

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**

**Full 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 Dec08	YTD Dec07	incr/ (decr)
Revenue	158,031	158,102	(0.0)
Investment Income	-	-	-
Other income including interest income :-	269	499	(46.1)
	-	-	
( i ) Loss on sale of investments, properties and/or plant & equipment included in other income	(44)	(123)	(64.2)
( ii ) Interest Income	204	607	(66.4)
( iii ) Other Income	109	15	n.m
Changes in inventories of FG & WIP	3,555	1,899	87.2
( i ) Write back ( allowance ) for inventories	(404)	(49)	n.m
Raw Materials and consumables used	(80,391)	(76,553)	5.0
Staff Costs	(29,794)	(29,761)	0.1
Depreciation, amortisation and impairment expenses	(6,586)	(5,913)	11.4
Interest on borrowings	(186)	(159)	17.0
Other operating expenses :-	(39,521)	(39,306)	0.5
( i ) foreign exchange gain /(loss)	(502)	(831)	(39.6)
( ii ) Write back (allowance) for doubtful debts	(71)	(80)	(11.3)
Exceptional items	-	-	-
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	5,377	8,808	(39.0)

	Group		
	S\$'000		%
	YTD Dec08	YTD Dec07	incr/ (decr)
Loss from associated companies	(79)	(166)	(52.4)
Operating profit before income tax	5,298	8,642	(38.7)
Less income tax ( indicate basis of computation)	(1,123)	(903)	24.4
( i ) Adjustment for over provision of tax in respect of prior periods.	(405)	(702)	(42.3)
Profit for the Year	4,175	7,739	(46.1)
Attributable to :-			
Equity Holders of the Company	4,213	7,819	(46.1)
Minority Interests	(37)	(80)	(53.8)

**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 31-Dec-08 \$'000	Previous 31-Dec-07 \$'000	Actual 31-Dec-08 \$'000	Previous 31-Dec-07 \$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash	28,056	23,286	6,657	7,088
Trade receivables	30,924	30,396	14,426	12,063
Other receivables & prepayments	4,410	4,873	2,407	3,831
Inventories	14,916	17,767	-	-
	<u>78,306</u>	<u>76,322</u>	<u>23,490</u>	<u>22,982</u>
<b>Non-current assets:</b>				
Investment in joint venture	-	-	4,216	4,216
Investment in associates	34	180	-	-
Investment in subsidiaries	-	-	19,432	19,054
Property, plant & equipment	26,132	27,779	1,803	2,161
Land Use Right	789	754	-	-
Investment properties	1,112	1,168	-	-
Intangible assets	484	861	134	145
Goodwill	6,691	7,829	-	-
Deposit	1,137	-	-	-
Other assets	338	-	-	-
<b>Total non-current assets</b>	<u>36,717</u>	<u>38,571</u>	<u>25,585</u>	<u>25,576</u>
<b>Total assets</b>	<u>115,023</u>	<u>114,893</u>	<u>49,075</u>	<u>48,558</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank loans and overdrafts	1,055	429	-	-
Trade payables	13,211	14,632	304	546
Other payables	8,545	9,787	11,110	10,718
Income tax payable	3,083	2,761	240	254
Finance leases - current portion	37	121	37	37
Long term loans - current portion	142	796	-	-
<b>Total current liabilities</b>	<u>26,073</u>	<u>28,526</u>	<u>11,691</u>	<u>11,555</u>
<b>Non-current liabilities:</b>				
Finance leases	40	77	40	77
Long-term loans	164	316	-	-
Deferred tax liabilities	1,173	1,895	135	57
<b>Total non-current liabilities</b>	<u>1,377</u>	<u>2,288</u>	<u>175</u>	<u>134</u>
<b>Capital and reserves:</b>				
Share capital	23,852	23,852	23,852	23,852
Currency Translation Reserves	842	(353)	(83)	(72)
Accumulated profits	62,723	60,379	13,440	13,089
<b>Total capital and reserves</b>	<u>87,417</u>	<u>83,878</u>	<u>37,209</u>	<u>36,869</u>
Minority interests	156	201	-	-
<b>Total capital and reserves and minority interests</b>	<u>87,573</u>	<u>84,079</u>	<u>37,209</u>	<u>36,869</u>
<b>Total liabilities and equity</b>	<u>115,023</u>	<u>114,893</u>	<u>49,075</u>	<u>48,558</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 31/12/08		As at 31/12/07	
Secured	Unsecured	Secured	Unsecured
179	1,055	84	899

(b) Amount repayable after one year

As at 31/12/08		As at 31/12/07	
Secured	Unsecured	Secured	Unsecured
204	0	680	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 31/12/08 S\$'000	Previous 31/12/07 S\$'000
<b>Cash flow from operating activities:</b>		
Profit before income tax	5,298	8,642
Adjustment for :		
Share of loss of associates	79	166
Depreciation and amortisation expense	5,222	4,932
Impairment loss on property, plant and equipment	74	147
Impairment of goodwill	1,094	582
Amortisation of intangibles	270	374
Goodwill written off	0	25
(Gain) / Loss on capital reduction of associate	(68)	0
(Gain)/ Loss on disposal of property, plant and equipment	21	(24)
(Gain) /Loss on disposal of associate	(20)	0
(Gain) /Loss on disposal of subsidiary	37	0
Interest income	(204)	(607)
Interest expense	186	159
	<b>11,989</b>	<b>14,396</b>
<b>Operating profit before working capital changes</b>		
Trade receivables	(528)	6,506
Other receivables and prepayments	(1,012)	(411)
Inventories	2,851	(1,733)
Trade payables	(1,421)	(610)
Other payables	(1,242)	(1,195)
	<b>10,637</b>	<b>16,953</b>
<b>Cash generated from operations</b>		
Interest paid	(186)	(159)
Income tax paid	(1,523)	(1,109)
	<b>8,928</b>	<b>15,685</b>
<b>Net cash from operating activities</b>		
<b>Cash flow from investing activities:</b>		
Interest received	204	607
Proceeds from disposal of associate	86	0
Proceeds from disposal of subsidiary	4	0
Proceeds from disposal of property, plant & equipment	231	241
Proceed from capital reduction of associate	68	0
Purchase of property, plant & equipment	(3,455)	(4,057)
<b>Net cash used in investing activities</b>	<b>(2,862)</b>	<b>(3,209)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issue of shares	0	469
Dividends paid	(1,868)	(11,940)
Proceeds/(Repayment) of bank loans	574	429
Repayment of long-term loans	(782)	(1,272)
Repayments of obligations under finance leases	(121)	(277)
<b>Net cash used in financing activities</b>	<b>(2,197)</b>	<b>(12,591)</b>
Net increase ( decrease ) in cash	3,869	(115)
Cash at beginning of period - 1st Jan	23,286	23,496
Effect of foreign exchange rate changes	901	(95)
Cash at end of period - 31st Dec	<b>28,056</b>	<b>23,286</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 S\$'000	Minority Interests S\$'000	Total S\$'000
Balance at 31 Dec 2006	23,383	-	64,500	(337)	87,546	286	87,832
Dividends paid	-	-	(11,940)	-	(11,940)	-	(11,940)
Transfer from share premium	-	-	-	-	-	-	-
Currency translation	-	-	-	(16)	(16)	(5)	(21)
Net profit for the year	-	-	7,819	-	7,819	(80)	7,739
Employee share subscribed	469	-	-	-	469	-	469
Balance at 31 Dec 2007	23,852	-	60,379	(353)	83,878	201	84,079

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	-	-	-	1,195	1,195	(8)	1,187
Net profit for the year	-	-	4,212	-	4,212	(37)	4,175
Employee share subscribed	-	-	-	-	-	-	-
Balance at 31 Dec 2008	23,852	-	62,723	842	87,417	156	87,573

**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 S\$'000	Minority Interests S\$'000	Total S\$'000
Balance at 31 Dec 2006	23,383	-	23,458	(33)	46,808	-	46,808
Dividends paid	-	-	(11,940)	-	(11,940)	-	(11,940)
Transfer from share premium	-	-	-	-	-	-	-
Currency translation	-	-	-	(39)	(39)	-	(39)
Net profit/(loss) for the year	-	-	1,571	-	1,571	-	1,571
Share option exercised	469	-	-	-	469	-	469
Balance at 31 Dec 2007	23,852	-	13,089	(72)	36,869	-	36,869

Balance at 31 Dec 2007	23,852	-	13,089	(72)	36,869	-	36,869
Dividends paid	-	-	(1,868)	-	(1,868)	-	(1,868)
Transfer from share premium	-	-	-	-	-	-	-
Currency translation	-	-	-	(11)	(11)	-	(11)
Net profit/(loss) for the year	-	-	2,219	-	2,219	-	2,219
Share option exercised	-	-	-	-	-	-	-
Balance at 31 Dec 2008	23,852	-	13,440	(83)	37,209	-	37,209

**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 year. 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	
	FY 2008	FY 2007
Balance as at 1 January	233,550,248	231,018,248
Issue of shares	0	2,532,000
Balance as at 31 December	<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**

There were no changes in accounting policies and methods of computation adopted in the financial statements in the current reporting period as compared to the most recent audited financial statements as at 31 December 2007.

**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	31/12/2008	31/12/2007
based on net profit attributable to shareholders :-		
i) Based on the weighted average number of ordinary shares on issue	1.80 cts	3.37 cts
ii) On a fully diluted basis	1.80 cts	3.37 cts

Note

- The earnings per ordinary share ("EPS") for the period ended Dec 31, 2008 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (Dec 31,2007 = 232,208,915) ordinary shares
- Fully diluted EPS for the period ended Dec 31, 2008 is calculated on 233,550,248 (Dec 31, 2007, Diluted EPS is calculated at 232,226,236) 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	
	Dec'08	Dec'07	Dec'08	Dec'07
Net Asset Value Per Ordinary Share based On issued share capital at the end of the period	37.43 cts	35.91 cts	15.93 cts	15.79 cts

Note: The net asset value per ordinary share for the period ended Dec 31, 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 revenue of the Print-related operations increased marginally by 1.4% from \$129.2 million to \$131.1 million. Despite the cessation of a major value chain project in China, there were growth in the flexible packaging business in China as well as in the value chain business in Singapore. The revenue of the Non-print operations, however, dropped by 6.8% from \$28.6 million to \$26.7 million. The decline was due to the cessation of 2 projects, one in the third party logistics, and the other in reverse logistics activities. New revenues from new projects of Non-print business commenced only in the last quarter of the financial year. They were not sufficient to cover the revenue loss from the 2 projects.

Overall, the Print-related business accounted for 83.0% of the Group's revenue while the Non-print business contributed the balance of 17.0%. In 2007, the percentage contribution was 81.8% and 18.2% respectively.

In terms of geographical perspective, the Singapore operations remain the main revenue contributor accounting for 55.5% of the Group's sales. The China operations are the second largest contributor at 26.0%.

Net Profit after tax for the Group decreased by 46.1% from \$7.8 million to \$4.2 million. Both the Print-related and Non-print operations reported lower profit. The reduction in profit is mainly attributed to higher raw material cost, transportation cost and utilities charges. In addition, the Group has taken an additional impairment charge of \$1.1 million on Goodwill for the Australia operation whose performance has been below expectation. The volatile exchange rate fluctuation has also resulted into a foreign exchange loss of \$0.5 million for the Group.

The Group's operations generated positive cash-flow of \$12.0 million before working capital changes and ended the year with a cash balance of \$28.1 million. The Group's gearing stands at 0.02 times.

**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 2007 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**

Going forward, the Group expects that the business environment will become increasingly difficult in view of the global financial crisis and weakening consumer confidence. Within the organisation, it has taken steps to reduce management's salaries and freeze staff's salaries for the year and will continue to look for ways to improve its operating and cost efficiencies. The recent economic stimulus package from the Singapore government, including the job credit scheme, will benefit the Group in the new financial year.

The Group will search for new areas of competencies that can enhance our current operations. At the same time, we are on the look out for strategic alliances or business acquisitions that are complementary to our business. We expect that these opportunities may emerge as the global economic consolidation continues into the rest of this year

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

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

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

Name of Dividend:	Final
Dividend Type:	Cash
Dividend amount per share (in cents):	0.8 cents
Dividend Rate:	8%
Tax Rate	18%

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

Name of Dividend:	Special Interim	Final
Dividend Type:	Cash	Cash
Dividend amount per share (in cents):	4.3 cents (net of tax)	0.8 cents
Dividend Rate:	53%	8%

Tax Rate

18%

18%

**(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****Year 2008**

<b>Revenue</b>	Print	Non-Print	Services	Elimination	Total
External Sales	131,086	26,680	265	-	158,031
Inter-segment sales	6,844	1,278	12,153	(20,275)	-
Total Revenue	137,930	27,958	12,418	(20,275)	158,031

<b>Segment Result</b>					
Op Profit before Income Tax	3,255	3,986	1,958	(3,905)	5,294
Interest Income					204
Other non-operating income					65
Profit from operations					5,563
Finance costs					(186)
Share of results of associate					(79)
Profit before income tax					5,298
Income tax expense					(1,123)
Op Profit after tax					4,175

<b>Other Information</b>					
Capital expenditure	2,543	578	333	-	3,454
Depreciation & amortisation	5,653	308	625	-	6,586
Impairment loss recognised in the profit	74	-	-	-	74

**BALANCE SHEET**

	Print	Non-Print	Services	Elimination	Total
<b>Assets</b>					
Segment Assets	84,680	21,038	9,271	-	114,989
Investment in Associates					34
Unallocated Corporate Assets					
Consolidated Total Assets					115,023
<b>Liabilities</b>					
Segment liabilities	17,039	3,523	2,249	-	22,811
Unallocated corporate					4,639
Liabilities					
Consolidated Total Liabilities					27,450

### Year 2007

Revenue	Print	Non-Print	Services	Elimination	Total
External Sales	129,249	28,621	232	-	158,102
Inter-segment sales	6,625	1,161	14,362	(22,148)	-
Total Revenue	135,874	29,782	14,594	(22,148)	158,102

Segment Result					
Op Profit before Income Tax	7,171	4,957	390	(4,173)	8,345
Interest Income					607
Other non-operating income					15
Profit from operations					8,967
Finance costs					(159)
Share of results of associate					(166)
Profit before income tax					8,642
Income tax expense					(903)
Op Profit after tax					7,739

Other Information					
Capital expenditure	2,543	511	1,003	-	4,057
Depreciation & amortisation	5,214	175	524	-	5,913
Impairment loss recognised in the profit	147	-	-	-	147

### BALANCE SHEET

	Print	Non-Print	Services	Elimination	Total
<b>Assets</b>					
Segment Assets	84,836	19,573	10,304	-	114,713
Investment in Associates					180
Unallocated Corporate Assets					
Consolidated Total Assets					114,893
<b>Liabilities</b>					
Segment liabilities	18,406	3,441	3,001	-	24,848
Unallocated corporate					5,966
Liabilities					
Consolidated Total Liabilities					30,814

### Segmental Results-By Geographical Segment

	Revenue		Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets	
	Y2008	Y2007	Y2008	Y2007	Y2008	Y2007
(S\$'000)						
Singapore	87,658	90,005	55,014	57,915	1,351	2,414
China	41,140	40,621	37,741	34,375	1,762	553
Indonesia	12,176	11,470	9,623	7,962	80	561
Malaysia	6,598	6,124	7,099	8,057	150	512
Thailand	606	931	393	449	3	3
Japan	842	975	580	617	98	6
Australia	8,291	7,976	3,635	5,508	10	8
India	10	-	16	10	-	-
Taiwan	710	-	922	-	-	-
Total	158,031	158,102	115,023	114,893	3,455	4,057

#### 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

Revenue contribution from the Print-related operations accounted for 83.0% of the Group's revenue as compared to 81.8% in FY 2007. The growth was in the flexible packaging business in China as well as growth in value chain business in the South East Asia countries.

The Non-print operations, which saw a decline of \$1.9 million in sales, accounted for 17.0% of

the Group's revenue, as compared to 18.2% in 2007. This was mainly due to the cessation of 2 projects. Revenue from new customers commenced only in quarter four and thus was not able to make up for the shortfall.

Geographically, the Singapore operations contributed 55.5% of the Group's sales, a slight drop from 57% in 2007. All overseas operations, except Thailand and Japan, have registered increase in sales. The China operations, with a revenue of \$41.1 million, remain the largest overseas revenue contributor accounting for 26.0% of the Group's total.

In terms of net profit after tax after adjusting for share of corporate expenses, the Print-related operations accounted for 37% of the Group's profit while the Non-print operations contributed 63%. In terms of geographical contributions, the Singapore operations remain the key pillar accounting for more than 90% of the Group's profit.

#### 15. A breakdown of sales

		2008	2007 + / (-) %
a)	Sales reported for the first half year	73,775	78,738 (7)
b)	Operating profit after tax reported for the first half year	1,901	3,668 (93)
c)	Sales reported for the second half year	84,256	79,364 6
d)	Operating profit after tax reported for the second half year	2,274	4,071 (79)

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

	Latest Full Year (31/12/08)	Previous Full Year (31/12/07)
	'000	'000
Ordinary	1,868	11,940
Preference	0	0
Total :	1,868	11,940

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

**BY ORDER OF THE BOARD**  
**Thomas Chua Kee Seng**  
**Chairman & Managing Director**  
**February 20, 2009**  
**Singapore**