

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

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TECKWAH INDUSTRIAL CORPORATION LTD

**First Quarter Ended 31st March 2012
Financial Statement And Dividend Announcement**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Income statement

	Group		
	S\$'000		%
	YTD Mar12	YTD Mar11	incr/ (decr)
a Revenue	43,546	38,276	13.8
b Investment Income	-	-	-
c Other income including interest income :-	428	26	1,546.2
(i) Gain (Loss) on sale of available-for-sale investments, properties and/or plant & equipment included in other income	(27)	(1)	2,600.0
(ii) Interest Income	36	24	50.0
(iii) Other Income	419	3	13,866.7
d Changes in inventories of FG & WIP	641	121	429.8
(i) Write back (allowance) for inventories	21	-	n.m
e Raw Materials and consumables used	(16,221)	(14,565)	11.4
(i) Write back (allowance) for inventories	(4)	3	n.m
f Staff Costs	(9,917)	(8,685)	14.2
g Depreciation, amortisation and impairment expenses	(1,400)	(1,267)	10.5
h Interest on borrowings	(20)	(5)	300.0
i Other operating expenses :-	(13,036)	(11,516)	13.2
(i) foreign exchange gain /(loss)	(496)	(240)	106.7
(ii) Write back (allowance) for doubtful debts	9	1	800.0
j Exceptional items	-	-	-
k Operating profit/(loss) before income tax, non-controlling interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	4,021	2,385	68.6

Income statement (continued)

l	Loss from associated companies	-	-	-
m	Operating profit before income tax	4,021	2,385	68.6
n	Less income tax (indicate basis of computation)	(986)	(621)	58.8
	(i) Adjustment for under (over) provision of tax in respect of prior periods.	1	12	(91.7)
o	Profit for the Period	3,035	1,764	72.1
	Attributable to :-			
p	Owners of the Company	3,046	1,716	77.5
q	Non-controlling Interests	(11)	48	n.m

Group		
S\$'000		%
YTD Mar12	YTD Mar11	incr/ (decr)
-	-	-
4,021	2,385	68.6
(986)	(621)	58.8
1	12	(91.7)
3,035	1,764	72.1
3,046	1,716	77.5
(11)	48	n.m

Statement of Comprehensive Income

Profit for the Period	3,035	1,764	72.1
Other comprehensive income :			
Foreign currency translation	(940)	(513)	n.m
Available-for-sale investment	-	(9)	n.m
Other comprehensive income for the period	(940)	(522)	80.1
Total comprehensive income for the period	2,095	1,242	68.7
The comprehensive income attributable to :-			
Owners of the Company	2,143	1,210	77.1
Non-controlling Interests	(48)	32	n.m

Group		
S\$'000		%
YTD Mar12	YTD Mar11	incr/ (decr)
3,035	1,764	72.1
(940)	(513)	n.m
-	(9)	n.m
(940)	(522)	80.1
2,095	1,242	68.7
2,143	1,210	77.1
(48)	32	n.m

1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Statement of Financial Position	Group		Company	
	Actual	Previous	Actual	Previous
	31-Mar-12 \$'000	31-Dec-11 \$'000	31-Mar-12 \$'000	31-Dec-11 \$'000
ASSETS				
Current assets:				
Cash and cash equivalents	35,753	36,405	6,538	4,899
Trade and other receivables	40,071	41,171	10,080	9,771
Inventories	19,272	20,868	-	-
Total current assets	95,096	98,444	16,618	14,670
Non-current assets:				
Other assets	282	271	-	-
Joint venture	-	-	4,216	4,216
Subsidiaries	-	-	19,829	19,829
Property, plant and equipment	28,167	28,721	1,149	1,076
Land use rights	8,511	8,598	7,816	7,882
Intangible assets	101	103	101	103
Goodwill	6,691	6,691	-	-
Total non-current assets	43,752	44,384	33,111	33,106
Total assets	138,848	142,828	49,729	47,776
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	21,498	27,908	14,436	11,613
Income tax payable	2,819	2,489	47	55
Bank loans	1,013	1,011	-	-
Total current liabilities	25,330	31,408	14,483	11,668
Non-current liabilities:				
Deferred tax liabilities	1,439	1,436	135	135
Total non-current liabilities	1,439	1,436	135	135
Capital, reserves and non-controlling interests:				
Share capital	23,852	23,852	23,852	23,852
Currency translation reserve	(1,015)	(112)	-	-
Retained earnings	88,482	85,436	11,259	12,121
Equity attributable to owners of the company	111,319	109,176	35,111	35,973
Non-controlling interests	760	808	-	-
Total equity	112,079	109,984	35,111	35,973
Total liabilities and equity	138,848	142,828	49,729	47,776

1(b)(ii) Aggregate amount of group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

As at 31/3/12		As at 31/12/11	
Secured	Unsecured	Secured	Unsecured
0	1,013	0	1,011

(b) Amount repayable after one year

As at 31/3/12		As at 31/12/11	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

Details of any collateral

Nil

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of cash flows

	Group	
	Actual	Previous
	31/03/2012	31/03/2011
	S\$'000	S\$'000
Cash flow from operating activities:		
Profit before tax	4,021	2,385
Adjustments for :		
Allowance (Write back of) for doubtful debts	(9)	(1)
Reversal of allowance for inventories	(17)	(4)
Depreciation and amortisation expense	1,400	1,267
Loss on disposal of property, plant and equipment	26	1
Interest income	(36)	(24)
Finance costs	20	5
	5,405	3,629
Operating cash flows before movements in working capital		
Trade and other receivables and other assets	1,098	(741)
Inventories	1,613	353
Trade and other payables	(6,410)	(3,480)
Cash generated from operations	1,706	(239)
Interest paid	(20)	(5)
Income tax paid	(653)	(456)
Net cash from operating activities	1,033	(700)
Cash flow from investing activities:		
Interest received	36	24
Proceeds from disposal of property, plant & equipment	9	1
Purchase of property, plant & equipment	(1,127)	(456)
Net cash used in investing activities	(1,082)	(431)
Cash flows from financing activities:		
Dividends paid	-	-
Repayments of loans	-	(7)
Repayments of obligations under finance leases	-	(3)
Net cash used in financing activities	-	(10)
Net increase (decrease) in cash	(49)	(1,141)
Cash at beginning of period - 1st Jan	36,405	44,238
Effect of foreign exchange rate changes	(603)	(335)
Cash at end of period - 31st Dec	35,753	42,762

1(d)(i) A statement of changes in equity (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of changes in equity

GROUP

	Share capital	Retained earnings	Currency translation reserve	Fair value reserve	Attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 31 Dec 2010	23,852	76,596	(1,141)	28	99,335	404	99,739
Dividends paid	-	-	-	-	-	-	-
Total Comprehensive Income for the period	-	1,716	(497)	(9)	1,210	32	1,242
Balance at 31 Mar 2011	23,852	78,312	(1,638)	19	100,545	436	100,981
Balance at 31 Dec 2011	23,852	85,436	(112)	-	109,176	808	109,984
Dividends paid	-	-	-	-	-	-	-
Total Comprehensive Income for the period	-	3,046	(903)	-	2,143	(48)	2,095
Balance at 31 Mar 2012	23,852	88,482	(1,015)	-	111,319	760	112,079

COMPANY

	Share capital	Retained earnings	Currency translation reserve	Fair value reserve	Attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 31 Dec 2010	23,852	10,312	-	28	34,192	-	34,192
Dividends paid	-	-	-	-	-	-	-
Total Comprehensive Income for the period	-	(415)	-	(9)	(424)	-	(424)
Balance at 31 Mar 2011	23,852	9,897	-	19	33,768	-	33,768
Balance at 31 Dec 2011	23,852	12,121	-	-	35,973	-	35,973
Dividends paid	-	-	-	-	-	-	-
Total Comprehensive Income for the period	-	(862)	-	-	(862)	-	(862)
Balance at 31 Mar 2012	23,852	11,259	-	-	35,111	-	35,111

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Not applicable.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of Issued Shares	
	31/3/12	31/3/11
Balance as at 1 January	233,550,248	233,550,248
Issue of shares	0	0
Balance as at 31 March	<u>233,550,248</u>	<u>233,550,248</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period on.

There is no treasury shares as at the end of current period.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 31 December 2011, except that the group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2012. The adoption of these new/revised FRSs and INT FRSs do not result in changes to the group's and company's accounting policies and has no material effect on the amounts reported for the current or prior years.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per Ordinary Share for the year	31/3/2012	31/3/2011
based on net profit attributable to shareholders :-		
i) Based on the weighted average number of ordinary shares on issue	1.30 cts	0.73 cts
ii) On a fully diluted basis	1.30 cts	0.73 cts

Note

- a. The earnings per ordinary share ("EPS") for the period ended March 31, 2012 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (March 31, 2011 = 233,550,248) ordinary shares
- b. Fully diluted EPS for the period ended March 31, 2012 is calculated on 233,550,248 (March 31, 2011, Diluted EPS is calculated at 233,550,248) ordinary shares assuming all the fully exercise of employee shares option during the year and adjusting for the number of ordinary shares in issue to reflect the effect of all potentially dilutive ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	GROUP		COMPANY	
	Mar'12	Dec'11	Mar'12	Dec'11
Net Asset Value Per Ordinary Share based On issued share capital at the end of the period	47.66 cts	46.75 cts	15.03 cts	15.40 cts

Note: The net asset value per ordinary share for the period ended March 31, 2012 have been calculated base on the issued share capital of 233,550,248 shares (December 31, 2011: 233,550,248)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

The Group's revenue for the first quarter ended 31 March 2012 when compared over the same period last year, increased by 13.8% from \$38.3 million to \$43.5 million.

The Print-related business accounted for 65.3% of the Group's revenue and the Non-print business contributed the balance of 34.7%. In terms of geographical perspective, the Singapore operations remain the main contributor of the Group's revenue, accounting for 64.4%. The China operations continue to be the second largest contributor, accounting for 21.6%.

The revenue for the Print-related business grew by 8.7% from \$26.1 million to \$28.4 million while the Non-print business registered a 25.2% growth in revenue from \$12.0 million to \$15.1 million. Growth in both business segments was mainly due to the increase in activities from existing customers.

The Group's operating profit before tax for the first quarter ended 31 March 2012 grew by 68.6% from \$2.4million to \$4.0million. The increase came from increased business activities. There was also profit (\$0.4m) from a one-time compensation from an existing customer.

The operating profit before tax for the Print-related business (after allocation of corporate services expenses) increased by 178.6% from \$0.6 million to \$1.7 million. The increase was mainly due to increase in demand from existing customers.

The operating profit before tax for the Non-print business (after allocation of corporate services expenses) grew by 31.8% from \$1.8 million for the first quarter of FY2011 to \$2.4 million for the same period of FY2012. The higher operating profit was mainly attributed to the contribution from the increased activities from the existing customers, and the one time compensation as mentioned above.

The Group generated positive cash flow of \$1.7 million from operations after working capital changes. This is mainly attributable to the increase in profitability. It was \$0.2 million negative cash flow for the same period last year.

Overall as of 31st March 2012, the Group's cash and cash equivalents remains healthy at approximately \$35.8 million. The Group's gearing remains low at 0.91%.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The results are in line with the prospect statement that was disclosed during the full year 2011 announcement.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The global economic outlook remains uncertain. The Group will continue to focus on its growth for both the non print and print business segments. The stiff competition in the region has continued to put pressure on pricing and the rising operating cost will squeeze our margins. The Group will continue to enhance its cost management measures and productivity improvement initiatives, and to seek new upstream activities to widen revenue sources.

Barring any unforeseen circumstances, the Directors expect the Group to remain profitable for the current year.

11. Dividend (to amend accordingly)

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

12. If no dividend has been declared/recommended, a statement to that effect

Not Applicable

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The company did not obtain a general mandate from shareholders for IPTs.

14. Confirmation Pursuant to Rule 705(5) of the Listing Manual

The Board of Directors do hereby confirm that to the best of their knowledge, nothing has come to their attention which may render the un-audited results of the Group, for the first quarter ending March 31, 2012, to be false or misleading.

**BY ORDER OF THE BOARD
Thomas Chua Kee Seng
Chairman & Managing Director
May 15, 2012
Singapore**