

# Techcomp (Holdings) Ltd

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## MEDIA RELEASE

# Techcomp delivers record earnings of US\$4.35 million

- Net profit soars 18% to US\$4.35m on the back of a 23% increase in revenue to US\$54.8m
- Contributions from two key markets – PRC and India grew approximately 22% and 138% respectively
- Rewards shareholders with dividend of 1.2 Sing cents per share
- Optimistic of better performance in FY2007

Singapore – 1<sup>st</sup> March 2007 – SGX Main board-listed **Techcomp Holdings Ltd** (“Techcomp”, “天美控股” or the “Group”), China’s leading distributor and manufacturer for highly advanced scientific and medical equipment, has achieved record revenue and earnings for the financial year ended 31 December 2006.

Net profit jumped 18% to US\$4.35 million on the back of a 23% increase in revenue to US\$54.8 million. To reward its shareholders, the Group had declared a first and final dividend of 1.2 Sing cents per share.

### Financial Highlights

Financial Highlights	31 Dec 2006 US\$'000	31 Dec 2005 US\$'000	Change (%)
Revenue	54,842	44,617	23
Gross Profit	18,486	14,949	24
Profit before tax	4,928	4,066	21
Net Profit	4,350	3,687	18
Dividend per share (Sing cents)	1.2	1.0	20
EPS (US cents)	3.22	2.73	18
NTA per share (US cents)	16.5	13.8	20

Revenue rose 23% to US\$54.8 million, due to increased orders from the Group's distribution and manufacturing businesses. Gross profit increased 24% to US\$18.5 million compared to FY05. Gross profit margin remained stable in both years.

Distribution costs and administrative expenses rose in line with the increase in revenue as the Group enhances its market presence in China, India and other parts of Asia. These increased marketing activities has brought about new orders which led to **Techcomp's** intention to double its production floor capacity to over 10,000 square meters, as announced in July 2006.

**Techcomp's** Chairman and Chief Executive Officer, Mr. Lo Yat Keung ( “劳逸强” ) said, “We are pleased to deliver a set of satisfactory full-year results for our shareholders. Both the manufacturing and distribution sectors have been growing steadily and this has contributed to our increased revenue and profit. In addition, we are also seeing stronger contributions from markets outside of PRC, like India. We are very pleased with growth in India and see huge potential for our products there. “

### **Outlook and Future Plans**

The future for **Techcomp** is rosy with the total worldwide market for analytical and life science instrumentation reaching US\$29 billion in 2005 and set to increase further in 2006<sup>1</sup>. This growth is especially significant in the PRC (**Techcomp's** main revenue contributor by geographical segment) where the analytical instrumentation market has more doubled in the past seven years, from US\$680 million in 1998 to US\$1.6 billion in 2005<sup>2</sup>. At present, although China accounts for less than 5% of the worldwide analytical market, the percentage contribution is set to increase going forward as China's economy develops and shifts its focus towards higher-end products.

Riding on the strong industry growth, the management of **Techcomp** is confident of a better performance in FY07. Mr Lo commented, “**Techcomp** has grown in size and stature over the years and we have established our reputation as a reliable partner in

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<sup>1</sup> Statistics from Instrument Business Outlook (IBO), a publication of Strategic Directions International, Inc. (SDI).

<sup>2</sup> Statistics from Chemical and Engineering (C&EN) News, a weekly magazine published by the American Chemical Society

emerging markets like PRC and India. For our distribution division, we have an established distribution network across key PRC cities, with dedicated technical staff to support our customers. This presents very high barriers to entry. That's why foreign multi-national companies are keen to partner Techcomp in PRC. “

“For our manufacturing division, we have shifted our existing production facilities to our new production plant in October 2006. With a doubling in our production capacity, we are confident that our manufacturing division will continue to see excellent growth in FY2007. “ Mr Lo continued.

### **REWARDING SHAREHOLDERS**

In conjunction with its good performance, **Techcomp** has recommended a first and final dividend of Twelve (12) Sing cents per ordinary share. This represents a 20% increase compared to the FY2005 dividend of 1.0 Sing cent per ordinary share.

Mr Lo concluded, “Techcomp has achieved a Compounded Annual Growth Rate (“CAGR”) of between 20% to 25% in its revenue for the past five years. Barring any unforeseen circumstances, we are confident to achieve similar growth rate in the next three to five years.”

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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.

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