



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

Quarterly report on consolidated results for the six months ended 30 June 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 30 June 2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 June 2017 RM'000			CURRENT YEAR TO DATE 30 June 2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 June 2017 RM'000	
1	Revenue	92,001	108,466	(15.2%)	173,543	218,857	(20.7%)
2	Profit/(loss) before tax	6,040	(28,484)	(121.2%)	5,762	(23,804)	(124.2%)
3	Profit/(loss) for the period	5,187	(28,993)	(117.9%)	4,519	(25,777)	(117.5%)
4	Profit/(loss) attributable to ordinary equity holders of the Company	3,806	(14,453)	(126.3%)	1,386	(10,321)	(113.4%)
5	Basic earnings/(loss) per share (sen)	2.63	(9.99)	(126.3%)	0.96	(7.13)	(113.4%)
6	Proposed / Declared Dividend per share (sen)	0.00	2.00	(100.0%)	0.00	2.00	(100.0%)
		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)	2.26			2.30		
7	Remarks :						

PART A3: ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER			Changes (Amount/ %)	CUMULATIVE QUARTER		Changes (Amount/ %)
	CURRENT YEAR QUARTER 30 June 2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 June 2017 RM'000			CURRENT YEAR TO DATE 30 June 2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 June 2017 RM'000	
1	Gross interest income	801	936	(14.4%)	1,601	1,926	(16.9%)
2	Gross interest expense	(2,062)	(1,417)	45.5%	(3,839)	(2,835)	35.4%
	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 SIX MONTHS ENDED 30 JUNE 2018

	2018 Current Quarter Ended 30 June (RM '000)	2017 Comparative Quarter Ended 30 June (RM '000)	Changes (Amount / %)	2018 Cumulative Six months Ended 30 June (RM '000)	2017 Cumulative Six months Ended 30 June (RM '000)	Changes (Amount / %)
Revenue	92,001	108,466	(15.2%)	173,543	218,857	(20.7%)
Cost of sales	(78,571)	(95,916)	(18.1%)	(148,622)	(189,178)	(21.4%)
Gross profit	13,430	12,550	7.0%	24,921	29,679	(16.0%)
Other income	2,095	4,455	(53.0%)	3,921	5,667	(30.8%)
Distribution expenses	(961)	(2,186)	(56.0%)	(2,455)	(4,399)	(44.2%)
Administrative expenses	(7,272)	(8,059)	(9.8%)	(14,161)	(16,910)	(16.3%)
Other expenses	(29)	(34,999)	(99.9%)	(4,034)	(37,270)	(89.2%)
Results from operating activities	7,263	(28,239)	(125.7%)	8,192	(23,233)	(135.3%)
Finance income	801	936	(14.4%)	1,601	1,926	(16.9%)
Finance costs	(2,062)	(1,417)	45.5%	(3,839)	(2,835)	35.4%
Operating profit/(loss)	6,002	(28,720)	(120.9%)	5,954	(24,142)	(124.7%)
Share of profit/(loss) of equity-accounted joint venture, net of tax	38	236	(83.9%)	(192)	338	(156.8%)
Profit/(Loss) before tax	6,040	(28,484)	(121.2%)	5,762	(23,804)	(124.2%)
Tax expense	(853)	(509)	67.6%	(1,243)	(1,973)	(37.0%)
Profit/(Loss) for the period	5,187	(28,993)	(117.9%)	4,519	(25,777)	(117.5%)
Profit/(loss) for the period attributable to:						
Owners of the Company	3,806	(14,453)	(126.3%)	1,386	(10,321)	(113.4%)
Non-controlling interests	1,381	(14,540)	(109.5%)	3,133	(15,456)	(120.3%)
Profit/(Loss) for the period	5,187	(28,993)	(117.9%)	4,519	(25,777)	(117.5%)
Earnings/(Loss) per ordinary share :						
-basic (sen)	2.63	(9.99)		0.96	(7.13)	

(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
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2018

	2018 Current Quarter Ended 30 June (RM '000)	2017 Comparative Quarter Ended 30 June (RM '000)	2018 Cumulative Six months Ended 30 June (RM '000)	2017 Cumulative Six months Ended 30 June (RM '000)
Profit/(Loss) for the period	5,187	(28,993)	4,519	(25,777)
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	6,369	(3,914)	(6,268)	(1,071)
Total comprehensive income/(loss) for the period, net of tax	11,556	(32,907)	(1,749)	(26,848)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	10,120	(18,378)	(2,474)	(13,565)
Non-controlling interests	1,436	(14,529)	725	(13,283)
Total comprehensive income/(loss) for the period, net of tax	11,556	(32,907)	(1,749)	(26,848)

(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
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	As at 30 June 2018 (RM '000)	As at 31 December 2017 (RM '000)
Assets		
Property, plant and equipment	251,443	249,008
Investment properties	41,869	43,451
Intangible assets	77,589	80,178
Investment in joint ventures	5,936	6,455
Deferred tax assets	1,503	2,314
Trade and other receivables	2,900	3,606
Total non-current assets	381,240	385,012
Contract assets	11,793	-
Trade and other receivables	158,928	149,418
Inventories	79,174	82,006
Current tax assets	1,872	1,478
Cash & cash equivalents	27,000	33,043
Assets classified as held for sale	14	442
Total current assets	278,781	266,387
Total assets	660,021	651,399
Equity		
Share capital	156,187	156,187
Reserves	170,312	176,974
Total equity attributable to owners of the Company	326,499	333,161
Non-controlling interests	34,962	34,237
Total equity	361,461	367,398
Liabilities		
Deferred tax liabilities	2,679	3,235
Employee benefits	929	662
Loans and borrowings	64,968	66,207
Trade and other payables	32,887	33,143
Total non-current liabilities	101,463	103,247
Loans and borrowings	80,234	67,804
Trade and other payables	116,171	112,578
Current tax liabilities	692	372
Total current liabilities	197,097	180,754
Total liabilities	298,560	284,001
Total equity and liabilities	660,021	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
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Attributable to Equity Holders of the Company				Total	Non-controlling Interest	Total Equity
	Non-Distributable		Distributable				
	Share Capital (RM '000)	Share Premium (RM '000)	Translation Reserve (RM '000)	Retained Earnings (RM '000)	(RM '000)	(RM '000)	(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	-	-	(3,860)	-	(3,860)	(2,408)	(6,268)
Total other comprehensive loss for the period	-	-	(3,860)	-	(3,860)	(2,408)	(6,268)
Profit for the period	-	-	-	1,386	1,386	3,133	4,519
Total comprehensive (loss)/income for the period	-	-	(3,860)	1,386	(2,474)	725	(1,749)
Dividend to owners of the Company	-	-	-	(5,790)	(5,790)	-	(5,790)
Total transactions with owners of the Company	-	-	-	(5,790)	(5,790)	-	(5,790)
At 30 June 2018	156,187	-	17,281	153,031	326,499	34,962	361,461
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	-	-	(3,244)	-	(3,244)	2,173	(1,071)
Total other comprehensive(loss)/ income for the period	-	-	(3,244)	-	(3,244)	2,173	(1,071)
Loss for the period	-	-	-	(10,321)	(10,321)	(15,456)	(25,777)
Total comprehensive loss for the period	-	-	(3,244)	(10,321)	(13,565)	(13,283)	(26,848)
Dividend to owners of the Company	-	-	-	(11,579)	(11,579)	-	(11,579)
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)	-	(11,579)	(11,579)	-	(11,579)
At 30 June 2017	156,187	-	31,896	168,092	356,175	34,387	390,562

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
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2018

	2018 Six months ended 30 June RM '000	2017 Six months ended 30 June RM '000
Cash flows from operating activities		
Profit/(Loss) before tax	5,762	(23,804)
Adjustments for :		
- Amortisation of intangible assets	2,036	2,212
- Depreciation of property, plant and equipment	19,629	16,766
- Gain on disposal of property, plant and equipment	(485)	(3,478)
- Impairment loss on property, plant and equipment	-	11,057
- Net interest expense	2,238	909
- Share of loss/(profit) of equity-accounted joint venture, net of tax	192	(338)
- Employee benefits, included employee redundancy	363	21,487
- Other non-cash items	1,377	5,496
Operating profit before changes in working capital	31,112	30,307
-Changes in inventories	(8,356)	(7,817)
-Changes in trade and other receivables	(10,466)	(18,723)
-Changes in trade and other payables	3,955	34,714
Cash from operations	16,245	38,481
- Interest received	1,601	1,926
- Employee benefits used, included employee redundancy	(57)	(21,152)
- Income tax paid	(695)	(1,302)
Net cash from operating activities	17,094	17,953
Cash flows from investing activities		
- Acquisition of property, plant and equipment	(26,510)	(55,029)
- Proceeds from disposal of property, plant and equipment	568	10,032
- Investment in joint venture	-	(1,000)
- Change in pledged deposits	(3)	(4)
Net cash used in investing activities	(25,945)	(46,001)
Cash flows from financing activities		
- Proceeds from loans and borrowings	89,072	177,641
- Dividend paid to owners of the Company	(5,790)	(11,579)
- Interest paid	(3,839)	(2,835)
- Repayment of loans and borrowings	(76,239)	(181,294)
- Advance from ultimate holding company	7	22,527
Net cash generated from financing activities	3,211	4,460
Net decrease in cash & cash equivalents	(5,640)	(23,588)
Effect of exchange rate fluctuations on cash held	(403)	2,440
Cash & cash equivalents at 1 January	32,931	71,958
Cash & cash equivalents at 30 June	26,888	50,810

Cash & cash equivalents

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

	As at 30 June 2018 RM '000	As at 30 June 2017 RM '000
Cash and bank balances	26,677	50,013
Deposits with licensed banks	323	906
	27,000	50,919
Less: Deposit pledged	(112)	(109)
	26,888	50,810

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



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Notes to the Interim Financial Statements for the quarter and six months ended 30 June 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.



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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*



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- 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

The total dividends paid out of the shareholders' equity for the ordinary shares were as follows:-

	Six months ended	
	30 June	
	2018	2017
	RM'000	RM'000
Final paid on 29 June 2018		
In respect of the financial year ended 31 December 2017	5,790	
– single-tier dividend of 4.00 sen per share		
Final paid on 30 June 2017		
In respect of the financial year ended 31 December 2016		11,579
– single-tier dividend of 8.00 sen per share		
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	5,790	11,579
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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.

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

	Six months ended	
	30 June	
	2018	2017
	RM'000	RM'000
<i>Included in the measure of segment profit/(loss) are:</i>		
Revenue from external customers	172,845	218,857
Segment profit/(loss)	30,646	(467)
Segment assets	533,430	611,077
Segment liabilities	(406,442)	(406,494)

	Six months ended	
	30 June	
	2018	2017
	RM'000	RM'000
Reconciliation of reportable segment profit or loss		
Total profit/(loss) for reporting segments	30,646	(467)
Other non-reportable segments	10,499	16,275
Elimination of inter-segment profits	(11,288)	(20,063)
Depreciation and amortization	(21,665)	(18,978)
Finance costs	(3,839)	(2,835)
Finance income	1,601	1,926
Share of (loss)/profit of joint venture not included in reportable segments	(192)	338
Consolidated profit/(loss) profit before tax	<u>5,762</u>	<u>(23,804)</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.



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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.

A12. Capital Commitments

	As at 30 June 2018 RM'000
Property, plant and equipment	
- Contracted but not provided for	11,299

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.

	Six months ended 30 June 2018 RM'000
Ultimate holding company	
- Management fees expense	1,338
- Interest expense	691
Related companies	
- Sales	(2,496)
- Purchases	8,458
- Rental of warehouse	328
- Sales of scrap paper	(2,392)
- Commission income	(13)
Joint venture company	
- Management fees received	(29)
- Interest received	(1,351)
- Rental expenses	1,433



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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.

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

As at 30 June 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	-	-	9,641	9,641	9,641
Fair value of financial instruments not carried at fair value					
Financial liabilities					
- Bank borrowings			(144,920)	(144,920)	(144,920)
- Finance lease liabilities	-	-	(269)	(269)	(282)
- Ultimate holding company	-	-	(53,960)	(53,960)	(57,888)
Total	-	-	(189,508)	(189,508)	(193,449)



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**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 second quarter ended 30 June 2018 decreased by 15.2% or RM16.5 million to RM92.0 million as compared to RM108.5 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 and the strengthening of the Malaysian Ringgit (MYR) against the United States Dollar (USD) of which most of the Group's revenue were being transacted.

Profit/loss before tax

Second quarter ended 30 June 2018 reported profit before tax of RM6.0 million, increased by RM34.5 million or 121.1% as compared to the preceding year corresponding quarter loss before tax of RM28.5 million.

The second quarter ended 30 June 2017 results have been mainly impacted by the cessation of its Australia's printing operations where the Group has recorded a one-off redundancy expenses of RM20.3 million and asset impairment loss of RM11.0 million.

(b) Current Year-to-date against Previous Year-to-date

Revenue

Group's revenue for the six months ended 30 June 2018 of RM173.5 million was RM45.4 million or 20.7% lower than the previous corresponding period of RM218.9 million for reason stated above.

Profit/loss before tax

Profit before tax for the six months ended 30 June 2018 increased by RM29.6 million or 124.4% to RM5.8 million as compared to the previous corresponding period loss before tax of RM23.8 million. The higher loss in previous corresponding period was mainly due to the redundancy expense and asset impairment loss of RM31.3 million as stated above which was cushioned by additional contribution/gain from the disposal of plant and equipment amounted to RM3.5 million.

B2. Variation of Results against Preceding Quarter

Revenue

Group's revenue for the second quarter ended 30 June 2018 increased by 12.9% or RM10.5 million to RM92.0 million from RM81.5 million in the preceding quarter. Higher revenue for the quarter was mainly due to higher demand in certain cigarette related packaging products of RM 3.2 million in comparison, and the impact of adopting MFRS 15 that resulted in higher revenue recognition of RM7.4 million.



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Profit/loss before tax

Second quarter ended 30 June 2018 reported profit before tax of RM6.0 million on the back of higher revenue as explained above, as compared to the preceding quarter loss before tax of RM0.3 million.

B3. Prospects

The Group expects its operations to improve in the second half of the year on completion of the expansion of the production footprint in Vietnam and Indonesia while its Dubai operation continues to develop.

B4. Profit Forecast

None.

B5. Tax Expense

	2 nd Quarter ended 30 June		Six months ended 30 June	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Income tax expense				
- Current year	729	907	998	2,380
Deferred tax				
- Origination and reversal of temporary differences	124	(12)	245	(21)
- Prior year	-	(386)	-	(386)
	<u>853</u>	<u>509</u>	<u>1,243</u>	<u>1,973</u>

The Group's effective tax rate for the six months ended 30 June 2018 was lower than the Malaysian statutory tax rate of 24% due to effects of lower tax rates in certain tax jurisdictions and effects of certain foreign sourced income which are not subject to tax.



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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 still pending. Upon completion of the above, TVDP shall becomes a wholly-owned subsidiary of the Company.

B7. Borrowings and Debt Securities

	30 June 2018		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings			
Borrowings – Revolving Credits	-	12,806	12,806
Borrowings – Finance lease liabilities	-	61	61
Borrowings – Term loan	7,515	-	7,515
Borrowings – Trade facilities	-	59,852	59,852
Sub-totals	7,515	72,719	80,234
Long-term borrowings			
Borrowings – Revolving Credits	-	25,364	25,364
Borrowings – Finance lease liabilities	-	221	221
Borrowings – Term loan	39,383	-	39,383
Sub-totals	39,383	25,585	64,968
Grand total	46,898	98,304	145,202



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

30 June 2018			
	Long- term borrowings	Short-term borrowings	
	RM'000	RM'000	
Ringgit Malaysia	220	12,761	
United States Dollar	49,235	61,520	Equivalent to USD27.5 million
Indonesian Rupiah	15,513	5,953	Equivalent to IDR75.9 million
Total	<u>64,968</u>	<u>80,234</u>	

B8. Derivative Financial instruments

As at 30 June 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 six months ended 30 June 2018 comprising:

- a) The Company had on 29 June 2018 paid a final single-tier dividend of 4.00 sen per ordinary share totaling RM5,789,700 in respect of the financial year ended 31 December 2017
- b) The directors do not recommend any interim dividend for the period ended 30 June 2018.



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B11. Earnings per share

(a) *Basic earnings/(loss) per share*

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

	Six months ended 30 June	
	2018	2017
Profit/(loss) attributable to equity holders of the Company (RM'000)	1,386	(10,321)
Weighted average number of ordinary shares in issue ('000)	144,743	144,743
Basic earnings/(loss) per share (sen)	0.96	(7.13)

(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.

B13. Profit for the period

	Current quarter ended 30 June 2018	Six months ended 30 June 2018
	RM'000	RM'000
Profit for the period is arrived at after charging:-		
Amortisation of intangible assets	1,029	2,036
Depreciation of property, plant and equipment	10,275	19,629
Reversal of inventories to net realisable value	(2,124)	(2,079)
Net foreign exchange (gain)/loss	(1,804)	1,024
Loss/(Gain) on disposal of property, plant and equipment	1	(485)

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 30 June 2018.