



CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

(Company Registration Number: 200712727W)

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

The initial public offering of the Company was sponsored by Provenance Capital Pte. Ltd. (the "Issue Manager"). The Issue Manager assumes no responsibility for the contents of this announcement.

Media Release – For Immediate Release

China Kunda achieves HKD38.5 million net profit in FY09 despite challenging business conditions

- ▶ **Declares dividend of 1 Singapore cent, representing dividend yield of 6.67%***
- ▶ **HKD42.2 million of mould orders under construction as at 30 April 09, of which 78.8% received from Feb 09 to Apr 09**
- ▶ **Gross profit margin improves to 34.1% on better sales mix**
- ▶ **Low gearing of 2.2%**

Singapore, 28 May 2009 – China Kunda Technology Holdings Limited ("China Kunda", the "Group" or "中国群達科技控股有限公司"), a provider of Precision Moulds, Plastic Injection Parts and In-Mould Decoration ("IMD") products to the electronics, electrical, automobile and specialised devices industries, announced its results for the financial year ended 31 March 2009 ("FY09").

** Based on 26 May 2009 closing price of 15 cents*

“Despite the challenges brought about by the unprecedented economic downturn, the Group has managed to weather the storm well. Combined gross profit and technical fee income still showed a modest improvement of 2.0% in the past year.

With a sense of normalcy returning to the China automotive markets and strong retail sales figures for the first four months of the year, we are cautiously optimistic about our long term prospects.”

-Mr Cai Kaoqun (“蔡考群”), Executive Chairman and CEO

Financial and Operations Overview

The Group’s overall sales performance in FY09 remained fairly stable with the Group’s combined gross profit and technical fee income showing a slight improvement over FY08.

Revenue dipped slightly to HKD99.8 million due to customer deferment of product delivery as they reassessed their business strategy. Since then, there has been a gradual improvement in customer sentiment on the back of strong measures from the Chinese Government to stimulate key industries like automobile. With stronger customer demand and order enquiries, the Group’s mould orders under construction has grown to HKD42.2 million as at 30 April 2009, of which 78.8% was from sales orders received from February 2009 to April 2009.

Financial Highlights

HK\$’000	FY09	FY08	% Change
Revenue	99,773	100,570	(0.8)
Gross Profit	33,981	31,555	7.7
Technical Fee Income	40,679	41,665	(2.4)
Operational profit	44,749	56,513	(20.8)
Less: IPO expenses	6,264	4,611	35.8
Profit Att. to Shareholders	38,485	51,902	(25.9)
Operational EPS (HK cents)*	14.0	17.7	(20.8)
EPS (HK cents)*	12.0	16.2	(25.9)

* EPS is calculated based on Post-Invitation issued share capital of 320,000,000 ordinary shares

In spite of the challenging operating environment, gross profit increased 7.7% to HKD34.0 million due to an improved product mix of higher margin IMD products. Consequently, overall gross profit margin increased from 31.4% in FY08 to 34.1% in FY09. This offset the 2.4% decline in technical fee income to HKD40.7 million.

However, the Group had incurred higher operating expenses in FY09 attributable to higher Singapore corporate office expenses following the listing of the Company in October 2008, listing expenses, development cost amortisation and impairment and non-trade foreign exchange losses. As such, profit attributable to shareholders for FY09 declined by 25.9% to HKD38.5 million. As at year-end, the Group had a healthy gearing of 2.2%.

In addition, the Group undertook its own China sales operations and commenced in-house manufacturing of Mould and IMD products from November 2008 and December 2008 respectively. Sales orders received with effect from December 2008 are now produced by the Group and not outsourced to Shenzhen Kunda Precision Mould Co. Ltd ("Shenzhen Precision"). As such, the Group will cease the purchase of Mould and IMD products and rendering of technical service income to Shenzhen Precision once all outstanding sales orders received before December 2008 are fulfilled by Shenzhen Precision.

In view of the Group's overall cash position, low gearing and to reward shareholders for their support, the management has decided to reward shareholders by recommending a dividend of 1 Singapore cent per share, representing a dividend yield of 6.67%.*

Prospects and Future Plans

According to figures released by the Chinese Association of Automobile Manufacturers ("CAAM"), China continues to lead the world in automotive sales, hitting a new monthly sales record of 1.15 million units in April 2009. Buoyed by the success of Government support measures like tax cuts and subsidies, the CAAM has recently revised its sales forecast for China to 10.2 million in 2009, representing a growth rate of 8.7% over 2008.

* Based on 26 May 2009 closing price of 15 cents

Vehicle Sales in China



Source: China Association of Automobile Manufacturers, CITIC Securities

“The onset of the global financial crisis has certainly shifted the dynamics of the automotive industry, with major automakers turning their focus from traditional markets in Europe and North America to emerging markets like China.

With more emphasis on the China as the next bright spot for automotive sales, we believe our internationally certified range of automotive moulds stand to benefit from the increased interest of automakers.”

-Mr Cai Kaoqun (“蔡考群”), Executive Chairman and CEO

There have also been further efforts to stimulate consumer spending in China. Research firm, RNCOS expects the consumer electronics market to grow at a compounded annual growth rate of 12% from 2007 till 2011. With IMD capabilities spreading across a wide range of consumer electronics from mobile phones, computers, laptops to air conditioners, the Group’s IMD products are set to ride on the potential upswing in consumer spending.

China remains the largest mould importer in the world, importing RMB 5 billion to RMB 7 billion worth of moulds each year, largely due to backward technology and poor quality standards of most China mould producers. In addition, the prolonged nature of the economic slowdown could hastened the urgency of western manufacturers to relieve pricing pressures by procuring its mould requirements from China. This could present

China Kunda with greater market opportunities for its quality mould products in both China and developed countries.

Despite the current global economic downturn, the directors remain cautiously optimistic about the long-term prospects of its automotive mould and IMD products.

>>>>>> **The End**

About China Kunda Technology Holdings Limited (“China Kunda”)

China Kunda Technology Holdings Limited is a provider of precision Moulds, Plastic Injection Parts and IMD products to the electronics, electrical, automobile and specialised devices industries. Its plastic engineering solutions include design, research and development of plastic injection and IMD technologies.

China Kunda has a diversified customer base spreading across a wide geographical region covering Asia Pacific, Europe, North America and South America. Its customers include OEMs and ODMs, as well as owners, of well-known international brands such as KAZ, Honeywell, Whirlpool, Ford, Chrysler, Mitsubishi, BMW, Volkswagen, Isuzu, Fiat, LG, Walt Disney, Sanyo and Cutler-Hammer.

For more information, please refer to our corporate website www.chinakunda.com.

Issued for and on behalf of China Kunda Technology Holdings Limited.

By Financial PR Pte Ltd

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