



**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 30 September 2014 as compared to the past comparative periods.

**2. UPDATE ON FINANCIAL POSITION**

In 2Q2015 and 1H2015, Group revenue declined by 7.0% and 0.4% respectively as compared to the past comparative periods, mainly due to decrease in revenue from our Automobile Component segment which was partially offset by increase in revenue from the IMD and plastic injection parts segment. Overall gross profits increased by 89.7%, from HK\$3.6 million in 2Q2014 to HK\$6.8 million in 2Q2015 and by 20.4%, from HK\$9.8 million in 1H2014 to HK\$11.8 million in 1H2015.

As compared to the past comparative periods, overall gross profit in 2Q2015 and 1H2015 increased by 89.7% and 20.4% respectively. Other items of income decreased by 16.6% in 2Q2015 but increased by 10.4% in 1H2015. Other items of expense in 2Q2015 and 1H2015 decreased by 17.9% and 16.0% respectively. In view of the loss, no income tax expense was recorded in 2Q2015 and 1H2015 as compared to the income tax expenses recorded in 2Q2014 and 1H2014 of HK\$0.4 million and HK\$1.0 million respectively. Loss from discontinued operations, net of tax in 2Q2015 and 1H2015 decreased by 51.0% and 42.2% respectively.

As such, the Group recorded a net loss of HK\$4.4 million in 2Q2015 and HK\$9.5 million in 1H2015 compared to the net loss of HK\$13.4 million in 2Q2014 and HK\$20.3 million in 1H2014.

For full details on the results and financial position of the Group, please refer to our result announcement for the financial period ended 30 September 2014 released on 7 November 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.

### **3. UPDATE ON FUTURE DIRECTION (CONT'D)**

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.

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**  
**7 November 2014**