

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

Full Year Financial Statement Announcement

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

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

	Group		
	S\$'000		%
	YTD Dec06	YTD Dec05	incr/ (decr)
a Revenue	189,840	181,764	4.4
b Investment Income	-	1,900	(100.0)
c Other income including interest income :-	673	884	(23.9)
(i) Gain (Loss) on sale of investments, properties and/or plant & equipment included in other income	7	298	(97.7)
(ii) Interest Income	581	389	49.4
(iii) Other Income	85	197	(56.9)
d Changes in inventories of FG & WIP	(1,234)	338	(465.1)
e Raw Materials and consumables used	(104,023)	(104,473)	(0.4)
f Staff Costs	(30,061)	(29,415)	2.2
g Depreciation and amortisation	(5,374)	(6,299)	(14.7)
h Interest on borrowings	(246)	(391)	(37.1)
i Other operating expenses :-	(38,740)	(35,561)	8.9
(i) foreign exchange gain /(loss)	(1,000)	213	(569.5)
(ii) Write back (allowance) for doubtful debts	9	(469)	(101.9)
j Exceptional items	-	-	-
k Operating profit/(loss) before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	10,835	8,747	23.9

Group				
		S\$'000	%	
	YTD Dec06	YTD Dec05	incr/ (decr)	
l	Income/(loss) from associated companies	(36)	(283)	(87.3)
m	Operating profit before income tax	10,799	8,464	27.6
n	Less income tax (indicate basis of computation)	(2,436)	(2,500)	(2.6)
	(i) Adjustment for under or (over) provision of tax in respect of prior periods.	(368)	425	(186.6)
o	Profit for the Year	8,363	5,964	40.2
	Attributable to :-			
p	Equity Holders of the Company	8,358	5,278	58.4
q	Minority Interests	5	686	(99.3)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	Actual 31-Dec-06 \$'000	Previous 31-Dec-05 \$'000	Actual 31-Dec-06 \$'000	Previous 31-Dec-05 \$'000
ASSETS				
Current assets:				
Cash	23,496	22,588	862	584
Trade receivables	36,902	46,472	24,733	21,437
Other receivables & prepayments	4,462	3,254	7,727	9,966
Inventories	16,034	19,413	-	-
Total current assets	80,894	91,727	33,322	31,987
Non-current assets:				
Investment in joint venture	-	-	4,216	4,216
Investment in associates	346	382	-	-
Investment in subsidiaries	-	-	18,912	18,952
Property, plant & equipment	30,977	32,778	1,626	1,050
Intangible assets	1,192	1,471	155	171
Goodwill	8,368	8,254	-	-
Total non-current assets	40,883	42,885	24,909	24,389
Total assets	121,777	134,612	58,231	56,376
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans and overdrafts	-	797	-	-
Trade payables	15,242	29,828	314	302
Other payables	10,982	13,306	11,787	6,586
Income tax payable	2,553	2,665	173	246
Finance leases - current portion	297	451	57	4
Long term loans - current portion	1,276	1,255	-	-
Total current liabilities	30,350	48,302	12,331	7,138
Non-current liabilities:				
Finance leases	178	328	94	-
Long-term loans	1,108	2,397	-	-
Deferred tax liabilities	2,309	2,042	57	57
Total non-current liabilities	3,595	4,767	151	57
Capital and reserves:				
Share capital	23,383	22,915	23,383	22,915
Non-distributable reserves	(337)	362	(33)	-
Accumulated profits	64,500	57,968	22,399	26,266
Total capital and reserves	87,546	81,245	45,749	49,181
Minority interests	286	298	-	-
Total capital and reserves and minority interests	87,832	81,543	45,749	49,181
Total liabilities and equity	121,777	134,612	58,231	56,376

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/12/06		As at 31/12/05	
Secured	Unsecured	Secured	Unsecured
297	1,276	451	2,052

(b) Amount repayable after one year

As at 31/12/06		As at 31/12/05	
Secured	Unsecured	Secured	Unsecured
178	1,108	328	2,397

Details of any collateral

NIL

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

Cash Flow statement

	Group	
	Actual 31/12/06 S\$'000	Previous 31/12/05 S\$'000
Cash flow from operating activities:		
Operating profit before share of results of associates	10,799	8,464
Adjustment for :		
Share of loss of associates	36	283
Impairment loss on:		
Associate	0	571
Depreciation and amortisation expense	5,374	6,299
(Gain) Loss on disposal of property, plant and equipment	(7)	(298)
(Gain) Loss on disposal of quoted equity shares	0	(1,065)
(Gain) Loss on liquidation of funds under management	0	(835)
Interest income	(581)	(389)
Interest expense	246	391
	15,867	13,421
Operating profit before working capital changes		
Trade receivables	9,570	(12,322)
Other receivables and prepayments	(1,208)	(362)
Inventories	3,379	1,022
Trade payables	(14,586)	7,644
Other payables	(1,024)	6,444
	11,998	15,847
Cash generated from operations		
Interest paid	(246)	(391)
Income tax paid	(2,281)	(4,915)
	9,471	10,541
Net cash from operating activities		
Cash flow from investing activities:		
Interest received	581	389
Proceeds from disposal of quoted equity shares	0	3,065
Purchase of quoted equity shares	0	(2,000)
Proceeds from disposal of property, plant & equipment	541	737
Purchase of property, plant & equipment	(4,596)	(4,268)
Funds under management	0	10,889
Acquisition of business	0	(4,277)
Acquisition of equity interest from minority shareholder	0	(1,620)
Additional purchase consideration of a subsidiary	(1,416)	(1,143)
	(4,890)	1,772
Net cash used in investing activities		
Net cash flows from financing activities:		
Proceeds from issue of shares	468	0
Dividends paid	(1,826)	(1,824)
Repayment of bank loans	(797)	(2,019)
Repayment of long-term loans	(1,268)	(662)
Repayments of obligations under finance leases	(304)	(1,001)
New bank loans raised	0	4,098
	(3,727)	(1,408)
Net cash from financing activities		
Net increase in cash	854	10,905
Cash at beginning of period - 1st Jan	22,588	11,621
Effect of foreign exchange rate changes	54	62
Cash at end of period - 31st December 2006	23,496	22,588

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

GROUP

	Share Capital S\$'000	Share Premium S\$'000	Accumulated Profits S\$'000	Currency Translation Reserves S\$'000	Attributable to equity holder of the parent S\$'000	Minority Interests S\$'000	Total S\$'000
Balance at 31 Dec 2004	22,800	115	54,514	(432)	76,997	721	77,718
Dividends paid	-	-	(1,824)	-	(1,824)	-	(1,824)
Proposed dividend	-	-	-	-	-	-	-
Currency translation	-	-	-	794	794	-	794
Acquisition of equity interest from minority	-	-	-	-	-	(1,109)	(1,109)
Net profit for the year	-	-	5,278	-	5,278	686	5,964
Employee share subscribed	-	-	-	-	-	-	-
Balance at 31 Dec 2005	22,800	115	57,968	362	81,245	298	81,543
Balance at 31 Dec 2005	22,800	115	57,968	362	81,245	298	81,543
Dividends paid	-	-	(1,826)	-	(1,826)	-	(1,826)
Transfer from share premium	115	(115)	-	-	-	-	-
Currency translation	-	-	-	(699)	(699)	(17)	(716)
Net profit for the year	-	-	8,358	-	8,358	5	8,363
Employee share subscribed	468	-	-	-	468	-	468
Balance at 31 Dec 2006	23,383	-	64,500	(337)	87,546	286	87,832

COMPANY

	Share Capital S\$'000	Share Premium S\$'000	Accumulated Profits S\$'000	Currency Translation Reserves S\$'000	Attributable to equity holder of the parent S\$'000	Minority Interests S\$'000	Total S\$'000
Balance at 31 Dec 2004	22,800	115	35,173	6	58,094	-	58,094
Dividends paid	-	-	(1,824)	-	(1,824)	-	(1,824)
Proposed dividend	-	-	-	-	-	-	-
Currency translation	-	-	-	(6)	(6)	-	(6)
Net profit/(loss) for the year	-	-	(7,083)	-	(7,083)	-	(7,083)
Share option exercised	-	-	-	-	-	-	-
Balance at 31 Dec 2005	22,800	115	26,266	-	49,181	-	49,181
Balance at 31 Dec 2005	22,800	115	26,266	-	49,181	-	49,181
Dividends paid	-	-	(1,826)	-	(1,826)	-	(1,826)
Transfer from share premium	115	(115)	-	-	-	-	-
Currency translation	-	-	-	(33)	(33)	-	(33)
Net profit/(loss) for the year	-	-	(2,041)	-	(2,041)	-	(2,041)
Share option exercised	468	-	-	-	468	-	468
Balance at 31 Dec 2006	23,383	-	22,399	(33)	45,749	-	45,749

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

During the year, 3,016,000 shares were exercised by employees in accordance with the employee share option scheme.

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 financial year compared with those of the audited financial statements as of 31 December 2005.

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

The changes in accounting standards have no material impact on the financial statements.

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

Earnings per Ordinary Share for the year	31/12/2006	31/12/2005
based on net profit attributable to shareholders :-		
i) Based on the weighted average number of ordinary shares on issue	3.65 cts	2.31 cts
ii) On a fully diluted basis	3.65 cts	2.31 cts

Note

a. The earnings per ordinary share ("EPS") for the year ended December 31, 2006 has been

calculated on weighted average number of ordinary shares in issue of 228,848,248 (December 31, 2005 = 228,002,248) ordinary shares

- b. There are no dilutive potential ordinary shares & diluted EPS is not applicable.

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	
	Dec'06	Dec'05	Dec'06	Dec'05
Net Asset Value Per Ordinary Share based On issued share capital at the end of the period	37.90cts	35.63cts	20.07cts	21.57cts

Note: The net asset value per ordinary share for the year ended December 31, 2006 have been calculated base on the issued share capital of 231,018,248 shares (December 31, 2005: 228,002,248)

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

The Group's revenue increased 4.4% from \$181.8 million to \$189.8 million. The Group's pre-tax operating profit grew 27.6% from \$8.5 million to \$10.8 million.

The print-related operations registered a \$3.4 million increase in sales despite of the cessation of a major value chain project in July 2006 and the gradual scaled down of another value chain project during the second half of 2006. This is mainly attributable to higher sales from other operating units and the first full year revenue contribution from new operation acquired in October 2005. The non-print related operations also added \$4.6 million to the increase in Group's revenue, mainly attributable to the growth in logistics business.

Both the print and non-print related operations were profitable. This is mainly attributed to the improvements in operational efficiency and the reduced expenses resulted from the rationalization of online distribution business. The increased pre-tax profit of \$10.8 million included a foreign exchange loss of \$1.0 million due to the weakening of Group's trading currencies like the US Dollar, Australian Dollar and Renminbi against the Singapore Dollar.

Overall, the Group's after tax profit rose 58.4% from \$5.3 million to \$8.4 million.

The group's operations generated positive cashflow of \$15.9 million before working capital changes and ended the year with a net increase in cash of \$0.9 million after utilizing large portion of the cash to substantially reduce trade payables to mitigate foreign exchange exposure, \$4.6 million of the cash for upgrading plant and equipment, \$4.0 million for payments of dividends and taxes and \$2.0 million for loans repayment. The group's gearing stands at 0.03 times.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not Applicable

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

Amid the strong economic growth in the region, the Management is cautiously optimistic about the prospects into FY 2007 as there are uncertainties in the energy prices and other global conditions. The print-related business, the main contributor to the Group's performance, is expected to remain stable in the current year. The non-print related business, which made its maiden profit contribution to the Group last year, is expected to improve its contribution. The Management will continue to look for ways to grow the business and to improve overall operational efficiency and profitability.

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

11. Dividend

(a) Current Financial Period Reported On

Name of Dividend :	First and Final
Dividend Type	Cash
Dividend amount per share (in cents):	0.82 cents
Dividend Rate :	10%
Tax Rate	18%

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend :	First and Final
Dividend Type	Cash
Dividend amount per share (in cents):	0.80 cents
Dividend Rate :	10%
Par Value of Shares :	S\$0.10
Tax Rate	20%

(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

NIL

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. **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 2006

Revenue	Print	Non-Print	Online	Services	Elimination	Total
External Sales	165,062	24,408	3	367		189,840
Inter-segment sales	17,274	1,050	-	10,284	(28,609)	-
Total Revenue	182,337	25,458	3	10,651	(28,609)	189,840

Segment Result						
Op Profit before Income Tax	10,102	3,953	(620)	(3,026)		10,409
Interest Income						581
Other non-operating income						92
Profit from operations						11,082
Finance costs						(246)
Share of results of associate						(36)
Profit before income tax						10,799
Income tax expense						(2,436)
Op Profit after tax						8,363

Other Information						
Capital expenditure	3,769	196	-	632		4,596
Depreciation & amortisation	4,737	103	93	441		5,374

BALANCE SHEET

	Print	Non-Print	Online	Services	Elimination	Total
Assets						
Segment Assets	96,453	21,291	49	3,638	-	121,431
Investment in Associates						346
Unallocated Corporate Assets						-
Consolidated Total Assets						121,777
Liabilities						
Segment liabilities	20,293	3,233	41	2,657		26,224
Unallocated corporate liabilities						-
						7,721
Consolidated Total Liabilities						33,945

Year 2005

Revenue	Print	Non-Print	Online	Services	Elimination	Total
External Sales	161,665	19,451	378	270	-	181,764
Inter-segment sales	9,937	514	-	9,651	(20,102)	-
Total Revenue	171,602	19,965	378	9,921	(20,102)	181,764

Segment Result						
Segment Result	8,775	4,356	(4,821)	(1,956)	-	6,354
Interest income						389
Other non-operating income						2,395
Profit from operations						9,138
Finance costs						(391)
Share of results of associate						(283)
Profit before income tax						8,464
Income tax						(2,500)
Op Profit after tax						5,964

Other Information						
Capital expenditure	4,205	29	180	111		4,525
Depreciation & amortisation	5,553	95	222	429		6,299

BALANCE SHEET

	Print	Non-Print	Online	Services	Elimination	Total
Assets						
Segment Assets	116,108	14,918	762	2,442	-	134,230
Investment in Associates						382
Unallocated Corporate Assets						-
Consolidated Total Assets						134,612
Liabilities						
Segment liabilities	37,710	3,474	123	1,827		43,134
Unallocated corporate liabilities						9,935
Consolidated Total Liabilities						53,069

Segmental Results-By Geographical Segment

	Revenue		Carrying amount of assets		Additions to fixed assets	
	Y2006	Y2005	Y2006	Yr2005	Y2006	Yr2005
(S\$'000)						
Singapore	109,374	113,636	65,827	64,106	3,222	2,562
China	50,925	46,706	30,555	38,074	995	488
Indonesia	10,846	9,133	7,078	6,785	160	85
Malaysia	8,067	6,395	9,848	14,382	50	1,059
Thailand	940	1,017	547	537	8	49
Japan	1,572	1,215	902	691	3	11
Australia	8,116	3,662	7,010	7,967	158	271
India	-	-	10	-	-	-
Total	189,840	181,764	121,777	132,542	4,596	4,525

14. 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 print-related operations accounted for 87% of the Group's revenue. The non-print related business accounted for 13% of the Group's revenue. It registered a 23% increase in sales as a result of new customers as well as additional services provided to the existing customers of the logistics operations.

Geographically, the Singapore operations contributed 58% of the Group's revenue as compared to 63% for the corresponding period in 2005. The decline is mainly due to the cessation of the major value chain project in Singapore in July 2006. Meanwhile, all overseas operations increased their revenue contribution to the Group. China operations increased its contribution by \$4.2 million and accounted for 27% of the group's total while the Australia operation acquired in October 2005 made its maiden full year revenue contribution.

In terms of pre-tax profit, the print-related operations accounted for 77% while the non-print related operations contributed 23% of the Group's profit. Geographically, the Singapore operations continue to be the major profit contributor while the overseas operations contributed 10% of the Group's pre-tax profit.

15. A breakdown of sales

		2006 (S\$'000)	2005 + / (-) % (S\$'000)	
a)	Sales reported for the first half year	100,589	78,152	29
b)	Operating profit after tax reported for the first half year	2,429	1,557	56
c)	Sales reported for the second half year	89,251	103,612	(14)
d)	Operating profit after tax reported for the second half year	5,934	4,407	35

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

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (31/12/06)	Previous Full Year (31/12/05)
	'000	'000
Ordinary	1,894	1,826
Preference	0	0
Total :	1,894	1,826

BY ORDER OF THE BOARD
Thomas Chua Kee Seng
Chairman & Managing Director
February 23, 2007
Singapore