



CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

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

SGX Stock Code: **GU5**

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a) An income statement for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>Condensed Consolidated Income Statement</u>	Note	Group			Group		
		Six months ended		Change %	Financial year ended		Change %
		31-Mar-24 ("2H2024") HK\$'000	31-Mar-23 ("2H2023") HK\$'000		31-Mar-24 ("FY2024") HK\$'000	31-Mar-23 ("FY2023") HK\$'000	
<u>Continuing operations</u>							
Revenue	4	14,631	17,596	(16.9)	28,468	28,807	(1.2)
Cost of sales		(12,612)	(14,773)	(14.6)	(24,863)	(24,991)	(0.5)
Gross profit		2,019	2,823	(28.5)	3,605	3,816	(5.5)
Other items of income							
Interest income		10	24	(58.3)	26	83	(68.7)
Other income	5	44	136	n.m.	902	308	192.9
Other items of expense							
Selling and distribution expenses		(550)	(620)	(11.3)	(1,131)	(1,283)	(11.8)
General and administrative expenses		(5,422)	(5,699)	(4.9)	(10,882)	(12,915)	(15.7)
Other expenses	6	(1,035)	(210)	n.m.	(1,316)	(849)	55.0
Loss before tax	7	(4,934)	(3,546)	39.1	(8,796)	(10,840)	(18.9)
Income tax expense		-	35	n.m.	-	35	n.m.
Loss for the year		(4,934)	(3,511)	40.5	(8,796)	(10,805)	(18.6)
Attributable to:							
Owners of the Company		(4,934)	(3,511)	40.5	(8,796)	(10,805)	(18.6)
Loss per share (HK cents per share)							
Basic and diluted	9	(1.20)	(0.86)		(2.15)	(2.64)	

n.m. : not meaningful

1(a) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed Consolidated Statement of Comprehensive Income

	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Loss for the year	(4,934)	(3,511)	40.5	(8,796)	(10,805)	(18.6)
Other comprehensive income:						
Items that may be subsequently reclassified to profit & loss:						
Foreign currency translation	118	472	(75.0)	(232)	(1,587)	(85.4)
Items that may not be subsequently reclassified to profit & loss:						
Foreign currency translation	11	134	(91.8)	(571)	(481)	18.7
Other comprehensive income for the year, net of tax	129	606	(78.7)	(803)	(2,068)	(61.2)
Total comprehensive income for the year	(4,805)	(2,905)	65.4	(9,599)	(12,873)	(25.4)
Attributable to:						
Owners of the Company						
Total comprehensive income for the year attributable to owners of the Company	(4,805)	(2,905)	65.4	(9,599)	(12,873)	(25.4)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group As at 31-Mar-24 HK\$'000	Group As at 31-Mar-23 HK\$'000	Company As at 31-Mar-24 HK\$'000	Company As at 31-Mar-21 HK\$'000
<u>Non-current assets</u>					
Investment in subsidiaries		-	-	25,607	27,014
Property, plant and equipment	11	6,175	7,528	-	-
Intangible assets		436	-	-	-
Total non-current assets		6,611	7,528	25,607	27,014
<u>Current assets</u>					
Inventories	12	4,137	1,991	-	-
Trade and other receivables	13	8,040	9,760	-	-
Prepayments		195	191	77	76
Amounts due from related parties	13	-	-	365	3,163
Cash and short-term deposits	13	8,081	13,257	188	705
Total current assets		20,453	25,199	630	3,944
Total Assets		27,064	32,727	26,237	30,958
<u>Current liabilities</u>					
Trade and other payables	13	10,944	8,467	267	596
Other liabilities	14	5,604	6,060	1,547	1,511
Amounts due to related parties	13	3,328	1,412	1,440	-
Provision for taxation		12	13	-	-
Total current liabilities		19,888	15,952	3,254	2,107
Net current assets		565	9,247	-2,624	1,837
Total liabilities		19,888	15,952	3,254	2,107
Net assets		7,176	16,775	22,983	28,851
<u>Equity attributable to owners of the Company</u>					
Share capital	16	148,309	148,309	148,309	148,309
Accumulated losses		(82,509)	(73,713)	(134,915)	(130,512)
Restructuring reserve		(74,397)	(74,397)	-	-
Foreign currency translation reserve		15,773	16,576	9,589	11,054
Total equity		7,176	16,775	22,983	28,851
Total equity and liabilities		27,064	32,727	26,237	30,958

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	FY2024	FY2023
	(HKS'000)	(HKS'000)
Operating activities		
Loss before tax, total	(8,796)	(10,840)
Adjustments for:		
Depreciation of property, plant and equipment	966	743
Amortisation of intangible assets	55	-
Impairment loss on inventories	1,134	824
Impairment loss on doubtful trade and other receivables	171	17
Gain on disposal of property, plant and equipment	(49)	(49)
Interest income	(26)	(83)
Unrealised foreign exchange gain	(31)	(53)
Operating cash flows before working capital changes	(6,576)	(9,441)
Changes in:		
Trade and other receivables	1,051	(3,871)
Inventories	(3,402)	(1,662)
Prepayments	(14)	(68)
Trade and other payables	2,941	5,078
Other liabilities	(142)	756
Amounts due to related parties, net	2,006	1,220
Cash flows used in operations	(4,136)	(7,988)
Interest received	26	83
Net cash flows used in operating activities	(4,110)	(7,905)
Investing activities		
Purchase of property, plant and equipment	-	(7,033)
Purchase of intangible assets	(494)	-
Proceeds from disposal of property, plant and equipment	52	54
Withdrawal of short-term deposit with terms more than three months on the maturity date	-	11,542
Net cash flows (used in)/generated from investing activities	(442)	4,563
Net decrease in cash and cash equivalents	(4,552)	(3,342)
Effect of exchange rate changes on cash and cash equivalents	(624)	(1,132)
Cash and cash equivalents at beginning of financial year	13,257	17,731
Cash and cash equivalents at end of financial year	8,081	13,257

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Equity, total HK\$'000	Attributable to owners of the Company					Foreign currency translation reserve HK\$'000
		Equity attributable to owners of the Company, HK\$'000	Share capital HK\$'000	Accumulated losses HK\$'000	Restructuring reserve HK\$'000		
Group FY2024							
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)	-	-	
Other comprehensive income for the year, net of tax	(803)	(803)	-	-	-	(803)	
Total comprehensive income 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	

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Equity, total HK\$'000	Attributable to owners of the Company					Foreign currency translation reserve HK\$'000
		Equity attributable to owners of the Company, HK\$'000	Share capital HK\$'000	Accumulated losses HK\$'000	Restructuring reserve HK\$'000		
Group FY2023							
Opening balance at 1 April 2022	29,648	29,648	148,309	(62,908)	(74,397)	18,644	
Loss for the year	(10,805)	(10,805)	-	(10,805)	-	-	
Other comprehensive income for the year, net of tax	(2,068)	(2,068)	-	-	-	(2,068)	
Total comprehensive income for the year	(12,873)	(12,873)	-	(10,805)	-	(2,068)	
Closing balance at 31 March 2023	16,775	16,775	148,309	(73,713)	(74,397)	16,576	

- 1(d) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the Company			
	Equity, total HK\$'000	Share capital HK\$'000	Accumulated losses HK\$'000	Foreign currency translation reserve HK\$'000
Company				
FY2024				
Opening balance at 1 April 2023	28,851	148,309	(130,512)	11,054
Loss for the year	(4,403)	-	(4,403)	-
Other comprehensive income for the year, net of tax	(1,465)	-	-	(1,465)
Total comprehensive income for the year	(5,868)	-	(4,403)	(1,465)
Closing balance at 31 March 2024	22,983	148,309	(134,915)	9,589
Company				
FY2023				
Opening balance at 1 April 2022	35,049	148,309	(126,947)	13,687
Loss for the year	(3,565)	-	(3,565)	-
Other comprehensive income for the year, net of tax	(2,633)	-	-	(2,633)
Total comprehensive income for the year	(6,198)	-	(3,565)	(2,633)
Closing balance at 31 March 2023	28,851	148,309	(130,512)	11,054

Notes to the unaudited 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 consolidated financial statements 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 relates to the production and supply of moulds and 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 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 consolidated financial statements are consistent with those of the latest audited annual financial statements for the financial year ended 31 March 2023 except for the adoption of new and amended standards as set out in Note 2.1.

The unaudited condensed 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.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the unaudited condensed 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 the financial year ended 31 March 2023.

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 year.

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:

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 operating segments have been aggregated to form 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

	2H2024 (HK\$'000)		FY2024 (HK\$'000)	
	IMD Business	Per consolidated financial statements	IMD Business	Per consolidated financial statements
Revenue				
Sales to external customers	14,631	14,631	28,468	28,468
Segment results:				
Segment gross profit	2,019	2,019	3,605	3,605
Depreciation of property, plant and equipment	(454)	(454)	(966)	(966)
Amortisation on intangible assets	(55)	(55)	(55)	(55)
Gain on disposal of property, plant and equipment	7	7	49	49
Impairment loss on inventories	(839)	(839)	(1,134)	(1,134)
Impairment loss on trade and other receivables	(171)	(171)	(171)	(171)
Research expenses	(778)	(778)	(1,576)	(1,576)
Unallocated expenses, net		(4,663)		(8,548)
Loss before tax		(4,934)		(8,796)
Additions to non-current assets			494	494
Segment assets as at 31 March 2024			27,064	27,064
Segment liabilities as at 31 March 2024			19,888	19,888

4.1 Business segments

	2H2023 (HK\$'000)		FY2023 (HK\$'000)	
	IMD Business	Per consolidated financial statements	IMD Business	Per consolidated financial statements
Revenue				
Sales to external customers	17,596	17,596	28,807	28,807
Segment results:				
Segment gross profit	2,823	2,823	3,816	3,816
Depreciation of property, plant and equipment	(456)	(456)	(743)	(743)
Gain on disposal of property, plant and equipment	40	40	49	49
Impairment loss on inventories	(76)	(76)	(824)	(824)
Impairment loss on trade and other receivables	-	-	(17)	(17)
Research expenses	(850)	(850)	(2,728)	(2,728)
Unallocated expenses, net		(5,027)		(10,393)
Loss before tax		(3,546)		(10,840)
Additions to non-current assets			7,033	7,033
Segment assets as at 31 March 2023			32,727	32,727
Segment liabilities as at 31 March 2023			15,952	15,952

4.2 Geographical segments

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

	Revenue		Revenue		Non-current assets	
	2H2024 HK\$'000	2H2023 HK\$'000	FY2024 HK\$'000	FY2023 HK\$'000	31 Mar 2024 HK\$'000	31 Mar 2023 HK\$'000
PRC	14,267	16,280	27,614	26,758	6,611	7,528
Europe	337	1,320	741	1,813	-	-
Others	27	(4)	113	236	-	-
	14,631	17,596	28,468	28,807	6,611	7,528

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

4.3 Disaggregation of revenue

Segments	IMD and Plastic Injection Parts			
	2H2024 HK\$'000	2H2023 HK\$'000	FY2024 HK\$'000	FY2023 HK\$'000
Primary geographical markets				
PRC	14,267	16,280	27,614	26,758
Europe	337	1,320	741	1,813
Others	27	(4)	113	236
	<u>14,631</u>	<u>17,596</u>	<u>28,468</u>	<u>28,807</u>
Major products				
IMD products	13,102	15,705	25,491	26,189
IMD moulds	1,529	1,891	2,977	2,618
	<u>14,631</u>	<u>17,596</u>	<u>28,468</u>	<u>28,807</u>
Timing of transfer of goods				
At a point in time	<u>14,631</u>	<u>17,596</u>	<u>28,468</u>	<u>28,807</u>

4.4 Contract liabilities

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

	Group	
	31 March 2024 HK\$'000	31 March 2023 HK\$'000
Contract liabilities	<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.

5. Other income

	Group		Group	
	2H2024 HK\$'000	2H2023 HK\$'000	FY2024 HK\$'000	FY2023 HK\$'000
Sale of raw materials/scrap materials	3	87	18	127
Government grants related to income	-	-	768	70
Gain on disposal of property, plant and equipment	7	40	49	49
Net foreign exchange gain	-	-	31	53
Others	34	9	36	9
	<u>44</u>	<u>136</u>	<u>902</u>	<u>308</u>

6. Other expenses

	Group		Group	
	2H2024 HK\$'000	2H2023 HK\$'000	FY2024 HK\$'000	FY2023 HK\$'000

Impairment loss on inventories	839	76	1,134	824
Impairment loss on trade and other receivables	171	-	171	17
Net foreign exchange loss	14	134	-	-
Others	11	-	11	8
	<u>1,035</u>	<u>210</u>	<u>1,316</u>	<u>849</u>

7. Loss before tax

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

	Group		Group	
	2H2024	2H2023	FY2024	FY2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Audit fees:				
-Auditors of the Company	200	262	404	432
-Other auditors	117	124	238	252
Non-audit fees paid to auditors of the Company	18	17	35	34
Depreciation of property, plant and equipment	454	456	966	743
Employee benefit expense	5,841	6,915	12,192	14,268
Expenses relating to short-term leases	779	961	1,695	1,868
Research expenses	778	850	1,576	2,728
Inventories recognized as an expense in cost of sales	12,612	14,773	24,863	24,991

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 year:

	Group		Group	
	2H2024	2H2023	FY2024	FY2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Rental of factory premises charged by a director-related company	779	961	1,695	1,868

9. Loss per share

Loss per share computation

	Group		Group	
	2H2024	2H2023	FY2024	FY2023
Loss for the year attributable to owners of the Company (HK\$'000)	(4,934)	(3,511)	(8,796)	(10,805)
Weighted average number of ordinary shares for earnings per share computation ('000)	409,800	409,800	409,800	409,800
Basic loss per share (HK cents)	(1.20)	(0.86)	(2.15)	(2.64)

The diluted loss per share is not presented as there were no potential dilutive securities as at 31 March 2024 and 31 March 2023.

10. Net asset value per share

Group	Company
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Net assets per ordinary share based on 409.8 million shares as at 31 March 2024 (31 March 2023: 409.8 million shares)

31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
HK cents	HK cents	HK cents	HK cents
1.75	4.09	5.61	7.04

11. Property, plant and equipment

There was no plant and equipment acquired by the Group for the financial year ended 31 March 2024. During the financial year ended 31 March 2023, the Group acquired plant and equipment amounting to HK\$7,033,000 for its IMD business.

12. Inventories

Balance sheet:

Raw materials (at cost)
Work-in-progress (at cost or net realizable value)
Finished goods (at cost or net realizable value)

Group	
31 Mar 2024	31 Mar 2023
HK\$'000	HK\$'000
1,106	1,033
2,084	636
947	322
4,137	1,991

13. Financial assets and financial liabilities

	Group		Company	
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<u>Financial assets</u>				
Trade receivables	7,914	9,750	-	-
Bills receivables	108	-	-	-
Deposits	1	1	-	-
Other receivables	17	9	-	-
Total trade and other receivables	8,040	9,760	-	-
Add: Amounts due from related parties	-	-	365	3,163
Add: Cash and short-term deposits	8,081	13,257	188	705
Less: Bills receivables at FVOCI	(108)	-	-	-
Total financial assets carried at amortised cost	16,013	23,017	553	3,868
<u>Financial liabilities</u>				
Trade payables	9,090	7,177	-	-
Other payables	1,854	1,290	267	596
Total trade and other payables	10,944	8,467	267	596
Add: Amounts due to related parties	3,328	1,412	1,440	-
Add: Accrued operating expenses	3,991	4,628	1,547	1,511
Total financial liabilities carried at amortised cost	18,263	14,507	3,254	2,107

13.1 Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The following table presented the assets measured at fair value:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Group – 31 March 2024				
Financial assets				
Bills receivables at FVOCI	-	108	-	108
Group – 31 March 2023				
Financial assets				
Bills receivables at FVOCI	-	-	-	-

14. **Other liabilities**

	Group		Company	
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Accrued operating expenses	3,991	4,628	1,547	1,511
Contract liabilities	953	620	-	-
VAT and other tax payables	660	812	-	-
	5,604	6,060	1,547	1,511

15. **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 31 March 2024		As at 31 March 2023	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

(In HK\$'000)

As at 31 March 2024		As at 31 March 2023	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The Group did not have any bank borrowings or debt securities as at 31 March 2024 and 31 March 2023.

16. **Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Share capital

	Company			
	As at 31 Mar 2024		As at 30 September 2023	
	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 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 year reported on and as at the end of the immediately preceding financial year.

17. 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 year reported on.

18. 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 year reported on.

19. Events after the end of the reporting period

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

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 31 March 2024 and the condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year ended 31 March 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

Revenue and gross profit

The Group's revenue decreased slightly by 1.2% from HK\$28.8 million for the financial year ended 31 March 2023 ("FY2023") to HK\$28.5 million for the financial year ended 31 March 2024 ("FY2024"). This was mainly attributed to the decline in sales of its IMD and plastic injection parts (collectively, the "IMD Products") to customers in the external energy storage industry, which was partially offset by the increase in sales of IMD Products to new customers in the security equipment industry during FY2024.

In line with the decline in revenue and consequential lower capacity utilisation rate, gross profit decreased by 5.5% from HK\$3.8 million in FY2023 to HK\$3.6 million in FY2024, and correspondingly gross margin decreased from 13.2% in FY2023 to 12.7% in FY2024.

Other items of income

Interest income decreased by 68.7% from HK\$83,000 in FY2023 to HK\$26,000 in FY2024, while other income increased from HK\$0.3 million in FY2023 to HK\$0.9 million in FY2024. This was mainly due to the increase in government grants related to income from Chinese authorities.

Other items of expense

Selling and distribution expenses decreased by 11.8% to HK\$1.1 million in FY2024 as compared to HK\$1.3 million in FY2023, mainly due to a decrease in entertainment expenses.

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. (continued)**

General and administrative expenses decreased by 15.7% in FY2024 as compared to FY2023, mainly due to decrease in research and product testing expenses as well as employee benefit expenses. Other expenses for FY2024 amounting to HK\$1.3 million (FY2023: HK\$0.8 million) comprised an impairment loss on inventories of HK\$1.1 million (FY2023: HK\$0.8 million) which account mainly for stagnant raw materials and certain IMD moulds under construction, and an impairment loss on doubtful trade and other receivables of HK\$0.2 million (FY2023: HK\$17,000).

Taking into account the aforementioned, the Group narrowed its net loss from HK\$10.8 million in FY2023 to HK\$8.8 million in FY2024.

Other comprehensive income - Foreign currency translation

The foreign currency translation loss arose mainly from the translation of its net asset position in its financial statements denominated in Renminbi (“**RMB**”) to Hong Kong dollars (“**HKD**”) when consolidating the Group's financials. HKD appreciated against RMB by approximately 5.2% in FY2024 as compared to approximately 7.5% in FY2023.

Balance sheet

Non-current assets

Property, plant and equipment decreased by HK\$1.3 million from HK\$7.5 million as at 31 March 2023 to HK\$6.2 million as at 31 March 2024. The decrease was mainly due to depreciation charges of HK\$1.0 million and foreign currency translation loss of HK\$0.3 million in FY2024.

Intangible assets as at 31 March 2024 comprised the manufacturing execution system purchased during the financial period ended 31 March 2024 for the plastic injection machines.

Current assets

Inventories increased by HK\$2.1 million from HK\$2.0 million as at 31 March 2023 to HK\$4.1 million as at 31 March 2024 comprising IMD moulds under construction, finished goods and raw materials, which increased by HK\$1.4 million, HK\$0.6 million and HK\$0.1 million, respectively. The increase in inventories was mainly due to the Group's stockpiling to fulfil its order books. The Group's efforts to secure new projects are reflected by the increase in the number of moulds under construction, which saw 71 units of IMD moulds under construction as at 31 March 2024 as compared to 22 units as at 31 March 2023.

Trade and other receivables decreased from HK\$9.8 million as at 31 March 2023 to HK\$8.0 million as at 31 March 2024. This was mainly due to the trade receivables from the customers resulting in the trade receivables as at 31 March 2024 with credit terms of 90 days or less accounted for 91% of total trade receivables, as compared to 70% as at 31 March 2023, which led to the improvement in the collection of receivables.

Cash and short-term deposits decreased from HK\$13.3 million as at 31 March 2023 to HK\$8.1 million as at 31 March 2024. The decrease in cash and short-term deposit was mainly due to the Group's net cash outflows of HK\$4.1 million and HK\$0.4 million from its operating activities and investing activities respectively, and an effect of unrealised foreign currency translation loss of HK\$0.6 million.

Current liabilities

Trade and other payables increased by 29.3% from HK\$8.5 million as at 31 March 2023 to HK\$10.9 million as at 31 March 2024, as a result of longer credit terms granted by the suppliers and service providers.

Other liabilities decreased by 7.5% from HK\$6.1 million as at 31 March 2023 to HK\$5.6 million as at 31 March 2024, mainly due to the decrease in accrued operating expenses from the IMD business following the payments made during the financial year reported on.

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. (continued)**

The amounts due to related parties increased by HK\$1.9 million from HK\$1.4 million as at 31 March 2023 to HK\$3.3 million as at 31 March 2024, mainly due to the accrual of rental expenses of the factory premise at Bao Long Yi Road during the financial year reported on.

Arising from the above, the Group's net assets value decreased from HK\$16.8 million as at 31 March 2023 to HK\$7.2 million as at 31 March 2024.

Cash flow

In FY2024, the Group's cash and cash equivalents decreased by approximately HK\$4.5 million, comprising net cash flow used in operating activities of approximately HK\$4.1 million and net cash flow used in investing activities of approximately HK\$0.4 million.

In FY2024, net cash flow used in operating activities was mainly due to operating cash outflows before working capital changes of HK\$6.6 million, partially offset by net working capital inflow of HK\$2.5 million. The working capital inflow in FY2024 mainly arose from increase in trade and other payables of HK\$2.9 million, increase in amount due to related parties of HK\$2.0 million and decrease in trade and other receivables of HK\$1.1 million, which was partially offset by the increase in inventories of HK\$3.4 million and decrease in other liabilities of HK\$0.1 million.

In FY2024, net cash flow used in investing activities was due to HK\$0.5 million utilised to acquire a manufacturing execution system software for the Group's IMD automated production line, partially offset by the proceeds of HK\$52,000 from disposal of property, plant and equipment.

There was no cash utilised or generated from financing activities in FY2024.

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 statement disclosed in the Company's financial results announcement for the financial period ended 30 September 2023, dated 10 November 2023.

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 economic recovery in China has been gradual, and the Group remains prudent and mindful of inflationary pressures on its business operations in order to stay competitive.

Despite challenges, the Group will continue to strive to improve its overall financial position and performance through its three-pronged approach: (i) customer base expansion – to ride on the increasing demand for complex and miniaturised plastic components across various industries, including smart home products, electronics, healthcare, and consumer goods; (ii) sales channel expansion – to cultivate sustainable demand for its IMD business; and (iii) to maintain production efficiency and quality consistency.

As at 31 March 2024, the Group's total quantity of IMD moulds produced and under construction had increased to 173 units, up from 96 units for the previous financial year. The Group's order book also increased by 44.0% from HK\$5.0 million as at 31 March 2023 to HK\$7.2 million as at 31 March 2024, and it anticipates the monthly sales and order volume growth to continue.

Despite being in a net cash position, the Group is looking into financing options to mitigate cash flow shortage due to the expected rise in sales and order volume. Currently, the Group does not foresee any issues to operate as a going concern for the next twelve months. While the Group narrowed net losses from HK\$10.8 million in FY2023 to HK\$8.8 million in FY2024, it is expecting to record losses in the financial year ending 31 March

2025 (“FY2025”) on the back of a challenging business environment. This is due to potential volatile order book from the Group’s customers, who are manufacturers across diverse industries offering their products to both domestic and international markets.

Nevertheless, the Group remains committed to improving collaboration with existing and potential business partners, as well as exploring new business prospects and potential acquisitions that will benefit the Group in the long run.

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 year on the grounds of prudence.

9. 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 year 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⁾ (“Shenzhen Precision”)			
Rental of factory premises at Bao Long Yi Road, Shenzhen	Refer to note (1)	1,834 ⁽²⁾	-
Total		1,834	-

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 year 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 annual rental of RMB1,680,000 was translated at the average exchange rate of RMB1.00:HK\$1.0919 for the financial year ended 31 March 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 FY2024, 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. Half-yearly analysis.

	Group		
	FY2024 HK\$'000	FY2023 HK\$'000	% Change
<u>First Half</u>			
Revenue reported for the first half year	13,837	11,211	23.4
Net loss after tax	(3,862)	(7,294)	(47.1)
<u>Second Half</u>			
Revenue reported for the second half year	14,631	17,596	(16.9)
Net loss after tax	(4,934)	(3,511)	40.5

The Group recorded a net loss after tax of HK\$4.9 million in the second half of FY2024 (“**2H2024**”) as compared to HK\$3.9 million in the first half of FY2024 (“**1H2024**”), mainly due to:

- a decrease in government grants related to income of HK\$0.8 million;
- an increase in impairment loss on inventories of HK\$0.5 million from the IMD Business segment; and
- an increase in impairment loss of HK\$0.2 million from the IMD Business segment, which was partially offset by
- an increase in gross profit of HK\$0.4 million from the IMD Business segment.

13. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to section 4 of “Other Information Required by Appendix 7C of the Catalist Rules”.

14. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.

Not applicable, as no dividend was declared for FY2024 and FY2023.

15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company and/or its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company and/or its subsidiaries as at 31 March 2024 pursuant to Rule 704(10) of the Catalist Rules.

By Order of the Board

CAI KAOQUN

Executive Chairman and CEO

29 May 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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