



CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

(Incorporated in Singapore with Company Registration No.: 200712727W)

SGX Stock Code: **GU5**

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR RESULTS

1(a) Condensed interim statement of profit or loss and other comprehensive income

<u>Condensed Interim Consolidated Income Statement</u>	Note	Group 6 months ended		Change %
		30-Sep-24 ('1H2025') HK\$'000	30-Sep-23 ('1H2024') HK\$'000	
<u>Continuing operations</u>				
Revenue	4	20,551	13,837	48.5
Cost of sales		(18,354)	(12,251)	49.8
Gross profit		2,197	1,586	38.5
Other items of income				
Interest income		7	16	(56.3)
Other income	5	73	872	(91.6)
Other items of expense				
Selling and distribution expenses		(846)	(581)	45.6
General and administrative expenses		(5,329)	(5,460)	(2.4)
Other expenses	6	(714)	(295)	142.0
Loss before tax from continuing operations	7	(4,612)	(3,862)	19.4
Income tax expense		-	-	n.m.
Loss for the period		(4,612)	(3,862)	19.4
Attributable to:				
Owners of the Company				
Loss for the period attributable to owners of the Company		(4,612)	(3,862)	19.4
Loss per share (HK cents per share)				
Basic and diluted	9	(1.13)	(0.94)	

n.m. : not meaningful

1(a) Condensed interim statement of profit or loss and other comprehensive income (cont'd)

	Group		
	1H2025	1H2024	Change
<u>Condensed Interim Consolidated Statement of Comprehensive Income</u>	HK\$'000	HK\$'000	%
Loss for the period	(4,612)	(3,862)	19.4
Other comprehensive income/ (loss):			
Items that may be subsequently reclassified to profit & loss:			
Foreign currency translation, net of tax	161	(350)	(146.0)
Items that may not be subsequently reclassified to profit & loss:			
Foreign currency translation, net of tax	(95)	(582)	(83.7)
Other comprehensive income/ (loss) for the period, net of tax	66	(932)	(107.1)
Total comprehensive loss for the period	(4,546)	(4,794)	(5.2)
Attributable to:			
Owners of the Company			
Total comprehensive loss for the period attributable to owners of the Company	(4,546)	(4,794)	(5.2)

1(b) Condensed interim statements of financial position

	Note	Group As at 30-Sep-24 HK\$'000	Group As at 31-Mar-24 HK\$'000	Company As at 30-Sep-24 HK\$'000	Company As at 31-Mar-24 HK\$'000
<u>Non-current assets</u>					
Investment in subsidiaries		-	-	26,198	25,607
Property, plant and equipment	11	5,941	6,175	-	-
Intangible assets	12	580	436	-	-
Total non-current assets		6,521	6,611	26,198	25,607
<u>Current assets</u>					
Inventories	13	4,482	4,137	-	-
Trade and other receivables	14	12,353	8,040	-	-
Prepayments		172	195	57	77
Amount due from related parties	14	-	-	385	365
Cash and cash equivalents	14	3,795	8,081	1,087	188
Total current assets		20,802	20,453	1,529	630
Total Assets		27,323	27,064	27,727	26,237
<u>Current liabilities</u>					
Trade and other payables	14	15,482	10,944	1,474	267
Other liabilities	15	4,634	5,604	748	1,547
Amount due to related parties	14	4,565	3,328	4,161	1,440
Provision for taxation		12	12	-	-
Total current liabilities		24,693	19,888	6,383	3,254
Net current (liabilities)/ assets		(3,891)	565	(4,854)	(2,624)
Total liabilities		24,693	19,888	6,383	3,254
Net assets		2,630	7,176	21,344	22,983
<u>Equity attributable to owners of the Company</u>					
Share capital	17	148,309	148,309	148,309	148,309
Accumulated losses		(87,121)	(82,509)	(137,036)	(134,915)
Restructuring reserve		(74,397)	(74,397)	-	-
Foreign currency translation reserve		15,839	15,773	10,071	9,589
Total equity		2,630	7,176	21,344	22,983
Total equity and liabilities		27,323	27,064	27,727	26,237

1(c) Condensed interim consolidated statements of cash flows

	Group	
	1H2025 (HK\$'000)	1H2024 (HK\$'000)
Operating activities		
Loss before tax	(4,612)	(3,862)
Adjustments for:		
Depreciation of property, plant and equipment	425	512
Amortisation of intangible assets	94	-
Impairment loss on inventories	633	295
Gain on disposal of property, plant and equipment	(34)	(42)
Interest income	(7)	(16)
Unrealised foreign exchange gain	74	(45)
Operating cash flows before working capital changes	(3,427)	(3,158)
(Increase)/Decrease in:		
Trade and other receivables	(4,038)	807
Inventories	(877)	(1,849)
Prepayments	27	14
Increase/(Decrease) in:		
Trade and other payables	4,192	1,712
Other liabilities	(1,075)	(802)
Amount due to related parties, net	1,135	948
Cash flows generated used in operations	(4,063)	(2,328)
Interest received	7	16
Net cash flows used in operating activities	(4,056)	(2,312)
Investing activities		
Purchase of property, plant and equipment	(56)	-
Proceeds from disposal of property, plant and equipment	34	42
Purchase of computer software	(225)	-
Net cash flows (used in)/generated from investing activities	(247)	42
Net decrease in cash and cash equivalents	(4,303)	(2,270)
Effect of exchange rate changes on cash and cash equivalents	17	(713)
Cash and cash equivalents at beginning of financial period	8,081	13,257
Cash and cash equivalents at end of financial period	3,795	10,274

1(d) Condensed interim statements of changes in equity

	Attributable to owners of the Company				
	Equity, total HK\$'000	Share capital HK\$'000	Accumulated losses HK\$'000	Restructuring reserve HK\$'000	Foreign currency translation reserve HK\$'000
Group					
1H2025					
Opening balance at 1 April 2024	7,176	148,309	(82,509)	(74,397)	15,773
Loss for the period	(4,612)	-	(4,612)	-	-
Other comprehensive income for the period, net of tax	66	-	-	-	66
Total comprehensive (loss)/ income for the period	(4,546)	-	(4,612)	-	66
Closing balance at 30 September 2024	2,630	148,309	(87,121)	(74,397)	15,839
1H2024					
Opening balance at 1 April 2023	16,775	148,309	(73,713)	(74,397)	16,576
Loss for the period	(3,862)	-	(3,862)	-	-
Other comprehensive income for the period, net of tax	(932)	-	-	-	(932)
Total comprehensive loss for the period	(4,794)	-	(3,862)	-	(932)
Closing balance at 30 September 2023	11,981	148,309	(77,575)	(74,397)	15,644

1(d) Condensed interim statements of changes in equity (cont'd)

	<u>Attributable to owners of the Company</u>			
	Equity, total HK\$'000	Share capital HK\$'000	Accumulated losses HK\$'000	Foreign currency translation reserve HK\$'000
Company				
1H2025				
Opening balance at 1 April 2024	22,983	148,309	(134,915)	9,589
Loss for the period	(2,121)	-	(2,121)	-
Other comprehensive income for the period, net of tax	482	-	-	482
Total comprehensive (loss)/ income for the period	(1,639)	-	(2,121)	482
Closing balance at 30 September 2024	21,344	148,309	(137,036)	10,071
Company				
1H2024				
Opening balance at 1 April 2023	28,851	148,309	(130,512)	11,054
Loss for the period	(1,962)	-	(1,962)	-
Other comprehensive loss for the period, net of tax	(1,712)	-	-	(1,712)
Total comprehensive loss for the period	(3,674)	-	(1,962)	(1,712)
Closing balance at 30 September 2023	25,177	148,309	(132,474)	9,342

(A) Notes to the condensed interim consolidated financial statements

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 Catalist Board of the Singapore Exchange Securities Trading Limited. These unaudited condensed interim consolidated financial statements as at and for the six months ended 30 September 2024 ("**1H2025**") comprise the Company and its subsidiaries (collectively, the "**Group**"). The principal activity of the Company is investment holding. The principal activity of the Group mainly relating to the production and supply of moulds and in-mould decoration ("**IMD**") products.

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**").

2. Basis of preparation

These unaudited condensed interim 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 Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. They are also in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and the provisions of the Catalist Rules.

The accounting policies and methods of computation applied in these unaudited condensed interim consolidated financial statements are consistent with those of the latest audited annual financial statements for the financial year ended 31 March 2024 ("**FY2024**") except for the adoption of new and amended standards as set out in Note 2.1.

The unaudited condensed interim consolidated financial statements are presented in Hong Kong Dollars (HK\$) and all values in the tables are rounded to the nearest thousand (HK\$'000), except when otherwise indicated.

Going concern assumption

The Group reported a net loss of HK\$4.6 million (1H2024: net loss of HK\$3.9 million) and operating cash outflow of HK\$4.1 million (1H2024: HK\$2.3 million) for the financial period ended 30 September 2024. As at 30 September 2024, the Group's current liabilities exceeded the current assets by HK\$3.9 million (as at 31 March 2024, net current assets of HK\$0.6 million) and the Company's current liabilities exceeded its current assets by HK\$4.9 million (as at 31 March 2024: HK\$2.6 million). Nonetheless, the Group had on 14 June 2023 obtained an undertaking letter from the related parties to not demand payment or any amount that is or will be due to them as and when they fall due. Taking this into account, the Group would be reporting positive net working capital of HK\$0.7 million for 1H2025. In addition, the controlling shareholders of the Company undertakes to provide financial support to the Company and the Group in the event that the Group is unable to meet its short-term debt obligations when they fall due.

Having assessed the considerations above, the Board is of the opinion that the use of the going concern assumption in the preparation for financial statements for 1H2025 is appropriate and the Group and the Company have the ability to operate as going concern.

The Board, to the best of its knowledge and belief, confirms that all material disclosures have been provided for trading of the Company's securities to continue in an orderly manner.

2.1 New and amended standards adopted by the Group

In the current financial period, the Group had adopted all the new and revised SFRS(I) and SFRS(I) Interpretation ("**SFRS(I) INT**") that are relevant to its operations and effective for the current financial period. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT. The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

2.2 Use of judgements and estimates

In preparing the unaudited condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited consolidated financial statements as at and for FY2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonality of operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Financial information by operating segment

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

(a) *In-Mould Decoration ("IMD") and the Plastic Injection Parts Business (collectively, the "IMD Business")*

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 other 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.

4.1 Business segments

	1H2025 (HK\$'000)		1H2024 (HK\$'000)	
	IMD Business	Per consolidated financial statements	IMD Business	Per consolidated financial statements
Revenue				
Sales to external customers	20,551	20,551	13,837	13,837
Segment results:				
Segment gross profit	2,197	2,197	1,586	1,586
Depreciation of property, plant and equipment	(425)	(425)	(512)	(512)
Amortisation of intangible assets	(94)	(94)	-	-
Gain on disposal of property, plant and equipment	34	34	42	42
Impairment loss on inventories	(633)	(633)	(295)	(295)
Research expenses	(1,168)	(1,168)	(798)	(798)
Unallocated expenses, net		(4,523)		(3,885)
Loss before tax		(4,612)		(3,862)
Additions to non-current assets	281	281	-	-
	As at 30 September 2024		As at 31 March 2024	
Segment assets	27,323	27,323	27,064	27,064
Segment liabilities	24,693	24,693	19,888	19,888

4.2 Geographical segments

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

	Revenue		Non-current assets	
	1H2025 HK\$'000	1H2024 HK\$'000	30 Sept 2024 HK\$'000	31 Mar 2024 HK\$'000
PRC	20,482	13,347	6,521	6,611
Europe	69	404	-	-
Others	-	86	-	-
	20,551	13,837	6,521	6,611

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

4.3 Disaggregation of revenue

Segments	IMD and Plastic Injection Parts		Total revenue	
	1H2025 HK\$'000	1H2024 HK\$'000	1H2025 HK\$'000	1H2024 HK\$'000
Primary geographical markets				
PRC	20,482	13,347	20,482	13,347
Europe	69	404	69	404
Others	-	86	-	86
	<u>20,551</u>	<u>13,837</u>	<u>20,551</u>	<u>13,837</u>
Major products				
IMD products	19,361	12,389	19,361	12,389
IMD moulds	1,190	1,448	1,190	1,448
	<u>20,551</u>	<u>13,837</u>	<u>20,551</u>	<u>13,837</u>
Timing of transfer of goods				
At a point in time	20,551	13,837	20,551	13,837

4.4 Contract liabilities

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

	Group	
	30 September 2024 HK\$'000	31 March 2024 HK\$'000
Contract liabilities	872	953

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.

5. Other income

	Group	
	1H2025 HK\$'000	1H2024 HK\$'000
Sale of raw materials/scrap materials	17	15
Government grants	12	770
Gain on disposal of property, plant and equipment	34	42
Net foreign exchange gain	-	45
Others	10	-
	<u>73</u>	<u>872</u>

6. Other expenses

	Group	
	1H2025 HK\$'000	1H2024 HK\$'000
Net foreign exchange loss	74	-
Impairment loss on inventories	633	295
Others	7	-
	714	295
	714	295

7. Loss before tax

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

	Group	
	1H2025 HK\$'000	1H2024 HK\$'000
Depreciation of property, plant and equipment	425	512
Amortisation of intangible assets	94	-
Research expenses	1,168	798
	1,687	1,310
	1,687	1,310

8. Related party transactions

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 period:

	Group	
	1H2025 HK\$'000	1H2024 HK\$'000
Rental of factory premises charged by a director-related company	878	923
	878	923
	878	923

9. Loss per share

	Group	
	1H2025	1H2024
Loss for the year attributable to owners of the Company (HK\$'000)	(4,612)	(3,862)
Weighted average number of ordinary shares for earnings per share computation ('000)	409,800	409,800
Basic loss per share (HK cents)	(1.13)	(0.94)
	(1.13)	(0.94)

The diluted loss per share is not presented as there were no potential dilutive securities as at 30 September 2024 and 31 March 2024.

10. Net asset value per share

	Group		Company	
	30 Sept 2024	31 Mar 2024	30 Sept 2024	31 Mar 2024
	HK cents	HK cents	HK cents	HK cents
Net assets per ordinary share based on 409.8 million shares as at 30 September 2024 (31 March 2024: 409.8 million shares)	0.64	1.75	5.21	5.61
	0.64	1.75	5.21	5.61
	0.64	1.75	5.21	5.61

11. Property, plant and equipment

In 1H2025, the Group acquired plant and equipment amounting to HK\$56,000 (1H2024: Nil) for its IMD Business.

12. Intangible assets

Group	Deferred development costs HK\$'000	Computer software HK\$'000	Total HK\$'000
Cost			
1 April 2024	36,481	491	36,972
Additions	–	225	225
Exchange differences	842	16	858
At 30 September 2024	37,323	732	38,055
Accumulated amortisation and impairment			
1 April 2024	36,481	55	36,536
Amortisation for the period	–	94	94
Exchange differences	842	3	845
At 30 September 2024	37,323	152	37,475
Net carrying amount			
At 31 March 2024	–	436	436
At 30 September 2024	–	580	580

13. Inventories

	Group	
	30 Sept 2024	31 Mar 2024
	HK\$'000	HK\$'000
Balance sheet:		
Raw materials	1,256	1,106
Work-in-progress	2,746	2,084
Finished goods	480	947
	4,482	4,137

14. Financial assets and financial liabilities

	Group		Company	
	30 Sept 2024	31 Mar 2024	30 Sept 2024	31 Mar 2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial assets				
Trade receivables	12,029	7,914	-	-
Bill receivables	323	108	-	-
Other receivables	1	18	-	-
Total trade and other receivables	12,353	8,040	-	-
Add: Amounts due from related parties	-	-	385	365
Add: Cash and short-term deposits	3,795	8,081	1,087	188
Less: Bills receivables at FVOCI	(323)	(108)	-	-
Total financial assets carried at amortised cost	15,825	16,013	1,472	553

	Group		Company	
	30 Sept 2024	31 Mar 2024	30 Sept 2024	31 Mar 2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial liabilities				
Trade payables	11,215	9,090	-	-
Other payables	4,267	1,854	1,474	267
Total trade and other payables	15,482	10,944	1,474	267
Add: Amounts due to related parties	4,565	3,328	4,161	1,440
Add: Accrued operating expenses	2,955	3,991	748	1,547
Total financial liabilities carried at amortised cost	23,002	18,263	6,383	3,254

15. Other liabilities

	Group		Company	
	30 Sept 2024	31 Mar 2024	30 Sept 2024	31 Mar 2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Accrued operating expenses	2,955	3,991	748	1,547
Contract liabilities	872	953	-	-
Value Added Tax ("VAT") and other tax payables	807	660	-	-
	4,634	5,604	748	1,547

16. Aggregate amount of the Group's borrowings and debt securities

Amount repayable in one year or less, or on demand (In HK\$'000)

As at 30 September 2024		As at 31 March 2024	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year (In HK\$'000)

As at 30 September 2024		As at 31 March 2024	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The Group did not have any bank borrowings or debt securities as at 30 September 2024 and 31 March 2024.

17. Share capital

	Group and Company			
	As at 30 Sept 2024		As at 31 Mar 2024	
	No. of shares		No. of shares	
	'000	HK\$'000	'000	HK\$'000
Issued and fully paid ordinary shares				
Balance at beginning and end of financial period/year	409,800	148,309	409,800	148,309

The Company had no outstanding convertibles, treasury shares or subsidiary holdings as at the end of the current financial period reported on and as at the end of the immediately preceding financial year.

18. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable, as the Company did not have any treasury shares as at the end of the current financial period reported on.

19. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable, as the Company did not have any subsidiary holdings as at the end of the current financial period reported on.

20. Events after the end of the reporting period

There are no known subsequent events which led to adjustments to this set of condensed interim consolidated interim financial statements.

(B) Other Information Required by Appendix 7C of the Catalist Rules

OTHER INFORMATION

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 September 2024 and the condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial period ended 30 September 2024 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Whether the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter)

Not applicable.

3. Whether the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The latest financial statements have an unmodified opinion.

4. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

INCOME STATEMENT

Continuing operations

Revenue and gross profit

Revenue increased by 48.5% to HK\$20.6 million in 1H2025 as compared to HK\$13.8 million in 1H2024. The increase was mainly attributed to the increase in sales of our IMD and plastic injection parts (collectively, “**IMD Products**”) to the customers in consumer electronics industry. In tandem with the increase in revenue, the Group's gross profit increased by 38.5% from HK\$1.6 million in 1H2024 to HK\$2.2 million in 1H2025. Despite the increase in revenue, the Group reported a marginal decline in gross margin from 11.5% in 1H 2024 to 10.7% in 1H2025, mainly due to an unfavourable sales mix in 1H2025 compared to 1H2024, with a higher portion of sales generating from small sized and low priced IMD Products which contributed a lower gross margin.

Other items of income

Other income decreased from HK\$ 0.9 million in 1H2024 to HK\$ 0.1 million in 1H2025. This was mainly due to the decrease in non-recurring government grants.

Other items of expense

In tandem with the increase in the Group's revenue leading to an increase in entertainment expenses, selling and distribution expenses increased by 45.6% to HK\$0.8 million in 1H2025 from HK\$0.6 million in 1H2024.

General and administrative expenses for 1H2025 remained at similar level as 1H2024.

Other expenses for 1H2025 amounting to HK\$0.7 million were primarily comprised of impairment loss on certain IMD moulds under construction and finished goods.

Depreciation of property, plant and equipment decreased by 17.0%, mainly due to certain plant and equipment being fully depreciated in 1H2025.

Taking into account the aforementioned, the Group's net loss attributable to shareholders increased by 19.4% from HK\$3.9 million in 1H2024 to HK\$4.6 million in 1H2025.

Other comprehensive income - foreign currency translation

The foreign currency translation gain primarily arose from translating our net asset position in the financial statements denominated in Renminbi (“**RMB**”) to Hong Kong dollars (“**HKD**”) during the consolidation of the Group's financials. HKD depreciated against RMB by approximately 2.3% in 1H2025, compared to an appreciation of 6.1% in 1H2024. Accordingly, the Group recorded a foreign currency translation gain of HK\$0.2 million in 1H2025 (1H2024: foreign currency translation loss of HK\$0.4 million).

BALANCE SHEET

Non-current assets

Property, plant and equipment decreased by HK\$0.2 million from HK\$6.1 million as at 31 March 2024 to HK\$5.9 million as at 30 September 2024. The decrease was mainly due to depreciation charges of HK\$0.4 million, partially offset by foreign currency translation gain of HK\$0.2 million in 1H2025.

Current assets

Inventories increased by HK\$0.4 million from HK\$4.1 million as at 31 March 2024 to HK\$4.5 million as at 30 September 2024. The increase in inventories was due to a rise in IMD moulds under construction and raw materials, as the Group stockpiled to fulfil its order books in 2H2025.

Trade and other receivables increased by HK\$4.3 million from HK\$8.0 million as at 31 March 2024 to HK\$12.4 million as at 30 September 2024. This was mainly due to the increase in sales of IMD Products inclusive of VAT by HK\$6.7 million in 1H2025.

Current liabilities

Trade and other payables increased by 41.5% from HK\$10.9 million as at 31 March 2024 to HK\$15.5 million as at 30 September 2024, due to increase in procurement activities primarily for IMD Business, in line with the increase in revenue.

Other liabilities decreased by 17.3% from HK\$5.6 million as at 31 March 2024 to HK\$4.6 million as at 30 September 2024, mainly due to a reduction in accrued operating expenses at the Group's Singapore office as part of a cost-cutting initiative, net off payments made in 1H2025.

The amount due to related parties increased by 37.2% from HK\$3.3 million as at 31 March 2024 to HK\$4.6 million as at 30 September 2024, mainly due to the non-payment of rental expenses for our factory premise located on Bao Long Yi Road during 1H2025. Please refer to Note 9 below for more information on interested person transactions.

Working capital

As a results of the aforementioned, the Group reported a negative working capital of HS\$3.9 million as at 30 September 2024 (31 March 2024: positive HK\$0.6 million).

With the basis set out in going concern assumptions under Section A, Note 2, the Board is of the opinion that the Group has adequate resources to satisfy its debts and short-term obligations for the next twelve months after the reporting date as and when they become due.

CASH FLOW

In 1H2025, the Group's cash and cash equivalents decreased by HK\$4.3 million. The cash flow used in operating activities was mainly due to operating cash outflows before working capital changes of HK\$3.4 million and net working capital outflow of HK\$0.6 million. The working capital outflow in 1H2025 mainly arose from the increase in trade and other receivables of HK\$4.0 million, the decrease in other liabilities of HK\$1.1 million and increase in inventories of HK\$0.9 million, partially offset by the increase in trade and other payables of HK\$4.2 million and the increase in amount due to related parties of HK\$1.1 million.

In 1H2025, the Group acquired computer software and plant and equipment amounted to HK\$0.3 million, and recorded sale proceeds of HK\$34,000 from the disposal of property, plant and equipment.

There was no cash utilised or generated from financing activities in 1H2025.

5. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The financial results are in line with the forecast disclosed in the Company's financial results announcement for the financial year ended 31 March 2024, dated 29 May 2024.

6. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group continues to strive to improve its overall financial position and performance through continuous efforts, including (i) expanding its customer base of electronics manufacturers in diverse industries; (ii) broadening sales channels to cultivate sustainable demand for its IMD Business; and (iii) increasing production efficiency through automation, which improves labour productivity and delivers consistent product quality.

The Group's revenue is primarily generated from electronics manufacturers across diverse industries in the PRC who supply their products to both domestic and international markets. Amid the ongoing trade tensions between China and the US, the Group remains prudent in its challenging and volatile operating environment and manages intense competition and rising costs.

While the Group continues to focus on enhancing its business operations, it is anticipated that the macroeconomic and business conditions may remain challenging, which could impact its performance. To address these challenges, the Group will continue to implement strategic measures aimed at enhancing operational efficiency, identifying new business opportunities and strengthening its competitive position. These include optimising cost management and exploring new market opportunities. The Group will also focus on maintaining strong relationships with key stakeholders and adapting its strategies in response to evolving market conditions. To mitigate potential cashflow shortages, the Group will also continue to explore seeking financing options as and when appropriate. Please refer to Section A, Note 2 for more details on the Company's ability to operate as a going concern.

7. Dividend

(a) Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) The date the dividend is payable.

Not applicable.

(d) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

8. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Due to the Group's subdued financial performance and intention to invest in new business opportunities that could assist in improving the overall financial position of the Group, no dividend has been declared or recommended for the current financial period on grounds of prudence.

9. Interested person transactions

If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) HK\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) HK\$'000
<u>Shenzhen Kunda Precision Mould Co., Ltd</u> ⁽¹⁾ <u>("Shenzhen Precision")</u> Rental of factory premises at Bao Long Yi Road, Shenzhen	Refer to Note (1)	3,591 ⁽²⁾	-
Total		3,591	-

No interested person transaction general mandate was obtained from shareholders. Save for as disclosed above, there were no IPTs exceeding S\$100,000 entered into during the financial period reported on.

Notes:

(1) 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.

(2) The total rental of RMB3,312,000 was translated at the average exchange rate of RMB1.00:HK\$1.0842 for the financial period ended 30 September 2024. The transaction falls under the exemption of Catalist Rule 916(1), details of which are disclosed under the Company's announcement dated 28 June 2024.

10. Confirmation that the Company has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Rules.

11. Disclosures on Acquisition and Realisation of shares Pursuant to Rule 706A

Not applicable. During 1H2025, there were no acquisition or disposal of shares in subsidiaries, associated companies of the Company or in any company which became or ceased to be a subsidiary or an associated company (as the case may be) resulting from such acquisition or disposal, as required by Rule 706A.

12. Negative confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules.

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited condensed consolidated financial statements for the six months ended 30 September 2024 to be false or misleading in any material aspect.

On Behalf of the Board of Directors

Cai Kaoqun
Executive Chairman and CEO

Cai Kaobing
Executive Director

By Order of the Board

CAI KAOQUN
EXECUTIVE CHAIRMAN AND CEO

14 November 2024

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It 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 document, including the correctness of any of the statements or opinions made or reports contained in this document.

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