



UPDATE ON THE GROUP'S OPERATIONS IN LIGHT OF COVID-19 PANDEMIC

The Board of Directors of Teckwah Industrial Corporation Ltd (the **"Company"** and together with its subsidiaries, the **"Group"**) refers to the global outbreak of the COVID-19 pandemic and the Singapore Government's announcements on 3 April 2020 and 21 April 2020 in relation to the COVID-19 circuit breaker measures (**"Circuit Breaker Measures"**). The Company wishes to update shareholders in respect of the Group's operations in the light of the COVID-19 pandemic and Circuit Breaker Measures, as follows:-

SINGAPORE OPERATIONS

On 3 April 2020, the Singapore Government announced Circuit Breaker Measures applicable until 4 May 2020. Under the Circuit Breaker Measures, all workplaces, except for essential services, will remain closed in order to curb the spread of COVID-19. Management had assessed the operations in Singapore to determine whether they qualified as essential services according to the list of exempted businesses allowed to operate during the Circuit Breaker Measures.

Teckwah Value Chain Pte. Ltd. (**"TVC"**) under the Group's Packaging Printing segment and Teckwah Logistics Pte. Ltd. (**"TWL"**) under the Logistics and Services segment qualified as essential services within the Manufacturing and Distribution, and Transportation and Storage sectors respectively. However, the Lifestyle segment operating under Profoto Digital Services Pte Ltd was not deemed an essential business and therefore had to suspend operations in accordance with the Circuit Breaker Measures.

Since the onset of the COVID-19 outbreak in Singapore, preventive measures have been introduced including but not limited to, staggering working hours, implementing shift work and/or split team arrangements, sending reminders to staff at all work sites to observe safe distancing measures and enforcing 'no socialising' rules. All staff able to telecommute has been instructed to strictly do so.

On 21 April 2020, the Singapore Government implemented the tightened Circuit Breaker Measures to further reduce the transmission of COVID-19 (the **"Enhanced Measures"**). As part of the Enhanced Measures, the Circuit Breaker period has been extended by another 4 weeks until 1 June 2020 with closure of more work premises and tighter workplace measures.

Following the implementation of the Enhanced Measures, TVC, TWL and the Company have continued to operate with the above-mentioned preventive measures in place. In addition, staff were instructed to put on masks at all times and to download and turn on the government initiated TraceApp. Additional guards have been hired for the Head Office located at 51 Tai Seng Avenue, #05-01 Pixel Red, Singapore 533941 for temperature-taking and contact registration at the various lift lobbies.

The operations of Profoto Digital Services Pte Ltd have remained under suspension.



From 12 May 2020, to facilitate the gradual relaxing of the Circuit Breaker Measures, businesses are required to implement SafeEntry, a national digital check-in system that facilitates contact tracing through logging the names, NRICS/FINs and mobile numbers of individual visiting hotspots, workplaces of essential services, as well as selected public venues. We have implemented the system at our work places in compliance with the COVID-19 (Temporary Measures) Act.

OVERSEAS OPERATIONS

The Board wishes to provide the following operating capacity of its key overseas operations & overseas entities affected by national lockdowns due to COVID-19:

Entity Names	Operating Country	Operating Capacity	Remarks
Packaging Printing			
Wuxi Teckwah Printing & Packing Co., Ltd	China	100%	Restrictions have been lifted
PT Teckwah Paper Products Indonesia	Indonesia	100%	Whilst no restriction has been imposed by the government authorities, the company is operating on split teams, staggering working hours and observing safe distancing measures
Teckwah Pharmapack Solution Sdn Bhd, Tompac Industrial Sdn Bhd, Teckwah Paper Products Sdn Bhd	Malaysia	100%	Operating under Conditions of the Movement Control Order (MCO) in Malaysia
Logistics			
Shanghai Jointac International Logistic Co., Ltd	China	100%	Restrictions have been lifted
Teckwah Logistics (India) Private Limited	India	33%	Operating under Conditions imposed by the Government of India in the nationwide lockdown
Teckwah Value Chain Sdn Bhd	Malaysia	100%	Operating under Conditions of the Movement Control Order (MCO) in Malaysia
All other overseas operations (owned by the Company/Group or partner based)	Overseas	100%	Still operating under restrictions imposed by the respective governments as the businesses have been classified as supply chain for essential services. Staff who are able to, are telecommuting with only staff needing to be on site due to the nature of their roles, present on site
Lifestyle			
Profoto Malaysia Sdn Bhd	Malaysia	50%	Operating under Conditions of the Movement Control Order (MCO) in Malaysia

Update on Group's activity for the rest of the year

The COVID-19 pandemic has caused major disruptions to all businesses around the world. Teckwah is no exception. Nevertheless, after 2003, the Group embarked on its Business Continuity Management certification which entailed carrying out an annual desktop exercise or actual crisis simulation to test the robustness of our Business Continuity Plan (“**BCP**”). This has helped us tremendously with the management of our operations during this unprecedented event. During this period, we have also ensured that all our staff are brought up to speed with our BCP through in-house training webinars. We will continue fine-tuning our BCP according to the evolving situation and are incorporating best practices into our BCP as we progress.

Financial Impacts on the Group

As the COVID-19 pandemic is still evolving and there is no clear indication as to when it is going to stabilise, coupled with the unresolved trade negotiations between China and US, it is difficult to determine at this point the specific financial impact on the Group. However, Teckwah will not be spared the economic fallout. Cost management and financial prudence remain our top priorities. Low priority projects planned for 2020 have been cancelled or deferred and debt collection efforts have been intensified to ensure healthy cash flow. Management will closely monitor the development of the COVID-19 pandemic and take necessary steps to remain competitive, while keeping a vigilant lookout for opportunities to further widen revenue sources in other markets during this challenging and uncertain time. We are financially healthy and are prepared to overcome the negative impacts from the pandemic.

The Company will issue timely update to shareholders via SGXNET subsequently if there are any adverse or material impact to the Group's activity.

By Order of the Board

Lo Swee Oi
Company Secretary

Date: 13 May 2020