



CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED  
(Company Registration Number: 200712727W)  
(Incorporated in the Republic of Singapore on 13 July 2007)

---

## PROPOSED PLACEMENT IN RESPECT OF 57,800,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

---

The Board of Directors (the “**Board**”) of China Kunda Technology Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 31 March 2015 entered into a Placement Agreement (the “**Placement Agreement**”) with the persons as named in section 2E of this announcement (individually a “**Placee**” and collectively, the “**Placees**”).

Under the Placement Agreement, each of the Placees has agreed to subscribe for numbers of new ordinary shares in the capital of the Company (the “**Placement Shares**”) at an issue price of S\$0.0106 per Placement Share (the “**Issue Price**”). Please refer to section 2E of this announcement for details of Placement Shares subscribed by each Placee. The Company will accordingly be issuing an aggregate of 57,800,000 Placement Shares for an aggregate gross consideration of S\$612,680 (the “**Proposed Placement**”).

The Issue Price is equivalent to the volume weighted average price of S\$0.0106 for trades done on the Shares (as defined below) on the official list of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 20 March 2015 (being the last full market day the Shares were traded and up to the time of the trading halt of the Shares on 30 March 2015).

### 1. Shareholders Mandate for the Issue of the Placement Shares

The Placement Shares will be issued by the Company pursuant to the general mandate (“**General Mandate**”) granted by the shareholders of the Company to its Directors at the annual general meeting of the Company held on 25 July 2014 (the “**AGM Date**”) for the issue of Shares not exceeding 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company as at the time of passing the resolution, of which the aggregate number of Shares to be issued other than on a pro-rata basis to all existing shareholders of the Company does not exceed 20% of the total number of issued Shares (excluding treasury shares) in the capital of the Company as at the time of passing the resolution after adjusting for:

- (a) new Shares arising from the conversion or exercise of any convertible securities;
- (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of passing the resolution, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Manual (“**Listing Manual**”); and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares.

The issued share capital of the Company (in terms of number of Shares) as at the AGM Date comprised 352,000,000 Shares. Therefore, the share capital base of the Company for the computation of the number of Shares which may be issued pursuant to the General Mandate is 352,000,000 Shares and the maximum number of new Shares which may be issued (other

than on a pro rata basis to existing Shareholders) pursuant to the General Mandate is 70,400,000 Shares.

As at the date of this Announcement, the Company has not utilised the General Mandate obtained on the AGM Date for the allotment and issue of new Shares. As such, the maximum number of new Shares which may still be issued (other than on a pro rata basis to existing Shareholders) pursuant to the General Mandate is 70,400,000 Shares. The Company is issuing 57,800,000 Placement Shares. When completed, the Proposed Placement will increase the issued and paid up share capital of the Company to 409,800,000 Shares.

## **2. Terms of the Proposed Placement**

### **A. The Placement Shares**

The Placement Shares, when issued, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights and entitlements similar to the existing Shares, except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the date as at the close of business, on which members of the Company must be registered in order to participate in such dividend, right, allotment or other distributions for which falls on or before the date of the issue of the Placement Shares.

### **B. Conditions Precedent**

The Proposed Placement is subject to certain conditions, including amongst others the in-principle approval and Listing and Quotation Notice (as defined below) for the listing and quotation of the Placement Shares on the mainboard of the SGX-ST ("**Mainboard**") being obtained from the SGX-ST. The Directors do not expect that shareholders' approval will be required for the Proposed Placement, and unless required to do so by the SGX-ST, the Company will not be seeking the approval of shareholders for the Proposed Placement.

### **C. Long Stop Date**

Under the Placement Agreement, there is a long stop date of six (6) months from the date of the Placement Agreement or such other date as the Placees and the Company may agree before which the conditions precedent as set forth in the Placement Agreement, including amongst others the listing and quotation notice (the "**Listing and Quotation Notice**") for the listing and quotation of the Placement Shares on the Mainboard being obtained from the SGX-ST, failing which the obligations of the Company to issue the Placement Shares for such Placee and of such Placee to subscribe for the Placement Shares shall terminate and neither such Placee nor the Company shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise in respect of the Placement Agreement save for any rights or liabilities accruing prior to such termination.

### **D. Completion**

Completion of the Proposed Placement between the Company and each Placee shall proceed independently, and shall not be conditional upon successful or concurrent completion by any other Placee. The Company shall be entitled to proceed with completion of the Proposed Placement for each Placee on different completion dates independently of the other Placee, on satisfaction or waiver by the Company of the conditions precedent as set forth in the Placement Agreement.

#### E. Subscription of the Placement Shares

Upon completion of the Proposed Placement, the Company will issue and allot to the Placees the number of Placement Shares set out against their respective names as below:

| Name of the Placee | Number of Placement Shares to be Subscribed for | Aggregate consideration paid for Placement Shares to be paid by Placee (S\$) | Placee's Proportion of the Total Placement Shares | As a percentage of the Company's Issued Share Capital as at the Date of this Announcement <sup>(1)</sup> | As a percentage of the Company's Enlarged Share Capital after the Proposed Placement <sup>(2)</sup> |
|--------------------|---|--|---|--|---|
| Wong San Khai      | 19,267,000                                      | 204,230.20   | 33.3%   | 5.5%   | 4.7%  |
| Huang Yufeng       | 19,267,000                                      | 204,230.20   | 33.3%   | 5.5%   | 4.7%  |
| Yong Sooi Seong    | 19,266,000                                      | 204,219.60   | 33.3%   | 5.5%   | 4.7%  |
| Total              | 57,800,000                                      | 612,680.00   | 100.0% <sup>(3)</sup>                             | 16.4% <sup>(3)</sup>   | 14.1%   |

Notes:-

(1) Based on existing issued share capital of 352,000,000 Shares of the Company.

(2) Based on enlarged issued share capital of 409,800,000 Shares after the issue of 57,800,000 Placement Shares.

(3) Does not add up due to rounding.

The Company confirms that:

- (i) the Proposed Placement will not be placed to the persons set out under Rule 812 of the Listing Manual; and
- (ii) the issue of the Placement Shares will not transfer a controlling interest without prior approval of shareholders in general meeting.

### 3. **Financial Effects**

#### A. Share Capital

As at the date of this announcement, the Company has in issue 352,000,000 ordinary shares (the "**Shares**") and an issued and paid up capital of approximately HK\$145,057,000. Upon completion of the Proposed Placement and the allotment and issuance of the Placement Shares, the Company will increase the existing issued and paid up Share capital of the Company to approximately HK\$148,416,000 divided into 409,800,000 Shares (based on an exchange rate of S\$1 : HK\$5.667 as at 27 March 2015). The Placement Shares would represent approximately 16.4% of the issued share capital of the Company as at the date of this announcement and approximately 14.1% of the enlarged issued share capital of the Company after the Proposed Placement.

#### B. Net Tangible Asset and Loss Per Share

For illustration purposes only, based on the audited financial statement of the Group for the financial year ended 31 March 2014 ("**FY2014**"), the net tangible asset less non-controlling interests ("**NTA**") per Share and the Loss per Share attributable to owners of the Company ("**LPS**") were approximately 9.9 and 20.8 Hong Kong cents, respectively. The NTA per Share and the LPS, after adjusting for the issuance of all the Placement Shares, would be approximately 9.4 and 17.8 cents, respectively. The adjusted NTA per Share was computed by assuming that the Proposed Placement was completed on 31 March 2014 and based on the exchange rate of S\$1 : HK\$6.1638 as at 31 March 2014. The adjusted LPS of the Group

was computed by assuming that the Proposed Placement was completed on 1 April 2013 and does not take into account the effects of the use of Net Proceeds (as defined below) from the Proposed Placement on the earnings of the Group.

#### 4. Information on the Placees

The particulars of the Placees are as follows:

| Name            | Nationality                | Occupation             | Reason for Investment |
|-----------------|----------------------------|------------------------|-----------------------|
| Wong San Khai   | Singapore                  | Sales professional     | Financial investment  |
| Huang Yufeng    | People's Republic of China | Deputy General Manager | Financial investment  |
| Yong Sooi Seong | Malaysia                   | Vice President         | Financial investment  |

The Placees were referred to the Company by business associates of the Group, and are subscribing to the Placement Agreement on a willing-investor basis. As far as the Company is aware, the Placees have no connection (including any business relationship) with the Company, its Directors and substantial shareholders.

As far as the Company is aware, the Placees do not have any connection (including business relationship) with each other. The Placees have represented to the Company that they are financial investors and are not seeking Board or management representation.

None of the Placees has requested for a seat on the Board and there are currently no arrangements in place for their appointment as Directors.

The purpose of the Proposed Placement is to raise funds for the expansion in the Group's business, involving either investment in new businesses or widening the Group's current business activities or product range.

#### 5. Use of Net Proceeds

The estimated net proceeds from the Proposed Placement, after deducting estimated expenses pertaining to the Proposed Placement of approximately S\$20,000, would be approximately S\$592,680 (the "**Net Proceeds**"). The Group, after taking into account its working capital position, intends to use the Net Proceeds for the following purpose(s) set out below:

| Use of Proceeds  | Amount (S\$) | Percentage (%) |
|--|--------------|----------------|
| Expansion in the Group's business, involving either investment in new businesses or widening the Group's current business activities or product range. | 592,680      | 100.0          |

Pending utilisation of the Net Proceeds for the above purposes, the Group may deploy the Net Proceeds for working capital purposes of the Company excluding its subsidiaries and/or placement in deposits and/or short term investments.

The Company will make periodic announcements on the utilisation of the Net Proceeds from the Proposed Placement.

The Directors are of the opinion that:

- (a) after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and
- (b) after taking into consideration the present bank facilities and the Net Proceeds of the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.

**6. No Prospectus or Offer Information Statement**

The Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

**7. Rule 812 of the Listing Manual**

The Placement Shares will not be placed to any of the persons as set out under Rule 812 of the Listing Manual and will be in compliance with Rule 812 of the Listing Manual.

**8. Interests of Directors and Controlling Shareholders**

None of the Directors or controlling shareholders of the Company (other than in their capacity as Director or shareholders of the Company) has any interest, direct or indirect, in the Proposed Placement.

**9. Service Contract of Directors**

No person is proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Proposed Placement.

**10. Other Matters**

The Company will be applying to the SGX-ST for the in-principle approval and listing and quotation of the Placement Shares on the SGX-ST in due course and will make the necessary announcements once the in-principle approval and the Listing and Quotation Notice for the listing and quotation of the Placement Shares on the Mainboard have been obtained from the SGX-ST.

**11. Documents for Inspection**

The Placement Agreement is open for inspection at the Company's registered address at 4 Shenton Way #17-01 SGX Centre II, Singapore 068807 for a period of three (3) months from the date of this announcement.

By Order of the Board  
**CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED**

Cai Kaoqun  
Executive Chairman and CEO  
31 March 2015