

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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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

Income statement	Group		
	S\$'000		%
	YTD Dec10	YTD Dec09	incr/ (decr)
a Revenue	154,361	146,371	5.5
b Investment Income	-	-	-
c Other income including interest income :-	446	379	17.7
(i) Gain (Loss) on sale of available-for-sale investments, properties and/or plant & equipment included in other income	14	264	(94.7)
(ii) Interest Income	135	87	55.2
(iii) Other Income	297	28	960.7
d Changes in inventories of FG & WIP	544	(486)	n.m
(i) Write back (allowance) for inventories	(3)	333	n.m
e Raw Materials and consumables used	(57,462)	(56,347)	2.0
f Staff Costs	(33,450)	(29,988)	11.5
g Depreciation, amortisation and impairment expenses	(5,182)	(5,423)	(4.4)
h Interest on borrowings	(36)	(71)	(49.3)
i Other operating expenses :-	(44,143)	(39,024)	13.1
(i) foreign exchange gain /(loss)	(821)	137	n.m
(ii) Write back (allowance) for doubtful debts	63	(74)	n.m
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	15,078	15,411	(2.2)

Income statement (continued)

l	Loss from associated companies	-	-	-
m	Operating profit before income tax	15,078	15,411	(2.2)
n	Less income tax (indicate basis of computation)	(2,569)	(3,066)	(16.2)
	(i) Adjustment for under (over) provision of tax in respect of prior periods.	(383)	206	n.m
o	Profit for the Year	12,509	12,345	1.3
	Attributable to :-			
p	Owners of the company	12,430	12,185	2.0
q	Non-controlling Interests	79	160	(50.6)

Group		
S\$'000		%
YTD Dec10	YTD Dec09	incr/ (decr)
-	-	-
15,078	15,411	(2.2)
(2,569)	(3,066)	(16.2)
(383)	206	n.m
12,509	12,345	1.3
Attributable to :-		
12,430	12,185	2.0
79	160	(50.6)

Statement of Comprehensive Income

Profit for the Year	12,509	12,345	1.3
Other comprehensive income :			
Foreign currency translation	(1,173)	(801)	46.4
Available-for-sale investment	28	-	100.0
	(1,145)	(801)	42.9
Total comprehensive income for the year	11,364	11,544	(1.6)
The comprehensive income attributable to :-			
Owners of the company	11,275	11,385	(1.0)
Non-controlling Interests	89	159	(44.0)

Group		
S\$'000		%
YTD Dec10	YTD Dec09	incr/ (decr)
12,509	12,345	1.3
(1,173)	(801)	46.4
28	-	100.0
(1,145)	(801)	42.9
11,364	11,544	(1.6)
The comprehensive income attributable to :-		
11,275	11,385	(1.0)
89	159	(44.0)

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 31-Dec-10 \$'000	Previous 31-Dec-09 \$'000	Actual 31-Dec-10 \$'000	Previous 31-Dec-09 \$'000
ASSETS				
Current assets:				
Cash	44,238	43,096	11,491	14,525
Available-for-sale investments	357	-	357	-
Trade and other receivables	35,651	29,365	6,977	6,509
Inventories	17,996	13,090	-	-
	<u>98,242</u>	<u>85,551</u>	<u>18,825</u>	<u>21,034</u>
Non-current assets:				
Other assets	1,068	1,597	-	-
Investment in joint venture	-	-	4,216	4,216
Investment in subsidiaries	-	-	19,555	19,504
Property, plant & equipment	23,840	26,435	906	1,311
Land Use Right	711	753	-	-
Investment properties	1,093	1,071	-	-
Intangible assets	114	124	114	124
Goodwill	6,691	6,691	-	-
Total non-current assets	<u>33,517</u>	<u>36,671</u>	<u>24,791</u>	<u>25,155</u>
Total assets	<u>131,759</u>	<u>122,222</u>	<u>43,616</u>	<u>46,189</u>
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	26,932	22,200	9,028	8,705
Income tax payable	3,356	3,294	258	257
Finance leases - current portion	3	37	3	37
Long term loans - current portion	7	159	-	-
Total current liabilities	<u>30,298</u>	<u>25,690</u>	<u>9,289</u>	<u>8,999</u>
Non-current liabilities:				
Finance leases	-	3	-	3
Deferred tax liabilities	1,722	1,148	135	135
Total non-current liabilities	<u>1,722</u>	<u>1,151</u>	<u>135</u>	<u>138</u>
Capital and reserves:				
Share capital	23,852	23,852	23,852	23,852
Currency translation reserves	(1,141)	42	-	-
Accumulated profits	76,624	71,172	10,340	13,200
Equity attributable to owners of the company	<u>99,335</u>	<u>95,066</u>	<u>34,192</u>	<u>37,052</u>
Non-controlling interests	404	315	-	-
Total equity	<u>99,739</u>	<u>95,381</u>	<u>34,192</u>	<u>37,052</u>
Total liabilities and equity	<u>131,759</u>	<u>122,222</u>	<u>43,616</u>	<u>46,189</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 31/12/10		As at 31/12/09	
Secured	Unsecured	Secured	Unsecured
10	0	196	0

(b) Amount repayable after one year

As at 31/12/10		As at 31/12/09	
Secured	Unsecured	Secured	Unsecured
0	0	3	0

Details of any collateral

The finance leases are secured by a charge over the assets under hire purchase.
Some 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 31/12/10 S\$'000	Previous 31/12/09 S\$'000
Cash flow from operating activities:		
Profit before income tax	15,078	15,411
Adjustment for :		
Other gains and losses	(1)	27
Allowance (write back) for doubtful debts	(63)	74
Allowance (write back) for inventories	(12)	(333)
Depreciation and amortisation expense	5,112	5,015
Impairment loss on property, plant and equipment	60	21
Amortisation of intangibles	10	408
(Gain)/ Loss on disposal of property, plant and equipment	30	(264)
Gain on disposal of available-for-sale investments	(44)	0
Interest income	(135)	(87)
Interest expense	36	71
	20,071	20,343
Operating profit before working capital changes		
Trade and other receivables	(5,694)	5,773
Inventories	(4,894)	2,159
Trade and other payables	4,732	445
	14,215	28,720
Cash generated from operations		
Interest paid	(36)	(71)
Income tax paid	(1,934)	(2,881)
	12,245	25,768
Net cash from operating activities		
Cash flow from investing activities:		
Interest received	135	87
Proceeds from disposal of associate	0	34
Proceeds on disposal of available-for-sale investments	604	0
Proceeds from disposal of property, plant & equipment	40	547
Purchase of available-for-sale investments	(889)	0
Purchase of property, plant & equipment	(3,153)	(5,876)
Net cash used in investing activities	(3,263)	(5,208)
Cash flows from financing activities:		
Dividends paid	(7,006)	(3,736)
Repayments of loans	(157)	(1,210)
Repayments of obligations under finance leases	(37)	(37)
	(7,200)	(4,983)
Net cash used in financing activities		
Net increase (decrease) in cash	1,782	15,577
Cash at beginning of period - 1st Jan	43,096	28,056
Effect of foreign exchange rate changes	(640)	(537)
Cash at end of period - 31st Dec	44,238	43,096

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	Accumulated Profits S\$'000	Currency Translation Reserves S\$'000	Attributable to equity holder of the company S\$'000	Non- controlling Interests S\$'000	Total S\$'000
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

Balance at 31 Dec 2009	23,852	71,172	42	95,066	315	95,381
Dividends paid	-	(7,006)	-	(7,006)	-	(7,006)
Total Comprehensive Income for the year	-	12,458	(1,183)	11,275	89	11,364
Balance at 31 Dec 2010	23,852	76,624	(1,141)	99,335	404	99,739

COMPANY

	Share Capital S\$'000	Accumulated Profits S\$'000	Currency Translation Reserves S\$'000	Attributable to equity holder of the company S\$'000	Non- controlling Interests S\$'000	Total S\$'000
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

Balance at 31 Dec 2009	23,852	13,200	-	37,052	-	37,052
Dividends paid	-	(7,006)	-	(7,006)	-	(7,006)
Total Comprehensive Income for the year	-	4,146	-	4,146	-	4,146
Balance at 31 Dec 2010	23,852	10,340	-	34,192	-	34,192

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 2010	FY 2009
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 2009, 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, 2010. 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	31/12/2010	31/12/2009
based on net profit attributable to shareholders :-		

i) Based on the weighted average number of ordinary shares on issue	5.32 cts	5.22 cts
ii) On a fully diluted basis	5.32 cts	5.22 cts

Note

- The earnings per ordinary share ("EPS") for the period ended Dec 31, 2010 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (Dec 31, 2009 = 233,550,248) ordinary shares
- Fully diluted EPS for the period ended Dec 31, 2010 is calculated on 233,550,248 (Dec 31, 2009, 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'10	Dec'09	Dec'10	Dec'09
	42.53 cts	40.70 cts	14.64 cts	15.86 cts

Note: The net asset value per ordinary share for the period ended December 31, 2010 have been calculated base on the issued share capital of 233,550,248 shares (December 31, 2009: 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 registered a growth of 5.5% from \$146.4 million in FY 2009 to \$154.4 million this year. The Group's net profit attributable to the owners of the company for the year rose by 2.0% from \$12.2 million to \$12.4 million.

The Print-related business continues to account for a significant share of the Group's revenue accounting for 74.2% and Non-print business contributed the balance of 25.8%. In terms of geographical perspective, the Singapore operations remain the main revenue contributor accounted for 58.9% of the Group's revenue. The China operations are the second largest contributor at 23.7%.

The revenue of Print-related business grew by 0.6% from \$113.6 million to \$114.3 million. There was increase in demand from customers of Indonesia, Malaysia and Shenzhen operations. However, lower sales were registered by the Singapore operation due mainly to relocation of customers' operations to China. Weaker demands from customers in Australia and Shanghai operations have also hampered the revenue growth. The Non-print business registered a growth of 22.1% from \$32.5 million to \$39.7 million. This growth is mainly attributed to increased market coverage and transaction activities from existing customers as well as new contributions from projects secured during the year.

The Group's operating profit before tax declined by 2.2% from \$15.4 million to \$15.1 million. The operating profit before tax of the Print-related business (after allocation of corporate services expenses) declined by 22.7% from \$10.5 million for FY 2009 to \$8.1 million for FY2010. The decline in pre-tax operating profit was mainly due to loss of margin contribution from revenue loss as well as price reduction pressure from existing customers. Higher operating expenses, mainly from increase in staff cost as a result of salary increment and new hires for new projects, as well as the unfavorable foreign exchange fluctuations, have also impacted the profitability. The operating profit before tax of the Non-print business, however, registered a growth of 41.3% from \$4.9 million for FY2009 to \$7.0 million for the same period last year. The higher profit was mainly attributed to the contribution from the increased transaction activities by existing customers.

The Group generated positive cashflow of \$14.2 million from operations after working capital changes, as compared to \$28.7 million for the same period in FY2009. The lower cashflow generated is mainly due to the longer credit terms granted to some customers as well as the increase in inventory holding as a result of customer requirements from new projects secured. The inventory holding requirements from new projects resulted in an increase in inventory turnover from 84 days in FY 2009 to 115 days in FY 2010. In FY2010, the group paid out \$7.0 million of dividend, and invested \$3.2 million to upgrade and set up its print and non-print facilities.

Overall as of 31st December 2010, the Group's cash and cash equivalents remains healthy at approximately \$44.2 million. The Group's gearing remains low at 0.01%.

(More 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 2009 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 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 to mitigate the increase in operating cost.

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

11. Dividend (to amend accordingly)

(a) Current Financial Period Reported On

Name of dividend	:	Final
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	1.0 cents

Name of dividend	:	Interim
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Dividend Type : Cash
Dividend amount per share (in cents) : 1.0 cents

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(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 2010

Revenue	Print	Non-Print	Services	Elimination	Total
External Sales	114,302	39,683	376	-	154,361
Inter-segment sales	6,801	3,002	12,382	(22,186)	-
Total Revenue	121,104	42,685	12,758	(22,186)	154,361

Segment Result					
Op Profit before Income Tax	9,489	8,068	(2,826)		14,731
Interest Income					135
Other non-operating income					248
Profit from operations					15,114
Finance costs					(36)
Share of results of associate					-
Profit before income tax					15,078
Income tax expense					(2,569)
Op Profit after tax					12,509

Other Information					
Capital expenditure	2,515	531	107	-	3,153
Depreciation & amortisation	4,270	327	525	-	5,122
Impairment loss recognised in the profit	-	60	-	-	60

BALANCE SHEET

	Print	Non-Print	Services	Elimination	Total
Assets					
Segment Assets	83,193	33,730	14,835	-	131,759
Investment in Associates					(0)
Unallocated Corporate Assets					-
Consolidated Total Assets					131,759
Liabilities					
Segment liabilities	14,447	9,010	3,475	-	26,932
Unallocated corporate					5,088
Liabilities					
Consolidated Total Liabilities					32,020

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					
Additions to non-current assets	5,736	56	84	-	5,876
Depreciation & amortisation	4,376	321	570	-	5,267
Impairment loss recognised in the profit	156	21	-	-	177

BALANCE SHEET

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

Segmental Results-By Geographical Segment

	Revenue from external customers		Non-current assets	
	Y2010	Y2009	Y2010	Y2009
(S\$'000)				
Singapore	90,857	86,569	18,152	18,516
China	36,549	36,781	9,084	10,668
Indonesia	9,862	8,019	2,594	3,171
Malaysia	8,714	5,009	3,443	3,766
Thailand	334	419	5	14
Japan	2,209	2,264	103	110
Australia	4,824	6,255	456	401
India	42	106	11	-
Taiwan	970	949	26	25
Total	154,361	146,371	33,874	36,671

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 business accounted for 74.2% of the Group's revenue while Non-print business contributed the balance of 25.8%. In FY 2009, it was 77.6% and 22.4% respectively.

The revenue of Print-related business grew by 0.6% from \$113.6 million to \$114.3 million. There was significant increase in demand from customers of Indonesia, Malaysia and Shenzhen operations. However there was reduction in revenue due to lower sales registered mainly by the Singapore, Australia and Shanghai entities. For Singapore and China, there is continued pressure from price reduction and unfavorable exchange movements.

The Non-print business registered growth of 22.1% from \$32.5 million to \$39.7 million due mainly to increased transaction activities from the existing customers as well as contributions from new projects secured during the year. There were additional warehouse locations and new activities for the existing service parts logistics business which contributed to the revenue growth.

The operating profit before tax for the Print-related business (after allocation of corporate services expenses) declined by 22.7% from \$10.5 million for FY 2009 to \$8.1 million for FY2010. The decline in pre-tax operating profit was mainly due to loss of margin contribution as a result of revenue loss, price reduction pressure from existing customers, higher operating expenses mainly due to increase in staff cost, and unfavorable foreign exchange fluctuations. The Print business accounted for 53.7% of the Group's pretax operating profit.

The operating profit before tax for the Non-print business registered a growth of 41.3% from \$4.9 million to \$7.0 million for the same period last year. The higher profit was mainly attributed to the contribution from the increased activities from the existing customers. The Non Print business segment accounted for 46.3% of the Group's pretax operating profit.

In terms of geographical perspective, the Singapore operations remain the main revenue contributor accounted for 58.9% of the Group's revenue. The China operations are the second largest contributor at 23.7%. In FY 2009, it was 59.1% and 25.1% respectively.

15. A breakdown of sales

		2010	2009	+ / (-) %
a)	Sales reported for the first half year	75,137	71,006	6
b)	Operating profit after tax reported for the first half year	7,421	5,235	42
c)	Sales reported for the second half year	79,224	75,365	5
d)	Operating profit after tax reported for the second half year	5,088	7,110	(28)

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 (31/12/10)	Previous Full Year (31/12/09)
	'000	'000
Ordinary	7,006	3,736
Preference	-	-
Total :	7,006	3,736

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 21, 2011
Singapore