

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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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) 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 Dec09	YTD Dec08	incr/ (decr)
a Revenue	146,371	158,031	(7.4)
b Investment Income	-	-	-
c Other income including interest income :-	358	269	33.1
(i) Gain (Loss) on sale of investments, properties and/or plant & equipment included in other income	217	(44)	n.m
(ii) Interest Income	87	204	(57.4)
(iii) Other Income	54	109	(50.5)
d Changes in inventories of FG & WIP	(486)	3,555	n.m
(i) Write back (allowance) for inventories	333	(404)	n.m
e Raw Materials and consumables used	(56,347)	(80,391)	(29.9)
f Staff Costs	(29,988)	(29,793)	0.7
g Depreciation, amortisation and impairment expenses	(5,423)	(6,586)	(17.7)
h Interest on borrowings	(71)	(186)	(61.8)
i Other operating expenses :-	(39,003)	(39,521)	(1.3)
(i) foreign exchange gain /(loss)	137	(502)	n.m
(ii) Write back (allowance) for doubtful debts	(74)	(71)	4.2
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	15,411	5,378	186.6

Income statement (continued)

Group			
S\$'000		%	
YTD Dec09	YTD Dec08	incr/ (decr)	
l Loss from associated companies	-	(79)	(100.0)
m Operating profit before income tax	15,411	5,299	190.8
n Less income tax (indicate basis of computation)	(3,066)	(1,124)	172.8
(i) Adjustment for over provision of tax in respect of prior periods.	206	(405)	(150.9)
o Profit for the Year	12,345	4,175	195.7
Attributable to :-			
p Equity Holders of the Company	12,185	4,212	189.3
q Minority Interests	160	(37)	(532.4)

Statement of Comprehensive Income

Group			
S\$'000		%	
YTD Dec09	YTD Dec08	incr/ (decr)	
Profit for the Year	12,345	4,175	195.7
Other comprehensive income :			
Foreign currency translation	(801)	1,187	(167.5)
Total comprehensive income for the period	11,544	5,362	115.3
The comprehensive income attributable to :-			
Equity Holders of the Company	11,385	5,407	110.6
Minority Interests	159	(45)	(453.3)

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 31-Dec-09 \$'000	Previous 31-Dec-08 \$'000	Actual 31-Dec-09 \$'000	Previous 31-Dec-08 \$'000
ASSETS				
Current assets:				
Cash	43,096	28,056	14,525	6,657
Trade receivables	26,588	30,924	5,077	14,426
Other receivables & prepayments	2,777	4,410	1,432	2,407
Inventories	13,090	14,916	-	-
	<u>85,551</u>	<u>78,306</u>	<u>21,034</u>	<u>23,490</u>
Non-current assets:				
Other assets	1,597	1,475	-	-
Investment in joint venture	-	-	4,216	4,216
Investment in associates	-	34	-	-
Investment in subsidiaries	-	-	19,504	19,432
Property, plant & equipment	26,435	26,132	1,311	1,803
Land Use Right	753	789	-	-
Investment properties	1,071	1,112	-	-
Intangible assets	124	484	124	134
Goodwill	6,691	6,691	-	-
Total non-current assets	<u>36,671</u>	<u>36,717</u>	<u>25,155</u>	<u>25,585</u>
Total assets	<u>122,222</u>	<u>115,023</u>	<u>46,189</u>	<u>49,075</u>
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans and overdrafts	-	1,055	-	-
Trade payables	11,786	13,211	101	306
Other payables	10,415	8,545	8,604	11,108
Income tax payable	3,293	3,083	257	240
Finance leases - current portion	37	37	37	37
Long term loans - current portion	159	142	-	-
Total current liabilities	<u>25,690</u>	<u>26,073</u>	<u>8,999</u>	<u>11,691</u>
Non-current liabilities:				
Finance leases	3	40	3	40
Long-term loans	-	164	-	-
Deferred tax liabilities	1,148	1,173	135	135
Total non-current liabilities	<u>1,151</u>	<u>1,377</u>	<u>138</u>	<u>175</u>
Capital and reserves:				
Share capital	23,852	23,852	23,852	23,852
Currency translation reserves	42	842	-	(83)
Accumulated profits	71,172	62,723	13,200	13,440
Total capital and reserves	<u>95,066</u>	<u>87,417</u>	<u>37,052</u>	<u>37,209</u>
Minority interests	315	156	-	-
Total capital and reserves and minority interests	<u>95,381</u>	<u>87,573</u>	<u>37,052</u>	<u>37,209</u>
Total liabilities and equity	<u>122,222</u>	<u>115,023</u>	<u>46,189</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 31/12/09		As at 31/12/08	
Secured	Unsecured	Secured	Unsecured
196	0	179	1,055

(b) Amount repayable after one year

As at 31/12/09		As at 31/12/08	
Secured	Unsecured	Secured	Unsecured
3	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	Previous
	31/12/09	31/12/08
	S\$'000	S\$'000
Cash flow from operating activities:		
Profit before income tax	15,411	5,299
Adjustment for :		
Share of loss of associates	0	79
Other gains and losses	27	0
Allowance for doubtful debts	74	68
Allowance (write back) for inventories	(333)	404
Depreciation and amortisation expense	5,015	5,222
Impairment loss on property, plant and equipment	21	74
Impairment of goodwill	0	1,094
Amortisation of intangibles	408	270
(Gain) / Loss on capital reduction of associate	0	(68)
(Gain)/ Loss on disposal of property, plant and equipment	(264)	21
(Gain) /Loss on disposal of associate	0	(20)
(Gain) /Loss on disposal of subsidiary	0	(4)
Interest income	(87)	(204)
Interest expense	71	186
	20,343	12,421
Operating profit before working capital changes	20,343	12,421
Trade receivables	4,262	(596)
Other receivables and prepayments	1,511	(1,012)
Inventories	2,159	2,447
Trade payables	(1,425)	(1,421)
Other payables	1,870	(1,242)
	28,720	10,597
Cash generated from operations	28,720	10,597
Interest paid	(71)	(186)
Income tax paid	(2,881)	(1,523)
	25,768	8,888
Net cash from operating activities	25,768	8,888
Cash flow from investing activities:		
Interest received	87	204
Proceeds from disposal of associate	34	86
Proceeds from disposal of subsidiary	0	4
Proceed from capital reduction of associate	0	68
Proceeds from disposal of property, plant & equipment	547	194
Purchase of property, plant & equipment	(5,876)	(3,455)
Net cash used in investing activities	(5,208)	(2,899)
Cash flows from financing activities:		
Dividends paid	(3,736)	(1,868)
Repayments of long-term loans	(144)	(782)
Repayments of obligations under finance leases	(37)	(121)
New bank loans raised	(1,066)	574
	(4,983)	(2,197)
Net cash used in financing activities	(4,983)	(2,197)
Net increase (decrease) in cash	15,577	3,792
Cash at beginning of period - 1st Jan	28,056	23,286
Effect of foreign exchange rate changes	(537)	978
Cash at end of period - 31st Dec	43,096	28,056

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	Accumulated Profits	Currency Translation Reserves	Attributable to equity holder of the parent	Minority Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	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 year	-	4,212	1,195	5,407	(45)	5,362
Balance at 31 Dec 2008	23,852	62,723	842	87,417	156	87,573

Balance at 31 Dec 2008	23,852	62,723	842	87,417	156	87,573
Dividends paid	-	(3,736)	-	(3,736)	-	(3,736)
Total Comprehensive Income for the year	-	12,185	(800)	11,385	159	11,544
Balance at 31 Dec 2009	23,852	71,172	42	95,066	315	95,381

COMPANY

	Share Capital	Accumulated Profits	Currency Translation Reserves	Attributable to equity holder of the parent	Minority Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	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 year	-	2,219	(11)	2,208	-	2,208
Balance at 31 Dec 2008	23,852	13,440	(83)	37,209	-	37,209

Balance at 31 Dec 2008	23,852	13,440	(83)	37,209	-	37,209
Dividends paid	-	(3,736)	-	(3,736)	-	(3,736)
Total Comprehensive Income for the year	-	3,496	83	3,579	-	3,579
Balance at 31 Dec 2009	23,852	13,200	-	37,052	-	37,052

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	
	FY 2009	FY 2008
Balance as at 1 January	233,550,248	233,550,248
Issue of shares	0	0
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 are no treasury shares as at the end of current year.

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 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

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 FRS108 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 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. The management is of the opinion that there is no change to the identification of the Group’s reportable segments following the adoption of FRS 108.

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	31/12/2009	31/12/2008
based on net profit attributable to shareholders :-		
i) Based on the weighted average number of ordinary shares on issue	5.22 cts	1.80 cts
ii) On a fully diluted basis	5.22 cts	1.80 cts

Note

- a. The earnings per ordinary share (“EPS”) for the period ended Dec 31, 2009 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (Dec 31,2008 = 233,550,248) ordinary shares
- b. Fully diluted EPS for the period ended Dec 31, 2009 is calculated on 233,550,248 (Dec 31, 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	
Net Asset Value Per Ordinary Share based On issued share capital at the end of the period	Dec’09	Dec’08	Dec’09	Dec’08
	40.70 cts	37.43 cts	15.86 cts	15.93 cts

Note: The net asset value per ordinary share for the period ended December 31, 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 declined 7.4% from \$158.0 million in FY2008 to \$146.4 million this year.

The Print-related business registered a \$17.5 million decline in revenue. This is mainly due to the end of life of two projects, one each in China and Singapore respectively, and the weak demand from customers of IT sector. However, the impacts were mitigated by increases in revenue generated from customers of the Pharmaceutical and Food industries as well as increased demand for print management services. The Non-print business reported an increase in revenue of \$ 5.8m attributed mainly to the full year's contribution from projects secured in the second half of FY 2008.

The Group's net profit attributable to equity holders for the year rose by 189.3% from \$4.2 million to \$12.2 million, despite of the decline in revenue.

The increase in net profit was mainly attributed to various improvement and austerity measures put in place at the beginning of the year to reduce costs and cut expenses. Improved operation process, revised shift-works arrangement, tighter inventory management and reduced transportation expenses have resulted in better efficiencies and lower operating cost. Lower raw material prices for the Print-related business, government grants, favorable foreign exchange movements and zero write-off of goodwill this year (FY 2008 – a write-off of \$1.1m) have also collectively contributed to the increase in profitability.

The Group generated positive cashflow of \$28.7 million from operations as compared to \$10.6 million for the same period last year. This is mainly due to strong operating profit and the continuous efforts in managing collection and payables diligently. Debtors turnover improved from 71 days in FY 2008 to 66 days in FY 2009. Due to tight market supply of paper materials, the inventory turnover was deliberately extended from 71 days in FY 2008 to 84 days in FY 2009. During the year, the Group invested \$5.9 million in cash to upgrade its print facilities, paid out \$3.7 million of dividend and paid down \$1.2 million of borrowings.

Overall as of December 31 2009, the Group's cash remains healthy at approximately S\$43.1m. The Group's gearing remains low at 0.2%.

(Details of the segment performance are discussed in paragraph 14)

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

Despite the recent sign of gradual recovery of the global economy, the outlook for this year is still uncertain. The cost management measures and productivity improvement initiatives that the Group has put in place will be continued and further enhanced. The Group will continue to search for new areas of competencies that can enhance our current operations and to look out for strategic alliances or business acquisitions that are complementary to our business

Barring any unforeseen circumstances, the Directors expect the Group to remain profitable in 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) : 2.0 cents

Name of dividend : Interim
Dividend Type : Cash
Dividend amount per share (in cents) : 0.8 cents

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of dividend : Final
Dividend Type : Cash
Dividend amount per share (in cents) : 0.8 cents

(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 2009

Revenue	Print	Non-Print	Services	Elimination	Total
External Sales	113,610	32,497	264	-	146,371
Inter-segment sales	6,778	1,162	12,175	(20,115)	-
Total Revenue	120,388	33,659	12,439	(20,115)	146,371

Segment Result					
Op Profit before Income Tax	11,883	6,078	(2,837)	-	15,124
Interest Income					87
Other non-operating income					271
Profit from operations					15,482
Finance costs					(71)
Share of results of associate					-
Profit before income tax					15,411
Income tax expense					(3,066)
Op Profit after tax					12,345

Other Information					
Capital expenditure	5,736	56	84	-	5,876
Depreciation & amortisation	4,532	321	570	-	5,423
Impairment loss recognised in the profit	-	21	-	-	21

BALANCE SHEET

	Print	Non-Print	Services	Elimination	Total
Assets					
Segment Assets	79,427	25,801	16,994	-	122,222
Investment in Associates					-
Unallocated Corporate Assets					-
Consolidated Total Assets					122,222
Liabilities					
Segment liabilities	14,535	4,392	3,272	-	22,199
Unallocated corporate					4,642
Liabilities					
Consolidated Total Liabilities					26,841

Year 2008

Revenue	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

Segment Result					
Op Profit before Income Tax	3,255	3,986	(1,946)	-	5,295
Interest Income					204
Other non-operating income					65
Profit from operations					5,564
Finance costs					(186)
Share of results of associate					(79)
Profit before income tax					5,299
Income tax expense					(1,124)
Op Profit after tax					4,175

Other Information					
Capital expenditure	2,544	578	333	-	3,455
Depreciation & amortisation	5,653	308	625	-	6,586
Impairment loss recognised in the profit	74	-	-	-	74

BALANCE SHEET

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

Segmental Results-By Geographical Segment

	Revenue		Carrying amount of segment assets		Additions to property, plant and equipment	
	Y2009	Y2008	Y2009	Y2008	Y2009	Y2008
(S\$'000)						
Singapore	86,569	87,658	66,506	55,014	3,492	1,352
China	36,781	41,140	35,847	37,741	2,006	1,762
Indonesia	8,019	12,176	7,568	9,623	190	80
Malaysia	5,009	6,598	7,060	7,099	29	150
Thailand	419	606	347	393	1	3
Japan	2,264	842	879	580	21	98
Australia	6,255	8,291	3,207	3,635	137	10
India	106	10	54	16	-	-
Taiwan	949	710	754	922	-	-
Total	146,371	158,031	122,222	115,023	5,876	3,455

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

The Print-related business accounted for 77.6% of the Group's revenue while the Non-print business contributed the balance of 22.4%. In FY 2008, it was 83.0% and 17.0% respectively.

The Print-related business registered a 13.3% drop in revenue from \$131.1 million in FY2008 to \$ 113.6 million in FY2009. This is mainly due to the cessation of two major projects for IT customers in 2008, one in Singapore and one in China. There were also weaker demands from IT customers in Singapore, Australia and Indonesia. However, there was revenue growth registered in China as a result of strong demand for flexible packaging materials from the food industry as well as increase in demand for print management services. In Singapore, there were also increased sales of packaging solutions to customers in the pharmaceutical industries. These factors helped cushion the decline in revenue for the overall Print-related business.

The Non-print Business reported an increased revenue of \$32.5million, a 21.7% growth as compared to S\$26.7million for the full year of FY 2008. The growth in revenue is mainly derived from the full year's contribution from new projects secured in the second half of FY 2008. The increase in activities of the existing critical part logistic business in China, Korea and India has also contributed to the revenue growth.

Operating profit before tax for the Print-related business (after allocation of corporate and support expenses) improved four folds from \$2.0 million in FY 2008 to \$10.5 million in FY 2009. It accounted for 68.2% of the Group's pretax operating profits. 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 prices and transportation costs as a result of the global recession, and favorable foreign exchange movements also contributed to higher margins.

Operating profit before tax for the Non-print business (after allocation of corporate and support expenses) increased to \$4.9million, up by 49.1% as compared to \$3.3m for the same period in FY2008. The improvement in profit was attributed to the contribution from the new businesses and better efficiencies in running the current operations. It accounted for 31.8% of the Group's pretax operating profit.

In terms of geographical perspective, the Singapore operations remain the main revenue contributor accounting for 59.1% of the Group's sales. The China operation is the second largest contributor at 25.1%. In FY 2008, it was 55.5% and 26.0% respectively.

15. A breakdown of sales

		2009	2008	+ / (-) %
a)	Sales reported for the first half year	71,006	73,775	(4)
b)	Operating profit after tax reported for the first half year	5,235	1,901	64
c)	Sales reported for the second half year	75,365	84,256	(12)
d)	Operating profit after tax reported for the second half year	7,110	2,274	68

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

	Lastest Full Year (31/12/09) '000	Previous Full Year (31/12/08) '000
Ordinary	3,736	1,868
Preference	-	-
Total :	3,736	1,868

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 23, 2010
Singapore