



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

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## **PROPOSED DIVERSIFICATION OF THE CORE BUSINESS OF THE GROUP TO INCLUDE ELECTROLYSED WATER TREATMENT AND RELATED BUSINESS**

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### **1. Introduction**

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 Group is proposing to diversify its existing core business (“**Existing Business**”), to include the business of treatment of water to produce electrolysed water products and other related activities (“**Water Business**”) (the “**Proposed Diversification**”).

### **2. Rationale**

With the continuing uncertainties in the global economy which could result in a more volatile and unstable business environment, the Group expects business conditions to remain challenging. While the Group remains focused on improving performance of the Existing Business by increasing production and operational efficiencies, the Group is considering to undertake the Proposed Diversification as the Water Business potentially offers new business opportunities.

After review and assessment of the Water Business, the Board is of the opinion that the Proposed Diversification would:

- (a) diversify the Group’s revenue stream;
- (b) reduce reliance in the Existing Business;
- (c) offer better prospects of profitability and support the long-term growth of the Group;
- (d) maximise Shareholders’ long-term return; and
- (e) be in the best interest of the Group.

### **3. Shareholders’ Approval**

The Proposed Diversification will involve a new business which is substantially different from the Existing Business and the Water Business is envisaged to change the existing risk profile of the Group. Pursuant to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), shareholders’ approval is required for the Proposed Diversification. Accordingly, an extraordinary general meeting (“**EGM**”) will be convened by the Company to seek approval from the shareholders of the Company (“**Shareholders**”) for the Proposed Diversification.

### **4. Circular to Shareholders**

The circular containing further details of the Proposed Diversification, together with a notice of the EGM in connection therewith, will be despatched to Shareholders in due course.

## 5. Cautionary Statement

*Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that the Proposed Diversification will be completed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.*

### By the Order of the Board

Cai Kaoqun  
Executive Chairman and Chief Executive Officer  
5 July 2016

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 Catalyst. 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.

The contact person for the Sponsor is Mr Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.