

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

**Third Quarter and Nine Months Ended 30 September 2013
Financial Statement and Dividend Announcement**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Income statement

	Group			Group		
	S\$'000		%	S\$'000		%
	Q3 FY2013		incr/ (decr)	9 months ended 30 Sep		incr/ (decr)
	2013	2012		2013	2012	
a Revenue	47,218	44,427	6.3	131,633	133,007	(1.0)
b Investment Income	-	-	-	-	-	-
c Other income including interest income :-	112	85	31.8	465	448	3.8
(i) (Loss) Gain on sale of available-for-sale investments, properties and/or plant & equipment included in other income	15	32	n.m	158	(90)	n.m
(ii) Interest Income	73	38	92.1	163	115	41.7
(iii) Other Income	24	15	n.m	144	423	(66.0)
d Changes in inventories of FG & WIP	(45)	652	(106.9)	(729)	373	(295.4)
(i) Write back (allowance) for inventories	6	12	n.m	(8)	122	n.m
e Raw Materials and consumables used	(15,771)	(15,463)	2.0	(42,744)	(46,137)	(7.4)
(i) Write back (allowance) for inventories	(32)	(54)	n.m	(529)	(117)	n.m
f Staff Costs	(9,614)	(10,076)	(4.6)	(30,228)	(29,808)	1.4
g Depreciation, amortisation and impairment expenses	(1,375)	(1,423)	(3.4)	(4,009)	(4,242)	(5.5)
h Interest on borrowings	(64)	(48)	33.3	(138)	(88)	56.8
i Other operating expenses :-	(15,315)	(15,311)	0.0	(42,460)	(42,922)	(1.1)
(i) foreign exchange gain/(loss)	(429)	(472)	n.m	(357)	(872)	n.m
(ii) Write back (allowance) for doubtful debts	1	1	n.m	(34)	6	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	5,146	2,843	81.0	11,790	10,631	10.9

Income statement (continued)

	Group			Group		
	S\$'000		%	S\$'000		%
	Q3 FY2013		incr/ (decr)	9 months ended 30 Sep		incr/ (decr)
	2013	2012		2013	2012	
l Loss from associated companies	-	-	-	-	-	-
m Operating profit before income tax	5,146	2,843	81.0	11,790	10,631	10.9
n Less income tax (indicate basis of computation)	(200)	(759)	(73.6)	(1,495)	(2,555)	(41.5)
(i) Adjustment for under (over) provision of tax in respect of prior periods.	(356)	(15)	2,273.3	(762)	17	(4,582.4)
o Profit for the Period	4,946	2,084	137.3	10,295	8,076	27.5
Attributable to :-						
p Owners of the Company	4,815	2,071	132.5	10,003	8,103	23.4
q Non-controlling Interests	131	13	n.m	292	(27)	n.m

Statement of Comprehensive Income

	Group			Group		
	S\$'000		%	S\$'000		%
	Q3 FY2013		incr/ (decr)	9 months ended 30 Sep		incr/ (decr)
	2013	2012		2013	2012	
Profit for the Period	4,946	2,084	137.3	10,295	8,076	27.5
Other comprehensive income :						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	(640)	(1,371)	n.m	760	(1,970)	n.m
Other comprehensive income for the period	(640)	(1,371)	n.m	760	(1,970)	138.6
Total comprehensive income for the period	4,306	713	503.9	11,055	6,106	81.1
The comprehensive income attributable to :-						
Owners of the Company	4,182	724	477.6	10,776	6,172	74.6
Non-controlling Interests	124	(11)	n.m	279	(66)	n.m

1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statements at the end of the immediately preceding financial year

Statement of Financial Position	Group		Company	
	Actual 30-Sep-13 \$'000	Previous 31-Dec-12 \$'000	Actual 30-Sep-13 \$'000	Previous 31-Dec-12 \$'000
ASSETS				
Current assets:				
Cash and cash equivalents	31,966	42,011	1,866	9,344
Trade and other receivables	43,702	38,892	13,994	8,441
Inventories	15,088	17,101	-	-
Total current assets	90,756	98,004	15,860	17,785
Non-current assets:				
Other assets	301	257	-	-
Joint venture	-	-	4,216	4,216
Subsidiaries	-	-	19,829	19,829
Property, plant and equipment	49,731	32,792	16,690	3,608
Land use rights	7,971	8,169	7,417	7,616
Intangible assets	85	93	85	93
Goodwill	6,691	6,691	-	-
Deferred tax assets	361	417	-	-
Total non-current assets	65,140	48,419	48,237	35,362
Total assets	155,896	146,423	64,097	53,147
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	27,068	26,702	18,604	16,089
Income tax payable	2,252	3,258	28	698
Bank loans	1,021	1,026	-	-
Finance leases	559	-	-	-
Total current liabilities	30,900	30,986	18,632	16,787
Non-current liabilities:				
Bank loans	765	1,602	-	-
Finance leases	1,665	-	-	-
Deferred tax liabilities	1,499	1,488	135	135
Total non-current liabilities	3,929	3,090	135	135
Capital, reserves and non-controlling interests:				
Share capital	23,852	23,852	23,852	23,852
Statutory surplus reserve	1,197	939	-	-
Currency translation reserve	(894)	(1,667)	-	-
Retained earnings	95,911	88,501	21,478	12,373
Equity attributable to owners of the company	120,066	111,625	45,330	36,225
Non-controlling interests	1,001	722	-	-
Total equity	121,067	112,347	45,330	36,225
Total liabilities and equity	155,896	146,423	64,097	53,147

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 30/9/13		As at 31/12/12	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
559	1,021	-	1,026

(b) Amount repayable after one year

As at 30/9/13		As at 31/12/12	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,665	765	-	1,602

Details of any collateral

The finance lease liabilities are secured by the assets under finance leases.

1(c)A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of cash flows

	Group			
	3 months ended 30 Sep		9 months ended 30 Sep	
	2013	2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flow from operating activities:				
Profit before tax	5,146	2,843	11,790	10,631
Adjustments for :				
(Write-back of) Allowance for doubtful debts	(1)	(1)	34	(6)
Allowance / (reversal of allowance) for inventories	26	42	537 [▲]	(5)
Depreciation and amortisation expense	1,375	1,444	4,009	4,263
Reversal of impairment loss on property, plant and equipment	-	(21)	-	(21)
(Gain) loss on disposal of property, plant and equipment	(15)	(32)	(158)	90
Interest income	(73)	(38)	(163)	(115)
Finance costs	64	48	138	88
Operating cash flows before movements in working capital	6,522	4,285	16,187	14,925
Trade and other receivables and other assets	(3,371)	(3,269)	(4,888)	(730)
Inventories	(53)	839	1,476	2,755
Trade and other payables	1,515	(535)	366	(6,152)
Cash generated from operations	4,613	1,320	13,141	10,798
Interest paid	(64)	(48)	(138)	(88)
Income tax paid	(22)	(859)	(2,434)	(2,415)
Net cash from operating activities	4,527	413	10,569	8,295
Cash flow from investing activities:				
Interest received	73	38	163	115
Proceeds from disposal of property, plant & equipment	33	17	363	42
Purchase of property, plant & equipment	(7,499)	(911)	(18,361)	(3,127)
Net cash used in investing activities	(7,393)	(856)	(17,835)	(2,970)
Cash flows from financing activities:				
Dividends paid	(1,167)	(2,335)	(2,335)	(4,671)
Repayment of bank loans	(254)	(243)	(764)	(281)
Proceeds from bank loans	-	(17)	-	2,188
Repayment of obligations under finance leases	(193)	-	(307)	-
Net cash used in financing activities	(1,614)	(2,595)	(3,406)	(2,764)
Net (decrease) increase in cash and cash equivalents	(4,480)	(3,038)	(10,672)	2,561
Cash and cash equivalents at beginning of period	36,668 [■]	41,693	42,011 [▲]	36,405
Effect of foreign exchange rate changes	(222)	(915)	627	(1,226)
Cash and cash equivalents at end of period	31,966	37,740	31,966	37,740

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	Statutory	Retained	Currency	Fair	Attributable to	Non-	Total
	capital	surplus	earnings	translation	value	owners of	controlling	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2012	23,852	-	89,132	(696)	-	112,288	753	113,041
Profit for the period net of tax	-	-	2,071	-	-	2,071	13	2,084
Other comprehensive income for the period	-	-	-	(1,347)	-	(1,347)	(24)	(1,371)
Total Comprehensive Income for the period	-	-	2,071	(1,347)	-	724	(11)	713
Dividends paid	-	-	(2,335)	-	-	(2,335)	-	(2,335)
Balance at 30 Sep 2012	23,852	-	88,868	(2,043)	-	110,677	742	111,419
Balance at 1 July 2013	23,852	1,197	92,263	(261)	-	117,051	877	117,928
Profit for the period net of tax	-	-	4,815	-	-	4,815	131	4,946
Other comprehensive income for the period	-	-	-	(633)	-	(633)	(7)	(640)
Total Comprehensive Income for the period	-	-	4,815	(633)	-	4,182	124	4,306
Dividends paid	-	-	(1,167)	-	-	(1,167)	-	(1,167)
Balance at 30 Sep 2013	23,852	1,197	95,911	(894)	-	120,066	1,001	121,067
COMPANY								
	Share	Statutory	Retained	Currency	Fair	Attributable to	Non-	Total
	capital	surplus	earnings	translation	value	owners of	controlling	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2012	23,852	-	8,140	-	-	31,992	-	31,992
Profit for the period net of tax	-	-	7,529	-	-	7,529	-	7,529
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total Comprehensive Income for the period	-	-	7,529	-	-	7,529	-	7,529
Dividends paid	-	-	(2,335)	-	-	(2,335)	-	(2,335)
Balance at 30 Sep 2012	23,852	-	13,334	-	-	37,186	-	37,186
Balance at 1 July 2013	23,852	-	9,942	-	-	33,794	-	33,794
Profit for the period net of tax	-	-	12,703	-	-	12,703	-	12,703
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total Comprehensive Income for the period	-	-	12,703	-	-	12,703	-	12,703
Dividends paid	-	-	(1,167)	-	-	(1,167)	-	(1,167)
Balance at 30 Sep 2013	23,852	-	21,478	-	-	45,330	-	45,330

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	
	30/9/2013	30/9/2012
Balance as at 1 January	233,550,248	233,550,248
Issue of shares	-	-
Balance as at 30 September	<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 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 2012, 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, 2013. 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

	Group		Group	
	3 months ended		9 months ended	
	Sep'13	Sep'12	Sep'13	Sep'12
Earnings per Ordinary Share for the year based on net profit attributable to shareholders :-				
i) Based on the weighted average number of ordinary shares on issue (cents)	2.06	0.89	4.28	3.47
ii) On a fully diluted basis (cents)	2.06	0.89	4.28	3.47

Note

- a. The earnings per ordinary share ("EPS") for the period ended September30, 2013 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (September 30,2012 = 233,550,248) ordinary shares
- b. Fully diluted EPS for the period ended September30, 2013 is calculated on 233,550,248 (September30, 2012, 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	
	Sep'13	Dec'12	Sep'13	Dec'12
Net Asset Value Per Ordinary Share based On issued share capital at the end of the period	51.41cts	47.79 cts	19.41cts	15.51cts

Note: The net asset value per ordinary share for the period ended September30, 2013 have been calculated based on the issued share capital of 233,550,248 shares (December 31, 2012: 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**

3Q 2013 vs 3Q 2012

The Group's revenue for the third quarter ended 30 September 2013 increased by 6.3%, from \$44.4m in the same period last year to \$47.2m.

The Print-related business accounted for 60.6% of the Group's revenue. Its revenue contribution increased by 1.4% from \$28.2 million to \$28.6 million. The growth for the Print Business in Singapore, Batam and Wuxi in China was pulled down by Shanghai operations as demand reduced, and the cessation of operation in Shenzhen and Australia. The Non-print business accounted for 39.3% of the Group's total. Its revenue contribution increased by 14.8% from \$16.2 million to \$18.6 million mainly due to increase in demand from existing customers.

The Group's operating profit before tax for the third quarter ended 30 September 2013 increased by 81.0% from \$2.8 million in the third quarter of FY2012 to \$5.1 million. Income tax expense decreased is mainly due to write-back of prior year's overprovision.

9M 2013 vs 9M 2012

For the nine months ended 30 September 2013, the Group achieved a total revenue of \$131.6 million, 1.0% lower than the \$133.0 million achieved in the same period last year.

The Print-related business accounted for 61.6% of the Group's revenue and the Non-print business contributed the balance of 38.3%. In terms of geographical perspective, the Singapore operations continue to be the main contributor accounted for 63.7% of the Group's revenue. The China operations remain as the second largest with 22.4% contribution.

The revenue for the Print-related business declined by 4.4% from \$84.7 million to \$81.1 million while the Non-print business increased by 4.8% in revenue from \$48.1 million to \$50.4 million. The decline in the Print segment revenue was mainly due to the lower demand from some existing customers in Singapore operation and the cessation of operation in Shenzhen and Australia. For the Non-Print Business, the growth was mainly due to the increase in demand from existing customers as well as new contributions from new customers.

The Group's operating profit before tax for the nine months ended 30 September 2013 increased by 10.9% to 11.8 million as compared to \$10.6 million for the same period last year. The increase is mainly attributed to increase in customer demand, reduction in unrealized foreign exchange losses (\$0.6 million) and depreciation/amortisation and impairment expenses (\$0.2 million), savings from cost management measures and improvement in raw materials yield.

The operating profit before tax for the Print-related business increased slightly by 6.3% from \$4.8 million to \$5.1 million is mainly due to cost management efforts to lower operational costs and the better raw material yield.

The operating profit before tax for the Non-print business increased by 14.7% from \$5.8 million in the same period last year to \$6.7 million this year. The increase in operating profit is mainly due to higher demand from some existing customers, new contributions from new customers and savings from cost management efforts although it is partially offset by the downward price pressures. Income tax expense decreased is mainly due write-back of overprovision in prior year.

For the nine months ended 30 September 2013, the Group generated positive cash flow of \$13.1 million from operations after working capital changes. It was \$10.8 million for the same period last year. The increase in cash flow generated from operations after working capital changes is mainly attributed to the higher profit for the period.

During this period, the Group invested \$18.4 million into the ongoing construction of the new factory in Singapore, the improvement works on the new plants in Iskandar, Malaysia, as well as upgrading the facilities for operations in Wuxi plants. The Group also paid out \$2.3 million of dividend with respect to FY2012. As at 30 September 2013, the Group's cash and cash equivalents amount was approximately \$32.0 million.

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 commentary previously stated in Paragraph 10 of the announcement for the full year FY 2012.

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 global economic outlook remains uncertain. The stiff competition in the region continues to result in downward pressure on pricing, while the rising operating cost would further squeeze our margins. The Group will continue to enhance its cost management measures, productivity improvement initiatives and continuously seeking for new upstream activities that widening revenue source while mitigating the increase in operating costs.

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

11. Dividend (to amend accordingly)

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

Not Applicable

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The company did not obtain a general mandate from shareholders for IPTs.

14. Confirmation Pursuant to Rule 705(5) 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 nine months ending September 30, 2013, to be false or misleading.

**BY ORDER OF THE BOARD
Thomas Chua Kee Seng
Chairman & Managing Director
November 8, 2013
Singapore**