CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED
(Company Registration Number: 200712727W)

ENTRY INTO JOINT VENTURE AGREEMENT

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1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of China Kunda Technology Holdings Limited (the "**Company**", and its subsidiaries, the "**Group**"), wishes to announce that the Company is venturing into the business of treatment of water (the "**Water Treatment Business**").

The Company had obtained shareholders' approval at the Extraordinary General Meeting held on 26 July 2016 to diversify into the Water Treatment Business, which includes the production of electrolysed water products and other related activities, as and when the appropriate opportunities arise, comprising:

(a) research, development and design of electrolysed water treatment systems and technologies;
(b) manufacture and production of electrolysed water products from water treatment systems and related treatment devices (the "**Products**"); and
(c) distribution and marketing of the Products.

The decision to venture into Water Treatment Business was previously deferred. The Company now considers it an opportune time to revisit the Water Treatment Business, supported by the availability of capital, technology and established distribution channels. The Company's wholly owned subsidiary, Kunda Plastic Electronic (Shenzhen) Co., Ltd. ("**Kunda Shenzhen**") has on 20 January 2026 entered into a joint venture agreement (the "**JVA**") with Shenzhen Yidaoshun Biotechnology Co., Ltd. ("**Yidaoshun**", collectively with the Company, the "**Parties**"). Under the JVA, the Parties intend to establish a joint venture company (the "**JV Company**"), to be incorporated in Shenzhen, People's Republic of China to engage in electrolyzed functional drinking water and sanitizer business, as the Parties may agree on from time to time (the "**Joint Venture**").

2. JOINT VENTURE

2.1. INFORMATION ON THE JOINT VENURE PARTNER

Yidaoshun was incorporated on 21 November 2019 with a registered share capital of RMB 1 million. Yidaoshun has mastered small-molecule water core technology, owns trademarks including "YIDAOSHUN","HUOLIYOUHUO" and "CELLJOY", and operates online sales channels on various online platforms.

As at the date of this announcement, to the best knowledge of the Directors, Yidaoshun, its directors and shareholders are independent of the Company, its Directors, substantial shareholders, and their respective associates.

2.2. FRAMEWORK AND SALIENT TERMS OF THE JVA

2.2.1. Formation of the JV Company and Share Capital

Pursuant to the JVA, the registered share capital of the JV Company is RMB 2 million upon the incorporation, and the equity structure of the JV Company shall be as follows:

(a) Kunda Shenzhen subscribes for a 51% equity interest in the JV Company through a cash contribution of RMB 1.02 million, payable in in two instalments. The first instalment of RMB 0.2 million will be payable within 30 days from the date JV Company obtains its business license upon completion of its business registration. The balance will be payable upon receipt a written capital call from the JV Company for the contribution of the remaining share capital, in accordance with the JVA; and

(b) Yidaoshun shall hold 49% equity interest in the JV Company by way of intangible assets with an estimated value of RMB 0.98 million, which include small-molecule water preparation core technology, trademarks, sales platforms, R&D and management teams,

each of the Parties shall subscribe for such number of new shares in the JV Company (the "**Proposed Subscription**") such that, upon completion of the Proposed Subscription, the JV Company will have an initial issued and paid-up share capital of RMB 2 million divided into 2,000,000 ordinary Shares, and the shareholding proportion of the JV Company shall be as follows:

Name	**Number of Shares**	**Percentage of entire issued share capital**
Kunda Shenzhen	1,020,000	51%
Yidaoshun	980,000	49%
Total:	2,000,000	**100%**

2.2.2. Business of the JV Company

The Joint Venture is for the JV Company to carry out the business of electrolysed water products and other related activities, as the Parties may agree on from time to time.

2.2.3. Other salient terms of the JVA

a) The board of directors of the JV Company shall consist of 1 Executive Director and 1 Non-Executive Director. The Executive Director will be the Legal Representative of the JV Company. The Executive Director shall be appointed by Kunda Shenzhen and the Non-Executive Director, who may attend board meetings as a non-voting participant and overseeing finance and management performance, shall be appointed by Yidaoshun.

b) Yidaoshun shall complete the transfer of all registered trademarks and other transferable intangible assets to the JV Company within 30 days from the JVA's effective date and provide assistance in the handover of the technical processes.

c) Yidaoshun covenants not to engage, directly or indirectly, in any business that competes with the JV Company during the Joint Venture term and for a period of one year following cessation of its affiliation.

d) The JV Company is granted perpetual usage rights to the technology contributed by Yidaoshun, and Yidaoshun's original technical team shall provide ongoing technical support. Core processes must be encrypted and accessible strictly to authorised personnel only.

3. RATIONALE FOR THE JOINT VENTURE

The Group's consolidated statements show net loss and negative liabilities. The JV Company is expected to contribute revenue and profit in the short term with most sales in cash and customers basically not on credit, minimal working capital requirements, and can even alleviate the Group's funding problems through financing at appropriate time. In addition, the Company is of the view that small-molecule water market is in rapid growth stage[1].

The Board believes that the proposed Joint Venture will enable the Group 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.

Accordingly, the Board believes that the entry into the JVA is in the best interests of the Group.

[1] https://m.tech.china.com/articles/20250329/202503291654631.html

4. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

The Proposed Subscription under the JVA, will be funded through internal resources and, at present, is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 March 2026.

5. INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

None of the directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the Joint Venture, other than through their respective shareholdings in the Company.

6. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the JVA will be available for inspection during normal business hours at the registered office of the Company at 4 Shenton Way, #17-01 SGX Centre II, Singapore 068807 for a period of three (3) months from the date of this announcement. Shareholders who wish to inspect the JVA are required to send a written request via email to the Company at alex@chinakunda.com prior to making any visits to arrange for a suitable time slot for inspection.

7. FURTHER ANNOUNCEMENTS

The Company will make the necessary announcements as and when there are further developments on the Joint Venture. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, accountants, solicitors or other professional advisers if they have any doubt about the actions that they should take.

By Order of the Board

Cai Kaoqun
Executive Chairman and CEO
20 January 2026

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.