



NEWS RELEASE

CHINA PRECISION'S IPO RECEIVES STRONG SUPPORT FROM INSTITUTIONAL AND RETAIL INVESTORS

- **IPO is approximately 9.9 times subscribed**

Singapore, May 5, 2006 - China Precision Technology Limited ("China Precision" or the "Group") (中国精密技术有限公司), a PRC integrated manufacturing services provider for the consumer electronics, office automation equipment, telecommunication and automotive industries, announced today that its initial public offering ("IPO") of 80 million shares ("New Shares") at S\$0.30 each has received strong support from institutional and retail investors.

As at the close of its IPO at 12.00 noon on May 4, 2006, 12,289 valid applications (for an aggregate of 712,601,000 New Shares) were received for the 2 million Offer Shares made available to public for subscription at S\$0.30 cents each, with application monies received amounting to approximately S\$213.8 million. Based on total Invitation size of 80 million shares, the IPO is approximately 9.9 times subscribed.

"We are encouraged by the tremendous response and feedback from the investors. Our mission now is to deliver our plans and promises so as to enhance shareholder value," said Mr Zhang Zhongliang (张忠良), CEO of China Precision.

China Precision's placement tranche of 78 million shares received strong interest from individuals and institutional investors. The anchor investors include Dubai Investment Group, ING Asia Private Bank Ltd and K.I.P. Trading Limited, who in aggregate subscribed for 16.2 million New Shares, representing approximately 20.8% of the total 78 million Placement Shares.

China Precision intends to use the net proceeds of approximately S\$20.7 million for the following purposes: -

- approximately S\$7.3 million for production capacity expansion in Suzhou Zhongxinglian
- approximately S\$6.4 million to acquire facilities, plant and equipment for Ningbo Zhongjun Auto, Dongguan Xingbo, Dongguan Zhongxing and Ningbo Sunrise
- approximately S\$1.6 million for research and development; and
- the balance as working capital.

Phillip Securities Pte Ltd is the Manager and Co-Placement Agent and UOB Kay Hian Private Limited is the Underwriter and Placement Agent for China Precision's IPO. Trading of China Precision Technology's shares is expected to commence on May 8, 2006.

About China Precision Technology Limited

Established in 1996, the Group provides integrated manufacturing services for the consumer electronics, telecommunication, office automation equipment and automotive industries. Over the years, the Group has built strong competencies in providing precision engineering processes such as metal stamping, plastic injection moulding, die-casting and mould design and fabrication, and other value-added operations such as assembly and surface treatment, namely electroplating for metal and plastic parts. The Group currently operates four production facilities located in Cixi City (in Zhejiang Province), Dongguan City (in Guangdong Province) and Suzhou City and Wuxi City (both in Jiangsu Province).

The Group is invested by Asean China Investment Fund L.P. ("ACIF") and other venture capital investors. ACIF is advised by UOB Venture Management Pte Ltd, the private equity/venture capital subsidiary of United Overseas Bank.

The Group has entered into a collaboration agreement with Jurong Hi-Tech Industries Pte Ltd (“JHTI”), a wholly owned subsidiary of Jurong Technologies Industrial Corpn Ltd, whereby JHTI and the Group will act as the preferred sub-contractor to the other and their respective customer base. JHTI and the Group will also jointly carry out product development in original design manufacturer of Plasma Display Panel and Liquid Crystal Display products, accessories for telecommunication products, such as Bluetooth consumer products, Global Positioning Systems and antenna modules for telecommunication products.

The Group’s key products are divided into two main categories - **Electronic Tuner Components**: electronic tuner components such as pin blocks, frames and covers, F-connectors and IEC-connectors which are used mainly in electronic tuners for consumer electronic products such as television sets (SDTVs, HDTVs, PDPs and LCDs), set-top boxes, DVD players, PCs, satellite receiver systems and automobile audio systems; and **Others**: which include precision metal parts and plastic components for the telecommunication and office automation equipment industries as well as electroplating services for the automotive industry.

Today, the Group’s customer base comprises well-established MNCs such as the ALPS Group, the LG Group, the Panasonic Group, the Philips Group, Sanyo (Japan), the Samsung Group, the Sharp Group, the Sony Group, the Toshiba Group and the Thomson Group.

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