



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

Quarterly report on consolidated results for the six months ended 30 June 2021

The figures have not been audited.

**PART A2: SUMMARY OF KEY FINANCIAL INFORMATION**

|   |  | INDIVIDUAL QUARTER                                   |  | Changes<br>(Amount/<br>%) | CUMULATIVE QUARTER                                   |   | Changes<br>(Amount/<br>%) |
|---|--|--|--|---------------------------|--|---|---------------------------|
|   |  | CURRENT<br>YEAR<br>QUARTER<br>30 June 2021<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>30 June 2020<br>RM'000 |                           | CURRENT<br>YEAR<br>TO DATE<br>30 June 2021<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>PERIOD<br>30 June 2020<br>RM'000 |                           |
| 1 | Revenue  | 68,675   | 73,489   | (6.6%)                    | 134,587  | 157,500   | (14.5%)                   |
| 2 | Profit before tax  | 4,534  | 3,191  | 42.1%                     | 8,444  | 6,580   | 28.3%                     |
| 3 | Profit for the period  | 3,811  | 2,004  | 90.2%                     | 7,262  | 5,522   | 31.5%                     |
| 4 | Profit attributable to ordinary equity holders of the Company                    | 3,813  | 208  | 1,733.2%                  | 7,173  | 2,266   | 216.5%                    |
| 5 | Basic earnings per share (sen)   | 2.63   | 0.14   | 1,778.6%                  | 4.96   | 1.57  | 215.9%                    |
| 6 | Proposed / Declared Dividend per share (sen)                                     | 2.80   | 0.00   | NA                        | 2.80   | 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) | 2.03   |  |                           | 1.94   |   |                           |
| 7 | Remarks :  |  |  |                           |  |   |                           |

**PART A3: ADDITIONAL INFORMATION**

|   |                        | INDIVIDUAL QUARTER                                   |  | Changes<br>(Amount/<br>%) | CUMULATIVE QUARTER                                   |   | Changes<br>(Amount/<br>%) |
|---|------------------------|--|--|---------------------------|--|---|---------------------------|
|   |                        | CURRENT<br>YEAR<br>QUARTER<br>30 June 2021<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>30 June 2020<br>RM'000 |                           | CURRENT<br>YEAR<br>TO DATE<br>30 June 2021<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>PERIOD<br>30 June 2020<br>RM'000 |                           |
| 1 | Gross interest income  | 24   | 42   | (42.9%)                   | 53   | 96  | (44.8%)                   |
| 2 | Gross interest expense | (1,056)  | (1,901)  | (44.5%)                   | (2,252)  | (4,029)   | (44.1%)                   |
|   | 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 SIX MONTHS ENDED 30 JUNE 2021**

|   | 2021<br>Current<br>Quarter Ended<br>30 June<br>(RM '000) | 2020<br>Comparative<br>Quarter Ended<br>30 June<br>(RM '000) | Changes<br>(Amount /<br>%) | 2021<br>Cumulative<br>Six months Ended<br>30 June<br>(RM '000) | 2020<br>Cumulative<br>Six months Ended<br>30 June<br>(RM '000) | Changes<br>(Amount /<br>%) |
|---|--|--|----------------------------|--|--|----------------------------|
| Revenue   | 68,675   | 73,489   | (6.6%)                     | 134,587  | 157,500  | (14.5%)                    |
| Cost of sales   | (56,277)   | (65,254)   | (13.8%)                    | (111,405)  | (139,918)  | (20.4%)                    |
| <b>Gross profit</b>   | <b>12,398</b>  | <b>8,235</b>   | <b>50.6%</b>               | <b>23,182</b>  | <b>17,582</b>  | <b>31.9%</b>               |
| Other income  | 1,771  | 6,255  | (71.7%)                    | 3,030  | 14,437   | (79.0%)                    |
| Distribution expenses                                       | (1,438)  | (1,048)  | 37.2%                      | (2,289)  | (1,966)  | 16.4%                      |
| Administrative expenses                                     | (6,188)  | (7,996)  | (22.6%)                    | (11,984)   | (15,005)   | (20.1%)                    |
| Other expenses  | (617)  | (107)  | 476.6%                     | (694)  | (4,018)  | (82.7%)                    |
| <b>Results from operating activities</b>                    | <b>5,926</b>   | <b>5,339</b>   | <b>11.0%</b>               | <b>11,245</b>  | <b>11,030</b>  | <b>1.9%</b>                |
| Finance income  | 24   | 42   | (42.9%)                    | 53   | 96   | (44.8%)                    |
| Finance costs   | (1,056)  | (1,901)  | (44.5%)                    | (2,252)  | (4,029)  | (44.1%)                    |
| <b>Operating profit</b>                                     | <b>4,894</b>   | <b>3,480</b>   | <b>40.6%</b>               | <b>9,046</b>   | <b>7,097</b>   | <b>27.5%</b>               |
| Share of loss of equity-accounted joint venture, net of tax | (360)  | (289)  | 24.6%                      | (602)  | (517)  | 16.4%                      |
| <b>Profit before tax</b>                                    | <b>4,534</b>   | <b>3,191</b>   | <b>42.1%</b>               | <b>8,444</b>   | <b>6,580</b>   | <b>28.3%</b>               |
| Taxation  | (723)  | (1,187)  | (39.1%)                    | (1,182)  | (1,058)  | 11.7%                      |
| <b>Profit for the period</b>                                | <b>3,811</b>   | <b>2,004</b>   | <b>90.2%</b>               | <b>7,262</b>   | <b>5,522</b>   | <b>31.5%</b>               |
| <b>(Loss)/Profit for the period attributable to:</b>        |  |  |                            |  |  |                            |
| Owners of the Company                                       | 3,813  | 208  | 1,733.2%                   | 7,173  | 2,266  | 216.5%                     |
| Non-controlling interests                                   | (2)  | 1,796  | (100.1%)                   | 89   | 3,256  | (97.3%)                    |
| <b>Profit for the period</b>                                | <b>3,811</b>   | <b>2,004</b>   | <b>90.2%</b>               | <b>7,262</b>   | <b>5,522</b>   | <b>31.5%</b>               |
| <b>Earnings per ordinary share :</b>                        |  |  |                            |  |  |                            |
| -basic (sen)  | <u>2.63</u>  | <u>0.14</u>  |                            | <u>4.96</u>  | <u>1.57</u>  |                            |

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2020)



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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2021**

|   | 2021<br>Current<br>Quarter Ended<br>30 June<br>(RM '000) | 2020<br>Comparative<br>Quarter Ended<br>30 June<br>(RM '000) | 2021<br>Cumulative<br>Six months Ended<br>30 June<br>(RM '000) | 2020<br>Cumulative<br>Six months Ended<br>30 June<br>(RM '000) |
|---|--|--|--|--|
| <b>Profit for the period</b>  | 3,811  | 2,004  | 7,262  | 5,522  |
| <b>Items that are or may be reclassified<br/>subsequently to profit or loss</b> |  |  |  |  |
| Foreign currency translation differences for foreign operations                 | 218  | 2,399  | 5,400  | 10,899   |
| <b>Total comprehensive income for the period, net of tax</b>                    | <u>4,029</u>   | <u>4,403</u>   | <u>12,662</u>  | <u>16,421</u>  |
| <b>Total comprehensive income attributable to:</b>                              |  |  |  |  |
| Owners of the Company   | 4,000  | 866  | 12,016   | 11,588   |
| Non-controlling interests   | 29   | 3,537  | 646  | 4,833  |
| <b>Total comprehensive income for the period, net of tax</b>                    | <u>4,029</u>   | <u>4,403</u>   | <u>12,662</u>  | <u>16,421</u>  |

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2020)



**TIEN WAH PRESS HOLDINGS BERHAD**

Registration No.: 199501011233 (340434-K)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

|   | As at<br>30 June<br>2021<br>(RM '000) | As at<br>31 December<br>2020<br>(RM '000) |
|---|---------------------------------------|---|
| <b>Assets</b>   |                                       |   |
| Property, plant and equipment                             | 198,695                               | 206,731                                   |
| Right-of-use assets                                       | 13,368                                | 14,820                                    |
| Investment properties                                     | 355                                   | 360                                       |
| Intangible assets   | 73,682                                | 73,234                                    |
| Investments in joint ventures                             | 32,655                                | 33,136                                    |
| Trade and other receivables                               | 975                                   | 988                                       |
| Deferred tax assets                                       | 1,638                                 | 1,671                                     |
| <b>Total non-current assets</b>                           | <b>321,368</b>                        | <b>330,940</b>                            |
| Inventories   | 51,590                                | 52,471                                    |
| Trade and other receivables                               | 80,332                                | 68,266                                    |
| Contract assets   | 8,930                                 | 8,215                                     |
| Tax recoverable   | 561                                   | 218                                       |
| Cash and bank balances                                    | 33,233                                | 26,514                                    |
| <b>Total current assets</b>                               | <b>174,646</b>                        | <b>155,684</b>                            |
| <b>Total assets</b>                                       | <b>496,014</b>                        | <b>486,624</b>                            |
| <b>Equity</b>   |                                       |   |
| Share capital   | 156,187                               | 156,187                                   |
| Reserves  | 137,166                               | 125,150                                   |
| <b>Total equity attributable to owners of the Company</b> | <b>293,353</b>                        | <b>281,337</b>                            |
| Non-controlling interests                                 | 44,056                                | 44,260                                    |
| <b>Total equity</b>                                       | <b>337,409</b>                        | <b>325,597</b>                            |
| <b>Liabilities</b>  |                                       |   |
| Loans and borrowings                                      | 11,002                                | 18,405                                    |
| Lease liabilities   | 11,608                                | 13,025                                    |
| Trade and other payables                                  | 35,261                                | 34,241                                    |
| Employee benefits   | 2,387                                 | 2,112                                     |
| Provision for liabilities                                 | 263                                   | 251                                       |
| Deferred tax liabilities                                  | 3,028                                 | 3,011                                     |
| <b>Total non-current liabilities</b>                      | <b>63,549</b>                         | <b>71,045</b>                             |
| Loans and borrowings                                      | 22,746                                | 28,513                                    |
| Lease liabilities   | 3,027                                 | 2,906                                     |
| Trade and other payables                                  | 67,860                                | 57,975                                    |
| Contract liabilities                                      | -                                     | 77  |
| Tax payable   | 1,423                                 | 511                                       |
| <b>Total current liabilities</b>                          | <b>95,056</b>                         | <b>89,982</b>                             |
| <b>Total liabilities</b>                                  | <b>158,605</b>                        | <b>161,027</b>                            |
| <b>Total equity and liabilities</b>                       | <b>496,014</b>                        | <b>486,624</b>                            |

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2020)



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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

|   | Attributable to Equity Holders of the Company |                                     |                               |                                   | Total<br>(RM '000) | Non-controlling<br>Interest<br>(RM '000) | Total<br>Equity<br>(RM '000) |
|---|---|-------------------------------------|-------------------------------|-----------------------------------|--------------------|--|------------------------------|
|   | Non-Distributable                             | Distributable                       |                               |                                   |                    |  |                              |
|   | Share<br>Capital<br>(RM '000)                 | Translation<br>Reserve<br>(RM '000) | Other<br>Reserve<br>(RM '000) | Retained<br>Earnings<br>(RM '000) |                    |  |                              |
| At 1 January 2021   | 156,187                                       | 20,355                              | 279                           | 104,516                           | 281,337            | 44,260                                   | 325,597                      |
| Foreign currency translation differences for foreign operations | -   | 4,843                               | -                             | -                                 | 4,843              | 557                                      | 5,400                        |
| Total other comprehensive income for the period                 | -   | 4,843                               | -                             | -                                 | 4,843              | 557                                      | 5,400                        |
| Profit for the period   | -   | -                                   | -                             | 7,173                             | 7,173              | 89                                       | 7,262                        |
| <b>Total comprehensive income for the period</b>                | -   | <b>4,843</b>                        | -                             | <b>7,173</b>                      | <b>12,016</b>      | <b>646</b>                               | <b>12,662</b>                |
| Dividend to non-controlling interest                            | -   | -                                   | -                             | -                                 | -                  | (850)                                    | (850)                        |
| <b>Total transactions with owners of the Company</b>            | -   | -                                   | -                             | -                                 | -                  | <b>(850)</b>                             | <b>(850)</b>                 |
| At 30 June 2021   | 156,187                                       | 25,198                              | 279                           | 111,689                           | 293,353            | 44,056                                   | 337,409                      |
| At 1 January 2020   | 156,187                                       | 22,547                              | -                             | 113,654                           | 292,388            | 43,778                                   | 336,166                      |
| Foreign currency translation differences for foreign operations | -   | 9,322                               | -                             | -                                 | 9,322              | 1,577                                    | 10,899                       |
| Total other comprehensive income for the period                 | -   | 9,322                               | -                             | -                                 | 9,322              | 1,577                                    | 10,899                       |
| Profit for the period   | -   | -                                   | -                             | 2,266                             | 2,266              | 3,256                                    | 5,522                        |
| <b>Total comprehensive income for the period</b>                | -   | <b>9,322</b>                        | -                             | <b>2,266</b>                      | <b>11,588</b>      | <b>4,833</b>                             | <b>16,421</b>                |
| Dividend to non-controlling interest                            | -   | -                                   | -                             | -                                 | -                  | (3,191)                                  | (3,191)                      |
| <b>Total transactions with owners of the Company</b>            | -   | -                                   | -                             | -                                 | -                  | <b>(3,191)</b>                           | <b>(3,191)</b>               |
| At 30 June 2020   | 156,187                                       | 31,869                              | -                             | 115,920                           | 303,976            | 45,420                                   | 349,396                      |

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2020)



**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 2021**

|  | 2021<br>Six months ended<br>30 June<br>RM '000 | 2020<br>Six months ended<br>30 June<br>RM '000 |
|--|--|--|
| <b>Cash flows from operating activities</b>  |  |  |
| Profit before tax  | 8,444  | 6,580  |
| Adjustments for :  |  |  |
| - Amortisation of intangible assets  | 1,313  | 1,270  |
| - Depreciation of property, plant and equipment and right-of-use assets  | 19,271   | 22,074   |
| - Gain on disposal of property, plant and equipment  | -  | (302)  |
| - Reversal of write-off inventories  | (205)  | -  |
| - Allowance for/(reversal of) impairment of inventories  | 308  | (58)   |
| - Finance costs  | 1,704  | 3,367  |
| - Interest expense on lease liabilities  | 548  | 662  |
| - Finance income   | (53)   | (96)   |
| - Share of loss of equity-accounted joint venture, net of tax  | 602  | 517  |
| - Employee benefits  | 534  | 486  |
| - Other non-cash items   | (1,838)  | (17)   |
| Operating profit before changes in working capital   | 30,628   | 34,483   |
| -Changes in inventories  | 1,727  | 17,169   |
| -Changes in trade and other receivables  | (9,896)  | 1,537  |
| -Changes in trade and other payables   | 8,211  | (21,181)                                       |
| <b>Cash generated from operations</b>  | 30,670   | 32,008   |
| - Interest received  | 53   | 96   |
| - Employee benefits used   | (213)  | (58)   |
| - Income tax (paid)/refunded   | (577)  | 808  |
| <b>Net cash from operating activities</b>  | 29,933   | 32,854   |
| <b>Cash flows from investing activities</b>  |  |  |
| - Acquisition of property, plant and equipment   | (5,562)  | (5,620)  |
| - Proceeds from disposal of property, plant and equipment  | -  | 341  |
| - Placement of deposit with maturity periods more than 3 months  | (2)  | (3)  |
| <b>Net cash used in investing activities</b>   | (5,564)  | (5,282)  |
| <b>Cash flows from financing activities</b>  |  |  |
| - Proceeds from loans and borrowings   | 3,653  | 76,391   |
| - Dividend paid to non-controlling interest  | (850)  | (3,191)  |
| - Interest paid  | (1,701)  | (3,367)  |
| - Repayment of lease liabilities   | (1,986)  | (1,924)  |
| - Repayment of loans and borrowings  | (17,433)                                       | (89,293)                                       |
| - Repayment to ultimate holding company  | (873)  | (3,346)  |
| <b>Net cash used in financing activities</b>   | (19,190)                                       | (24,730)                                       |
| Net increase in cash & cash equivalents  | 5,179  | 2,842  |
| Effect of exchange rate fluctuations on cash held  | 1,538  | 1,077  |
| Cash & cash equivalents at 1 January   | 26,392   | 35,485   |
| <b>Cash &amp; cash equivalents at 30 June</b>  | 33,109   | 39,404   |
| <b>Cash &amp; cash equivalents</b>   |  |  |
| Cash & cash equivalents included in the condensed consolidated statement of cash flows comprise the following: |  |  |
|  | As at<br>30 June<br>2021<br>RM '000            | As at<br>30 June<br>2020<br>RM '000            |
| Cash and bank balances   | 24,004   | 34,329   |
| Short term investments   | 9,105  | 5,075  |
| Deposits with licensed banks   | 124  | 122  |
|  | 33,233   | 39,526   |
| Less: Deposit with maturity periods more than 3 months   | (124)  | (122)  |
|  | 33,109   | 39,404   |

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2020)



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

## **Notes to the Interim Financial Statements for the quarter and six months ended 30 June 2021**

### **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 2020.

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 2020 except for the following standards, amendments and interpretations which are effective from the annual financial periods beginning on or after 1 January 2021:

#### ***MFRSs, Interpretations and Amendments effective for annual financial 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 financial periods beginning on or after 1 April 2021***

- Amendments to MFRS 16 *Leases – Covid-19-Related rent concessions beyond 30 June 2021*

#### **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:-

#### ***MFRSs, interpretations and amendments effective for annual financial 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*

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

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



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- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

***MFRSs, interpretations and amendments effective for annual financial 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**

No dividend was paid during the quarter ended 30 June 2021.





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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>Six months ended<br/>30 June</b> |                        |
|---|-------------------------------------|------------------------|
|   | <b>2021<br/>RM'000</b>              | <b>2020<br/>RM'000</b> |
| <i>Included in the measure of segment profit are:</i> |                                     |                        |
| Revenue from external customers                       | 134,587                             | 157,500                |
| Segment profit  | 31,000                              | 33,629                 |
| Segment assets  | 371,136                             | 487,399                |
| Segment liabilities                                   | (330,491)                           | (407,457)              |

|  | <b>Six months ended<br/>30 June</b> |                        |
|--|-------------------------------------|------------------------|
|  | <b>2021<br/>RM'000</b>              | <b>2020<br/>RM'000</b> |
| <b>Reconciliation of reportable segment profit or loss</b>         |                                     |                        |
| Total profit for reporting segments                                | 31,000                              | 33,629                 |
| Other non-reportable segments                                      | 15,248                              | 7,835                  |
| Elimination of inter-segment profits                               | (14,419)                            | (7,090)                |
| Depreciation and amortization                                      | (20,584)                            | (23,344)               |
| Finance costs  | (2,252)                             | (4,029)                |
| Finance income   | 53                                  | 96                     |
| Share of loss of joint venture not included in reportable segments | (602)                               | (517)                  |
| Consolidated profit before tax                                     | <u>8,444</u>                        | <u>6,580</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.



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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 2020.

**A12. Capital Commitments**

|                                   | <b>As at<br/>30 June 2021<br/>RM'000</b> |
|-----------------------------------|--|
| Property, plant and equipment     |  |
| - Contracted but not provided for | 1,161                                    |

**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>Six months ended<br/>30 June 2021<br/>RM'000</b> |
|--------------------------------|---|
| Ultimate holding corporation   |   |
| - Management fees expense      | 1,635   |
| - Interest expense             | 480   |
| Related companies              |   |
| - Sales                        | (5,490)   |
| - Purchases                    | 15,911  |
| - Rental of warehouse expenses | 150   |
| - Sales of scrap paper         | (1,256)   |
| Joint venture companies        |   |
| - Sales                        | (533)   |
| - Purchases                    | 6   |
| - Administrative fees          | (49)  |
| - Rental expenses              | 76  |



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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 2021, the Group held the following financial instruments carried at fair value by level of fair value hierarchy:-

|  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total fair value</b> |
|--|----------------|----------------|----------------|-------------------------|
|  | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b>           |
| <b>Non-financial assets:</b>             |                |                |                |                         |
| Asset for which fair value is disclosed: |                |                |                |                         |
| - Investment property                    | -              | -              | 455            | 455                     |
| <hr/>                                    |                |                |                |                         |
| <b>Financial assets:</b>                 |                |                |                |                         |
| Short term investments                   |                |                |                |                         |
| - Unit trust funds (quoted)              | -              | 9,104          | -              | 9,104                   |
| <hr/>                                    |                |                |                |                         |



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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 second quarter ended 30 June 2021 ("2Q21") of RM68.7 million was 6.5% lower (RM4.8 million) compared to the corresponding quarter in the previous year ("2Q20") of RM73.5 million. The current quarter revenue were affected mainly by a lower demand in cigarette related packaging products from our Indonesia operation.

Profit before tax

Management has implemented effective operational controls to combat the impact of COVID-19. Borrowing has been reduced from RM98.2 million as at 30 June 2020 to RM33.7 million as at 30 June 2021 which resulted in a finance cost saving of RM0.8 million for the current quarter compared to second quarter in 2020. Despite the RM4.8 million drop in revenue, overall, the Group achieved a RM1.3 million higher profits before tax in 2Q21 of RM4.5 million compared to the profit before tax in 2Q20 of RM3.2 million.

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

Revenue

Group's revenue for the six months ended 30 June 2021 of RM134.6 million was RM22.9 million or 14.5% lower than the previous corresponding period of RM157.5 million mainly due to lower demand in cigarette related packaging products.

Profit before tax

Profit before tax for the six months ended 30 June 2021 increased by RM1.8 million to RM8.4 million as compared to the previous corresponding period profit before tax of RM6.6 million. Despite the reduction in revenue, this improvement was mainly as a result of finance cost saving of RM1.7 million as stated above.

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

Revenue

The Group's revenue for the 2Q21 increase marginally by 4.3% (RM2.8 million) to RM68.7 million from RM65.9 million in the preceding quarter ("2Q20"). Higher revenue for the quarter was mainly due to higher demand in cigarette related packaging products.

Profit before tax

The Group reported a RM0.6 million higher profit before tax of RM4.5 million in 2Q21 compared to profit before tax of RM3.9 million in 1Q21 on the back of the higher revenue.

**B3. Prospects**

The adverse effects of the COVID-19 pandemic on the business are expected to continue in 2021. The Board is confident that the implementation of the cost saving measures to date to combat the downturn have been successful. The Group will seek new marketing strategies in the Middle East to better perform in the future.



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**B4. Profit Forecast**

None.

**B5. Tax Expense**

|   | Current quarter ended<br>30 June |                | Six months ended<br>30 June |                |
|---|----------------------------------|----------------|-----------------------------|----------------|
|   | 2021<br>RM'000                   | 2020<br>RM'000 | 2021<br>RM'000              | 2020<br>RM'000 |
| Income tax expense                                  |                                  |                |                             |                |
| - Current year                                      | 658                              | 958            | 1,137                       | 681            |
| Deferred tax  |                                  |                |                             |                |
| - Origination and reversal of temporary differences | 65                               | 229            | 45                          | 377            |
|   | <u>723</u>                       | <u>1,187</u>   | <u>1,182</u>                | <u>1,058</u>   |

The Group's effective tax rate for the six months ended 30 June 2021 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.

On 14 July 2021, the Company had announced that TVDP had ceased its operation since 14 July 2021 and will be automatically liquidated as its Investment and Business License expired on 14 July 2021 in accordance with the Vietnam Law.



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**B7. Borrowings and Debt Securities**

|                                | <b>As at 30 June 2021</b> |                             |                         |
|--------------------------------|---------------------------|-----------------------------|-------------------------|
|                                | <b>Secured<br/>RM'000</b> | <b>Unsecured<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
| <b>Short-term borrowings</b>   |                           |                             |                         |
| Borrowings – Lease liabilities | -                         | 3,027                       | 3,027                   |
| Borrowings – Revolving Credits | -                         | 6,886                       | 6,886                   |
| Borrowings – Term loan         | 11,387                    | -                           | 11,387                  |
| Borrowings – Trade facilities  | -                         | 4,473                       | 4,473                   |
| Sub-totals                     | 11,387                    | 14,386                      | 25,773                  |
| <b>As at 30 June 2021</b>      |                           |                             |                         |
|                                | <b>Secured<br/>RM'000</b> | <b>Unsecured<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
| <b>Long-term borrowings</b>    |                           |                             |                         |
| Borrowings – Lease liabilities | -                         | 11,608                      | 11,608                  |
| Borrowings – Term loan         | 11,002                    | -                           | 11,002                  |
| Sub-totals                     | 11,002                    | 11,608                      | 22,610                  |
| Grand total                    | 22,389                    | 25,994                      | 48,383                  |

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

|                             | <b>As at 30 June 2021</b>                   |   |                               |
|-----------------------------|---|---|-------------------------------|
|                             | <b>Long- term<br/>borrowings<br/>RM'000</b> | <b>Short-term<br/>borrowings<br/>RM'000</b> |                               |
| Ringgit Malaysia            | 63  | 246   |                               |
| United States Dollar        | 8,192                                       | 10,465                                      | Equivalent to USD4.5 million  |
| Indonesian Rupiah           | 6,258                                       | 12,122                                      | Equivalent to IDR64.4 billion |
| Vietnamese Dong             | 3,028                                       | 2,745                                       | Equivalent to VND32.0 billion |
| United Arab Emirates Dirham | 5,069                                       | 195   | Equivalent to AED4.7 million  |
| Total                       | 22,610                                      | 25,773                                      |                               |



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**B8. Derivative Financial instruments**

As at 30 June 2021, 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**

The Directors declared an interim single-tier dividend of 2.80 sen per ordinary share in respect of the financial year ending 31 December 2021 which will be paid on 28 October 2021. The entitlement date is on 7 October 2021.

**B11. Earnings per share**

(a) *Earnings per share*

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

|   | <b>Six months ended<br/>30 June</b> |             |
|---|-------------------------------------|-------------|
|   | <b>2021</b>                         | <b>2020</b> |
| Profit attributable to equity holders of the Company (RM'000) | 7,173                               | 2,266       |
| Weighted average number of ordinary shares in issue ('000)    | 144,743                             | 144,743     |
| Basic earnings per share (sen)                                | 4.96                                | 1.57        |

(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 2020 was unqualified.



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**B13. Profit for the period**

|   | <b>Current quarter<br/>ended<br/>30 June 2021</b> | <b>Six months<br/>ended<br/>30 June 2021</b> |
|---|---|--|
|   | <b>RM'000</b>                                     | <b>RM'000</b>                                |
| Profit for the period is arrived at after charging/(crediting):-      |   |  |
| Amortisation of intangible assets                                     | 660   | 1,313  |
| Depreciation of property, plant and equipment and right-of-use assets | 9,651   | 19,271                                       |
| Allowance for impairment of inventories                               | 327   | 308  |
| Reversal of write-off inventories                                     | (213)   | (205)  |
| Net foreign exchange loss/(gain)                                      | 95  | (960)  |

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 June 2021.