 March 2025, management performed an impairment review of its subsidiaries, which have been incurring operating losses. Based on results of the review, no additional impairment loss was recognised (2024: NIL).

The Company assessed the recoverable amount of its subsidiaries based on the value in use calculation of the CGU identified, IMD and plastic injection parts operated by the subsidiary. The CGU was identified according to the ability of these assets to generate independent cash flows. The calculation of value in use of the CGU is most sensitive to the following assumptions:

Revenue growth rate: Revenue growth rate is based on management's estimate with reference to historical performance and future business outlook.

Gross profit margin: The gross profit margin applied was 37.0% derived from the recent two-year historical performance (2024: 42.9%).

Discount rate: The discount rate applied in determining the recoverable amounts was 15.0% (2024: 15.5%).

Long-term growth rate: Cash flows beyond the five-year period are forecasted after considering factors such as general market conditions, macroeconomic cycle, industry-specific and other relevant information. The forecasted growth rate used to extrapolate cash flow projections beyond the five-year period is 2.00% (2024: 2.32%) and does not exceed the long-term average growth rate for the industry in which the business operates.

Sensitivity to changes in assumptions

If the estimated gross margin used in the value in use calculation further decreased by 1%, the Company would have to recognise further impairment charge of HKD4.8 million on investment in subsidiaries.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

11. Investment in subsidiaries (continued)

Composition of the Group

The Group has the following significant investments in subsidiaries.

Name of company	Country of incorporation	Principal activities	Proportion (%) of ownership	
			2025 %	2024 %
<i>Held by the Company</i>				
Kunda Industrial Limited ⁽¹⁾	British Virgin Islands	Provision of technical services	100	100
Yick Kwan Tat Enterprise Company Limited ⁽²⁾⁽⁵⁾	Hong Kong	Supply of raw materials, machinery and provision of management services for the purposes of manufacture and sale of moulds and IMD products	100	100
<i>Held through Yick Kwan Tat Enterprise Company Limited:</i>				
Kunda Plastic Electronics (Shenzhen) Company Limited ⁽³⁾⁽⁴⁾	People's Republic of China	Manufacture and sale of moulds and IMD products	100	100

⁽¹⁾ Not required to be audited under the laws of the country of incorporation.

⁽²⁾ Audited by Kevin Law & Co. Certified Public Accountants (Practising).

⁽³⁾ Audited by Zhong Lian Certified Public Accountants (中联会计师事务所).

⁽⁴⁾ Audited by Baker Tilly, People's Republic of China for the purpose of consolidation

⁽⁵⁾ The Company has become dormant.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

12. Plant and equipment

Group	Office equipment HK\$'000	Plant and machinery HK\$'000	Motor vehicles HK\$'000	Renovations HK\$'000	Total HK\$'000
Cost					
At 1 April 2023	345	31,772	2,142	3,203	37,462
Disposals	–	(318)	–	–	(318)
Exchange differences	(18)	(1,319)	(111)	(167)	(1,615)
At 31 March 2024 and 1 April 2024	327	30,135	2,031	3,036	35,529
Additions	–	56	–	–	56
Disposals	(327)	(7,818)	(344)	–	(8,489)
Exchange differences	–	(228)	(19)	(32)	(279)
At 31 March 2025	–	22,145	1,668	3,004	26,817
Accumulated depreciation					
At 1 April 2023	338	24,406	1,987	3,203	29,934
Depreciation charge for the year	–	927	39	–	966
Disposals	–	(315)	–	–	(315)
Exchange differences	(18)	(943)	(103)	(167)	(1,231)
At 31 March 2024 and 1 April 2024	320	24,075	1,923	3,036	29,354
Depreciation charge for the year	–	810	27	–	837
Disposals	(320)	(7,769)	(342)	–	(8,431)
Exchange differences	–	(171)	(18)	(32)	(221)
At 31 March 2025	–	16,945	1,590	3,004	21,539
Net carrying amount					
At 31 March 2024	7	6,060	108	–	6,175
At 31 March 2025	–	5,200	78	–	5,278

Impairment testing of plant and equipment

The carrying amounts of plant and equipment allocated to the IMD and plastic injection parts CGU which is also the reportable segments are HK\$5.3 million (2024: HK\$6.2 million). The recoverable amounts of the CGU have been determined based on value in use. No impairment has been identified. Further details of the value in use calculation are disclosed in Note 11.

Sensitivity to changes in assumptions

Management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the plant and equipment to materially exceed its recoverable amount.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

13. Intangible assets

Group	Deferred development costs HK\$'000	Computer software HK\$'000	Total HK\$'000
Cost			
At 1 April 2023	38,485	–	38,485
Additions	–	494	494
Exchange differences	(2,004)	(3)	(2,007)
At 31 March 2024 and 1 April 2024	36,481	491	36,972
Additions	–	224	224
Exchange differences	(377)	(7)	(384)
At 31 March 2025	36,104	708	36,812
Accumulated amortisation and impairment			
At 1 April 2023	38,485	–	38,485
Amortisation for the year	–	55	55
Exchange differences	(2,004)	–	(2,004)
At 31 March 2024 and 1 April 2024	36,481	55	36,536
Amortisation for the year	–	213	213
Exchange differences	(377)	(3)	(380)
At 31 March 2025	36,104	265	36,369
Net carrying amount			
At 31 March 2024	–	436	436
At 31 March 2025	–	443	443

Deferred development costs

Deferred development costs relate to the development expenditure on moulds and IMD products.

All research costs and development costs not eligible for capitalisation have been expensed and are recognised in the “General and administrative expenses” line item in profit or loss.

Computer software

Computer software is amortised on a straight-line basis over its finite useful life, ranging from 3 to 5 years.

14. Inventories

	Group	
	2025 HK\$'000	2024 HK\$'000
Balance sheet:		
Raw materials (at cost)	1,291	1,106
Work-in-progress (at cost or net realisable value)	2,549	2,084
Finished goods (at cost or net realisable value)	600	947
	<u>4,440</u>	<u>4,137</u>

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

14. Inventories (continued)

	2025 HK\$'000	2024 HK\$'000
Income statement:		
Inventories recognised as an expense in cost of sales (Note 8)	35,381	24,863
Inventories written-down, net as included in the "Other expenses" line item in profit or loss (Note 7)	1,000	1,134

Inventories written-down was recognised to write down the related inventories to its net realisable value.

15. Trade and other receivables

	Group		Company	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Trade receivables	11,588	7,914	-	-
Bills receivables	372	108	-	-
Other receivables	17	18	-	-
Total trade and other receivables	11,977	8,040	-	-
Add: Amounts due from related parties (Note 17)	-	-	414	365
Add: Cash and cash equivalents (Note 18)	3,131	8,081	117	188
Less: Bills receivables at FVOCI	(372)	(108)	-	-
Total financial assets carried at amortised cost	14,736	16,013	531	553

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 days' terms (2024: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables denominated in foreign currencies at 31 March are as follows:

	Group	
	2025 HK\$'000	2024 HK\$'000
United States Dollar	239	221

Bills receivables

Bills receivables are generally on 90 - 180 days' terms.

Other receivables

Other receivables are unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

Amounts due from related parties

Amount due from related parties are non-trade related, unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

15. Trade and other receivables (continued)

Expected credit loss

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2025	2024
	HK\$'000	HK\$'000
Movement in allowance accounts:		
At 1 April	192	24
Charge for the year	99	171
Exchange differences	(1)	(3)
At 31 March	<u>290</u>	<u>192</u>

16. Prepayments

	Group		Company	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current:				
Advances to suppliers	51	118	-	-
Prepaid operating expenses	<u>73</u>	<u>77</u>	<u>73</u>	<u>77</u>
	<u>124</u>	<u>195</u>	<u>73</u>	<u>77</u>

17. Amounts due from/to related parties

	Group		Company	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<u>Amounts due from related parties</u>				
Subsidiaries, non-trade ⁽¹⁾	-	-	414	365
	<u>-</u>	<u>-</u>	<u>414</u>	<u>365</u>
<u>Amounts due to related parties</u>				
Subsidiaries, non-trade ⁽¹⁾	-	-	5,327	1,440
Related party, non-trade ⁽²⁾	6,726	2,855	-	-
Director, non-trade ⁽³⁾	<u>1,249</u>	<u>473</u>	<u>-</u>	<u>-</u>
	<u>7,975</u>	<u>3,328</u>	<u>5,327</u>	<u>1,440</u>

(1) The amounts due from/to subsidiaries are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

(2) The amount due to a related party is unsecured, non-interest bearing and repayable on demand. The related party is an entity where the directors of the Group also have control. Subsequent to the reporting date, the Group obtained a letter of undertaking from the related party, confirming that it will not demand repayment of any outstanding amounts, whether currently due or falling due within the next twelve months from the date of authorisation of these financial statements.

(3) The amount due to a director is unsecured, non-interest bearing and repayable on demand.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

18. Cash and cash equivalents

	Group		Company	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash at banks and on hand	3,131	8,081	117	188

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Cash at banks and on hand denominated in foreign currencies, other than the respective functional currencies of the Group entities at 31 March are as follows:

	Group		Company	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Singapore Dollar	117	188	117	188
United States Dollar	156	366	-	-
Hong Kong Dollar	29	524	-	-

19. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trade payables	11,477	9,090	-	-
Other payables	4,530	1,854	729	267
Total trade and other payables	16,007	10,944	729	267
Add: Amounts due to related parties (Note 17)	7,975	3,328	5,327	1,440
Add: Accrued operating expenses (Note 20)	3,489	3,991	1,419	1,547
Total financial liabilities carried at amortised cost	27,471	18,263	7,475	3,254

Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 120 days' terms.

Trade and other payables denominated in foreign currencies at 31 March are as follows:

	Group		Company	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Singapore Dollar	729	267	729	267

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

20. Other liabilities

	Group		Company	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Accrued operating expenses	3,489	3,991	1,419	1,547
VAT and other tax payables	728	660	–	–
	<u>4,217</u>	<u>4,651</u>	<u>1,419</u>	<u>1,547</u>

Other liabilities denominated in foreign currencies at 31 March are as follows:

	Group		Company	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Singapore Dollar	<u>1,419</u>	<u>1,547</u>	<u>1,419</u>	<u>1,547</u>

21. Share capital

	Group and Company			
	2025		2024	
	No. of shares		No. of shares	
	'000	HK\$'000	'000	HK\$'000
Issued and fully paid ordinary shares				
At 1 April and at 31 March	<u>409,800</u>	<u>148,309</u>	<u>409,800</u>	<u>148,309</u>

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

22. Other reserves

(a) Restructuring reserve

This represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares and capital reserve of subsidiaries acquired which is accounted for under "merger accounting".

(b) Statutory reserve fund

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the PRC, the subsidiaries are required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the reserve fund reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders. The PRC subsidiary recorded accumulated losses, thus the statutory reserve fund was Nil.

(c) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of the Company to Group's presentation currency and from operations whose functional currencies are different from that of the Group's presentation currency.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

22. Other reserves (continued)

(c) Foreign currency translation reserve (continued)

The foreign currency translation arising from the translation of the financial statements of the Company will not be reclassified subsequently to profit or loss. The foreign currency translation arising from the translation of the financial statements of the operations will be reclassified subsequently to profit or loss.

23. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has one reportable operating segment as follows:

IMD and Plastic injection parts

The IMD and Plastic injection parts segment provide specialised plastic injection parts and technical services used mainly in the production of electrical appliances and electronic devices.

IMD is the simultaneous injection moulding of a product with a formable plastic film. The formed film is inserted into the mould and then injected with the molten plastic resin to surround it, forming a finished integral part.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated by the Executive Chairman and Chief Executive Officer solely based on gross profit or loss. Certain expenses, other income, financial income/expense and income taxes are managed on a group basis and are not allocated to operating segments.

	IMD and Plastic injection parts HK\$'000	Note	Per consolidated financial statements HK\$'000
2025			
Revenue			
Sales to external customers	38,928		38,928
Segment results:			
Segment gross profit	3,547		3,547
Depreciation of plant and equipment	(837)		(837)
Amortisation of intangible assets	(213)		(213)
Gain on disposal of plant and equipment	159		159
Impairment loss on inventories	(1,000)		(1,000)
Impairment loss on trade and other receivables	(99)		(99)
Research expenses	(1,871)		(1,871)
Unallocated expenses, net		A	(10,197)
Loss before tax			(10,511)
Assets:			
Additions to non-current assets	280	B	280
Segment assets:	25,393		25,393
Segment liabilities:	28,726		28,726

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

23. Segment Information (continued)

	IMD and Plastic injection parts HK\$'000	Note	Per consolidated financial statements HK\$'000
2024			
Revenue			
Sales to external customers	28,468		28,468
Segment results:			
Segment gross profit	3,605		3,605
Depreciation of plant and equipment	(966)		(966)
Amortisation of intangible assets	(55)		(55)
Gain on disposal of plant and equipment	49		49
Impairment loss on inventories	(1,134)		(1,134)
Impairment loss on trade and other receivables	(171)		(171)
Research expenses	(1,057)		(1,057)
Unallocated expenses, net		A	(9,067)
Loss before tax			(8,796)
Assets:			
Additions to non-current assets	494	B	494
Segment assets:	27,064		27,064
Segment liabilities:	19,888		19,888

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A The net unallocated expenses mainly comprise employee benefits and operating lease expenses under General and administrative expenses and employee benefits under Selling and distribution expenses.

	2025 HK\$'000	2024 HK\$'000
Unallocated employee benefits under General and administrative expenses	(5,150)	(5,594)
Unallocated employee benefits under Selling and distribution expenses	(932)	(352)
Unallocated operating lease expenses under General and administrative expenses	(337)	(301)
Unallocated net foreign exchange (loss)/gain under Other income	(23)	36
Unallocated government grant related to income under Other income	21	768
Unallocated corporate expenses	(3,786)	(3,650)
Unallocated interest income	10	26
	(10,197)	(9,067)

B Additions to non-current assets consist of additions to plant and equipment and intangible assets. (2024: Additions to non-current assets consist of additions to intangible assets).

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

23. Segment Information (continued)

Geographical information

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
PRC	38,735	27,614	5,721	6,611
Europe	91	741	-	-
Others	102	113	-	-
	<u>38,928</u>	<u>28,468</u>	<u>5,721</u>	<u>6,611</u>

Non-current assets information presented above consists of plant and equipment and intangible assets, as presented in the consolidated balance sheet.

Information about major customers

Revenue from two major customers amounted to HK\$8,395,000 and HK\$7,040,000 (2024: HK\$4,325,000 and HK\$4,320,000) respectively arising from sales by the IMD and plastic injection parts.

24. Related party transactions

Related parties mainly comprise companies controlled or significantly influenced by the Group's key management personnel or their close family members.

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Group	
	2025	2024
	HK\$'000	HK\$'000
Rental of factory premises charged by a related party	<u>1,574</u>	<u>1,696</u>

(b) *Compensation of key management personnel*

	Group	
	2025	2024
	HK\$'000	HK\$'000
Salaries and bonuses	2,874	2,849
Directors' fees	665	749
Contribution to defined contribution plans	135	118
	<u>3,674</u>	<u>3,716</u>
Comprises amounts paid to:		
Directors of the Company	2,308	2,388
Other key management personnel	1,366	1,328
	<u>3,674</u>	<u>3,716</u>

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

25. Leases

Group as a lessee

The Group has leases of factory and office premises with lease terms of twelve months. The Group applies the 'short-term leases' recognition exemption for these leases.

The following are the amounts recognised in profit or loss:

	2025 HK\$'000	2024 HK\$'000
Expenses relating to short-term leases recognised in:		
- Cost of sales	1,237	1,395
- General and administrative expenses	337	301
Total amount recognised in profit or loss	<u>1,574</u>	<u>1,696</u>

26. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives for speculative purpose shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. The Company's exposure to credit risk arises primarily from amounts due from related parties. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

To assess whether there is a significant increase in credit risk, the Group and the Company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating, if publicly available
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

26. Financial risk management objectives and policies (continued)

Credit risk (continued)

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group and the Company continue to engage enforcement activity to attempt to recover the receivable due. When recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for financial assets.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables, using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance provision as at 31 March 2025 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

Group	Trade receivables past due					Total
	Current	Within 90 days	91 to 120 days	121 to 365 days	>365 days	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
31 March 2025						
Gross carrying amount	10,119	1,467	2	290	–	11,878
Loss allowance provision	–	–	–	(290)	–	(290)
31 March 2024						
Gross carrying amount	6,983	747	78	298	–	8,106
Loss allowance provision	–	–	–	(192)	–	(192)

Information regarding loss allowance movement of trade receivables are disclosed in Note 15.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

Credit risk concentration profile

As at 31 March 2025, approximately 36% (2024: 42%) of the Group's trade receivables relates to two (2024: two) major customers from IMD and plastic injection parts segment.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

26. Financial risk management objectives and policies (continued)

Credit risk (continued)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and short-term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15 (Trade and other receivables).

Liquidity 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 exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company actively manage its debt maturity profile, operating cash flows and availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of the overall liquidity management, the Group and the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows.

As disclosed in Note 3.1, the Group is dependent on a director of the Company for financial support.

Financial instruments whose cash flow amounts approximate carrying amounts

The Group has determined that the cash flows of cash at bank and on hand, trade and other receivables, trade payables, other payables, accrued operating expenses and amount due to related parties, secured on their notional amounts, reasonably approximate their carrying amounts because these have contractual maturities for one year or less.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risks arises primarily from their cash at bank that earns interest income at floating interest rate. As the Group and the Company have no significant interest-bearing assets and liabilities, the Group and the Company's profit or loss are substantially independent of changes in market interest rates.

Foreign currency risk

The Group holds cash and short-term deposits denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in Singapore Dollar and United States Dollars.

The Group has not entered into any hedge transactions.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations in the People's Republic of China ("PRC"), Singapore ("SG"), Hong Kong ("HK") and British Virgin Islands ("BVI"). The Group's net investments in PRC, SG, HK and BVI are not hedged as the currency position in RMB is considered to be long-term in nature.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

26. Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss net of tax to a reasonably possible change in the USD, HKD and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group	
	2025	2024
	HK\$'000 Loss after tax	HK\$'000 Loss after tax
USD/RMB - strengthened 3% (2024: 3%)	(9)	(15)
- weakened 3% (2024: 3%)	9	15
HKD/RMB - strengthened 3% (2024: 3%)	(1)	(13)
- weakened 3% (2024: 3%)	1	13
SGD/RMB - strengthened 3% (2024: 3%)	51	40
- weakened 3% (2024: 3%)	(51)	(40)

27. Fair value

(i) Fair value hierarchy

The table 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:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Group Level 2	
	2025	2024
	HK\$'000	HK\$'000
Assets measured at fair value		
Bills receivables	372	108

The fair value of bill receivables is calculated using quoted prices offered by the financial institutions at the end of reporting period.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

27. Fair value (continued)

- (ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

The carrying amounts of financial assets and financial liabilities at amortised cost are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

- (iii) The Group and the Company has no other financial instruments.

28. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtain new borrowings. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2025 and 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, other liabilities, amount due to related parties, loans and borrowings and financial liabilities, less cash and short-term deposits. Capital includes equity attributable to the owners of the Company less the abovementioned restricted statutory reserve fund.

		Group	
	Note	2025	2024
		HK\$'000	HK\$'000
Trade payables and other payables	19	16,007	10,944
Other liabilities	20	4,217	4,651
Amounts due to related parties	17	7,975	3,328
Less: Cash and cash equivalents	18	(3,131)	(8,081)
Net debt		25,068	10,842
Equity attributable to the owners of the Company		(3,333)	7,176
Total capital		(3,333)	7,176
Capital and net debt		21,735	18,018
Gearing ratio		115%	60%

29. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2025 were authorised for issue in accordance with a resolution of the directors on 20 June 2025.

STATISTICS OF SHAREHOLDINGS

As at 24 June 2025

Issued and fully paid up share capital	:	HK\$148,309,000
Number of shares	:	409,800,000
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	58	7.67	50,771	0.01
1,001 - 10,000	110	14.55	755,904	0.19
10,001 - 1,000,000	564	74.60	79,462,587	19.39
1,000,001 AND ABOVE	24	3.18	329,530,738	80.41
TOTAL	756	100.00	409,800,000	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CHINA HONGDA HOLDINGS LIMITED	123,084,000	30.04
2	PHILLIP SECURITIES PTE LTD	102,645,392	25.05
3	GOOD MORAL TECHNOLOGY LIMITED	19,200,000	4.69
4	CHERRY EQUITY PARTNERS LIMITED	13,023,000	3.18
5	MAYBANK SECURITIES PTE. LTD.	11,149,600	2.72
6	ABN AMRO CLEARING BANK N.V.	8,011,200	1.95
7	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	6,646,500	1.62
8	LIM & TAN SECURITIES PTE LTD	5,130,300	1.25
9	CHING KA LUN	4,901,000	1.20
10	CITIBANK NOMINEES SINGAPORE PTE LTD	4,706,300	1.15
11	DBS NOMINEES (PRIVATE) LIMITED	4,453,400	1.09
12	KOK TAT ONN	4,350,946	1.06
13	RAFFLES NOMINEES (PTE.) LIMITED	3,253,800	0.79
14	UOB KAY HIAN PRIVATE LIMITED	2,910,500	0.71
15	TEO AH BAN	2,569,900	0.63
16	SIM KEE HONG	2,050,000	0.50
17	OH CHEE KEONG	1,750,700	0.43
18	OCBC SECURITIES PRIVATE LIMITED	1,734,600	0.42
19	CHEN JING	1,650,000	0.40
20	YONG DEUNG MING	1,500,000	0.37
TOTAL		324,721,138	79.25

STATISTICS OF SHAREHOLDINGS

As at 24 June 2025

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 24 June 2025.

Name	Number of Ordinary Shares			
	Direct Interest	%	Indirect Interest	%
China Hongda Holdings Limited	123,084,000	30.04	–	–
Cai Kaoqun(1)	8,010,000	1.95	123,084,000	30.04

Notes:

- (1) Mr Cai Kaoqun is deemed to be interested in the 123,084,000 shares beneficially held by China Hongda Holdings Limited by virtue of his 100% shareholding in China Hongda Holdings Limited.

FREE FLOAT

As at 24 June 2025, approximately 63.33% of the issued ordinary shares of the Company were held in the hands of the public (on the basis of information available to the Company).

Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (the “AGM”) of **China Kunda Technology Holdings Limited** (the “Company”) will be convened and held at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807 on Tuesday, 30 July 2025 at 9.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and, if approved, to adopt the Audited Accounts for the financial year ended 31 March 2025 (“FY2025”) together with the Directors’ Report and Independent Auditor’s Report thereon.
(Resolution 1)
2. To approve the payment of Directors’ Fees of S\$114,000 for the financial year ended 31 March 2025 (2024: S\$128,750).
(Resolution 2)
3. To re-elect Mr Cai Kaobing as Director of the Company retiring pursuant to Regulation 107 of the Company’s Constitution.
[See Explanatory Note (i)]
(Resolution 3)
4. To re-elect Mr Thomas Lam Kwong Fai as Director of the Company retiring pursuant to Regulation 107 of the Company’s Constitution.
[See Explanatory Note (ii)]
(Resolution 4)
5. To re-appoint Baker Tilly TFW LLP as Auditor of the Company and to authorise the Directors to fix their remuneration.
(Resolution 5)
6. To transact any other ordinary business which may be properly transacted at the AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution (with or without amendments) as Ordinary Resolution:-

7. Authority to allot and issue new shares in the capital of the Company (“Shares”)

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

- (a) (i) allot and 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 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 while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution), to be issued pursuant to this Resolution shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any Instruments or any convertible securities;
 - (b) new Shares arising from exercising of share options or vesting of share awards, provided that the share options or share awards (as the case may be) 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 sub-paragraph (2)(a) or (2)(b) 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 this Resolution.

- (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 SGX-ST), all applicable legal requirements under the Companies Act and the Company's Constitution for the time being; and
- (4) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

(Resolution 6)

BY ORDER OF THE BOARD

CAI KAOQUN
EXECUTIVE CHAIRMAN AND CEO
15 JULY 2025
SINGAPORE

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON RESOLUTIONS TO BE PASSED:

- (i) Mr Cai Kaobing will, upon re-election as a Director of the Company, remain as an Executive Director of the Company. Mr Cai Kaobing is the brother of Mr Cai Kaoqun, the Executive Chairman and CEO of the Company. Saved as disclosed, there are no relationships (including immediate family relationships) between Mr Cai and other directors, the Company, its related corporation and its 5% shareholders. Pursuant to Rule 720(5) of the Catalist Rules, the information relating to Mr Cai as set out in the Appendix 7F of the Catalist Rules is disclosed in pages 42 to 48 of this Annual Report.
- (ii) Mr Thomas Lam Kwong Fai will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Mr Lam will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. There are no relationships (including immediate family relationships) between Mr Lam and the other Directors, the Company, its related corporations and its 5% shareholders. Pursuant to Rule 720(5) of the Catalist Rules, the information relating to Mr Lam as set out in the Appendix 7F of the Catalist Rules is disclosed in pages 42 to 48 of this Annual Report.

NOTES:

- (1) The AGM will be held in a wholly physical format which can accommodate up to 20 members in attendance at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807 on Wednesday, 30 July 2025 at 9.00 a.m.. There will be no option for members of the Company ("**Members**") to participate at the AGM by way of electronic means. Printed copies of this Notice of AGM, the Proxy Form and the FY2025 Annual Report will be sent to Members. These documents will also be made available on the SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.chinakunda.com>.

- (2) **Investors holding shares through Relevant Intermediaries**

A Member (whether individual or corporate) can appoint the Chairman of the AGM or persons other than the Chairman of the AGM as his/her/its proxy and give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the proxy/proxies will vote or abstain from voting at his/her/its discretion in respect of a resolution in the Proxy Form and at any adjournment thereof, except that where the Chairman of the AGM is appointed as proxy and no specific directions as to voting is given in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

Investors who hold shares through relevant intermediaries as defined in Section 181(6) of the Companies Act, including investors who hold shares under the Supplementary Retirement Scheme ("**SRS Investors**"), and who wish to participate in the AGM by (a) personally attend and cast their vote at the AGM; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM or persons other than the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, must approach their respective relevant intermediaries so that the necessary arrangements can be made for their participation in the AGM. Such investors who wish to appoint the Chairman of the AGM or persons other than the Chairman of the AGM as proxy should approach their respective intermediaries by **5.00 p.m. on Friday 18 July 2025, or such earlier or other date as specified by the relevant intermediaries**, to submit their votes, being at least seven (7) working days, or such other period as specified by the relevant intermediaries, prior to the date of the AGM.

Please refer to Note 4 for more information on the submission of proxy forms.

- (3) **Members' Queries**

Members may raise questions at the AGM or submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM in the following manner:

- (a) **by post** to the registered office of the Company at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807; or
- (b) **by email** to alex@chinakunda.com,

in either case to be received by **23 July 2025 at 9.00 a.m.** (seven (7) calendar days after the date of this notice). If any questions, comments or statements are made or submitted by any members(s) or proxy/proxies at or in advance of the AGM, or in relation to the resolutions to be tabled for approval at the AGM, the Company shall have the right to include the identity of such member(s) or proxy/proxies in any announcement(s) relating to the proceedings of the AGM and/or such questions.

For verification purpose, when submitting any questions by post or via email, Members **MUST** provide the Company with their particulars (comprising full name (for individuals) / company name (for corporates), email address, contact number, NRIC / passport number / company registration number, shareholding type and number of shares held), failing which the Company shall be entitled to regard the submission as invalid.

NOTICE OF ANNUAL GENERAL MEETING

The Company shall address the substantial and relevant queries by the above deadline for the submission of questions by **25 July 2025 at 9.00 a.m.** (at least forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms) and publish the minutes of the AGM on SGXNet, and the Company's website within one (1) month after the date of the AGM. Where there are substantially similar questions, the Company will consolidate such questions, consequently, not all questions may be individually addressed.

(4) Voting at the AGM, including Proxy Voting

A Member (including a relevant intermediary and whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM must exercise his/her/its voting rights in one of the following manners:

- (a) a Member entitled to attend and vote at the AGM and who is not a relevant intermediary may appoint not more than two (2) proxies to attend and vote in his/her/its stead;
- (b) a Member entitled to attend and vote at the AGM and who is a relevant intermediary may appointment more than two (2) proxies provided that each proxy is appointed to exercise the rights attached to different shares held by such member; or
- (c) by personally attending and voting at the AGM.

Where the Member opts to appoint one or more proxies in the manner as set out at Note 3(a) or 3(b) above, the instrument appointing the proxy must be submitted to the Company in the following manner:

- (a) **by post** to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) **by email** to: srs.teamd@boardroomlimited.com,

in either case by no later than **9.00 a.m. on Sunday 27 July 2025**, being at least 48 hours before the time appointed for holding the AGM. **Members are strongly encouraged to submit completed proxy forms electronically via email.**

The instrument appointing the proxy must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument of proxy is executed by a corporation, it must be executed under its common seal or under the hand of any officer or attorney duly authorised.

The Company shall be entitled to reject any instrument appointing a proxy 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 (such as the case where the appointor submits more than one instrument appointing a proxy). In addition, where the instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.

A Depositor's name must appear on the Depository Register maintained by the Central Depository (Pte) Limited ("CDP"), at least seventy-two (72) hours before the time appointed for holding the AGM in order to be entitled to attend and vote at the AGM or appoint the proxy.

PERSONAL DATA PRIVACY:

"Personal data" in this Notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes, inter alia, the member's name and its proxy's and/or representative's name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend 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 representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) 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 or services providers), 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 or service providers) 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.

CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

(Company Registration No. 200712727W)
(Incorporated in the Republic of Singapore)
(the "Company")

PROXY FORM
ANNUAL GENERAL MEETING

(Please see note overleaf before completing this Form)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies and vote at the AGM (please see Note 2 for the definition of "relevant intermediary").

2. Investors who hold shares under the Supplementary Retirement Scheme ("SRS Investors") may attend and cast their votes at the AGM personally. If they are unable to attend personally but would like to vote, they should inform their Supplementary Retirement Scheme operators to appoint persons other than the Chairman of the AGM to act as their proxy(ies), in which case, the SRS Investor shall be precluded from attending the AGM.

3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposed if used or purported to be used by then.

4. Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy to attend, speak and vote on behalf of a Member at the AGM.

PERSONAL DATA PRIVACY: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 July 2025.

*I/We (Name) _____ (NRIC/Passport/UEN No.) _____ of

(Address) _____

being a *member/members of CHINA KUNDA TECHONOLGY HOLDINGS LIMITED (the "Company") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

*and/or

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or, if no proxy is named, 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 convened and held physically on **30 July 2025 at 9.00 a.m.** and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against, or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific directors as to voting on the resolutions is given, the proxy./proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof, except that where the Chairman of the AGM is appointed as proxy and no specific directions as to voting is given in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

No.	Resolutions relating to:	No. of Votes For **	No. of Votes Against **	No. of Votes Abstain **
Ordinary Business				
1.	Adoption of Audited Accounts, Directors' Statement and Independent Auditor's Report for the financial year ended 31 March 2025 ("FY2025").			
2.	Approval for payment of Directors' Fees of S\$114,000 for the financial year ended 31 March 2025.			
3.	Re-election of Mr Cai Kaobing as a Director of the Company.			
4.	Re-election of Mr Thomas Lam Kwong Fai as a Director of the Company.			
5.	Re-appointment of Baker Tilly TFW LLP as Auditor of the Company and to authorise the Directors to fix their remuneration.			
Special Business				
6.	Authority to Directors to allot and issue new shares pursuant to Section 161 of the Companies Act.			

* Delete where applicable
** If you wish your proxy to cast your votes "For", "Against" or "Abstain" a resolution, please indicate "X" in the relevant box provided. Alternatively, please indicate the number of votes "For", "Against" in the relevant box provided. If you wish your proxy to abstain from voting on a resolution, please indicate "X" in the relevant box provided. Alternatively, please indicate the number of shares that your proxy to abstain from voting in respect of that resolution.

Dated this _____ day of _____ 2025

Total number of Shares in:	No. of Shares
CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s) and, in the case of a Corporate Shareholder, the Common Seal of the Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. A member should insert the total number of shares held in the Proxy Form. If the member has shares entered against his/her name in the Depository Register maintained by the Central Depository (Pte) Limited ("CDP"), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of shares. If the member has shares entered against his/her name in the said Depository Register and shares registered in his/her name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member.
2. **The AGM will be convened and held by way of physical format.** A member of the Company (whether individual or corporate) ("**Member**") may personally attend and vote at the AGM, or:
 - a. a Member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead at the AGM of the Company. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy; and
 - 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. Where such member appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in the proxy form to the Company.

In this proxy form, "**relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

3. In appointing a proxy, if no specific instructions are given by a Member, the proxy/proxies will vote or abstain from voting at his/her/its discretion in respect of a resolution in the Proxy Form and at any adjournment thereof, except that where the Chairman of the AGM is appointed as proxy and no specific directions as to voting is given in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
4. In the event that a Member, having appointed a proxy, personally attends and votes at the AGM, Company shall have the discretion to allow the Member's and/or proxy's attendance and, at the Company's discretion, count as valid the votes of either the Member or the proxy (on behalf of the Member).
5. SRS investors who wish to appoint the any person or persons as proxy should approach their respective SRS Operators to submit their votes by **5.00 p.m. on 18 July 2025**, being seven (7) working days prior to the date of the AGM.
6. The Chairman of the Meeting, as proxy, need not be a member of the Company.
7. The instrument appointing the proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy (if applicable), must be submitted to the Company in the following manner:
 - (a) If submitted **by post** to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) If submitted electronically **by email** to: srs.teamd@boardroomlimited.com,in either case by no later than 9.00 a.m. on Sunday 27 July 2025, being at least 48 hours before the time appointed for holding the AGM.
8. If the appointing Member is a corporate, this instrument of proxy must be executed by a director (in the case of a company), a partner (in the case of a partnership) or such other person of equivalent authority. The name and (in the case of corporates) designation of the signatory must be stated clearly in the signing block.
9. Where the instrument appointing a proxy or proxies is signed on behalf of the appointor or by an attorney or a duly appointed officer other than a director (in the case of a company) or a partner (in the case of a partnership), the letter or power of attorney or other authority (if any) or a notarially certified copy, or such other certification as may be accepted by the Company in its discretion, thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.
10. A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore. The Company shall be entitled to require the production of the corresponding instrument of authorisation prior to or at the AGM, and failure to produce a valid instrument of authorisation or an instrument that is incomplete, improperly completed or illegible may, at the Company's discretion, result in the votes placed by such purported representative being invalid pending further proof of authorisation.
11. The Company shall be entitled to reject the instrument of proxy if it is, or there is any dispute as to whether the instrument of proxy is, incomplete, improperly completed, improperly executed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (such as the case where the appointor submits more than one instrument of proxy) or where the aggregate number of shares over which the proxy/proxies has/have been appointed exceed the number of shares in the Company held by the appointor as at the books closure date for the AGM or where the submission of the instrument of proxy is inconsistent with the appointor's entitlement to vote at the AGM as at such books closure date.
12. The submission of this proxy form by a relevant intermediary constitutes a representation from such relevant intermediary that as at the books closure date for the AGM, the number of shares in the Company held, through the relevant intermediary, by each proxy appointed under this proxy form is equivalent to the number of shares in respect of which such proxy has been appointed, which number shall be notified to the Company together with the submission of this proxy form. If the number of shares held by the relevant intermediary in the Company's register of members as at the foregoing books closure date is less than the aggregate number of shares in the Company over which the relevant intermediary has appointed one or more proxy/proxies across all proxy forms submitted by the relevant intermediary, the relevant intermediary shall forthwith, and in any event no later than forty-eight (48) hours before the AGM, send such number of replacement proxy forms as may be required. Where the relevant intermediary fails to send such replacement proxy form(s), the Company shall be entitled to ask appointed proxies who attend the meeting to provide evidence of their shareholding in the Company (as held through the relevant intermediary, as at the foregoing books closure date) and, if such proxies fail to provide satisfactory evidence of such shareholding, disallow the proxies from attending and voting at the AGM.
13. In the case of members whose Shares are entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by the Central Depository (Pte) Limited ("CDP"), at least seventy-two (72) hours before the time appointed for holding the AGM in order to be entitled appoint the proxy. Otherwise, the Company shall be entitled to reject the instrument of proxy.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Cai Kaoqun

Executive Chairman and CEO

Mr. Cai Kaobing

Executive Director

Mr. Thomas Lam Kwong Fai

Lead Independent Director

Ms. Chen Liping

Independent Director

Ms. Foo Quek Cheng

Independent Director

AUDIT COMMITTEE

Mr. Thomas Lam Kwong Fai (Chairman)

Ms. Chen Liping

Ms. Foo Quek Cheng

REMUNERATION COMMITTEE

Ms. Foo Quek Cheng (Chairman)

Mr. Thomas Lam Kwong Fai

Ms. Chen Liping

NOMINATING COMMITTEE

Ms. Chen Liping (Chairman)

Ms. Foo Quek Cheng

Mr. Cai Kaoqun

COMPANY SECRETARIES

Ong Wei Jin

Chen Jianhao Kennedy

REGISTERED OFFICE

4 Shenton Way

SGX Centre 2, #17-01

Singapore 068807

Website: www.chinakunda.com

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.

(Member of Boardroom Limited)

1 Harbourfront Avenue

Keppel Bay Tower #14-07

Singapore 098632

AUDITOR

Baker Tilly TFW LLP

600 North Bridge Road

Level 5 Parkview Square

Singapore 188778

Partner-in-charge: Guo Shuqi

(since financial year ended 31 March 2025)

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited

Shenzhen Rural Commercial Bank

Ping An Bank

CONTINUING SPONSOR

PrimePartners Corporate Finance Pte. Ltd.

16 Collyer Quay

#10-00 Collyer Quay Centre

Singapore 049318

INVESTOR RELATIONS

100 Peak Seah St.

#08-14 PS100

Singapore 079333

Tel: (65) 6817 8944

Email: ir@chinakunda.com



China Kunda Technology Holdings Limited
100 Peck Seah St, #08-14 PS100, Singapore 079333
Tel: (65) 68178944 Email: ir@chinakunda.com