

CIRCULAR DATED 11 JULY 2018

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

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Capitalised terms appearing on the cover of this Circular have the same meanings as defined herein.

If you have sold or transferred all your shares in the capital of China Kunda Technology Holdings Limited (the “**Company**”) held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached proxy form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Circular with the Notice of EGM and the attached proxy form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

This Circular 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 Catalyst. The Sponsor has not verified the contents of this Circular.

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

The contact person for the Sponsor is Mr. Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).

KUNDA[®]
CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200712727W)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS TO INCLUDE MANUFACTURE AND DISTRIBUTION OF FURNITURE AND OTHER RELATED ACTIVITIES

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	24 July 2018 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	26 July 2018 at 10.30 a.m. (or soon thereafter following the conclusion of the Annual General Meeting of the Company to be held at 9.00 a.m. on the same day and at the same place, or any adjournment thereof)
Venue of Extraordinary General Meeting	:	SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807

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DEFINITIONS

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

<i>“Act”</i>	:	The Companies Act, Chapter 50, of Singapore, as amended or modified from time to time
<i>“Board”</i>	:	The board of Directors of the Company, as at the date of this Circular
<i>“Catalist”</i>	:	The sponsor-supervised listing platform of the SGX-ST
<i>“Catalist Rules”</i>	:	SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Circular”</i>	:	This circular to Shareholders dated 11 July 2018
<i>“Company”</i>	:	China Kunda Technology Holdings Limited
<i>“Constitution”</i>	:	The constitution of the Company, as may be amended or modified from time to time
<i>“Controlling Shareholder”</i>	:	A person who:- a) holds directly or indirectly 15.0% or more of the nominal amount of voting shares in the Company (the SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder); or b) in fact exercises control over the Company
<i>“Director”</i>	:	A director of the Company, as at the date of this Circular
<i>“EGM”</i>	:	The extraordinary general meeting of the Company, to be convened for the purposes of considering and, if thought fit, passing with or without modifications, the Proposed Diversification set out in the Notice of EGM
<i>“EPS”</i>	:	Earnings per Share
<i>“Existing Business”</i>	:	Has the meaning as ascribed to it in Section 2.1 of this Circular
<i>“Furniture Business”</i>	:	Has the meaning as ascribed to it in Section 2.2 of this Circular
<i>“FY”</i>	:	Financial year ended or ending on 31 March
<i>“Group”</i>	:	The Company and its subsidiaries, collectively
<i>“Hong Kong”</i>	:	Hong Kong Special Administrative Region of the PRC
<i>“Latest Practicable Date”</i>	:	29 June 2018, being the latest practicable date prior to the printing of this Circular
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Management”</i>	:	The senior management of the Group, as at the Latest Practicable Date

DEFINITIONS

<i>“Notice of EGM”</i>	:	The notice of EGM which is as set out on pages N-1 to N-2 of this Circular
<i>“NTA”</i>	:	Net tangible assets
<i>“Ordinary Resolution”</i>	:	The ordinary resolution in relation to Proposed Diversification as set out in the Notice of EGM on pages N-1 to N-2 of this Circular
<i>“PRC” or “China”</i>	:	The People’s Republic of China
<i>“Proposed Diversification”</i>	:	The proposed diversification of the Existing Business to include the Furniture Business
<i>“Securities Account”</i>	:	Securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<i>“SFA”</i>	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<i>“SGX-ST” or “Exchange”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Shareholders”</i>	:	The registered holders of Shares in the Register of Members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with those Shares
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“Sponsor”</i>	:	PrimePartners Corporate Finance Pte. Ltd.
<i>“Substantial Shareholder(s)”</i>	:	Person(s) (including a corporation) who holds not less than 5% (directly or indirectly) of the total votes attached to all the voting Shares in the Company

Currencies, Units and Others

<i>“S\$” and “cents”</i>	:	Singapore dollars and cents, respectively, the lawful currency of the Republic of Singapore
<i>“HK\$” and “HK cents”</i>	:	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
<i>“RMB”</i>	:	Renminbi, the lawful currency of the People’s Republic of China
<i>“USD”</i>	:	United States dollar, the lawful currency of the United States of America
<i>“%” or “per cent.”</i>	:	Per centum or percentage

The term **“associate”**, **“associated company”** and **“subsidiary”** shall have the meanings ascribed to them respectively in the Fourth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 and the Act.

The terms **“Depositor”**, **“Depository”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

DEFINITIONS

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Act.

Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise stated.

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

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

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

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

Cautionary Note on Forward-Looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements. Further, the Company and the Sponsor disclaim any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

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

Board of Directors:

Cai Kaoqun (Executive Chairman and Chief Executive Officer)
Cai Kaobing (Executive Director)
Ho Chew Thim (Lead Independent Non-Executive Director)
Lim Yit Keong (Independent Non-Executive Director)
Hau Khee Wee (Non-Executive Director)

Registered Office:

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

11 July 2018

To: The Shareholders of China Kunda Technology Holdings Limited

Dear Sir/Madam,

THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE MANUFACTURE AND DISTRIBUTION OF FURNITURE AND OTHER RELATED ACTIVITIES

1. INTRODUCTION

1.1 Overview

The Directors are convening an Extraordinary General Meeting to be held on 26 July 2018 (“EGM”) to seek Shareholders’ approval for the diversification of the Existing Business to include manufacturing and distribution of the furniture and other related activities (the “**Proposed Diversification**”).

1.2 Circular to Shareholders

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders’ approval for the Proposed Diversification to be tabled at the EGM, the notice of which is set out on pages N-1 to N-2 of this Circular.

The Circular has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purposes.

2. THE PROPOSED DIVERSIFICATION

2.1 Existing Business

The Group is principally engaged in the manufacture of precision moulds, plastic injection parts and in-mould decoration (“**IMD**”) products to the electrical, automobile and specialised devices industries (the “**Existing Business**”) in the PRC.

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As at the Latest Practicable Date, the subsidiaries of the Company which are actively involved in the Existing Business and their principal activities are as follows:

Name	Country of incorporation	Principal activities	Equity Interest (%)
<i>Held by the Company:</i>			
Kunda Industrial Limited	British Virgin Islands	Provision of technical services	100
Yick Kwan Tat Enterprise Company Limited.	Hong Kong	Supply of raw materials, machinery and provision of management services for the purposes of manufacture and sale of plastic injection parts and sale of IMD products	100
<i>Held through Yick Kwan Tat Enterprise Company Limited:</i>			
Kunda Plastic Electronics (Shenzhen) Company Limited.	PRC	Manufacture and sale of moulds and IMD products	100

As at the date of this Circular, the Existing Business was the sole revenue contributor to the Group. Subsequent to the Proposed Diversification, it is expected that the core business will continue to rely substantially on the Existing Business for the short to medium term.

The Group remains committed to the Existing Business so long as its continuity is in the best interest of the Group. The proposed expansion of the Group's core business is meant to benefit from the increased business opportunities and thereafter contribute positively to the financial position and long-term prospects of the Group.

2.2 Details of the Furniture Business

Subject to approval of Shareholders being obtained at the EGM, the Group proposes to diversify into the new businesses described below, as and when the appropriate opportunities arise:

- (a) engage in design and development of furniture and fittings, which includes but not limited to cabinets, appliances, surfaces, woodwares, decorative products ("**Products**");
- (b) manufacture, distribute and assemble the Products; and
- (c) provide consultancy services with respect to the Products and other related activities,

collectively (the "**Furniture Business**").

The Group also proposes, as part of the Furniture Business, to invest, acquire, purchase, from time to time any such assets, investments, shares, interest or whatsoever that is in line to the Furniture Business. Any business activity as aforesaid (including those listed in (a) to (c) above) shall, upon obtaining approval from the Shareholders of the Proposed Diversification at the EGM, constitute part of the ordinary course of business of the Group.

2.3 Rationale

2.3.1 Enhance Shareholders' value

The Proposed Diversification will enable the Group to enter into a new market offering new business opportunities which would potentially provide additional and recurrent revenue streams and assist in continual growth of the Group, hence contributing positively to the Group's financial position and in turn enhance Shareholders' value.

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2.3.2 *Complementary to existing business*

The technologies of IMD and plastic components can be applied in the industry of the manufacturing of furniture and related appliances. As such, the Group endeavours to potentially leverage on the Group's current experience and knowledge in the related field which would provide a competitive advantage to the Group as a new entrant and synergy to the Group's existing operations.

2.3.3 *Reducing reliance of the Existing Business*

With the closure of the automobile components production facility of its subsidiary, Beijing Baiju Automobile Component Company Limited ("**BBJ**") in Beijing, PRC, the Group relies entirely on the contribution from the Existing Business.

With the new business opportunities that the Furniture Business provides, the Group would be able to reduce its reliance on the Existing Business, which remains challenging. The Proposed Diversification also mitigates volatility in the Existing Business and improve the Group's long-term prospects.

2.3.4 *Potential in the Furniture Business*

With the rapid urbanisation of the rural population in PRC, China's overall market capacity of cabinetry products has exceeded RMB80 billion in 2016 and is estimated to reach RMB100 billion in 2017. From 2013 to 2017, the annual growth rate of the said overall market capacity is above 20%. The proportion rate of households with cabinetry products in China has increased significantly from 6.8% in 2005 to 31.7% in 2015. However, it is still below the average rate of 65% in developed countries such as Europe and America¹.

Revenue of the furniture worldwide is expected to grow by 15.9% and 14.5% in 2018 and 2019 respectively. The average revenue per user is expected to increase from USD242.46 in 2017 to USD279.91 in 2019². In addition, with a global market volume of USD68,880 million in 2018, most revenue is expected to be generated from the PRC².

A healthy demand in PRC is expected with the increased user penetration from rural urbanisation, catalysed by the prevalence of digital commerce. Accordingly, the Group is optimistic about the demand of furniture related products, in particular in the PRC. The Proposed Diversification would allow the Group to participate in the growth prospects of the furniture industry.

2.4 **Operational Considerations of the Furniture Business**

At the preliminary stage, the Group is of the intention to inaugurate the Furniture Business in the PRC. The Group does not plan to restrict the Furniture Business to any specific geographical market as each project and investment will be evaluated and assessed by the Board on its merits.

While the Group intends to undertake the Furniture Business independently, the Group may also explore joint ventures and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the Furniture Business as and when the opportunity arises. Before embarking on any joint venture, the Board will conduct the necessary risk assessment with assistance from professional parties where needed, and will also enter into feasibility studies which would include financial forecasts, funding needs and market studies. As and when the Company enters into new jurisdictions, it will seek the relevant legal and financial professional advice.

As part of the Furniture Business, the Group intends to develop new technologies on its own, or in collaboration with suitable partners. When required, such technologies will be registered as intellectual properties by the Group or in partnership with such third parties. In the event that the Group acquires any intellectual property, the Group will ensure that it will be acquired through irrevocable assignments, assignments or rights of a similar nature as safeguard.

¹ <http://www.chyxx.com/industry/201709/564348.html>

² <https://www.statista.com/outlook/255/100/furniture-homeware/worldwide#market-arpu>

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The Group is of the intention to set up a new subsidiary to operate the Furniture Business. The incorporation of the subsidiary is expected to be funded through internal resources and is not expected to have any material impact on the earnings per share or the net tangible assets per share of the Company for the current financial year ending 31 March 2019.

2.5 Management of the Furniture Business

Mr Cai Kaoqun and Mr Cai Kaobing, the Executive Directors of the Company, would be spearheading the Furniture Business. They would provide the strategic vision, and together with the Management, will manage the Furniture Business. When the need arises, they will, in consultation of the Board, seek the advice of reputable external consultants and experts.

Mr Cai Kaoqun and Mr Cai Kaobing has extensive experience in business management in the PRC. They have a wealth of experience in the field of IMD technology, which is prevalently used in the manufacture of furniture products and related appliances. Mr Cai Kaoqun has been appointed 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) since 2007.

The Group intends to engage the Furniture Business incrementally and will monitor the developments. Necessary steps will be taken to identify the relevant personnel with the experience and expertise to manage the Furniture Business as and when the need arises.

Where necessary, work may be outsourced to third parties who have expertise in the relevant areas. In selecting its partners, the Group will consider the specific expertise, competencies and capacities required for the project in question and the experience, historical track record and financial standing of the partners concerned.

2.6 Funding Requirements

As previously disclosed in the Circular, a subsidiary is intended to be set up for the Furniture Business. It is anticipated that the initial start-up would not require substantial capital investment and capital outlay and can be funded by internal resources.

While the Board is of the opinion that internal resources are adequate to finance the needs of the Furniture Business, whenever the need arises, the Group may consider funding the Furniture Business through a combination of internal resources, bank borrowings and/or other fund-raising activities arranged with financial institutions and/or individuals.

2.7 Financial Impact of the Proposed Diversification

As at Latest Practicable Date, the Group has no affirmative and binding plans in relation to the Furniture Business that are expected to materially impact the net profit, EPS or NTA of the Group.

The Company would make the necessary announcements as and when appropriate in the event that any developments would have any material impact on the Group's net profit, EPS or NTA.

2.8 Financial Reporting

For the purposes of reporting the financial performance of the Group, in accordance with the applicable accounting standards and the Catalist Rules, where the financial results of the Furniture Business is material, it will be accounted for and disclosed as a separate segment in the Group's financial statements.

The Group's financial statements, which could include the financial results of the Furniture Business, will continue to be periodically announced in accordance with the requirements set out in Chapter 7 of the Catalist Rules.

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2.9 Risk Factors

If any of the factors and/or uncertainties described below develops into actual events affecting the Furniture Business, this may have a material and adverse impact on the Furniture Business and consequently, the overall results of operations, financial condition and prospects of the Group could be similarly affected.

The risks declared below are not intended to be exhaustive. New risk factors may emerge from time to time and it is not possible for the Management to predict all risk factors, nor can the Group assess the impact of all factors on the Furniture Business or the extent to which any factor or combination of factors may affect the Furniture Business.

There may be also other risks associated with the entry into the Furniture Business which are not presently known to the Group, or that the Group may currently deem immaterial and as such, have not been included in the discussion below.

2.9.1 Risk Relating to the Entry of a New Business

(a) The Group has no prior track record and operating history in the Furniture Business

As the Group does not have a proven track record in carrying out the Furniture Business, there is no assurance that the Furniture Business will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the Furniture Business. The Furniture Business may require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

The Furniture Business also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Furniture Business effectively, the overall financial position and profitability of the Group may be adversely affected.

The Group will also be exposed to the risks associated with a different competitive landscape and a different operating environment. In particular, the Group will be affected by factors affecting the trends and developments affecting the furniture industry in general. The furniture industry is in turn affected by general economic conditions, other correlated industries such as the property markets, changes in interest rates and relevant government policies and measures.

The Group's future plans with regard to the Furniture Business may not be profitable, may not achieve the targeted sales levels and profitability that justify the investments made and may take a long period of time before the Group could realise any return. The activities of the Furniture Business may entail financial and operational risks, including diversion of the Management's attention and difficulty in recruiting suitable personnel, and a possible negative impact on the Group's existing business relationships with its existing clients under its Existing Business who may also be furniture manufacturers and distributors themselves.

Further, future plans and new initiatives could be capital intensive and could also result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debts and contingent liabilities as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Group. The Group may face significant financial risks before it can realise any benefits from its investments in the Furniture Business.

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(b) The Group may not have the ability or sufficient expertise to execute the Proposed Diversification

The Group's ability to successfully diversify into the Furniture Business is dependent upon its ability to adapt its existing knowledge and expertise and leverage on such to navigate the Furniture Business. There is no assurance that the Group's existing experience and expertise will be sufficient for the Furniture Business now and in the future as it incrementally expands, or that the Group will be able to hire employees with the relevant experience and knowledge. The Group may not be able to successfully implement the Furniture Business and this may adversely affect the Group's financial performance and profitability.

While the Group has planned the Proposed Diversification based on the Group's understanding of the current market outlook and general economic situation, there is no assurance that such plans will be commercially successful or that the actual outcome of the Proposed Diversification will match the Group's expectations. In such event, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

(c) The Group may face intense competition from existing competitors and new market entrants in the Furniture Business

The Furniture Business is highly competitive, with strong competition from domestic and internationally established industry participants who may have larger financial resources or stronger track records. The Group may not be able to provide comparable services at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger economies of scale and established networks.

As a result, there can be no assurance that the Group will be able to compete successfully in the future against its existing or potential competitors or that increased competition may not have an adverse effect on the Group's business, results of operations and financial position.

(d) The Group may be faced with limited availability of funds and is subject to financing risks

The Proposed Diversification may entail setting up manufacturing facilities in PRC or other suitable jurisdictions, in which, the availability of financing is essential to the Group's abilities to undertake such projects. At the Board and Management's discretion, the Group may secure financing to fund the development of such facilities or working capital of substantial large project undertaken. Financing could be sought from financial institution and/or capital markets.

The Group cannot assure that it will have sufficient funds at its disposal for the Proposed Diversification, be able to secure adequate financing, if at all, or obtain or renew credit facilities granted by banks and financial institutions for the projects in question when the need arises.

Furthermore, the incurrence of debt will increase the Group's financing costs and obligations and could result in operating and financial covenants imposed by financial institutions that restrict its operations and its ability to pay dividends to Shareholders. In such event, the Group's business, financial condition and prospects may be materially and adversely affected.

(e) The Group will be exposed to foreign exchange risk

The Company's reporting currency is in HK\$. While the Existing Business generates revenue in RMB, the revenue and expenses generated from the Furniture Business are expected to be denominated in the currencies other than HK\$, generally in RMB.

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Accordingly, the Company will have a greater exposure from the translation foreign exchange. Any significant fluctuation of the foreign currencies against the Group's functional currency will have a material and adverse impact on the Group's financial performance.

2.9.2 Risks Relating to the Furniture Industry

(f) The Group will be subject to the risks of changes in the sentiments of the furniture industry, consumer preferences and spending trends

Demand for the furniture which the Group manufactures and/or distributes is significantly dependent on the customers' preferences. The customers' preferences are influenced by external factors including, amongst others, the state of the economy, the income level of their intended retail consumers, and the markets' demographic profiles. The popularity of our products is, however, highly subjective because designs which appeal to some customers may not appeal to others. It is therefore important that we are able to produce designs with sufficient market appeal to attract customers with different preferences.

The furniture industry is characterised by frequent changes in market trends, changes in customers' preferences, the frequent development and enhancement and ultimately the introduction of new products. The development and commercialisation of new products may render existing ones obsolete or unmarketable.

We are also subject to the risks generally associated with new product introductions, including the lack of market acceptance or failure of the products to function properly. In the event that our competitors are able to develop more innovative, functional designs or products that are better received, the Group may not be able to maintain our competitive edge and our financial position and profitability may be materially and adversely affected. Further, if we are unable to develop and introduce new products, or to enhance existing products, in a timely manner in response to changing market conditions or customer requirements, or if new products do not achieve market acceptance, our business may be materially and adversely affected.

(g) The Group will be affected by the cyclical demand for furniture

The furniture industry generally fluctuates with economic cycles and is sensitive to general economic conditions, including interest rate levels and credit availability, and other factors that affect consumer spending habits. As most furniture purchases are discretionary in nature and may represent a significant expenditure to the average consumer, such purchases may be deferred during times of economic uncertainty. Any prolonged global economic slowdown or pessimistic perception of the future economic outlook may have material and adverse effects on the Furniture Business.

(h) The Group will not have long-term contracts with our customers

As the contracts signed are generally on a project basis, customers from the Furniture Business generally do not commit to long-term purchase contracts for the Products. Therefore, there can be no assurance that they will not stop making purchases from us in the future. There also can be no assurance that business relationships with these customers will remain cordial or that they would continue to be satisfied with the Products.

If our major customers or a significant number of our other customers were to make purchases from sources other than our Group and if we are unable to secure alternative orders of comparable size, whether from new or existing customers, our business, financial condition, results of operations and/or prospects could be materially and adversely affected.

LETTER TO SHAREHOLDERS

(i) The Group will be subject to subcontracting risks

The Group may rely on the contract manufacturers with the relevant production expertise for certain projects and are therefore dependent on them to a certain extent. These subcontractors are selected based on, among other factors, their competitiveness in terms of the price and quality of their processes, delivery time and their credibility. There can be no assurance that the subcontractors can always fulfil their contractual obligations or that they will always meet our requirements.

In the event of any defects or damage which arises from the default of the subcontractors engaged by the Group, we may nevertheless be liable for our subcontractors' default. Furthermore, these subcontractors may experience financial or other difficulties which may affect their ability to carry out the processes for which they were contracted, thereby causing delays to the fulfilment of orders and delivery of furniture products by us.

As we do not enter into long-term supply agreements with our contract manufacturers, there is no assurance that these contract manufacturers will continue to allocate or reserve their production capacities for the Group. In the event that such contract manufactures are unable to satisfy our demand or is only able to supply a limited quantity of the Products, we may not be able to find alternative sources timely and consequently be unable to satisfy the needs of our customers, thereby potentially affecting our financial performance.

These factors may have a material and/or adverse effect on the Group's business, results of operations and financial performance.

(j) The Group may be affected by project delays may and thereby incurring penalties and additional costs, to experience delays in receiving payments and our business and reputation may be affected

The Group will be typically required to complete each project according to a fixed schedule by an agreed date as stated in the relevant orders. If we fail to timely complete a project, we may be liable to compensate our client for losses or damages caused by the delay. Any delay in the completion of a project, whether or not caused by us, could also lead to additional costs being incurred, including costs to hire additional manpower or to provide temporary storage for the Products if required.

As we typically receive payment in stages based on project progress, any delay throughout the course of a project may postpone or potentially affect our receipt of anticipated payments which could have a material adverse effect on our cashflow position.

Any failure on the Group's part to timely complete a project could harm our reputation in the furniture industry and hinder our ability to secure future orders and as a result, our reputation, business and financial performance of operation could be materially and adversely affected.

(k) Non-renewal of, or delay in obtaining licenses may have a material adverse effect on the Group's operations

The Group may be required to obtain certain licenses from various governmental or regulatory authorities in order to carry on our business. These licenses are likely to be subject to periodic review and renewal by the relevant government authorities. Should there be any modifications, additions or new restrictions to the compliance standards, it would require for additional resources to be imposed to adhere to the new requirements which may in turn adversely affect our business, financial condition and results of operations.

LETTER TO SHAREHOLDERS

There is no assurance that we can obtain or thereafter renew the necessary licenses in the future. The inability of such events occurring in the future may have a material adverse effect on our operations. There may be a possibility that we will not be able to carry on our business without such licenses being granted or renewed or that the delay in obtaining the same may increase the cost or delay the progress of our projects.

(l) Any future natural disaster, health epidemics or terrorist attacks may adversely affect the Group's operational results

The Furniture Business is subject to general economic and social conditions in the regions where we operate. Natural disasters, epidemics, terrorist attacks and other acts of God, which are beyond our control, may adversely affect the economy, infrastructure and livelihood of people in the regions where we operate.

Some regions and the cities where we operate, are under the threat of flood, earthquake, sandstorm, snowstorm, fire, drought or epidemics such as severe acute respiratory syndrome, or SARS, or H5N1 avian flu. Past occurrences of epidemics and terrorist attacks, depending on their scale, have caused different degrees of damage to the international and local economies. In the event where employees are suspected of having SARS, H5N1 avian flu, H1N1 human swine flu or any other epidemic or any of our facility are identified as a possible source of spreading such epidemic, the Group may be required to quarantine the employees that have been suspected of becoming infected, as well as others that had come into contact with those employees.

Any quarantine or suspension of our operations will affect our operational results. Any outbreak of epidemics, such as the H5N1 avian flu or the H1N1 human swine flu, or terrorist attacks may result in material disruptions to our operations and delays in meeting our clients' orders, which in turn could materially and adversely affect our business, financial condition and results of operations.

(m) The Group will be affected by availability and prices fluctuations of raw materials

In the event that any of our suppliers ceases or limits the supply of raw materials to us or the Group's contract manufacturers, or is unable to deliver the raw materials which we require on a timely basis or to sell the raw materials at a price that is acceptable to us, our production and delivery to our customers may be delayed. This will have an adverse impact on our business and financial performance.

Prices of raw materials such as polyvinyl chloride, fabric, wood and foam may also fluctuate due to intervening factors such as global demand and supply conditions. There is no certainty that raw materials at the point of commitment to our customers would be substantially similar than at the time of procurement of such raw materials.

Any shortages or interruptions in the supply of raw materials may result in an increase in raw material prices. If there are significant increases in the costs of our major raw materials and our Group is unable to pass on such price increases to our customers or our Group is unable to find alternative sources for such raw materials at competitive prices, our Group's financial performance may be adversely affected.

(n) The Group will be exposed to the credit risks of our customers

The Group expects to grant credit terms to reputable customers, though our credit terms may vary from customer to customer, depending on factors such as their payment track records, financial backgrounds and the length of our business relationships.

The Group may face uncertainties over the timeliness of our customers' payments and their ability to pay, which may be affected by events or circumstances that are difficult to foresee or anticipate, which includes a decline in their business or an economic downturn.

LETTER TO SHAREHOLDERS

There is no assurance that we will always be able to collect our trade debts fully or within a reasonable period of time. In such circumstances, we may be required to make provisions for doubtful debts or incur write-offs, which may have a material and adverse effect on our financial condition and results of operations.

(o) The Group may face risks of disputes with and claims by our customers, contract manufacturers and suppliers

The Group may be involved in disagreements or disputes with our customers, contract manufacturers or suppliers. If we are unable to resolve such disagreements or disputes amicably and such disagreements or disputes lead to legal proceedings against the Group, our business and operations may be adversely affected. The Management would also have to allocate resources, including time and funds, to handle the disagreements, disputes or legal proceedings.

Should legal proceedings be commenced against our Group, there can be no assurance that we will be successful in our defence or counterclaims against the other parties. Any of such legal proceedings may also generate negative publicity and is likely to have a material and adverse impact on our business and financial performance.

(p) The Group may be exposed to potential product liability

As the Group intends to embark on the Furniture Business in the PRC, under the 中华人民共和国产品质量法(Product Quality Law of the PRC), if a product causes property damage or personal injury, manufacturers and sellers of the product are liable for property damage or personal injuries caused by the product. In addition, 工商行政管理局 (Administration for Industry and Commerce) is authorised to impose penalties on these manufacturers and sellers.

There can be no assurance that the Products will not be a cause for property damage or personal injuries in any manner. Any successful product liability claim against the Group will adversely affect the Group's business and reputation. Even if the Group is able to successfully defend such claim, there can be no assurance that customers will not lose confidence in the Products, thereby adversely affecting the business and reputation of our Group.

A product liability claim, even without merit, could result in our Group incurring significant expenses and substantial time and efforts of the Management in defending and proving such claim to be without merit.

2.9.3 Risks Relating to Operations in the PRC

(q) The Group will be subject to risks relating to the economic, political or social environment in the PRC

Strong consumer spending, rising exports and steady public spending are helping PRC to maintain its growth. GDP growth increased from 6.7% in 2016 to 6.9% in 2017, reversing a declining trend since 2011. It is expected to reach 6.6% in 2018. Rural households saw real income increase faster than urban residents, and accordingly, retail sales in rural areas rose faster than in cities³. Although the Management is optimistic about the prospects of the PRC market, there is no assurance that such growth will continue and any slow-down will not affect the Furniture Business.

Significant slowdown in the PRC economy or decline in demand for furniture by the customers in the PRC will have an adverse effect on the Group's business, financial condition and financial performance. Furthermore, unfavourable changes in the social and political conditions of the PRC may also adversely affect the Group's business and operations.

³ <https://www.adb.org/sites/default/files/publication/411666/ado2018.pdf>

LETTER TO SHAREHOLDERS

The PRC's economy differs from the economies of most developed countries in many aspects, such as the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While the PRC economy has experienced significant growth in the past 30 years, growth has been uneven across different regions and periods and among various economic sectors. The PRC government exercises significant control over the PRC's economic growth through strategically allocating resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Although the Group believes these reforms will have a positive effect on the overall and long term development of the country, the Group cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any adverse effect on the Group's business, financial performance or financial condition.

(r) The Group will be subject to labour regulations in the PRC

We are required to comply with applicable PRC labour, social insurance and housing fund laws and regulations. Any failure by us in complying with the applicable PRC labour, social insurance and housing fund laws and regulations may subject us to penalties and liabilities under PRC laws and regulations, including but not limited to the issue of warnings and imposition of fines. In the event we are found to be in breach of the applicable PRC labour, social insurance and housing fund laws and regulations, which affect our usage of labour, our business, financial condition and results of operations may be materially and adversely affected.

(s) The Group may be subjected to the PRC's environmental laws and regulations

Manufacturers are subjected to environmental laws and regulations imposed by the PRC authorities. As such, the Furniture Business may be subjected to laws and regulations relating to, *inter alia*, waste management and water protection. If stricter rules are imposed on waste management and water protection by the PRC authorities which result in us incurring higher production cost to comply with such stricter rules, our business and financial performance in the PRC will be adversely affected.

3. APPLICATION OF CHAPTER 10 OF THE CATALIST RULES TO THE PROPOSED DIVERSIFICATION

As the Furniture Business is a new business that is substantially different from the Existing Business, it is envisaged that the Proposed Diversification will change the existing risk profile of the Group. Accordingly, the EGM will be convened by the Company to seek Shareholders' approval for the Proposed Diversification.

Upon Shareholders' approval of the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the Furniture Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Furniture Business which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions relating to the Furniture Business arise. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

LETTER TO SHAREHOLDERS

Notwithstanding that Shareholders' approval of the Proposed Diversification has been obtained,

- a) Rule 1015 of the Catalist Rules will apply to acquisitions of assets (including options to acquire assets) whether or not in the Company's ordinary course of business (which will include the Furniture Business) and which results in any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeding 100% or results in a change in control of the Company. Such acquisitions must therefore be, amongst others, made conditional upon approval by Shareholders at a general meeting; or
- b) Part III of Practice Note 10A of the Catalist Rules will apply to acquisitions or disposals of assets (including options to acquire or dispose assets) which will change the risk profile of the Company. Such transactions must therefore be, amongst others, made conditional upon approval by Shareholders at a general meeting.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules.

The Company will be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 Directors

As at the Latest Practicable Date, the direct and indirect interests of each of the Directors in the Shares of the Company are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Cai Kaoqun ⁽²⁾	–	–	123,084,000	30.04
Cai Kaobing ⁽³⁾	–	–	19,200,000	4.69
Ho Chew Thim	–	–	–	–
Lim Yit Keong	–	–	–	–
Hau Khee Wee	200,000	0.05	–	–

Notes:

- (1) Based on the total issued and fully paid-up ordinary share capital of 409,800,000 Shares as at the Latest Practicable Date.
- (2) Mr Cai Kaoqun is deemed interested in the 123,084,000 Shares held by China Hongda Holdings Limited, as Mr Cai owns the entire issued and paid-up share capital of China Hongda Holdings Limited.
- (3) Mr Cai Kaobing is deemed interested in the 19,200,000 Shares held through his holdings of 80% of the issued and paid-up share capital of Good Moral Technology Limited.

LETTER TO SHAREHOLDERS

4.2 Substantial Shareholders

As at the Latest Practicable Date, the direct and indirect interests of each of the Substantial Shareholders in the Shares of the Company are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
China Hongda Holdings Limited	123,084,000	30.04	–	–
Cai Kaoqun ⁽²⁾	–	–	123,084,000	30.04

Notes:

- (1) Based on the total issued and fully paid-up ordinary share capital of 409,800,000 Shares as at the Latest Practicable Date.
- (2) Mr Cai Kaoqun is deemed interested in the 123,084,000 Shares held by China Hongda Holdings Limited as Mr Cai owns the entire issued and paid-up capital of China Hongda Holdings Limited.

5. DIRECTORS' RECOMMENDATIONS

The Directors, having considered the rationale for the Proposed Diversification as set out in Section 2.3 of this Circular, are of the opinion that the Proposed Diversification is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the ordinary resolution, as set out in the Notice of EGM.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-2 of this Circular, will be held at SGX Centre 2, #17-01, 4 Shenton Way Singapore 068807 on 26 July 2018 at 10.30 a.m. (or soon thereafter following the conclusion of the Annual General Meeting of the Company to be held at 9.00 a.m. on the same day and at the same place, or any adjournment thereof) for the purpose of considering and, if thought fit, passing (with or without any modification) the resolution set out in the Notice of EGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a proxy form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807, not less than forty-eight (48) hours before the time appointed for the EGM. The completion and return of the proxy form by a Shareholder will not preclude him/her from attending and voting in person at the EGM in place of his proxy if he/she so wishes.

A Depositor will not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his/her name appears on the Depository Register seventy-two (72) hours before the EGM.

LETTER TO SHAREHOLDERS

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's office at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807 during normal business hours from the date of this Circular up to and including the time and date of the EGM.

- (a) the annual report of the Company for FY2018; and
- (b) the Constitution of the Company.

Yours faithfully

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

Cai Kaoqun
Executive Chairman and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

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

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of China Kunda Technology Holdings Limited (the “**Company**”) will be held at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807 on 26 July 2018 at 10.30 a.m. (or soon thereafter following the conclusion of the Annual General Meeting of the Company to be held at 9.00 a.m. on the same day and at the same place, or any adjournment thereof) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

*All capitalised terms in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 11 July 2018 (the “**Circular**”).*

RESOLUTION 1 (ORDINARY RESOLUTION)

THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS TO INCLUDE MANUFACTURE AND DISTRIBUTION OF FURNITURE AND OTHER RELATED ACTIVITIES

THAT:

- (a) approval be and is hereby given for the diversification by the Company and its subsidiaries of its core business to include the business of furniture manufacturing and distribution that involve the activities as set out section 2.2 of the Circular (the “**Furniture Business**”), and any other activities related to the Furniture Business (the “**Proposed Diversification**”);
- (b) the Company be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and interest that us in line with the Furniture Business on such terms and conditions as the Directors of the Company deem fit, and such acts or things as they deem desirable, necessary or expedient to give effect to any such investment, purchase, acquisition or disposal; and
- (c) the Directors of the Company and each of them be and are hereby authorised to enter into all such transactions, arrangements and agreements and approve, execute and deliver all documents and do all deeds and things as may be necessary, expedient, incidental or in the interests of the Company, as they or he may consider necessary, desirable, expedient or in the interest of the Company to give effect to this ordinary resolution or the transactions contemplated by the Proposed Diversification.

BY ORDER OF THE BOARD
CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

CAI KAOQUN

Executive Chairman and Chief Executive Officer
Singapore

11 July 2018

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1.
 - a. A member of the Company who is entitled to attend, speak and vote at the EGM and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead. 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. A proxy need not be a member of the Company.
 - b. A member of the Company who is entitled to attend, speak and vote at the EGM and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
2. "Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act (Chapter 50) of Singapore.
3. The instrument appointing a proxy must be under the hand of the appointer or his attorney duly authorised in writing. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf.
4. The instrument or form appointing a proxy, duly executed, must be deposited at the registered office of the Company at 4 Shenton Way, SGX Centre 2 #17-01, Singapore 068807, not less than forty-eight (48) hours before the time fixed for holding the EGM in order for the proxy to be entitled to attend, speak and vote at the EGM.
5. A Depositor's name must appear in the Depository Register maintained by The Central Depository (Pte) Limited at least seventy-two (72) hours before the time fixed for the holding of the EGM or any postponement or adjournment thereof, in order for the Depositor to attend and vote at the EGM.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guideline (collectively, the "**Purposes**"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder 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) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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PROXY FORM

CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

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

PROXY FORM EXTRAORDINARY GENERAL MEETING

I/We* _____ (Name), _____ (NRIC / Passport No.)
of _____ (Address),
being a member/members* of **China Kunda Technology 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 failing him/her/them*, the Chairman of the Extraordinary General Meeting ("EGM"), as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the EGM of the Company, to be held at SGX Centre 2, #17-01, 4 Shenton Way Singapore 068807 on 26 July 2018 at 10.30 a.m. (or soon thereafter following the conclusion of the Annual General Meeting of the Company to be held at 9.00 a.m. on the same day and at the same place, or any adjournment thereof).

I/We* direct my/our* proxy/proxies* to vote for or against the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion, as he/she/they* will on any other matters arising at the EGM or at any adjournment thereof.

**Delete as appropriate.*

		For	Against
No.	Ordinary Resolution		
1.	To approve the proposed diversification of the core business of the Group into the Furniture Business		

If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes "For" or "Against" for the resolution.

Dated this _____ day of _____ 2018.

Total Number of Shares Held in:	
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or,
Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF.



PROXY FORM

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2.
 - a. A member of the Company who is entitled to attend, speak and vote at the EGM and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead. 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. A proxy need not be a member of the Company.
 - b. A member of the Company who is entitled to attend, speak and vote at the EGM and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote in his stead. 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. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

“Relevant intermediary” has the meaning ascribed to it in Section 181(6) of the Companies Act (Chapter 50) of Singapore.

3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 4 Shenton Way, SGX Centre 2 #17-01, Singapore 068807 not less than forty-eight (48) hours before the time fixed for the holding of the EGM.
4. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he/she specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5. The instrument appointing a proxy or proxies must be under the hand of the appointer or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to vote thereat unless his/her name appears on the Depository Register seventy-two (72) hours before the time appointed for the EGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 11 July 2018.