

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 Jun09	YTD Jun08	incr/ (decr)
a Revenue	71,006	73,775	(3.8)
b Investment Income	-	-	-
c Other income including interest income :-	62	59	5.1
(i) Gain (Loss) on sale of investments, properties and/or plant & equipment included in other income	13	(85)	(115.3)
(ii) Interest Income	29	112	(74.1)
(iii) Other Income	19	32	(40.6)
d Changes in inventories of FG & WIP	(996)	2,339	(142.6)
(i) Write back ( allowance ) for inventories	(7)	(12)	(41.7)
e Raw Materials and consumables used	(27,433)	(37,957)	(27.7)
f Staff Costs	(14,064)	(13,696)	2.7
g Depreciation, amortisation and impairment expenses	(2,907)	(2,756)	5.5
h Interest on borrowings	(45)	(94)	(52.1)
i Other operating expenses :-	(18,330)	(19,129)	(4.2)
(i) foreign exchange gain /(loss)	551	(492)	(212.0)
(ii) Write back (allowance) for doubtful debts	(103)	(2)	5,050.0
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	7,293	2,541	187.0



**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	Previous	Actual	Previous
	30-Jun-09 \$'000	31-Dec-08 \$'000	30-Jun-09 \$'000	31-Dec-08 \$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash	40,153	28,056	13,648	6,657
Trade receivables	25,887	30,924	3,230	14,426
Other receivables & prepayments	3,307	4,410	2,232	2,407
Inventories	10,759	14,916	-	-
	<u>80,106</u>	<u>78,306</u>	<u>19,110</u>	<u>23,490</u>
<b>Non-current assets:</b>				
Other assets	1,887	1,475	-	-
Investment in joint venture	-	-	4,216	4,216
Investment in associates	-	34	-	-
Investment in subsidiaries	-	-	19,432	19,432
Property, plant & equipment	26,062	26,132	1,596	1,803
Land Use Right	781	789	-	-
Investment properties	1,101	1,112	-	-
Intangible assets	129	484	129	134
Goodwill	6,691	6,691	-	-
<b>Total non-current assets</b>	<u>36,651</u>	<u>36,717</u>	<u>25,373</u>	<u>25,585</u>
<b>Total assets</b>	<u>116,757</u>	<u>115,023</u>	<u>44,483</u>	<u>49,075</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank loans and overdrafts	637	1,055	-	-
Trade payables	11,705	13,211	198	306
Other payables	8,750	8,545	9,176	11,108
Income tax payable	3,416	3,083	9	240
Finance leases - current portion	37	37	37	37
Long term loans - current portion	133	142	-	-
<b>Total current liabilities</b>	<u>24,678</u>	<u>26,073</u>	<u>9,420</u>	<u>11,691</u>
<b>Non-current liabilities:</b>				
Finance leases	21	40	22	40
Long-term loans	99	164	-	-
Deferred tax liabilities	1,134	1,173	135	135
<b>Total non-current liabilities</b>	<u>1,254</u>	<u>1,377</u>	<u>157</u>	<u>175</u>
<b>Capital and reserves:</b>				
Share capital	23,852	23,852	23,852	23,852
Currency translation reserves	726	842	(82)	(83)
Accumulated profits	65,990	62,723	11,136	13,440
<b>Total capital and reserves</b>	<u>90,568</u>	<u>87,417</u>	<u>34,906</u>	<u>37,209</u>
Minority interests	257	156	-	-
<b>Total capital and reserves and minority interests</b>	<u>90,825</u>	<u>87,573</u>	<u>34,906</u>	<u>37,209</u>
<b>Total liabilities and equity</b>	<u>116,757</u>	<u>115,023</u>	<u>44,483</u>	<u>49,075</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 30/06/09		As at 31/12/08	
Secured	Unsecured	Secured	Unsecured
170	637	179	1,055

(b) Amount repayable after one year

As at 30/06/09		As at 31/12/08	
Secured	Unsecured	Secured	Unsecured
120	0	204	0

**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**

**Statement of cash flows**

	Group	
	Actual 30/06/09 S\$'000	Previous 30/06/08 S\$'000
<b>Cash flow from operating activities:</b>		
Profit before income tax	7,293	2,535
Adjustment for :		
Share of loss of associates	0	6
Allowance for doubtful debts	103	7
Depreciation and amortisation expense	2,538	2,614
Impairment loss on property, plant and equipment	0	74
Amortisation of intangibles	369	142
Fixed asset written off	16	6
(Gain) Loss on disposal of property, plant and equipment	(29)	25
(Gain) Loss on disposal of associate	0	(20)
Interest income	(29)	(112)
Interest expense	45	94
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<b>Operating profit before working capital changes</b>	<b>10,305</b>	<b>5,371</b>
Trade receivables	4,934	(768)
Other receivables and prepayments	691	331
Inventories	4,157	400
Trade payables	(1,506)	46
Other payables	205	(2,337)
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>18,786</b>	<b>3,043</b>
Interest paid	(45)	(94)
Income tax paid	(1,763)	(777)
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>16,978</b>	<b>2,172</b>
<b>Cash flow from investing activities:</b>		
Interest received	29	112
Proceeds from disposal of associate	34	86
Proceeds from disposal of property, plant & equipment	127	76
Purchase of property, plant & equipment	(2,511)	(1,626)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(2,321)</b>	<b>(1,352)</b>
<b>Cash flows from financing activities:</b>		
Dividends paid	(1,868)	(1,868)
Proceeds (Repayment) of bank loans	(436)	1,158
Repayment of long-term loans	(74)	(668)
Repayments of obligations under finance leases	(19)	(103)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(2,397)</b>	<b>(1,481)</b>
Net increase ( decrease ) in cash	12,260	(661)
Cash at beginning of period - 1st Jan	28,056	23,286
Effect of foreign exchange rate changes	(163)	(28)
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Cash at end of period - 30th June	<b>40,153</b>	<b>22,597</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**

**GROUP**

	Share Capital 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 2007	23,852	60,379	(353)	83,878	201	84,079
Dividends paid	-	(1,868)	-	(1,868)	-	(1,868)
Total Comprehensive Income for the period	-	1,951	(198)	1,753	(57)	1,696
Balance at 30 Jun 2008	23,852	60,462	(551)	83,763	144	83,907

Balance at 31 Dec 2008	23,852	62,723	842	87,417	156	87,573
Dividends paid	-	(1,868)	-	(1,868)	-	(1,868)
Total Comprehensive Income for the period	-	5,135	(116)	5,019	101	5,120
Balance at 30 Jun 2009	23,852	65,990	726	90,568	257	90,825

**COMPANY**

	Share Capital 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 2007	23,852	13,089	(72)	36,869	-	36,869
Dividends paid	-	(1,868)	-	(1,868)	-	(1,868)
Total Comprehensive Income for the period	-	(1,050)	7	(1,043)	-	(1,043)
Balance at 30 Jun 2008	23,852	10,171	(65)	33,958	-	33,958

Balance at 31 Dec 2008	23,852	13,440	(83)	37,209	-	37,209
Dividends paid	-	(1,868)	-	(1,868)	-	(1,868)
Total Comprehensive Income for the period	-	(436)	1	(435)	-	(435)
Balance at 30 Jun 2009	23,852	11,136	(82)	34,906	-	34,906

**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	
	30/6/09	30/6/08
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 2008, 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, 2009. The adoption of these new/revised FRSs and INT FRSs does 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**

The adoption of new/revised FRS effective 1 January 2009 has no material impact on the financial statements of the Group, except for FRS 1 and FRS 108 as indicated below:

FRS 1 - Presentation of Financial Statements (Revised) will change the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

FRS 108 - Operating Segments supersedes FRS 14 – Segment Reporting. FRS 108 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, FRS 14 requires an entity to identify two sets of segments (business and geographical),

using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel servicing only as the starting point for the identification of such segments. As a result, following the adoption of FRS 108, the identification of the Group's reportable segments may change.

**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	30/6/2009	30/6/2008
based on net profit attributable to shareholders :-		
i) Based on the weighted average number of ordinary shares on issue	2.20 cts	0.84 cts
ii) On a fully diluted basis	2.20 cts	0.84 cts

**Note**

- The earnings per ordinary share ("EPS") for the period ended Jun 30, 2009 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (Jun 30,2008 = 233,550,248) ordinary shares
- Fully diluted EPS for the period ended Jun 30, 2009 is calculated on 233,550,248 (Jun 30, 2008, 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	
	Jun'09	Dec'08	Jun'09	Dec'08
Net Asset Value Per Ordinary Share based On issued share capital at the end of the period	38.78 cts	37.43 cts	14.95 cts	15.93 cts

Note: The net asset value per ordinary share for the period ended Jun 30, 2009 have been calculated base on the issued share capital of 233,550,248 shares (December 31, 2008: 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 declined by 3.8% from \$73.8 million to \$71.0 million. The Print-related business accounted for 77.7% of the Group's revenue while the Non-print business contributed the balance of 22.3%. In terms of geographical perspective, the Singapore operations remain the main revenue contributor accounting for 58.9% of the Group's sales. The China operation is the second largest contributor at 26.1%.

The Print Business registered a reduction in revenue by 10% from \$61.3 million to S\$ 55.1million. This is mainly due to the completion of a major project in China in third quarter of

FY 2008, as well as weaker demand from customers in Australia and Indonesia. However, there was growth registered in Singapore and China as a result of strong demand from pharmaceutical and food and beverage industries respectively. This helped mitigate the reduction in revenue for the print business. The Non Print Business reported a higher revenue by 27% to S\$15.7million versus S\$12.4million for the first half of FY 2008. The growth in revenue is mainly derived from new projects secured in the second half of FY 2008.

The Group's net profit attributable to equity holders for the first half rose by 163.2% from \$1.9 million to \$5.1 million.

Operating profit before tax for the Print business showed an improvement of 230.1% from \$1.2 million for the first half of FY 2008 to \$4.1 million over the same period this year. The improvement in profit was attributed to better cost management measures taken since the beginning of the year especially in the areas of production shift management, overtime control. Lower raw material and transportation prices as a result of the global recession, and favorable foreign exchange rate movements also contributed to higher margins. Operating profit before tax for the Non Print business increased by 146.5% to \$3.2million versus \$1.3m for the first half of FY 2008. The improvement in profit was attributed to the contribution from the new businesses and better efficiencies in running the current operations.

A strong operating profit combined with continuous efforts to collect receivables when due, better management of inventory levels and payables, enabled the Group to generate a cashflow from operations of \$18.8m as compared to \$3.0m for the same period for FY 2008.

As of June 30 2009, the Group's cash balance remains healthy at approximately S\$40.1m. The Group's gearing remains low at 0.01 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 2008 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**

There are still uncertainties ahead. The cost management measures and process improvement initiatives that the Group has put in place will be continued and further enhanced. With a strong balance sheet, the Group will capitalize on current lower prices in this downturn to selectively upgrade its facilities and will continue to look for business acquisitions that will support the future growth of the Group.

Barring any unforeseen circumstances, the Board of Directors expect the Group to be more profitable in the current year than in FY 2008 .

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

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

Name of dividend	:	Interim
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	0.8 cents
Dividend Rate	:	8%
Tax Rate	:	17%

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

Not applicable

**(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, 2009, to be false or misleading.

**BY ORDER OF THE BOARD  
Thomas Chua Kee Seng  
Chairman & Managing Director  
August 12, 2009  
Singapore**