

Techcomp (Holdings) Ltd

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MEDIA RELEASE

International scrutiny on China's exports drives demand for Techcomp's testing equipment up; FY2007 net profit up 38.2% to US\$6.0m

- Revenue grows 20.0% to S\$65.9 million with China sales leading the growth
- Net margin improves from 7.9% to 9.1% with increased contribution from the higher-margin manufacturing segment
- The commencement of production of consumables and safety cabinets will fuel the growth in FY2008
- Group plans to enter European market via strategic corporation with European players
- Board of Directors recommend a first and final dividend of 1.20 Sing cents

Singapore – 26 February 2008 – SGX Main board-listed Techcomp Holdings Ltd ("Techcomp", "天美控股" or the "Group"), China's leading distributor and manufacturer for proprietary high-technology testing equipment, has announced a 38.2% increase in net profit to US\$6.0 million for the financial year ended on 31 December 2007 (FY2007). Revenue grew 20.0% to US\$65.8 million, largely driven by the demand generated in China.

"China's recent spate of highly publicized environmental and quality control issues has increased the awareness of the government and the private sector to maintain international levels of quality and cleanliness. This has increased the demand for our testing products and we expect the demand to be maintained at this level for the medium term."

2008 promises to be a bright year for us, with several of our new products expected to go into production, such as our consumables and safety cabinets. This boost in our manufacturing segment should further enhance our profit margin."

Mr Richard Lo, President and CEO of Techcomp

Financial Highlights

US\$'000	12 Months Ended 31 Dec 2007	12 Months Ended 31 Dec 2006	Change (%)
Revenue	65,819	54,842	20.0
Gross profit	22,154	18,486	19.8
Gross profit margin	33.7%	33.7%	
Other operating income	883	430	105.3
Distribution expenses	(7,268)	(6,196)	17.3
Administrative expenses	(8,909)	(7,288)	22.2
Finance expenses	(478)	(504)	(5.2)
Profit before tax	6,383	4,928	29.5
Income tax expense	(372)	(578)	(35.6)
Net profit	6,011	4,350	38.2
Net profit margin	9.1%	7.9%	
EPS (US cents)	4.30	3.22	33.5

Revenue rose 20.0% to US\$65.8 million, due to increased demand in China and other Asian markets. China, which contributed 82.2% of the Group's revenue, grew 21.7% to US\$54.1 million.

Gross profit grew in line with revenue growth and gross margin remained stable at 33.7%.

Net profit jumped 38.2%, boosted by a US\$0.9 million contribution from other operating income. This was caused by a gain on disposal of properties, plant and equipment amounting to US\$698,000.

Profit margins also increased due to the manufacturing segment with higher profit margin grew faster than the distribution segment. For FY2007, the manufacturing segment grew 22.6% with a profit before tax margin of 24.8%. The distribution segment, which accounts for 83.1% of the Group's revenue, grew 19.5% with a profit before tax margin of 6.6%. The faster growth of the manufacturing sector has pushed the overall Group's net profit margin to 9.1%.

Future Direction

Techcomp will continue to roll out new products per year to improve their range of products to their customers. In addition to this, the Group will ramp up production of

their proprietary consumables (capillary columns for Gas Chromatographs), to meet demand from customers worldwide.

Besides growing organically, the Group will expand its operation in the European market by strategic cooperation in Europe.

Mr. Lo added:

“Our business is resilient to a fluctuating economic environment and we are confident that we will have consistent performance despite the uncertain economic outlook.

Currently we mainly operate in the Asian market, in order to spread our footprint globally, we are considering forming strategic cooperation with players in other major markets like Europe. With our manufacturing expertise and their knowledge of the European market, we hope to accelerate our growth in other major markets.”

The Board of Directors has recommended a first and final dividend of 1.20 Singapore cents.

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About Techcomp (Holdings) Limited

Backed by a strong research team, **Techcomp (Holdings) Limited (“Techcomp”)** is China’s leading manufacturer of highly advanced scientific instruments, with cutting edge technological patents in analytical instruments, life science equipment and laboratory instruments. The **Techcomp** brand of analytical instruments is used in laboratories for diverse industries, ranging from materials analysis and testing to pharmaceuticals, biotechnology, medicine, food and beverage, and to forensics. **Techcomp** has a strong R&D track record and is an original design and original equipment manufacturer for the world’s leading brands of analytical instruments used in research and test applications. **Techcomp’s** strong distribution network for a wide range of the world’s leading brands of highly advanced analytical equipment is predominantly in China.

Issued for and on behalf of **Techcomp (Holdings) Limited** by
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