China Kunda Technology Holdings Limited

NAVIGATING TOWARDS GROWTH

ANNUAL REPORT 2026

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CORPORATE PROFILE

China Kunda Technology Holdings Limited 中国群达科技控股有限公司 ("**Kunda Technology**" or the "**Company**", and together with its subsidiaries, the "**Group**") is specialist in integrated plastics engineering solutions. The Group focuses on two primary areas: (i) In-Mould Decoration ("**IMD**"), and (ii) Plastic Injection Parts ("**PIP**") operations, which together comprise the "**IMD Business**".

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

The Group's IMD moulding technology aims to enhance both performance and quality while increasing the design versatility of the final products. This technological solution facilitates unique design features and ornamental options, such as attractive backlighting and selectable textures on surfaces that are resistant to scratches and solvents. In addition, this technique improves the durability and aesthetics of the final products for consumers.

As the manufacturing landscape continues to evolve, Kunda Technology emerges as an essential player in integrated plastics engineering solutions. By specialising in IMD and PIP, the Group not only enhances the aesthetic appeal and functionality of products but also meets the growing demand for efficient and sustainable manufacturing practices. This focus on both innovation and quality puts Kunda Technology at the forefront of industry, enabling it to meet diverse client needs and concurrently create a more sustainable future.

The Group ventured into the water treatment business in January 2026, focusing primarily on the production of electrolysed functional drinking water products and sanitisers. This business is conducted through a joint partnership to diversify the Group's revenue stream, reduce reliance on the existing business, offer better prospects of profitability and support the long-term growth of the Group, and maximise shareholders' long-term return.

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

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

LETTER TO SHAREHOLDERS

DEAR FELLOW SHAREHOLDERS,

The financial year ended 31 March 2026 ("**FY2026**") was another challenging year for the Group. The unexpected outbreak of conflict in the Middle East in late February 2026 resulted in an immediate rise in costs, complicating our efforts to manage increasing expenses stemming from ongoing US-China trade tensions. Nevertheless, we believe that maintaining flexibility and engaging in strategic planning will be crucial for remaining staying resilient as the economic environment continues to grow more volatile.

In light of the tariff uncertainties, we implemented strategic initiatives aimed at enhancing competitiveness and capitalising on opportunities to support our long-term business partners across various industries. We focused on maintaining consistent product quality and operational efficiency, successfully secured substantial orders from customers in the energy storage sector and effectively optimised production costs during FY2026. This transition resulted in a remarkable 50.9% year-on-year revenue growth for IMD Products, increasing from HK$35.6 million in the financial year ended 31 March 2025 ("**FY2025**") to HK$53.7 million in FY2026. The Group achieved a total revenue of HK$55.9 million in FY2026, reflecting a year-on-year growth of 43.6%, up from HK$38.9 million.

NAVIGATING TOWARDS GROWTH

Through our unwavering efforts, we have secured an order book amounting to approximately HK$23.6 million as at 31 March 2026, with the majority anticipated to be recognised as revenue in the financial year ending 31 March 2027 ("**FY2027**").

We will continue to drive growth through our three-pillar growth strategy, which includes:

(i) expanding our customer base in high-growth end markets, such as electronics, healthcare, consumer goods, and smart homes, by leveraging the increasing demand for intricate, miniaturised plastic components;

(ii) broadening the in-mould decoration ("**IMD**") and plastic injection parts ("**PIP**") (collectively referred to as "**IMD Products**") range of products through the development of new sales channels that ensure recurring and sustainable volumes; and

(iii) maintaining low-defect quality and achieving best-in-class production efficiency.

We believe that the technological advancements brought about by the artificial intelligence ("**AI**") revolution will continue to reshape the plastic injection moulding sector. The growing integration of AI into our daily lives is driving substantial growth in AI-dependent hardware, such as servers, smartphones, and wearables. Concurrently, AI is enhancing the designing and manufacturing processes of IMD moulds and IMD Products by reducing costs, minimising waste, and accelerating product development, thereby fostering market expansion.

It is necessary for the Group to keep our equipment and production abreast of technological requirements in order to grow together with our customers in the high-growth end markets. During FY2026, we initiated a restructuring of our manufacturing facility aimed at enhancing storage efficiency. This involved reconfiguring storage areas and eliminating obsolete inventory. Furthermore, we engaged external consultants to assist in optimising a new assembly line for production. This strategic overhaul has streamlined our operational workflow, which we anticipate will raise our productivity and operational efficiency.

In tandem with the increase in revenue, overhead costs and expenses have also risen, despite our proactive working capital management and efficient cost control measures. The Group, however, managed to narrow our net loss by 16.6% year-on-year, decreasing it from HK$10.5 million in FY2025 to HK$8.8 million in FY2026. While the Group recorded an increase in negative working capital to HK$15.7 million as at 31 March 2026, up from HK$9.1 million as at 31 March 2025, supported by our Executive Directors and a related party, and having obtained a bank loan facility of RMB5,580,000 (equivalent to HK$6.4 million) in April 2026, we do not foresee any issues regarding our ability to operate as a going concern over the next twelve months from the date of this Annual Report.

To capitalise on heightened health awareness and drive sustainable improvements in the Group's financial performance, the Group entered the water treatment business in January 2026 through a joint venture, as part of its long-term strategy to diversify revenue streams. To date, this joint venture has only recorded nominal prepayment receipts, and its revenue contribution to the Group in FY2027 is expected to be limited.

We will continue to seek new business opportunities and consider potential acquisitions of businesses with long-term prospects, focusing on enhancing our financial performance sustainably. Our commitment to innovation and sustainability will guide these efforts, ensuring that we remain competitive in a rapidly evolving market.

ACKNOWLEDGEMENT AND APPRECIATION

I wish to express my gratitude to my fellow directors for their support and guidance to the Group.

In our pursuit of growth and value enhancement for stakeholders amidst challenges of the business environment, particularly with the conflict in the Middle East, we express our gratitude for the patience and support of our shareholders, bankers, business partners, and customers.

We extend our gratitude to our management and staff for their dedication and contributions in the past year. We are confident that our relentless efforts to rise above the challenges will guide us to success as we strive to foster new growth for the Group.

CAI KAOQUN
Executive Chairman
and Chief Executive Officer

OPERATIONS AND FINANCIAL REVIEW

By prioritising consistent product quality and operational efficiency while implementing strategic initiatives to enhance competitiveness and capitalising on opportunities for supporting long-term business partners within the supply chain across various industries, the Group successfully secured substantial orders from customers in the energy storage sector and effectively optimised production costs during FY2026. This achievement is highlighted by a 50.9% year-on-year revenue growth from the sales of IMD Products, which increased from HK$35.6 million in FY2025 to HK$53.7 million in FY2026.

REVENUE ANALYSIS

(in HK$'000)	FY2026	FY2025	Variance
IMD Products	**53,682**	35,577	+ 50.9%
IMD Moulds	**2,212**	3,351	(34.0)%
Group Revenue	**55,894**	**38,928**	+ 43.6%

Despite challenging market conditions, particularly due to ongoing geopolitical tensions and tariff uncertainties that have resulted in subdued demand and increased costs, the Group remains resolute in executing its three-pillar growth strategy. This commitment is balanced with a vigilant and prudent approach to address inflationary headwinds. The three-pillar growth strategy includes:

(i) expanding the customer base in high-growth end markets, such as electronics, healthcare, consumer goods, and smart homes, by capitalising the rising demand for intricate, miniaturised plastic components;

(ii) expanding the IMD range of products through the development of new sales channels that ensure recurring and sustainable volumes; and

(iii) maintaining low-defect quality and achieving best-in-class production efficiency.

As at 31 March 2026, the Group's order book on hand stood at approximately HK$23.6 million, with the majority expected to be recognised as revenue in FY2027.

The Group has implemented concurrent strategies, including targeted financing, proactive working capital management, and efficient cost control, to preserve liquidity and ensure balance sheet flexibility. It has maintained regular communication with customers, suppliers and potential investors to align these strategies with real-time market signals. The Group narrowed its net loss by 16.6% year-on-year, reducing from HK$10.5 million in FY2025 to HK$8.8 million in FY2026.

In January 2026, the Group ventured into water treatment business to broaden its revenue base in the long term. This joint venture is currently in the early development phase, having only generated nominal prepayment receipts. While it is anticipated that meaningful operations will commence in the second half of FY2027, this business is expected to make only limited contribution to the Group's revenue in FY2027. Hence, the Group will continue to explore new business opportunities and potential acquisitions of new businesses with long-term prospects, which are expected to improve the overall financial position of the Group.

FINANCIAL PERFORMANCE

The Group achieved a 43.6% year-on-year increase in revenue, escalating from HK$38.9 million in FY2025 to HK$55.9 million in FY2026. This growth was driven by increased orders of relatively higher-margin IMD Products in larger volumes. The Group has strategically set the prices of its IMD moulds to ensure sustained sales orders for IMD Products, thereby strengthening the Group's primary revenue stream.

Gross profit increased by 78.9% year-on-year, rising from HK$3.5 million in FY2025 to HK$6.3 million in FY2026. This growth can be attributed to a favourable sales mix, along with the economies of scale achieved through larger-volume sales orders of IMD Products. As a result, the gross margin improved from 9.1% in FY2025 to 11.4% in FY2026.

Other income decreased from HK$0.3 million in FY2025 to HK$0.2 million in FY2026. The reduction was primarily attributed to the absence of a gain on the disposal of property, plant and equipment that was recognised in FY2025.

Selling and distribution expenses reduced by 26.8% year-on-year, decreasing from HK$2.3 million in FY2025 to HK$1.7 million in FY2026. This reduction stemmed from a HK$0.6 million decrease in sales commission and entertainment expenses due to effective cost control measures, despite increased revenue in FY2026.

General and administrative expenses increased by 11.2% year-on-year, rising from HK$10.9 million in FY2025 to HK$12.2 million in FY2026. This increase was primarily attributed to one-off, non-recurring production restructuring costs amounting to HK$0.7 million within the IMD Business. These costs encompassed temporary labour expenses incurred for reconfiguring storage spaces and scrapping obsolete inventory to optimise storage efficiency. Furthermore, the increase in expenses was also driven by an increase in consultancy fees associated with the new assembly production line, which amounted to HK$0.6 million for the IMD Business.

Other expenses increased from HK$1.1 million in FY2025 to HK$1.4 million in FY2026. These expenses include (i) a loss on the disposal of idle equipment of HK$0.6 million in FY2026, compared to nil in FY2025; (ii) inventories written down amounting to HK$0.5 million in FY2026, compared to HK$1.0 million in FY2025, primarily related to certain IMD moulds under construction; and (iii) an impairment loss on trade and other receivables of HK$0.3 million in FY2026, compared to HK$0.1 million in FY2025.

Taking into account the operating and finance expenses, the Group's net loss narrowed by 16.6% year-on-year, reducing from HK$10.5 million in FY2025 to HK$8.8 million in FY2026.

FINANCIAL POSITION ANALYSIS

(HK$'000)	FY2026	FY2025	Variance
Non-current assets	**3,148**	5,721	*(45.0)%*
Current assets	**28,455**	19,672	*+ 44.6%*
Current liabilities	**44,200**	28,726	*+ 53.9%*
Working capital[1]	**(15,745)**	(9,054)	*+ 73.9%*
Equity attributable to owners of the Company	**(12,597)**	(3,333)	*> 100.0%*
Net asset value per share (HK Cents)[2]	**(3.07)**	(0.81)	*> 100.0%*

Notes:
1. Working capital was computed using current assets less current liabilities.
2. Net asset value per share for FY2026 and FY2025 were computed based on the total number of issued ordinary shares of 409.8 million.

Non-current assets, primarily comprising plant and equipment, decreased by 45.0% year-on-year, from HK$5.7 million as at 31 March 2025 to HK$3.1 million as at 31 March 2026. This decrease was attributed to depreciation charges of HK$0.7 million and the disposal of idle equipment with a net book value of HK$1.8 million, and this reduction was partially offset by a foreign currency translation gain of HK$0.2 million in FY2026. Additionally, the Group's intangible assets decreased by HK$0.2 million, down from HK$0.4 million as at 31 March 2025 to HK$0.2 million as at 31 March 2026, mainly due to amortisation of HK$ 0.2 million.

Current assets increased by 44.6% year-on-year from HK$19.7 million as at 31 March 2025 to HK$28.5 million as at 31 March 2026. The increase is attributed to:
- the increase in trade and other receivables from HK$12.0 million as at 31 March 2025 to HK$21.8 million as at 31 March 2026. The increase was due to higher sales of IMD Products inclusive of VAT by HK$10.1 million in the 2H FY2026, compared to 2H FY2025; and
- the increase in prepayments from HK$0.1 million as at 31 March 2025 to HK$0.5 million as at 31 March 2026, stemmed from prepayment made for the new assembly sales order from the IMD Business.

The increase was partially offset by:
- the decrease in inventories from HK$4.4 million as at 31 March 2025 to HK$3.3 million as at 31 March 2026 resulted from a decline of HK$1.0 million in IMD moulds under construction and work-in-progress, along with improved inventory management and an increase in sales volume; and
- the reduction in cash and short-term deposits from HK$3.1 million as at 31 March 2025 to HK$2.8 million as at 31 March 2026 was primarily due to the utilisation of funds for the Group's operating expenses amounting to HK$4.8 million. However, the reduction was partially offset by an injection of short-term borrowings and proceeds from the disposal of property, plant and equipment in FY2026.

OPERATIONS AND FINANCIAL REVIEW

Current liabilities increased by 53.9% year-on-year from HK$28.7 million as at 31 March 2025 to HK$44.2 million as at 31 March 2026. The increase was mainly due to:

- the increase in trade and other payables from HK$16.0 million as at 31 March 2025 to HK$24.5 million as at 31 March 2026 reflects the higher procurement costs, primarily associated with the IMD Business, aligned with the increase in cost of goods sold of IMD Products inclusive of VAT by HK$8.1 million in the second half of FY2026 as compared to the second half of FY2025;
- the increase in contract liabilities from HK$0.5 million as at 31 March 2025 to HK$0.9 million as at 31 March 2026 resulted from the increased in sales orders and advances from customers for the IMD Business;
- the increase in other liabilities from HK$4.2 million as at 31 March 2025 to HK$4.4 million as at 31 March 2026 was attributed to a rise in VAT payables and other taxes, resulting from an increase in revenue;
- the increase in the amount due to related parties from HK$8.0 million as at 31 March 2025 to HK$11.8 million as at 31 March 2026, attributable to the accrual of rental expenses of the Group's production premise at Bao Long Yi Road in FY2026 and an additional amount owing to related parties for working capital support; and
- borrowings of HK$2.6 million in FY2026 were from an unsecured bank loan facility of RMB 1.0 million and discounted bills receivable of approximately HK$1.5 million.

Taking into account the above, the Group reported a negative working capital of HK$15.7 million as at 31 March 2026, an increase from HK$9.1 million as at 31 March 2025. Consequently, the Group's net liabilities increased to HK$12.6 million as at 31 March 2026, compared to HK$3.3 million as at 31 March 2025.

Nonetheless, the management has conducted a thorough analysis of the Group's going concern assessment and is satisfied that the Group has sufficient resources to remain operational for at least the next 12 months from the date of this Annual Report.

CASH FLOW ANALYSIS

(HK$'000)	FY2026	FY2025	Variance
Net cash used in operating activities	**(4,814)**	(6,975)	*(31.0)%*
Net cash from/(used in) investing activities	**1,236**	(63)	*N.M.*
Net cash from financing activities	**3,035**	2,159	+ 40.6%
Net cash and cash equivalents	**2,771**	**3,131**	***(11.5)%***

N.M. denotes as not meaningful.

In FY2026, the Group's cash and cash equivalents decreased by HK$0.4 million, was primarily due to net cash used in operating activities of HK$4.8 million. The decrease was partially offset by a net cash inflow of HK$1.2 million from investing activities and a new cash inflow of HK$3.0 million from financing activities.

In FY2026, net cash flow used in operating activities was mainly due to operating cash outflows before working capital changes of HK$6.4 million, partially offset by net working capital inflow of HK$1.6 million. The working capital inflow in FY2026 mainly arose from the decrease in inventories of HK$0.8 million, the increase in trade and other payables of HK$7.3 million, the increase in other liabilities of HK$0.3 million, and the increase in amount due to related parties of HK$2.7 million, which was partially offset by the increase in trade and other receivables of HK$9.1 million and the increase in prepayments of HK$0.4 million.

In FY2026, net cash flow from investing activities was due to the proceeds of HK$1.2 million from the disposal of property, plant and equipment.

In FY2026, the Group obtained additional financing through a short-term borrowing of HK$2.5 million and an unsecured interest-free loan of HK$0.6 million from a related party for working capital purposes.

MR. CAI KAOQUN
Executive Chairman and CEO

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

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

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

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

MR. CAI KAOBING
Executive Director

Mr. Cai Kaobing is an Executive Director of the Company. He was appointed to the Board on 26 December 2007 and was last re-elected on 30 July 2025.

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

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

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

MR. THOMAS LAM KWONG FAI
Lead Independent Director

Mr. Thomas Lam Kwong Fai is the Lead Independent Director of the Company, Chairman of the Audit Committee, and a member of the Remuneration Committee. He was appointed to the Board on 1 October 2019 and was last re-elected on 30 July 2025.

Mr. Lam started his career as a regulator before moving into investment banking, where he handled a variety of initial public listings (IPOs) and other corporate actions. He then moved into Catalist regulation, working with a wide portfolio of listed companies, advising on the listing rules and corporate governance. Through his various capacities, he has amassed over 20 years of experience in the Singapore corporate finance scene.

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

BOARD OF DIRECTORS

MS. CHEN LIPING
Independent Director

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

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

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

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

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

MS. FOO QUEK CHENG
Independent Director

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

Ms. Foo is currently the Chief Financial Officer cum Acting Chief Executive Officer of Sen Yue Holdings Pte. Ltd. (formerly known as Sen Yue Holdings Limited, a company previously listed on the Singapore Exchange). She began her career in Big 4 accounting firms and brings with her more than 20 years of experience in auditing, accounting in various sectors, finance and business management.

She held positions as Chief Financial Officer in Singapore public listed companies, including Heatec Jietong Holdings Ltd and Eindec Corporation Limited ("**Eindec**"). During her tenure with Eindec, she served concurrently as the Acting Chief Executive Officer from December 2019 to August 2022.

Ms. Foo holds a Master of Business Administration (Distinction) from the University of Manchester, United Kingdom, and a Bachelor of Commerce (Accounting) from the University of Adelaide, Australia. Ms. Foo is a Fellow of CPA Australia and an Associate Chartered Valuer and Appraiser (ACVA). She is also an independent director of Leong Guan Holdings Limited, a company listed on the Singapore Exchange.

MR. HE WUQING

General Manager of Kunda Plastic Electronic (Shenzhen) Company Limited

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

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

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

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

MR. ALEX LIM KHENG ONN

Group Financial Controller

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

Mr. Lim oversees the Group's overall accounting and finance functions, which encompass finance, budgeting, taxation matters, risk management, and corporate reporting.

Prior to joining the Group, Mr. Lim advanced his career at Ernst and Young from July 2004 to January 2010, starting as an Audit Assistant and ultimately becoming an Audit Supervisor.

Mr. Lim holds a Bachelor in Accounting and Finance degree from the University of Plymouth, which he graduated in July 2002. He is a Fellow of the Association of Chartered Certified Accountant (United Kingdom) and a member of the Institute of Singapore Chartered Accountants.

SUSTAINABILITY REPORT

BOARD STATEMENT

The board of directors (the "**Board**") of China Kunda Technology Holdings Limited ("**China Kunda**" or the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to present the annual sustainability report for the financial year ended 31 March 2026 ("**FY2026**").

The Group faces a volatile business environment with intense competition and rising operating costs, which have been further exacerbated by rising trade tensions and fluctuating tariff impositions, and the sudden conflict in the Middle East that broke out in late February 2026. While our identified strategies and enhanced operational efficiency have raised our revenue and gross profit in FY2026, we remain vigilant regarding the potential impacts of the Middle East conflict.

We will implement essential measures through our growth strategy to cultivate stability and sustainability while also enhancing operational efficiency. Concurrently, we will focus on delivering solutions and services that support our long-term business partners in addressing challenges collaboratively.

The Board will oversee the Sustainability Management Team, which is tasked with monitoring economic, environmental, social, and governance ("**EESG**") factors and performance that are relevant to our Group's industry and operations. This oversight aims to validate our sustainability practices and support the continuous improvement of disclosures and updates to our targets as we strengthen our fundamentals.

This sustainability report presents our EESG performance for FY2026, focusing exclusively on the Group's plastic engineering solutions businesses in the People's Republic of China ("**PRC**"). The Group has not included the water treatment business, as it was ventured into only in January 2026 and is currently in its early development stage.

Our Singapore operation primarily handles corporate reporting for the listed company. Despite primarily operating in the PRC, we are committed to upholding integrity and business ethics by adhering to the relevant rules and regulations of the respective countries where we conduct business.

This sustainability report has been prepared with reference to the 2021 Global Reporting Initiative ("**GRI**") Sustainability Reporting Standards ("**GRI Standards**") and in compliance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), as well as the SGX-ST's Sustainability Reporting Guide. We have selected the GRI framework due to its recognition as a reputable and globally acknowledged standard for sustainability reporting. The Company is committed to meeting the SGX-ST's updated climate reporting requirements as announced on 25 August 2025, which include the gradual adoption of the International Financial Reporting Standard ("**IFRS**") Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("**ISSB**"). In addition, the Group continues to report material climate related risks and disclose its Scope 1 and Scope 2 greenhouse gas ("**GHG**"), demonstrating its commitment to addressing climate-related risks and opportunities in alignment with the Task Force on Climate-Related Financial Disclosures ("**TCFD**") recommendations.

We did not seek external assurance for this sustainability report. Nevertheless, our internal auditors annually review our sustainability reporting processes in accordance with the International Standards for the Professional Practice of Internal Auditing, as published by the Institute of Internal Auditors, as part of our internal audit plan.

This sustainability report forms part of the annual report of the Company for FY2026, which is available on the Company's corporate website at www.chinakunda.com and on SGXNet at www.sgx.com/securities/company-announcements.

We would like to thank our stakeholders for their continued support and welcome any feedback or suggestions regarding our sustainability practices, as such input would help us to improve our efforts. Should you wish to reach out to us, please contact us via our investor relations email at ir@chinakunda.com.

On behalf of the Board

CAI KAOQUN
Executive Chairman
and Chief Executive Officer

30 June 2026

SUSTAINABILITY GOVERNANCE

At China Kunda, our sustainability focus is on generating sustainable values for our stakeholders, which include customers, employees, suppliers and business partners, shareholders and investing community, and government and regulators. Our sustainability strategy involves managing the effects of key EESG factors while evaluating potential risks and opportunities within our operations. This approach empowers the Board and our management team to effectively address challenges, thereby strengthening the Group's resilience and advancing towards our long-term sustainability.

The Group has in place a Sustainability Management Team ("**SMT**") comprising leaders from various departments within the organisation. The Chief Executive Officer ("**CEO**") oversees the SMT and reports to the Board for advice and guidance. Any sustainability concerns regarding the Group's risks and opportunities will be brought to the SMT's attention. The SMT will then assess the aspects of enterprise risk management related to the identified concern before presenting its findings to the CEO and the Board. The Board maintains an effective oversight of the SMT by reviewing and evaluating the relevance of the practices in place to address potential sustainability issues. Additionally, the Board will incorporate these findings into the formulation of strategies and policies aimed at enhancing the Group's risk contingency and resilience in the face of challenges. We believe that this governance process ensures that significant material EESG factors and climate-related challenges pertinent to the business are adequately addressed.

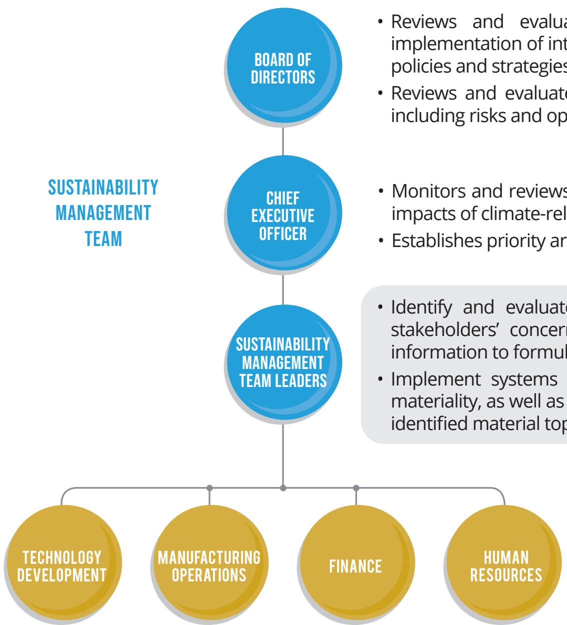
The Board will review and deliberate on the sustainability issues, while the SMT is responsible for ensuring that the EESG factors are continuously monitored and effectively managed. The SMT is responsible for assessing the Group's sustainability performance and material topics, analysing climate-related risks and opportunities, addressing stakeholder concerns, setting targets and goals for material factors, and verifying the processes implemented to collect, verify, monitor and report the information required for sustainability reporting. Additionally, the SMT collates information for assessing materiality and potential risks and opportunities brought to its attention. The SMT meets at least once a year to discuss, propose, coordinate, and promote sustainability practices within the Group.

We have formalised our Sustainability Reporting Policy to enhance our commitment to the sustainability of our Group. This policy serves as a guide for our sustainability reporting practices. Furthermore, the Board has kept abreast of the growing concerns regarding sustainability and climate-related issues through training and education, which includes attending seminars.

The Company is committed to meeting the SGX-ST's updated climate reporting requirements, as announced on 25 August 2025, which entail the gradual adoption of the IFRS Sustainability Disclosure Standards issued by the ISSB, with the selected GRI Standards framework.

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

SUSTAINABILITY GOVERNANCE STRUCTURE



Board of Directors

- Reviews and evaluates sustainability concerns and climate-related risks. ensures the effective implementation of internal policies and practices, meets regulatory compliance, and approves overarching policies and strategies.
- Reviews and evaluates the effectiveness of systems and processes in addressing sustainability issues, including risks and opportunities related to climate change.

Chief Executive Officer

- Monitors and reviews the sustainability performance of identified material topics, as well as the potential impacts of climate-related risks and opportunities, and stakeholder concerns.
- Establishes priority areas for sustainability improvements and overall governance.

Sustainability Management Team Leaders

- Identify and evaluate material topics, alongside climate-related risks and opportunities, as well as stakeholders' concerns. Set targets and priorities to advance sustainability initiatives and integrate information to formulate policies and procedures that address operational gaps within the organisation.
- Implement systems throughout the organisation, collecting and monitoring information to evaluate materiality, as well as potential operational risks and opportunities, in order to achieve goals related to the identified material topics.

STAKEHOLDER ENGAGEMENT

At China Kunda, we believe that sustainable operations require regular communication with both internal and external stakeholders. Our commitment to fostering mutually beneficial relationships with our stakeholders is steadfast, and we aim to achieve this goal through effective communication. We actively engage our stakeholders to involve them in our pursuit of sustainable business practices.

Our engagements with our key stakeholders are summarised as follows:

STAKEHOLDERS	AREAS OF CONCERN	COMMUNICATION CHANNEL	OUR ACTIONS
INTERNAL			
Board of Directors	• Ensure that the internal policies and practices are current, effectively implemented and monitored consistently throughout the Group • Adherence to applicable laws and regulations	• Board meetings • Regular updates via electronic communications (emails, phone calls, virtual meetings)	• Regular updates on corporate activities, developments and financial performance • Seek advice and approvals from the Board on all material proposed developments
Employees	• Career stability and prospect • Training and education opportunities • Competitive salaries and incentives • Pleasant and safe working environment	• Regular internal communications through staff meetings and electronic communications (emails, phone calls, internal notices, virtual meetings) • Regular review of working environment • Training and development programmes • Performance appraisal • Employee welfare discussion	• Ensure effective implementation of human resources policies internal systems and procedures • Regular internal meetings to review safety and healthy working environment and measures • Grievance mechanism • Sponsor employees to attend courses and conferences • Annual performance appraisal
EXTERNAL			
Government & Regulators	• Good governance practices and regulatory compliance • Occupational health & safety • Socioeconomic compliance • Tax issues	• Meetings when required • Mails • Electronic communications (emails, phone calls, virtual meetings) • Through external professionals and agencies • Announcements on SGXNet	• Ensure compliance with applicable laws and regulations • Regular communication with external professionals and agencies • Correspondence with relevant authorities when necessary • Regular updates on pertinent laws and regulations via seminars and training sessions • Ensure all public disclosures are disclosed accurately and timely via official announcements as appropriate

STAKEHOLDERS	AREAS OF CONCERN	COMMUNICATION CHANNEL	OUR ACTIONS
EXTERNAL			
Customers	• Quality assurance • On-time delivery • Pre- and post- project support and services • Reasonable payment terms • Competitive pricing	• Customer feedback via materiality assessment form / in-person meetings • Regular follow-up via calls and in-person meetings • Electronic communications (emails, virtual meetings)	• Active follow-ups based on our customers' preferences • Regular internal meetings to review customer fulfilment and identify new requirements • Obtain product and quality certifications to guarantee a consistent level of product quality in our products • Provide timely updates to our customers
Suppliers / Business Partners	• Updates on new product developments and market trends • Timely payments and adherence to agreed terms • Commitment to long-term working relationship	• Regular interactions and updates with suppliers • Electronic communications (emails, phone calls, virtual meetings)	• Regular review, evaluation and feedback on the quality, pricing, delivery lead time and evolving requirements • Ensure compliance with standards and applicable laws and regulations, and align with good corporate practices • Perform periodic evaluation
Shareholders & Investment Community	• Financial performance • Business sustainability and profitability • Dividends and/or investment returns • Industry prospect and market presence • Transparency and good corporate governance	• Announcements on SGXNet • Shareholders' general meetings • Electronic communications (emails, virtual meetings) • Annual reports • Company website	• Ensure all public disclosures on corporate results and developments are disclosed accurately and timely via official announcements as and when required • Conduct general meetings with shareholders at least once a year • Ensure sustainable business operations

MATERIALITY ASSESSMENT

The Group conducted an internal analysis to evaluate the relevance of material topics to our operations, in line with the latest requirements of the GRI Standards and the Catalist Rules. We assessed materiality criteria by applying industry standards, analysing peer benchmarking information from companies with similar operations and management practices, and incorporating relevant recommendations from our internal auditors based on their annual audit and review of the last sustainability report.

The Group has been progressively adopting the TCFD's recommendations over the past few years. In August 2025, the SGX-ST announced a roadmap for climate reporting that incorporates TCFD recommendations into climate-related disclosures ("**CRD**") under the IFRS Sustainability Disclosure Standards. The SMT is taking time to understand these requirements and has started working on the necessary climate-related disclosures.

During FY2026, the SMT reviewed a list of potential climate-related risks, encompassing both transition and physical risks, as well as climate-related opportunities (collectively referred to as "**CrRO**"), and this assessment aimed to understand their relevance, identify potential threats to the Group's operations, and evaluate the financial implications associated with these risks and opportunities. While we are still in early stages of discussing the CrRO, we have an established governance structure and have been reporting on our greenhouse gas ("**GHG**") emissions since FY2021. We are committed to enhancing our climate resilience through effective governance and risk contingency measures and will meet compliance requirements within the stipulated timeline, utilising available resources.

The internal stakeholders, primarily the members of the organisation who are familiar with the day-to-day operations of the Group, will evaluate the potential impacts of the identified material topics relevant to our business operations from their perspectives. Subsequent to this evaluation, representatives from both external and internal stakeholder groups will rank these material topics by priority. The selected material topics, together with the mandatory components to be included in the sustainability report, will be presented to the Board for review and approval.

We ensure that data is collected in accordance with the selected material topics relevant to our business operations, facilitating an analysis of our sustainability performance. Integrating data collection into our operational activities enables regular monitoring and efficient responses to events, which is essential for adapting our strategies and enhancing our sustainability performance. Furthermore, assessing our performance allows us to establish targets for the relevant material topics for the following financial years. In addition to addressing material factors pertinent to the Group's operations, we are working towards compliance with the latest sustainability reporting requirements in the near future.

We are committed to enhancing our engagement with stakeholder groups regarding the material topics we have identified, especially as we navigate our growth prospects in response to global economic and geopolitical challenges. We have built on our initial internal dialogue and assessment of the potential impacts of climate-related risks and opportunities on our business operations. We will continue to adopt a progressive approach and optimise our available resources to enhance the disclosures in our forthcoming sustainability reports, demonstrating the Group's climate resilience.

We have selected the GRI framework for our sustainability reporting due to its global recognition and reputation as a standard for sustainability reporting. The chart below outlines the process for sustainability reporting and the specific disclosures for each GRI Standard related to the selected material topics.

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

REVIEW MATERIAL TOPICS → EVALUATE & PRIORITISE MATERIAL TOPICS → VALIDATE MATERIAL TOPICS → KEY MATERIAL TOPICS

REVIEW & ANALYSIS

- Review and assess the relevance of material topics
- Monitor and verify data information collected according to the identified material factors for review and analysis
- Identify climate-related risks and opportunities, as well as the potential effects of the risks and opportunities that are of relevance to the Group's business operations

MATERIALITY ASSESSMENT

- Benchmarking analysis against acceptable industry standards, comparable listed companies and/or nature of business
- Evaluate material factors that are of priority to the sustainability of the Group's business
- Conduct internal discussion on potential sustainability issues and effects of climate-related risks and opportunities, and possible risk contingency

REPORT TO THE BOARD FOR ADVICE AND REVIEW, AND OBTAIN APPROVAL

- Update and report to the Board on sustainability performance, sustainability issues (if any), update on material factors, and potential effects of climate-related risks and opportunities that are of relevance to the Group's business
- Seek advice on possible risk contingency and obtain approval for strategies and policies

ECONOMIC

GRI 201-1
- Economic Performance
- Innovation and R&D

GRI 204-1
- Suppliers and Business Partners

ENVIRONMENTAL

GRI 301-1, 301-2
- Materials

GRI 103-2, 102-5, 102-6, 102-8
- Energy Efficiency
- GHG Emissions
- GHG Emissions Intensity

GRI 102-1
- Climate Change Resilience

SOCIAL

GRI 401-1, 405-1
- Employment, Diversity and Equal Opportunity

GRI 403-1, 403-4, 403-5, 403-9
- Occupational Health & Safety

GRI 404-1, 404-3
- Training and Advancement
- Performance Appraisal

GOVERNANCE

GRI 2-27
- Regulatory Compliance
- Corporate Governance
- Enterprise Risk Management

Note:
The GRI and ISSB are collaborating to achieve full interoperability between their reporting standards. They have aligned common disclosure areas, including greenhouse gas emissions and climate risks, to reduce reporting duplication. GRI has rolled out updated standards, including GRI 102: Climate Change 2025, which replaces old emissions standards reported under GRI 305: Emissions 2016 and GRI 201-2: Financial implications and other risks and opportunities due to climate change, as well as GRI 103: Energy 2025, which includes supply chain consumption and decarbonisation plans and replaces old energy GRI 302: Energy 2016.

MATERIAL TOPIC: ECONOMIC
ECONOMIC PERFORMANCE
GRI 201

The Group implemented initiatives in FY2026 to enhance competitiveness and capitalise on opportunities to support our long-term business partners across a diverse range of industries, particularly amid the ongoing trade tensions and tariff uncertainties between the US and China. In its efforts to provide competitive pricing for customised In-Mould Decoration ("**IMD**") moulds, the Group has successfully secured sales orders for the production of IMD and plastic injection parts (collectively referred to as "**IMD Products**") using the fabricated moulds. This mutual commitment from both the customers and the Group is reinforced by the consistent focus on product quality and operational efficiency.

While this approach results in the Group facing short-term challenges due to the need to absorb higher costs, we aim to strengthen its market position and ensure sustainable, long-term growth. During FY2026, the Group initiated a restructuring of its production facility to optimise storage efficiency and invested in consultancy with a new assembly line. These initiatives pave the way for potential growth in the near future.

The Group registered a total revenue of HK$55.9 million for its IMD business in FY2026, an increase of 43.6% year-on-year, up from HK$38.9 million in FY2025. Gross profit saw a significant 78.9% year-on-year increase from HK$3.5 million in FY2025 to HK$6.3 million in FY2026, attributable to a favourable sales mix and the economies of scale achieved through larger-volume sales orders of IMD Products. Gross margin improved from 9.1% in FY2025 to 11.4% in FY2026. Through concurrent strategies, including proactive working capital management and efficient cost control, the Group reduced its net loss by 16.6% year-on-year, decreasing from HK$10.5 million in FY2025 to HK$8.8 million in FY2026.

In addition to strengthening its core IMD business, the Group ventured into the water treatment business in January 2026 to broaden our revenue base for the long term.

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

- Operations and Financial Review on page 4.
- Financial Statements on page 68.

PERFORMANCE IN FY2026

- Achieved to improve financial performance in FY2026.
- Revenue increased by 43.6% from HK$38.9 million in FY2025 to HK$55.9 million in FY2026.
- Narrowed net loss attributable to shareholders of HK$8.8 million in FY2026, down from HK$10.5 million in FY2025.
- Ventured into water treatment business during FY2026 to broaden revenue base in the long term.

TARGETS FOR FY2027

- To strengthen the Group's fundamentals to improve current business operations and financial performance despite challenging economic and business environment.
- To continue to drive growth through three-pillar strategy: (i) customer base expansion, (ii) IMD product range expansion through cultivation of sales channels, and (iii) maintain high-quality and operational efficiency.

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

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

GRI 201-1

(in HKD thousands)	FY2026	FY2025	FY2024
Economic value generated	**55,894**	**38,928**	**28,468**
Economic value distributed	**(64,656)**	**(49,439)**	**(37,264)**
Operating costs	(49,597)	(34,394)	(26,484)
Employee wages and benefits	(15,059)	(15,045)	(10,780)
Payments to providers of capital	-	-	-
Payments to government by country (taxes)	-	-	-
Economic value retained	**(8,762)**	**(10,511)**	**(8,796)**

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

The Group is committed to further strengthening our overall financial position and performance through the continued execution of our three-pillar growth strategy as follows:

(i) expanding the customer base in high-growth end markets, such as electronics, healthcare, consumer goods, and smart homes, by capitalising the rising demand for intricate, miniaturised plastic components;

(ii) expanding the IMD range of products through the development of new sales channels that ensure recurring and sustainable volumes; and

(iii) maintaining low-defect quality and achieving best-in-class production efficiency.

This strategy is underpinned by a vigilant and prudent approach to mitigating inflationary headwinds in light of the ongoing conflict in the Middle East.

INNOVATION AND R&D

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

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

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

PERFORMANCE IN FY2026

- Did not achieve target of at least 50 new projects.
- Recorded 42 units of IMD moulds under construction at end FY2026, decreased by 45.5% from 77 units at end FY2025.
- Secured order book increased by 78.8% from HK$13.2 million at end FY2025 to HK$23.6 million at end FY2026

At China Kunda, our Technology Development Department has established an 'innovation policy' designed to uphold the practices and evaluation procedures that support our customers during their product conceptualisation stage. This policy is subject to annual review and audit, and the Group reported zero incidents of policy violations in FY2026, maintaining this consistent achievement over the years. We remain committed to upholding a record of zero incidents of policy violations for the long term.

We started incorporating innovation incentives into employee wages and benefits in FY2025 to encourage our employees to collaborate on innovative initiatives within the organisation. We emphasised achieving economies of scale and operational efficiency with our customers to optimise opportunities for recurring and sustainable volumes in the production of IMD products, spanning industries such as automobiles, mobile devices, electronic appliances, healthcare devices, and renewable energy storage. While the number of new projects for IMD moulds under construction reduced from 77 units as at 31 March 2025 to 42 units as at 31 March 2026, this was primarily attributable to the Group's strategic focus on securing new projects with higher product order volumes. Consequently, our secured order book increased from HK$13.2 million as at 31 March 2025 to HK$23.6 million as at 31 March 2026, with the majority of orders expected to be recognised as revenue in the financial year ending 31 March 2027 ("**FY2027**").

TARGETS FOR FY2027

- Strive to achieve 50 – 80 new projects annually.
- To continue to tap on the increasing need for intricate and compact plastic components in diverse sectors, such as automobiles, electronic appliances, healthcare devices, and renewable energy storage, thereby expanding the Group's order book.

SUPPLIERS AND BUSINESS PARTNERS

GRI 204-1

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

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

We have established a supplier evaluation procedure and procurement control mechanisms, evaluating our suppliers on an annual basis. Our suppliers are required to meet the following basic criteria: (i) a robust quality assurance system and raw materials meeting the specifications set out in the Company's 'Incoming Material Inspection Control Procedures'; (ii) reasonable pricing; (iii) the ability to supply the specified raw materials consistently over the long term and on-time delivery; and (iv) provide good after-sales service.

In light of the ongoing tariff and geopolitical uncertainties, which have led to increased competition and inflationary pressures, we remain committed to nurturing strong business relationships with our suppliers to ensure long-term sustainability. We regard our suppliers as partners and offer them the same level of respect that we extend to our customers.

PERFORMANCE IN FY2026

- Achieved targets set for FY2026.
- Evaluated suppliers and satisfied with their consistency in quality and punctual delivery. No changes to appointed suppliers.
- Total local purchases increased from HK$19.0 million in FY2025 to HK$41.5 million in FY2026, increasing in tandem with higher revenue and increased in secured orders in FY2026.

TARGETS FOR FY2027

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

There were no changes to our appointed suppliers in FY2026. In tandem with our higher revenue and increased in secured orders in FY2026, the proportion of our local purchases increased. The local purchases accounted for HK$41.5 million or approximately 79.4% of the total purchases of HK$52.2 million in FY2026, compared to HK$19.0 million or approximately 63.8% of the total purchases of HK$29.8 million in FY2025.

MATERIAL TOPIC: ENVIRONMENTAL MATERIALS

GRI 301-1, 301-2

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

We consistently monitor and review the utilisation of both renewable and non-renewable materials to optimise our manufacturing processes, reduce product defects and minimise material losses. Our management system is certified to ISO 14001 and ISO 9001 standards, ensuring compliance with effective environmental and quality management practices. We contend that waste reduction and recycling yield cost savings for the Group while enabling us to better meet our customers' environmental and regulatory needs.

The materials are primarily for manufacturing IMD Products, which encompass In-Mould Decoration and plastic injection parts for both existing and new projects, as well as secured sales orders.

In FY2026, the Group consumed a total of 756,841.1 kilogrammes of non-renewable materials, increased by 185.5% from 265,132.9 kilogrammes in FY2025. This rise in consumption primarily resulted from the increased productivity of IMD Products, which coincided with the increase in revenue in FY2026.

PERFORMANCE IN FY2026

Achieved target that the recyclable proportion of renewable materials remains above 5%.

- Driven by higher sales revenue, the Group recorded a significant increase in the consumption of non-renewable materials from 265,132.9 kg in FY2025 to 756,841.1 kg in FY2026, and a 9.8% increase in total consumption of renewable materials from 51,639 pieces of cardboard boxes in FY2025 to 56,724 pieces in FY2026.

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

Material type	FY2026	FY2025	FY2024	FY2023
Plastic sheet	0.0	11.6	6.5	2,114.9
Plastic pellet	743,767.5	247,388.9	278,942.5	179,030.0
Paint	2,044.2	132.5	66.6	3,276.1
Protective film	11,029.3	17,599.9	8,928.7	11,902.5
Total	**756,841.1**	**265,132.9**	**287,944.3**	**196,323.5**

Total consumption of renewable materials, predominantly cardboard boxes, rose by 9.8% year-on-year, increasing from 51,639 pieces in FY2025 to 56,724 pieces in FY2026, driven by higher sales revenue. In our commitment to environmental sustainability, we have adopted the use of recyclable materials, including blue plastic crates and cardboard boxes, for product delivery. For customers in different cities, we leave the responsibility of recycling of cardboard boxes to them as collecting and recycling them is neither feasible nor cost-effective for us. The introduction of using blue plastic crates helped to reduce the usage of cardboard boxes and enhanced resource recycling of cardboard boxes, which improved from 7.3% or 3,751 pieces in FY2025 to 14.8% or 8,398 pieces in FY2026.

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

Cardboard boxes	FY2026	FY2025	FY2024	FY2023
Consumed	56,724	51,639	23,583	21,684
Recycled	8,398	3,751	7,648	6,843
Recycled/used	**14.8%**	**7.3%**	**32.4%**	**31.6%**

Currently, we are navigating growth opportunities as we emerge from the disruptions caused by the Covid pandemic, along with ongoing tariff and geopolitical uncertainties. We believe that comprehending the baseline of our production, which must take into account our customers' demand and secured orders, is crucial before we can establish realistic short-, medium- and long-term targets for the Group. Nevertheless, we remain committed to enhancing our resource recycling rate.

TARGETS FOR FY2027

Continue to monitor and review materials utilisation as the Group strives to optimise production and operational efficiency.

- Maintain that the recyclable proportion of renewable materials used to be above 5% of total amount of materials used.

ENERGY EFFICIENCY

GRI 103-2, 102-5, 102-6, 102-8

The manufacturing of IMD Products remains the primary driver of revenue and energy consumption for the Group. As a result, we are committed to monitoring and recording energy data from our operations in the PRC to better understand the efficiency of our resources and the impact on the environment. We have calculated the total annual greenhouse gas ("**GHG**") emissions in accordance with the GHG Protocol and reported with reference to the relevant GRI standard, which meets the requirement under IFRS Sustainability Disclosure Standard S2 ("**IFRS S2**").

Electricity is primarily utilised for the production of IMD Products at our manufacturing and office facilities, whereas fuel is essential for transportation. Our energy-saving initiatives include the installation of energy-efficient LED lighting, the purchase of energy-efficient air-conditioning units and equipment, and conducting regular training to enhance awareness of energy conservation. We also invest in low-energy consumption vehicles and regularly service them to minimise our carbon footprint and promote sustainability in our operations.

The Group's pursuit of operational efficiency resulted in declines in electricity and fuel consumption during FY2026. The improvements were achieved through the reconfiguration of storage space, the upgrading of the product assembly line, and the optimisation of third-party logistics for deliveries to customers in various cities.

As a result, the total energy consumed by the Group in FY2026 was 4,995.5 gigajoules ("**GJ**"), comprising 551.1 GJ of fuel and 4,444.4 GJ of electricity. This represents a 25.3% decrease compared to the total energy consumption of 6,683.8 GJ in FY2025, which included 613.2 GJ of fuel and 6,070.6 GJ of electricity.

PERFORMANCE IN FY2026

- Achieved target of reducing carbon emission intensity set for FY2026.
- Total energy consumption reduced by 25.3% from 6,683.8 GJ in FY2025 to 4,995.4 GJ in FY2026.
- Total GHG emissions recorded a 3-year CAGR of 1.0% from FY2023 to FY2026.
- Carbon emission intensity declined by 48.7% from 37.9 tCO_2e per HKD million of revenue for FY2025 to 19.5 tCO_2e per HKD million of revenue in FY2026.

TARGETS FOR FY2027

- To monitor and review the energy consumption associated with manufacturing activities and outsourced delivery services in light of tariff and geopolitical uncertainties that may lead to inflationary cost pressures.
- Aim to reduce or at least maintain the carbon emission intensity as the Group works to enhance operational efficiency and drive revenue growth.

Correspondingly, the Group's overall GHG emissions declined by 26.3%, decreasing from 1,476.1 tonnes CO_2e ("**tCO_2e**") in FY2025 to 1,087.8 tCO_2e in FY2026. The decrease was primarily attributed to lower consumption in both electricity and fuel.

The Group's effort in driving economic performance while reducing carbon footprint is evident with the carbon emission intensity, which declined 48.7% year-on-year, decreasing from 37.9 tCO_2e per HKD million of revenue in FY2025 to 19.5 tCO_2e per HKD million of revenue in FY2026.

Considering the ongoing macroeconomic challenges, including tariff and geopolitical uncertainties and a global economic slowdown, we are still navigating growth and stability in our business operations. Hence, we believe that it would be fair and reasonable to set our carbon footprint targets once our business operations stabilise, allowing us to understand our baseline. Nevertheless, the Group remains committed to reducing our carbon footprint in the short, medium, and long term.

ENERGY CONSUMED FROM NON-RENEWABLE SOURCES

GRI 103-2 (replaced GRI 302-1)

	Group Consumption (in GJ)			CAGR[1] (%)
Energy Source	**FY2026**	**FY2025**	**FY2024**	
Fuel (petrol)	551.1	613.2	677.9	(4.8)
Electricity	4,444.4	6,070.6	3,688.1	1.2
Total energy consumed	**4,995.5**	**6,683.8**	**4,366.0**	**0.5**

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

GRI 102-5, GRI 102-6 (replaced GRI 305-1, 305-2)

GHG Emissions (in tCO_2e)	FY2026	FY2025	FY2024	CAGR (%)
Scope 1	38.4	42.8	47.3	(4.8)
Scope 2	1,049.4	1,433.3	870.8	1.2
Total GHG emissions	**1,087.8**	**1,476.1**	**918.1**	**1.0**

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

CARBON EMISSION INTENSITY (IN tCO_2e PER HKD MILLION OF REVENUE)

GRI 102-8 (replaced GRI 305-4)

	FY2026	FY2025	FY2024	CAGR (%)
Revenue (in HKD million)	55.9	38.9	28.5	24.7
GHG emissions (in tCO_2e)	1,087.8	1,476.1	918.1	1.0
Carbon emission intensity	**19.5**	**37.9**	**32.2**	**(19.1)**

1 CAGR refers to the 3-year compound annual growth rate.

CLIMATE CHANGE RESILIENCE

GRI 102-1

The Group acknowledges the potential risks that climate change poses to our industry, our Company, and society at large. We are committed to incorporating contingency planning into our Group's strategy and operations, which we have taken initiatives to reduce our carbon footprint in concurrent with our pursuit to raise productivity and economic value.

To enhance our resilience and adaptation to climate change, we recognise it will require significant time and effort, as well as careful allocation of our limited resources, to thoroughly understand the climate-related risks and opportunities pertinent to our Group's operations and to manage these risks effectively.

We have made progress in meeting the SGX-ST's updated climate reporting requirements, announced on 25 August 2025. In recent years, we have actively monitored and disclosed our greenhouse gas emissions under Scope 1 and Scope 2. The Group is currently focused on establishing baseline emissions and subsequently setting realistic targets to facilitate relevant disclosures in accordance with IFRS S2.

In addition, the Group will endeavour to comply with the roadmap for gradual adoption of the IFRS Sustainability Disclosure Standards issued by the ISSB. The SMT is dedicated to the identification and evaluation of critical climate-related risks and opportunities for the IMD Business in FY2027. The Group's primary goal is to strike a balance between environmental responsibility and operational resilience. Our goal is to enhance energy efficiency, promote the development of low-carbon technologies, and strengthen supply chain engagement in order to mitigate environmental impacts and generate sustainable value for our stakeholders, which include the community, customers, and employees.

PERFORMANCE IN FY2026

- Achieved the target of engaging in internal discussions aimed at identifying and evaluating potential climate-related risks and opportunities that are of relevance to the Group's operations.
- Did not achieve the target of exploring scenario analysis to assess the Group's climate resilience due to limited resources.

TARGETS FOR FY2027

- To identify and evaluate climate-related risks and opportunities that may be vital to the Group's IMD Business.
- To explore and consider scenario analysis to assess climate resilience in a progressive manner.

MATERIAL TOPIC: SOCIAL

EMPLOYMENT, DIVERSITY AND EQUAL OPPORTUNITY
GRI 401-1, 405-1

At China Kunda, we believe that the health, well-being and career advancement of our employees are vital for the ongoing development of our business and for achieving long-term success. Our commitment is to maintain fair employment practices and foster a working environment that respects and empowers our employees, allowing them to perform at their highest potential.

The Group strictly prohibits all forms of forced labour, human trafficking, and modern slavery. We are committed to ensuring that our employees and potential recruits are not discriminated against based on their colour, age, gender, religion, ethnicity, physical appearance, disabilities, sexual orientation, political beliefs, or nationality. We manage recruitment, salary, promotions, and benefits through an objective assessment of merit, ensuring equal opportunity and non-discrimination.

We have in place a staff handbook and human resources manual that adhere to the laws and regulations of the countries in which we operate. Furthermore, we have implemented a distinctive performance incentive policy, an integrated business incentive programme for our employees, and a performance appraisal system designed to enhance employee retention. We conduct regular engagement seminars to foster teamwork and improve working relationships among employees. We conducted eight employee engagement sessions in FY2026, maintaining the same number of sessions as previous financial years.

As Shenzhen, Guangdong Province continues to prioritise high-tech sectors such as artificial intelligence, biotechnology, and advanced engineering in its limited land, traditional, labour-intensive, and low-margin production is being relocated to other lower-cost regions in Southeast Asia and inland Chinese provinces. This strategic shift not only reflects Shenzhen city's ambition to enhance its global competitiveness but also signifies a broader trend in the manufacturing landscape. As a result, we continued to experience human capital movement, and our employees left due to natural attrition as we enhanced our operational efficiency at our manufacturing facility based in Shenzhen.

The Group's workforce decreased by 45.7% year-on-year, falling from 94 employees in FY2025 to 51 employees in FY2026. We have maintained a record of zero reported incidents of non-compliance with the relevant laws and regulations regarding fair employment practices, and we remain committed to upholding this standard for the short, medium and long term.

The nature of the profession has led to continued male dominance in the industry in terms of gender diversity. However, it was recorded that the proportion of male employees, expected to remain above 60% in the near to medium term, declined from 61.7% in FY2025 to 56.9% in FY2026. The proportion of female employees increased from 38.3% in FY2025 to 43.1% in FY2026. This shift was partly driven by the Group's ongoing automation initiatives and operational restructuring, which reduced reliance on physically demanding roles traditionally associated with male workers, while creating more opportunities for female employees in quality control, technical design, and administrative functions.

PERFORMANCE IN FY2026

- Achieved targets set for FY2026.
- Reported zero incidents of non-compliance with relevant laws and regulations related to fair employment practices.
- Maintained above 80% of the Group's workforce below the age of 50.
- Conducted eight (8) engagement sessions with employees.
- Improved gender diversity with approximately 56.9% male employees and 43.1% female employees in FY2026.

TARGETS FOR FY2027

- To uphold record of zero reported incidence of non-compliance with the relevant laws and regulations regarding fair employment practices.
- Regular review and monitor recruitment procedures and systems to ensure fairness and non-discrimination in hiring practices.
- Aim to conduct at least eight engagement sessions in FY2027 to improve employee cohesion and talent retention.

We continue to maintain a workforce predominantly comprised of younger employees, with approximately 84.3% of our total employees being under the age of 50 in FY2026, representing a slight decrease from 88.3% in FY2025. Our recruitment efforts are primarily focused on replacing employees, as the Group adopts a cautious hiring strategy in light of rising inflationary pressures on our fixed operational costs, compounded by macroeconomic challenges stemming from tariff and geopolitical uncertainties, as well as intense competition. Our employee turnover rate has remained relatively high, recorded at 150.3% in FY2026, compared to 153.1% in FY2025.

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

EMPLOYEES BY GENDER

FYE 31 March / Gender	FY2026	FY2025	FY2024	CAGR (%)
Male	56.9%	61.7%	61.7%	(14.9)
Female	43.1%	38.3%	38.3%	(16.7)
Group Headcount	**51**	**94**	**81**	**(15.7)**

EMPLOYEES BY AGE GROUP

FYE 31 March / Age Group	FY2026	FY2025	FY2024	CAGR (%)
Below 30-year-old	9.8%	18.1%	11.1%	(23.1)
Between 30-50- year-old	74.5%	70.2%	75.3%	(13.6)
Above 50-year-old	15.7%	11.7%	13.6%	(18.9)
Group Headcount	**51**	**94**	**81**	**(15.7)**

NEW EMPLOYEES BY GENDER AND AGE GROUP

FYE 31 March	FY2026	FY2025	FY2024	CAGR (%)
By Gender				
Male	60.6%	69.4%	54.9%	(11.1)
Female	39.4%	30.6%	45.1%	13.0
By Age Group				
Below 30-year-old	37.9%	33.3%	27.5%	(13.0)
Between 30-50- year-old	57.6%	66.0%	70.6%	4.8
Above 50-year-old	4.5%	0.7%	2.0%	(9.1)
Total New Hires	**66**	**147**	**51**	**(4.2)**

EMPLOYEE TURNOVER BY GENDER

Gender	New Hires			Resigned			Employee Turnover		
	FY2026	FY2025	FY2024	FY2026	FY2025	FY2024	FY2026	FY2025	FY2024
Male	60.6%	69.4%	54.9%	63.3%	70.1%	45.5%	158.6%	174.1%	51.5%
Female	39.4%	30.6%	45.1%	36.7%	29.9%	54.5%	137.9%	119.4%	87.0%
						Group Average	**150.3%**	153.1%	66.3%

EMPLOYEE TURNOVER BY AGE GROUP FOR FY2026

Age Group	New Hires		Resigned		No. of Employees	Turnover Rate
Below 30-year-old	25	*37.9%*	37	*33.9%*	5	336.4%
Between 30-50- year-old	38	*57.6%*	66	*60.6%*	38	126.9%
Above 50-year-old	3	*4.5%*	6	*5.5%*	8	63.2%
Group Headcount	**66**	***100.0%***	**109**	***100.0%***	**51**	**150.3%**

DIVERSITY BY EMPLOYEE CATEGORY, GENDER, AND AGE GROUP

FYE 31 March	FY2026			FY2025		
	Mgmt	Executive	Non-Exec	Mgmt	Executive	Non-Exec
By Gender						
Male	100.0%	72.7%	47.2%	100.0%	80.0%	56.8%
Female	-	27.3%	52.8%	0.0%	20.0%	43.2%
By Age Group						
Below 30-year-old	-	-	13.9%	0.0%	0.0%	23.0%
Between 30-50-year-old	50.0%	90.9%	72.2%	60.0%	93.3%	66.2%
Above 50-year-old	50.0%	9.1%	13.9%	40.0%	6.7%	10.8%
Group	**4**	**11**	**36**	**5**	**15**	**74**

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

BOARD DIVERSITY

Gender	FY2026	FY2025	FY2024
Male	60.0%	60.0%	66.7%
Female	40.0%	40.0%	33.3%

OCCUPATIONAL HEALTH AND SAFETY

GRI 403-1, 403-4, 403-5, 403-9

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

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

The human resources personnel will brief all new employees on workplace health and safety issues. New employees will receive induction training and undergo a three-tier safety training programme and assessment before commencing their duties. The Group has also established systems, procedures, and practices for hazard identification, risk assessment, and incident investigation. Team leaders and department heads will continue to supervise and monitor the implementation of health and safety measures aimed at detecting and managing occupational risks, thereby minimising the occurrence of occupational hazards. This proactive approach not only ensures compliance with regulations but also cultivates a culture of safety and well-being within the organisation.

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

We have maintained a record of zero incidents resulting in fatalities and permanent disabilities. The Group is committed to preserving this record of zero incidents of non-compliance with applicable occupational health and safety rules and regulations, thereby protecting our employees from occupational hazards in the short, medium, and long term.

PERFORMANCE IN FY2026

- Achieved targets set for FY2026.
- Recorded zero incidents resulting in fatalities or permanent disabilities.
- Reported zero incidents of non-compliance with applicable laws and regulations regarding occupational health and safety.
- Conducted safety training sessions for employees on a quarterly basis.

TARGETS FOR FY2027

- To uphold record of zero reported incidence of non-compliance with the relevant laws and regulations regarding occupational health and safety, thereby safeguarding the employees from occupational hazards.
- Maintain record of zero incidents resulting in fatalities and permanent disabilities.
- Conduct refresher safety training courses every quarter to ensure employees are familiar with the occupational health and safety policies, standard operating procedures and practices, as well as to maintain compliant with the safety standards and requirements in the workplace.

TRAINING AND ADVANCEMENT

GRI 404-1

At China Kunda, we believe that every employee in our organisation plays a vital role in our success. Therefore, it is important to add value to our employees by upskilling their knowledge, qualifications, and skills to enable them to fulfil their roles and responsibilities more effectively.

Our Group remains committed to providing relevant educational and skills training programmes for our employees. We endeavour to increase the average training hours per employee by at least 1% each year for our target in the short, medium and long term.

As the Group pursued growth opportunities, we ensured our employees remained up to date with evolving technical knowledge and operational procedures, including safety, quality control, and process control. We also support our employees in pursuing vocational qualifications relevant to their roles, such as those in special operations and industry-specific fields.

The Group continued to experience fluctuations in human capital during FY2026. Despite high employee turnover, we remained committed to providing training programmes for our employees to ensure they are up to date with advancements in our manufacturing systems. In FY2026, we achieved an average of 58.5 training hours per employee, which represents a 1.7% increase from the 57.5 training hours per employee recorded in FY2025. This increase in average training hours per employee is attributed to an 8.8% increase in total training hours, which grew from 4,463 hours in FY2025 to 4,856 hours in FY2026. Additionally, due to fluctuations in human capital, the average headcount of the Group participating in training programmes during FY2026 rose by 6.4%, increasing from 78 to 83 employees.

PERFORMANCE IN FY2026

Achieved the target set for FY2026.

- Recorded an average of 58.5 training hours per employee in FY2026, increased by 1.7% from an average 57.5 training hours per employee in FY2025.
- Explored new training programmes aimed at upskilling employees.

TARGETS FOR FY2027

- To increase the average training hours per employee by at least 1% each year.
- To explore new training programmes for employees.

AVERAGE TRAINING HOURS PER EMPLOYEE

FYE 31 March / Gender	FY2026	FY2025	FY2024	CAGR[2] (%)
Male	2,978	2,839	2,750	3.0
Female	1,878	1,624	1,872	(3.6)
Total training hours	**4,856**	**4,463**	**4,622**	**0.2**
Group average headcount	83	78	81	(0.8)
Average per employee	**58.5**	**57.5**	**57.1**	**1.0**

2 CAGR refers to the 3-year compound annual growth rate.

PERFORMANCE APPRAISAL

GRI 404-3

We have in place the policy to conduct annual performance reviews for all employees, and this policy will remain in effect indefinitely.

Employee performance reviews are primarily based on quantitative evaluation criteria linked to specific positions and responsibilities. We not only provide employees with opportunities to participate in regular communication meetings but also actively gather feedback from their direct supervisors regarding their performance. This commitment to open communication fosters positive working relationships and enhances awareness of staff development, ultimately contributing to improved talent retention.

Eligible employees may receive discretionary incentives, such as bonuses, based on their contributions to the Group, individual performance, and the Group's overall success. Remuneration policies and packages are regularly assessed to ensure competitiveness with those of other companies within the industry. This process aids the Group in enhancing its ability to attract and retain talented individuals.

The Group achieved the target of 100% performance evaluations for all employees in FY2026. However, it is important to note that the annual performance evaluations do not apply to employees who are currently on probation, as these individuals will be assessed prior to their confirmation.

PERFORMANCE IN FY2026

- Achieved targets set for FY2026.
- 100% performance evaluation for all employees, both male and female.
- Conducted regular meetings with employees.

TARGETS FOR FY2027

- Maintain regular communication with employees to encourage active participation in the business operations.
- Maintain annual performance evaluation for all employees.

MATERIAL TOPIC: GOVERNANCE

REGULATORY COMPLIANCE

GRI 2-27

At China Kunda, we prioritise conducting our business in accordance with relevant environmental regulations and standards, as well as with pertinent social and economic compliance.

We make a concerted effort to monitor, identify, assess, and address socio-economic and environmental concerns, as well as the potential consequences of climate-related risks and opportunities that are pertinent to the sustainability of the Group's business. We are dedicated to maintaining integrity of our business operations and safeguarding the interests of all our stakeholders.

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

In FY2026, we have maintained a record of zero incidents of non-compliance with relevant laws and regulations in socio-economic and environmental areas. In addition, we have also maintained zero incidents of non-compliance with management controls and procedures.

CORPORATE GOVERNANCE

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

We are committed to adhering to best practices in corporate transparency and disclosures. A comprehensive set of procedures and policies has been established to ensure compliance with applicable legislation and adherence to our risk management guidelines. Our persistent pursuit of corporate excellence promotes a more transparent, accountable, and equitable system, ultimately delivering higher value to our stakeholders.

For details regarding the Group's corporate governance principles and practices, please refer to the Corporate Governance Report located on pages 33 of the annual report.

The Corporate Governance Report outlines the Group's corporate governance practices that were in effect during FY2026, specifically referencing the principles and provisions of the Code of Corporate Governance 2018 pursuant to Rule 710 of the Catalist Rules.

PERFORMANCE IN FY2026

- Achieved targets set for FY2026.
- Maintained record of zero incidents of non-compliance with applicable laws and regulations in the socio-economic and environmental areas, which could potentially lead to internal disciplinary action or public allegations.
- Complied with the principles and guidelines outlined in the Code of Governance 2018, where applicable.
- Reported no incidents of non-compliance with management controls and procedures.

TARGETS FOR FY2027

- Ensure zero incidents of non-compliance with relevant socio-economic and environmental laws and regulations.
- Ensure zero incidents of non-compliance with management controls and procedures.
- Monitor and update the adequacy and effectiveness of risk management policies, controls, and procedures, as necessary.

ENTERPRISE RISK MANAGEMENT

The Board holds overall responsibility for establishing and overseeing the Group's risk management framework.

The Group has established enterprise risk management ("**ERM**") framework, supported by the Company's Audit Committee. The Audit Committee consists of non-executive and independent directors who oversee how the Company's management ensures compliance with the Group's risk management policies and procedures. They also periodically assess the adequacy of these policies and procedures to ensure they remain aligned with evolving business and market conditions, as well as the activities of the Group.

The Audit Committee is assisted by the Company's internal auditors in their oversight of the Group's risk management. The internal auditors conduct both regular and ad hoc reviews of the Group's risk management controls and procedures, reporting their findings directly to the Audit Committee. The Group maintains vigilance and continues to perform risk assessments on our business operations at least annually, either internally or with the assistance of a third-party professional, as determined by the Audit Committee.

We believe that while our risk management policies and procedures are both relevant and adequate, it is essential for our operational teams to adhere to these practices in order to effectively address identified risks and minimise the potential impact on the Company. Through the implemented policies and practices, the Group aims to develop a disciplined and constructive control environment to manage emerging risks that may affect our sustainability.

We are adopting a progressive approach to comply with the IFRS Sustainability Disclosure Standards, particularly IFRS S1[3] and IFRS S2[4], in light of the updated climate reporting requirements announced by SGX-ST on 25 August 2025. We remain committed to enhancing our disclosures in future sustainability reports to align with the established timeline.

3 https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s1-general-requirements/
4 https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s2-climate-related-disclosures/

Statement of use	China Kunda Technology Holdings Limited has reported this information cited in this GRI Content Index for FY2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE		REFERENCE
GRI 2: General Disclosures 2021	2-1	Organisational details	Annual Report ("**AR**") – Company Profile
	2-2	Entities included in the organisation's sustainability reporting	Sustainability Report ("**SR**") - Board Statement
	2-3	Reporting period, frequency and contact	SR - Board Statement
	2-4	Restatements of information	SR – Materiality Assessment
	2-5	External Assurance	SR – Board Statement
	2-6	Activities, value chain, and other business relationships	AR – Letter to Shareholders AR – Business Operations
	2-7	Employees	SR – SOCIAL: Employment, Diversity and Equal Opportunity
	2-9	Governance structure and composition	SR – Sustainability Governance AR – Board of Directors AR – Corporate Governance Report
	2-10	Nomination and selection of the highest governance body	AR – Corporate Governance Report
	2-15	Conflicts of interest	AR – Corporate Governance Report
	2-16	Communication of critical concerns	AR – Corporate Governance Report
	2-17	Collective knowledge of the highest governance body	AR – Corporate Governance Report
	2-18	Evaluation of the performance of the highest governance body	AR – Corporate Governance Report
	2-19	2-19: Remuneration policies	AR – Corporate Governance Report
	2-20	Process to determine remuneration	AR – Corporate Governance Report
	2-22	Statement on sustainable development strategy	SR – Board Statement
	2-23	Policy commitments	SR – Board Statement SR – SUSTAINABILITY GOVERNANCE, Stakeholder Engagement
	2-24	Embedding policy commitments	SR – SUSTAINABILITY GOVERNANCE, Materiality Assessment
	2-25	Processes to remediate negative impacts	AR – Corporate Governance Report
	2-26	Mechanisms for seeking advice and raising concerns	SR – SOCIAL: Employment, Diversity and Equal Opportunity SR – SOCIAL: Occupational Health and Safety
	2-27	Compliance with laws and regulations	SR – GOVERNANCE: Regulatory Compliance, Corporate Governance
	2-28	Membership associations	SR – ECONOMIC: Suppliers and Business Partners
	2-29	Approach to stakeholder engagement	SR – SUSTAINABILITY GOVERNANCE: Stakeholder Engagement

GRI STANDARD	DISCLOSURE		REFERENCE
GRI 3: Material Topics 2021	3-1	Process to determine material topics	SR – SUSTAINABILITY GOVERNANCE: Materiality Assessment
	3-2	List of material topics	SR – SUSTAINABILITY GOVERNANCE: Materiality Assessment
	3-3	Management of material topics	SR – SUSTAINABILITY GOVERNANCE: Materiality Assessment
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	SR – ECONOMIC: Economic Performance Innovation and R&D
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	SR – ECONOMIC: Suppliers and Business Partners
GRI 301: Materials 2016	301-1	Materials used by weight or volume	SR – ENVIRONMENTAL: Materials
	301-2	Recycled input materials used	
GRI 103: Energy 2025	103-2	Energy consumption and self-generation within the organization	SR – ENVIRONMENTAL: Energy Efficiency
GRI 102: Climate Change 2025	102-2	Transition plan for climate change mitigation	SR – ENVIRONMENTAL: Climate Change Resilience
	102-5	Scope 1 GHG emissions	SR – ENVIRONMENTAL: Energy Efficiency
	102-6	Scope 2 GHG emissions	
	102-8	GHG emissions intensity	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	SR – SOCIAL: Employment, Diversity and Equal Opportunity
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	SR – SOCIAL: Occupational Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-9	Work related injuries	
GRI 404: Training & Education 2016	404-1	Average hours of training per year per employee	SR – SOCIAL: Training and Advancement
	404-3	Performance appraisal	SR – SOCIAL: Performance Appraisal
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	SR – SOCIAL: Employment, Diversity and Equal Opportunity

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

This report outlines the Company's corporate governance framework and practices with specific reference to the principles of the Code of Corporate Governance 2018 (the "**Code**") for the financial year ended 31 March 2026 ("**FY2026**") and accompanying Practice Guidance issued by the Monetary Authority of Singapore. Pursuant to the Rule 710 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**"), a company listed on the SGX-ST must comply with principles of the Code, or explicitly identify and explain variations from the Code. As such, this report sets out the Company's main corporate governance framework and practices with specific reference to the Code for FY2026.

The Board is pleased to report that for FY2026, the Group has adhered closely with the core principles of corporate governance laid down by the Code. Where there are any deviations from the provisions or guidelines of the Code, appropriate explanations on how the Company's practices adopted are consistent with the intent of the relevant principle have been provided where appropriate.

1. <u>BOARD MATTERS</u>

1.1. THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

<u>**The Primary Functions of the Board**</u>

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

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

(a) providing stewardship to the Company including charting its corporate strategies and business plans which should include appropriate focus on value creation, innovation and sustainability;

(b) ensuring that the necessary financial and human resources are in place for the Company to meet its objectives;

(c) authorising and monitoring major investments and strategic commitments;

(d) reviewing and assessing the performance of the executive management (comprising executive directors ("**Executive Directors**") ("**Management**") and key management personnel of the Company ("**Executive Officers**");

(e) overseeing the evaluation of the adequacy of internal controls, addressing risk management, financial reporting and compliance, and satisfying itself as to the sufficiency of such processes;

(f) establishing a framework for effective control, including the safeguarding of shareholders' interests and the Company's assets;

(g) supervising the management of the businesses and affairs of the Group, and providing guidance and advice to Management;

(h) being responsible for corporate governance practices;

(i) considering sustainability issues, including environmental and social factors, as part of the Company's strategic formulation;

(j) identifying key stakeholder groups of the Company and recognising that their perceptions affect the Company's reputation; and

(k) setting the Company's values and standards, including ethical standards, and ensuring that the obligations to its shareholders and other stakeholders are understood and met.

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

Board Approval

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

(a) interested persons transactions of a material nature and matters involving a conflict of interest of a substantial shareholder or a Director;

(b) material acquisitions and disposal of assets exceeding 5% of the Group's net asset value or mergers and acquisitions;

(c) corporate or financial restructuring;

(d) share issuances, interim dividends and other returns to shareholders;

(e) release of the Group's quarterly and full year results announcements;

(f) acceptance of bank facilities; and

(g) any material investments or expenditures not in the ordinary course of the Group's businesses.

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

Board Processes

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

Board and Board Committees Meetings

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

During FY2026, the Directors were provided with updates on changes in laws and regulations which were of relevance to the Group, including amendments to the Companies Act 1967 of Singapore (the "**Companies Act**") and the Catalist Rules. The external auditor regularly updates the Audit Committee and the Board of the developments in the Singapore Financial Reporting Standards (International) which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during the Board and Board committee meetings.

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

Details of the Board and Board Committee meetings held during FY2026 and the attendance of each Board member are summarised in the table below:-

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

* *By invitation*

Access to Complete, Adequate and Timely Information

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

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

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

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

Board Orientation and Training

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

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

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

1.2. BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Board Independence

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

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

Executive Directors

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

Non-Executive Directors

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

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

The independence of each Director is reviewed annually by the NC in accordance with the definition of independence in the Code and Rule 406(3)(d) of the Catalist Rules. The NC and the Board review the independence of the Independent Directors annually. Each Independent Director is required to complete a checklist annually to confirm his/her independence. The checklist is drawn up based on the Code's provision and its Practice Guidance as well as the Catalist Rules. The NC and the Board have reviewed and ascertained that the Independent Directors, namely Mr. Thomas Lam, Ms. Chen Liping and Ms. Foo Quek Cheng are independent for FY2026. In assessing the independence of each Independent Director, the Nominating Committee and the Board have considered, among other factors, the length of each Director's tenure, the nature of their professional and business relationships, if any, with the Company, its related corporations, its substantial shareholders and Management, as well as the Directors' external commitments and their ability to exercise objective and independent judgement. The Board is satisfied that none of the Independent Directors has any relationship that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company.

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

Board Composition and Size

The Board constantly examines its size to determine if the current size of the Board is appropriate for the scope and nature of the Group's operations to facilitate effective decision-making. For FY2026, the NC is of the view that the present size of the Board allows it to be effective and not too large as to be unwieldy. The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate balance and mix of skills, knowledge and experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate.

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

The directorships in other listed companies and principal commitments of each of the Directors as at the date of this report are set out below:-

Name of Director	Date of initial appointment	Date of last re-election	Directorships in other listed companies and other principal commitments	
			Current	Past 3 Years
Cai Kaoqun	26 December 2007	30 July 2025	● Shenzhen Kunda Precision Mould Co., Ltd ● Shenzhen Kunda Qi Cheng Investment Co. Ltd ● Shenzhen Zhong Qi Kai Hua Shi Ye Co. Ltd ● Shanghai Xuan Xi Que Enterprise Service Limited Partnership	Nil
Cai Kaobing	26 December 2007	29 July 2022	● Shenzhen Kunda Precision Mould Co., Ltd	Nil
Thomas Lam Kwong Fai	1 October 2019	30 July 2025	● Soon Lian Holdings Limited ● Katrina Group Limited ● SDAI Limited ● VCPlus Limited ● A-Smart Holdings Ltd	● Capital World Limited
Chen Liping	31 March 2024	30 July 2024	● Innovative Corporation Pte Ltd ● Innovative Cooperation Pte Ltd ● HPC Holdings Limited ● Tianjin Association (Singapore) ● Positive Montessori Children House Pte. Ltd. ● NSV Management Services Pte. Ltd.	● Newmarket Trading Pte Ltd ● Singapore Fullrich Technology Pte Ltd ● Singapore Institute of Innovative Pte Ltd ● HPJG Foundation Pte Ltd
Foo Quek Cheng	1 July 2024	30 July 2024	Present Directorships: ● V-Pure Pte Ltd ● SMCI Inc. ● Leong Guan Holdings Limited Other Principal Commitments: ● Sen Yue Holdings Pte Ltd	Nil

The Company maintains a board diversity policy that aims to ensure an appropriate balance of diversity of skills, knowledge, experience and gender on the Board, with core competencies in accounting and finance, business and management experience, industry knowledge and strategic planning expertise. As each Director brings valuable insights from different perspectives vital to the strategic interests of the Group, the NC considers that the Directors possess the necessary competencies to provide the Management with a diverse and objective perspective on issues to lead and govern the Group effectively. During FY2026 and as of the date of this Annual Report, there were two (2) female Directors in the Board of five (5) Directors.

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

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

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

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

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

(a) annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

(b) annual appraisal carried out on each director on the skill set they possess.

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

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

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

1.3. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

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

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

Mr. Lam serves as a sounding board to the Chairman and also as an intermediary between the Non-Executive Directors and the Chairman, providing a channel to Non-Executive Directors for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary. He may also call for meetings of Non-Executive Directors from time to time without the presence of other Directors and the Management and provide feedback to the Chairman after such meetings. He will be available to the shareholders where they have concerns which cannot be resolved through the normal channels of communication via the Executive Chairman, the CEO and/or the Group Financial Controller, or where such communication is not possible or inappropriate. In FY2026, the Independent Non-Executive Directors had met separately without the presence of Management.

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

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

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

1.4. BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

The Composition and Role of NC

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

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

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

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

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

(a) to make recommendations to the Board on the appointment of new Directors, including making recommendations on the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board;

(b) to regularly review the Board structure, size and composition and make recommendations to the Board regarding any adjustments that are deemed necessary;

(c) to determine the process for search, nomination, selection and appointment of new board members and be responsible for assessing nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent;

(d) to ensure that all Directors submit themselves for re-nomination and re-election at regular intervals and at least once in every three (3) years, and to recommend Directors who are retiring by rotation to be put forward for re-election;

(e) to determine annually whether a Director is independent, in accordance with the guidelines contained in the Code and the Catalist Rules;

(f) to decide whether a Director is able to and has adequately carried out his duties as a director of the Company, in particular, where the Director has multiple board representations; If the NC considers it necessary, it shall make recommendations to the Board to address the competing time commitments;

(g) to review and approve any new employment of persons related to the Directors or CEO or substantial shareholder of the Company to a managerial position in the Company and the proposed terms of their employment;

(h) to put in place and review Board succession plans and candidates for appointment as Directors, and in particular, for the Chairman of the Board, the CEO or other executive officers and key management personnel of the Company;

(i) to assess the effectiveness of the Board as a whole and its Board Committees, and the contribution made by each individual Director to the effectiveness of the Board;

(j) to decide how the Board's performance may be evaluated and to propose objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced long term shareholders' value; and

(k) to review the training and professional development programs for the Board.

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

Criteria and Process for Nomination and Selection of New Directors

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

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

Re-nomination of Directors

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

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

(a) Mr. Cai Kaoqun; and

(b) Ms. Chen Liping.

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

NAME OF DIRECTOR	CAI KAOQUN	CHEN LIPING
Date of Appointment	26 December 2007	31 March 2024
Date of Last Re-Appointment	28 July 2023	30 July 2024
Age	55	61
Country of principal residence	China	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	On recommendation of the Nominating Committee, the Board approved the appointment of Mr. Cai Kaoqun as the Executive Chairman and CEO of the Company based on his qualifications, expertise and past experiences.	On recommendation of the Nominating Committee, the Board approved the appointment of Ms. Chen Liping as an Independent Director of the Company based on her qualifications, expertise and past experiences.

NAME OF DIRECTOR	CAI KAOQUN	CHEN LIPING
Whether appointment is executive, and if so, the area of responsibility	Executive, Mr. Cai Kaoqun is responsible for the overall strategic and business management of the Group	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and CEO, Nominating Committee Member	Independent Director, Nominating Committee Chairman, Audit Committee Member, Remuneration Committee Member
Professional qualifications	Executive Master of Business Administration, Aotearoa Business School established by Phoenix International University and University of New Zealand (2009) Certified International Organization Planning Manager, American Certification Institution (2006)	Bachelor of Tourism and Economic Management, Nankai University Master of Business Administration, The University of Hull
Working experience and occupation(s) during the past 10 years	2007 to present: Executive Chairman and CEO, China Kunda Technology Holdings Limited	August 2004 to present: Director, Innovative Corporation Pte Ltd July 2024 to present: Director, Innovative Cooperation Pte Ltd April 2024 to present: Director, HPC Holdings Limited January 2026 to present: Director, NSV Management Services Pte. Ltd. March 2026 to present: Director, Positive Montessori Children Pte. Ltd. March 2021 to September 2025: Director, HPJG Foundation Pte Ltd May 2018 to January 2024: Director, Singapore Fullrich Technology Pte Ltd April 2017 to April 2024: Director, Newmarket Trading Pte Ltd August 2020 to October 2021: Director, China Petroleum & Gas Development Pte Ltd January 2019 to April 2022: Director, China Petroleum Development Pte Ltd September 2017 to June 2021: Director, China Aero Supply (Singapore) Pte Ltd July 2017 to June 2021: Director, Chinamate Singapore Pte Ltd November 2016 to December 2022: Director, Convoy General Trading Pte Ltd March 2014 to October 2016: Executive Director, Pavillon Holdings Ltd

NAME OF DIRECTOR	CAI KAOQUN	CHEN LIPING
Shareholding interest in the listed issuer and its subsidiaries	Yes. China Hongda Holdings Limited ("**CHH**") holds 123,084,000 ordinary shares in the company. Mr Cai Kaoqun holds 100% equity interest in CHH and he is deemed to have an interest in the shares of the Company held by CHH.	Yes. Ms. Chen's cousin, Ms. Wang Bei, holds 30,000 shares of the Company representing 0.007% interest of the Company, who is not a substantial shareholder of the Company.
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes, Mr. Cai Kaoqun is the brother of Mr. Cai Kaobing, an Executive Director of the Company.	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Nil	● China Petroleum & Gas Development Pte Ltd ● China Petroleum Development Pte Ltd ● China Aero Supply (Singapore) Pte Ltd ● Convoy General Trading Pte Ltd ● Innovative 3133 Pte Ltd ● Newmarket Trading Pte Ltd ● HPJG Foundation Pte Ltd ● Singapore Fullrich Technology Pte Ltd
Present	● China Kunda Technology Holdings Limited ● Shenzhen Kunda Precision Mould Co., Ltd ● Shenzhen Qian Hai Qi Hang Investment Co. Ltd ● Shenzhen Zhong Qi Kai Hua Shi Ye Co. Ltd	● Innovative Corporation Pte Ltd ● Innovative Cooperation Pte Ltd ● Tianjin Association (Singapore) ● HPC Holdings Limited ● Positive Montessori Children House Pte. Ltd. ● NSV Management Services Pte. Ltd.

NAME OF DIRECTOR	CAI KAOQUN	CHEN LIPING
Information required pursuant to Listing Rule 704(7) or Catalist Rule 704(6)		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	Yes On 20 February 2023, there was a bankruptcy application (Case Number: HC/B 550/2023) against Ms. Chen Liping for the debts of S$2,080,322. Following the debts had been satisfied on 25 April 2023, the bankruptcy applications had been withdrawn and discontinued on 2 May 2023.
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	Yes From 20 June 2017 to 16 March 2018, Ms. Chen was a director of China Heping Construction Group (Far East) Pte Ltd ("**CHC**"), a company incorporated in Singapore which was in the process of liquidation pursuant to an application filed against CHC on 18 January 2019 for liquidation by several of CHC's creditors after Ms. Chen's resignation. During her tenure as a nominal director with CHC, she had not been involved in the CHC's business operation.
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

NAME OF DIRECTOR	CAI KAOQUN	CHEN LIPING
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

NAME OF DIRECTOR	CAI KAOQUN	CHEN LIPING
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management of conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

NAME OF DIRECTOR	CAI KAOQUN	CHEN LIPING
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.	No	No
Disclosure applicable to appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not Applicable, this relates to a re-appointment of director.	Not Applicable, this relates to a re-appointment of director.

Mr. Cai Kaoqun and Ms. Chen Liping, being eligible, have offered themselves re-election, and the NC has recommended their re-election to the Board. Each of them has abstained from the NC's recommendation pertaining to his or her re-election, respectively. In making the recommendation, the NC had considered the overall contribution and performance of the aforementioned Directors. The Board has accepted the recommendations of the NC.

Mr. Cai Kaoqun will, upon re-election as a Director of the Company, remain as the Executive Chairman and CEO of the Company.

Ms. Chen Liping will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee of the Company. Ms. Chen will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. Ms. Chen does not have any relationship including immediate family relationship with the Directors, the Company or its substantial shareholders (as defined in the Code).

Multiple Directorships and Directors' Time Commitment

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

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

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

a) expected and/or competing time commitments of Directors;

b) competencies of Directors;

c) geographical location of Directors;

d) size and composition of the Board; and

e) nature and scope of the Group's operations and size.

Notwithstanding the number of listed company board representations and other principal commitments which some of the Directors are holding, the NC, having reviewed each Director's attendance, participation and contribution, is of the view that sufficient time and attention to the affairs of the Company has been given by these Directors and is satisfied that all Directors have discharged their duties adequately for FY2026.

None of the Directors have appointed an alternate director.

1.5. BOARD PERFORMANCE

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

Board Evaluation Process and Individual Director Evaluation Criteria

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

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

The results of the performance review were deliberated during the NC meeting and tabled at the Board meeting for further discussion. The NC, having reviewed the overall performance of the Board and the respective committees in terms of its roles and responsibilities and the conduct of its affairs as a whole, and the individual Director's performance, is of the view that the performance of the Board, the respective Board Committees and each individual Director have been satisfactory for FY2026. Each member of the NC has abstained from voting on any resolution and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his or her performance or re-nomination as a Director. No external facilitator was engaged by the Board for this purpose.

2. REMUNERATION MATTERS

2.1. PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No Director is involved in deciding his or her own remuneration.

The RC comprises three Directors, all of whom are Independent Non-Executive Directors, namely:

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

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

(a) to review and recommend to the Board a framework of remuneration for the Directors and key management personnel of the Company, and determine the specific remuneration package for each Executive Director;

(b) to review the remuneration package and any adjustment proposal of senior management being the top five (5) Executive Officers of the Company;

(c) to perform an annual review of the remuneration and any adjustment thereto of employees related to the Directors, CEO and controlling shareholders of the Company to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increase and/or promotions for these employees;

(d) to review and approve the overall compensation policy of the Company; and

(e) to administer any long-term incentive schemes including share schemes which may be implemented by the Company, and to consider whether any Director should be eligible for benefits under such long-term incentive schemes.

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

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

<u>Expert advice on remuneration</u>

The RC may from time to time, and where necessary or required, engage independent external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management. Among other things, this helps the Company to stay competitive when developing its remuneration packages. No independent external consultants have been engaged by the Company for this purpose during FY2026.

2.2. LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

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

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

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

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

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

Performance Conditions	Short-term Incentives (such as performance bonus)	Long-term Incentives (such as the employee share option scheme)
Qualitative	1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors 7. Securing new business 8. Identifying business expansion opportunities	1. Group's major project or development 2. Current market and industry practices
Quantitative	1. Profit before tax[1]	

Note:

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

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company. For FY2026, no professional experts were engaged.

2.3. Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

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

The Company has fully disclosed the remuneration of the CEO and each individual Director to uphold transparency and accountability to shareholders.

Details of remuneration of Directors/CEO

The breakdown of remuneration paid to or accrued to each Director for FY2026 is as follows:

Directors/ Chief Executive Officer	Total Remuneration S$'000	Director Fees[1] %	Salaries %	Bonus[2] %	Total %
Cai Kaoqun	216	–	100	–	100
Cai Kaobing	66	–	100	–	100
Thomas Lam Kwong Fai	45	100	–	–	100
Chen Liping	30	100	–	–	100
Foo Quek Cheng	30	100	–	–	100

Note:

(1) The Directors' fees were approved at the Company's Annual General Meeting held on 30 July 2025.

(2) Remuneration package of Executive Directors includes a fixed bonus of one (1)-month salary as long as the Executive Director is under the employment of the Company on the last day of March. Mr. Cai Kaoqun and Mr. Cai Kaobing had voluntarily agreed to waive their fixed bonus for FY2026.

The aggregate total remuneration of Directors, including the proposed Directors' fees for FY2026 is approximately S$387,000.

Details of remuneration of top key management personnel

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

The Group only has two Executive Officers (who are not Directors or the CEO) for FY2026, details of remuneration paid to these Executive Officers of the Group for FY2026 are as follows:

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

The aggregate total remuneration of the above Executive Officers for FY2026 was approximately S$236,053. After taking into account the reasons for non-disclosure set out above, the Board is of the view that the current remuneration disclosure is sufficient to provide Shareholders with information and an understanding of the Group's remuneration policies, as well as the level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation. Accordingly, the Board considers that the intent of Principle 8 of the Code has been complied with.

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

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

There were no employees who were immediate family members of a Director, the CEO, and/or a substantial shareholder, whose remuneration exceeded S$100,000 during FY2026.

3. ACCOUNTABILITY AND AUDIT

3.1. RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Risk Management

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

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

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

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

Internal Controls

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

The Board has also received assurances from the CEO and Group Financial Controller of the Group that in respect of FY2026:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

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

Based on the risk management and internal controls systems established and maintained by the Group, the work performed by the internal and external auditor with no significant matters highlighted to the AC and the written assurance from the CEO and the Group Financial Controller, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management systems and internal control (addressing key financial, operational, compliance and information technology controls) were effective and adequate for FY2026.

3.2. AUDIT COMMITTEE

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

All members of the AC are Non-Executive Directors and all members of the AC, including the Chairman of the AC, are independent, namely: -

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

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

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

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

(a) review the adequacy, effectiveness, scope and results of the external and internal audit and its cost effectiveness;

(b) review the independence and objectivity of the external and internal auditor annually;

(c) review the significant financial reporting issues and judgements for any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's financial position so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance;

(d) review the assurance from the CEO and the Group Financial Controller on the financial records and financial statements;

(e) review the quarterly and full year financial results, comprising the statement of comprehensive income required by the Catalist Rules before submission to the Board for approval;

(f) review the adequacy and effectiveness of the Group's internal controls and risk management system, as set out in the Code;

(g) review the effectiveness of the Group's internal audit function;

(h) meet periodically with the Company's internal and external auditor to review their audit plan and discuss the results of their respective examinations and their evaluation of the Group's system of internal accounting controls without the presence of the Company's Management;

(i) consider and recommend to the Board on the appointment, re-appointment and removal of the external and internal auditors, and approving the remuneration and terms of engagement of the external and internal auditors;

(j) review arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;

(k) review the external and internal auditor's reports;

(l) review the co-operation given by the Group's officers to the external auditor;

(m) review and approve interested persons transactions, if any, falling within the scope of Chapter 9 of the Catalist Rules;

(n) review the adequacy of the business risk management process;

(o) review potential conflicts of interest, if any, and ensuring procedures for resolving such conflicts are strictly adhered to;

(p) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(q) review and establish procedures for receipt, retention and treatment of complaints received by the Group regarding inter alia, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group; and

(r) generally undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments made thereto from time to time.

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

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

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

The AC met with the internal auditor and external auditor without the presence of the Management once during FY2026. These meetings enable the internal and external auditor to raise issues encountered in the course of their works directly to the AC. At such meetings, the AC obtains feedback on the competency and adequacy of the finance function, reviews the assistances given to the internal and external auditor and discusses the financial reporting process and the Group's financial condition,

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

External Auditor

It is the Company's practice for the external auditor to present its audit plan to the AC with updates relating to any change in accounting standards impacting the financial statements of the Group. During FY2026, the changes in accounting standards did not have any material impact on the Groups' financial statements.

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

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

The total audit fees paid or payable to Baker Tilly and the independent member firm of Baker Tilly International for FY2026 was S$94,000, and there is no non-audit services fee provided by Baker Tilly. In the AC's opinion, Baker Tilly is suitable for re-appointment as the Group's external auditor and it has accordingly recommended by the AC to the Board that Baker Tilly be nominated for re-appointment as external auditor of the Company at the forthcoming AGM.

Internal Audit

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

BDO Advisory Pte Ltd ("**IA**"), an established international auditing firm was appointed to conduct an internal audit and to follow up on past internal audit issues for FY2026. The IA conducts the internal audits based on the BDO Global Internal Audit Methodology which is consistent with the International Professional Practices Framework established by the Institute of Internal Auditor. For FY2026, the annual internal audit plan has been expanded to incorporate the internal review of the Company's sustainability reporting processes, which was approved by the AC. The IA reports directly to the AC Chairman and the AC, and administratively to the Group Financial Controller, and the IA has full and unfettered access to the Group's documents, records, properties and personnel, including access to the AC. The AC approves the hiring, removal, evaluation and compensation of the IA. The AC reviews annually the adequacy, effectiveness and independence of the internal audit function. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit.

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

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

In respect of the audit, the audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. The Internal Auditor's primary line of reporting is to the Chairman of the AC, which will include reviewing the risk control environment and business processes. The primary objective of the internal audit is to report to the AC and the Board the extent that sound risk management processes and controls are in place and operate effectively. The Internal Auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. The internal audits are carried out in accordance with the BDO Global Internal Audit Methodology which is consistent with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditor, and the coverage of the internal audits are rotated to cover potential risk areas. The AC reviews the adequacy and effectiveness of the internal audit function at least on an annual basis. The AC is accordingly satisfied with the internal audit work that was carried out during FY2026.

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

Whistle Blowing Policy

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

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

(a) all cases reported are objectively investigated, treated fairly and be protected from reprisal;

(b) appropriate remedial measures are taken where warranted; and

(c) appropriate action is taken to correct the weaknesses in the existing system of internal processes and policies which allowed the perpetration of the fraud and/or misconduct, and to prevent a recurrence.

During FY2026, the AC received a whistleblowing report with respect to the representative of a consultant company previously engaged by the Company's subsidiary. The AC carried out reviews and investigations in the areas relating to the allegation, in line with the whistleblowing policy, and thereafter concluded that this matter had no connection with the Group, and the Company's subsidiary had thereafter terminated the engagement of the consultant company.

Significant matter(s) impacting the financial statements

Significant matter for FY2026	How the Committee reviewed this matter and what decision was taken
Impairment assessment of investment in subsidiaries	The AC reviewed the information of the current business outlook for the Group's existing business segments and inquired Management for any unusual transactions. The impairment for cost of investment in subsidiaries was also a significant risk for the external auditor. The external auditor has included this item as a key audit matter in its audit report for FY2026. The AC reviewed the external auditor's comments on the key audit matter. (See audit opinion on page 64 of this Annual Report). The Audit Committee was satisfied that sufficient analysis and assessments had been performed in this area.

4. SHAREHOLDERS RIGHTS AND ENGAGEMENT

4.1. SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position, and prospects.

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

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

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

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

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

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

The forthcoming AGM will be held by way of physical meeting at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807 on the 30th day of July 2026 at 9.00 a.m..

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

Dividend policy

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

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

4.2. ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

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

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

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

(a) financial results and annual reports are announced or issued within the legally prescribed period;

(b) material information is disclosed in a comprehensive, accurate and timely manner via SGXNet and the media channels (where applicable) thereafter; and

(c) the Company’s general meetings.

Investor Relations Policy

The Company has established processes to ensure timely, fair and accurate disclosure of material information in compliance with the Catalist Rules. While the Company does not currently maintain a formal standalone investor relations policy, the Board recognises the importance of proactive and consistent engagement with shareholders.

The Company will continue to assess the need to formalise an investor relations policy as the scale and complexity of the Group's operations evolve.

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

5. MANAGING STAKEHOLDER RELATIONSHIPS

5.1 ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

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

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

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

6. DEALINGS IN SECURITIES

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

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

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

7. MATERIAL CONTRACTS

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that there was no material contract entered into by the Company or any of its subsidiary companies involving the interests of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2026 or if not then subsisting, entered into since the end of the previous financial year.

8. INTERESTED PERSONS TRANSACTIONS ("IPTs")

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on an arm's length basis that are not prejudicial to the interests of the shareholders in compliance with the requirements of Rule 1204(17) of the Catalist Rules. When a potential conflict of interests occurs, the Director concerned will be excluded from discussions and refrain from exercising any influence over other members of the Board. There are no IPTs conducted which exceed S$100,000 in value for FY2026. The Group does not have a general mandate obtained from shareholders for IPTs.

9. NON-SPONSOR FEES

Pursuant to Rule 1204(21) of the Catalist Rules, no non-sponsor fees were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2026.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of China Kunda Technology Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2026.

1. Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 68 to 107 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2026 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"); and

(ii) at the date of this statement, after considering the measures taken by the Group and the Company with respect to the Group's and the Company's ability to continue as going concerns as described in Note 3 to the financial statements, there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due.

2. Directors

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

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

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

4. Directors' interests in shares and debentures

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

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

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

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

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

There was no change in any of the above-mentioned interests between the end of the financial year and 21 April 2026.

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

5. Options

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

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

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

6. Audit committee

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

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

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

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

7. Independent Auditor

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

On behalf of the board of directors:

Cai Kaoqun
Director

Cai Kaobing
Director

30 June 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of China Kunda Technology Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of China Kunda Technology Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") as set out on pages 68 to 107, which comprise the balance sheets of the Group and the Company as at 31 March 2026, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statements of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2026 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of investment in subsidiaries

Description of key audit matter

As disclosed in Note 11 to the financial statements, the Company's net investment in subsidiaries amounted to HK$26.9 million as at 31 March 2026, after cumulative impairment loss of HK$49.5 million. During the financial year ended 31 March 2026, management performed an impairment assessment on these investments, which have continued to incur operating losses. Based on this assessment, no additional impairment loss or reversal of prior impairment was recognised during the financial year.

We identified this as a key audit matter due to the significance of the carrying amount of the investment in subsidiaries, as well as the high degree of judgement and estimation uncertainty involved in determining the recoverable amount.

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

Report on the audit of the financial statements (continued)

Key audit matters (continued)

Impairment assessment of investment in subsidiaries (continued)

Our procedures to address the key audit matter

We obtained an understanding of management's impairment assessment process. We evaluated the reasonableness of the key estimates applied in the VIU calculation by comparing the cash flow projections to the subsidiaries' historical performance, contracts with customers and approved budgets. We also assessed management's forecasting accuracy by comparing actual results for the current financial year against prior year forecast. In addition, we involved our internal valuation specialist to assist in evaluating the reasonableness of the discount rate applied. We performed sensitivity analysis on key assumptions to assess the impact of reasonably possible changes on the recoverable amount.

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

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable,actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the financial statements (continued)

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor’s report is Guo Shuqi.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

30 June 2026

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2026

	Note	2026	2025
		HK$'000	HK$'000
Revenue	4	55,894	38,928
Cost of sales		(49,550)	(35,381)
Gross profit		6,344	3,547
Other items of income			
Interest income	5	1	10
Other income	6	153	289
Other items of expense			
Selling and distribution expenses		(1,660)	(2,267)
General and administrative expenses		(12,175)	(10,944)
Other expenses	7	(1,124)	(1,047)
Impairment loss on trade and other receivables	15	(298)	(99)
Finance Costs		(3)	–
Loss before tax	8	(8,762)	(10,511)
Income tax expense	9	–	–
Loss for the year		(8,762)	(10,511)
Attributable to:			
Owners of the Company			
Loss for the year attributable to owners of the Company		(8,762)	(10,511)
Loss per share (HK cents per share)			
Basic and diluted	10	(2.1)	(2.6)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
Loss for the year		(8,762)	(10,511)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation, net of tax		27	(50)
Items that will not be reclassified subsequently to profit or loss			
Foreign currency translation, net of tax		(529)	52
Other comprehensive (loss)/income for the year, net of tax		(502)	2
Total comprehensive loss for the year		(9,264)	(10,509)
Attributable to:			
Owners of the Company			
Total comprehensive loss for the year attributable to owners of the Company		(9,264)	(10,509)

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

BALANCE SHEETS

As at 31 March 2026

	Note	Group 2026 HK$'000	Group 2025 HK$'000	Company 2026 HK$'000	Company 2025 HK$'000
ASSETS					
Non-current assets					
Investment in subsidiaries	11	–	–	26,872	25,342
Plant and equipment	12	2,929	5,278	–	–
Intangible assets	13	219	443	–	–
		3,148	5,721	26,872	25,342
Current assets					
Inventories	14	3,349	4,440	–	–
Trade and other receivables	15	21,798	11,977	–	–
Prepayments	16	537	124	78	73
Amounts due from related parties	17	–	–	131	414
Cash and cash equivalents	18	2,771	3,131	822	117
		28,455	19,672	1,031	604
Total assets		31,603	25,393	27,903	25,946
LIABILITIES					
Current liabilities					
Trade and other payables	19	24,511	16,007	1,952	729
Contract liabilities	4(b)	850	515	–	–
Other liabilities	20	4,426	4,217	1,522	1,419
Amounts due to related parties	17	11,831	7,975	9,273	5,327
Borrowings	21	2,569	–	–	–
Income tax payable		13	12	–	–
		44,200	28,726	12,747	7,475
Net current liabilities		(15,745)	(9,054)	(11,716)	(6,871)
Total liabilities		44,200	28,726	12,747	7,475
Net (liabilities)/assets		(12,597)	(3,333)	15,156	18,471
EQUITY					
Equity attributable to owners of the Company					
Share capital	22	148,309	148,309	148,309	148,309
Accumulated losses		(101,782)	(93,020)	(143,503)	(139,219)
Restructuring reserve	23(a)	(74,397)	(74,397)	–	–
Foreign currency translation reserve	23(c)	15,273	15,775	10,350	9,381
Total equity		(12,597)	(3,333)	15,156	18,471
Total equity and liabilities		31,603	25,393	27,903	25,946

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2026

		Attributable to owners of the Company				
	Equity, total	**Equity attributable to owners of the Company, total**	**Share capital**	**Accumulated losses**	**Restructuring reserve**	**Foreign currency translation reserve**
			(Note 22)		**(Note 23 (a))**	**(Note 23(c))**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Group						
2026						
Opening balance at 1 April 2025	(3,333)	(3,333)	148,309	(93,020)	(74,397)	15,775
Loss for the year	(8,762)	(8,762)	–	(8,762)	–	–
Other comprehensive loss						
Foreign currency translation	(502)	(502)	–	–	–	(502)
Other comprehensive loss for the year, net of tax	(502)	(502)	–	–	–	(502)
Total comprehensive loss for the year	(9,264)	(9,264)	–	(8,762)	–	(502)
Closing balance at 31 March 2026	(12,597)	(12,597)	148,309	(101,782)	(74,397)	15,273
Group						
2025						
Opening balance at 1 April 2024	7,176	7,176	148,309	(82,509)	(74,397)	15,773
Loss for the year	(10,511)	(10,511)	–	(10,511)	–	–
Other comprehensive income						
Foreign currency translation	2	2	–	–	–	2
Other comprehensive income for the year, net of tax	2	2	–	–	–	2
Total comprehensive (loss)/ income for the year	(10,509)	(10,509)	–	(10,511)	–	2
Closing balance at 31 March 2025	(3,333)	(3,333)	148,309	(93,020)	(74,397)	15,775

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2026

	Equity, total	Share capital (Note 22)	Accumulated losses	Foreign currency translation reserve (Note 23(c))
	HK$'000	HK$'000	HK$'000	HK$'000
Company				
2026				
Opening balance at 1 April 2025	18,471	148,309	(139,219)	9,381
Loss for the year	(4,284)	–	(4,284)	–
Other comprehensive income				
Foreign currency translation	969	–	–	969
Other comprehensive income for the year, net of tax	969	–	–	969
Total comprehensive (loss)/income for the year	(3,315)	–	(4,284)	969
Closing balance at 31 March 2026	15,156	148,309	(143,503)	10,350
Company				
2025				
Opening balance at 1 April 2024	22,983	148,309	(134,915)	9,589
Loss for the year	(4,304)	–	(4,304)	–
Other comprehensive loss				
Foreign currency translation	(208)	–	–	(208)
Other comprehensive loss for the year, net of tax	(208)	–	–	(208)
Total comprehensive loss for the year	(4,512)	–	(4,304)	(208)
Closing balance at 31 March 2025	18,471	148,309	(139,219)	9,381

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

CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 31 March 2026

	Note	Group 2026 HK$'000	Group 2025 HK$'000
Operating activities			
Loss before tax, total		(8,762)	(10,511)
Adjustments for:			
Depreciation of plant and equipment	12	724	837
Amortisation of intangible assets	13	242	213
Inventories written-down, net	7	480	1,000
Impairment loss on trade and other receivables	15	298	99
Loss/(gain) on disposal of plant and equipment	6/7	621	(159)
Interest income	5	(1)	(10)
Interest expense		3	–
Effect of exchange rate changes		(16)	23
Total adjustments		2,351	2,003
Operating cash flows before changes in working capital		(6,411)	(8,508)
Changes in working capital			
Trade and other receivables		(9,097)	(4,148)
Inventories		834	(1,348)
Prepayments		(392)	69
Trade and other payables		7,290	5,214
Other liabilities		250	(820)
Amount due to related parties, net		2,714	2,556
Total changes in working capital		1,599	1,523
Cash flows used in operations		(4,812)	(6,985)
Interest received		1	10
Interest paid		(3)	–
Net cash flows used in operating activities		(4,814)	(6,975)
Investing activities			
Purchase of plant and equipment	12	–	(56)
Proceeds from disposal of plant and equipment		1,236	217
Purchase of computer software	13	–	(224)
Net cash flows generated from/(used in) investing activities		1,236	(63)
Financing activities			
Proceeds from interest-free loan from a related party		550	2,159
Proceeds from short-term borrowings		2,485	–
Net cash flows generated from financing activities		3,035	2,159
Net decrease in cash and cash equivalents		(543)	(4,879)
Effect of exchange rate changes on cash and cash equivalents		183	(71)
Cash and cash equivalents at 1 April		3,131	8,081
Cash and cash equivalents at 31 March	18	2,771	3,131

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2026

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

	Group	
	Amount due to a related party (non-trade)	**Borrowings**
	(Note 17)	**(Note 21)**
	HK$'000	HK$'000
Balance at 1 April 2025	6,726	–
Changes from operating cash flows	1,679	–
Changes from financing cash flows:		
- Loan from	550	2,485
Non-cash changes:		
- Effect of exchange rate changes	482	84
Balance at 31 March 2026	9,437	2,569

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

The accompanying accounting policies and explanatory information form an integral part of the 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 Singapore Exchange.

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

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

2. Material accounting policy information

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

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

2.2 *Changes in accounting policies and disclosure*

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2. Material accounting policy information (continued)

2.3 *Standards issued but not yet effective*

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

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

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

SFRS(I) 18 Presentation and Disclosure in Financial Statements

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

The new standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present subtotals and totals for “operating profit”, “profit or loss before financing and income taxes”, and “profit or loss” in the statement of profit or loss;

- Enhanced guidance on aggregating and disaggregating information in financial statements; and

- Management-defined performance measures (“MPMs”) are disclosed in a single note within the financial statements. This note includes details on how the measure is calculated, the relevance of the information provided to users, and a reconciliation to the most comparable subtotal specified by the SFRS(I).

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

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

2. Material accounting policy information (continued)

2.4 *Basis of consolidation*

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

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

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

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

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

2.5 *Foreign currency*

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

(a) *Transactions and balances*

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

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

(b) *Consolidated financial statements*

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

2. Material accounting policy information (continued)

2.6 *Plant and equipment*

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

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

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

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

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

2.7 *Impairment of non-financial assets*

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

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

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

2.8 *Subsidiaries*

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

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

2. Material accounting policy information (continued)

2.9 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

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

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

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

Subsequent measurement

Debt instruments

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

(i) Amortised cost

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

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

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

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

De-recognition

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

2. Material accounting policy information (continued)

2.9 *Financial instruments (continued)*

(b) *Financial liabilities*

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

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

2.10 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

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

2. Material accounting policy information (continued)

2.11 *Cash and cash equivalents*

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

2.12 *Inventories*

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

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

- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted-average cost basis.

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

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

2.13 *Employee benefits*

Defined contribution plans

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

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

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

2.14 *Leases*

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

Short-term leases and leases of low-value assets

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

2. Material accounting policy information (continued)

2.15 *Revenue*

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

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

Sale of IMD mould and products

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

2.16 *Taxes*

(a) *Current income tax*

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

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

(b) *Deferred tax*

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

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Material accounting policy information (continued)

2.16 *Taxes (continued)*

(b) *Deferred tax (continued)*

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

(c) *Sales tax*

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.17 *Segment reporting*

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

3. Significant accounting judgements and estimates

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

3.1 *Critical judgements in applying the Group's accounting policies*

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

Going concern

The Group reported a net loss of HK$8.8 million (FY2025: HK$10.5 million) and operating cash outflow of HK$4.8 million (FY2025: HK$7.0 million) for the financial year ended 31 March 2026. As at 31 March 2026, the Group is in a net liability position and net current liability position of HK$12.6 million (FY2025: HK$3.3 million) and HK$15.7 million (FY2025: HK$9.1 million) respectively and the Company is in a net current liability position of HK$11.7 million (FY2025: HK$6.9million).

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

(a) The Group has obtained letters of undertaking from a related party and the Executive Directors, confirming that they will not demand payment of the amount of HK$11,831,000 due to them as of 31 March 2026, including any outstanding amounts relating to the related party's factory rental and the Executive Directors' partial salary due to them whether currently due or falling within the next twelve months from the date of authorisation of these financial statements.

(b) The Group has obtained a bank loan facility of RMB5,580,000 in April 2026, to enable it to meet its current and ongoing financial obligations and working capital requirements. The loan is secured by a property of an Executive Director of the Company, with interest rate of 2.4% per annum and term of 3 years which is renewable at maturity.

(c) The related party and the Executive Directors of the Company have undertaken to provide financial support to the Group and the Company to ensure their ability to meet their financial obligations as and when they fall due for at least twelve months from the date of authorisation of these financial statements.

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

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty

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

(i) Impairment assessment on investment in subsidiaries

The Company has net investment in subsidiaries amounting to HK$26.9 million after deducting impairment loss of HK$49.5 million as at 31 March 2026. During the financial year ended 31 March 2026, management performed an impairment review of its subsidiaries, which have been incurring operating losses. Based on the results of this assessment, no additional impairment loss nor reversal of previously recognised impairment loss was recognised during the financial year.

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

(ii) *Provision for expected credit losses of trade receivables*

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

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

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

The carrying amount of trade receivables as at 31 March 2026 amounted to HK$14,863,000 (2025: HK$11,588,000).

(iii) *Impairment assessment for plant and equipment*

As of 31 March 2026, the Group has plant and equipment of HK$2.9 million (2025: HK$5.3 million) that are used in a cash generating unit ("CGU") operating in the People's Republic of China. In consideration of the net loss of HK$8.8 million incurred by the Group for the year ended 31 March 2026, the Group has identified indicators of impairment on the plant and equipment used in this CGU. Pursuant to the assessment of recoverable amounts based on value in use of these assets, the management assessed that no impairment was required for plant and equipment.

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

4. Revenue

(a) Disaggregation of revenue

Segments	IMD and Plastic Injection Parts Total revenue	
	2026	**2025**
	HK$'000	HK$'000
Primary geographical markets		
People's Republic of China ("PRC")	55,616	38,735
Europe	235	91
Others	43	102
	55,894	38,928
Major products		
IMD products	53,682	35,577
IMD moulds	2,212	3,351
	55,894	38,928
Timing of transfer of goods		
At a point in time	55,894	38,928

(b) Contract liabilities

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

	Group		
	2026	**2025**	**1.4.2024**
	HK$'000	HK$'000	HK$'000
Trade receivables from contracts with customers	14,863	11,588	7,914
Contract liabilities	850	515	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.

Contract liabilities are recognised as revenue as the Group performs under the contract. Revenue recognised during the year that was included in the contract liabilities at the beginning of the year amounted to HK$515,000 (2024: HK$953,000).

5. Interest income

	Group	
	2026	**2025**
	HK$'000	HK$'000
Interest income from bank balances	1	10

6. Other income

	Group 2026	Group 2025
	HK$'000	HK$'000
Sale of raw materials/scrap materials	50	97
Government grants related to income	66	21
Gain on disposal of plant and equipment	–	159
Net foreign exchange gain	37	–
Others	–	12
	153	289

7. Other expenses

	Group 2026	Group 2025
	HK$'000	HK$'000
Inventories written-down, net	480	1,000
Loss on disposal of plant and equipment	621	–
Net foreign exchange loss	21	23
Others	2	24
	1,124	1,047

8. Loss before tax

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

	Note	Group 2026	Group 2025
		HK$'000	HK$'000
Audit fees:			
- Auditors of the Company		454	425
- Other auditors – network firms		121	108
Non-audit fees:			
- Auditors of the Company		–	–
- Other auditors – network firms		–	–
- Other auditors – non-network firms		–	–
Amortisation of intangible assets		242	213
Depreciation of plant and equipment		724	837
Employee benefits expense		15,059	15,045
Expenses relating to short-term leases	26	1,461	1,574
Research expenses		1,735	1,871
Inventories recognised as an expense in cost of sales	14	49,550	35,381

8. Loss before tax (continued)

Breakdown of employee benefits expenses:

	Group	
	2026	**2025**
	HK$'000	HK$'000
Employee benefits expense (including directors):		
Salaries and bonuses	12,977	13,333
Directors' fees (Note 25(b))	635	665
Contribution to defined contribution plans	1,206	813
Other personnel expenses	241	234
	15,059	15,045

9. Income tax expense

Relationship between tax expense and accounting loss

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rates for the financial years ended 31 March 2026 and 2025 is as follows:

	Group	
	2026	**2025**
	HK$'000	HK$'000
Loss before tax	(8,762)	(10,511)
Tax at the domestic rates applicable to profits in the countries where the Group operates	1,729	2,199
Adjustments:		
Non-deductible expenses	(1,179)	(1,147)
Income not subject to taxation	495	614
Tax effect on tax losses arising in the current year not recognised	(1,045)	(1,666)
Income tax expenses recognised in profit or loss	–	–

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

(i) China Kunda Technology Holdings Limited

The Company is incorporated in Singapore and the corporate income tax rate applicable to the Company for the financial years ended 31 March 2026 and 31 March 2025 is 17%. No provision for income tax has been made as the Company has no assessable profits for the financial years ended 31 March 2026 and 31 March 2025.

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

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

9. Income tax expense (continued)

(iii) Kunda Industrial Limited ("BVI")

BVI was incorporated in the British Virgin Islands ("BVI") under the International Business Companies Act of the British Virgin Islands and, accordingly, is exempted from payment of British Virgin Islands income taxes. Under the prevailing PRC Income Tax Law, BVI is being treated as having a permanent establishment in the PRC as BVI rendered its services in the PRC through its employees stationed in Shenzhen. Accordingly, a portion of the technical service fee earned by BVI is regarded as onshore taxable income and is subjected to the PRC applicable tax rate of 25% for the financial year ended 31 March 2010. The rendering of technical services has ceased on 28 July 2009. Hence, BVI does not have any taxable profits for the financial years ended 31 March 2026 and 31 March 2025.

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

YKT is incorporated in Hong Kong and is subjected to a tax rate of 16.5% for the financial years ended 31 March 2026 and 31 March 2025.

Unrecognised tax losses

As at the end of the reporting period, the Group has unrecognised tax losses of HK$31,722,000 (2025: HK$27,541,000), that are available for offset against future taxable profits of the companies in which the losses arose. The tax losses expire in 2027 - 2031 (2025: 2026 - 2030).

Unappropriated profits

As at 31 March 2026 and 2025, the PRC subsidiary has no unappropriated profits for which no deferred tax liability has been recognised.

10. Loss per share

Basic loss per share is calculated by dividing loss net of tax, attributable to owners of the Company by the weighted average of the 409,800,000 (2025: 409,800,000) ordinary shares outstanding during the financial year.

The basic and diluted loss per share of the Group are the same as there were no potential dilutive ordinary shares outstanding as at 31 March 2026 and 2025.

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

	Group	
	2026	**2025**
	HK$'000	HK$'000
Loss net of tax, attributable to owners of the Company used in the computation of basic and diluted loss per share	(8,762)	(10,511)

Loss per share computation

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

11. Investment in subsidiaries

	Company	
	2026	**2025**
	HK$'000	HK$'000
Shares, at cost	76,356	72,009
Impairment losses	(49,484)	(46,667)
Carrying amounts [1]	26,872	25,342

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

Impairment testing of investment in subsidiaries

During the financial year ended 31 March 2026, management performed an impairment review of its subsidiaries, which have been incurring operating losses. Based on results of the review, no additional impairment loss was recognised (2025: NIL).

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

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

Gross profit margin: The gross profit margin applied was 28.5%. (2025: 37.0%).

Discount rate: The discount rate applied in determining the recoverable amounts was 15.0% (2025: 15.0%).

Long-term growth rate: Cash flows beyond the five-year period are forecasted after considering factors such as general market conditions, macroeconomic cycle, industry-specific and other relevant information. The forecasted growth rate used to extrapolate cash flow projections beyond the five-year period is 2.00% (2025: 2.00%) and does not exceed the long-term average growth rate for the industry in which the business operates.

Sensitivity to changes in assumptions

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

11. Investment in subsidiaries (continued)

Composition of the Group

The Group has the following significant investments in subsidiaries.

Name of company	Country of incorporation	Principal activities	Proportion (%) of ownership 2026 %	2025 %
Held by the Company				
Kunda Industrial Limited [1]	British Virgin Islands	Provision of technical services	100	100
Yick Kwan Tat Enterprise Company Limited [2][5]	Hong Kong	Supply of raw materials, machinery and provision of management services for the purposes of manufacture and sale of moulds and IMD products	100	100
Held through Yick Kwan Tat Enterprise Company Limited:				
Kunda Plastic Electronics (Shenzhen) Company Limited [3][4]	People's Republic of China	Manufacture and sale of moulds and IMD products	100	100
Held through Kunda Plastic Electronics (Shenzhen) Company Limited:				
Shenzhen Xiao Xiang Quan Technology Company Limited [6]	People's Republic of China	Supply of electrolysed functional drinking water and sanitizer business	51	–

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

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

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

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

(5) The Company has become dormant.

(6) The Company was incorporated on 29 January 2026 and not required to be audited under the laws of the country of incorporation.

12. Plant and equipment

Group	Office equipment	Plant and machinery	Motor vehicles	Renovations	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Cost					
At 1 April 2024	327	30,135	2,031	3,036	35,529
Additions	–	56	–	–	56
Disposals	(327)	(7,818)	(344)	–	(8,489)
Exchange differences	–	(228)	(19)	(32)	(279)
At 31 March 2025 and 1 April 2025	–	22,145	1,668	3,004	26,817
Disposals	–	(3,838)	–	–	(3,838)
Exchange differences	–	1,177	100	182	1,459
At 31 March 2026	–	19,484	1,768	3,186	24,438
Accumulated depreciation					
At 1 April 2024	320	24,075	1,923	3,036	29,354
Depreciation charge for the year	–	810	27	–	837
Disposals	(320)	(7,769)	(342)	–	(8,431)
Exchange differences	–	(171)	(18)	(32)	(221)
At 31 March 2025 and 1 April 2025	–	16,945	1,590	3,004	21,539
Depreciation charge for the year	–	696	28	–	724
Disposals	–	(1,981)	–	–	(1,981)
Exchange differences	–	949	96	182	1,227
At 31 March 2026	–	16,609	1,714	3,186	21,509
Net carrying amount					
At 31 March 2025	–	5,200	78	–	5,278
At 31 March 2026	–	2,875	54	–	2,929

Impairment testing of plant and equipment

The carrying amounts of plant and equipment allocated to the IMD and plastic injection parts CGU which is also the reportable segments are HK$2.9 million (2025: HK$5.3 million). The recoverable amounts of the CGU have been determined based on value in use. No impairment has been identified. Further details of the value in use calculation are disclosed in Note 11.

Sensitivity to changes in assumptions

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

13. Intangible assets

Group	Deferred development costs	Computer software	Total
	HK$'000	HK$'000	HK$'000
Cost			
At 1 April 2024	36,481	491	36,972
Additions	–	224	224
Exchange differences	(377)	(7)	(384)
At 31 March 2025 and 1 April 2025	36,104	708	36,812
Exchange differences	2,179	43	2,222
At 31 March 2026	38,283	751	39,304
Accumulated amortisation and impairment			
At 1 April 2024	36,481	55	36,536
Amortisation for the year	–	213	213
Exchange differences	(377)	(3)	(380)
At 31 March 2025 and 1 April 2025	36,104	265	36,369
Amortisation for the year	–	242	242
Exchange differences	2,179	25	2,204
At 31 March 2026	38,283	532	38,815
Net carrying amount			
At 31 March 2025	–	443	443
At 31 March 2026	–	219	219

Deferred development costs

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

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

Computer software

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

14. Inventories

	Group	
	2026	**2025**
	HK$'000	HK$'000
Balance sheet:		
Raw materials (at cost)	1,273	1,291
Work-in-progress (at cost or net realisable value)	1,566	2,549
Finished goods (at cost or net realisable value)	510	600
	3,349	4,440

14. Inventories (continued)

	2026	2025
	HK$'000	HK$'000
Income statement:		
Inventories recognised as an expense in cost of sales (Note 8)	49,550	35,381
Inventories written-down, net as included in the "Other expenses" line item in profit or loss (Note 7)	480	1,000

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

15. Trade and other receivables

	Group		Company	
	2026	2025	2026	2025
	HK$'000	HK$'000	HK$'000	HK$'000
Trade receivables	14,863	11,588	–	–
Bills receivables	6,910	372	–	–
Other receivables	25	17	–	–
Total trade and other receivables	21,798	11,977	–	–
Add: Amounts due from related parties (Note 17)	–	–	131	414
Add: Cash and cash equivalents (Note 18)	2,771	3,131	822	117
Less: Bills receivables at FVOCI	(6,910)	(372)	–	–
Total financial assets carried at amortised cost	17,659	14,736	953	531

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 days' terms (2025: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

	Group	
	2026	2025
	HK$'000	HK$'000
United States Dollar	151	239

Bills receivables

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

Other receivables

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

15. Trade and other receivables (continued)

Expected credit loss

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

	Group	
	2026	**2025**
	HK$'000	HK$'000
Movement in allowance accounts:		
At 1 April	290	192
Charge for the year	298	99
Exchange differences	27	(1)
At 31 March	615	290

16. Prepayments

	Group		Company	
	2026	**2025**	**2026**	**2025**
	HK$'000	HK$'000	HK$'000	HK$'000
Current:				
Advances to suppliers	459	51	–	–
Prepaid operating expenses	78	73	78	73
	537	124	78	73

17. Amounts due from/to related parties

	Group		Company	
	2026	**2025**	**2026**	**2025**
	HK$'000	HK$'000	HK$'000	HK$'000
Amounts due from related parties				
Subsidiaries, non-trade [1]	–	–	131	414
	–	–	131	414
Amounts due to related parties				
Subsidiaries, non-trade [1]	–	–	9,273	5,327
Related party, non-trade[2]	9,437	6,726	–	–
Directors, non-trade [3]	2,394	1,249	–	–
	11,831	7,975	9,273	5,327

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

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

(3) The amount due to directors are unsecured, non-interest bearing and repayable on demand. Subsequent to the reporting date, the Group obtained a letter of undertaking from the Executive Directors, confirming that it will not demand repayment of any outstanding amounts, whether currently due or falling due within the next twelve months from the date of authorisation of these financial statements.

18. Cash and cash equivalents

	Group		Company	
	2026	**2025**	**2026**	**2025**
	HK$'000	HK$'000	HK$'000	HK$'000
Cash at banks and on hand	2,771	3,131	822	117

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

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

	Group		Company	
	2026	**2025**	**2026**	**2025**
	HK$'000	HK$'000	HK$'000	HK$'000
Singapore Dollar	823	117	823	117
United States Dollar	–	156	–	–
Hong Kong Dollar	5	29	–	–

19. Trade and other payables

	Group		Company	
	2026	**2025**	**2026**	**2025**
	HK$'000	HK$'000	HK$'000	HK$'000
Trade payables	17,877	11,477	–	–
Other payables	6,634	4,530	1,952	729
Total trade and other payables	24,511	16,007	1,952	729
Add: Amounts due to related parties (Note 17)	11,831	7,975	9,273	5,327
Add: Accrued operating expenses (Note 20)	3,354	3,489	1,522	1,419
Total financial liabilities carried at amortised cost	39,696	27,471	12,747	7,475

Trade payables

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

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

	Group		Company	
	2026	**2025**	**2026**	**2025**
	HK$'000	HK$'000	HK$'000	HK$'000
Singapore Dollar	1,952	729	1,952	729

20. Other liabilities

	Group		Company	
	2026	**2025**	**2026**	**2025**
	HK$'000	HK$'000	HK$'000	HK$'000
Accrued operating expenses	3,354	3,489	1,522	1,419
VAT and other tax payables	1,072	728	–	–
	4,426	4,217	1,522	1,419

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

	Group		Company	
	2026	**2025**	**2026**	**2025**
	HK$'000	HK$'000	HK$'000	HK$'000
Singapore Dollar	1,522	1,419	1,522	1,419

21. Borrowings

	Group	
	2026	**2025**
	HK$'000	HK$'000
Bank loan	1,137	–
Short-term borrowings from a third party	1,432	–
	2,569	–

2026	**Currency**	**Interest rate**	**Year of maturity**	**Face value**	**Carrying amount**
Group				HK$'000	HK$'000
Unsecured bank loan	RMB	2.55%	FY2027	1,137	1,137
Short-term borrowings from a third party	RMB	1.40%	FY2027	1,432	1,432
				2,569	2,569

22. Share capital

	Group and Company			
	2026		**2025**	
	No. of shares		**No. of shares**	
	'000	HK$'000	'000	HK$'000
Issued and fully paid ordinary shares				
At 1 April and at 31 March	409,800	148,309	409,800	148,309

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

23. Other reserves

(a) *Restructuring reserve*

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

(b) *Statutory reserve fund*

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

(c) *Foreign currency translation reserve*

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

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

24. Segment Information

For management purposes, the Group is organised into business units based on their products and services. As the newly established water treatment business has not commenced operations during the financial year, the Group currently has one reportable operating segment as follows:

IMD and Plastic injection parts

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

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

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

24. Segment Information (continued)

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

	IMD and Plastic injection parts	**Note**	**Per consolidated financial statements**
	HK$'000		HK$'000
2026			
Revenue			
Sales to external customers	55,894		55,894
Segment results:			
Segment gross profit	6,344		6,344
Depreciation of plant and equipment	(724)		(724)
Amortisation of intangible assets	(242)		(242)
Loss on disposal of plant and equipment	(621)		(621)
Impairment loss on inventories	(480)		(480)
Impairment loss on trade and other receivables	(298)		(298)
Research expenses	(1,735)		(1,735)
Unallocated expenses, net		A	(11,006)
Loss before tax			(8,762)
Assets:			
Additions to non-current assets	–	B	–
Segment assets:	31,603		31,603
Segment liabilities:	44,200		44,200

24. Segment Information (continued)

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

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

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

	2026	**2025**
	HK$'000	HK$'000
Unallocated employee benefits under General and administrative expenses	(6,214)	(5,150)
Unallocated employee benefits under Selling and distribution expenses	(637)	(932)
Unallocated operating lease expenses under General and administrative expenses	(270)	(337)
Unallocated net foreign exchange (loss)/gain under Other income	(21)	(23)
Unallocated government grant related to income under Other income	66	21
Unallocated corporate expenses	(3,928)	(3,786)
Unallocated interest expense	(3)	–
Unallocated interest income	1	10
	(11,006)	(10,197)

B Additions to non-current assets consist of additions to plant and equipment and intangible assets during financial year 2025.

24. Segment Information (continued)

Geographical information

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

	Revenue		Non-current assets	
	2026	**2025**	**2026**	**2025**
	HK$'000	HK$'000	HK$'000	HK$'000
PRC	55,616	38,735	3,148	5,721
Europe	235	91	–	–
Others	43	102	–	–
	55,894	38,928	3,148	5,721

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

Information about major customers

Revenue from two major customers amounted to HK$11,524,000 and HK$10,309,000 (2025: HK$8,395,000 and HK$7,040,000) respectively arising from sales by the IMD and plastic injection parts.

25. Related party transactions

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

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

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

	Group	
	2026	**2025**
	HK$'000	HK$'000
Rental of factory premises charged by a related party	1,540	1,574

(b) *Compensation of key management personnel*

	Group	
	2026	**2025**
	HK$'000	HK$'000
Salaries and bonuses	2,987	2,874
Directors' fees	635	665
Contribution to defined contribution plans	150	135
	3,772	3,674
Comprises amounts paid to:		
Directors of the Company	2,343	2,308
Other key management personnel	1,429	1,366
	3,772	3,674

25. Related party transactions (continued)

(c) *Interest-free loans*

In FY2026, the Group obtained an unsecured interest-free loan from a related party of HK$0.6 million (FY2025: HK$2.2 million) for its working capital purposes. As at 31 March 2026, the interest-free unsecured loans from a company related to a director was HK$2.8 million (31 March 2025: HK$2.1 million).

26. Leases

Group as a lessee

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

The following are the amounts recognised in profit or loss:

	2026	**2025**
	HK$'000	HK$'000
Expenses relating to short-term leases recognised in:		
- Cost of sales	1,191	1,237
- General and administrative expenses	270	337
Total amount recognised in profit or loss	1,461	1,574

27. Financial risk management objectives and policies

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

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

Credit risk

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

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

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

27. Financial risk management objectives and policies (continued)

Credit risk (continued)

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

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

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

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

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

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

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables, using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due, adjusted as appropriate to reflect current conditions and forecasts of future economic conditions with the consideration of macroeconomic conditions on the ability of the customers to settle the receivables.

27. Financial risk management objectives and policies (continued)

Credit risk (continued)

Trade receivables (continued)

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

Trade receivables		**Trade receivables past due**				
Group	**Current**	**Within 90 days**	**91 to 180 days**	**181 to 365 days**	**>365 days**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
31 March 2026						
Gross carrying amount	14,747	130	–	483	118	15,478
Loss allowance provision	–	(14)	–	(483)	(118)	(615)
31 March 2025						
Gross carrying amount	10,119	1,467	2	290	–	11,878
Loss allowance provision	–	–	–	(290)	–	(290)

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

Exposure to credit risk

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

Credit risk concentration profile

As at 31 March 2026, approximately 44% (2025: 36%) of the Group's trade receivables relates to two (2025: two) major customers from IMD and plastic injection parts segment.

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

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

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

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

As disclosed in Note 3.1, the Group is dependent on the related party and the Executive Directors of the Company for financial support.

27. Financial risk management objectives and policies (continued)

Financial instruments whose cash flow amounts approximate carrying amounts

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

Interest rate risk

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

Foreign currency risk

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

The Group has not entered into any hedge transactions.

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

Sensitivity analysis for foreign currency risk

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

		Group	
		2026	**2025**
		HK$'000	HK$'000
		Loss after tax	Loss after tax
USD/RMB	- strengthened 3% (2025: 3%)	(3)	(9)
	- weakened 3% (2025: 3%)	3	9
HKD/RMB	- strengthened 3% (2025: 3%)	–	(1)
	- weakened 3% (2025: 3%)	–	1
SGD/RMB	- strengthened 3% (2025: 3%)	66	51
	- weakened 3% (2025: 3%)	(66)	(51)

28. Fair value

(i) Fair value hierarchy

The table below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

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

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and

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

	Group Level 2	
	2026	**2025**
	HK$'000	HK$'000
Assets measured at fair value		
Bills receivables	6,910	372

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

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

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

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

29. Capital management

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

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtain new borrowings. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2026 and 2025.

29. Capital management (continued)

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

		Group	
	Note	**2026**	**2025**
		HK$'000	HK$'000
Trade payables and other payables	19	24,511	16,007
Other liabilities	20	4,426	4,217
Amounts due to related parties	17	11,831	7,975
Borrowings	21	2,569	–
Less: Cash and cash equivalents	18	(2,771)	(3,131)
Net debt		40,566	25,068
Equity attributable to the owners of the Company		(12,597)	(3,333)
Total capital		(12,597)	(3,333)
Capital and net debt		27,969	21,735
Gearing ratio		145%	115%

30. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2026 were authorised for issue in accordance with a resolution of the directors on 30 June 2026.

STATISTICS OF SHAREHOLDINGS

As at 22 June 2026

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

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	53	7.44	45,056	0.01
1,001 - 10,000	102	14.33	714,004	0.17
10,001 - 1,000,000	530	74.44	75,155,002	18.34
1,000,001 AND ABOVE	27	3.79	333,885,938	81.48
TOTAL	**712**	**100.00**	**409,800,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CHINA HONGDA HOLDINGS LIMITED	123,084,000	30.04
2	PHILLIP SECURITIES PTE LTD	103,867,692	25.35
3	GOOD MORAL TECHNOLOGY LIMITED	19,200,000	4.69
4	CHERRY EQUITY PARTNERS LIMITED	13,023,000	3.18
5	MAYBANK SECURITIES PTE. LTD.	11,250,000	2.75
6	ABN AMRO CLEARING BANK N.V.	8,011,600	1.96
7	CHING KA LUN	4,901,000	1.20
8	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,777,900	1.17
9	CITIBANK NOMINEES SINGAPORE PTE LTD	4,432,500	1.08
10	KOK TAT ONN	4,350,946	1.06
11	DBS NOMINEES (PRIVATE) LIMITED	3,828,400	0.93
12	TAN LYE SENG	3,386,900	0.83
13	LIM & TAN SECURITIES PTE LTD	3,367,300	0.82
14	RAFFLES NOMINEES (PTE.) LIMITED	3,275,300	0.80
15	CHU SOR CHENG	2,700,000	0.66
16	TEO AH BAN	2,569,900	0.63
17	UOB KAY HIAN PRIVATE LIMITED	2,490,500	0.61
18	OH CHEE KEONG	2,450,600	0.60
19	SIM KEE HONG	2,050,000	0.50
20	HAN MUI ENG	1,700,000	0.41
	TOTAL	**324,717,538**	**79.27**

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 22 June 2026.

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

Note:

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

FREE FLOAT

As at 22 June 2026, approximately 63.33% of the issued ordinary shares of the Company were held in the hands of the public (on the basis of information available to the Company).

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (the "**AGM**") of **China Kunda Technology Holdings Limited** (the "**Company**") will be convened and held at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807 on Thursday, 30 July 2026 at 9.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and, if approved, to adopt the Audited Accounts for the financial year ended 31 March 2026 ("**FY2026**") together with the Directors' Report and Independent Auditor's Report thereon.
(Resolution 1)

2. To approve the payment of Directors' Fees of S$105,000 for the financial year ended 31 March 2026 (2025: S$114,000).
(Resolution 2)

3. To re-elect Mr Cai Kaoqun as Director of the Company retiring pursuant to Regulation 107 of the Company's Constitution.
[*See Explanatory Note (i)*] **(Resolution 3)**

4. To re-elect Ms Chen Liping as Director of the Company retiring pursuant to Regulation 107 of the Company's Constitution.
[*See Explanatory Note (ii)*] **(Resolution 4)**

5. To re-appoint Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.
(Resolution 5)

6. To transact any other ordinary business which may be properly transacted at the AGM.

AS SPECIAL BUSINESS

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

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

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

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution), to be issued pursuant to this Resolution shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:

    (a) new Shares arising from the conversion or exercise of any Instruments or any convertible securities;

    (b) new Shares arising from exercising of share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

    (c) any subsequent bonus issue, consolidation or subdivision of Shares.

    Adjustments in accordance with sub-paragraph (2)(a) or (2)(b) are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Company's Constitution for the time being; and

(4) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

(**Resolution 6)**

BY ORDER OF THE BOARD

CAI KAOQUN
EXECUTIVE CHAIRMAN AND CEO
15 JULY 2026
SINGAPORE

EXPLANATORY NOTES ON RESOLUTIONS TO BE PASSED:

(i) Mr Cai Kaoqun will, upon re-election as a Director of the Company, remain as the Executive Chairman and CEO of the Company. Mr Cai Kaoqun is the brother of Mr Cai Kaobing, an Executive Director of the Company. Saved as disclosed, there are no relationships (including immediate family relationships) between Mr Cai and other directors, the Company, its related corporation and its 5% shareholders. Pursuant to Rule 720(5) of the Catalist Rules, the information relating to Mr Cai as set out in the Appendix 7F of the Catalist Rules is disclosed in pages 42 to 48 of the Annual Report.

(ii) Ms Chen Liping will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee of the Company. Ms Chen will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. There are no relationships (including immediate family relationships) between Ms Chen and the other Directors, the Company, its related corporations and its 5% shareholders. Pursuant to Rule 720(5) of the Catalist Rules, the information relating to Ms Chen as set out in the Appendix 7F of the Catalist Rules is disclosed in pages 42 to 48 of the Annual Report.

NOTES:

(1) The AGM will be held in a wholly physical format which can accommodate up to 20 members in attendance at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807 on Thursday, 30 July 2026 at 9.00 a.m.. There will be no option for members of the Company ("**Members**") to participate at the AGM by way of electronic means. Printed copies of this Notice of AGM, the Proxy Form and the FY2026 Annual Report will be sent to Members. These documents will also be made available on the SGXNet at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.chinakunda.com.

(2) **Investors holding shares though Relevant Intermediaries**

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

Investors who hold Shares through relevant intermediaries as defined in Section 181(6) of the Companies Act, including investors who hold shares under the Supplementary Retirement Scheme ("**SRS Investors**"), and who wish to participate in the AGM by (a) personally attend and cast their vote at the AGM; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM or persons other than the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, must approach their respective relevant intermediaries so that the necessary arrangements can be made for their participation in the AGM. Such investors who wish to appoint the Chairman of the AGM or persons other than the Chairman of the AGM as proxy should approach their respective intermediaries by **5.00 p.m. on Monday 20 July 2026, or such earlier or other date as specified by the relevant intermediaries**, to submit their votes, being at least seven (7) working days, or such other period as specified by the relevant intermediaries, prior to the date of the AGM.

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

(3) **Members' Queries**

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

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

(b) **by email** to alex@chinakunda.com,

in either case to be received by **23 July 2026 at 9.00 a.m.** (seven (7) calendar days after the date of this notice). If any questions, comments or statements are made or submitted by any members(s) or proxy/proxies at or in advance of the AGM, or in relation to the resolutions to be tabled for approval at the AGM, the Company shall have the right to include the identity of such member(s) or proxy/proxies in any announcement(s) relating to the proceedings of the AGM and/or such questions.

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

The Company shall address the substantial and relevant queries by the above deadline for the submission of questions by **25 July 2026 at 9.00 a.m.** (at least forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms) and publish the minutes of the AGM on SGXNet, and the Company's website within one (1) month after the date of the AGM. Where there are substantially similar questions, the Company will consolidate such questions, consequently, not all questions may be individually addressed.

(4) **Voting at the AGM, including Proxy Voting**

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

(a) a Member entitled to attend and vote at the AGM and who is not a relevant intermediary may appoint not more than two (2) proxies to attend and vote in his/her/its stead;

(b) a Member entitled to attend and vote at the AGM and who is a relevant intermediary may appointment more than two (2) proxies provided that each proxy is appointed to exercise the rights attached to different shares held by such member; or

(c) by personally attending and voting at the AGM.

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

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

(b) **by email** to: srs.teamd@boardroomlimited.com,

in either case by no later than **9.00 a.m. on Monday 27 July 2026**, being at least seventy-two (72) hours before the time appointed for holding the AGM. **Members are strongly encouraged to submit completed proxy forms electronically via email.**

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

The Company shall be entitled to reject any instrument appointing a proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (such as the case where the appointor submits more than one instrument appointing a proxy). In addition, where the instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.

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

PERSONAL DATA PRIVACY:

"Personal data" in this Notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes, inter alia, the member's name and its proxy's and/or representative's name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or services providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED
(Company Registration No. 200712727W)
(Incorporated in the Republic of Singapore)
(the "**Company**")

PROXY FORM
ANNUAL GENERAL MEETING
(Please see note overleaf before completing this Form)

IMPORTANT:
1. A relevant intermediary may appoint more than two proxies and vote at the AGM (please see Note 2 for the definition of "**relevant intermediary**").
2. Investors who hold shares under the Supplementary Retirement Scheme ("**SRS Investors**") may attend and cast their votes at the AGM personally. If they are unable to attend personally but would like to vote, they should inform their Supplementary Retirement Scheme operators to appoint persons other than the Chairman of the AGM to act as their proxy(ies), in which case, the SRS Investors shall be precluded from attending the AGM.
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposed if used or purported to be used by then.
4. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy to attend, speak and vote on behalf of a Member at the AGM.

PERSONAL DATA PRIVACY: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 July 2026.

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

(Address) ____

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

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

*and/or

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

or, if no proxy is named, the Chairman of the annual general meeting ("**AGM**"), as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf at the AGM of the Company to be convened and held physically on **30 July 2026 at 9.00 a.m.** and at any adjournment thereof.

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

No.	Resolutions relating to:	No. of Votes For **	No. of Votes Against **	No. of Votes Abstain **
Ordinary Business				
1.	Adoption of Audited Accounts, Directors' Statement and Independent Auditors' Report for the financial year ended 31 March 2026 ("**FY2026**").			
2.	Approval for payment of Directors' Fees of S$105,000 for the financial year ended 31 March 2026.			
3.	Re-election of Mr Cai Kaoqun as a Director of the Company.			
4.	Re-election of Ms Chen Liping as a Director of the Company.			
5.	Re-appointment of Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
Special Business				
6.	Authority to Directors to allot and issue new shares pursuant to Section 161 of the Companies Act.			

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

Dated this __________ day of ________________ 2026

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

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. A member should insert the total number of shares held in the Proxy Form. If the member has shares entered against his/her name in the Depository Register maintained by the Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of shares. If the member has shares entered against his/her name in the said Depository Register and shares registered in his/her name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member.

2. **The AGM will be convened and held by way of physical format.** A member of the Company (whether individual or corporate) ("**Member**") may personally attend and vote at the AGM, or:

   a. a Member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead at the AGM of the Company. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy; and

   b. a Member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in the proxy form to the Company.

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

3. In appointing a proxy, if no specific instructions are given by a Member, the proxy/proxies will vote or abstain from voting at his/her/its discretion in respect of a resolution in the Proxy Form and at any adjournment thereof, except that where the Chairman of the AGM is appointed as proxy and no specific directions as to voting is given in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

4. In the event that a Member, having appointed a proxy, personally attends and votes at the AGM, Company shall have the discretion to allow the Member's and/or proxy's attendance and, at the Company's discretion, count as valid the votes of **either** the Member **or** the proxy (on behalf of the Member).

5. SRS investors who wish to appoint the any person or persons as proxy should approach their respective SRS Operators to submit their votes by **5.00 p.m. on 18 July 2026**, being no less than seven (7) working days prior to the date of the AGM.

6. The Chairman of the Meeting, as proxy, need not be a member of the Company.

7. The instrument appointing the proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy (if applicable), must be submitted to the Company in the following manner:

   (a) If submitted **by post** to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) If submitted electronically **by email** to: srs.teamd@boardroomlimited.com,

   in either case by no later than **9.00 a.m. on Monday 27 July 2026**, being at least seventy-two (72) hours before the time appointed for holding the AGM.

8. If the appointing Member is a corporate, this instrument of proxy must be executed by a director (in the case of a company), a partner (in the case of a partnership) or such other person of equivalent authority. The name and (in the case of corporates) designation of the signatory must be stated clearly in the signing block.

9. Where the instrument appointing a proxy or proxies is signed on behalf of the appointor or by an attorney or a duly appointed officer other than a director (in the case of a company) or a partner (in the case of a partnership), the letter or power of attorney or other authority (if any) or a notarially certified copy, or such other certification as may be accepted by the Company in its discretion, thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.

10. A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore. The Company shall be entitled to require the production of the corresponding instrument of authorisation prior to or at the AGM, and failure to produce a valid instrument of authorisation or an instrument that is incomplete, improperly completed or illegible may, at the Company's discretion, result in the votes placed by such purported representative being invalid pending further proof of authorisation.

11. The Company shall be entitled to reject the instrument of proxy if it is, or there is any dispute as to whether the instrument of proxy is, incomplete, improperly completed, improperly executed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (such as the case where the appointor submits more than one instrument of proxy) or where the aggregate number of shares over which the proxy/proxies has/have been appointed exceed the number of shares in the Company held by the appointer as at the books closure date for the AGM or where the submission of the instrument of proxy is inconsistent with the appointer's entitlement to vote at the AGM as at such books closure date.

12. The submission of this proxy form by a relevant intermediary constitutes a representation from such relevant intermediary that as at the books closure date for the AGM, the number of shares in the Company held, through the relevant intermediary, by each proxy appointed under this proxy form is equivalent to the number of shares in respect of which such proxy has been appointed, which number shall be notified to the Company together with the submission of this proxy form. If the number of shares held by the relevant intermediary in the Company's register of members as at the foregoing books closure date is less than the aggregate number of shares in the Company over which the relevant intermediary has appointed one or more proxy/proxies across all proxy forms submitted by the relevant intermediary, the relevant intermediary shall forthwith, and in any event no later than forty-eight (48) hours before the AGM, send such number of replacement proxy forms as may be required. Where the relevant intermediary fails to send such replacement proxy form(s), the Company shall be entitled to ask appointed proxies who attend the meeting to provide evidence of their shareholding in the Company (as held through the relevant intermediary, as at the foregoing books closure date) and, if such proxies fail to provide satisfactory evidence of such shareholding, disallow the proxies from attending and voting at the AGM.

13. In the case of members whose Shares are entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by the Central Depository (Pte) Limited ("**CDP**"), at least seventy-two (72) hours before the time appointed for holding the AGM in order to be entitled appoint the proxy. Otherwise, the Company shall be entitled to reject the instrument of proxy.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr. Cai Kaoqun
Executive Chairman and CEO

Mr. Cai Kaobing
Executive Director

Mr. Thomas Lam Kwong Fai
Lead Independent Director

Ms. Chen Liping
Independent Director

Ms. Foo Quek Cheng
Independent Director

AUDIT COMMITTEE
Mr. Thomas Lam Kwong Fai *(Chairman)*
Ms. Chen Liping
Ms. Foo Quek Cheng

REMUNERATION COMMITTEE
Ms. Foo Quek Cheng *(Chairman)*
Mr. Thomas Lam Kwong Fai
Ms. Chen Liping

NOMINATING COMMITTEE
Ms. Chen Liping *(Chairman)*
Ms. Foo Quek Cheng
Mr. Cai Kaoqun

COMPANY SECRETARY
Chen Jianhao Kennedy

REGISTERED OFFICE
4 Shenton Way
SGX Centre 2, #17-01
Singapore 068807
Website: www.chinakunda.com

SHARE REGISTRAR
Boardroom Corporate
& Advisory Services Pte. Ltd.
(Member of Boardroom Limited)
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

AUDITORS
Baker Tilly TWF LLP
600 North Bridge Road
Level 5 Parkview Square
Singapore 188778
Partner-in-charge: Guo Shuqi
(since financial year ended 31 March 2025)

PRINCIPAL BANKERS
Oversea-Chinese Banking Corporation Limited
The Hongkong and Shanghai Banking
Corporation Limited
Shenzhen Rural Commercial Bank
Ping An Bank

China Construction Bank Corporation
Shanghai Pudong Development Bank
China Everbright Bank

CONTINUING SPONSOR
PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

INVESTOR RELATIONS
100 Peck Seah St.
#08-14 PS100
Singapore 079333
Tel: (65) 6817 8944
Email: ir@chinakunda.com

KUNDA®

China Kunda Technology Holdings Limited

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