

ADDENDUM DATED 15 JULY 2024 (“ADDENDUM”)

THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Unless otherwise stated, capitalised terms on this cover are defined in this Addendum under the section entitled “DEFINITIONS”.

This Addendum is circulated to the shareholders (“**Shareholders**”) of China Kunda Technology Holdings Limited (the “**Company**”) together with the Company’s annual report (“**Annual Report 2024**”) for the financial year ended 31 March 2024 (“**FY2024**”). The purpose of this Addendum is to explain to Shareholders the rationale for, and provide information relating to, the Proposed Change of Auditors from Ernst & Young LLP to Baker Tilly TFW LLP, which proposal shall be tabled at the annual general meeting of the Company to be held at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807 on 30 July 2024 at 9.00 a.m.. The resolution proposed to be passed in relation to the Proposed Change of Auditors is set out as Ordinary Resolution 5 in the Notice of AGM.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Addendum to the purchaser or the transferee as arrangements will be made by CDP for a separate Addendum to be sent to the purchaser or the transferee. If you have sold or transferred all your shares in the capital of the Company other than through CDP, you should immediately forward this Addendum, the Notice of AGM and the Proxy Form attached to the Company’s Annual Report 2024 to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

*This Addendum has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”).*

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

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.

KUNDA[®]

CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

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

ADDENDUM TO THE ANNUAL REPORT 2024

IN RELATION TO

**THE PROPOSED CHANGE OF AUDITORS OF THE COMPANY FROM ERNST & YOUNG
LLP TO BAKER TILLY TFW LLP**

Legal Advisor: Harry Elias Partnership LLP

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DEFINITIONS

In this Addendum, the following definitions apply throughout unless the context requires otherwise or otherwise stated:

“2024 AGM”	:	The annual general meeting of the Company to be held at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807 on 30 July 2024 at 9.00 a.m.
“Accountants Act”	:	The Accountants Act 2004 of Singapore, as amended, supplemented or modified from time to time
“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“Addendum”	:	This Addendum to the Annual Report 2024
“Annual Report 2024”	:	Annual report of the Company for FY2024
“associated company”	:	A company in which at least 20% but not more than 50% of its shares are held by the Company
“Audit Committee”	:	The audit committee of the Company for the time being
“Auditors”	:	The auditors of the Company as appointed from time to time
“Baker Tilly”	:	Baker Tilly TFW LLP
“Board”	:	The board of directors of the Company for the time being
“Catalist”	:	The Catalist board of the SGX-ST
“Catalist Rules”	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, supplemented, or modified from time to time
“Company”	:	China Kunda Technology Holdings Limited
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
“Constitution”	:	The Constitution of the Company, as amended, supplemented or modified from time to time
“Directors”	:	The directors of the Company for the time being
“EY”	:	Ernst & Young LLP
“FY”	:	Financial year ended or ending 31 March
“Group”	:	The Company and its subsidiaries, collectively
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Addendum, being 3 July 2024
“Notice of AGM”	:	The notice of the 2024 AGM set out on pages 107 to 110 of the Annual Report 2024
“Ordinary Resolution(s)”	:	The ordinary resolution(s) as set out in the Notice of AGM
“Proposed Change of Auditors”	:	The proposed change of Auditors from EY to Baker Tilly, further details of which are set out in this Addendum

DEFINITIONS

“SFA”	:	Securities and Futures Act 2001, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders for the time being of the Shares (other than the Central Depository (Pte) Limited), or in the case of Depositors, Depositors who have shares entered against their name in the Depository Register
“Shares”	:	Ordinary shares in the capital of the Company
“S\$” and “cents”	:	Singapore dollars and cents respectively
“%”	:	Per centum or percentage

The terms “**related corporation**”, “**subsidiary**”, “**substantial shareholder**” and “**treasury shares**” shall have the meaning ascribed to them respectively in the Companies Act. The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Addendum to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA and the Catalist Rules or any modification thereof and used in this Addendum shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA and the Catalist Rules or the modification thereof as the case may be, unless otherwise provided.

Any reference in this Addendum to a time of day and date shall be a reference to the time and date respectively in Singapore, unless otherwise stated.

Any discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Addendum may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200712727W)

BOARD OF DIRECTORS

Mr. Cai Kaoqun (*Executive Chairman & Chief Executive Officer*)
Mr. Cai Kaobing (*Executive Director*)
Mr. Hau Khee Wee (*Lead Independent Director*)
Mr. Thomas Lam Kwong Fai (*Independent Director*)
Ms. Chen Liping (*Independent Director*)
Ms. Foo Quek Cheng (*Independent Director*)

REGISTERED OFFICE:

4 Shenton Way
SGX Centre 2
#17-01
Singapore 068807

15 July 2024

To: **The Shareholders of China Kunda Technology Holdings Limited**

Dear Sir/Madam,

THE PROPOSED CHANGE OF AUDITORS FROM ERNST & YOUNG LLP TO BAKER TILLY TWF LLP

1 INTRODUCTION

- 1.1 The Board is proposing to seek approval of the Shareholders at the 2024 AGM for, *inter alia*, the Proposed Change of Auditors.
- 1.2 The purpose of this Addendum is to provide Shareholders with relevant information pertaining to the Proposed Change of Auditors and to seek Shareholders' approval for the same as an Ordinary Resolution at the 2024 AGM, the notice of which is set out in the Notice of AGM.

2 PROPOSED CHANGE OF AUDITORS

2.1 Background and rationale

The Company's incumbent Auditors, EY, have been Auditors of the Company since FY2008 and were last re-appointed as Auditors at the Company's annual general meeting held on 28 July 2023 to hold office until the conclusion of the Company's annual general meeting for FY2024. Taking into consideration quotations and proposals obtained from EY as well as several other reputable audit firms, the suitability of such audit firms and the needs of the Group, and the benefit of fresh perspectives that a change of Auditors would bring, the Board is of the opinion that a change of Auditors would be in the interests of the Company. Accordingly, EY will not be seeking re-appointment, and has given written notice to the Board of its intention to retire as Auditors upon the conclusion of the 2024 AGM. The Board wishes to express its appreciation for the past services rendered by EY.

The Board, in consultation with the Audit Committee, having considered the factors set out in this paragraph 2.1, is pleased to recommend the appointment of Baker Tilly as Auditors for Shareholders' approval at the 2024 AGM.

In making the above recommendation, the Board and Audit Committee have taken into consideration:

- (i) the quality indicators and factors set out in the Audit Quality Indicators Disclosure Framework issued by the ACRA, including comparison to industry averages and ranges;

LETTER TO SHAREHOLDERS

- (ii) the experience of Ms. Guo Shuqi, the incoming audit engagement partner, including the number of years for which she has been in practice and whether she has any prior experience in auditing SGX-listed issuers and entities in a similar industry and jurisdiction to the Company;
- (iii) the resources of Baker Tilly, including the size of the audit firm and the engagement team based in Singapore, and the engagement team's composition, which includes the number of partners, managers and staff;
- (iv) the track record of Baker Tilly, including the outcome of recent inspections (including the Practice Monitoring Programme and Quality Control Reviews by ACRA) and whether Baker Tilly has been subject to any current or past restrictions, disciplinary actions and/or conditions imposed by any regulatory authority or professional body;
- (v) the size and complexity of the Group; and
- (vi) Baker Tilly's proposed audit arrangement for the Company.

In addition, as part of the Group's ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, the Board and Audit Committee are of the view that it would be an opportune time to review the appointment of the Auditors as it provides the Group an opportunity to benchmark its audit fees and realise cost efficiencies. The Board and Audit Committee anticipate that the Proposed Change of Auditors will result in cost savings of approximately S\$33,000 in audit fees for the Group. Taking into account the assessment of Baker Tilly, the Board and Audit Committee do not expect the reduction in costs to affect the quality of the audit to be undertaken and there will be no change in the scope of audit services to be provided by Baker Tilly as compared to the scope of audit services that has been provided by EY for the Group's audit for the past financial years.

Further, in compliance with Rule 712(2) of the Catalist Rules, the Board and Audit Committee notes that Baker Tilly is approved under the Accountants Act and Ms. Guo Shuqi is a public accountant registered under the Accountants Act.

In view of the above, the Board and Audit Committee are of the view that Baker Tilly will be able to fulfil the audit requirements of the Company and that the Proposed Change of Auditors is in the best interests of the Company and its Shareholders.

Baker Tilly has, on 24 June 2024, given its consent to act as Auditors, subject to the approval of the Shareholders at the 2024 AGM.

2.2 Information on Baker Tilly and the Audit Engagement Partner

The information on Baker Tilly and the audit engagement partner provided below was provided to the Company by Baker Tilly and its representatives. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below.

About Baker Tilly TFW LLP and the Audit Engagement Partner

Baker Tilly TFW LLP is a firm of Chartered Accountants in Singapore registered with ACRA. It is one of the top 10 largest accounting and business advisory firms in Singapore and has 19 partners and a staff strength of more than 300 in Singapore. It has significant experience acting as auditors for companies listed on the SGX-ST. Baker Tilly TFW LLP is an independent member of Baker Tilly International, which is globally the 10 largest accounting and business advisory network by combined revenue and with member firms in more than 148 territories and a global workforce of more than 38,600 people.

For more information about Baker Tilly TFW LLP, please visit its website at www.bakertilly.sg.

LETTER TO SHAREHOLDERS

Ms. Guo Shuqi will be the audit engagement partner assigned to the audit of the Company and its subsidiaries. Ms. Guo has over 17 years of experience in public accounting in Singapore. Prior to joining Baker Tilly TFW LLP, Ms. Guo spent over 7 years in an international accounting firm. Ms. Guo has extensive experience in financial audits of listed, private and multinational companies across a range of industries. She had also been involved in several initial public offerings and reverse takeovers of listed companies on SGX-ST.

Her experience in listed companies is mainly in the manufacturing, entertainment, services, trading and distribution sector with operations in various geographical locations including People's Republic of China, Hong Kong SAR, South Korea, Malaysia and Singapore. In addition, Ms. Guo has been involved in financial audits in industries such as healthcare, food and beverages and fund management. She passed her last Monitoring Programme review conducted by the ACRA in 2022.

Ms. Guo is a Public Accountant registered with ACRA and a practicing member of the Institute of Singapore Chartered Accountants.

Ms. Guo will be supported by an Engagement Quality Reviewer (“**EQR**”), who is an experienced audit partner to provide an objective evaluation of the significant judgements made by the engagement team and the conclusions reached thereon, an audit partner for the audit of the significant foreign-incorporated subsidiary of the Company and an audit team of 4 professionals, comprising managers, senior associates and associates.

2.3 Compliance with Rule 712(3) of the Catalist Rules

In accordance with the requirements of Rule 712(3) of the Catalist Rules:

- (i) EY has confirmed by way of a letter to Baker Tilly dated 24 June 2024 (the “**Professional Clearance Letter**”) that it is not aware of any professional reasons why Baker Tilly should not accept appointment as the Auditors;
- (ii) the Company confirms that there was no disagreement with EY on accounting treatments within the last 12 months up to the date of this Addendum;
- (iii) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders;
- (iv) the Company confirms that the specific reasons for the Proposed Change of Auditors are as disclosed in paragraph 2.1 of this Addendum; and
- (v) the Company confirms that it complies with Rules 712 and 715 of the Catalist Rules in relation to the Proposed Change of Auditors.

2.4 Compliance with Rule 715 of the Catalist Rules

In the event that the Shareholders approve the Proposed Change of Auditors, Baker Tilly will become the Auditors of the Company.

LETTER TO SHAREHOLDERS

Pursuant to Rule 715 of the Catalist Rules, the Company has appointed the following auditing firms for its significant foreign-incorporated subsidiary:

Name of significant foreign-incorporated subsidiary or associated company (Country of Incorporation)	Auditors
Kunda Plastic Electronics (Shenzhen) Company Limited (People's Republic of China)	<p>Baker Tilly China Certified Public Accountants will carry out the audit of this subsidiary in respect only of significant components, with Baker Tilly China Certified Public Accountant's findings from such audit to be reported to Baker Tilly, for purposes of the audit of the Group.</p> <p>Zhong Lian Certified Public Accountants (中联会计师事务所), who is the current auditor of the subsidiary, will continue to carry out the statutory audit on this subsidiary.</p>

The Board and Audit Committee are satisfied that the Company has engaged suitable auditing firms for its significant foreign-incorporated subsidiary and that such audit arrangements would not compromise the standard and effectiveness of the audit of the Company. The Company does not have any Singapore-incorporated subsidiaries, nor significant Singapore-incorporated or foreign-incorporated associated companies.

3 DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial shareholders in the Shares as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	Shareholding (%) ⁽¹⁾	Number of Shares	Shareholding (%) ⁽¹⁾
<i>Directors</i>				
Mr. Cai Kaoqun	8,010,000	1.95	123,084,000 ⁽²⁾	30.04
Mr. Cai Kaobing	–	–	19,200,000 ⁽³⁾	4.69
Mr. Hau Khee Wee	200,000	0.05	–	–
Mr. Thomas Lam Kwong Fai	–	–	–	–
Ms. Chen Liping	–	–	–	–
Ms. Foo Quek Cheng	–	–	–	–
<i>Substantial Shareholders</i>				
China Hongda Holdings Limited	123,084,000	30.04	–	–
Mr. Cai Kaoqun	8,010,000	1.95	123,084,000 ⁽²⁾	30.04

Notes:

- (1) Percentage figures in this table are rounded to the nearest two decimal places and based on 409,800,000 Shares in issue as at the Latest Practicable Date.
- (2) Mr Cai Kaoqun is deemed to be interested in the 123,084,000 Shares held by China Hongda Holdings Limited by virtue of his shareholding of 100% in China Hongda Holdings Limited.
- (3) Mr Cai Kaobing is deemed to be interested in the 19,200,000 Shares held by Good Moral Technology Limited by virtue of his shareholding of 80% in Good Moral Technology Limited.

LETTER TO SHAREHOLDERS

Save as disclosed in this Addendum, none of the Directors or substantial shareholders have any interest, whether direct or indirect (other than through their respective shareholding interests in the Company), in the Proposed Change of Auditors.

4 AUDIT COMMITTEE'S RECOMMENDATION

The Audit Committee has reviewed the Proposed Change of Auditors and recommends the appointment of Baker Tilly as the new Auditors in place of EY after taking into account, *inter alia*, the suitability and independence of Baker Tilly to meet the audit requirements of the Group, the factors set out in paragraph 2 of this Addendum, and the Company's compliance with the requirements of the relevant Catalist Rules.

5 DIRECTORS' RECOMMENDATION

Having fully considered, amongst others, the rationale and information relating to the Proposed Change of Auditors as set out in this Addendum and the recommendation of the Audit Committee, the Directors are of the opinion that the Proposed Change of Auditors is in the best interests of the Company. Accordingly, the Directors recommend that the Shareholders vote in favour of the Ordinary Resolution in respect of the Proposed Change of Auditors at the 2024 AGM.

6 ACTIONS TO BE TAKEN BY SHAREHOLDERS

The 2024 AGM will be held at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807 on 30 July 2024 at 9.00 a.m..

Shareholders who wish to vote on Ordinary Resolution 5 relating to the Proposed Change of Auditors may vote in person at the 2024 AGM. If a Shareholder is unable to attend the 2024 AGM and wishes to appoint a proxy or proxies to attend and vote on his behalf, he should complete, sign and return the Proxy Form attached to the Annual Report 2024 in accordance with the instructions printed thereon as soon as possible and, in any event, by the relevant dates and times set out in the Notice of AGM. Please also refer to the Notice of AGM for arrangements relating to, amongst others, the submission of questions in advance of the 2024 AGM.

7 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the Proposed Change of Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in this Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Addendum in its proper form and context.

8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 4 Shenton Way, SGX Centre 2, #17-01, Singapore 068807 from 9:30 a.m. to 5:30 p.m. on normal business days from the date of this Addendum up to and including the date of the 2024 AGM:

- (a) the Constitution of the Company;
- (b) the Professional Clearance Letter;
- (c) the letter of consent to act as Auditors from Baker Tilly dated 24 June 2024;

LETTER TO SHAREHOLDERS

- (d) the Notice of Retirement from EY dated 24 June 2024; and
- (e) the Annual Report 2024.

Shareholders who wish to inspect these documents at the registered office of the Company are requested to send an email request to alex@chinakunda.com to make an appointment in advance.

Yours faithfully
For and on behalf of the Board of Directors of
CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

Mr. Cai Kaoqun
Executive Chairman and Chief Executive Officer
15 July 2024

PROFESSIONAL CLEARANCE LETTER



Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Mailing Address:
Robinson Road
PO Box 384
Singapore 900734

Tel: +65 6535 7777
Fax: +65 6532 7662
ey.com

Our Ref: ASU-RT/11669591/ACB

24 June 2024

Baker Tilly TFW LLP
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

Attention : Guo Shuqi

China Kunda Technology Holdings Limited

Dear Sirs:

We refer to your letter dated 24 June 2024.

We are not aware of any professional or other reasons why you should not accept the appointment as auditors of the above Company.

Yours faithfully,

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

ACB/LSC