

Teckwah strengthens its logistics operations in China with acquisition of 51% stake in a Chinese logistics firm

- Wholly-owned subsidiary Teckwah Trading (Shanghai) Co Ltd to take stake in Shanghai Zhan Tong International Logistics Co., Ltd for RMB2.6 million

SINGAPORE – 14 October 2011 – Main-Board listed Teckwah Industrial Corporation Limited (“Teckwah”), a leading service provider of customised supply chain management services, has announced the acquisition by the Group of a 51% stake in Shanghai Zhan Tong International Logistics Co., Ltd (also known as Shanghai Jointac International Logistics Co., Ltd) (“SZTIL”). The acquisition of the interest in SZTIL was by means of an Equity Assignment Contract entered into by Teckwah Trading (Shanghai) Co Ltd (“TTS”) and the 51% equity interest-holder of SZTIL. TTS is a wholly-owned subsidiary of Teckwah Logistics Pte Ltd which, in turn, is 100%-owned by Teckwah. Under the terms of the agreement, TTS will pay a consideration of RMB1 for the 51% equity interest in SZTIL. Thereafter, TTS will assume responsibility for paying the unpaid 51% share capital of SZTIL, amounting to RMB2, 550,000.

People’s Republic of China (“PRC”) incorporated SZTIL is a logistics and warehousing service provider with additional capabilities in computer software development and in the technology and electronic goods segment.

Said Mr Thomas Chua Kee Seng, Chairman and Managing Director of Teckwah, “This acquisition will enhance our value proposition to our customers in China and the greater Asian region. We are strengthening our logistics competencies in China so as to build a seamless operational structure there. TTS already offers service parts and reverse logistics services with a portfolio of customers spread across the Asia Pacific Region. We have other subsidiaries operating out of Wuxi, Shenzhen and Suzhou, in addition to Shanghai. With the influx of foreign investment into China and business and infrastructural development, the demand for a full-range of transportation, logistics and warehousing services is set to grow. Enhancing our presence in China will enable us to give greater coverage within China to our customers, particularly to the second and third-tier Chinese cities which are undergoing rapid growth. According to figures released by China Federation of Logistics and Purchasing, China's logistics sector grew steadily, with revenue reaching 74.7 trillion yuan, up 13.7 percent year-on-year.¹ We aim to be an important player in this market.”

The acquisition is not expected to have any significant impact on the net earnings per share and net tangible assets per share of Teckwah for the current financial year ending 31 December 2011.

¹ Source: China Daily: http://www.chinadaily.com.cn/bizchina/2011-09/21/content_13746165.htm.



About Teckwah Industrial Corporation Ltd

Teckwah Industrial Corporation is a leading service provider of customised supply chain management services. Incorporated in Singapore in 1968 and listed first on SESDAQ in 1994 and subsequently on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") in May 2003, Teckwah has operations in Singapore, Malaysia, Indonesia, China, Taiwan, Thailand, Australia, Japan and India with a global network that spans major industrial cities throughout the Asia Pacific Region.

Teckwah offers a variety of solutions which include new packaging solution neupack™, business process outsourcing, e-commerce, web based procurement and fulfillment solution click solution™, service parts logistics and reverse logistics solutions. In recognition of its achievement of business excellence, it was conferred the Singapore Quality Award (SQA) in 2006.

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