

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 2012
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		%	S\$'000		%
	Q3 FY2012		incr/ (decr)	9 months ended 30 Sep		incr/ (decr)
	2012	2011		2012	2011	
a Revenue	44,427	44,358	0.2	133,007	124,086	7.2
b Investment Income	-	-	-	-	-	-
c Other income including interest income :-	85	151	(43.7)	448	872	(48.6)
(i) Gain (Loss) on sale of available-for-sale investments, properties and/or plant & equipment included in other income	32	82	(61.0)	(90)	406	n.m
(ii) Interest Income	38	31	22.6	115	105	9.5
(iii) Other Income	15	38	(60.5)	423	361	17.2
d Changes in inventories of FG & WIP	652	45	n.m	373	381	(2.1)
(i) Write back (allowance) for inventories	12	(10)	n.m	122	(11)	n.m
e Raw Materials and consumables used	(15,463)	(15,998)	(3.3)	(46,137)	(45,940)	0.4
(i) Write back (allowance) for inventories	(54)	11	(590.9)	(117)	13	n.m
f Staff Costs	(10,076)	(9,556)	5.4	(29,808)	(28,190)	5.7
g Depreciation, amortisation and impairment expenses	(1,423)	(1,246)	14.2	(4,242)	(3,774)	12.4
h Interest on borrowings	(48)	(6)	700.0	(88)	(18)	388.9
i Other operating expenses :-	(15,311)	(12,851)	19.1	(42,922)	(36,726)	16.9
(i) foreign exchange gain /(loss)	(472)	442	n.m	(872)	(59)	n.m
(ii) Write back (allowance) for doubtful debts	1	-	n.m	6	1	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	2,843	4,897	(41.9)	10,631	10,691	(0.6)

Income statement (continued)

	Group					
	S\$'000		%	S\$'000		%
	Q3 FY2012		incr/ (decr)	9 months ended 30 Sep		incr/ (decr)
	2012	2011		2012	2011	
l Loss from associated companies	-	-	-	-	-	-
m Operating profit before income tax	2,843	4,897	(41.9)	10,631	10,691	(0.6)
n Less income tax (indicate basis of computation)	(759)	(750)	1.2	(2,555)	(2,118)	20.6
(i) Adjustment for under (over) provision of tax in respect of prior periods.	(15)	(273)	(94.5)	17	(261)	(106.5)
o Profit for the Period	2,084	4,147	(49.7)	8,076	8,573	(5.8)
Attributable to :-						
p Owners of the Company	2,071	4,125	(49.8)	8,103	8,487	(4.5)
q Non-controlling Interests	13	22	(40.9)	(27)	86	n.m

Statement of Comprehensive Income

	Group					
	S\$'000		%	S\$'000		%
	3 months ended 30 Sep		incr/ (decr)	9 months ended 30 Sep		incr/ (decr)
	2012	2011		2012	2011	
Profit for the Period	2,084	4,147	(49.7)	8,076	8,573	(5.8)
Other comprehensive income :						
Foreign currency translation	(1,371)	1,687	n.m	(1,970)	679	n.m
Available-for-sale investment	-	(30)	n.m	-	(28)	n.m
Other comprehensive income for the period	(1,371)	1,657	n.m	(1,970)	651	(402.6)
Total comprehensive income for the period	713	5,804	(87.7)	6,106	9,224	(33.8)
The comprehensive income attributable to :-						
Owners of the Company	724	5,745	(87.4)	6,172	9,121	(32.3)
Non-controlling Interests	(11)	59	n.m	(66)	103	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 30-Sep-12 \$'000	Previous 31-Dec-11 \$'000	Actual 30-Sep-12 \$'000	Previous 31-Dec-11 \$'000
ASSETS				
Current assets:				
Cash and cash equivalents	37,740	36,405	6,898	4,899
Trade and other receivables	41,863	41,171	6,606	9,771
Inventories	18,118	20,868	-	-
Total current assets	97,721	98,444	13,504	14,670
Non-current assets:				
Other assets	315	271	-	-
Joint venture	-	-	4,216	4,216
Subsidiaries	-	-	19,829	19,829
Property, plant and equipment	26,929	28,721	1,669	1,076
Land use rights	8,352	8,598	7,683	7,882
Intangible assets	95	103	96	103
Goodwill	6,691	6,691	-	-
Total non-current assets	42,382	44,384	33,493	33,106
Total assets	140,103	142,828	46,997	47,776
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	21,756	27,908	9,662	11,613
Income tax payable	2,629	2,489	14	55
Bank loans	2,860	1,011	-	-
Total current liabilities	27,245	31,408	9,676	11,668
Non-current liabilities:				
Deferred tax liabilities	1,439	1,436	135	135
Total non-current liabilities	1,439	1,436	135	135
Capital, reserves and non-controlling interests:				
Share capital	23,852	23,852	23,852	23,852
Currency translation reserve	(2,043)	(112)	-	-
Retained earnings	88,868	85,436	13,334	12,121
Equity attributable to owners of the company	110,677	109,176	37,186	35,973
Non-controlling interests	742	808	-	-
Total equity	111,419	109,984	37,186	35,973
Total liabilities and equity	140,103	142,828	46,997	47,776

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 30/9/12		As at 31/12/11	
Secured	Unsecured	Secured	Unsecured
-	2,860	-	1,011

(b) Amount repayable after one year

As at 30/9/12		As at 31/12/11	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

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

	Group			
	3 months ended 30 Sep		9 months ended 30 Sep	
	2012	2011	2012	2011
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flow from operating activities:				
Profit before tax	2,843	4,897	10,631	10,691
Adjustments for :				
Allowance for (Write-back of) doubtful debts	(1)	-	(6)	(1)
Reversal of allowance for inventories	42	(1)	(5)	(2)
Reversal of impairment loss on property, plant and equipment	(21)	-	(21)	-
Depreciation and amortisation expense	1,444	1,246	4,263	3,774
(Gain) Loss on disposal of property, plant and equipment	(32)	33	90	(68)
(Gain) Loss on disposal of investment properties	-	(76)	-	(298)
Fair value gain recycled from fair value reserve to profit or loss on derecognition	-	(41)		(41)
Interest income	(38)	(31)	(115)	(105)
Finance costs	48	6	88	18
Operating cash flows before movements in working capital	4,285	6,033	14,925	13,968
Trade and other receivables and other assets	(3,269)	(7,068)	(730)	(6,754)
Inventories	839	(1,692)	2,755	(3,286)
Trade and other payables	(535)	3,041	(6,152)	(919)
Cash generated from operations	1,320	314	10,798	3,009
Interest paid	(48)	(6)	(88)	(18)
Income tax paid	(859)	(763)	(2,415)	(2,374)
Net cash from operating activities	413	(455)	8,295	617
Cash flow from investing activities:				
Interest received	38	31	115	105
Proceeds from disposal of property, plant & equipment	17	47	42	176
Proceeds from disposal of investment properties	-	343	-	1,444
Proceeds from disposal of available-for-sale investments	-	370		370
Acquisition of subsidiary	-	(111)		(111)
Purchase of land use right	-	(7,957)		(7,957)
Purchase of property, plant & equipment	(911)	(837)	(3,127)	(2,922)
Net cash used in investing activities	(856)	(8,114)	(2,970)	(8,895)
Cash flows from financing activities:				
Dividends paid	(2,335)	(1,167)	(4,671)	(3,503)
Repayment of bank loans	(243)	-	(281)	(7)
Proceeds from bank loans	(17)	1,300	2,188	1,300
Repayment of obligations under finance leases	-	-	-	(3)
Net cash used in financing activities	(2,595)	133	(2,764)	(2,213)
Net increase (decrease) in cash and cash equivalents	(3,038)	(8,436)	2,561	(10,491)
Cash and cash equivalents at beginning of period	41,693	41,528	36,405	44,238
Effect of foreign exchange rate changes	(915)	1,043	(1,226)	388
Cash and cash equivalents at end of period	37,740	34,135	37,740	34,135

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	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
Balance at 1 July 2011	23,852	78,622	(2,129)	30	100,375	448	100,823
Profit for the period net of tax	-	4,125	-	-	4,125	22	4,147
Other comprehensive income for the period	-	-	1,650	(30)	1,620	37	1,657
Total Comprehensive Income for the period	-	4,125	1,650	(30)	5,745	59	5,804
Dividends paid	-	(1,167)	-	-	(1,167)	-	(1,167)
Balance at 30 Sep 2011	23,852	81,580	(479)	-	104,953	507	105,460

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

COMPANY

	Share capital	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
Balance at 1 July 2011	23,852	7,044	-	30	30,926	-	30,926
Profit for the period net of tax	-	7,310	-	-	7,310	-	7,310
Other comprehensive income for the period	-	-	-	(30)	(30)	-	(30)
Total Comprehensive Income for the period	-	7,310	-	(30)	7,280	-	7,280
Dividends paid	-	(1,167)	-	-	(1,167)	-	(1,167)
Balance at 30 Sep 2011	23,852	13,187	-	-	37,039	-	37,039

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

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	
	30/9/2012	30/9/2011
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 2011, 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, 2012. 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 3 months ended		Group 9 months ended	
	Sep'12	Sep'11	Sep'12	Sep'11
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)	0.89	1.77	3.47	3.63
ii) On a fully diluted basis (cents)	0.89	1.77	3.47	3.63

Note

- The earnings per ordinary share ("EPS") for the period ended September 30, 2012 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (September 30, 2011 = 233,550,248) ordinary shares
- Fully diluted EPS for the period ended September 30, 2012 is calculated on 233,550,248 (September 30, 2011, 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'12	Dec'11	Sep'12	Dec'11
Net Asset Value Per Ordinary Share based On issued share capital at the end of the period	47.39 cts	46.75 cts	15.92 cts	15.40 cts

Note: The net asset value per ordinary share for the period ended September 30, 2012 have been calculated base on the issued share capital of 233,550,248 shares (December 31, 2011: 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 2012 vs 3Q 2011

The Group's revenue for the third quarter ended 30 September 2012 amounted to S\$44.4m, a 0.2% increase over the revenue achieved in the same period last year.

The Print-related business accounted for 63.5% of the Group's revenue. Its revenue contribution declined by 4.4% from \$29.5 million to \$28.2 million as a result of lower sales registered by the Malaysia, Shanghai and Shenzhen operations. The Non-print business accounted for 36.5% of the Group's total. It registered a revenue growth of 9.3% from \$14.8 million to \$16.2 million mainly due to the increase in demand from existing customers as well as new revenue from projects secured in the second and third quarter this year.

The Group's operating profit before tax for the third quarter ended 30 September 2012 declined by 41.9% from \$4.9 million in the third quarter of FY2011 to \$2.8 million.

Profit for the period, net of tax, attributable to Owners of the Company for 3QFY12 was 49.8% lower at \$2.1 million as compared to \$4.1 million for same period of last year.

9M 2012 vs 9M 2011

For the nine months ended 30 September 2012, the Group achieved a total revenue of \$133.0 million, 7.2 % higher than the \$124.1 million achieved in the same period last year.

The Print-related business accounted for 63.7% of the Group's revenue and the Non-print business contributed the balance of 36.3%. In terms of geographical perspective, the Singapore operations continue to be the main contributor accounted for 64.5% of the Group's revenue. The China operations remain as the second largest with 21.1% contribution.

The revenue for the Print-related business grew by 0.8% from \$84.0 million to \$84.7 million while the Non-print business registered a 20.8% growth in revenue from \$39.8 million to \$48.1 million. The growth for the Print Business in Singapore, Batam and Wuxi in China was pulled down by the reduction in demand from the Shanghai operations as well as Malaysia and Japan operations. For the Non Print Business, the growth was mainly due to the increase in demand from existing customers, as well as new revenue from customers secured this year.

The Group's operating profit before tax for the nine months ended 30 September 2012 declined by 0.6% to \$10.6 million as compared to \$10.7million for the same period last year. Despite the increase in revenue for the Group, the operating profit before tax declined mainly due to the increase in the cost of operations, unrealized foreign exchange losses (\$0.8 million), continuous price pressure, new start-up expenses and expenses related to the construction of the new building, Pixel Red, at Paya Lebar i-Park.

The operating profit before tax for the Print-related business (after allocation of corporate services expenses) increased by 7.8% from \$4.5 million for the nine months of FY2011 to \$4.8 million. The operating profit before tax for the Non-print business (after allocation of corporate services expenses) declined by 6.5% from \$6.2 million to \$5.8 million for the same corresponding periods. The decline in operating profit is mainly attributed to the start-up expenses from the new projects, price pressures from current customers as well as scrapping parts which pertain to the end of life product models under the repair services program.

For the nine months ended 30 September 2012, the Group generated positive cash flow of \$10.8 million from operations after working capital changes. It was \$3.0 million for the same period last year. The increase in cash flow generated from operations after working capital changes is mainly attributed to improved inventories level and sales collection.

During the same period, the group paid out \$4.6 million of dividend, and invested \$3.1 million to upgrade its facilities. As at 30 September 2012, the Group's cash and cash equivalents amount to approximately \$37.7 million.

The Group's gearing ratio rose from 0.93% as at 31 Dec 2011 to 2.6% as at 30 September 2012 mainly as a result of the full drawdown of bank loans to fully pay off the factories purchased in Iskandar Development Zone, Malaysia.

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 Quarter 2/ Half 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.

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, 2012, to be false or misleading.

**BY ORDER OF THE BOARD
Thomas Chua Kee Seng
Chairman & Managing Director
November 9, 2012
Singapore**