

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

TECKWAH INDUSTRIAL CORPORATION LTD

**Second Quarter and Six Months Ended 30 June 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		%
	3 months ended 30 Jun		incr/ (decr)	6 months ended 30 Jun		incr/ (decr)
	2012	2011		2012	2011	
a Revenue	45,034	41,452	8.6	88,580	79,728	11.1
b Investment Income	-	-	-	-	-	-
c Other income including interest income :-	(65)	695	(109.4)	363	721	(49.7)
(i) Gain (Loss) on sale of available-for-sale investments, properties and/or plant & equipment included in other income	(95)	325	n.m	(122)	324	n.m
(ii) Interest Income	41	50	(18.0)	77	74	4.1
(iii) Other Income	(11)	320	n.m	408	323	26.3
d Changes in inventories of FG & WIP	(920)	215	n.m	(279)	336	n.m
(i) Write back (allowance) for inventories	89	(2)	n.m	110	(1)	n.m
e Raw Materials and consumables used	(14,453)	(15,377)	(6.0)	(30,674)	(29,942)	2.4
(i) Write back (allowance) for inventories	(59)	(1)	5,800.0	(63)	2	n.m
f Staff Costs	(9,815)	(9,949)	(1.3)	(19,732)	(18,634)	5.9
g Depreciation, amortisation and impairment expenses	(1,419)	(1,261)	12.5	(2,819)	(2,528)	11.5
h Interest on borrowings	(20)	(7)	185.7	(40)	(12)	233.3
i Other operating expenses :-	(14,575)	(12,359)	17.9	(27,611)	(23,875)	15.6
(i) foreign exchange gain /(loss)	96	(261)	n.m	(400)	(501)	(20.2)
(ii) Write back (allowance) for doubtful debts	(4)	-	n.m	5	1	400.0
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	3,767	3,409	10.5	7,788	5,794	34.4

Group							
S\$'000		%	S\$'000		%		
3 months ended 30 Jun		incr/ (decr)	6 months ended 30 Jun		incr/ (decr)		
2012	2011	(decr)	2012	2011	(decr)		
Income statement (continued)							
l	Loss from associated companies	-	-	-	-	-	
m	Operating profit before income tax	3,767	3,409	10.5	7,788	5,794	34.4
n	Less income tax (indicate basis of computation)	(810)	(747)	8.4	(1,796)	(1,368)	31.3
	(i) Adjustment for under (over) provision of tax in respect of prior periods.	31	-	n.m	32	12	166.7
o	Profit for the Period	2,957	2,662	11.1	5,992	4,426	35.4
Attributable to :-							
p	Owners of the Company	2,986	2,646	12.8	6,032	4,362	38.3
q	Non-controlling Interests	(29)	16	n.m	(40)	64	n.m
Statement of Comprehensive Income							
Group							
S\$'000		%	S\$'000		%		
3 months ended 30 Jun		incr/ (decr)	6 months ended 30 Jun		incr/ (decr)		
2012	2011	(decr)	2012	2011	(decr)		
Profit for the Period							
2,957	2,662	11.1	5,992	4,426	35.4		
Other comprehensive income :							
Foreign currency translation							
341	(495)	n.m	(599)	(1,008)	n.m		
Available-for-sale investment							
-	11	n.m	-	2	n.m		
Other comprehensive income for the period							
341	(484)	n.m	(599)	(1,006)	(40.5)		
Total comprehensive income for the period							
3,298	2,178	51.4	5,393	3,420	57.7		
The comprehensive income attributable to :-							
Owners of the Company							
3,305	2,166	52.6	5,448	3,376	61.4		
Non-controlling Interests							
(7)	12	n.m	(55)	44	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	Previous	Actual	Previous
	30-Jun-12 \$'000	31-Dec-11 \$'000	30-Jun-12 \$'000	31-Dec-11 \$'000
ASSETS				
Current assets:				
Cash and cash equivalents	41,693	36,405	9,263	4,899
Trade and other receivables	38,615	41,171	6,128	9,771
Inventories	18,999	20,868	-	-
Total current assets	99,307	98,444	15,391	14,670
Non-current assets:				
Other assets	293	271	-	-
Joint venture	-	-	4,216	4,216
Subsidiaries	-	-	19,829	19,829
Property, plant and equipment	27,774	28,721	1,266	1,076
Land use rights	8,445	8,598	7,749	7,882
Intangible assets	98	103	98	103
Goodwill	6,691	6,691	-	-
Total non-current assets	43,301	44,384	33,158	33,106
Total assets	142,608	142,828	48,549	47,776
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	22,291	27,908	16,376	11,613
Income tax payable	2,729	2,489	46	55
Bank loans	3,111	1,011	-	-
Total current liabilities	28,131	31,408	16,422	11,668
Non-current liabilities:				
Deferred tax liabilities	1,436	1,436	135	135
Total non-current liabilities	1,436	1,436	135	135
Capital, reserves and non-controlling interests:				
Share capital	23,852	23,852	23,852	23,852
Currency translation reserve	(696)	(112)	-	-
Retained earnings	89,132	85,436	8,140	12,121
Equity attributable to owners of the company	112,288	109,176	31,992	35,973
Non-controlling interests	753	808	-	-
Total equity	113,041	109,984	31,992	35,973
Total liabilities and equity	142,608	142,828	48,549	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 30/6/12		As at 31/12/11	
Secured	Unsecured	Secured	Unsecured
0	3,111	0	1,011

(b) Amount repayable after one year

As at 30/6/12		As at 31/12/11	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

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 Jun		6 months ended 30 Jun	
	2012	2011	2012	2011
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flow from operating activities:				
Profit before tax	3,767	3,409	7,788	5,794
Adjustments for :				
Allowance (Write back of) for doubtful debts	4	-	(5)	(1)
Reversal of allowance for inventories	(30)	3	(47)	(1)
Depreciation and amortisation expense	1,419	1,261	2,819	2,528
Loss (Gain) on disposal of property, plant and equipment	96	(102)	122	(101)
(Gain) Loss on disposal of investment properties	-	(222)	-	(222)
Interest income	(41)	(50)	(77)	(74)
Finance costs	20	7	40	12
Operating cash flows before movements in working capital	5,235	4,306	10,640	7,935
Trade and other receivables and other assets	1,441	1,055	2,539	314
Inventories	303	(1,947)	1,916	(1,594)
Trade and other payables	793	(480)	(5,617)	(3,960)
Cash generated from operations	7,772	2,934	9,478	2,695
Interest paid	(20)	(7)	(40)	(12)
Income tax paid	(903)	(1,155)	(1,556)	(1,611)
Net cash from operating activities	6,849	1,772	7,882	1,072
Cash flow from investing activities:				
Interest received	41	50	77	74
Proceeds from disposal of property, plant & equipment	16	128	25	129
Proceeds from disposal of investment property	-	1,101	-	1,101
Purchase of property, plant & equipment	(1,089)	(1,629)	(2,216)	(2,085)
Net cash used in investing activities	(1,032)	(350)	(2,114)	(781)
Cash flows from financing activities:				
Dividends paid	(2,336)	(2,336)	(2,336)	(2,336)
Repayment of bank loans	(38)	-	(38)	(7)
Proceeds from bank loans	2,205	-	2,205	-
Repayment of obligations under finance leases	-	-	-	(3)
Net cash used in financing activities	(169)	(2,336)	(169)	(2,346)
Net increase (decrease) in cash and cash equivalents	5,648	(914)	5,599	(2,055)
Cash and cash equivalents at beginning of period	35,753	42,762	36,405	44,238
Effect of foreign exchange rate changes	292	(320)	(311)	(655)
Cash and cash equivalents at end of period	41,693	41,528	41,693	41,528

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 April 2011	23,852	78,312	(1,638)	19	100,545	436	100,981
Dividends paid	-	(2,336)	-	-	(2,336)	-	(2,336)
Total Comprehensive Income for the period	-	2,646	(491)	11	2,166	12	2,178
Balance at 30 Jun 2011	23,852	78,622	(2,129)	30	100,375	448	100,823
Balance at 1 April 2012	23,852	88,482	(1,015)	-	111,319	760	112,079
Dividends paid	-	(2,336)	-	-	(2,336)	-	(2,336)
Total Comprehensive Income for the period	-	2,986	319	-	3,305	(7)	3,298
Balance at 30 Jun 2012	23,852	89,132	(696)	-	112,288	753	113,041
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 April 2011	23,852	9,897	-	19	33,768	-	33,768
Dividends paid	-	(2,336)	-	-	(2,336)	-	(2,336)
Total Comprehensive Income for the period	-	(517)	-	11	(506)	-	(506)
Balance at 30 Jun 2011	23,852	7,044	-	30	30,926	-	30,926
Balance at 1 April 2012	23,852	11,259	-	-	35,111	-	35,111
Dividends paid	-	(2,336)	-	-	(2,336)	-	(2,336)
Total Comprehensive Income for the period	-	(783)	-	-	(783)	-	(783)
Balance at 30 Jun 2012	23,852	8,140	-	-	31,992	-	31,992

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	
	30/6/12	30/6/11
Balance as at 1 January	233,550,248	233,550,248
Issue of shares	0	0
Balance as at 30 June	<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 6 months ended	
	Jun'12	Jun'11	Jun'12	Jun'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)	1.28	1.13	2.58	1.87
ii) On a fully diluted basis (cents)	1.28	1.13	2.58	1.87

Note

- a. The earnings per ordinary share ("EPS") for the period ended June 30, 2012 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (June 30, 2011 = 233,550,248) ordinary shares
- b. Fully diluted EPS for the period ended June 30, 2012 is calculated on 233,550,248 (June 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	
	Jun'12	Dec'11	Jun'12	Dec'11
Net Asset Value Per Ordinary Share based On issued share capital at the end of the period	48.08 cts	46.75 cts	13.70 cts	15.40 cts

Note: The net asset value per ordinary share for the period ended June 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

2Q 2012 vs 2Q 2011

The Group's revenue for the second quarter ended 30 June 2012 increased by 8.6%, from \$41.5 million in the same period last year to \$45.0 million.

The Print-related business accounted for 62.5% of the Group's revenue. Its revenue contribution declined by 0.9% from \$28.4 million to \$28.1 million as a result of lower sales registered by the Singapore, Malaysia, Shanghai and Taiwan operations. The Non-print business accounted for 37.5% of the Group's total. It registered a revenue growth of 29.8% from \$13.0 million to \$16.8 million mainly due to the increase in demand from existing customers as well as revenue generated from new project secured in 2QFY12.

The Group's operating profit before tax for the second quarter ended 30 June 2012 increased by 10.5% from \$3.4 million in the second quarter of FY2011 to \$3.8 million.

Profit for the period, net of tax, attributable to Owners of the Company for 2QFY12 was 12.8% higher at \$3.0 million as compared to same period of last year at \$2.6 million.

1H 2012 vs 1H 2011

For the half year ended 30 June 2012, the Group achieved a total revenue of \$88.6 million, 11.1 % higher than the \$79.7 million achieved in the same period last year.

The Print-related business accounted for 63.8% of the Group's revenue and the Non-print business contributed the balance of 36.2%. In terms of geographical perspective, the Singapore operations continue to be the main contributor accounted for 64.8% of the Group's revenue. The China operations remain as the second largest with 20.8% contribution.

The revenue for the Print-related business grew by 3.7% from \$54.5 million to \$56.5 million while the Non-print business registered a 27.6% growth in revenue from \$25.0 million to \$31.9 million. The growth from both business segments was mainly due to the increase in demand from existing customers.

The Group's operating profit before tax for the half year ended 30 June 2012 increased by 34.4% from \$5.8million to \$7.8million. The increase came mainly from increase in sales. Part of the increase in profit (S\$0.4m) was from a one-time compensation from an existing customer.

The operating profit before tax for the Print-related business (after allocation of corporate services expenses) increased by 45.7% from \$2.2 million for the first half of FY2011 to \$3.2 million. The operating profit before tax for the Non-print business (after allocation of corporate services expenses) grew by 27.7% from \$3.6 million to \$4.6 million over the same corresponding period. The higher operating profit was mainly attributed to the contribution from the increased activities from the existing customers, and the one time compensation as mentioned above.

For the six months ended 30 June 2012, the Group generated positive cash flow of \$9.5 million from operations after working capital changes. For the same period last year, it generated positive cash flow of \$2.7 million. The increase in cash flow generated from operations after working capital changes is mainly attributed to the increase in profitability, improved inventories level and sales collection. During the same period, the group paid out \$2.3 million of dividend, and invested \$2.2 million to upgrade its facilities. As at 30 June 2012, the Group's cash and cash equivalents remains healthy at approximately \$41.7 million.

The Group's gearing ratio went up from 0.91% at the close of last financial year ended 31 Dec 2011 to 2.78% as at 30 June 2012 as a result of the full drawdown of bank loans to fully pay off the factory purchased in 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 prospect statement that was disclosed during the full year 2011 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 global economic outlook remains uncertain. The Group will continue to focus on its growth from both the non print and print business segments. 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?

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

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	:	Interim
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	0.5 cent

(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

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 six months ending June 30, 2012, to be false or misleading.

**BY ORDER OF THE BOARD
Thomas Chua Kee Seng
Chairman & Managing Director
August 7, 2012
Singapore**