



**CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED**

(Company Registration Number: 200712727W)

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

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

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**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 31 December 2014 as compared to the past comparative periods.

**2. UPDATE ON FINANCIAL POSITION**

In 3Q2015, Group revenue declined by 7.3% as compared to 3Q2014, mainly due to decrease in revenue from our IMD and plastic injection parts segment. Despite the decline in revenue, overall gross profit in 3Q2015 increased by 19.0% as compared to 3Q2014.

Following the increase in gross profit and decreases in other items of expense, income tax expenses and loss from discontinued operations, offset by the decrease in other items of income, the Group recorded a net profit of HK\$1.0 million in 3Q2015 compared to the net loss of HK\$7.0 million in 3Q2014.

For full details on the results and financial position of the Group, please refer to our result announcement for the financial period ended 31 December 2014 released on 12 February 2015.

**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 and Europe 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.

On 9 February 2015, the Company and the Purchaser had agreed that the Benchmark Date for the Proposed Disposal is fixed at 31 July 2014 at a consideration of HK\$30,737,000. The Proposed Disposal was completed on 10 February 2015.

Please refer to the shareholders’ circular dated 10 July 2014 and announcements dated on 10 June 2014, 25 July 2014, 9 February 2015 and 10 February 2015 for details.

### **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**  
**12 February 2015**