

TIEN WAH PRESS HOLDINGS BERHAD
(CO.NO. 340434-K)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2008**

	2008 Current Quarter Ended 30 Jun (RM '000)	2007 Comparative Quarter Ended 30 Jun (RM '000)	2008 6-months Cumulative to date (RM '000)	2007 6-months Cumulative to date (RM '000)
Revenue	43,605	30,911	79,100	60,751
Operating expenses	(38,205)	(28,225)	(69,510)	(54,819)
Other operating income	547	485	1,197	1,013
Profit from operations	<u>5,947</u>	<u>3,171</u>	<u>10,787</u>	<u>6,945</u>
Finance costs	(166)	(63)	(522)	(90)
Investing results	-	-	-	-
Share of profits of associated company	199	141	393	330
Profit before tax	<u>5,980</u>	<u>3,249</u>	<u>10,658</u>	<u>7,185</u>
Tax expense	(1,098)	(362)	(2,049)	(1,013)
Profit for the period	<u>4,882</u>	<u>2,887</u>	<u>8,609</u>	<u>6,172</u>
Attributable to:				
Equity holders of the Company	4,452	2,783	7,902	5,717
Minority interests	430	104	707	455
Net profit for the period	<u>4,882</u>	<u>2,887</u>	<u>8,609</u>	<u>6,172</u>
Earnings per share:				
Earnings per share - Basic (sen)	<u>6.46</u>	<u>4.07</u>	<u>11.47</u>	<u>8.35</u>
- Diluted (sen)	<u>6.46</u>	<u>4.05</u>	<u>11.47</u>	<u>8.33</u>

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2007)

TIEN WAH PRESS HOLDINGS BERHAD
(CO. NO. 340434-K)

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2008**

	As at 30 June 2008 (RM '000)	As at 31 December 2007 (RM '000)
ASSETS		
Intangible assets	16,194	16,194
Property, plant & equipment	91,867	99,940
Prepaid lease payments	17,384	17,526
Investments in an associate	5,540	5,166
Other receivables	409	591
Total non-current assets	<u>131,394</u>	<u>139,417</u>
Current assets		
Other investments	-	-
Receivables, deposits and prepayments	24,458	22,087
Inventories	20,553	25,413
Current tax assets	599	1,277
Cash & cash equivalents	24,513	13,672
Total current assets	<u>70,123</u>	<u>62,449</u>
TOTAL ASSETS	<u><u>201,517</u></u>	<u><u>201,866</u></u>
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the Company		
Share capital	68,925	68,807
Reserves	60,919	57,801
Total equity attributable to the equity holders of the Company	<u>129,844</u>	<u>126,608</u>
Minority shareholders' interests	5,014	4,307
Total Equity	<u>134,858</u>	<u>130,915</u>
Non-current liabilities		
Deferred taxation	8,995	9,125
Retirement benefits	1,330	1,473
Loans and borrowings	7,880	11,485
Total non-current liabilities	<u>18,205</u>	<u>22,083</u>
Current liabilities		
Payables and accrued expenses	35,348	33,103
Loans and borrowings	13,106	15,765
Total current liabilities	<u>48,454</u>	<u>48,868</u>
Total liabilities	<u>66,659</u>	<u>70,951</u>
TOTAL EQUITY AND LIABILITIES	<u><u>201,517</u></u>	<u><u>201,866</u></u>

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2007)

TIEN WAH PRESS HOLDINGS BERHAD
(CO. NO. 340434-K)
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2008

	2008 6 months ended 30 Jun (RM '000)	2007 6 months ended 30 Jun (RM '000)
Net cash generated from operating activities	18,898	19,671
Net cash from investing activities	1,608	112
Net cash used in financing activities	<u>(9,572)</u>	<u>(7,072)</u>
Net increase in cash & cash equivalents	10,934	12,711
Effect of exchange rate fluctuations on cash held	(93)	-
Cash & cash equivalents at beginning of financial period	13,672	17,666
Cash & cash equivalents at end of financial period	<u><u>24,513</u></u>	<u><u>30,377</u></u>

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2007)

TIEN WAH PRESS HOLDINGS BERHAD
(CO.NO. 340434-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2008**

	Attributable to Equity Holders of the Company						Minority Interest (RM '000)	Total Equity (RM '000)	
	Non-Distributable			Distributable					
	Share Capital (RM '000)	Share Premium (RM '000)	Capital Reserve (RM '000)	Translation Reserve (RM '000)	Revaluation Reserve (RM '000)	Retained Profits (RM '000)	Total (RM '000)		
Balance at 1 January 2008	68,807	8,848	1,000	-	4,878	43,075	126,608	4,307	130,915
Net Profit for the period	-	-	-	-	-	7,902	7,902	707	8,609
Dividends paid	-	-	-	-	-	(4,136)	(4,136)	-	(4,136)
Shares issued	118	20	-	-	-	-	138	-	138
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	(668)	-	-	(668)	-	(668)
Balance at 30 June 2008	68,925	8,868	1,000	(668)	4,878	46,841	129,844	5,014	134,858
Balance at 1 January 2007	45,637	31,824	1,000	-	4,878	35,888	119,227	10,907	130,134
Net Profit for the period	-	-	-	-	-	14,056	14,056	1,240	15,296
Dividends paid	-	-	-	-	-	(6,869)	(6,869)	(7,840)	(14,709)
Shares issued	234	138	-	-	-	-	372	-	372
Expenses incurred for bonus issue	-	(178)	-	-	-	-	(178)	-	(178)
Transfer of share premium for bonus issued	22,936	(22,936)	-	-	-	-	-	-	-
Balance at 31 December 2007	68,807	8,848	1,000	-	4,878	43,075	126,608	4,307	130,915

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2007)

TIEN WAH PRESS HOLDINGS BERHAD
(CO. NO. 340434-K)

Notes to the Interim Financial Report for the quarter ended 30 June 2008

A. DISCLOSURE REQUIREMENTS AS PER FRS 134

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2007. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2007.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2007.

A2. Audit Report Qualification and Status of Matters Raised

The audit report of the preceding annual financial statements was not qualified.

A3. Seasonal or Cyclical Nature of Operations

The quarterly financial results were not affected by seasonal or cyclical factors of operations.

A4. Items of Unusual Nature

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial year-to-date.

A5. Changes in Estimates of Amounts Reported

There were no changes in estimates of amounts reported in prior financial year that have a material effect in the current financial year-to-date under review.

A6. Changes in Debt and Equity Securities

Executive Share Option Scheme ("ESOS")

For the financial year-to-date, there were no other issuances, cancellations, repurchase resale and repayments of debt and equity securities except for the following:-

Since 11 January 2008 118,500, ordinary shares of RM1.00 each have been issued (15,900 shares at an option price of RM1.00 per share and 102,600 shares at an option price of RM1.20 per share) to eligible employees following the exercise by them of the options granted under the ESOS. The ESOS which came into force on 5 February 1998 has been extended for another five (5) years from 5 February 2003 to 4 February 2008. The ESOS options are not to be extended further and have expired on 4 February 2008.

A7. Dividends Paid

	6 months ended 30 June	
	2008 <u>RM'000</u>	2007 <u>RM'000</u>
Ordinary		
Final paid:		
2007 – 6.0% final tax-exempt per share	4,136	
2006 – 5.0% final tax-exempt per share		2,282

The above final tax-exempt dividend was paid on 26 June 2008 and 26 June 2007 respectively.

A8. Segment Information

The Group operates principally in the printing industry and no geographical analysis has been prepared under Singapore as the Group operations are mainly in Malaysia and Vietnam.

As at 30 June 2008				
	Malaysia RM '000	Vietnam RM '000	Elimination RM '000	Consolidated RM '000
Assets and liabilities				
Segment assets	307,104	45,985	(151,981)	201,108
Unallocated assets	-	409	-	409
Total assets	<u>307,104</u>	<u>46,394</u>	<u>(151,981)</u>	<u>201,517</u>
Segment liabilities	<u>117,550</u>	<u>34,072</u>	<u>(84,963)</u>	<u>66,659</u>

As at 30 June 2008				
	Malaysia RM '000	Vietnam RM '000	Elimination RM '000	Consolidated RM '000
Capital expenditure				
Depreciation	1,943	1,256	490	3,689
Amortisation of prepaid lease payment	155	217	-	372
Revenue	<u>67,041</u>	<u>15,683</u>	<u>(3,624)</u>	<u>79,100</u>
Segment results	<u>8,781</u>	<u>2,231</u>	<u>(446)</u>	<u>10,566</u>
Results from operating activities				10,566
Finance cost				(522)
Interest income				221
Share of profit of equity accounted associate				393
Tax expense				<u>(2,049)</u>
Profit for the year				<u>8,609</u>

A9. Property, Plant and Equipment

There was no revaluation of property, plant and equipment brought forward from its previous audited financial statements for the year ended 31 December 2007.

A10. Material Events Subsequent to the Balance Sheet Date

On 1 July 2008, the Company ("TWPH") together with New Toyo International Holdings Ltd ("NTIH") (a substantial shareholder and ultimate holding company of TWPH), has entered into a conditional share sale and purchase agreement ("SPA") with British American Tobacco Australia ("BATA") for the proposed acquisition of the entire equity interest of Anzpac Services (Australia) Pty Ltd ("Anzpac") for a cash consideration of AUD60 million ("Proposed Acquisition") which comes with:-

- (a) a right to a seven (7) year supply agreement with BATA to supply 100% of BATA's printed carton requirement in Australia, New Zealand, Fiji, Papua New Guinea, the Solomon Islands and Samoa (collectively known as "Australasia") with a right to extend the supply period by an additional three (3) years ("SA-BATA"), and
- (b) a right to supply 100% of British American Tobacco's ("BAT") printed carton requirements in Malaysia, Singapore and Vietnam for seven (7) years with a right to extend the supply period by an additional three (3) years ("SA-BAT").

It is the intention of TWPH and NTIH to set up a joint venture company to be incorporated in Hong Kong ("JVCO") to acquire the entire equity interest in Anzpac. TWPH and NTIH shall hold 51% and 49% equity interest respectively in the JVCO and the SA-BATA and SA-BAT shall also be assigned to the JVCO prior to the completion of the Proposed Acquisition. The details of the joint venture with NTIH will be announced at a later date upon the execution of a conditional joint venture agreement.

The Proposed Acquisition is conditional upon the satisfaction of the conditions precedents as stipulated in the above-mentioned SPA which includes the approval from the shareholders of TWPH and NTIH at separate Extraordinary General Meetings to be convened at a later date.

Upon completion of the Proposed Acquisition, the JVCO will become a 51% subsidiary of TWPH.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A12. Changes in Contingent Assets

Pursuant to the Conditional Share Purchase Agreement dated 18 September 2007 ("SPA") made between the Company and NTIH for the acquisition of New Toyo Investments Pte Ltd ("NTIV"), NTIH had guaranteed to TWPH that on completion of the said acquisition (which took place on 21 December 2007), the net profit after tax ("PAT") of Alliance Print Technologies Co., Ltd ("APT"), a wholly-owned subsidiary of NTIV derived from activities conducted in the ordinary course of business of APT for the three (3) financial years ending on 31 December 2008, 31 December 2009 and 31 December 2010 based on the audited accounts of APT as adjusted in accordance with the provisions in the SPA, for such financial years, will be USD1,800,000, USD2,000,000 and USD2,200,000 respectively ("NPAT Target"). In the event that the NPAT Target is not achieved in any financial year, NTIH agrees that they shall pay to TWPH, within 30 days from the date of presentation of the relevant audited accounts of APT to NTIH (as adjusted in accordance with the provisions in the SPA), any difference between the net PAT or loss after tax of APT and the NPAT Target.

Except for the above-mentioned, there were no other contingent assets or liabilities which are expected to have an operational or financial impact on the Group.

A13. Inventories

There was no write-down of inventory value for the current financial year-to-date.

A14. Provision for Warranties

There was no provision for warranties for the current financial year-to-date.

A15. Changes in Tax Rate (Estimates)

There was no change in the estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial year.

A16. Capital Commitments

	2nd Quarter ended 30 June 2008 RM'000
Property, plant and equipment	
- Authorised but not contracted for	-
- Contracted but not provided for in the financial statements	938
	<u>938</u>

A17. Related Party Transactions

There were no related party transactions with its associate for the financial period ended 30 June 2008.

The following related party transactions of the Group have been entered into with related parties that are necessary for the day-to-day operations in the ordinary course of business as at second quarter ended 30 June 2008.

	Financial period to date 30 June 2008 RM'000
New Toyo International Holdings Ltd	
- Payment of management fees	720
New Toyo International Co. (Pte) Ltd	
- Trade	3,487
New Toyo Aluminium Paper Product Co. (Pte) Ltd	
- Trade	(1,457)
New Toyo (Vietnam) Aluminium Paper Packaging Co. Ltd	
- Trade	805
Toyoma Aluminium Foil Packaging Sdn Bhd	
- Trade	(74)
Toyo (Viet) Paper Product Co., Ltd	
- Trade	310
- Sales of machinery	(2,884)
- Rental of warehouse	100
Vina Toyo Company Ltd	
- Trade	(457)

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

Group's revenue for the second quarter ended 30 June 2008 increased by 41.1% to RM43.6 million from RM30.9 million in the preceding year corresponding quarter. The increase in revenue of RM12.7 million for the quarter under review was mainly due to the consolidation of revenue from its wholly-owned subsidiary, APT of RM9.4 million and higher exports sales of RM3.8 million. Profit before tax and minority interests for the second quarter ended 30 June 2008 was higher at RM6.0 million as compared to the preceding year corresponding quarter of RM3.2 million. This increased of RM2.7 million or 84.1% for the quarter under review was a result of the acquisition of APT, greater operational efficiencies and higher export sales.

Group's revenue for the six months ended 30 June 2008 increased by 30.2% to RM79.1 million from RM60.8 million, the increase in revenue of RM18.3 million was mainly due to the consolidation of revenue from APT of RM15.7 million and higher exports sales of RM1.9 million. Profit before tax and minority interests for the six months ended 30 June 2008 was higher at RM10.7 million as compared to the six months preceding period of RM7.2 million. This improvement of RM3.5 million or 48.3% was a result of the profits from APT, greater operational efficiencies and higher export sales.

B2. Variation of Results against Preceding Quarter

For the current quarter under review, the Group recorded revenue of RM43.6 million as compared to RM35.5 million for the preceding quarter. The profit before tax and minority interest was at RM6.0 million as compared to RM4.7 million for the preceding quarter.

The improvement in both revenue and profits for the current quarter resulted mainly from higher export sales and greater operational efficiencies.

B3. Current Year Prospects

It is anticipated that the overall Malaysian economy will be further impacted by the rising costs of living, driven primarily by the recent significant petrol price increase and escalating global food and commodities prices. This will reduce the consumers' disposal income. In addition the growth of illicit trade in cigarettes for the Malaysian tobacco industry will negatively affect the legal market.

To mitigate the challenging domestic market, the Group responded through the acquisition of Anzpac as stated in Note 10 above as part of NTIH Group's rationalisation plan for TWPB Group to spearhead the printing business of the NTIH Group and is in line with the TWPB Group's strategy to expand its printing and packaging business regionally. With this acquisition, TWPB will not only expand its operational footprint in Malaysia and Vietnam but will now include Australia. TWPB will also become BAT's biggest printed carton supplier for the region.

In addition, the Company will embark on various improvement programme to increase productivity and cost savings measures. The Directors are of the opinion that the current year prospects of the Group would continue to be challenging.

B4. Profit Forecast

None.

B5. Tax Expense

	2 nd Quarter ended 30 June		6 months ended 30 June	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Income tax expense				
- Current year	1,163	477	2,160	1,035
	<hr/>	<hr/>	<hr/>	<hr/>
	1,163	477	2,160	1,035
- Deferred tax expense	(78)	(120)	(131)	(33)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,085	357	2,029	1,002
Share of associate's taxation	13	5	20	11
	<hr/>	<hr/>	<hr/>	<hr/>
	1,098	362	2,049	1,013
	<hr/>	<hr/>	<hr/>	<hr/>

The Group's effective tax rate is lower than the statutory tax rate due to availability of reinvestment allowance by certain subsidiaries and the tax-free status of overseas subsidiary during the current financial period.

B6. Profit on Sale of Unquoted Investments and/or Properties

There were no profits on any sale of unquoted investments and/or properties included in the results of the Group for the current quarter and financial year-to-date.

B7. Quoted Securities

There was no purchase or disposal of quoted securities by the Group as at the end of the financial year-to-date under review.

B8. Status of corporate proposals announced

Except as disclosed below, there were no other corporate proposals announced but not completed as at to-date:-

On 1 July 2008, TWPH together with NTIH, has entered into a conditional share sale and purchase agreement ("SPA") with BATA for the proposed acquisition of the entire equity interest of Anzpac for a cash consideration of AUD60 million ("Proposed Acquisition") which comes with:-

- (a) a right to a seven (7) year supply agreement with BATA to supply 100% of BATA's printed carton requirement in Australia, New Zealand, Fiji, Papua New Guinea, the

Solomon Islands and Samoa (collectively known as “Australasia”) with a right to extend the supply period by an additional three (3) years (“SA-BATA”), and

- (b) a right to supply 100% of BAT’s printed carton requirements in Malaysia, Singapore and Vietnam for seven (7) years with a right to extend the supply period by an additional three (3) years (“SA-BAT”).

It is the intention of TWPH and NTIH to set up a joint venture company to be incorporated in Hong Kong (“JVCO”) to acquire the entire equity interest in Anzpac. TWPH and NTIH shall hold 51% and 49% equity interest respectively in the JVCO and the SA-BATA and SA-BAT shall also be assigned to the JVCO prior to the completion of the Proposed Acquisition. The details of the joint venture with NTIH will be announced at a later date upon the execution of a conditional joint venture agreement.

The Proposed Acquisition is conditional upon the satisfaction of the conditions precedents as stipulated in the above-mentioned SPA which includes the approval from the shareholders of TWPH and NTIH at separate Extraordinary General Meetings to be convened at a later date.

Upon completion of the Proposed Acquisition, the JVCO will become a 51% subsidiary of TWPH.

B9. Borrowing and Debt Securities

	As at 30 June 2008		RM’000 Total
	RM’000 Secured	RM’000 Unsecured	
<i>Short term borrowings</i>			
Bankers’ acceptance		5,145	5,145
Finance lease liabilities		120	120
Borrowings - OCBC Bank Malaysia Berhad	4,137	1,885	6,022
Borrowings – The Hongkong and Shanghai Banking Corp Ltd, Vietnam	1,819		1,819
Sub-totals	5,956	7,150	13,106
<i>Long term borrowings</i>			
Finance lease liabilities		158	158
Borrowings - OCBC Bank Malaysia Berhad	5,125		5,125
Borrowings – NTIH and its subsidiary companies		2,597	2,597
Sub-totals	5,125	2,755	7,880
Grand totals	9,262	11,724	20,986

The secured long and short-term borrowings due to OCBC Bank Malaysia Berhad were secured by corporate guarantee issued by TWPB. The secured long and short-term borrowings due to The Hongkong and Shanghai Banking Corporation Ltd were secured by corporate guarantee issued by NTIH and related companies. The amount due to NTIH and its subsidiary companies was unsecured and interest free.

The Group's borrowings in Ringgit Malaysia equivalent analysed by currencies in which the borrowings are denominated were as follows:

	<i>Long term borrowings</i> RM'000	As at 30 June 2008 <i>Short term borrowings</i> RM'000
Ringgit Malaysia	158	5,265
Singapore Dollar	1,485	-
United States Dollar	6,237	7,841
Total	7,880	13,106

B10. Off Balance Sheet Financial Instruments

As at 30 June 2008, the Group had an outstanding forward foreign currency contracts to hedge the foreign currency risk of its sales in U.S. Dollars. The contracted rates will be used to convert the U.S. Dollars amounts into Ringgit Malaysia.

The contracted amount of the financial instrument not recognised in the balance sheet as at 30 June 2008 is RM3,843,080 to hedge against its foreign currency sales of USD1,204,159.

Under these contracts, the Group has obligations to deliver in full the amount contracted with the banker within the contracted period. The maturity of these contracts is due within three months of the contract dates.

B11. Changes in Material Litigation

As at the date of issuance of this quarterly report, the Company was not engaged in any material litigation.

B12. Dividends

(a) The Directors have recommended the payment of a tax-exempt interim dividend of 6% per share in respect of the financial year ending 31 December 2008.

(b) The Company had on 26 June 2008 paid a final tax-exempt dividend of 6% per share totalling RM4,135,500 in respect of the financial year ended 31 December 2007.

(c) The payment date for the tax-exempt interim dividend is on 8 September 2008.

(d) In respect of the deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 28 August 2008.

B13. Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the quarter is based on the net profit attributable to ordinary shareholders over the weighted average number of ordinary shares outstanding.

Weighted average number of ordinary shares	Unit'000
Issued ordinary shares at beginning of the period	68,807
Effect of shares issued in relation to Executive Share Option Scheme during the period	100
Weighted average number of ordinary shares	<u>68,907</u>

Diluted earnings per share

The calculation of diluted earnings per share for the quarter is based on the net profit attributable to ordinary shareholders over the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Weighted average number of ordinary shares	Unit'000
Issued ordinary shares at beginning of the period	68,907
Effect of shares issued on full subscription for all outstanding Executive Share Option Scheme shares	-
Weighted average number of ordinary shares (diluted)	<u>68,907</u>