

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**<sup>group®</sup>

**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 Dec07	YTD Dec06	incr/ (decr)
a Revenue	158,102	189,840	(16.7)
b Investment Income	-	-	-
c Other income including interest income :-	499	790	(36.8)
(i) Gain (Loss) on sale of investments, properties and/or plant & equipment included in other income	(123)	14	(978.6)
(ii) Interest Income	607	581	4.5
(iii) Other Income	15	195	(92.3)
d Changes in inventories of FG & WIP	1,899	(1,234)	253.9
(i) Write back ( allowance ) for inventories	(49)	-	nm
e Raw Materials and consumables used	(76,553)	(104,023)	(26.4)
f Staff Costs	(29,761)	(30,061)	(1.0)
g Depreciation and amortisation	(5,913)	(5,374)	10.0
h Interest on borrowings	(159)	(246)	(35.4)
i Other operating expenses :-	(39,306)	(38,857)	1.2
(i) foreign exchange gain /(loss)	(831)	(1,000)	(16.9)
(ii) Write back (allowance) for doubtful debts	(80)	9	988.9
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	8,808	10,835	(18.7)

Group			
	S\$'000	%	
	YTD Dec07	YTD Dec06	
		incr/ (decr)	
l Income/(loss) from associated companies	(166)	(36)	361.1
m Operating profit before income tax	8,642	10,799	(20.0)
n Less income tax ( indicate basis of computation)	(903)	(2,436)	(62.9)
(i ) Adjustment for under or (over) provision of tax in respect of prior periods.	(702)	(368)	90.8
o Profit for the Year	7,739	8,363	(7.5)
Attributable to :-			
p Equity Holders of the Company	7,819	8,358	(6.4)
q Minority Interests	(80)	5	(1,700.0)

**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**

	<b>Group</b>		<b>Company</b>	
	Actual 31-Dec-07 \$'000	Previous 31-Dec-06 \$'000	Actual 31-Dec-07 \$'000	Previous 31-Dec-06 \$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash	23,286	23,496	7,088	862
Trade receivables	30,396	36,902	12,063	24,733
Other receivables & prepayments	4,873	4,462	3,831	7,727
Inventories	17,767	16,034	-	-
	<u>76,322</u>	<u>80,894</u>	<u>22,982</u>	<u>33,322</u>
<b>Non-current assets:</b>				
Investment in joint venture	-	-	4,216	4,216
Investment in associates	180	346	-	-
Investment in subsidiaries	-	-	19,054	19,971
Property, plant & equipment	27,970	29,234	2,160	1,626
Land Use Right	563	576	-	-
Investment properties	1,168	1,167	-	-
Intangible assets	861	1,192	145	155
Goodwill	7,829	8,368	-	-
<b>Total non-current assets</b>	<u>38,571</u>	<u>40,883</u>	<u>25,575</u>	<u>25,968</u>
<b>Total assets</b>	<u>114,893</u>	<u>121,777</u>	<u>48,557</u>	<u>59,290</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank loans and overdrafts	429	-	-	-
Trade payables	14,631	15,242	546	314
Other payables	9,787	10,982	10,718	11,787
Income tax payable	2,762	2,553	253	173
Finance leases - current portion	121	297	37	57
Long term loans - current portion	433	1,276	-	-
<b>Total current liabilities</b>	<u>28,163</u>	<u>30,350</u>	<u>11,554</u>	<u>12,331</u>
<b>Non-current liabilities:</b>				
Finance leases	77	178	77	94
Long-term loans	680	1,108	-	-
Deferred tax liabilities	1,894	2,309	57	57
<b>Total non-current liabilities</b>	<u>2,651</u>	<u>3,595</u>	<u>134</u>	<u>151</u>
<b>Capital and reserves:</b>				
Share capital	23,852	23,383	23,852	23,383
Currency Translation Reserves	(353)	(337)	(72)	(33)
Accumulated profits	60,379	64,500	13,089	23,458
<b>Total capital and reserves</b>	<u>83,878</u>	<u>87,546</u>	<u>36,869</u>	<u>46,808</u>
Minority interests	201	286	-	-
<b>Total capital and reserves and minority interests</b>	<u>84,079</u>	<u>87,832</u>	<u>36,869</u>	<u>46,808</u>
<b>Total liabilities and equity</b>	<u>114,893</u>	<u>121,777</u>	<u>48,557</u>	<u>59,290</u>

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

**Amount repayable in one year or less, or on demand**

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

As at 31/12/07		As at 31/12/06	
Secured	Unsecured	Secured	Unsecured
84	899	650	923

(b) Amount repayable after one year

As at 31/12/07		As at 31/12/06	
Secured	Unsecured	Secured	Unsecured
680	77	760	526

**Details of any collateral**

The finance leases are secured by a charge over the assets under hire purchase.  
Some long term loans are secured by a fixed charge on certain equipment of the Company.

**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 31/12/07 S\$'000	Previous 31/12/06 S\$'000
<b>Cash flow from operating activities:</b>		
Profit before income tax	8,642	10,799
Adjustment for :		
Share of loss of associates	166	36
Depreciation and amortisation expense	5,306	5,374
Impairment loss on property, plant and equipment	147	7
Impairment of goodwill	582	0
Goodwill written off	25	0
(Gain)/ Loss on disposal of property, plant and equipment	(24)	(14)
(Gain) /Loss on disposal of associate	0	(39)
Interest income	(607)	(581)
Interest expense	159	246
	<b>14,396</b>	<b>15,828</b>
<b>Operating profit before working capital changes</b>		
Trade receivables	6,506	9,570
Other receivables and prepayments	(411)	(1,208)
Inventories	(1,733)	3,379
Trade payables	(611)	(14,586)
Other payables	(1,195)	(1,024)
	<b>16,952</b>	<b>11,959</b>
<b>Cash generated from operations</b>		
Interest paid	(159)	(246)
Income tax paid	(1,109)	(2,281)
	<b>15,684</b>	<b>9,432</b>
<b>Net cash from operating activities</b>		
<b>Cash flow from investing activities:</b>		
Interest received	607	581
Proceeds from disposal of associate	0	39
Proceeds from disposal of property, plant & equipment	215	467
Purchase of property, plant & equipment	(4,039)	(4,596)
Additional purchase consideration of subsidiary	0	(1,430)
<b>Net cash used in investing activities</b>	<b>(3,217)</b>	<b>(4,939)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issue of shares	469	468
Dividends paid	(11,940)	(1,826)
Proceeds/(Repayment) of bank loans	429	(797)
Repayment of long-term loans	(1,272)	(1,268)
Repayments of obligations under finance leases	(277)	(304)
<b>Net cash used in financing activities</b>	<b>(12,591)</b>	<b>(3,727)</b>
Net (decrease)/increase in cash	(124)	766
Cash at beginning of period - 1st Jan	23,496	22,587
Effect of foreign exchange rate changes	(86)	143
Cash at end of period - 31st Dec	<b>23,286</b>	<b>23,496</b>

**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 2005	22,800	115	57,968	362	81,245	298	81,543
Dividends paid	-	-	(1,826)	-	(1,826)	-	(1,826)
Proposed dividend	-	-	-	-	-	-	-
Currency translation	-	-	-	(699)	(699)	(17)	(716)
Acquisition of equity interest from minority	-	-	-	-	-	-	-
Transfer from share premium	115	(115)	-	-	-	-	-
Issue of share	468	-	-	-	468	-	468
Net profit for the year	-	-	8,358	-	8,358	5	8,363
Employee share subscribed	-	-	-	-	-	-	-
Balance at 31 Dec 2006	23,383	-	64,500	(337)	87,546	286	87,832
Balance at 31 Dec 2006	23,383	-	64,500	(337)	87,546	286	87,832
Dividends paid	-	-	(11,940)	-	(11,940)	-	(11,940)
Transfer from share premium	-	-	-	-	-	-	-
Currency translation	-	-	-	(16)	(16)	(5)	(21)
Net profit for the year	-	-	7,819	-	7,819	(80)	7,739
Employee share subscribed	469	-	-	-	469	-	469
Balance at 31 Dec 2007	23,852	-	60,379	(353)	83,878	201	84,079

**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 2005	22,800	115	26,921	-	49,836	-	49,836
Dividends paid	-	-	(1,826)	-	(1,826)	-	(1,826)
Currency translation	-	-	-	(33)	(33)	-	(33)
Transfer from share premium	115	(115)	-	-	-	-	-
Issue of share	468	-	-	-	468	-	468
Net profit/(loss) for the year	-	-	(1,637)	-	(1,637)	-	(1,637)
Share option exercised	-	-	-	-	-	-	-
Balance at 31 Dec 2006	23,383	-	23,458	(33)	46,808	-	46,808
Balance at 31 Dec 2006	23,383	-	23,458	(33)	46,808	-	46,808
Dividends paid	-	-	(11,940)	-	(11,940)	-	(11,940)
Transfer from share premium	-	-	-	-	-	-	-
Currency translation	-	-	-	(39)	(39)	-	(39)
Net profit/(loss) for the year	-	-	1,571	-	1,571	-	1,571
Share option exercised	469	-	-	-	469	-	469
Balance at 31 Dec 2007	23,852	-	13,089	(72)	36,869	-	36,869

**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, 2,532,000 shares were exercised by employees in accordance with the employee share option scheme. As of December 31, 2007, 48,000 shares remains unexercised from this scheme.

**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 2007	FY 2006
Balance as at 1 January	231,018,248	228,002,248
Issue of shares	2,532,000	3,016,000
Balance as at 31 December	<u>233,550,248</u>	<u>231,018,248</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.**

Not applicable. There is 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**

Other than the adoption of the new Financial Reporting Standards ('FRS') as mentioned in paragraph 5, the Group has applied the same accounting policies and methods of computation in the full year announcement for the current financial year as those of the audited financial statements for the year ended 31 December 2006, as well as all the applicable FRS which became effective for the financial year beginning on or after 1

January 2007. The adoption of these FRS has no material impact on the full year announcement for the current financial year.

**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**

During the financial year, the Group and the company adopted FRS 107, Financial Reporting Standard – Financial Instruments and Derivatives & FRS 40 – Investment Property which took effect from January 1 2007.

**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	31/12/2007	31/12/2006
based on net profit attributable to shareholders :-		
i) Based on the weighted average number of ordinary shares on issue	3.37 cts	3.65 cts
ii) On a fully diluted basis	3.37 cts	3.65 cts

Note

- a. The earnings per ordinary share (“EPS”) for the period ended Dec 31, 2007 has been calculated on weighted average number of ordinary shares in issue of 232,208,915 (Dec 31,2006 = 228,848,248) ordinary shares
- b. Fully diluted EPS for the period ended Dec 31, 2007 is calculated on 232,226,236 (Dec 31, 2006, Diluted EPS is not applicable) 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	
	Dec'07	Dec'06	Dec'07	Dec'06
Net Asset Value Per Ordinary Share based On issued share capital at the end of the period	35.91 cts	37.90 cts	15.79 cts	20.26cts

Note: The net asset value per ordinary share for the period ended Dec 31, 2007 have been calculated base on the issued share capital of 233,550,248 shares (December 31, 2006: 231,018,248)

**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 declined by 16.7% from \$189.8 million to \$158.1 million.

The revenue of the Print-related operations decreased by 21.7% from \$165.1 million to \$129.2 million. This was mainly attributed to the cessation of a major value chain project in Singapore and the scaled down of another value chain project in China since the second half of 2006. The absent of year end surge in demand, which the Print-related operations have experienced in the past, has also added pressure to the revenue growth. The revenue of the Non-print operations, however, has grown 17.3% from \$24.4 million to \$28.6 million as a result of growth in both the reverse logistics and third party logistics activities. Overall, the Print-related business accounted for 81.8% of the Group's revenue while the Non-print business contributed the balance of 18.2%. In 2006, the percentage contribution was 87% and 13% respectively.

In terms of geographical perspective, the Singapore operations remain the main revenue contributor accounting for 57.0% of the Group's sales. The China operations is the second largest contributor at 25.7%.

Net Profit after tax for the Group decreased by 6.7% from \$8.4 million to \$7.8 million. Both the Print-related and Non-print operations remain profitable. The bottom-line impacts of the revenue loss from the value chain projects have been partially compensated by increased profit contribution from Non-print operations. However, the continued weakening of the Group's major trading currency, the US Dollar, against the Singapore Dollar has cost the Group a foreign exchange loss of \$0.8 million. The Group has also taken an impairment charge of \$0.6 million on Goodwill for the Australia operation whose performance has been below expectation.

The Group's operations generated positive cash-flow of \$14.4 million before working capital changes and ended the year with a cash balance of \$23.3 million after utilizing \$11.9 million of the cash to reward shareholders with dividend payouts and investing \$4.0 million to upgrade plant and equipment.

### **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 2006 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**

Operating amid global uncertainties, the Group is faced with challenges including high energy costs, the fluctuating foreign exchange rates as well as rising business costs in the region. The Management will continue to emphasize on cost management and to grow the business organically as well as actively seeking acquisition opportunities in the region.

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

### **11. Dividend (to amend accordingly)**

#### ***(a) Current Financial Period Reported On***

Name of Dividend:	Special Interim	Final
Dividend Type:	Cash	Cash
Dividend amount per share (in cents):	4.3 cents (net of tax)	0.8 cents
Dividend Rate:	53%	8%
Tax Rate	18%	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):	0.82 cents (net of tax)
Dividend Rate:	10%
Tax Rate	18%

**(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

**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 2007**

<b>Revenue</b>	Print	Non-Print	Online	Services	Elimination	Total
External Sales	129,249	28,621	-	232	-	158,102
Inter-segment sales	6,625	1,161	-	14,362	(22,148)	-
Total Revenue	135,874	29,782	-	14,594	(22,148)	158,102

<b>Segment Result</b>						
Op Profit before Income Tax	7,171	4,980	(23)	390	(4,173)	8,345
Interest Income						607
Other non-operating income						15
Profit from operations						8,967
Finance costs						(159)
Share of results of associate						(166)
Profit before income tax						8,642
Income tax expense						(903)
Op Profit after tax						7,739

<b>Other Information</b>						
Capital expenditure	2,528	510	-	1,001	-	4,039
Depreciation & amortisation	5,214	175	-	524	-	5,913

**BALANCE SHEET**

	Print	Non-Print	Online	Services	Elimination	Total
<b>Assets</b>						
Segment Assets	84,836	19,537	36	10,304	-	114,713
Investment in Associates						180
Unallocated Corporate Assets						-
Consolidated Total Assets						114,893
<b>Liabilities</b>						
Segment liabilities	18,406	3,401	40	3,001	-	24,848
Unallocated corporate						5,966
Liabilities						
Consolidated Total Liabilities						30,814

**Year 2006**

<b>Revenue</b>	Print	Non-Print	Online	Services	Elimination	Total
External Sales	165,062	24,408	3	367	-	189,840
Inter-segment sales	17,275	1,050	-	10,284	(28,609)	-
Total Revenue	182,337	25,458	3	10,651	(28,609)	189,840

<b>Segment Result</b>						
Segment Result	10,101	3,953	(620)	(3,026)	-	10,408
Interest income						581
Other non-operating income						92
Profit from operations						11,081
Finance costs						(246)
Share of results of associate						(36)
Profit before income tax						10,799
Income tax						(2,436)
Op Profit after tax						8,363

<b>Other Information</b>						
Capital expenditure	3,768	196	-	632	-	4,596
Depreciation & amortisation	4,737	103	93	441	-	5,374

**BALANCE SHEET**

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

**Segmental Results-By Geographical Segment**

	Revenue		Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets	
	Y2007	Y2006	Y2007	Y2006	Y2007	Y2006
(S\$'000)						
Singapore	90,005	109,374	57,915	65,827	2,411	3,222
China	40,621	50,925	34,375	30,555	553	995
Indonesia	11,470	10,846	7,962	7,078	559	160
Malaysia	6,124	8,067	8,057	9,848	499	50
Thailand	931	940	449	547	3	8
Japan	975	1,572	617	902	6	3
Australia	7,976	8,116	5,508	7,010	8	158
India		-	10	10	-	-
Total	158,102	189,840	114,893	121,777	4,039	4,596

**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**

Revenue contribution from the Print-related operations accounted for 81.8% of the Group's revenue as compared to 87.0% in FY 2006. The decline was mainly attributed to the cessation of a major value chain project in Singapore and the scaled down of another value chain project in China since the second half of 2006.

The Non-print operations, which registered an increase of \$4.2 million in sales, accounted for 18.2% of the Group's revenue, as compared to 13.0% in 2006. The increase was mainly

derived from the increase in activities from existing customers as well as the full year contribution of a reverse logistics project which commenced operation during the second half of 2006

Geographically, the Singapore operations contributed 57% of the Group's sales, a slight drop from 58% in 2006. All overseas operations, except Indonesia, have registered lower sales. The China operations, with a revenue of \$40.6 million, is the largest overseas revenue contributor accounting for 25.7% of the Group's total.

In terms of net profit after tax, the Print-related operations accounted for 60% of the Group's profit while the Non-print operations contributed 40%. In terms of geographical contributions, the Singapore operations remained as the key pillar accounting for 90% of the Group's profit.

#### 15. A breakdown of sales

		2007	2006 + / (-) %	
a)	Sales reported for the first half year	78,738	100,589	(28)
b)	Operating profit after tax reported for the first half year	3,668	2,429	34
c)	Sales reported for the second half year	79,364	89,251	(12)
d)	Operating profit after tax reported for the second half year	4,071	5,934	(46)

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

	Lastest Full Year (31/12/07)	Previous Full Year (31/12/06)
	'000	'000
Ordinary	11,910	1,898
Preference	-	0
Total :	11,910	1,898

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

**BY ORDER OF THE BOARD**  
**Thomas Chua Kee Seng**  
**Chairman & Managing Director**  
**February 22, 2008**  
**Singapore**