



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 31 December 2013 as compared to the past comparative periods.

2. UPDATE ON FINANCIAL POSITION

In the third quarter of financial year 2014 (“3Q2014”), Group revenue increased by 32.8% as compared to the past comparative period. The increase in 3Q2014 revenue was mainly due to increases in revenue from our Mould segment, IMD and Plastic Injection Part segment and Automobile Component segment. However overall gross profit declined by 14.2% mainly due to declines in gross profit from the Mould and Automobile Component segment. .

Following the decrease in gross profit and increases in operating expenses and income tax expenses, offset by the increase in other items of income, the Group recorded a net loss of HK\$7.0 million in 3Q2014 compared to the net loss of HK\$3.9 million in 3Q2013.

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 2013 released on 13 February 2014.

3. UPDATE ON FUTURE DIRECTION

With continuing uncertainties over the strength and sustainability of the economic recovery of the major global economies, the Group expects overall business condition to remain challenging and volatile in this unstable global environment. Business operations will also be affected by forthcoming relocation of our Beijing automobile component operation production facility. Please refer to our result announcement for the financial period ended 31 December 2013 released on 13 February 2014 for full details.

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 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 SGX-ST Listing to be removed from the Watch-List.

**BY ORDER OF THE BOARD
CAI KAOQUN
EXECUTIVE CHAIRMAN AND CEO
13 February 2014**