

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".

**teckwah**  
group®

**TECKWAH INDUSTRIAL CORPORATION LTD**

**Half Year Financial Statement Announcement**

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

**1(a) A income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

Income statement	Group		
	S\$'000		%
	YTD Jun'11	YTD Jun'10	incr/ (decr)
a Revenue	79,728	75,137	6.1
b Investment Income	-	-	-
c Other income including interest income :-	721	194	271.6
(i) Gain (Loss) on sale of available-for-sale investments, properties and/or plant & equipment included in other income	324	(8)	n.m
(ii) Interest Income	74	47	57.4
(iii) Other Income	323	155	108.4
d Changes in inventories of FG & WIP	336	(199)	n.m
(i) Write back ( allowance ) for inventories	(1)	(20)	(95.0)
e Raw Materials and consumables used	(29,942)	(27,194)	10.1
(i) Write back (allowance) for inventories	2	(72)	n.m
f Staff Costs	(18,634)	(15,546)	19.9
g Depreciation, amortisation and impairment expenses	(2,528)	(2,573)	(1.7)
h Interest on borrowings	(12)	(18)	(33.3)
i Other operating expenses :-	(23,875)	(20,800)	14.8
(i) foreign exchange gain /(loss)	(501)	(242)	107.0
(ii) Write back (allowance) for doubtful debts	1	10	(90.0)
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	5,794	9,001	(35.6)

**Income statement (continued)**

l	Loss from associated companies	-	-	-
m	Operating profit before income tax	5,794	9,001	(35.6)
n	Less income tax ( indicate basis of computation)	(1,368)	(1,580)	(13.4)
	( i ) Adjustment for under (over) provision of tax in respect of prior periods.	12	126	(90.5)
o	Profit for the Period	4,426	7,421	(40.4)
	Attributable to :-			
p	Owners of the Company	4,362	7,351	(40.7)
q	Non-controlling Interests	64	70	(8.6)

Group		
S\$'000		%
YTD Jun'11	YTD Jun'10	incr/ (decr)
-	-	-
5,794	9,001	(35.6)
(1,368)	(1,580)	(13.4)
12	126	(90.5)
4,426	7,421	(40.4)
Attributable to :-		
4,362	7,351	(40.7)
64	70	(8.6)

**Statement of Comprehensive Income**

Profit for the Period	4,426	7,421	(40.4)
Other comprehensive income :			
Foreign currency translation	(1,008)	530	(290.2)
Available-for-sale investment	2	91	(97.8)
Other comprehensive income for the period	(1,006)	621	
Total comprehensive income for the period	3,420	8,042	(57.5)
The comprehensive income attributable to :-			
Owners of the Company	3,376	7,959	(57.6)
Non-controlling Interests	44	83	(47.0)

Group		
S\$'000		%
YTD Jun'11	YTD Jun'10	incr/ (decr)
4,426	7,421	(40.4)
(1,008)	530	(290.2)
2	91	(97.8)
(1,006)	621	
3,420	8,042	(57.5)
The comprehensive income attributable to :-		
3,376	7,959	(57.6)
44	83	(47.0)

**1(b)(i) A balance sheet (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 30-Jun-11 \$'000	Previous 31-Dec-10 \$'000	Actual 30-Jun-11 \$'000	Previous 31-Dec-10 \$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	41,528	44,238	11,656	11,491
Available-for-sale investments	359	357	359	357
Trade and other receivables	35,396	35,651	9,825	6,977
Inventories	19,591	17,996	-	-
	<u>96,874</u>	<u>98,242</u>	<u>21,840</u>	<u>18,825</u>
<b>Non-current assets:</b>				
Other assets	1,010	1,068	-	-
Joint Venture	-	-	4,216	4,216
Subsidiaries	-	-	19,555	19,555
Property, plant & equipment	23,059	23,840	1,146	906
Land use rights	685	711	-	-
Investment properties	204	1,093	-	-
Intangible assets	108	114	108	114
Goodwill	6,691	6,691	-	-
<b>Total non-current assets</b>	<u>31,757</u>	<u>33,517</u>	<u>25,025</u>	<u>24,791</u>
<b>Total assets</b>	<u>128,631</u>	<u>131,759</u>	<u>46,865</u>	<u>43,616</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade and other payables	22,972	26,932	15,548	9,028
Income tax payable	3,124	3,356	256	258
Finance leases - current portion	-	3	-	3
Bank loans - current portion	-	7	-	-
<b>Total current liabilities</b>	<u>26,096</u>	<u>30,298</u>	<u>15,804</u>	<u>9,289</u>
<b>Non-current liabilities:</b>				
Finance leases	-	-	-	-
Deferred tax liabilities	1,712	1,722	135	135
<b>Total non-current liabilities</b>	<u>1,712</u>	<u>1,722</u>	<u>135</u>	<u>135</u>
<b>Capital and reserves:</b>				
Share capital	23,852	23,852	23,852	23,852
Currency translation reserve	(2,129)	(1,141)	-	-
Fair value reserve	30	28	30	28
Retained earnings	78,622	76,596	7,044	10,312
<b>Equity attributable to owners of the company</b>	<u>100,375</u>	<u>99,335</u>	<u>30,926</u>	<u>34,192</u>
Non-controlling interests	448	404	-	-
<b>Total equity</b>	<u>100,823</u>	<u>99,739</u>	<u>30,926</u>	<u>34,192</u>
<b>Total liabilities and equity</b>	<u>128,631</u>	<u>131,759</u>	<u>46,865</u>	<u>43,616</u>

**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 30/06/11		As at 31/12/10	
Secured	Unsecured	Secured	Unsecured
0	0	10	0

(b) Amount repayable after one year

As at 30/06/11		As at 31/12/10	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

**Details of any collateral**

For FY 2010

The finance leases are secured by a charge over the assets under hire purchase.

Some long term loans are secured by a fixed charge on certain equipment of the Company.

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

**Statement of cash flows**

	Group	
	Actual 30/06/11 S\$'000	Previous 30/06/10 S\$'000
<b>Cash flow from operating activities:</b>		
Profit before income tax	5,794	9,001
Adjustment for :		
Allowance (write back) for doubtful debts	(1)	(10)
Allowance (write back) for inventories	(1)	92
Depreciation and amortisation expense	2,513	2,568
Amortisation of intangibles	15	5
(Gain)/ Loss on disposal of property, plant and equipment	(101)	8
(Gain)/ Loss on disposal of investment property	(222)	0
Interest income	(74)	(47)
Interest expense	12	18
	<b>7,935</b>	<b>11,635</b>
<b>Operating profit before working capital changes</b>		
Trade and other receivables and other assets	314	(3,530)
Inventories	(1,594)	(1,155)
Trade and other payables	(3,960)	(3,043)
	<b>2,695</b>	<b>3,907</b>
<b>Cash generated from operations</b>		
Interest paid	(12)	(18)
Income tax paid	(1,611)	(947)
	<b>1,072</b>	<b>2,942</b>
<b>Net cash from operating activities</b>		
<b>Cash flow from investing activities:</b>		
Interest received	74	47
Purchase of available-for-sale investment	0	(889)
Proceeds from disposal of property, plant & equipment	129	13
Proceeds from disposal of investment property	1,101	0
Purchase of property, plant & equipment	(2,085)	(600)
<b>Net cash used in investing activities</b>	<b>(781)</b>	<b>(1,429)</b>
<b>Cash flows from financing activities:</b>		
Dividends paid	(2,336)	(4,671)
Repayments of loans	(7)	(71)
Repayments of obligations under finance leases	(3)	(19)
	<b>(2,346)</b>	<b>(4,761)</b>
<b>Net cash used in financing activities</b>		
Net increase ( decrease ) in cash and cash equivalents	(2,055)	(3,248)
Cash at beginning of period - 1st Jan	44,238	43,096
Effect of foreign exchange rate changes	(655)	343
Cash and cash equivalents at end of period - 30th Jun	<b>41,528</b>	<b>40,191</b>

**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 S\$'000	Retained earnings S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Attributable to owners of the company S\$'000	Non- controlling interests S\$'000	Total S\$'000
Balance at 31 Dec 2009	23,852	71,172	42	-	95,066	315	95,381
Dividends paid	-	(4,671)	-	-	(4,671)	-	(4,671)
Total Comprehensive Income for the period	-	7,442	517	-	7,959	83	8,042
Balance at 30 Jun 2010	23,852	73,943	559	-	98,354	398	98,752
Balance at 31 Dec 2010	23,852	76,596	(1,141)	28	99,335	404	99,739
Dividends paid	-	(2,336)	-	-	(2,336)	-	(2,336)
Total Comprehensive Income for the period	-	4,362	(988)	2	3,376	44	3,420
Balance at 30 Jun 2011	23,852	78,622	(2,129)	30	100,375	448	100,823

**COMPANY**

	Share Capital S\$'000	Retained earnings S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Attributable to owners of the company S\$'000	Non- controlling interests S\$'000	Total S\$'000
Balance at 31 Dec 2009	23,852	13,200	-	-	37,052	-	37,052
Dividends paid	-	(4,671)	-	-	(4,671)	-	(4,671)
Total Comprehensive Income for the period	-	330	-	-	330	-	330
Balance at 30 Jun 2010	23,852	8,859	-	-	32,711	-	32,711
Balance at 31 Dec 2010	23,852	10,312	-	28	34,192	-	34,192
Dividends paid	-	(2,336)	-	-	(2,336)	-	(2,336)
Total Comprehensive Income for the period	-	(932)	-	2	(930)	-	(930)
Balance at 30 Jun 2011	23,852	7,044	-	30	30,926	-	30,926

**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	
	30/6/11	30/6/10
Balance as at 1 January	233,550,248	233,550,248
Issue of shares	0	0
Balance as at 30 June	<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 2010, 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, 2011. 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	30/6/2011	30/6/2010
based on net profit attributable to shareholders :-		
i) Based on the weighted average number of ordinary shares on issue	1.87 cts	3.15 cts

ii) On a fully diluted basis

1.87 cts

3.15 cts

Note

- a. The earnings per ordinary share ("EPS") for the period ended June 30, 2011 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (June 30, 2010 = 233,550,248) ordinary shares
- b. Fully diluted EPS for the period ended June 30, 2011 is calculated on 233,550,248 (June 30, 2010, 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	
Net Asset Value Per Ordinary Share based On issued share capital at the end of the period	Jun'11	Dec'10	Jun'11	Dec'10
	42.98 cts	42.53 cts	13.24 cts	14.64 cts

Note: The net asset value per ordinary share for the period ended June 30, 2011 have been calculated base on the issued share capital of 233,550,248 shares (December 31, 2010: 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 half year increased by 6.1% from \$75.1 million to \$79.7 million.

The Print-related business accounted for 68.4% of the Group's revenue and the Non-print business contributed the balance of 31.6%. In terms of geographical perspective, the Singapore operations remain the main revenue contributor of the Group's sales. The China operations are the second largest contributor.

The revenue of Print-related business dropped by 3.8% from \$56.7 million to \$ 54.5million due mainly to lower sales registered by both the Singapore and Australia entities as a result of price reduction and lower volumes. The drop in Print revenue was cushioned by the increased demand from customers in China. The Non-print business however registered a 36.5% growth in revenue for the first half year from \$18.3million to \$25.0million due mainly to increased transaction activities from the existing customers as well as new contributions from projects secured during the last quarter of FY 2010.

The Group's operating profit before tax for the first half year declined by 35.6% from \$9.0million to \$5.8million.

The operating profit before tax for the Print-related business (after allocation of corporate services expenses) dropped by 60.7% from \$5.6million to \$2.2 million. The drop was mainly



attributed to price reduction to key customers, lower demand from some customers, increase in material prices as well as increase in cost of operations, predominantly in the areas of transportation, rental and staff cost. The strong Singapore Dollar also resulted in unfavorable foreign exchange fluctuations.

The operating profit before tax for the Non-print business (after allocation of corporate services expenses) grew by 5.9% from \$3.4million to \$3.6million for the same period last year. The higher profit was mainly attributed to the contribution from the increased transaction activities of current projects. New projects secured have not started contributing due to the initial start-up expenses incurred.

The Group generated positive cash flow of \$2.7million from operations after working capital changes. It was \$3.9million for the same period last year. The reduction in cash flow generated from operations after working capital changes is mainly attributed to the reduction in profits generated as well as payment for inventories transferred for new projects.

Overall as of 30<sup>th</sup> June 2011, the Group's cash and cash equivalents remains healthy at approximately \$41.5million. The Group currently has no external debts.

**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 2010 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. For the print segment there is continued price pressure from customers due to stiff competition from the region. The Group will continue to enhance its cost management measures and productivity improvement initiatives, and to seek new upstream activities to widen revenue source to mitigate the increase in operating cost.

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***

Name of dividend	:	Interim
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	0.5 cent

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Name of dividend	:	Interim
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	1 cent

***(c) Date payable***

To be announced later

**(d) Books closure date**

To be announced later

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

Not Applicable

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not Applicable.

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable.

**15. A breakdown of sales**

Not applicable.

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable.

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

**Confirmation by the Board Pursuant to Rule (705) 4 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 half year ending June 30, 2011, to be false or misleading.

**BY ORDER OF THE BOARD  
Thomas Chua Kee Seng  
Chairman & Managing Director  
August 12, 2011  
Singapore**