



## NEWS RELEASE

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### **TECKWAH REPORTS HIGHER INTERIM FY2006 PROFITS**

- **Revenue rose 28.7% to \$100.6 million**
- **Net profit after tax rose 90.6% to \$2.4 million**
- **Operating activities generated \$4.6 million cash flow**
- **Cash balance stood at \$21.4 million**

SINGAPORE, 11 May 2006 – Main board listed Teckwah Industrial Corporation (“Teckwah” or “the Group”) today announced a 28.7% increase in turnover and a 90.6% increase in net profit after tax for the six months ended 30 June 2006.

The Group’s turnover stood at \$100.6, representing an increase of 28.7% over the turnover of \$78.2 reported in 1H FY2005. All business units turned in stronger contributions and included in the turnover for the first half year was the first six months revenue contributions from its new Australian subsidiary, Teckwah Value Chain Pty Ltd (“Teckwah Australia”).

# teckwah<sup>group</sup>

By business segments, Teckwah's print business continues to dominate as its main revenue contributor accounting for approximately 89% of the Group's total turnover. The balance of approximately 11% comprises contribution from its non-print business.

The performance of the Group's non-print business was also encouraging. Being a value-add business, the non-print business is fee-based and is a relatively new business segment being nurtured by the Group. Included among the activities of the non-print business are the third party logistics activities.

By geography, the Group's operations in Singapore and China were the two key revenue contributors. Together, contributions from these two geographic locations account for more than 80% of the Group's total revenue.

For the first six months ended 30 June 2006, Teckwah reported a net profit after tax of \$2.4 million compared to \$1.3 million in the same period last financial year. The higher level of business activities during the year resulted in the incurrence of higher expenses. During the period under review, operating expenses rose 20.7% to \$19.4 million due to higher transport, storage rented space needed to support higher sales. Cash flow generated by operating activities amounted to approximately \$4.6 million. Gearing remained low at 0.04.

Supported by strong business demand and healthy cash flow, the Group's balance sheet remained strong. Cash in bank amounted to approximately \$21.4 million compared to \$22.6 million in 1H FY2005. The balance in trade creditors amounted to \$17.8 million compared to \$29.8 million in the first six months of the previous financial year. Inventory balance stood at \$19.3 million compared to \$19.4 million. With trade creditors' turnover of 55 days and inventory turnover of 58 days, the Group will continue to look into ways through which it can improve its overall operational efficiency.



“We saw strong demand for our print business in both Singapore and China in the first half of this year. Although our print business, being a core business for Teckwah, will continue to play an important role, the development of our non-print business is also encouraging,” said Mr. Thomas Chua, Chairman and Managing Director of Teckwah. “With our strong balance sheet, we will continue to look for business acquisitions that will support the future growth of the Group.”

In view of the uncertainties surrounding the global business environment, the Group is cautiously optimistic about its prospects into the second half of the year. Nonetheless, it is confident of its ability to remain profitable for FY2006.

#### **About Teckwah Industrial Corporation Ltd**

Teckwah Industrial Corporation Ltd (“Teckwah” or “the Group”) is a group of companies with capabilities to provide printing and packaging, logistic and online distribution services. Established in 1968, Teckwah serves both regional and multinational customers through its network of 41 locations across 12 countries in Asia. Teckwah’s shares are quoted on the Singapore Exchange (SGX:Teckwah).

For more information on Teckwah please visit our website : [www.teckwah.com.sg](http://www.teckwah.com.sg)

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