

**INTERESTED PERSON TRANSACTIONS WITH SHENZHEN KUNDA PRECISION MOULD CO., LTD.
- COLLECTION OF TRADE RECEIVABLES**

The Board of the Directors (the “**Board**”) of China Kunda Technology Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refer to:

- (a) the circular of the Company dated 4 October 2013 entitled “*PROPOSED RATIFICATION OF THE IPT LOANS GRANTED BY THE GROUP TO SHENZHEN KUNDA PRECISION MOULD CO., LTD/ PROPOSED RATIFICATION OF THE LATE PENALTY CHARGES/PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE*”;
- (b) the announcement dated 12 March 2013 entitled “*INTERESTED PERSON TRANSACTIONS WITH SHENZHEN KUNDA PRECISION MOULD CO., LTD.*”;
- (c) the announcement dated 17 April 2013 entitled “*INTERESTED PERSON TRANSACTIONS BY THE GROUP WITH SHENZHEN KUNDA PRECISION MOULD*”;
- (d) the announcement dated 14 June 2013 entitled “*INTERESTED PERSON TRANSACTIONS BY THE GROUP WITH SHENZHEN KUNDA - RECEIPT OF FUNDS FROM SHENZHEN PRECISION*”;
- (e) the announcement dated 9 July 2013 entitled “*INTERESTED PERSON TRANSACTION – LEASE AGREEMENT ENTERED INTO WITH SHENZHEN KUNDA PRECISION MOULD CO., LTD. CHANGE OF PRINCIPAL PLACE OF BUSINESS*” and
- (f) the announcement dated 27 November 2013 entitled “*INTERESTED PERSON TRANSACTIONS WITH SHENZHEN KUNDA PRECISION MOULD CO., LTD.*”

(collectively the “**Earlier Announcements**”) relating to the interested person transactions between the Group and Shenzhen Kunda Precision Mould Co., Ltd (“**Shenzhen Precision**”) and wishes to make this announcement in compliance with Chapter 9 of the listing manual (“**Listing Manual**”) of Singapore Exchange Securities Trading Limited. Capitalised terms shall, unless otherwise defined, be as defined in the Earlier Announcements.

For the purpose of this announcement, the following exchange rates are used:

- (i) average exchange rates of RMB1.00: HK\$1.268 and S\$1.00: HK\$6.164 and
- (ii) the closing exchange rates of RMB1.00: HK\$1.249, S\$1.00: HK\$6.160 and S\$1.00:RMB4.933 as at 28 March 2014.

1. Updates on the Trade Receivables due from Shenzhen Precision

As at 28 February 2014, the total outstanding amount of the trade receivables due from Shenzhen Precision to the Group is HK\$29,285,419 (approximately S\$4,754,126) comprising the principal of the Trade Receivables and Late Penalty Charges. As at 28 February 2014, the total Trade Receivables and Late Penalty Charges has been repaid by Shenzhen Precision in the following manner:-

- (a) RMB 20 million (approximately equivalent to HK\$24,980,000 and S\$4,055,195) paid in cash; and

- (b) the balance of approximately HK\$4,305,419 (equivalent to approximately S\$698,931) has been repaid by way of an off-set against the rental payable by the Group to Shenzhen Precision for the lease of a property (the “**Property**”) located at Bao Long Industrial Park (the “**Lease**”) pursuant to a Lease Agreement dated 1 July 2013 for the period from 1 April 2014 to 30 April 2015, as set out in the Earlier Announcement dated 9 July 2013 entered into between the Group and Shenzhen Precision. Please see the Earlier Announcement dated 9 July 2013 for details of the Lease. The Lease would terminate on 30 June 2015 and the Group will commence payment for the lease from the lease period 1 May 2015 onwards.

2. Offset Against Rental under the Lease

Under the terms of the Lease, rent is agreed at RMB337,500 per month based on an independent valuation. For the 13 months period 1 April 2014 to 30 April 2015, aggregate rent under the Lease would amount to a gross value of HK\$5,479,988 (equivalent to RMB4,387,500). The Group had determined the fair value of the aggregate rent to be approximately HK\$5,188,102 (equivalent to approximately RMB4,153,805) using a discount rate of 9.495%, which is the late penalty rate imposed on Shenzhen Precision.

In consideration for agreeing to prepay the rent for the period 1 April 2014 to 30 April 2015 and to offset the same against the Trade Receivable, the amount of rent payable has been reduced from a gross value of RMB4,387,500 and fair value of RMB4,153,805, to RMB3,447,093, amounting to a discount of 21.4% and 17.0% against the gross value and fair value of the above rental period respectively.

Consequent upon the offset, the principal of the Trade Receivables and the late penalty charges as at 28 February 2014 has at the date of this Announcement been fully repaid.

The Group is in the process of finalizing its financial statements for the month of 31 March 2014 and the total amount due from Shenzhen Precision as at 31 March 2014 which mainly comprises the late penalty charges for the month of March 2014 due from Shenzhen Precision, the Lease payment due to Shenzhen Precision for the month of March 2014 and foreign translation differences arising from these balances.

The Group expects the final amount for the month of March 2014 to be a net payable position from the Group to Shenzhen Precision. In the event that the final settlement is a net receivable position from Shenzhen Precision, Shenzhen Precision had undertaken to extend the Lease period to make up for the shortfall or make up the shortfall in cash within 30 days from receiving notice from the Group. The Company will make further announcements in such an event.

3. Opinion of the Audit Committee

The Audit Committee is of the view that, taking into account the discount of 21.4% and 17.0% against the gross value and fair value respectively of the rental period 1 April 2014 to 30 April 2015, the prepayment of the rent for the foregoing period is on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders.

The Audit Committee is also of the view that, as the prepayment is a variation of the terms of the Lease, which Lease falls under Rule 916(1) of the Listing Manual, the prepayment does not constitute a separate interested person transaction falling outside the terms of the Lease.

By Order of the Board

Ho Chew Thim
Independent Director
1 April 2014