



TIEN WAH PRESS HOLDINGS BERHAD
(Registration No.: 199501011233)(340434-K)

Quarterly report on consolidated results for the twelve months ended 31 December 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 31 December 2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 December 2018 RM'000		CURRENT YEAR TO DATE 31 December 2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 December 2018 RM'000		
1	Revenue	82,197	87,296	(5.8%)	346,255	342,435	1.1%
2	(Loss)/Profit before tax	(5,994)	(2,936)	104.2%	(5,025)	4,971	(201.1%)
3	(Loss)/Profit for the period	(6,334)	(3,795)	66.9%	(6,771)	2,494	(371.5%)
4	Loss attributable to ordinary equity holders of the Company	(5,781)	(7,051)	(18.0%)	(10,872)	(6,144)	77.0%
5	Basic loss per share (sen)	(3.99)	(4.87)	(18.1%)	(7.51)	(4.24)	77.1%
6	Proposed / Declared Dividend per share (sen)	5.50	8.00	(31.3%)	5.50	8.00	(31.3%)
		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)	2.08			2.25		
7	Remarks :						

PART A3: ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		Changes (Amount/ %)	CUMULATIVE QUARTER		Changes (Amount/ %)	
	CURRENT YEAR QUARTER 31 December 2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 December 2018 RM'000		CURRENT YEAR TO DATE 31 December 2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 December 2018 RM'000		
1	Gross interest income	71	629	(88.7%)	658	3,030	(78.3%)
2	Gross interest expense	(2,073)	(2,865)	(27.6%)	(9,409)	(9,281)	1.4%
Remarks :							



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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2019

	2019 Current Quarter Ended 31 December (RM '000)	2018 Comparative Quarter Ended 31 December (RM '000)	Changes (Amount / %)	2019 Cumulative Twelve months Ended 31 December (RM '000)	2018 Cumulative Twelve months Ended 31 December (RM '000)	Changes (Amount / %)
Revenue	82,197	87,296	(5.8%)	346,255	342,435	1.1%
Cost of sales	(77,465)	(86,710)	(10.7%)	(318,469)	(305,359)	4.3%
Gross profit	4,732	586	707.5%	27,786	37,076	(25.1%)
Other income	377	24,732	(98.5%)	17,433	31,750	(45.1%)
Distribution expenses	(924)	(2,382)	(61.2%)	(5,983)	(5,872)	1.9%
Administrative expenses	(7,614)	(9,823)	(22.5%)	(29,863)	(31,458)	(5.1%)
Other expenses	(226)	(12,757)	(98.2%)	(4,406)	(18,610)	(76.3%)
Results from operating activities	(3,655)	356	(1,126.7%)	4,967	12,886	(61.5%)
Finance income	71	629	(88.7%)	658	3,030	(78.3%)
Finance costs	(2,073)	(2,865)	(27.6%)	(9,409)	(9,281)	1.4%
Operating (loss)/profit	(5,657)	(1,880)	200.9%	(3,784)	6,635	(157.0%)
Share of loss of equity-accounted joint venture, net of tax	(337)	(1,056)	(68.1%)	(1,241)	(1,664)	(25.4%)
(Loss)/Profit before tax	(5,994)	(2,936)	104.2%	(5,025)	4,971	(201.1%)
Tax expense	(340)	(859)	(60.4%)	(1,746)	(2,477)	(29.5%)
(Loss)/Profit for the period	(6,334)	(3,795)	66.9%	(6,771)	2,494	(371.5%)
(Loss)/Profit for the period attributable to:						
Owners of the Company	(5,781)	(7,051)	(18.0%)	(10,872)	(6,144)	77.0%
Non-controlling interests	(553)	3,256	(117.0%)	4,101	8,638	(52.5%)
(Loss)/Profit for the period	(6,334)	(3,795)	66.9%	(6,771)	2,494	(371.5%)
Loss per ordinary share :						
-basic (sen)	<u>(3.99)</u>	<u>(4.87)</u>		<u>(7.51)</u>	<u>(4.24)</u>	

(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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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2019

	2019 Current Quarter Ended 31 December (RM '000)	2018 Comparative Quarter Ended 31 December (RM '000)	2019 Cumulative Twelve months Ended 31 December (RM '000)	2018 Cumulative Twelve months Ended 31 December (RM '000)
(Loss)/Profit for the period	(6,334)	(3,795)	(6,771)	2,494
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(2,274)	7,256	(1,983)	4,188
Total comprehensive (loss)/income for the period, net of tax	<u>(8,608)</u>	<u>3,461</u>	<u>(8,754)</u>	<u>6,682</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(8,896)	(3,458)	(12,809)	(2,801)
Non-controlling interests	288	6,919	4,055	9,483
Total comprehensive (loss)/income for the period, net of tax	<u>(8,608)</u>	<u>3,461</u>	<u>(8,754)</u>	<u>6,682</u>

(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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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	As at 31 December 2019 (RM '000)	As at 31 December 2018 (RM '000)
Assets		
Property, plant and equipment	247,759	261,847
Right-of-use assets	17,386	-
Investment properties	368	377
Intangible assets	72,412	77,061
Investment in joint ventures	34,305	34,606
Deferred tax assets	1,694	1,492
Trade and other receivables	4,208	7,469
Total non-current assets	378,132	382,852
Trade and other receivables	91,382	84,751
Inventories	81,434	95,072
Contract assets	8,684	14,121
Current tax assets	1,668	1,501
Cash and bank balances	35,604	48,980
Total current assets	218,772	244,425
Total assets	596,904	627,277
Equity		
Share capital	156,187	156,187
Reserves	145,374	169,762
Total equity attributable to owners of the Company	301,561	325,949
Non-controlling interests	43,778	41,259
Total equity	345,339	367,208
Liabilities		
Deferred tax liabilities	2,797	3,436
Employee benefits	1,907	1,199
Loans and borrowings	47,352	62,328
Lease liabilities	15,743	-
Trade and other payables	33,331	33,733
Contract liabilities	1,839	-
Total non-current liabilities	102,969	100,696
Loans and borrowings	59,558	75,829
Lease liabilities	2,427	-
Trade and other payables	84,042	83,544
Contract liabilities	2,248	-
Current tax liabilities	321	-
Total current liabilities	148,596	159,373
Total liabilities	251,565	260,069
Total equity and liabilities	596,904	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 TWELVE MONTHS ENDED 31 DECEMBER 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)	(RM '000)	(RM '000)
At 1 January 2019	156,187	24,484	145,278	41,259	367,208
Foreign currency translation differences for foreign operations	-	(1,937)	-	(46)	(1,983)
Total other comprehensive loss for the period	-	(1,937)	-	(46)	(1,983)
(Loss)/Profit for the period	-	-	(10,872)	4,101	(6,771)
Total comprehensive (loss)/income for the period	-	(1,937)	(10,872)	4,055	(8,754)
Dividend to owners of the Company	-	-	(11,579)	-	(11,579)
Dividend to non-controlling interest	-	-	-	(1,536)	(1,536)
Total transactions with owners of the Company	-	-	(11,579)	(1,536)	(13,115)
At 31 December 2019	156,187	22,547	122,827	43,778	345,339
At 1 January 2018, as previously reported	156,187	21,141	155,833	34,237	367,398
Adjustment on initial application of MFRS15, net of tax	-	-	1,379	-	1,379
As at 1 January 2018, restated	156,187	21,141	157,212	34,237	368,777
Foreign currency translation differences for foreign operations	-	3,343	-	845	4,188
Total other comprehensive income for the period	-	3,343	-	845	4,188
(Loss)/Profit for the period	-	-	(6,144)	8,638	2,494
Total comprehensive income/(loss) for the period	-	3,343	(6,144)	9,483	6,682
Dividend to owners of the Company	-	-	(5,790)	-	(5,790)
Dividend to non-controlling interest	-	-	-	(2,461)	(2,461)
Total transactions with owners of the Company	-	-	(5,790)	(2,461)	(8,251)
At 31 December 2018	156,187	24,484	145,278	41,259	367,208

(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 TWELVE MONTHS ENDED 31 DECEMBER 2019

	2019 Twelve months ended 31 December RM '000	2018 Twelve months ended 31 December RM '000
Cash flows from operating activities		
(Loss)/profit before tax	(5,025)	4,971
Adjustments for :		
- Amortisation of intangible assets	3,959	4,175
- Depreciation of property, plant and equipment	48,547	41,579
- Gain on disposal of property, plant and equipment	(34)	(23,526)
- Net interest expense	8,751	6,251
- Share of loss of equity-accounted joint venture, net of tax	1,241	1,664
- Employee benefits	936	1,039
- (Reversal)/impairment on receivables	(210)	6,770
- Other non-cash items	1,313	(879)
Operating profit before changes in working capital	59,478	42,044
-Changes in inventories	11,796	(24,344)
-Changes in trade and other receivables	(610)	23,295
-Changes in trade and other payables	4,181	(9,444)
Cash generated from operations	74,845	31,551
- Interest received	658	3,030
- Employee benefits used	(406)	(467)
- Income tax paid	(1,693)	(1,837)
Net cash from operating activities	73,404	32,277
Cash flows from investing activities		
- Acquisition of property, plant and equipment	(32,455)	(55,118)
- Proceeds from disposal of property, plant and equipment	39	67,278
- Investment in joint venture	(1,000)	-
- Change in pledged deposits	(4)	(3)
Net cash (used in)/from investing activities	(33,420)	12,157
Cash flows from financing activities		
- Proceeds from loans and borrowings	143,613	176,237
- Dividend paid to owners of the Company	(11,579)	(5,790)
- Dividend paid to non-controlling interest	(1,536)	(2,461)
- Interest paid	(8,067)	(9,281)
- Repayment of lease liabilities	(3,113)	-
- Repayment of loans and borrowings	(174,427)	(173,453)
- Advance from ultimate holding company	3,427	(22,802)
Net cash used in financing activities	(51,682)	(37,550)
Net (decrease)/increase in cash & cash equivalents	(11,698)	6,884
Effect of exchange rate fluctuations on cash held	(1,682)	9,050
Cash & cash equivalents at 1 January	48,865	32,931
Cash & cash equivalents at 31 December	35,485	48,865

Cash & cash equivalents

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

	As at 31 December 2019 RM '000	As at 31 December 2018 RM '000
Cash and bank balances	32,580	20,843
Deposits with licensed banks	3,024	28,137
	35,604	48,980
Less: Deposit pledged	(119)	(115)
	35,485	48,865

(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 twelve months ended 31 December 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.

At 1 January 2019, the Group has adopted the standard using the modified retrospective approach and measured the right-of use assets at an amount equal to the lease liabilities of the leases that were classified as operating lease under MFRS 117. For leases that were classified as finance lease under MFRS 117, the carrying amounts of the lease asset and lease liability at 1 January 2019 are



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determined to be the same as the carrying amount of the leased asset and lease liability under MFRS 117 immediately before that date. Under the modified retrospective approach, the restatement to the comparative information for prior period from the date of initial application is not required.

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
Lease assets	252	-	252
Non-current liabilities			
Lease liabilities	-	(14,144)	(14,144)
Current liabilities			
Lease liabilities	-	(1,129)	(1,129)

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 7 *Financial Instruments: Disclosures*, MFRS 9 *Financial Instruments* and MFRS 139 *Financial Instruments: Recognition and Measurement-Interest Rate Benchmark Reform*
- 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.



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A4. Items of Unusual Nature

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

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.

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.

A7. Dividends Paid

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

	Twelve months ended	
	31 December	
	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
	<hr/>	<hr/>
	11,579	5,790
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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.



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

	Twelve months ended	
	31 December	
	2019	2018
	RM'000	RM'000
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	346,255	341,498
Segment profit	59,482	34,813
Segment assets	468,796	481,031
Segment liabilities	(396,093)	(395,763)

	Twelve months ended	
	31 December	
	2019	2018
	RM'000	RM'000
Reconciliation of reportable segment profit or loss		
Total profit for reporting segments	59,482	34,813
Other non-reportable segments	(34,403)	36,981
Elimination of inter-segment profits	32,394	(13,154)
Depreciation and amortization	(52,506)	(45,754)
Finance costs	(9,409)	(9,281)
Finance income	658	3,030
Share of loss of joint venture not included in reportable segments	(1,241)	(1,664)
Consolidated (loss)/profit before tax	<u>(5,025)</u>	<u>4,971</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 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.



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A12. Capital Commitments

**As at
31 December 2019
RM'000**

Property, plant and equipment	
- Contracted but not provided for	1,096

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.

**Twelve months ended
31 December 2019
RM'000**

Ultimate holding corporation	
- Management fees expense	3,361
- Interest expense	941
Related companies	
- Sales	(3,329)
- Purchases	10,687
- Sales of scrap paper	(6,185)
- Rental expenses	170
- Commission received	(591)
Joint venture companies	
- Sales	(241)
- Purchases	1,871
- Interest received	(2)
- Rental expenses	284



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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 31 December 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	-	-	7,628	7,628	7,628
Fair value of financial instruments not carried at fair value					
Financial liabilities					
- Bank borrowings	-	-	(106,910)	(106,910)	(106,910)
- Lease liabilities	-	-	(16,743)	(16,743)	(18,170)
- Ultimate holding corporation	-	-	(32,414)	(32,414)	(38,249)
Total	-	-	(148,439)	(148,439)	(155,701)



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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 fourth quarter ended 31 December 2019 ("4Q19") of RM82.2 million was lower by 5.8% than the corresponding quarter last year ("4Q18") of RM87.3 million. This lower revenue was mainly due to reduction in sales under a major customer's contract.

Loss before tax

In the current quarter, the loss before tax was RM6.0 million compared to a loss before tax of RM2.9 million in 4Q18. In 4Q18, the Group recognized a non-operation gain resulting from the disposal of Land and Building in Australia of RM23.5 million offset by effect of foreign currency translation loss in Anzpac Services (Australia) Pte Ltd ("Anzpac") of RM9.1 million.

Adjusting for the above non-operational gain, the loss before tax of RM6.0 million represents an improvement of RM5.5 million from the adjusted 4Q19 loss before tax of RM11.5 million.

In addition, in the 4Q19 losses included an unrealized forex loss of RM3.9 million on inter-company loans. The Group has as at 1 January 2020 converted the functional currency of Anzpac into USD to be in-line with its intermediate holding company, Max Ease International Limited to minimize a substantial portion of the inter-company foreign currency translation impact.

Included in property, plant and equipment of its subsidiary, Alliance Print Technologies FZE ("APTF") is plant and equipment ("P&E") of net book value RM35.5 million as at 31 December 2019. The Directors' valuation of the plant and equipment is subject to a third-party independent valuation ("P&E Valuation") which cannot be completed now in view of the travel restriction affected by the current coronavirus (COVID-19) outbreak and health warning. In the event the P&E Valuation when completed shows a value lower than the carrying amount of the P&E of APTF, the Company may have to make the necessary impairment in its audited consolidated accounts for the financial year ended 31 December 2019.

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

Revenue

Group's revenue for the twelve months ended 31 December 2019 of RM346.3 million was slightly higher (1.1%) than the previous corresponding period of RM342.4 million. This higher revenue was mainly due to increase in sales under a major customer's contract.

(Loss)/Profit before tax

The Group recorded a loss before tax for the twelve months ended 31 December 2019 of RM5.0 million compared to the previous year profit before tax of RM5.0 million. In 2018, there was a non-operational gain resulting from the disposal of Land and Building in Australia of RM23.5 million offset by effect of foreign currency translation loss in Anzpac of RM9.1 million.

Adjusting for the above non-operational gain, the loss after tax of RM5.0 million in 2019 represent an improvement from the adjusted loss after tax of RM 9.4 million in 2018. This improvement is despite the RM1.6 million one-off provisions made to streamline Dubai's operations in 2019.



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B2. Variation of Results against Preceding Quarter

Revenue

Group's revenue for the 4Q19 of RM82.2 million was slightly lower (1.6%) than the preceding quarter's revenue of RM83.5 million ("3Q19").

Loss before tax

The Group reported a loss before tax of RM6.0 million in 4Q19 as compared to loss before tax of RM1.0 million in 3Q19 due mainly to net foreign exchange gain of RM3.2 million in 3Q19 compared with net foreign exchange loss of RM3.9 million in the current quarter.

B3. Prospects

The Group has experienced several difficult years, but has repositioned itself for future growth. However, the outbreak of the Coronavirus (COVID-19) may have an impact this year. The Board remains confident that they have taken action to improve profitability of the Group.

B4. Profit Forecast

None.

B5. Tax Expense

	Current Quarter ended 31 December		Twelve months ended 31 December	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Income tax expense				
- Current year	749	207	1,843	1,550
- Prior year	291	118	764	132
	<hr/> 1,040	<hr/> 325	<hr/> 2,607	<hr/> 1,682
Deferred tax				
- Origination and reversal of temporary differences	(431)	534	(76)	795
- Prior year	(269)	-	(785)	-
	<hr/> 340	<hr/> 859	<hr/> 1,746	<hr/> 2,477

The Group's effective tax rate for the twelve months ended 31 December 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.



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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 (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.

B7. Borrowings and Debt Securities

	As at 31 December 2019		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings			
Borrowings – Lease liabilities	-	2,427	2,427
Borrowings – Revolving Credits	-	9,465	9,465
Borrowings – Term loan	9,426	1,788	11,214
Borrowings – Trade facilities	-	38,879	38,879
Sub-totals	9,426	52,559	61,985

	As at 31 December 2019		
	Secured RM'000	Unsecured RM'000	Total RM'000
Long-term borrowings			
Borrowings – Lease liabilities	-	15,743	15,743
Borrowings – Revolving Credits	-	11,510	11,510
Borrowings – Term loan	30,474	5,368	35,842
Sub-totals	30,474	32,621	63,095
Grand total	39,900	85,180	125,080



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

	As at 31 December 2019		
	Long-term borrowings	Short-term borrowings	
	RM'000	RM'000	
Ringgit Malaysia	123	66	
United States Dollar	33,030	44,899	Equivalent to USD19.1 million
Indonesian Rupiah	17,679	14,318	Equivalent to IDR108.6 billion
Vietnamese Dong	6,984	2,599	Equivalent to VND54.3 billion
United Arab Emirates Dirham	5,279	103	Equivalent to AED4.8 million
Total	<u>63,095</u>	<u>61,985</u>	

B8. Derivative Financial instruments

As at 31 December 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 for the twelve months ended 31 December 2019 comprising:

- a) The Directors have recommended the payment of a final single-tier dividend of 5.50 sen per ordinary share in respect of the financial year ended 31 December 2019. The proposed final dividend will be subject to the shareholders' approval at the forthcoming Annual General Meeting.

The payment date for the final dividend in respect of the financial year ended 31 December 2019 is on 30 June 2020. In respect of the deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 8 June 2020.

- b) 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.



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B11. Earnings per share

(a) *Basic loss per share*

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

	Twelve months ended 31 December	
	2019	2018
Loss attributable to equity holders of the Company (RM'000)	(10,872)	(6,144)
Weighted average number of ordinary shares in issue ('000)	144,743	144,743
Basic loss per share (sen)	(7.51)	(4.24)

(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.

B13. Profit for the period

	Current quarter ended 31 December 2019 RM'000	Twelve months ended 31 December 2019 RM'000
Loss for the period is arrived at after charging/(crediting):-		
Amortisation of intangible assets	589	3,959
Depreciation of property, plant and equipment and right-of-use assets	9,078	48,547
Allowance for impairment loss on inventories	497	231
Inventories written-off/written-down	1	1,188
Redundancy (overprovided)/expense	(61)	421
Net foreign exchange loss/(gain)	3,914	(107)
Gain on disposal of property, plant and equipment	-	(34)
Property, plant and equipment written-off	-	39
Reversal of impairment on receivables	210	210

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 December 2019.