



## CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

(Company Registration Number: 200712727W)

(Incorporated in the Republic of Singapore on 13 July 2007)

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### INTERESTED PERSON TRANSACTION

#### - LEASE OF FACTORY BUILDING WITH SHENZHEN KUNDA PRECISION MOULD CO., LTD

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#### 1. Introduction

The Board of Directors (the “**Board**”) of China Kunda Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that a wholly owned subsidiary, Kunda Plastic Electronic (Shenzhen) Company Limited (“**Kunda Plastic**”) has entered into a lease agreement with Shenzhen Kunda Precision Mould Co., Ltd (“**Shenzhen Precision**”) on 30 July 2018 to lease the premises located at No. 9, Bao Long Yi Road, Bao Long Industrial Park, Longgang District, Guangdong Province, Shenzhen City, Guangdong Province, People’s Republic of China (the “**Premises**”) (the “**Lease Agreement**”).

#### 2. Shenzhen Precision as an Interested Person

Mr Cai Kaoqun, the Executive Chairman and Chief Executive Officer as well as controlling shareholder of the Company, and Mr Cai Kaobing, the Executive Director of the Company (collectively the “**Executive Directors**”), holds 95% and 5% of Shenzhen Precision respectively. Shenzhen Precision is the “associate” of the Executive Directors as defined in the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”). Accordingly, the Lease Agreement is considered as an interested person transaction (“**IPT**”).

#### 3. Lease Agreement

Pursuant to the Lease Agreement, the rental will be a period of eleven (11) months for an area of 2,000 square meters, at a monthly rental of RMB 40,000. The Lease Agreement will commence from 1 August 2018 to 30 June 2019. Kunda Plastic retains unilateral right to terminate the Lease Agreement prior to the expiry of the term without any compensation to Shenzhen Precision.

#### 4. Rationale

The Company had received shareholders’ approval for the diversification of its core business to include the manufacture and distribution of furniture and other related activities (the “**Furniture Business**”) on 26 July 2018.

The Group intends to further lease approximately 2,000 square meters as the office and exhibition hall for the operations of the Furniture Business. The lease tenure is 11 months, commencing from 1 August 2018 to 30 June 2019 and the monthly rental is RMB40,000. The rental rate represents a 9% discount of the market rental rate based on an independent valuation report prepared by Shenzhen Guozi Land and Real Estate Valuation Co., Ltd dated 13 June 2018.

#### 5. Value of the IPT

Currently, the Group leases its office headquarters and IMD production floor space at the ground floor and the first floor of the Premises. In June 2018, this existing lease was renewed for one (1) year till 30 June 2019 at a monthly rental of RMB110,000 (“**Existing Lease**”).

The value of the Existing Lease amounts to RMB1,320,000 and represents 2.33% of the Group's latest audited net tangible assets for the financial year ended 31 March 2018.

The aggregate value of the all the transactions entered into between the Group and the Executive Directors as well as its associates for the current financial year was approximately HK\$2,165,000, representing 3.11% of the Group's latest audited net tangible assets of approximately HK\$69,664,000 as at 31 March 2018. Details of the IPTs are as follows:-

<b>Name of Interested Person(s)</b>	<b>Details of IPT</b>	<b>Aggregate Value of IPT (HK\$,000)</b>
Shenzhen Precision	Existing Lease of factory premises for the period 1 July 2018 to 30 June 2019 from Shenzhen Precision.	1,624 <sup>1</sup>
	Lease Agreement of factory premises for the period 1 August 2018 to 30 June 2019 from Shenzhen Precision.	541 <sup>2</sup>
<b>Total</b>		<b>2,165</b>

**Note:**

1. (RMB 110,000 x 12 months). Based on the average exchange rate of RMB:HK\$1.23 for the financial period ended 30 June 2018.
2. (RMB 40,000 x 11 months). Based on the average exchange rate of RMB:HK\$1.23 for the financial period ended 30 June 2018.

In accordance with Rule 916 of Catalist Rules, the entering into or renewal of a lease or tenancy of real property of not more than 3 years are not required to comply with Rule 906 of Catalist Rules.

## **6. Audit Committee's Statement**

The Audit Committee of the Company has reviewed the interested person transactions and is of the view that the interested person transactions are transacted on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

## **7. Interests of Directors and Substantial Shareholders**

Save as disclosed above, none of the Directors or substantial shareholders of the Company has any, direct or indirect interest (other than through their shareholdings in the Company), in the interested person transaction.

### **By Order of the Board**

Cai Kaoqun  
Executive Chairman and CEO  
Singapore, 30 July 2018

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

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