



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

Quarterly report on consolidated results for the nine months ended 30 September 2019
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 September 2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 September 2018 RM'000		CURRENT YEAR TO DATE 30 September 2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 September 2018 RM'000		
1	Revenue	83,496	81,596	2.3%	264,058	255,139	3.5%
2	(Loss)/Profit before tax	(1,009)	2,145	(147.0%)	969	7,907	(87.7%)
3	(Loss)/Profit for the period	(988)	1,770	(155.8%)	(437)	6,289	(106.9%)
4	(Loss)/Profit attributable to ordinary equity holders of the Company	(2,613)	(479)	445.5%	(5,091)	907	(661.3%)
5	Basic (loss)/earnings per share (sen)	(1.81)	(0.33)	448.5%	(3.52)	0.63	(658.7%)
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)	2.14			2.25		
7	Remarks :						

PART A3: ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		Changes (Amount/ %)	CUMULATIVE QUARTER		Changes (Amount/ %)	
	CURRENT YEAR QUARTER 30 September 2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 September 2018 RM'000		CURRENT YEAR TO DATE 30 September 2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 September 2018 RM'000		
1	Gross interest income	93	800	(88.4%)	587	2,401	(75.6%)
2	Gross interest expense	(2,320)	(2,577)	(10.0%)	(7,336)	(6,416)	14.3%
	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 NINE MONTHS ENDED 30 SEPTEMBER 2019

	2019 Current Quarter Ended 30 September (RM '000)	2018 Comparative Quarter Ended 30 September (RM '000)	Changes (Amount / %)	2019 Cumulative Nine months Ended 30 September (RM '000)	2018 Cumulative Nine months Ended 30 September (RM '000)	Changes (Amount / %)
Revenue	83,496	81,596	2.3%	264,058	255,139	3.5%
Cost of sales	(80,575)	(70,027)	15.1%	(241,004)	(218,649)	10.2%
Gross profit	2,921	11,569	(74.8%)	23,054	36,490	(36.8%)
Other income	8,324	3,097	168.8%	17,056	7,018	143.0%
Distribution expenses	(866)	(1,035)	(16.3%)	(5,059)	(3,490)	45.0%
Administrative expenses	(7,432)	(7,474)	(0.6%)	(22,249)	(21,635)	2.8%
Other expenses	(1,455)	(1,819)	(20.0%)	(4,180)	(5,853)	(28.6%)
Results from operating activities	1,492	4,338	(65.6%)	8,622	12,530	(31.2%)
Finance income	93	800	(88.4%)	587	2,401	(75.6%)
Finance costs	(2,320)	(2,577)	(10.0%)	(7,336)	(6,416)	14.3%
Operating (loss)/profit	(735)	2,561	(128.7%)	1,873	8,515	(78.0%)
Share of loss of equity-accounted joint venture, net of tax	(274)	(416)	(34.1%)	(904)	(608)	48.7%
(Loss)/Profit before tax	(1,009)	2,145	(147.0%)	969	7,907	(87.7%)
Tax expense	21	(375)	(105.6%)	(1,406)	(1,618)	(13.1%)
(Loss)/Profit for the period	(988)	1,770	(155.8%)	(437)	6,289	(106.9%)
(Loss)/Profit for the period attributable to:						
Owners of the Company	(2,613)	(479)	445.5%	(5,091)	907	(661.3%)
Non-controlling interests	1,625	2,249	(27.7%)	4,654	5,382	(13.5%)
(Loss)/Profit for the period	(988)	1,770	(155.8%)	(437)	6,289	(106.9%)
(Loss)/Earnings per ordinary share :						
-basic (sen)	(1.81)	(0.33)		(3.52)	0.63	

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2018)



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

**INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2019**

	2019 Current Quarter Ended 30 September (RM '000)	2018 Comparative Quarter Ended 30 September (RM '000)	2019 Cumulative Nine months Ended 30 September (RM '000)	2018 Cumulative Nine months Ended 30 September (RM '000)
(Loss)/Profit for the period	(988)	1,770	(437)	6,289
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	97	3,200	291	(3,068)
Total comprehensive (loss)/income for the period, net of tax	<u>(891)</u>	<u>4,970</u>	<u>(146)</u>	<u>3,221</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(1,456)	3,131	(3,913)	657
Non-controlling interests	565	1,839	3,767	2,564
Total comprehensive (loss)/income for the period, net of tax	<u>(891)</u>	<u>4,970</u>	<u>(146)</u>	<u>3,221</u>

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2018)



TIEN WAH PRESS HOLDINGS BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	As at 30 September 2019 (RM '000)	As at 31 December 2018 (RM '000)
Assets		
Property, plant and equipment	256,644	261,847
Right-of-use assets	17,866	-
Investment properties	370	377
Intangible assets	74,428	77,061
Investment in joint ventures	33,766	34,606
Deferred tax assets	1,639	1,492
Trade and other receivables	3,522	7,469
Total non-current assets	388,235	382,852
Trade and other receivables	93,598	84,751
Inventories	77,987	95,072
Contract assets	12,593	14,121
Current tax assets	1,917	1,501
Cash & cash equivalents	23,942	48,980
Total current assets	210,037	244,425
Total assets	598,272	627,277
Equity		
Share capital	156,187	156,187
Reserves	154,270	169,762
Total equity attributable to owners of the Company	310,457	325,949
Non-controlling interests	45,026	41,259
Total equity	355,483	367,208
Liabilities		
Deferred tax liabilities	3,443	3,436
Employee benefits	1,923	1,199
Lease liabilities	16,318	-
Loans and borrowings	51,646	62,328
Trade and other payables	34,156	33,733
Total non-current liabilities	107,486	100,696
Lease liabilities	2,237	-
Loans and borrowings	53,726	75,829
Trade and other payables	79,340	83,544
Total current liabilities	135,303	159,373
Total liabilities	242,789	260,069
Total equity and liabilities	598,272	627,277

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2018)



TIEN WAH PRESS HOLDINGS BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

	Attributable to Equity Holders of the Company			Non-controlling Interest	Total Equity	
	Non-Distributable	Distributable	Total			
	Share Capital (RM '000)	Translation Reserve (RM '000)	Retained Earnings (RM '000)	Total (RM '000)	(RM '000)	(RM '000)
At 1 January 2019	156,187	24,484	145,278	325,949	41,259	367,208
Foreign currency translation differences for foreign operations	-	1,178	-	1,178	(887)	291
Total other comprehensive income/(loss) for the period	-	1,178	-	1,178	(887)	291
(Loss)/Profit for the period	-	-	(5,091)	(5,091)	4,654	(437)
Total comprehensive income/(loss) for the period	-	1,178	(5,091)	(3,913)	3,767	(146)
Dividend to owners of the Company	-	-	(11,579)	(11,579)	-	(11,579)
Total transactions with owners of the Company	-	-	(11,579)	(11,579)	-	(11,579)
At 30 September 2019	156,187	25,662	128,608	310,457	45,026	355,483
At 1 January 2018, as previously reported	156,187	21,141	155,833	333,161	34,237	367,398
Adjustment on initial application of MFRS15, net of tax	-	-	1,379	1,379	-	1,379
As at 1 January 2018, restated	156,187	21,141	157,212	334,540	34,237	368,777
Foreign currency translation differences for foreign operations	-	(250)	-	(250)	(2,818)	(3,068)
Total other comprehensive loss for the period	-	(250)	-	(250)	(2,818)	(3,068)
Profit for the period	-	-	907	907	5,382	6,289
Total comprehensive (loss)/income for the period	-	(250)	907	657	2,564	3,221
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 September 2018	156,187	20,891	152,329	329,407	36,801	366,208

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2018)



TIEN WAH PRESS HOLDINGS BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

	2019 Nine months ended 30 September RM '000	2018 Nine months ended 30 September RM '000
Cash flows from operating activities		
Profit before tax	969	7,907
Adjustments for :		
- Amortisation of intangible assets	3,370	3,097
- Depreciation of property, plant and equipment	36,099	30,482
- Gain on disposal of property, plant and equipment	(34)	(469)
- Net interest expense	6,749	4,015
- Share of loss of equity-accounted joint venture, net of tax	904	608
- Employee benefits	1,061	542
- Other non-cash items	(2,673)	908
Operating profit before changes in working capital	46,445	47,090
-Changes in inventories	16,598	(24,913)
-Changes in trade and other receivables	(4,445)	(13,361)
-Changes in trade and other payables	(4,264)	(6,184)
Cash generated from operations	54,334	2,632
- Interest received	587	2,401
- Employee benefits used	(28)	(409)
- Income tax paid	(1,520)	(3,454)
Net cash from operating activities	53,373	1,170
Cash flows from investing activities		
- Acquisition of property, plant and equipment	(24,975)	(37,395)
- Proceeds from disposal of property, plant and equipment	37	2,043
- Change in pledged deposits	(3)	(3)
Net cash used in investing activities	(24,941)	(35,355)
Cash flows from financing activities		
- Proceeds from loans and borrowings	108,927	171,732
- Dividend paid to owners of the Company	(11,579)	(5,790)
- Interest paid	(6,361)	(6,416)
- Repayment of lease liabilities	(2,142)	-
- Repayment of loans and borrowings	(143,674)	(153,271)
- Advance from ultimate holding company	1,648	23,694
Net cash (used in)/from financing activities	(53,181)	29,949
Net decrease in cash & cash equivalents	(24,749)	(4,236)
Effect of exchange rate fluctuations on cash held	(289)	412
Cash & cash equivalents at 1 January	48,865	32,931
Cash & cash equivalents at 30 September	23,827	29,107

Cash & cash equivalents

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

	As at 30 September 2019 RM '000	As at 30 September 2018 RM '000
Cash and bank balances	19,312	29,032
Deposits with licensed banks	4,630	187
	23,942	29,219
Less: Deposit pledged	(115)	(112)
	23,827	29,107

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2018)



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Notes to the Interim Financial Statements for the quarter and nine months ended 30 September 2019

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 audited financial statements of the Group for the year ended 31 December 2018.

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 2018 except for the adoption of the following:

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*

The initial application of these standards, amendments and interpretations did not have any material impact to the current and prior periods financial statements upon their first adoption, other than as disclosed in Note A2 2.1.

A2. Significant Accounting Policies

2.1 MFRS 16, Leases

The Group has adopted MFRS 16, *Leases* with a date of initial application on 1 January 2019. MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group has adopted the standard using the modified retrospective approach and measured the right-of use assets equal to the lease liabilities of RM 15,021,000 at 1 January 2019 with no restatement to comparative information for prior period from the date of initial application.



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In summary, the impact of adopting MFRS16 *Leases* as at 1 January 2019 is as follows:

Statement of financial position

	Impact of change in accounting policies		
	As at 31 December 2018 RM'000	Changes RM'000	As at 1 January 2019 RM'000
Group			
Non-current assets			
Right-of-use assets	-	15,021	15,021
Non-current liabilities			
Lease liabilities	-	(13,955)	(13,955)
Current liabilities			
Lease liabilities	-	(1,066)	(1,066)

2.2 Standard issued but not yet effective

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

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*.

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 annual periods beginning on or after 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 is not expected to have any material financial impact to the financial statements of the Group.

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 unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial year-to-date.



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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

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

A7. Dividends Paid

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

	Nine months ended	
	30 September	
	2019	2018
	RM'000	RM'000
Final Dividend paid on 1 July 2019 In respect of the financial year ended 31 December 2018 – single-tier dividend of 8.00 sen per share	11,579	-
Final Dividend paid on 29 June 2018 In respect of the financial year ended 31 December 2017 – single-tier dividend of 4.00 sen per share	-	5,790
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	11,579	5,790

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.

	Nine months ended	
	30 September	
	2019	2018
	RM'000	RM'000
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	264,058	254,094
Segment profit	48,991	46,691
Segment assets	470,462	568,571
Segment liabilities	(387,338)	(449,838)



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	Nine months ended	
	30 September	
	2019	2018
	RM'000	RM'000
Reconciliation of reportable segment profit or loss		
Total profit for reporting segments	48,991	46,691
Other non-reportable segments	(501)	22,705
Elimination of inter-segment profits	(399)	(23,287)
Depreciation and amortization	(39,469)	(33,579)
Finance costs	(7,336)	(6,416)
Finance income	587	2,401
Share of loss of joint venture not included in reportable segments	(904)	(608)
Consolidated profit before tax	<u>969</u>	<u>7,907</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 financial statements as at 31 December 2018.

A12. Capital Commitments

	As at
	30 September 2019
	RM'000
Property, plant and equipment	
- Contracted but not provided for	2,381



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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.

	Nine months ended 30 September 2019 RM'000
Ultimate holding corporation	
- Management fees expense	1,812
- Interest expense	704
Related companies	
- Sales	(3,576)
- Purchases	10,660
- Sales of scrap paper	(4,559)
- Rental expenses	170
- Commission received	(494)
Joint venture companies	
- Sales	(232)
- Purchases	1,411
- Interest received	(2)
- Rental expenses	211



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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 September 2019, 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	-	-	7,721	7,721	7,721
Fair value of financial instruments not carried at fair value					
Financial liabilities					
- Bank borrowings	-	-	(105,372)	(105,372)	(105,372)
- Ultimate holding corporation	-	-	(33,217)	(33,217)	(37,638)
Total	-	-	(130,868)	(130,868)	(135,289)



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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 third quarter ended 30 September 2019 ("3Q19") of RM83.5 million was marginally higher by 2.3% than the corresponding quarter last year ("3Q18") of RM81.6 million.

(Loss)/Profit before tax

Profit before tax decreased by RM3.1 million to a loss of RM1.0 million in 3Q19 from profit before tax of RM2.1 million in 3Q18 as the Group has written-down tooling and provided termination compensation of RM1.6 million in Dubai as the Group execute its plan to streamline the Dubai operations in the next Quarter. Profit before tax was higher in 3Q18 due to a forex claim of RM4.8 million approved by a customer.

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

Revenue

Group's revenue for the nine months ended 30 September 2019 of RM264.1 million was RM9.0 million or 3.5% higher than the previous corresponding period of RM255.1 million. This growth was mainly due to increase in sales under a major customer's contract.

Profit before tax

Profit before tax for the nine months ended 30 September 2019 decreased by RM6.9 million to RM1.0 million as compared to the previous corresponding period profit before tax of RM7.9 million. The lower profit was mainly due to the cost incurred to compete in the Middle East market and the provision made to streamline Dubai's operations.

B2. Variation of Results against Preceding Quarter

Revenue

Group's revenue for the 3Q19 has decreased by 10.0% or RM9.3 million to RM83.5 million from RM92.8 million in the preceding quarter ("2Q19"). Lower revenue was due to lower demand in certain cigarette brand printed by our Vietnam operations.

(Loss)/Profit before tax

Due to the lower revenue of RM9.3 million, the Group reported a loss before tax of RM1.0 million in 3Q19 as compared to profit before tax of RM3.8 million in 2Q19.

B3. Prospects

The outlook for the remainder 2019 is optimistic except for Dubai which continues to be challenging. The Group is confident of improving the performance of its manufacturing operations in Asia and reducing the operating cost in Dubai.



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B4. Profit Forecast

None.

B5. Tax Expense

	Current Quarter ended 30 September		Nine months ended 30 September	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Income tax expense				
- Current year	(175)	345	1,094	1,343
- Prior year	473	14	473	14
	<hr/>	<hr/>	<hr/>	<hr/>
	298	359	1,567	1,357
Deferred tax				
- Origination and reversal of temporary differences	193	(207)	355	38
- Prior year	(512)	223	(516)	223
	<hr/>	<hr/>	<hr/>	<hr/>
	(21)	375	1,406	1,618
	<hr/>	<hr/>	<hr/>	<hr/>

The Group's effective tax rate for the nine months ended 30 September 2019 was higher than the Malaysian statutory tax rate of 24%, due to effects of certain expenses not being allowable as deduction for tax purposes.

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 (the Company, Dong Nai Food Industrial Corporation ("DOFICO") and Toyo (Viet) - DOFICO Print Packaging Co. Ltd. ("TVDP") are collectively referred to as "the Parties") entered into a termination agreement ("Termination Agreement") to mutually agreed to terminate the strategic joint venture agreement ("JVA") dated 24 May 2015. 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 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.



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B7. Borrowings and Debt Securities

	As at 30 September 2019		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings			
Borrowings – Lease liabilities	-	2,237	2,237
Borrowings – Revolving Credits	-	9,699	9,699
Borrowings – Term loan	9,431	1,263	10,694
Borrowings – Trade facilities	-	33,333	33,333
Sub-totals	9,431	46,532	55,963

	As at 30 September 2019		
	Secured RM'000	Unsecured RM'000	Total RM'000
Long-term borrowings			
Borrowings – Lease liabilities	-	16,318	16,318
Borrowings – Revolving Credits	-	14,219	14,219
Borrowings – Term loan	33,323	4,104	37,427
Sub-totals	33,323	34,641	67,964
Grand total	42,754	81,173	123,927

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

	As at 30 September 2019		
	Long-term borrowings RM'000	Short-term borrowings RM'000	
Ringgit Malaysia	139	65	
United States Dollar	37,057	40,097	Equivalent to USD18.4 million
Indonesian Rupiah	19,449	13,690	Equivalent to IDR112.2 billion
Vietnamese Dong	5,874	1,976	Equivalent to VND43.6 billion
United Arab Emirates Dirham	5,445	135	Equivalent to AED4.9 million
Total	67,964	55,963	



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B8. Derivative Financial instruments

As at 30 September 2019, 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 nine months ended 30 September 2019 comprising:

- a) The Company had on 1 July 2019 paid a final single-tier dividend of 8.00 sen per ordinary share totaling RM11,579,400 in respect of the financial year ended 31 December 2018.
- b) The Directors do not recommend any interim dividend for the period ended 30 September 2019.

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.

	Nine months ended 30 September	
	2019	2018
(Loss)/profit attributable to equity holders of the Company (RM'000)	(5,091)	907
Weighted average number of ordinary shares in issue ('000)	144,743	144,743
Basic (loss)/profit per share (sen)	(3.52)	0.63

(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 2018 was unqualified.



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B13. Profit for the period

	Current quarter ended 30 September 2019 RM'000	Nine months ended 30 September 2019 RM'000
Profit for the period is arrived at after charging/(crediting):-		
Amortisation of intangible assets	1,241	3,370
Depreciation of property, plant and equipment and right-of-use assets	15,639	39,469
Allowance/(reversal) of impairment loss on inventories	101	(266)
Inventories written-off/written-down	1,126	1,187
Redundancy expense	482	482
Net foreign exchange gain	(3,192)	(4,021)
Gain on disposal of property, plant and equipment	(10)	(34)
Property, plant and equipment written-off	26	39

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 September 2019.