



CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

(Company Registration Number: 200712727W)

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

QUARTERLY UPDATE PURSUANT TO RULE 1313 (2) OF THE SGX-ST LISTING MANUAL

1. BACKGROUND

China Kunda Technology Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the Watch-List pursuant to Rule 1311 of the SGX-ST Listing Manual on 4 September 2013.

Pursuant to Rule 1313 (2) of the Listing Manual of the SGX-ST, the Board of Directors (“**Board**”) of the Company wishes to provide the following updates in respect to the unaudited consolidated management accounts of the Company and its subsidiary (collectively, the “**Group**”) for the financial period ended 30 June 2014 (“1Q2015”) as compared to the past comparative periods.

2. UPDATE ON FINANCIAL POSITION

In 1Q2015, overall revenue increased by 11.6%, from HK\$68.5 million in 1Q2014 to HK\$76.4 million in 1Q2015. The increase in revenue is mainly due to increase in sales from our Mould segment and IMD segment, offset by decline in sales from our Automobile Components segment. Overall gross profit increased by 29.0%, from HK\$8.7 million in 1Q2014 to HK\$11.3 million in 1Q2015.

However, other items of income declined by 61.6% while other items of expenses increased marginally by 3.9%.

As such, the Group’s net loss decreased from HK\$6.9 million in 1Q2014 to HK\$5.1 million in 1Q2015.

For full details on the results and financial position of the Group, please refer to our result announcement for the financial period ended 30 June 2014 released on 8 August 2014.

3. UPDATE ON FUTURE DIRECTION

With continuing uncertainties over the strength and sustainability of the economic recovery of the major global economies and continuing weakness in the China economy, the Group expects overall business condition to remain challenging and volatile in this unstable global environment.

On 10 June 2014, the Company announced the entry into a conditional sale and purchase agreement with Mr Yu Jiahong (the “**Purchaser**”), pursuant to which the Company will dispose of three subsidiaries, namely Kunda Mould (International) Company Limited, Kunda Mould (Shenzhen) Co., Ltd and Changchun FAW-Sihuan Lida Pressed Component Co., Ltd through the sale of all the shares in KMI to the Purchaser (“**Proposed Disposal**”). The shareholders of the Company had approved the proposed disposal at the extraordinary general meeting held on 25 July 2014. Please refer to the shareholders’ circular dated 10 July 2014 and announcements dated on 10 June 2014 and 25 July 2014 for details. The Company will make further announcements to update shareholders on material developments of the above matter.

3. UPDATE ON FUTURE DIRECTION (CONT'D)

After the completion of the Proposed Disposal, the Group's principal businesses will be i) the manufacture and sale of In-Mould-Decoration ("IMD") and other plastic components and ii) the manufacture and sale of plastic automobile components from our factory in Beijing.

We will continue to streamline and improve our production efficiency and contain costs where possible. We will continue to review our business model and asset deployment to achieve a more competitive and efficient business model.

The Group is aware of the deadline given by the SGX-ST for its removal from the Watch-List. The Group will actively look for potential opportunities to improve the financial position of the Group. The Group will endeavour to meet the requirements of Rule 1314 of Listing Manual to be removed from the Watch-List.

BY ORDER OF THE BOARD
CAI KAOQUN
EXECUTIVE CHAIRMAN AND CEO
8 August 2014