

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

	Group		
	S\$'000		%
	YTD Jun08	YTD Jun07	incr/ (decr)
a Revenue	73,775	78,738	(6.3)
b Investment Income	-	-	-
c Other income including interest income :-	59	400	(85.3)
(i) Gain (Loss) on sale of investments, properties and/or plant & equipment included in other income	(85)	90	(194.4)
(ii) Interest Income	112	298	(62.4)
(iii) Other Income	32	11	190.9
d Changes in inventories of FG & WIP	2,339	1,078	117.0
(i) Write back ( allowance ) for inventories	(12)	(29)	(58.6)
e Raw Materials and consumables used	(37,957)	(38,420)	(1.2)
f Staff Costs	(13,696)	(14,546)	(5.8)
g Depreciation and amortisation	(2,756)	(2,607)	5.7
h Interest on borrowings	(94)	(90)	4.4
i Other operating expenses :-	(19,129)	(19,638)	(2.6)
(i ) foreign exchange gain /(loss)	(492)	161	(405.6)
(ii ) Write back (allowance) for doubtful debts	(2)	(196)	(99.0)
j Exceptional items	-	-	-
k Operating profit/(loss) before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	2,541	4,915	(48.3)

Group			
	S\$'000	%	
	YTD Jun08	YTD Jun07	
		incr/ (decr)	
l Income/(loss) from associated companies	(6)	(131)	(95.4)
m Operating profit before income tax	2,535	4,784	(47.0)
n Less income tax ( indicate basis of computation)	(634)	(1,116)	(43.2)
( i ) Adjustment for under or (over) provision of tax in respect of prior periods.	(10)	54	(118.5)
o Profit for the Year	1,901	3,668	(48.2)
Attributable to :-			
p Equity Holders of the Company	1,951	3,716	(47.5)
q Minority Interests	(50)	(48)	4.2

**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**

	<b>Group</b>		<b>Company</b>	
	Actual 30-Jun-08 \$'000	Previous 31-Dec-07 \$'000	Actual 30-Jun-08 \$'000	Previous 31-Dec-07 \$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash	22,597	23,286	2,818	7,088
Trade receivables	31,157	30,396	13,346	12,063
Other receivables & prepayments	4,542	4,873	2,827	3,831
Inventories	17,367	17,767	-	-
<b>Total current assets</b>	<b>75,663</b>	<b>76,322</b>	<b>18,991</b>	<b>22,982</b>
<b>Non-current assets:</b>				
Investment in joint venture	-	-	4,216	4,216
Investment in associates	107	180	-	-
Investment in subsidiaries	-	-	19,054	19,054
Property, plant & equipment	26,442	27,779	1,968	2,161
Land Use Rights	739	754	-	-
Investment properties	1,117	1,168	-	-
Intangible assets	739	861	140	145
Goodwill	7,867	7,829	-	-
<b>Total non-current assets</b>	<b>37,011</b>	<b>38,571</b>	<b>25,378</b>	<b>25,576</b>
<b>Total assets</b>	<b>112,674</b>	<b>114,893</b>	<b>44,369</b>	<b>48,558</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank loans and overdrafts	1,587	429	-	-
Trade payables	14,678	14,632	439	546
Other payables	7,450	9,787	9,590	10,718
Income tax payable	2,629	2,761	230	254
Finance leases - current portion	37	121	37	37
Long term loans - current portion	212	796	-	-
<b>Total current liabilities</b>	<b>26,593</b>	<b>28,526</b>	<b>10,296</b>	<b>11,555</b>
<b>Non-current liabilities:</b>				
Finance leases	58	77	58	77
Long-term loans	232	316	-	-
Deferred tax liabilities	1,884	1,895	57	57
<b>Total non-current liabilities</b>	<b>2,174</b>	<b>2,288</b>	<b>115</b>	<b>134</b>
<b>Capital and reserves:</b>				
Share capital	23,852	23,852	23,852	23,852
Non-distributable reserves	(551)	(353)	(65)	(72)
Accumulated profits	60,462	60,379	10,171	13,089
<b>Total capital and reserves</b>	<b>83,763</b>	<b>83,878</b>	<b>33,958</b>	<b>36,869</b>
Minority interests	144	201	-	-
<b>Total capital and reserves and minority interests</b>	<b>83,907</b>	<b>84,079</b>	<b>33,958</b>	<b>36,869</b>
<b>Total liabilities and equity</b>	<b>112,674</b>	<b>114,893</b>	<b>44,369</b>	<b>48,558</b>

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

**Amount repayable in one year or less, or on demand**

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

As at 30/6/08		As at 31/12/07	
Secured	Unsecured	Secured	Unsecured
212	1,624	447	899

(b) Amount repayable after one year

As at 30/6/08		As at 31/12/07	
Secured	Unsecured	Secured	Unsecured
232	58	316	77

**Details of any collateral**

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**

**Cash Flow statement**

	Group	
	Actual 30/06/08 S\$'000	Previous 30/6/07 S\$'000
<b>Cash flow from operating activities:</b>		
Profit before income tax	2,535	4,784
Adjustment for :		
Share of loss of associates	6	131
Depreciation and amortisation expense	2,614	2,472
Impairment loss on property, plant and equipment	74	3
Amortisation of intangibles	142	135
Loss (Gain) on disposal of property, plant and equipment	25	(93)
Fixed asset written off	6	0
Gain on disposal of associate	(20)	0
Interest income	(112)	(298)
Interest expense	94	90
	<b>5,364</b>	<b>7,224</b>
<b>Operating profit before working capital changes</b>		
Trade receivables	(761)	9,755
Other receivables and prepayments	331	696
Inventories	400	(2,786)
Trade payables	46	(4,037)
Other payables	(2,337)	(788)
	<b>3,043</b>	<b>10,064</b>
<b>Cash generated from operations</b>		
Interest paid	(94)	(90)
Income tax paid	(777)	(1,126)
	<b>2,172</b>	<b>8,848</b>
<b>Net cash from operating activities</b>		
<b>Cash flow from investing activities:</b>		
Interest received	112	298
Proceed from disposl of associate	86	0
Proceeds from disposal of property, plant & equipment	76	173
Purchase of property, plant & equipment	(1,626)	(1,645)
<b>Net cash used in investing activities</b>	<b>(1,352)</b>	<b>(1,174)</b>
<b>Net cash flows from financing activities:</b>		
Proceeds from issue of shares	0	102
Dividends paid	(1,868)	(1,898)
Proceeds from bank loans	1,158	292
Repayment of long-term loans	(668)	(615)
Repayments of obligations under finance leases	(103)	(133)
	<b>(1,481)</b>	<b>(2,252)</b>
<b>Net cash used in financing activities</b>		
Net (decrease) increase in cash	(661)	5,422
Cash at beginning of period - 1st Jan	23,286	23,496
Effect of foreign exchange rate changes	(28)	87
Cash at end of period - 30th June	<b>22,597</b>	<b>29,005</b>

**1(d)(i) A statement (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**

**GROUP**

	Share Capital S\$'000	Share Premium S\$'000	Accumulated Profits S\$'000	Currency Translation Reserves S\$'000	Attributable to equity holder of the parent	Minority Interests S\$'000	Total S\$'000
Balance at 31 Dec 2006	23,383	-	64,500	(337)	87,546	286	87,832
Dividends paid	-	-	(1,898)	-	(1,898)	-	(1,898)
Proposed dividend	-	-	-	-	-	-	-
Currency translation	-	-	-	607	607	2	609
Acquisition of equity interest from minority	-	-	-	-	-	-	-
Net profit for the year	-	-	3,716	-	3,716	(48)	3,668
Employee share subscribed	102	-	-	-	102	-	102
Balance at 30 Jun 2007	23,485	-	66,318	270	90,073	240	90,313
Balance at 31 Dec 2007	23,852	-	60,379	(353)	83,878	201	84,079
Dividends paid	-	-	(1,868)	-	(1,868)	-	(1,868)
Transfer from share premium	-	-	-	-	-	-	-
Currency translation	-	-	-	(198)	(198)	(7)	(205)
Net profit for the year	-	-	1,951	-	1,951	(50)	1,901
Employee share subscribed	-	-	-	-	-	-	-
Balance at 30 Jun 2008	23,852	-	60,462	(551)	83,763	144	83,907

**COMPANY**

	Share Capital S\$'000	Share Premium S\$'000	Accumulated Profits S\$'000	Currency Translation Reserves S\$'000	Attributable to equity holder of the parent	Minority Interests S\$'000	Total S\$'000
Balance at 31 Dec 2006	23,383	-	23,458	(33)	46,808	-	46,808
Dividends paid	-	-	(1,898)	-	(1,898)	-	(1,898)
Proposed dividend	-	-	-	-	-	-	-
Currency translation	-	-	-	(4)	(4)	-	(4)
Net profit/(loss) for the year	-	-	(639)	-	(639)	-	(639)
Share option exercised	102	-	-	-	102	-	102
Balance at 30 Jun 2006	23,485	-	20,921	(37)	44,369	-	44,369
Balance at 31 Dec 2006	23,852	-	13,089	(72)	36,869	-	36,869
Dividends paid	-	-	(1,868)	-	(1,868)	-	(1,868)
Transfer from share premium	-	-	-	-	-	-	-
Currency translation	-	-	-	7	-	-	7
Net profit/(loss) for the year	-	-	(1,050)	-	(1,050)	-	(1,050)
Share option exercised	-	-	-	-	-	-	-
Balance at 30 Jun 2007	23,852	-	10,171	(65)	33,958	-	33,958

**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**

No shares were exercised by employees under the share option scheme during the period. The share option scheme lapsed on 13/4/2008.

**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	
	30/6/2008	30/6/2007
Balance as of 1 January	233,550,248	231,018,248
Issue of shares	-	548,000
Balance as of 30 June	<u>233,550,248</u>	<u>231,566,248</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.**

Not applicable. 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 half year announcement for the current financial period as those of the audited financial statements for the year ended 31 December 2007, as well as all the applicable Financial Reporting Standards ('FRS') which became effective for the financial year beginning on or after 1 January 2008. The adoption of these FRS has no material impact on the half year announcement for the current financial period.

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**

Please refer to paragraph 4.

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 based on net profit attributable to shareholders :-	30/6/2008	30/6/2007
i) Based on the weighted average number of ordinary shares on issue	0.84 cts	1.61 cts
ii) On a fully diluted basis	0.84 cts	1.60 cts

Note

- a. The earnings per ordinary share ("EPS") for the period ended June 30, 2008 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (June 30,2007 = 231,268,248) ordinary shares
- b. Fully diluted EPS for the period ended June 30, 2008 is calculated on 233,550,248 (June 30, 2007 = 231,721,903) 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	
	Jun'08	Dec'07	Jun'08	Dec'07
Net Asset Value Per Ordinary Share based On issued share capital at the end of the period	35.87cts	35.91cts	14.54cts	15.79cts

Note: The net asset value per ordinary share for the period ended June 30, 2008 have been calculated base on the issued share capital of 233,550,248 shares (December 31, 2007: 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 performance of the Group in the first half of the current financial year saw the impacts of the global economic slow down and increase in production and operating costs as a result of inflation.

Both the Print and Non-Print business reported lower sales performance due to weaker demand and global consolidation initiatives by certain customers. Sales revenue from Print business declined by 5% to \$61.3million while Non-Print business declined by 12% to \$12.4million respectively. Geographically, sales contribution to the Group from the Singapore operations dropped from 58.9% to 52.3% while the China operations increased its contribution from 23.7% to 27.4 %.

The Group's pretax operating profit declined from \$4.8million (1H FY2007) to \$2.5million mainly due to the lower sales and the higher cost of raw materials during the period under review, coupled with the weakness of the US Dollar versus the other operating currencies of the Group which resulted in a foreign exchange loss of \$0.5million,

Notwithstanding the lower performance, the Group maintained its healthy cash-flow and strong balance sheet. As at 30 June 2008, cash balance stood at approximately \$22.5 million. Operating activities generated cash inflow of \$5.4million compared to \$7.2million generated during the same period in the last financial year. Supported by its strong cash position, the Group has very little borrowings with a gearing of 0.03 times.

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

The current half year result is in line with the prospect statement that was disclosed during the full year 2007 announcements.

**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**

High energy cost, fluctuating exchange rates and rising business costs continue to be the key challenges during the second half of the year. The management will continue to focus on cost management initiatives and to grow the business both organically and through selective acquisitions in the region.

Barring any unforeseen circumstances, the Directors expect the Group to remain profitable for the full year in 2008.

**11. Dividend (to amend accordingly)**

***(a) Current Financial Period Reported On***

Not applicable

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

Name of Dividend :	Special Interim
Dividend Type :	Cash
Dividend amount per share (in cents):	4.3 cents (net of tax)
Dividend Rate :	53%

Tax Rate : 18%

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

**12. If no dividend has been declared/recommendeded, 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 interim results of the Group, for the half year ending June 30, 2008, to be false or misleading.

**BY ORDER OF THE BOARD  
Thomas Chua Kee Seng  
Chairman & Managing Director  
August 11, 2008  
Singapore**