



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

Quarterly report on consolidated results for the nine months ended 30 September 2020  
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 Sept 2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 Sept 2019 RM'000		CURRENT YEAR TO DATE 30 Sept 2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 Sept 2019 RM'000		
1	Revenue	64,856	83,496	(22.3%)	222,356	264,058	(15.8%)
2	(Loss)/Profit before tax	(604)	(1,009)	(40.1%)	5,976	969	516.7%
3	(Loss)/Profit for the period	(727)	(988)	(26.4%)	4,795	(437)	(1,197.3%)
4	(Loss)/Profit attributable to ordinary equity holders of the Company	(989)	(2,613)	(62.2%)	1,277	(5,091)	(125.1%)
5	Basic (loss)/earnings per share (sen)	(0.68)	(1.81)	(62.4%)	0.88	(3.52)	(125.0%)
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)	1.99			2.02		
7	Remarks :						

**PART A3: ADDITIONAL INFORMATION**

	INDIVIDUAL QUARTER		Changes (Amount/ %)	CUMULATIVE QUARTER		Changes (Amount/ %)	
	CURRENT YEAR QUARTER 30 Sept 2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 Sept 2019 RM'000		CURRENT YEAR TO DATE 30 Sept 2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 Sept 2019 RM'000		
1	Gross interest income	46	93	(50.5%)	142	587	(75.8%)
2	Gross interest expense	(1,648)	(2,320)	(29.0%)	(5,677)	(7,336)	(22.6%)
Remarks :							



**TIEN WAH PRESS HOLDINGS BERHAD**

Registration No.: 199501011233 (340434-K)

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

**FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020**

	2020 Current Quarter Ended 30 September (RM '000)	2019 Comparative Quarter Ended 30 September (RM '000)	Changes (Amount / %)	2020 Cumulative Nine months Ended 30 September (RM '000)	2019 Cumulative Nine months Ended 30 September (RM '000)	Changes (Amount / %)
Revenue	64,856	83,496	(22.3%)	222,356	264,058	(15.8%)
Cost of sales	(56,539)	(80,575)	(29.8%)	(196,457)	(241,004)	(18.5%)
<b>Gross profit</b>	<b>8,317</b>	<b>2,921</b>	<b>184.7%</b>	<b>25,899</b>	<b>23,054</b>	<b>12.3%</b>
Other income	1,391	8,324	(83.3%)	15,828	17,056	(7.2%)
Distribution expenses	(656)	(866)	(24.2%)	(2,622)	(5,059)	(48.2%)
Administrative expenses	(6,093)	(7,432)	(18.0%)	(21,098)	(22,249)	(5.2%)
Other expenses	(1,777)	(1,455)	22.1%	(5,795)	(4,180)	38.6%
<b>Results from operating activities</b>	<b>1,182</b>	<b>1,492</b>	<b>(20.8%)</b>	<b>12,212</b>	<b>8,622</b>	<b>41.6%</b>
Finance income	46	93	(50.5%)	142	587	(75.8%)
Finance costs	(1,648)	(2,320)	(29.0%)	(5,677)	(7,336)	(22.6%)
<b>Operating (loss)/profit</b>	<b>(420)</b>	<b>(735)</b>	<b>(42.9%)</b>	<b>6,677</b>	<b>1,873</b>	<b>256.5%</b>
Share of loss of equity-accounted joint venture, net of tax	(184)	(274)	(32.8%)	(701)	(904)	(22.5%)
<b>(Loss)/Profit before tax</b>	<b>(604)</b>	<b>(1,009)</b>	<b>(40.1%)</b>	<b>5,976</b>	<b>969</b>	<b>516.7%</b>
Tax expense	(123)	21	(685.7%)	(1,181)	(1,406)	(16.0%)
<b>(Loss)/Profit for the period</b>	<b>(727)</b>	<b>(988)</b>	<b>(26.4%)</b>	<b>4,795</b>	<b>(437)</b>	<b>(1,197.3%)</b>
<b>(Loss)/Profit for the period attributable to:</b>						
Owners of the Company	(989)	(2,613)	(62.2%)	1,277	(5,091)	(125.1%)
Non-controlling interests	262	1,625	(83.9%)	3,518	4,654	(24.4%)
<b>(Loss)/Profit for the period</b>	<b>(727)</b>	<b>(988)</b>	<b>(26.4%)</b>	<b>4,795</b>	<b>(437)</b>	<b>(1,197.3%)</b>
<b>(Loss)/Profit per ordinary share :</b>						
-basic (sen)	(0.68)	(1.81)		0.88	(3.52)	

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2019)



**TIEN WAH PRESS HOLDINGS BERHAD**  
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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020**

	2020 Current Quarter Ended 30 September (RM '000)	2019 Comparative Quarter Ended 30 September (RM '000)	2020 Cumulative Nine months Ended 30 September (RM '000)	2019 Cumulative Nine months Ended 30 September (RM '000)
<b>(Loss)/Profit for the period</b>	(727)	(988)	4,795	(437)
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operations	(8,771)	97	2,128	291
<b>Total comprehensive (loss)/income for the period, net of tax</b>	<u>(9,498)</u>	<u>(891)</u>	<u>6,923</u>	<u>(146)</u>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(7,769)	(1,456)	3,819	(3,913)
Non-controlling interests	(1,729)	565	3,104	3,767
<b>Total comprehensive (loss)/income for the period, net of tax</b>	<u>(9,498)</u>	<u>(891)</u>	<u>6,923</u>	<u>(146)</u>

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2019)



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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

	As at 30 September 2020 (RM '000)	As at 31 December 2019 (RM '000)
<b>Assets</b>		
Property, plant and equipment	217,649	238,599
Right-of-use assets	14,974	17,386
Investment properties	362	368
Intangible assets	75,708	72,412
Investment in joint ventures	33,685	34,292
Deferred tax assets	1,538	1,694
Trade and other receivables	2,841	4,208
<b>Total non-current assets</b>	<b>346,757</b>	<b>368,959</b>
Trade and other receivables	79,431	91,382
Inventories	49,520	81,434
Contract assets	10,106	8,684
Current tax assets	535	1,668
Cash and bank balances	14,060	35,604
<b>Total current assets</b>	<b>153,652</b>	<b>218,772</b>
<b>Total assets</b>	<b>500,409</b>	<b>587,731</b>
<b>Equity</b>		
Share capital	156,187	156,187
Reserves	132,059	136,201
<b>Total equity attributable to owners of the Company</b>	<b>288,246</b>	<b>292,388</b>
<b>Non-controlling interests</b>	<b>43,691</b>	<b>43,778</b>
<b>Total equity</b>	<b>331,937</b>	<b>336,166</b>
<b>Liabilities</b>		
Deferred tax liabilities	3,163	2,797
Employee benefits	2,393	1,907
Loans and borrowings	32,199	47,352
Lease liabilities	13,533	15,743
Trade and other payables	33,910	33,331
Contract liabilities	-	1,839
<b>Total non-current liabilities</b>	<b>85,198</b>	<b>102,969</b>
Loans and borrowings	31,557	59,558
Lease liabilities	2,548	2,427
Trade and other payables	48,543	84,042
Contract liabilities	-	2,248
Current tax liabilities	626	321
<b>Total current liabilities</b>	<b>83,274</b>	<b>148,596</b>
<b>Total liabilities</b>	<b>168,472</b>	<b>251,565</b>
<b>Total equity and liabilities</b>	<b>500,409</b>	<b>587,731</b>

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2019)



**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 2020**

	Attributable to Equity Holders of the Company			Non-controlling Interest	Total Equity	
	Share Capital (RM '000)	Translation Reserve (RM '000)	Retained Earnings (RM '000)			
	Non-Distributable	Distributable	Total	(RM '000)	(RM '000)	
At 1 January 2020	156,187	22,547	113,654	292,388	43,778	336,166
Foreign currency translation differences for foreign operations	-	2,542	-	2,542	(414)	2,128
Total other comprehensive income/(loss) for the period	-	2,542	-	2,542	(414)	2,128
Profit for the period	-	-	1,277	1,277	3,518	4,795
<b>Total comprehensive income for the period</b>	-	<b>2,542</b>	<b>1,277</b>	<b>3,819</b>	<b>3,104</b>	<b>6,923</b>
Dividend to owners of the Company	-	-	(7,961)	(7,961)	-	(7,961)
Dividend to non-controlling interest	-	-	-	-	(3,191)	(3,191)
<b>Total transactions with owners of the Company</b>	-	-	<b>(7,961)</b>	<b>(7,961)</b>	<b>(3,191)</b>	<b>(11,152)</b>
At 30 September 2020	156,187	25,089	106,970	288,246	43,691	331,937
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)
<b>Total comprehensive income/(loss) for the period</b>	-	<b>1,178</b>	<b>(5,091)</b>	<b>(3,913)</b>	<b>3,767</b>	<b>(146)</b>
Dividend to owners of the Company	-	-	(11,579)	(11,579)	-	(11,579)
<b>Total transactions with owners of the Company</b>	-	-	<b>(11,579)</b>	<b>(11,579)</b>	-	<b>(11,579)</b>
At 30 September 2019	156,187	25,662	128,608	310,457	45,026	355,483

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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020**

	2020 Nine months ended 30 September RM '000	2019 Nine months ended 30 September RM '000
<b>Cash flows from operating activities</b>		
Profit before tax	5,976	969
Adjustments for :		
- Amortisation of intangible assets	1,893	3,370
- Depreciation of property, plant and equipment and right-of-use assets	32,293	36,099
- Gain on disposal of property, plant and equipment	(255)	(34)
- Gain on modification/termination of MFRS16 leases	(35)	-
- (Reversal of)/allowance for impairment loss on inventories	(156)	921
- Finance costs	4,708	6,360
- Interest expense on lease liabilities	969	976
- Finance income	(142)	(587)
- Share of loss of equity-accounted joint venture, net of tax	701	904
- Employee benefits	1,755	1,061
- Other non-cash items	2,222	(3,594)
Operating profit before changes in working capital	49,929	46,445
-Changes in inventories	32,014	16,598
-Changes in trade and other receivables	13,289	(4,445)
-Changes in trade and other payables	(40,626)	(4,264)
<b>Cash generated from operations</b>	54,606	54,334
- Interest received	142	587
- Employee benefits used	(1,630)	(28)
- Income tax refunded/(paid)	804	(1,520)
<b>Net cash from operating activities</b>	53,922	53,373
<b>Cash flows from investing activities</b>		
- Acquisition of property, plant and equipment	(8,155)	(24,975)
- Proceeds from disposal of property, plant and equipment	330	37
- Change in pledged deposits	-	(3)
<b>Net cash used in investing activities</b>	(7,825)	(24,941)
<b>Cash flows from financing activities</b>		
- Proceeds from loans and borrowings	79,436	108,927
- Dividend paid to owners of the Company	(7,961)	(11,579)
- Dividend paid to non-controlling interest	(3,191)	-
- Interest paid	(4,708)	(6,361)
- Repayment of lease liabilities	(2,759)	(2,142)
- Repayment of loans and borrowings	(122,723)	(143,674)
- (Repayment to)/advance from ultimate holding company	(3,585)	1,648
<b>Net cash used in financing activities</b>	(65,491)	(53,181)
Net decrease in cash & cash equivalents	(19,394)	(24,749)
Effect of exchange rate fluctuations on cash held	(2,150)	(289)
Cash & cash equivalents at 1 January	35,604	48,865
<b>Cash &amp; cash equivalents at 30 September</b>	14,060	23,827

**Cash & cash equivalents**

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

	As at 30 September 2020 RM '000	As at 30 September 2019 RM '000
Cash and bank balances	10,567	19,312
Deposits with licensed banks	3,493	4,630
	14,060	23,942
Less: Deposit pledged	-	(115)
	14,060	23,827

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2019)



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## **Notes to the Interim Financial Statements for the quarter and nine months ended 30 September 2020**

### **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 2019.

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 2019 except for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 January 2020 and the newly-issued MFRS:

#### ***MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 June 2020***

- Amendments to MFRS 16 *Leases, Covid-19 - Related Rent Concessions*

The initial application of these standards, amendments and interpretations do not have any material impact to the financial statements of the Group.

#### **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 2021***

- Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 4 *Insurance contracts* and MFRS 16 *Leases - Interest Rate Benchmark Reform-Phase 2*

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022***

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 116, *Property, Plant and Equipment - Property Plant and Equipment — Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions Contingent Liabilities and Contingent Assets - Onerous Contracts—Cost of Fulfilling a Contract*



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***MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2023***

- MFRS 17, *Insurance contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

***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.

**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:-

	<b>Nine months ended 30 September</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Final Dividend paid on 28 August 2020 In respect of the financial year ended 31 December 2019 – single-tier dividend of 5.50 sen per share	7,961	
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
	7,961	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.

	<b>Nine months ended September</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	222,356	264,058
Segment profit	46,761	48,991
Segment assets	419,895	470,462
Segment liabilities	(351,621)	(387,338)

	<b>Nine months ended September</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Reconciliation of reportable segment profit or loss</b>		
Total profit for reporting segments	46,761	48,991
Other non-reportable segments	18,457	(501)
Elimination of inter-segment profits	(18,820)	(399)
Depreciation and amortization	(34,186)	(39,469)
Finance costs	(5,677)	(7,336)
Finance income	142	587
Share of loss of joint venture not included in reportable segments	(701)	(904)
Consolidated profit before tax	5,976	969

**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.



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#### **A11. Changes in Contingent Liabilities**

There were no material changes to contingent liabilities disclosed in the last audited financial statements as at 31 December 2019.

#### **A12. Capital Commitments**

	<b>As at 30 September 2020 RM'000</b>
Property, plant and equipment	
- Contracted but not provided for	890

#### **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.

	<b>Nine months ended 30 September 2020 RM'000</b>
Ultimate holding corporation	
- Management fees expense	2,500
- Interest expense	723
Related companies	
- Sales	(1,407)
- Purchases	4,750
- Sales of scrap paper	(2,843)
- Commission received	(93)
Joint venture companies	
- Sales	(1)
- Conversion income	(277)
- Purchases	730
- Interest received	(20)
- Rental expenses	266



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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 2020, 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:-

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total fair value</b>	<b>Carrying amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Fair value of financial instruments not carried at fair value</b>					
Financial assets					
- Other receivables			7,760	7,760	7,760
Financial liabilities					
- Bank borrowings	-	-	(63,756)	(63,756)	(63,756)
- Lease liabilities			(14,863)	(14,863)	(16,081)
- Ultimate holding corporation	-	-	(32,977)	(32,977)	(35,609)
Total	-	-	(103,836)	(103,836)	(107,686)



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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

The Group's revenue for the third quarter ended 30 September 2020 ("3Q20") of RM64.9 million was lower by 22.3% (RM18.6 million) than the corresponding quarter last year ("3Q19") of RM83.5 million. The current quarter results were affected by lower demand in certain cigarette brand related packaging products impacted by the Coronavirus (COVID-19).

Loss before tax

Management has been actively taking cost saving measures to combat the impact of COVID-19 and supported by the higher revised pricing from Indonesian operation, the Group achieved a loss before tax in 3Q20 of RM0.6 million which was lower loss by RM0.4 million compared to loss before tax in 3Q19 of RM1.0 million. If not for a net foreign exchange loss of RM2.5 million in this quarter, the Group would have been profitable for 3Q20.

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

Revenue

The Group's revenue for the nine months ended 30 September 2020 of RM222.4 million was RM41.7 million or 15.8% lower than the previous corresponding period of RM264.1 million due to decrease in sales impacted by COVID-19.

Profit before tax

Profit before tax for the nine months ended 30 September 2020 increased by RM5.0 million to RM6.0 million as compared to the previous corresponding period profit before tax of RM1.0 million. Despite the reduction in revenue, this improvement was a result of cost saving measures actively taken by management and higher margin from Indonesian operation from the revised pricing.

**B2. Variation of Results against Preceding Quarter**

Revenue

The Group's revenue for the 3Q20 lower by 11.7% (RM8.6 million) to RM64.9 million from RM73.5 million in the preceding quarter ("2Q20") due to reduction in sales under a major customer's contract.

(Loss)/Profit before tax

Profit before tax decreased by RM3.8 million to a loss before tax of RM0.6 million in 3Q20 as compared to profit before tax of RM3.2 million in 2Q20. The lower current quarter performance was mainly due to the net foreign exchange loss of RM2.5 million in 3Q20 against a net foreign exchange gain of RM2.3 million in 2Q20. The loss was mitigated by cost saving measures actively taken by management to address the lower level of business.

**B3. Prospects**

While accepting the adverse effect of the COVID-19 pandemic on the business for the year 2020, the Board is heartened that management has been actively implementing cost saving measures to combat the downturn.



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**B4. Profit Forecast**

None.

**B5. Tax Expense**

	Current quarter ended 30 September		Nine months ended 30 September	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Income tax expense				
- Current year	(5)	(175)	676	1,094
- Prior year	-	473	-	473
	(5)	298	676	1,567
Deferred tax				
- Origination and reversal of temporary differences	128	193	505	355
- Prior year	-	(512)	-	(516)
	123	(21)	1,181	1,406

The Group's effective tax rate for the nine months ended 30 September 2020 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.

**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**

	<b>As at 30 September 2020</b>		
	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short-term borrowings</b>			
Borrowings – Lease liabilities	-	2,548	2,548
Borrowings – Revolving Credits	-	9,629	9,629
Borrowings – Term loan	9,421	1,819	11,240
Borrowings – Trade facilities	-	10,688	10,688
Sub-totals	9,421	24,684	34,105
<b>As at 30 September 2020</b>			
	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Long-term borrowings</b>			
Borrowings – Lease liabilities	-	13,533	13,533
Borrowings – Revolving Credits	-	4,488	4,488
Borrowings – Term loan	23,615	4,096	27,711
Sub-totals	23,615	22,117	45,732
Grand total	33,036	46,801	79,837

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

	<b>As at 30 September 2020</b>		
	<b>Long- term borrowings RM'000</b>	<b>Short-term borrowings RM'000</b>	
Ringgit Malaysia	71	68	
United States Dollar	23,694	15,823	Equivalent to USD9.5 million
Indonesian Rupiah	11,683	15,381	Equivalent to IDR97.1 billion
Vietnamese Dong	5,058	2,685	Equivalent to VND43.2 billion
United Arab Emirates Dirham	5,226	148	Equivalent to AED4.7 million
Total	45,732	34,105	



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**B8. Derivative Financial instruments**

As at 30 September 2020, 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 2020 comprising:

- (a) The Company had on 28 August 2020 paid a final single-tier dividend of 5.50 sen per ordinary share totaling RM7,960,837 in respect of the financial year ended 31 December 2019.
- (b) The Directors do not recommend any interim dividend for the period ended 30 September 2020.

**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.

	<b>Nine months ended 30 September</b>	
	<b>2020</b>	<b>2019</b>
Profit/(Loss) attributable to equity holders of the Company (RM'000)	1,277	(5,091)
Weighted average number of ordinary shares in issue ('000)	144,743	144,743
Basic earnings/(loss) per share (sen)	0.88	(3.52)

(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 2019 was unqualified.



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**B13. Profit for the period**

	<b>Current quarter ended 30 September 2020 RM'000</b>	<b>Nine months ended 30 September 2020 RM'000</b>
Profit for the period is arrived at after charging/(crediting):-		
Amortisation of intangible assets	623	1,893
Depreciation of property, plant and equipment and right-of-use assets	10,219	32,293
Reversal of impairment loss on inventories	(143)	(201)
Inventories written-off	45	45
Net foreign exchange loss	2,537	3,508
Loss/(Gain) on disposal of property, plant and equipment	12	(255)
Gain on modification/termination of MFRS16 leases	-	(35)

Save as disclosed above, the other items as required under paragraph 16 of Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable for the current quarter and financial period ended 30 September 2020.