



CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

(Company Registration Number: 200712727W)
(Incorporated in the Republic of Singapore on 13 July 2007)

For Immediate Release

China Kunda's IPO Fully Subscribed

Singapore, 8 October 2008 – China Kunda Technology Holdings Limited (“China Kunda” and, together with its subsidiaries, the “Group”) (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, is pleased to announce that its initial public offering (“IPO”) had been well received by institutional investors as well as by retail investors.

At the close of the Application List at 12.00 noon on 7 October 2008, there were 274 valid applications for the 5,000,000 Offer Shares available to the public for subscription. In total, these applicants applied for 5,482,000 Offer Shares with application monies received amounting to approximately S\$1.2 million.

Of the applications received for China Kunda's placement tranche, applications for 6,000 shares were invalid and were therefore made available for public subscription as Offer Shares.

Based on the total Invitation size of 95,284,000 Invitation Shares and total valid applications for 95,760,000 Shares (comprising 5,482,000 Offer Shares and 90,278,000 Placement Shares), the Invitation is approximately 1.0 time subscribed.

** For identification purposes only*

Trading of the shares is expected to commence at 9.00am on 9 October 2008. Provenance Capital Pte Ltd is the Issue Manager, while DMG & Partners Securities Pte. Ltd. is the Underwriter and Placement Agent of China Kunda's IPO.

Commenting on the commendable response, Mr Cai Kaoqun (蔡考群), Executive Chairman and CEO of China Kunda, said, "The management and I are vitalised by the strong interest, confidence and support that investors have for China Kunda's business. By leveraging on this successful listing, we will be able to push ahead with our growth strategies and strengthen our presence in the burgeoning PRC mould industry."

China Kunda's IPO will raise net proceeds of approximately S\$11.64 million, of which

- approximately S\$0.2 million will be used for the acquisition of Shenzhen Kunda Precision Mould Co., Ltd.;
- approximately S\$5.0 million will be used to invest in additional plant, machineries and production facilities to cater for its business expansion;
- approximately S\$1.0 million will be used for the enhancement of its R&D activities;
- approximately S\$0.5 million will be used to expand sales and marketing network; and
- the balance will be used as general working capital requirements.

PRC is the world's largest importer of Moulds. According to "2007 PRC Key Industries Development Analysis and Strategy Advisory Report – Plastic Industry", PRC imported US\$2.47 billion worth of Moulds in 2006. The same report estimated PRC is only 50.0% self-sufficient in mid and high-end Moulds.

To manufacture a particular model of automobile will generally require approximately 4,000 sets of Moulds. The China Automobile Industry Association estimated that sales of automobile parts (inclusive of spare parts) market in PRC will reach RMB180.0 billion by 2010 and 95.0% of these parts would be manufactured by Moulds. The automobile market has benefited from and will continue to grow from rising disposable income. However, PRC automobile industry is still dependent on foreign imports for their Moulds requirements as many PRC Mould service providers are unable to meet the stringent requirements set by the automobile industry.

In addition, there is a growing shift in the automobile industry towards replacing traditional steel parts with Plastic Injection Parts to achieve three key objectives: i) to reduce weight; ii) to improve fuel consumption; and iii) to be more environmental friendly. China Kunda believes they have a strong technical lead over other PRC Moulds manufacturers. They are able to manufacture high precision Moulds that satisfy the stringent requirements of well-known international brands.

China Kunda also produces IMD products for a wide range of industries, such as medical, telecommunication appliances and household electronic appliances industries. IMD products have many inherent advantages over traditional Plastic Injection Parts, including: i) better appearance and ability to incorporate complex design; ii) better durability; and iii) environmentally-friendlier to the user. IMD is a technical intensive process and it is difficult to ensure consistent production quality. China Kunda has spent the last two years refining and developing their IMD production techniques and technology and believes that they have a significant lead over their PRC competitors. They are in the process of incorporating more complex technology that would allow production of IMD products with uneven surface contours or deep cavities.

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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.

Issued for and on behalf of China Kunda Technology Holdings Limited.
By Financial PR Pte Ltd

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