

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

**First Quarter Ended 31 March 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			
		S\$'000		%	
		3 months ended 31 Mar		incr/ (decr)	
		2013	2012		
1	a	Revenue	41,354	43,546	(5.0)
	b	Investment Income	-	-	-
	c	Other income including interest income :-	46	428	(89.3)
		( i ) (Loss) Gain on sale of available-for-sale investments, properties and/or plant & equipment included in other income	(3)	(27)	n.m
		( ii ) Interest Income	43	36	19.4
		( iii ) Other Income	6	419	(98.6)
	d	Changes in inventories of FG & WIP	(247)	641	(138.5)
		( i ) Write back ( allowance ) for inventories	(1)	21	n.m
	e	Raw Materials and consumables used	(13,074)	(16,221)	(19.4)
		(i) Write back (allowance) for inventories	(252)	(4)	n.m
	f	Staff Costs	(10,059)	(9,917)	1.4
	g	Depreciation, amortisation and impairment expenses	(1,311)	(1,400)	(6.4)
	h	Interest on borrowings	(44)	(20)	120.0
	i	Other operating expenses :-	(12,929)	(13,036)	(0.8)
		( i ) foreign exchange gain /(loss)	256	(496)	n.m
		( ii ) Write back (allowance) for doubtful debts	(36)	9	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	3,736	4,021	(7.1)

**Income statement (continued)**

l	Loss from associated companies	-	-	-
m	Operating profit before income tax	3,736	4,021	(7.1)
n	Less income tax ( indicate basis of computation)	(651)	(986)	(34.0)
	( i ) Adjustment for under (over) provision of tax in respect of prior periods.	(406)	1	n.m
o	Profit for the Period	3,085	3,035	1.6
	Attributable to :-			
p	Owners of the Company	3,028	3,046	(0.6)
q	Non-controlling Interests	57	(11)	n.m

Group			
S\$'000		%	
3 months ended 31 Mar		incr/	
2013	2012	(decr)	
-	-	-	
3,736	4,021	(7.1)	
(651)	(986)	(34.0)	
(406)	1	n.m	
3,085	3,035	1.6	
3,028	3,046	(0.6)	
57	(11)	n.m	

**Statement of Comprehensive Income**

Profit for the Period	3,085	3,035	1.6
Other comprehensive income :			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	260	(940)	n.m
Other comprehensive income for the period	260	(940)	(127.7)
Total comprehensive income for the period	3,345	2,095	59.7
The comprehensive income attributable to :-			
Owners of the Company	3,297	2,143	53.8
Non-controlling Interests	48	(48)	n.m

Group			
S\$'000		%	
3 months ended 31 Mar		incr/	
2013	2012	(decr)	
3,085	3,035	1.6	
260	(940)	n.m	
260	(940)	(127.7)	
3,345	2,095	59.7	
3,297	2,143	53.8	
48	(48)	n.m	

**1(b)(i) Statement of financial position (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-Mar-13 \$'000	Previous 31-Dec-12 \$'000	Actual 31-Mar-13 \$'000	Previous 31-Dec-12 \$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	35,670	42,011	5,487	9,344
Trade and other receivables	41,314	38,892	4,138	8,441
Inventories	16,022	17,101	-	-
<b>Total current assets</b>	<b>93,006</b>	<b>98,004</b>	<b>9,625</b>	<b>17,785</b>
<b>Non-current assets:</b>				
Other assets	258	257	-	-
Joint venture	-	-	4,216	4,216
Subsidiaries	-	-	19,829	19,829
Property, plant and equipment	35,864	32,792	7,303	3,608
Land use rights	8,104	8,169	7,550	7,616
Intangible assets	90	93	90	93
Goodwill	6,691	6,691	-	-
Deferred tax assets	391	417	-	-
<b>Total non-current assets</b>	<b>51,398</b>	<b>48,419</b>	<b>38,988</b>	<b>35,362</b>
<b>Total assets</b>	<b>144,404</b>	<b>146,423</b>	<b>48,613</b>	<b>53,147</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade and other payables	22,623	26,702	12,801	16,089
Income tax payable	2,219	3,258	38	698
Bank loans	1,041	1,026	-	-
<b>Total current liabilities</b>	<b>25,883</b>	<b>30,986</b>	<b>12,839</b>	<b>16,787</b>
<b>Non-current liabilities:</b>				
Bank loans	1,339	1,602	-	-
Deferred tax liabilities	1,490	1,488	135	135
<b>Total non-current liabilities</b>	<b>2,829</b>	<b>3,090</b>	<b>135</b>	<b>135</b>
<b>Capital, reserves and non-controlling interests:</b>				
Share capital	23,852	23,852	23,852	23,852
Statutory surplus reserve	1,197	939	-	-
Currency translation reserve	(1,398)	(1,667)	-	-
Retained earnings	91,271	88,501	11,787	12,373
<b>Equity attributable to owners of the company</b>	<b>114,922</b>	<b>111,625</b>	<b>35,639</b>	<b>36,225</b>
Non-controlling interests	770	722	-	-
<b>Total equity</b>	<b>115,692</b>	<b>112,347</b>	<b>35,639</b>	<b>36,225</b>
<b>Total liabilities and equity</b>	<b>144,404</b>	<b>146,423</b>	<b>48,613</b>	<b>53,147</b>

**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 31/3/13		As at 31/12/12	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	1,041	-	1,026

(b) Amount repayable after one year

As at 31/3/13		As at 31/12/12	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	1,339	-	1,602

**Details of any collateral**

Nil

**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**

	<b>Group</b>	
	<b>3 months ended 31 Mar</b>	
	<b>2013</b>	<b>2012</b>
	S\$'000	S\$'000
<b>Cash flow from operating activities:</b>		
Profit before tax	3,736	4,021
Adjustments for :		
(Write-back of) Allowance for doubtful debts	36	(9)
Allowance / (reversal of allowance) for inventories	253	(17)
Depreciation and amortisation expense	1,311	1,400
Loss (Gain) on disposal of property, plant and equipment	3	26
Interest income	(43)	(36)
Finance costs	44	20
<b>Operating cash flows before movements in working capital</b>	<b>5,340</b>	<b>5,405</b>
Trade and other receivables and other assets	(2,459)	1,098
Inventories	826	1,613
Trade and other payables	(4,079)	(6,410)
<b>Cash generated from operations</b>	<b>(372)</b>	<b>1,706</b>
Interest paid	(44)	(20)
Income tax paid	(1,662)	(653)
<b>Net cash from operating activities</b>	<b>(2,078)</b>	<b>1,033</b>
<b>Cash flow from investing activities:</b>		
Interest received	43	36
Proceeds from disposal of property, plant & equipment	8	9
Purchase of property, plant & equipment	(4,144)	(1,127)
<b>Net cash used in investing activities</b>	<b>(4,093)</b>	<b>(1,082)</b>
<b>Cash flows from financing activities:</b>		
Repayment of bank loans	(248)	-
<b>Net cash used in financing activities</b>	<b>(248)</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents	(6,419)	(49)
Cash and cash equivalents at beginning of period	42,011	36,405
Effect of foreign exchange rate changes	78	(603)
Cash and cash equivalents at end of period	35,670	35,753

**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	Statutory surplus reserve	Retained earnings	Currency translation reserve	Fair value reserve	Attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 Jan 2012</b>	<b>23,852</b>	-	<b>85,436</b>	<b>(112)</b>	-	<b>109,176</b>	<b>808</b>	<b>109,984</b>
Profit for the period net of tax	-	-	3,046	-	-	3,046	(11)	3,035
Other comprehensive income for the period	-	-	-	(903)	-	(903)	(37)	(940)
<b>Total Comprehensive Income for the period</b>	-	-	<b>3,046</b>	<b>(903)</b>	-	<b>2,143</b>	<b>(48)</b>	<b>2,095</b>
Appropriation	-	-	-	-	-	-	-	-
<b>Balance at 31 Mar 2012</b>	<b>23,852</b>	-	<b>88,482</b>	<b>(1,015)</b>	-	<b>111,319</b>	<b>760</b>	<b>112,079</b>

<b>Balance at 1 Jan 2013</b>	<b>23,852</b>	<b>939</b>	<b>88,501</b>	<b>(1,667)</b>	-	<b>111,625</b>	<b>722</b>	<b>112,347</b>
Profit for the period net of tax	-	-	3,028	-	-	3,028	57	3,085
Other comprehensive income for the period	-	-	-	269	-	269	(9)	260
<b>Total Comprehensive Income for the period</b>	-	-	<b>3,028</b>	<b>269</b>	-	<b>3,297</b>	<b>48</b>	<b>3,345</b>
Appropriation	-	258	(258)	-	-	-	-	-
<b>Balance at 31 Mar 2013</b>	<b>23,852</b>	<b>1,197</b>	<b>91,271</b>	<b>(1,398)</b>	-	<b>114,922</b>	<b>770</b>	<b>115,692</b>

COMPANY	Share capital	Statutory surplus reserve	Retained earnings	Currency translation reserve	Fair value reserve	Attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 Jan 2012</b>	<b>23,852</b>	-	<b>12,121</b>	-	-	<b>35,973</b>	-	<b>35,973</b>
Profit for the period, net of tax	-	-	(862)	-	-	(862)	-	(862)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the period</b>	-	-	<b>(862)</b>	-	-	<b>(862)</b>	-	<b>(862)</b>
<b>Balance at 31 Mar 2012</b>	<b>23,852</b>	-	<b>11,259</b>	-	-	<b>35,111</b>	-	<b>35,111</b>

<b>Balance at 1 Jan 2013</b>	<b>23,852</b>	-	<b>12,373</b>	-	-	<b>36,225</b>	-	<b>36,225</b>
Profit for the period, net of tax	-	-	(586)	-	-	(586)	-	(586)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the period</b>	-	-	<b>(586)</b>	-	-	<b>(586)</b>	-	<b>(586)</b>
<b>Balance at 31 Mar 2013</b>	<b>23,852</b>	-	<b>11,787</b>	-	-	<b>35,639</b>	-	<b>35,639</b>

**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	
	31/3/2013	31/3/2012
Balance as at 1 January	233,550,248	233,550,248
Issue of shares	-	-
Balance as at 31 March	<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**

	31/3/2013	31/3/2012
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)	1.30	1.30
ii) On a fully diluted basis (cents)	1.30	1.30

**Note**

- a. The earnings per ordinary share ("EPS") for the period ended March 31, 2013 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (March 31, 2012 = 233,550,248) ordinary shares
- b. Fully diluted EPS for the period ended March 31, 2013 is calculated on 233,550,248 (March 31, 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**

	<b>GROUP</b>		<b>COMPANY</b>	
	Mar'13	Dec'12	Mar'13	Dec'12
Net Asset Value Per Ordinary Share based On issued share capital at the end of the period	49.21 cts	47.79 cts	15.26 cts	15.51 cts

Note: The net asset value per ordinary share for the period ended March 31, 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**

#### **1Q 2013 vs 1Q 2012**

For the first quarter ended 31 March 2013, the Group achieved a total revenue of \$41.4 million, a 5.0% decline as compared to the \$43.5 million achieved over the same period last year. The revenue of Print-related business declined by 7.7% from \$28.4 million to \$26.2 million while the Non-print business registered a marginal increase from \$15.1 million to \$15.2 million. The decline in the Print segment revenue was mainly due to the lower demand from existing customers in Singapore operation and the cessation of operation in Shenzhen, China during the second half of last year. The growth in Non-print revenue was mainly attributed to increase in activities of some existing customers as well as new revenue generated from new customers secured from the second quarter last year. These increases helped to compensate for the lower activities of other existing customers and the cessation of a project during the first quarter last year.

The Print-related business accounted for 63.3% of the Group's revenue and the Non-print business contributed the balance of 36.7%. In terms of geographical perspective, the Singapore operations remain the main contributor of the Group's revenue, accounting for 61.1%. The China operations continue to be the second largest contributor, accounting for 23.4%.

The Group's operating profit before tax for the first quarter ended 31 March 2013 declined by 7.1% to \$3.7 million as compared to \$4.0 million in the same quarter last year. The decrease was mainly attributed to lower demand from existing customers, increase in costs of operations and continuous price pressure during the period.

The operating profit before tax for the Print-related business (after allocation of corporate services expenses) decreased by S\$0.1 million (or 5.9%) from \$1.7 million to \$1.6 million. The decrease was mainly due to lesser demand from existing customers during this quarter.

The operating profit before tax for the Non-print business (after allocation of corporate services expenses) declined by \$0.3 million (or 12.5%) from \$2.4 million for the first quarter last year to \$2.1 million this quarter. This was mainly due to a provision for scrapping of parts pertaining to a repair service program which has end of life product models. In addition, higher operating profit achieved last year was mainly resulted from a one-off compensation from an existing customer.

The Group registered a negative cash flow of \$0.4 million from operations after working capital changes. This was mainly attributable to the lower profit for the period and the increase in prepayments for acquisition of new production equipment for the new manufacturing plants. During this period, the Group invested \$4.1 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. In overall, as of 31<sup>st</sup> March 2013, the Group's cash and cash equivalents remains healthy at approximately \$35.7 million. The Group's gearing remains low at 2.07%.

- 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 put pressure on pricing and the rising operating cost would further squeeze our margins. The Group will continue to enhance its cost management measures and productivity improvement initiatives and to seek new upstream activities to widen revenue source to mitigate the increase in operating cost.

In FY 2013, the Group will move part of its production facilities to Malaysia, Iskandar and manages the investment cost on the new facilities in Wuxi and new building at Paya Lebar. 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/recommendeded, 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 three months ending March 31, 2013, to be false or misleading.

**BY ORDER OF THE BOARD**  
**Thomas Chua Kee Seng**  
**Chairman & Managing Director**  
**May 15, 2013**  
**Singapore**