

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

TECKWAH INDUSTRIAL CORPORATION LTD

Securities

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Full Year Financial Statement and Dividend Announcement

Additional Details

For Financial Period Ended

31/12/2019

Attachments

[FY19%20SGXNET%20Announcement%2026%20Feb%202020.pdf](#)

Total size =177K MB

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".



Full Year 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		%
	12 months ended 31 Dec		incr/ (decr)
	2019	2018	
Revenue	174,459	165,608	5.3
Investment income	-	-	-
Other income including interest income :-	1,566	1,122	39.6
(i) Gain on sale of plant & equipment included in other income	64	45	n.m
(ii) Interest income	378	294	28.6
(iii) Other income	1,124	783	43.6
Changes in inventories of FG & WIP	187	114	64.0
(i) (Allowance for) write-back of inventories	(8)	(15)	(46.7)
Raw materials and consumables used :-	(44,665)	(46,416)	(3.8)
(i) Write-back of (allowance for) inventories	2	23	(91.3)
Staff costs	(52,179)	(45,819)	13.9
Depreciation, amortisation and impairment expenses	(19,451)	(9,917)	96.1
Interest on borrowings	(802)	(224)	258.0
Other operating expenses :-	(46,018)	(53,307)	(13.7)
(i) Foreign exchange (loss) gain	74	373	(80.2)
(ii) Allowance for doubtful debts	(1)	-	n.m
(ii) Bad debts written off	(9)	(9)	n.m
Exceptional items	-	-	-
Operating profit before income tax, non-controlling interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange loss and exceptional items	13,097	11,161	17.3

Income statement (continued)

Loss from associated companies

(Loss) profit from joint venture

Operating profit before income tax

Less income tax :-

(i) Adjustment for over provision of tax
in respect of prior periods.

Profit for the period

Attributable to :-

Owners of the company

Non-controlling interests

Group			
S\$'000		%	
12 months ended 31 Dec		incr/ (decr)	
2019	2018		
-	-	-	
210	232	(9.5)	
13,307	11,393	16.8	
(2,409)	(2,965)	(18.8)	
198	9	n.m	
10,898	8,428	29.3	
Attributable to :-			
8,966	7,109	26.1	
1,932	1,319	46.5	

Statement of Comprehensive Income

Profit for the period

Other comprehensive income :-

Items that will not be reclassified subsequently to profit or loss :-

(i) Remeasurement of defined benefit obligation

Items that may be reclassified subsequently to profit or loss :-

(i) Foreign currency translation

Other comprehensive income for the period

Total comprehensive income for the period

The comprehensive income attributable to :-

Owners of the Company

Non-controlling Interests

Group			
S\$'000		%	
12 months ended 31 Dec		incr/ (decr)	
2019	2018		
10,898	8,428	29.3	
Other comprehensive income :-			
Items that will not be reclassified subsequently to profit or loss :-			
(i) Remeasurement of defined benefit obligation			
11	39	n.m	
Items that may be reclassified subsequently to profit or loss :-			
(i) Foreign currency translation			
(1,404)	(1,149)	22.2	
(1,393)	(1,110)	25.5	
9,505	7,318	29.9	
The comprehensive income attributable to :-			
7,699	5,999	28.3	
1,806	1,319	36.9	

1(b)(i) A 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
	31-Dec-19 \$'000	31-Dec-18 \$'000	31-Dec-19 \$'000	31-Dec-18 \$'000
ASSETS				
Current assets:				
Cash and cash equivalents	47,088	36,052	5,807	5,422
Trade and other receivables	46,623	46,999	10,701	10,832
Inventories	14,915	13,429	-	-
Total current assets	108,626	96,480	16,508	16,254
Non-current assets:				
Other assets	5,897	2,703	-	-
Financial Derivatives	-	-	926	-
Joint venture	4,376	4,179	4,216	4,216
Subsidiaries	-	-	28,248	19,797
Property, plant and equipment	69,316	72,563	29,867	34,213
Investment properties	5,183	4,240	3,331	2,357
Right-of-use assets	13,731	-	-	-
Land use rights	6,108	6,400	5,757	6,022
Intangible assets	4,109	-	-	-
Goodwill	9,093	6,691	-	-
Deferred tax assets	346	284	-	-
Total non-current assets	118,159	97,060	72,345	66,605
Total assets	226,785	193,540	88,853	82,859
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	30,845	25,992	9,576	8,859
Bank loans	5,802	-	5,480	-
Leases liabilities*	6,885	995	20	20
Income tax payable	3,218	2,655	748	701
Total current liabilities	46,750.00	29,642.00	15,824.00	9,580.00
Non-current liabilities:				
Other payables	3,667	-	-	-
Bank loans	1,241	-	-	-
Leases liabilities*	10,664	3,305	31	51
Deferred tax liabilities	2,639	2,742	755	856
Post employment benefits	527	490	-	-
Total non-current liabilities	18,738	6,537	786	907
Capital, reserves and non-controlling interests:				
Share capital	23,852	23,852	23,852	23,852
Statutory surplus reserve	3,197	3,015	-	-
Capital Reserve	(4,241)	-	-	-
Retained earnings	133,298	128,078	48,391	48,520
Currency translation reserve	(3,395)	(2,117)	-	-
Equity attributable to owners of the company	152,711	152,828	72,243	72,372
Non-controlling interests	8,586	4,533	-	-
Total equity	161,297	157,361	72,243	72,372
Total liabilities and equity	226,785	193,540	88,853	82,859

* Incorporates the effect of adoption of SFRS(I) 16 Leases from 1 January 2019

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

(a) the amount repayable in one year or less, or on demand

	As at 31/12/19		As at 31/12/18	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank Loan	5,687	115	0	0
Finance leases	993	0	995	0
Lease Liabilities*	5,892	0	0	0

(b) the amount repayable after one year

	As at 31/12/19		As at 31/12/18	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank Loan	293	948	0	0
Finance leases	2,360	0	3,305	0
Lease Liabilities*	8,304	0	0	0

Details of any collateral

- a) Bank loan secured by
 - corporate guarantee by subsidiary;
 - guarantee by Director;
 - fixed deposit placed with the bank;
- b) Finance Leases secured by assets under hire-purchase arrangement; and
- c) Lease liabilities secured over the right-of-use assets.

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	
	12 months ended 31 Dec	
	2019	2018
	S\$'000	S\$'000
Cash flow from operating activities:		
Profit before tax	13,307	11,393
Adjustments for :		
Allowance for doubtful debts	1	-
Bad debts written off	9	9
(Write-back) Write-down of inventories	6	(8)
Depreciation and amortisation expense*	19,451	9,917
(Gain) Loss on disposal of property, plant and equipment	(64)	(83)
Share of (loss) profit from joint venture	(210)	(232)
Post employment benefits	11	56
Gain on disposal of Intangible assets	-	(82)
Unrealised foreign exchange (gain) loss	33	63
Interest income	(378)	(294)
Finance costs for bank loan and finance leases*	802	224
Operating cash flows before movements in working capital	32,968	20,963
Trade and other receivables and other assets	5,977	1,556
Inventories	(1,502)	355
Trade and other payables	1,546	(2,939)
Cash generated from operations	38,989	19,935
Interest paid for bank loan and finance leases*	(802)	(224)
Income tax paid	(2,819)	(2,912)
Net cash from operating activities	35,368	16,799
Cash flow from investing activities:		
Interest received	379	294
Dividends received from joint venture	-	500
Proceeds from disposal of property, plant and equipment	172	229
Deposit placed for purchase of property, plant and equipment	(4,140)	-
Purchase of property, plant and equipment	(7,226)	(5,605)
Net cash flow on acquisition of subsidiaries (Note A)	(5,434)	-
Proceeds from disposal of intangible assets	-	87
Net cash used in investing activities	(16,249)	(4,495)
Cash flows from financing activities:		
Dividends paid	(3,503)	(5,839)
Dividends paid to non-controlling interests	(495)	(633)
Placement in Restricted Cash	(1,000)	-
Repayment of bank loans	(2,059)	(1,084)
Proceeds from bank loans	7,867	847
Repayment of obligations under finance leases	(1,205)	(1,118)
Repayment of lease liabilities	(8,528)	-
Proceeds from finance leases	-	4,403
Net cash used in financing activities	(8,923)	(3,424)
Net increase in cash and cash equivalents	10,196	8,880
Cash and cash equivalents at beginning of period	36,052	27,710
Effect of foreign exchange rate changes	(560)	(538)
Cash and cash equivalents at end of financial year	45,688	36,052
Cash and cash equivalents comprise the following		
Cash and bank balances	47,088	36,052
Less: Placement in Restricted Cash	(1,000)	-
Less: Restricted Cash from acquisition of subsidiaries	(400)	-
Cash and cash equivalents at end of financial year	45,688	36,052

* Incorporates the effect of adoption of SFRS(I) 16 Leases from 1 January 2019

Note A	30 April 2019 At fair value S\$'000
Total identifiable net assets	8,791
Less: Non-controlling interests	(2,742)
Add: Goodwill arising from acquisition	2,402
Total consideration	8,451
Add: Fair value of call option	649
Less: Consideration payable	(1,000)
Consideration paid by cash	8,100
Less: Cash and cash equivalents of subsidiaries acquired	(3,066)
Add: Restricted Cash	400
Cash outflow on acquisition per consolidated statement of cash flows	5,434

1(d)(i) A statement (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	Capital	Retained	Currency	Attributable to	Non-	Total
	capital	surplus	reserve	earnings	translation	owners of	controlling	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2018	23,852	2,927	-	126,857	(968)	152,668	3,847	156,515
Total Comprehensive Income for the period								
Profit for the period, net of tax	-	-	-	7,109	-	7,109	1,319	8,428
Other comprehensive loss for the period, net of tax	-	-	-	39	(1,149)	(1,110)	-	(1,110)
Total	-	-	-	7,148	(1,149)	5,999	1,319	7,318
Non-controlling interest arising from acquisition of subsidiary	-	-	-	-	-	-	-	-
Additional investment in a subsidiary by non-controlling shareholder	-	-	-	-	-	-	-	-
Transactions with owners, recognised directly in equity								
Appropriation	-	88	-	(88)	-	-	-	-
Dividends paid, representing transactions with owners recognised directly in equity	-	-	-	(5,839)	-	(5,839)	-	(5,839)
Total	-	88	-	(5,927)	-	(5,839)	-	(5,839)
Others								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(633)	(633)
Total	-	-	-	-	-	-	(633)	(633)
Balance at 31 December 2018	23,852	3,015	-	128,078	(2,117)	152,828	4,533	157,361
Balance at 31 Dec 2018	23,852	3,015	-	128,078	(2,117)	152,828	4,533	157,361
Adjustments on adoption of SFRS(I) 16	-	-	-	(72)	-	(72)	-	(72)
As adjusted at 1 Jan 2019	23,852	3,015	-	128,006	(2,117)	152,756	4,533	157,289
Total Comprehensive Income for the period								
Profit for the period, net of tax	-	-	-	8,966	-	8,966	1,932	10,898
Other comprehensive loss for the period, net of tax	-	-	-	11	(1,278)	(1,267)	(126)	(1,393)
Total	-	-	-	8,977	(1,278)	7,699	1,806	9,505
Transactions with owners, recognised directly in equity								
Appropriation	-	182	-	(182)	-	-	-	-
Dividends paid, representing transactions with owners recognised directly in equity	-	-	-	(3,503)	-	(3,503)	-	(3,503)
Total	-	182	-	(3,685)	-	(3,503)	-	(3,503)
Others								
Acquisition of subsidiaries	-	-	(4,241)	-	-	(4,241)	2,742	(1,499)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(495)	(495)
Total	-	-	(4,241)	-	-	(4,241)	2,247	(1,994)
Balance at 31 December 2019	23,852	3,197	(4,241)	133,298	(3,395)	152,711	8,586	161,297
COMPANY								
	Share	Statutory	Capital	Retained	Currency	Attributable to	Non-	Total
	capital	surplus	reserve	earnings	translation	owners of	controlling	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2018	23,852	-	-	45,737	-	69,589	-	69,589
Profit for the period, net of tax, representing total comprehensive income for the period	-	-	-	8,622	-	8,622	-	8,622
Dividends paid, representing transactions with owners recognised directly in equity	-	-	-	(5,839)	-	(5,839)	-	(5,839)
Balance at 31 December 2018	23,852	-	-	48,520	-	72,372	-	72,372
Balance at 1 Jan 2019	23,852	-	-	48,520	-	72,372	-	72,372
Profit for the period, net of tax, representing total comprehensive income for the period	-	-	-	3,374	-	3,374	-	3,374
Dividends paid, representing transactions with owners recognised directly in equity	-	-	-	(3,503)	-	(3,503)	-	(3,503)
Balance at 31 December 2019	23,852	-	-	48,391	-	72,243	-	72,243

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2019	FY 2018
Balance as at 1 January	233,550,248	233,550,248
Issue of shares	-	-
Balance as at 31 December	<u>233,550,248</u>	<u>233,550,248</u>

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There are no treasury shares as at the end of current period.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There are no subsidiary holdings.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

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 modifications or emphasis of a 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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2018.

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

On January 2019, the Group adopted SFRS(I) 16 Leases, which is effective for financial periods beginning January 1, 2019. SFRS(I) 16 establishes the principles for the recognition, measurement, presentation and disclosure of lease assets and corresponding liabilities.

SFRS(I) 16 Leases has a more significant impact on the Group as described below. SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group has adopted SFRS(I) 16 using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings as at 1 January 2019, with no restatement of comparative information. The Group has applied the practical expedient to grandfather the definition of a lease on transition.

The Group has recognised the existing operating lease arrangements at 31 December 2018 as ROU assets with corresponding lease liabilities under SFRS(I) 16.

The nature of expenses related to these expenses has changed as SFRS(I) 16 replaced the straight-line operating lease expense (previously recognised in “direct expenses”) with change in fair value for ROU assets and interest expense on lease liabilities.

No significant impact is expected for other leases in which the Group is a lessor.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -

	31/12/2019	31/12/2018
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)	3.84	3.04
ii) On a fully diluted basis (cents)	3.84	3.04

Note

- a. The earnings per ordinary share (“EPS”) for the period ended December 31, 2019 has been calculated on weighted average number of ordinary shares in issue of 233,550,248 (2018: 233,550,248) ordinary shares.
- b. Fully diluted EPS for the period ended December 31, 2019 is calculated on 233,550,248 (2018: Diluted EPS is calculated at 233,550,248) ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	GROUP		COMPANY	
	Dec'19	Dec'18	Dec'19	Dec'18
Net asset value per ordinary share based on issued share capital at the end of the period	65.39 cts	65.44 cts	30.93 cts	30.99 cts

Note: The net asset value per ordinary share for the period ended December 31, 2019 have been calculated based on the issued share capital of 233,550,248 shares (2018: 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. It must include a discussion of the following (a) 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; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Income Statement

FY 2019 vs FY 2018

For the twelve months ended 31 December 2019, the Group achieved total revenue of \$174.5 million, 5.3% higher than the \$165.6 million achieved in the same period last year.

The Packaging Printing-related business accounted for 51.7% of the Group's revenue while the Logistics and Services business contributed another 40.8% and the new Lifestyle business contributed the remaining 7.5%. In terms of geographical perspective, the Singapore operations continued to be the main contributor and it accounted for 57.2% of the Group's revenue. The China operations remained the second largest contributor, accounting for 26.6% of the Group's revenue.

For the Packaging Printing-related business, revenue decreased by 1.3% from \$91.3 million to \$90.2 million whilst revenue for the Logistics and Services business decreased by 4.1% from \$74.3 million to \$71.2 million. The new Lifestyle business has contributed \$13.1 million to the Group's revenue. The decrease in the Packaging Printing-related segment revenue was mainly due to decrease in demand from some existing customers in Singapore and China. For the Logistics and Services business, the decrease was mainly due to decrease in demand from some existing customers in Singapore and China.

The Group's operating profit before tax for the twelve months ended 31 December 2019 increased by 16.8% from \$11.4 million to \$13.3 million for the same period in the previous year. This was mainly due to an increase in other income as well as higher revenue registered despite a corresponding increase in cost of operations. The addition of the Lifestyle business also contributed to the increase.

For the Packaging Printing-related business, operating profit before tax (after allocation of corporate services performance) increased by 217.8% from \$0.6 million to \$1.9 million mainly due to the reduction in cost of operations through better cost management and higher other income from Government Grants in China despite a drop in revenue.

For the Logistics business, operating profit before tax (after allocation of corporate services performance) decreased by 2.2% from \$10.8 million to \$10.5 million.

For the Lifestyle business, it has contributed \$0.8 million to the Group's operating profit before tax.

The Group's other income for the twelve months ended 31 December 2019 increased by 39.6% from \$1.1 million to \$1.6 million. This was mainly due to higher Government Grants in China and other income in Singapore.

The Group's depreciation and amortisation expenses increased by 96.1% from \$9.9 million to \$19.5 million as a result of the Group's adoption of SFRS(I) 16 Leases starting 1st January 2019 and increased investments in property, plant and equipment in Singapore, China, Indonesia, Malaysia and Taiwan.

Statement of Financial Position

Total assets increased 17.2% from \$193.5 million as at 31 December 2018 to \$226.8 million as at 31 December 2019.

Current assets increased 12.6% from \$96.5 million as at 31 December 2018 to \$108.6 million as at 31 December 2019. The increase was mainly due to higher cash and cash equivalents as well as inventories.

Cash and cash equivalents increased by 30.6% to \$47.1 million as of 31 December 2019 as compared to \$36.1 million as at 31 December 2018. This was mainly due to better cash management.

Trade and other receivables remained constant at \$47.0 million as at 31 December 2019 after the addition of Profoto group of companies to the Group.

Inventories increased 11.1% from \$13.4 million to \$14.9 million over the same corresponding period, due to stocking up of inventory for year-end peak period.

Non-current assets increased 21.7% from \$97.1 million as at 31 December 2018 to \$118.2 million as at 31 December 2019. This was primarily due to the adoption of SFRS(I) 16 Leases with effect from 1st January 2019, increase in other assets, goodwill, and intangible assets, offset by the decrease in property, plant and equipment and land use rights.

Right-of-use assets of \$13.1 million was included in alignment to the adoption of SFRS(I) 16 Leases where contractual leases are recognised as an asset of the group and its corresponding payment obligations recognised as a liability of the group.

Property, plant and equipment decreased \$3.2 million (or 4.5%) from \$72.6 million as at 31 December 2018 to \$69.3 million as at 31 December 2019. Land use rights decrease \$0.3 million (or 4.6%) from \$6.4 million as at 31 December 2018 to \$6.1 million as at 31 December 2019. This was mainly due to depreciation and amortisation charges for the current financial period.

Other assets increased \$3.2 million (or 118.2%) from \$2.7 million as at 31 December 2018 to \$5.9 million as at 31 December 2019. The increase was mainly due to down payment for plant and equipment in China and income tax receivables in Indonesia.

Goodwill increased \$2.4 million (or 35.9%) from \$6.7 million as at 31 December 2018 to \$9.1 million as at 31 December 2019 due to the acquisition of Profoto group of companies.

Intangible assets increased \$4.1 million from nil as at 31 December 2018 due to the acquisition of Profoto group of companies.

Joint venture in Malaysia increased \$0.2 million (or 4.7%) from \$4.2 million as at 31 December 2018 to \$4.4 million as at 31 December 2019. The increase was mainly due to continuing profitability of the Joint Venture.

Total liabilities increased 81.0% from \$36.2 million as at 31 December 2018 to \$65.5 million as at 31 December 2019. Current liabilities increased 57.7 % from \$29.6 million to \$46.8 million while non-current liabilities increased 186.6% from \$6.5 million to \$18.7 million. The increase in liabilities was mainly due to the adoption of SFRS(I) 16 Leases where payment obligations arising from contractual leases are recognised as a liability of the group, higher trade and other payables and additional bank loan taken up for the purchase of Profoto as well as warehouse unit.

Statement of Cash Flows

For the twelve months ended 31 December 2019, the Group generated positive cash flow of \$39.0 million from operations after working capital changes. It was \$19.9 million for the same period in the previous year. This increase was mainly attributed to higher depreciation for right-of-use assets, lower cash outflow from trade and other payables and higher cash flow generated from collection of trade and other receivables offset by lower cash flow generated from inventories.

During this period, the Group continued to invest \$5.8 million in plant and equipment. These include additional plant and equipment for subsidiaries in Singapore, China, Malaysia, Indonesia and Taiwan.

The Group's net cash flow from financing activities registered a net cash outflow of \$8.9 million compared to a net cash outflow of \$3.4 million for the same period in the previous year. This was mainly due to repayment for leases liabilities, increased payment for finance leases, and placement of restricted cash, and, offset by additional bank loan, and lower dividend payout.

The Group's debt to equity ratio has increased from 2.81% as at 31 December 2018 to 6.81% as at 31 December 2019.

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 financial year ended 31 December 2018.

10. A commentary at the date of the announcement of the significant trends and 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 recent outbreak of the COVID-19 epidemic will slow down growth in many economies in Asia Pacific. The extended shutdown of activities by Chinese government has directly impacted our China operations. It has also adversely disrupted the global supply chain and caused a decrease in our customer demand for packaging materials and logistic services. The travel bans on Chinese nationals and the travel restrictions imposed by some countries have also adversely affected the lifestyle industry which depends much on consumers' spending power. As the Covid-19 epidemic is still evolving and there is no clear indication on when it is going to stabilise, coupled with the unresolved trade negotiations between China and US, it is difficult to determine what would be the specific impacts on us. Currently all our China subsidiaries have resumed operations, but if the situation worsens, the COVID-19 epidemic will impact their productivity and overall business performance in FY2020.

The management will closely monitor the development of the COVID-19 epidemic and continue to take steps to manage costs to remain competitive, while keeping a vigilant lookout for opportunities to further widen revenue sources in other markets in this challenging and uncertain time.

11. Dividend

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

Name of dividend	:	Final
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	1.0 cent
Tax rate	:	Tax exempt (one-tier)
Date paid	:	Refer to para 11(c)

Name of dividend	:	Interim
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	0.5 cent
Tax rate	:	Tax exempt (one-tier)
Date paid	:	10 September 2019

(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	:	Final
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	1.0 cent
Tax rate	:	Tax exempt (one-tier)
Date paid	:	17 May 2019

Name of dividend	:	Interim
Dividend Type	:	Cash
Dividend amount per share (in cents)	:	0.5 cent
Tax rate	:	Tax exempt (one-tier)
Date paid	:	10 September 2018

(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 and the reason(s) for the decision.

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. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

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 twelve months ending December 31, 2019, to be false or misleading.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16. 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 2019

Revenue	Packaging Printing	Logistics	Lifestyle	Services	Elimination	Total
External sales	90,194	70,046	13,065	1,154	-	174,459
Inter-segment sales	32,299	8,853	36	14,039	(55,227)	-
Total revenue	122,493	78,899	13,101	15,193	(55,227)	174,459

Results						
Segment results	1,488	10,276	890	(282)	-	12,372
Interest income						382
Other income						1,188
Profit from operations						13,942
Share of profit of joint venture						210
Finance costs						(845)
Profit before income tax						13,307
Income tax expense						(2,409)
Profit for the year						10,898

Other Segment Information						
Capital expenditure	5,204	1,813	167	42	-	7,226
Depreciation and amortisation	6,318	8,346	1,105	3,682	-	19,451

BALANCE SHEET

	Packaging Printing	Logistics	Lifestyle	Services	Elimination	Total
Assets						
Segment assets	91,002	67,874	11,388	56,175	-	226,439
Unallocated assets						346
Consolidated total assets						226,785
Liabilities						
Segment liabilities	16,965	23,372	5,083	14,211	-	59,631
Unallocated liabilities						5,857
Consolidated total liabilities						65,488

Year 2018

	Packaging Printing	Logistics	Lifestyle	Services	Elimination	Total
Revenue						
External sales	91,337	73,257	-	1,014	-	165,608
Inter-segment sales	33,218	9,306	-	14,894	(57,418)	-
Total revenue	124,555	82,563	-	15,908	(57,418)	165,608

Results						
Segment results	(62)	9,729	-	596	-	10,263
Interest income						294
Other income						828
Profit from operations						11,385
Share of profit of joint venture						232
Finance costs						(224)
Profit before income tax						11,393
Income tax expense						(2,965)
Profit for the year						8,428

Other segment information						
Capital expenditure	4,526	307	-	772	-	5,605
Depreciation and amortisation	5,518	733	-	3,666	-	9,917

BALANCE SHEET

	Packaging Printing	Logistics	Lifestyle	Services	Elimination	Total
Assets						
Segment assets	87,980	52,615		52,661	-	193,256
Unallocated assets						284
Consolidated total assets						193,540
Liabilities						
Segment liabilities	14,749	11,615		4,504	-	30,868
Unallocated liabilities						5,366
Consolidated total liabilities						36,234

Segmental Results-By Geographical Segment

	Revenue from external customers		Non-current assets	
	Y2019	Y2018	Y2019	Y2018
(S\$'000)				
Singapore	99,878	92,694	77,359	66,917
People's republic of China	46,326	49,355	22,376	15,920
Indonesia	15,472	14,407	5,609	4,464
Malaysia	6,545	3,994	8,558	8,850
Thailand	968	664	408	63
Japan	2,523	2,147	1,106	231
Australia	1,100	884	414	87
India	711	742	336	221
Taiwan	936	721	1,647	23
Total	174,459	165,608	117,813	96,776

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

The factors leading to the material changes in contributions to revenue and earnings by business or geographical segments are stated under Section 8.

18. A breakdown of sales

A breakdown of sales	2019	2018	+ / (-) %
Sales reported for the first half year	78,654	81,676	(4)
Operating profit/loss after tax before deducting non-controlling interests reported for first half year	5,624	5,539	2
Sales reported for the second half year	95,805	83,932	14
Operating profit/loss after tax before deducting non-controlling interests reported for second half year	5,274	2,889	83

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

A breakdown of the total annual dividend	FY 2019	FY 2018
	S\$'000	S\$'000
Ordinary	3,503	5,839
Preference	-	-
Total :	3,503	5,839

Please refer to paragraph 11 on dividends.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name & Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Thomas Chua Kee Seng, 65	Husband of Mai Ah Ngo.	Chairman & Managing Director of Teckwah Industrial Corporation Ltd (2002)	N.A.
Mai Ah Ngo, 64	Wife of Thomas Chua Kee Seng.	Executive Director of Teckwah Industrial Corporation Ltd (1991)	N.A.
Goh Bong Chee, 68	Cousin of Thomas Chua Kee Seng; Cousin-in-law of Mai Ah Ngo.	Head, Purchasing & Material Planning of Teckwah Value Chain Pte Ltd (2001)	N.A.
James Chua Kee Hin, 58	Brother of Thomas Chua Kee Seng; Brother-in-law of Mai Ah Ngo.	Senior Regional Business Operations Director of Teckwah Value Chain Pte Ltd (2016)	N.A.
Chua Bee Lay, 59	Sister of Thomas Chua Kee Seng; Sister-in-law of Mai Ah Ngo.	Program Manager of Teckwah Value Chain Pte Ltd	N.A.

	Ngo.	(2006)	
Chua Ai Ling, 37	Daughter of Thomas Chua Kee Seng & Mai Ah Ngo.	Group Business Development Director of Teckwah Industrial Corporation Ltd (2017)	N.A.
Chua Xing Ling, 36	Daughter of Thomas Chua Kee Seng & Mai Ah Ngo.	Senior Corporate Planning and Enterprise Risk Management Manager of Teckwah Industrial Corporation Ltd (2019)	Promoted to Senior Corporate Planning and Enterprise Risk Management Manager of Teckwah Industrial Corporation Ltd on 1 st October 2019
Chua Bao Hui, 29	Daughter of Thomas Chua Kee Seng & Mai Ah Ngo.	Corporate Communication Manager (2018)	N.A.
Calvin Ong Shan Qian, 37	Nephew of Thomas Chua Kee Seng; Nephew-in-law of Mai Ah Ngo.	Sourcing and Purchasing Manager of Teckwah Value Chain Pte Ltd (2018)	N.A.

BY ORDER OF THE BOARD
Thomas Chua Kee Seng
Chairman & Managing Director
February 26, 2020
Singapore