



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

Quarterly report on consolidated results for the three months ended 31 March 2018
The figures have not been audited.

PART A2: SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER			Changes (Amount/ %)	CUMULATIVE QUARTER		Changes (Amount/ %)
	CURRENT YEAR QUARTER 31 March 2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 March 2017 RM'000			CURRENT YEAR TO DATE 31 March 2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 March 2017 RM'000	
1	Revenue	81,542	110,391	(26.1%)	81,542	110,391	(26.1%)
2	(Loss)/Profit before tax	(278)	4,680	(105.9%)	(278)	4,680	(105.9%)
3	(Loss)/Profit for the period	(668)	3,216	(120.8%)	(668)	3,216	(120.8%)
4	(Loss)/Profit attributable to ordinary equity holders of the Company	(2,420)	4,132	(158.6%)	(2,420)	4,132	(158.6%)
5	Basic (loss)/earnings per share (sen)	(1.67)	2.85	(158.6%)	(1.67)	2.85	(158.6%)
6	Proposed / Declared Dividend per share (sen)	0.00	0.00	NA	0.00	0.00	NA
		AS AT END OF CURRENT QUARTER			AS AT PRECEDING FINANCIAL YEAR END		
	Net assets per share attributable to ordinary equity holders of the Company (RM)	2.23			2.30		
7	Remarks :						

PART A3: ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER			Changes (Amount/ %)	CUMULATIVE QUARTER		Changes (Amount/ %)
	CURRENT YEAR QUARTER 31 March 2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 March 2017 RM'000			CURRENT YEAR TO DATE 31 March 2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 March 2017 RM'000	
1	Gross interest income	800	990	(19.2%)	800	990	(19.2%)
2	Gross interest expense	(1,777)	(1,418)	(25.3%)	(1,777)	(1,418)	(25.3%)
Remarks :							



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND THREE MONTHS ENDED 31 MARCH 2018

	2018 Current Quarter Ended 31 March (RM '000)	2017 Comparative Quarter Ended 31 March (RM '000)	Changes (Amount / %)	2018 Cumulative Three months Ended 31 March (RM '000)	2017 Cumulative Three months Ended 31 March (RM '000)	Changes (Amount / %)
Revenue	81,542	110,391	(26.1%)	81,542	110,391	(26.1%)
Cost of sales	(70,051)	(93,262)	(24.9%)	(70,051)	(93,262)	(24.9%)
Gross profit	11,491	17,129	(32.9%)	11,491	17,129	(32.9%)
Other income	1,826	1,212	50.7%	1,826	1,212	50.7%
Distribution expenses	(1,494)	(2,213)	(32.5%)	(1,494)	(2,213)	(32.5%)
Administrative expenses	(6,889)	(8,851)	(22.2%)	(6,889)	(8,851)	(22.2%)
Other expenses	(4,005)	(2,271)	76.4%	(4,005)	(2,271)	76.4%
Results from operating activities	929	5,006	(81.4%)	929	5,006	(81.4%)
Finance income	800	990	(19.2%)	800	990	(19.2%)
Finance costs	(1,777)	(1,418)	25.3%	(1,777)	(1,418)	25.3%
Operating (loss)/profit	(48)	4,578	(101.0%)	(48)	4,578	(101.0%)
Share of (loss)/profit of equity-accounted joint venture, net of tax	(230)	102	(325.5%)	(230)	102	(325.5%)
(Loss)/Profit before tax	(278)	4,680	(105.9%)	(278)	4,680	(105.9%)
Tax expense	(390)	(1,464)	(73.4%)	(390)	(1,464)	(73.4%)
(Loss)/Profit for the period	(668)	3,216	(120.8%)	(668)	3,216	(120.8%)
(Loss)/Profit for the period attributable to:						
Owners of the Company	(2,420)	4,132	(158.6%)	(2,420)	4,132	(158.6%)
Non-controlling interests	1,752	(916)	(291.3%)	1,752	(916)	(291.3%)
(Loss)/Profit for the period	(668)	3,216	(120.8%)	(668)	3,216	(120.8%)
(Loss) /Earnings per ordinary share :						
-basic (sen)	(1.67)	2.85		(1.67)	2.85	

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2017)



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND THREE MONTHS ENDED 31 MARCH 2018

	2018 Current Quarter Ended 31 March (RM '000)	2017 Comparative Quarter Ended 31 March (RM '000)	2018 Cumulative Three months Ended 31 March (RM '000)	2017 Cumulative Three months Ended 31 March (RM '000)
(Loss)/Profit for the period	(668)	3,216	(668)	3,216
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(12,637)	2,843	(12,637)	2,843
Total comprehensive (loss)/income for the period, net of tax	<u>(13,305)</u>	<u>6,059</u>	<u>(13,305)</u>	<u>6,059</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(12,594)	4,813	(12,594)	4,813
Non-controlling interests	(711)	1,246	(711)	1,246
Total comprehensive (loss)/income for the period, net of tax	<u>(13,305)</u>	<u>6,059</u>	<u>(13,305)</u>	<u>6,059</u>

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2017)



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	As at 31 March 2018 (RM '000)	As at 31 December 2017 (RM '000)
Assets		
Property, plant and equipment	239,078	249,008
Investment properties	41,171	43,451
Intangible assets	75,968	80,178
Investment in joint ventures	5,649	6,455
Deferred tax assets	1,492	2,314
Trade and other receivables	2,349	3,606
Total non-current assets	365,707	385,012
Contract assets	4,139	-
Trade and other receivables	161,616	149,418
Inventories	62,425	82,006
Current tax assets	1,869	1,478
Cash & cash equivalents	13,987	33,043
Assets classified as held for sale	123	442
Total current assets	244,159	266,387
Total assets	609,866	651,399
Equity		
Share capital	156,187	156,187
Reserves	165,982	176,974
Total equity attributable to owners of the Company	322,169	333,161
Non-controlling interests	33,526	34,237
Total equity	355,695	367,398
Liabilities		
Deferred tax liabilities	2,566	3,235
Employee benefits	769	662
Loans and borrowings	62,789	66,207
Trade and other payables	31,511	33,143
Total non-current liabilities	97,635	103,247
Loans and borrowings	53,770	67,804
Trade and other payables	102,708	112,578
Current tax liabilities	58	372
Total current liabilities	156,536	180,754
Total liabilities	254,171	284,001
Total equity and liabilities	609,866	651,399

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2017)



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2018

	Attributable to Equity Holders of the Company				Total (RM '000)	Non-controlling Interest (RM '000)	Total Equity (RM '000)
	Share Capital (RM '000)	Share Premium (RM '000)	Translation Reserve (RM '000)	Retained Earnings (RM '000)			
At 1 January 2018	156,187	-	21,141	155,833	333,161	34,237	367,398
-Impact arising from adoption of MFRS 15	-	-	-	1,602	1,602	-	1,602
Restated opening balance as at 1 January 2018	156,187	-	21,141	157,435	334,763	34,237	369,000
Foreign currency translation differences for foreign operations	-	-	(10,174)	-	(10,174)	(2,463)	(12,637)
Total other comprehensive loss for the period	-	-	(10,174)	-	(10,174)	(2,463)	(12,637)
(Loss)/Profit for the period	-	-	-	(2,420)	(2,420)	1,752	(668)
Total comprehensive loss for the period	-	-	(10,174)	(2,420)	(12,594)	(711)	(13,305)
At 31 March 2018	156,187	-	10,967	155,015	322,169	33,526	355,695
At 1 January 2017	144,743	11,444	35,140	189,992	381,319	47,670	428,989
Foreign currency translation differences for foreign operations	-	-	681	-	681	2,162	2,843
Total other comprehensive income for the period	-	-	681	-	681	2,162	2,843
Profit/(loss) for the period	-	-	-	4,132	4,132	(916)	3,216
Total comprehensive income for the period	-	-	681	4,132	4,813	1,246	6,059
Transfer in accordance with Section 618(2) of the Companies Act 2016	11,444	(11,444)	-	-	-	-	-
Total transactions with owners of the Company	11,444	(11,444)	-	-	-	-	-
At 31 March 2017	156,187	-	35,821	194,124	386,132	48,916	435,048

Note

Note: With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit of the share premium account of RM11,444,000 becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition. Pursuant to Section 618(3) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium account within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2017)



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2018

	2018 Three months ended 31 March RM '000	2017 Three months ended 31 March RM '000
Cash flows from operating activities		
(Loss)/Profit before tax	(278)	4,680
Adjustments for :		
- Amortisation of intangible assets	1,007	1,122
- Depreciation of property, plant and equipment	9,354	8,179
- Gain on disposal of property, plant and equipment	(486)	(2)
- Net interest expense	977	428
- Share of loss/(profit) of equity-accounted joint venture, net of tax	230	(102)
- Employee benefits	291	550
- Other non-cash items	3,741	2,649
Operating profit before changes in working capital	14,836	17,504
-Changes in inventories	5,049	(6,712)
-Changes in trade and other receivables	(8,755)	(14,218)
-Changes in trade and other payables	(6,566)	3,356
Cash from/(used in) operations	4,564	(70)
- Interest received	800	990
- Employee benefits used	(26)	(343)
- Income tax paid/(refunded)	(569)	113
Net cash from operating activities	4,769	690
Cash flows from investing activities		
- Acquisition of property, plant and equipment	(11,741)	(24,008)
- Proceeds from disposal of property, plant and equipment	557	45
- Investment in joint venture	-	(1,000)
- Change in pledged deposits	(3)	(4)
Net cash used in investing activities	(11,187)	(24,967)
Cash flows from financing activities		
- Proceeds from loans and borrowings	31,303	81,996
- Interest paid	(1,777)	(1,418)
- Repayment of loans and borrowings	(42,406)	(116,341)
- Advance from ultimate holding company	1,020	24,120
Net cash used in financing activities	(11,860)	(11,643)
Net decrease in cash & cash equivalents	(18,278)	(35,920)
Effect of exchange rate fluctuations on cash held	(778)	1,519
Cash & cash equivalents at 1 January	32,931	71,958
Cash & cash equivalents at 31 March	13,875	37,557

Cash & cash equivalents

Cash & cash equivalents included in the condensed consolidated statement of cash flows comprise the following:

	As at 31 March 2018 RM '000	As at 31 March 2017 RM '000
Cash and bank balances	13,665	22,547
Deposits with licensed banks	322	15,119
	13,987	37,666
Less: Deposit pledged	(112)	(109)
	13,875	37,557

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2017)



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

Notes to the Interim Financial Statements for the quarter and three months ended 31 March 2018

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRSs”) 134, *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2017.

The accounting policies and methods of computation adopted by the Group in this interim financial statement are consistent with those adopted in the financial statements for the year ended 31 December 2017 except for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 January 2018. The changes in accounting policies are also expected to be reflected in the Group’s consolidated financial statements as at and for the year ending 31 December 2018. The adoption of these standards, amendments and interpretations has no material impact to these interim financial statements, other than as disclosed below:

MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group manufactures and sells certain printing products for its customers under non-cancellable exclusive rights to supply contract. In the prior period, the Group recognised revenue from contracts with customers after the significant risk and rewards of ownership transferred to the customers. With the adoption of MFRS 15, the Group will recognise the revenue from contracts with customers when the performance obligations are satisfied over time. In adopting MFRS 15, the Group has adopted the standard using the modified retrospective approach. This means that the Group will take advantage of the exemptions allowing it not to restate comparative information for prior period from date of initial application. The cumulative effect of initially applying this Standard will be an adjustment to the opening retained earnings as at 1 January 2018.

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

In respect of impairment of financial assets, MFRS 9 replaces the “incurred loss” model in MFRS 139 with an “expected credit loss” (“ECL”) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at fair value through other comprehensive income, but not to investments in equity instruments.

The Group has applied MFRS 9 retrospectively on the initial application date of 1 January 2018 and has elected not to restate comparatives. The Group has assessed that the adoption of MFRS 9 did not have any significant effects on the interim financial report upon their initial application.



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

In summary, the impacts of adopting MFRS 15 to opening balances are as follows:

Statement of financial position:

1 January 2018	Impact of change in accounting policies		
In RM'000	As previously reported	Retrospective adjustment for MFRS 15	After adjustments
Assets			
Contract assets	-	9,609	9,609
Inventories	82,006	(8,007)	73,999
Impact to assets	<u>82,006</u>	<u>1,602</u>	<u>83,608</u>
Equity			
Retained earnings	<u>155,833</u>	<u>1,602</u>	<u>157,435</u>

A2. Significant Accounting Policies

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issues Committee (“IC”) Interpretations were issued but not yet effective and have not been applied by the Group:-

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments-Prepayment features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefit (Plan Amendments, Curtailment or Settlement)*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investment in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures*
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 2, *Share-based payment*
- Amendments to MFRS 3, *Business combination*
- Amendments to MFRS 6, *Exploration for and Evaluation of Mineral Resources*
- Amendment to MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to MFRS 134, *Interim Financial Reporting*
- Amendment to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets*
- Amendment to MFRS 138, *Intangible Assets*
- Amendments to IC Interpretation 12, *Service Concession Arrangements*
- Amendments to IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*



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

- Amendments to IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to IC Interpretation 132, *Intangible Assets – Web Site Costs*

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance contracts*

MFRSs, Interpretations and Amendments effective for a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements of the Group, except MFRS 16.

The Group is currently assessing the financial impact that may arise from the adoption of amendments to MFRS 16.

A3. Seasonal or Cyclical Nature of Operations

The operations of the Group were not affected by seasonal or cyclical factors.

A4. Items of Unusual Nature

There were no other 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.

A6. Changes in Debt and Equity Securities

For the current financial year-to-date, there were no issuances, cancellations, repurchases, resale and repayments of debt, treasury shares and equity securities.

A7. Dividends Paid

No dividend was paid during the quarter ended 31 March 2018.

A8. Operating Segments

The Group takes the view that there is effectively only one segment as both the printing business and trading activities are inter-twined and all purchases for the trading activities are from companies within the Group.



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

Other non-reportable segments comprise operations related to investment holdings and property investments.

	Three months ended	
	31 March	
	2018	2017
	RM'000	RM'000
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	81,542	110,391
Segment profit	13,121	15,774
Segment assets	480,453	605,986
Segment liabilities	(351,896)	(360,582)
	Three months ended	
	31 March	
	2018	2017
	RM'000	RM'000
Reconciliation of reportable segment profit or loss		
Total profit for reporting segments	13,121	15,774
Other non-reportable segments	(5,023)	(2,005)
Elimination of inter-segment profits	3,192	538
Depreciation and amortization	(10,361)	(9,301)
Finance costs	(1,777)	(1,418)
Finance income	800	990
Share of (loss)/profit of joint venture not included in reportable segments	(230)	102
Consolidated (loss)/profit before tax	<u>(278)</u>	<u>4,680</u>

A9. Material Events Subsequent to the End of Quarterly Period

There were no material events not reflected in the interim financial statements subsequent to the balance sheet date.

A10. Changes in the Composition of the Group

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

A11. Changes in Contingent Liabilities

There were no material changes to contingent liabilities disclosed in the last audited statement of financial position as at 31 December 2017.



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

A12. Capital Commitments

	As at 31 March 2018 RM'000
Property, plant and equipment	
- Contracted but not provided for	10,845

A13. Related Party Transactions

For the purposes of these interim financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The following transactions have been entered into with related parties that were necessary for the day-to-day operations in the ordinary course of business and are transacted on negotiated and arm's length basis.

	Three months ended 31 March 2018 RM'000
Ultimate holding company	
- Management fees expense	662
- Interest expense	341
Related companies	
- Sales	(655)
- Purchases	2,577
- Rental of warehouse	175
- Sales of scrap paper	(964)
- Commission income	(13)
Joint venture company	
- Management fees received	(18)
- Interest received	(672)
- Rental expenses	715

A14. Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The Group uses the following hierarchy in determining the fair value of all financial instruments at fair value:-

Level 1: Fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.



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

Level 3: Fair value is estimated using unobservable inputs for the financial assets and liabilities.

As at 31 March 2018, the Group held the following financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position:-

	Level 1	Level 2	Level 3	Total fair value	Carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000
Fair value of financial instruments carried at fair value					
Financial assets					
- Other receivables	-	-	9,092	9,092	9,092
Fair value of financial instruments not carried at fair value					
Financial liabilities					
- Bank borrowings	-	-	(116,263)	(116,263)	(116,263)
- Finance lease liabilities	-	-	(283)	(283)	(296)
- Ultimate holding company	-	-	(51,702)	(51,702)	(55,420)
Total	-	-	(159,156)	(159,156)	(162,887)



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

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

B1. Review of Performance

(a) Current Quarter against Previous Year Corresponding Quarter

Revenue

Group's revenue for the first quarter ended 31 March 2018 decreased by 26.2% or RM28.9 million to RM81.5 million as compared to RM110.4 million revenue in the preceding year corresponding quarter. The lower revenue was mainly due to reduction of non-tobacco revenue as a result of closure of the Australian operation, the strengthening of the Malaysian Ringgit (MYR) against the United States Dollar (USD) of which most of the Group's revenue were being transacted, sluggish demand in certain cigarette related packaging products and the impact of adopting MFRS 15 that resulted in lower revenue recognition of RM3.3 million.

Loss/Profit before tax

Loss before tax of RM0.3 million for the first quarter ended 31 March 2018 was lower by RM5.0 million as compared to the preceding year corresponding quarter profit before tax of RM4.7 million.

The current quarter results have been impacted by the lower revenue as explained above, higher depreciation expense following the investment of additional printing press and equipment to increase the production capacity and efficiency, the delay in the closure of the Malaysian operation and delay in the commercial business at Dubai, resulted in higher than anticipated operating cost.

B2. Variation of Results against Preceding Quarter

Revenue

Group's revenue for the first quarter ended 31 March 2018 decreased by 13.2% or RM12.4 million to RM81.5 million from RM93.9 million in the preceding quarter. Lower revenue for the quarter was mainly due to sluggish demand in certain cigarette related packaging products of RM 9.0 million in comparison, and the impact of adopting MFRS 15 that resulted in lower revenue recognition of RM3.3 million.

Loss before tax

First quarter ended 31 March 2018 reported loss before tax of RM0.3 million on the back of lower revenue as explained above, as compared to the preceding quarter loss before tax of RM0.4 million. Despite the lower revenue for the current quarter, the marginal difference in the result was mainly due to higher gain from disposal of plant and machineries of RM0.5 million and lower provision of slow moving inventories of RM1.2 million in the current quarter as compared to the preceding quarter.

B3. Prospects

The Group is in the final stages of restructuring and implementing its revised manufacturing footprint including shutdown of its Malaysian operation and the transfer of its equipment to Dubai. The establishment of the Dubai operation has taken longer than planned while the establishment and relocation of Indonesian operation and the expansion of the Vietnam operation is proceeding satisfactorily but slower than anticipated. Moving forward, the Group expects its operations to stabilize and improve.



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

B4. Profit Forecast

None.

B5. Tax Expense

	Current quarter ended 31 March		Three months ended 31 March	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Income tax expense				
- Current year	269	1,473	269	1,473
Deferred tax				
- Origination and reversal of temporary differences	121	(9)	121	(9)
	<u>390</u>	<u>1,464</u>	<u>390</u>	<u>1,464</u>

The Group's effective tax rate for the three months ended 31 March 2018 was higher than the Malaysian statutory tax rate of 24% mainly due to certain expenses not deductible for tax purpose.

B6. Status of corporate proposals announced

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

On 20 March 2018, the Company had announced that the Parties (TWPH, DOFICO and TVDP are collectively referred to as "the Parties") entered into a termination agreement ("Termination Agreement") to mutually agreed to terminate the joint venture agreement ("JVA") dated 24 May 2015 with effect from the date of the execution of the Termination Agreement and Transfer Contract whereby DOFICO shall transfer the 50% of the total charter capital of TVDP ("Capital Contribution") and all rights and interests thereof to TWPH and TWPH agreed to acquire the 50% of the total charter capital of TVDP from DOFICO at the cash consideration of USD1,629,762 (equivalent to RM6,372,369 based on exchange rate of USD1.00 to RM3.91 as at 20 March 2018) ("Termination and Acquisition of Capital Contribution").

The completion of the proposed termination of Joint Venture agreement with DOFICO and acquisition of the remaining 50% shares held by Dofico in TVDP is pending the issuance of an amended investment certificate by the State Authority of Vietnam, which is expected to be issued in the second quarter of 2018. Upon completion of the above, TVDP shall becomes a wholly-owned subsidiary of the Company.



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

B7. Borrowings and Debt Securities

31 March 2018			
	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings			
Borrowings – Revolving Credits	-	13,391	13,391
Borrowings – Finance lease liabilities	-	61	61
Borrowings – Term loan	5,271	-	5,271
Borrowings – Trust receipt	-	866	866
Borrowings – Trade facilities	-	34,181	34,181
Sub-totals	5,271	48,499	53,770
Long-term borrowings			
Borrowings – Revolving Credits	-	26,540	26,540
Borrowings – Finance lease liabilities	-	236	236
Borrowings – Term loan	36,013	-	36,013
Sub-totals	36,013	26,776	62,789
Grand total	41,284	75,275	116,559

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

31 March 2018			
	Long- term borrowings	Short-term borrowings	
	RM'000	RM'000	
Ringgit Malaysia	236	3,061	
United States Dollar	50,107	46,888	Equivalent to USD25 million
Indonesian Rupiah	12,446	3,821	Equivalent to IDR57.9 million
Total	62,789	53,770	



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

B8. Derivative Financial instruments

As at 31 March 2018, there were no forward foreign exchange contracts for purchases or sales.

B9. Changes in Material Litigation

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

B10. Dividends

Total dividend declared and paid for the three months ended 31 March 2018 comprising:

- a) The Directors have recommended the payment of a final single-tier dividend of 4.00 sen per ordinary share in respect of the financial year ended 31 December 2017. The proposed final dividend will be subject to the shareholders' approval at the forthcoming Annual General Meeting.
- b) The payment date for the final dividend in respect of the financial year ended 31 December 2017 is on 29 June 2018. In respect of the deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 8 June 2018.
- c) The directors do not recommend any interim dividend for the period ended 31 March 2018.

B11. Earnings per share

(a) Basic (loss)/earnings per share

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

	Three months ended 31 March	
	2018	2017
(Loss) / Profit attributable to equity holders of the Company (RM'000)	(2,420)	4,132
Weighted average number of ordinary shares in issue ('000)	144,743	144,743
Basic (loss)/earnings per share (sen)	(1.67)	2.85

(b) Diluted earnings per share

Not applicable for the Group.

B12. Auditor's Report on Preceding Annual Financial Statements

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2017 was unqualified.



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

B13. (Loss)/Profit for the period

	Current quarter ended 31 March 2018 RM'000	Three months ended 31 March 2018 RM'000
(Loss)/Profit for the period is arrived at after charging:-		
Amortisation of intangible assets	1,007	1,007
Depreciation of property, plant and equipment	9,354	9,354
Write down of inventories to net realisable value	45	45
Net foreign exchange loss	2,828	2,828
Gain on disposal of property, plant and equipment	486	486

Other than the above, there were no allowance for doubtful debts, bad debts written off, gain or loss on disposal of quoted or unquoted securities or investments or properties, gain or loss on derivatives and exceptional items included in the results for the current quarter and financial period ended 31 March 2018.