

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus, unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your TWPH Shares, you should at once hand this Abridged Prospectus, and the accompanying NPA and RSF, (collectively referred to as the "Documents") to the agent/broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (11324-H) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of each of the Documents have also been lodged with the Companies Commission of Malaysia, who takes no responsibility for the contents of these documents.

The approval from our shareholders for the Rights Issue was obtained at our EGM held on 18 May 2016. The approval from Bursa Securities has also been obtained on 13 April 2016 for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue. The listing of and quotation for the Rights Shares on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue. Bursa Securities does not take any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus. The listing of and quotation for the Rights Shares will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/or their renounee/transferee (if applicable) have been duly credited and notices of allotment have been despatched to them.

Our Board has seen and approved the Documents. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, which if omitted, would make the statements in the Documents false or misleading.

The Documents are only despatched to our Shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on 30 June 2016 who have a registered address in Malaysia or who have provided our Share Registrar with an address in Malaysia not later than 5.00 p.m. on 30 June 2016. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounee/transferee (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the Rights Shares would result in a contravention of any laws of such countries or jurisdictions. Neither we, RHB Investment Bank nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of the entitlements to the Rights Shares made by the Entitled Shareholders and/or their renounee/transferee (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

RHB Investment Bank, being our Principal Adviser and Underwriter for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.



TIEN WAH PRESS HOLDINGS BERHAD

(Company No. 340434-K)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 48,247,500 NEW ORDINARY SHARES OF RM1.00 EACH IN TIEN WAH PRESS HOLDINGS BERHAD ("TWPH" OR THE "COMPANY") ("TWPH SHARE(S)") ("RIGHTS SHARE(S)") AT AN ISSUE PRICE OF RM1.00 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING TWPH SHARES, HELD ON 30 JUNE 2016 AT 5.00 P.M.

Principal Adviser and Underwriter



RHB Investment Bank Berhad

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:

Entitlement Date	: Thursday, 30 June 2016 at 5.00p.m.
Last date and time for sale of provisional allotment of rights	: Monday, 11 July 2016 at 5.00p.m.
Last date and time for transfer of provisional allotment of rights	: Thursday, 14 July 2016 at 4.00p.m.
Last date and time for acceptance and payment	: Tuesday, 19 July 2016 at 5.00p.m.*
Last date and time for excess application and payment	: Tuesday, 19 July 2016 at 5.00p.m.*

* or such later date and time as our Board may, at their absolute discretion, determine and announce, not less than two (2) Market Days before such stipulated date and time.

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

BURSA SECURITIES HAS APPROVED THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES ON THE MAIN MARKET OF BURSA SECURITIES. HOWEVER, THIS IS NOT AN INDICATION THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN THE RIGHTS SHARES. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF:

"Act"	:	Companies Act, 1965
"Abridged Prospectus"	:	This abridged prospectus dated 30 June 2016 issued by TWPH in connection with the Rights Issue
"AED"	:	United Arab Emirates Dirham
"Board"	:	Board of Directors of TWPH
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"CDS"	:	Central Depository System
"CDS Account"	:	A securities account established by Bursa Depository pursuant to the SICDA and the Rules of Bursa Depository for a depositor for the recording of deposits of securities and for dealings in such securities by the depositor
"Closing Date"	:	19 July 2016 at 5.00 p.m., being the last date and time for the acceptance, application and payment for the Provisional Rights Shares and the Excess Rights Shares, or such later date and time as our Board may, at their absolute discretion, determine and announce, not less than two (2) Market Days before such stipulated date and time
"CMSA"	:	The Capital Markets and Services Act 2007
"Code"	:	Malaysian Code on Take-Overs and Mergers, 2010
"Directors"	:	The directors of TWPH and shall have the meaning given in Section 2(1) of the CMSA
"Documents"	:	Collectively, the Abridged Prospectus, and the accompanying NPA and RSF
"EGM"	:	Extraordinary general meeting
"Entitled Shareholders"	:	Our shareholders whose names appear in the Record of Depositors of our Company on the Entitlement Date
"Entitlement Date"	:	5.00 p.m. on 30 June 2016, being the date and time on which the names of our shareholders must appear in the Record of Depositors of our Company in order to participate in the Rights Issue
"EPS"	:	Earnings per share
"Excess Rights Shares"	:	Rights Shares which are not taken up or not validly taken up by our Entitled Shareholders and/or their renounee/transferee (if applicable) prior to excess application

DEFINITIONS (CONT'D)

"Foreign Addressed Shareholders"	: Entitled Shareholders who falls into the following categories:
	(i) person whose address in the Record of Depositors of the Company on the Entitlement Date is not a Malaysian address; or
	(ii) person who failed to notify our Share Registrar of a mailing address in Malaysia, on or before the Entitlement Date
"FPE"	: Financial period ended
"FYE"	: Financial year ended/ending, as the case may be
"GDP"	: Gross domestic product
"IMR"	: Smith Zander International Sdn Bhd, the Independent Market Researcher
"IMR Report"	: Independent Market Research Report on the prevalence of tobacco in Malaysia, Singapore, Indonesia, Vietnam, Australia and Middle East dated June 2016
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities
"LPD"	: 23 May 2016, being the latest practicable date prior to the registration of this Abridged Prospectus with the SC
"Market Days"	: Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"NA"	: Net assets
"NPA"	: Notice of provisional allotment
"NTIH"	: New Toyo International Holdings Ltd, a company incorporated under the Companies Act (Chapter 50) of Singapore, ultimate holding company of TWPH
"Official List"	: A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed
"PAT"	: Profit after taxation
"Provisional Rights Shares "	: Rights Shares provisionally allotted to our Entitled Shareholders
"Record of Depositors"	: A record of depositors established by Bursa Depository under the rules of depository
"RHB Investment Bank" or the "Principal Adviser" or the "Underwriter"	: RHB Investment Bank Berhad (19663-P)
"Rights Issue"	: The renounceable rights issue of 48,247,500 Rights Shares at an issue price of RM1.00 per Rights Share on the basis of one (1) Rights Share for every two (2) existing TWPH Shares held on the Entitlement Date
"Rights Share(s)"	: TWPH Shares to be issued pursuant to the Rights Issue

DEFINITIONS (CONT'D)

"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights subscription form
"Rules of Bursa Depository"	:	Rules of Bursa Depository as issued pursuant to the SICDA
"SC"	:	Securities Commission Malaysia
"Share Registrar"	:	Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
"SICDA"	:	Securities Industry (Central Depositories) Act, 1991
"SPI"	:	Singapore Pacific Investments Pte Ltd (200612370D), a company incorporated under the Companies Act (Chapter 50) of Singapore and a substantial shareholder of TWPH
"TERP"	:	Theoretical ex-rights price
"TWH 1990"	:	Tien Wah Holdings (1990) Sdn Bhd (201315-P), a substantial shareholder of TWPH
"TWPH" or the "Company"	:	Tien Wah Press Holdings Berhad (340434-K)
"TWPH Group" or the "Group"	:	TWPH and its subsidiary companies, collectively
"TWPH Shares" or "Shares"	:	Ordinary share(s) of RM1.00 each in TWPH
"Undertakings"	:	The written irrevocable undertakings dated 23 February 2016 provided by the Undertaking Shareholders to subscribe in full for their respective entitlements under the Rights Issue based on their shareholdings as at the Entitlement Date as well as subscribe for additional Rights Shares not taken up by other Entitled Shareholders by way of excess application, to the extent such that SPI's and TWH 1990's respective shareholdings in TWPH each will not exceed 32.40% of the enlarged issued and paid-up share capital in TWPH after the completion of the Rights Issue
"Undertaking Shareholders"	:	SPI and TWH 1990, collectively
"Underwriting Agreement"	:	Underwriting agreement entered into between TWPH and the Underwriter dated 15 June 2016 in relation to the Underwriting Arrangement
"Underwriting Arrangement"	:	Underwriting arrangement for the remaining portion of the Rights Shares for which no written undertaking has been obtained
"USD"	:	United States Dollar
"VWAP"	:	Volume weighted average market price

DEFINITIONS (CONT'D)

All references to "our Company" and "TWPH" in this Abridged Prospectus are made to Tien Wah Press Holdings Berhad (340434-K) and references to "our Group" or "TWPH Group" are made to our Company and our subsidiary companies. All references to "we", "us", "our" and "ourselves" are made to our Company, or where the context requires, our Group or any of our subsidiary companies. All references to "you" in this Abridged Prospectus are made to our Entitled Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Nationality	Profession
Yen Wen Hwa (Ngan Tzee Manh) <i>(Chairman and Executive Director)</i>	Lot 248, No. 12 Jalan Jemerlang Country Heights Damansara 60000 Kuala Lumpur Malaysia	Singaporean	Company Director
Angela Heng Chor Kiang <i>(Non-Independent Non-Executive Director)</i>	131 Sunrise Way Singapore 806237	Singaporean	Company Director
Mej Jen Datuk Abdul Kadir Bin Nordin (Bersara) <i>(Non-Independent Non-Executive Director)</i>	No. 22A, Lot 69 Jalan Kudalari, Country Heights 43000 Kajang Selangor Darul Ehsan Malaysia	Malaysian	Company Director
David Lim Teck Leong <i>(Non-Independent Non-Executive Director)</i>	1C Margate Road Singapore 438074	Singaporean	Advocate and Solicitor
Datuk Toh Ah Wah <i>(Independent Non-Executive Director)</i>	13, Jalan Changkat Suria 1 The Residence Mont Kiara 50480 Kuala Lumpur Malaysia	Malaysian	Company Director
Lee Cheow Fui <i>(Independent Non-Executive Director)</i>	16, Jalan Kenanga 2/5D Saujana Utama 47000 Sungai Buloh Selangor Darul Ehsan Malaysia	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship	
Lee Cheow Fui	Chairman	Independent Director	Non-Executive
Mej Jen Datuk Abdul Kadir Bin Nordin (Bersara)	Member	Non-Independent Executive Director	Non-Executive
Datuk Toh Ah Wah	Member	Independent Director	Non-Executive

CORPORATE DIRECTORY (CONT'D)

- HEAD/MANAGEMENT OFFICE** : 9 & 11, Jalan Semangat
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
- Tel: 03-7956 3866, 7955 6233
Fax: 03-7956 1228
Website: www.tienwah.com
Email address: ngcheongseng@tienwah.com
- COMPANY SECRETARIES** : Tai Yit Chan (MAICSA 7009143)
Choong Lee Wah (MAICSA 7019418)
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia
- Tel: 03-7720 1188
Fax: 03-7720 1111
- REGISTERED OFFICE** : Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia
- Tel: 03-7720 1188
Fax: 03-7720 1111
- SHARE REGISTRAR** : Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
- Tel: 03-2783 9299
Fax: 03-2783 9222
- AUDITORS AND REPORTING ACCOUNTANTS** : KPMG (AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia
- Tel: 03-7721 3388
Fax: 03-7721 3399

CORPORATE DIRECTORY (CONT'D)

- PRINCIPAL BANKERS** : OCBC Bank (Malaysia) Berhad (295400-W)
Menara OCBC
18 Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

Tel: 03-2034 5034
Fax: 03-2698 4363

HSBC Bank Malaysia Berhad (127776-V)
Main Office
2 Leboh Ampang
50100 Kuala Lumpur
Malaysia

Tel: 03-2050 7676
Fax: 03-2070 1146

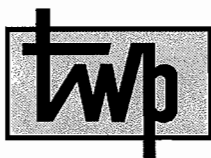
United Overseas Bank (Malaysia) Berhad (271809-K)
Level 11, Menara UOB
Jalan Raja Laut
50350 Kuala Lumpur
Malaysia

Tel: 03-2692 7722
Fax: 03-2691 2160
- SOLICITORS FOR THE RIGHTS ISSUE** : Raja, Darryl & Loh
18th Floor, Wisma Sime Darby
Jalan Raja Laut
50350 Kuala Lumpur
Malaysia

Tel: 03-2694 9999
Fax: 03-2698 4759
- INDEPENDENT MARKET RESEARCHER** : Smith Zander International Sdn Bhd (1058128-V)
Suite 23-3, Level 23, Office Suite
Menara 1MK
1, Jalan Kiara
Mont Kiara
50480 Kuala Lumpur
Malaysia

Tel: 03-6211 2121
- PRINCIPAL ADVISER AND UNDERWRITER** : RHB Investment Bank Berhad (19663-P)
Level 9, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Tel: 03-9287 3888
Fax: 03-9287 4770
- STOCK EXCHANGE LISTED AND LISTING SOUGHT** : Main Market of Bursa Securities



TIEN WAH PRESS HOLDINGS BERHAD
 (Company No. 340434-K)
 (Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Lot 6.05, Level 6, KPMG Tower
 8 First Avenue, Bandar Utama
 47800 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia

30 June 2016

Board of Directors

Yen Wen Hwa (Ngan Tzee Manh) (*Chairman and Executive Director*)
 Angela Heng Chor Kiang (*Non-Independent Non-Executive Director*)
 Mej Jen Datuk Abdul Kadir bin Nordin (Bersara) (*Non-Independent Non-Executive Director*)
 David Lim Teck Leong (*Non-Independent Non-Executive Director*)
 Datuk Toh Ah Wah (*Independent Non-Executive Director*)
 Lee Cheow Fui (*Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF 48,247,500 NEW TWPH SHARES AT AN ISSUE PRICE OF RM1.00 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING TWPH SHARES, HELD ON 30 JUNE 2016 AT 5.00 P.M.

1. INTRODUCTION

On 23 February 2016, RHB Investment Bank had, on behalf of our Board, announced that our Company proposed to undertake the Rights Issue.

On 14 April 2016, RHB Investment Bank had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 13 April 2016, approved the listing of and quotation for the Rights Shares to be issued pursuant to the Rights Issue on the Main Market of Bursa Securities.

The aforementioned approval is subject to the following conditions:

Conditions	Status of compliance
(i) TWPH and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue;	To be complied.
(ii) TWPH and RHB Investment Bank to inform Bursa Securities upon the completion of the Rights Issue;	To be complied.
(iii) TWPH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed; and	To be complied.

Conditions	Status of compliance
(iv) TWPH to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders of TWPH at extraordinary general meeting for the Rights Issue.	Complied.

On 18 May 2016, our shareholders had approved the Rights Issue at our EGM. A certified true extract of the resolution pertaining to the Rights Issue which was passed at the said EGM is set out in **Appendix I** of this Abridged Prospectus.

On 15 June 2016, RHB Investment Bank had, on behalf our Board, announced that our Board has, upon careful evaluation of our expansion strategy and the funding requirements of our Group, decided to re-allocate the use of the RM21.00 million earmarked for our expansion into the Middle East region for a more efficient deployment of our Group's financial resources. Further details on the intended use of proceeds to be raised from the Rights Issue are set out in **Section 5** of this Abridged Prospectus.

On 15 June 2016, RHB Investment Bank had, on behalf of our Board, further announced that our Company has entered into the Underwriting Agreement. The details of the Underwriting Arrangement are set out in **Section 4.2** of this Abridged Prospectus.

On 15 June 2016, RHB Investment Bank had, on behalf of our Board, announced that the Entitlement Date has been fixed on 30 June 2016 at 5.00 p.m., along with other relevant dates pertaining to the Rights Issue.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or RHB Investment Bank.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Particulars of the Rights Issue

The Rights Issue entails an issuance of 48,247,500 Rights Shares at an issue price of RM1.00 per Rights Share on the basis of one (1) Rights Share for every two (2) existing TWPH Shares held on the Entitlement Date.

The Rights Issue is renounceable in full or in part. Accordingly, you can subscribe for and/or renounce/transfer your entitlements to the Rights Shares in full or in part. Any Rights Shares which are unsubscribed or not taken up or not validly taken up shall be made available for Excess Rights Shares applications by other Entitled Shareholders and/or their renounee/transferee (if applicable). It is the intention of our Board to allocate the Excess Rights Shares in a fair and equitable manner, and on the basis as set out in **Section 10.6** of this Abridged Prospectus.

Any fractional entitlements that may arise from the Rights Issue will be disregarded and shall be dealt with in such manner as our Board shall in its absolute discretion think fit and expedient or to be in the best interest of our Company.

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Rights Shares into your CDS Account and the RSF to enable you to subscribe for the Provisional Rights Shares, as well as to apply for the Excess Rights Shares if you choose to do so.

2.2 Basis of determination and justification for the issue price of the Rights Shares

Our Board has fixed the issue price of the Rights Shares at RM1.00 per Rights Share, after taking into consideration the following:

- (a) The theoretical ex-rights price ("**TERP**") of TWPH Shares of RM2.245 based on the five (5)-day volume weighted average market price ("**VWAP**") of TWPH Shares up to and including 22 February 2016, which is the last trading day immediately preceding the day of the announcement of the Rights Issue, of RM2.867 per TWPH Share; and
- (b) The funding requirements of our Group as set out in **Section 5** of this Abridged Prospectus.

The issue price of RM1.00 per Rights Share represents a discount of RM1.245 or 55.46% to the TERP of TWPH Shares of RM2.245 based on the five (5)-day VWAP of TWPH Shares up to and including 22 February 2016, which is the last trading day immediately preceding the day of the announcement of the Rights Issue, of RM2.867 per TWPH Share.

The issue price of RM1.00 per Rights Share also represents a discount of RM1.867 or 65.12% to the five (5)-day VWAP of TWPH Shares up to and including 22 February 2016, which is the last trading day immediately preceding the day of the announcement of the Rights Issue, of RM2.867 per TWPH Share.

Our Board has fixed the issue price at RM1.00 per Rights Share, which they deem to be attractive to encourage our Entitled Shareholders to subscribe for their respective entitlements whilst still enabling our Company to raise the intended amount to meet our Group's funding requirements as set out in **Section 5** of this Abridged Prospectus.

2.3 Ranking of the Rights Shares

The Rights Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing TWPH Shares, save and except that the Rights Shares shall not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid to our shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares.

2.4 Details of other corporate exercises

Save for the Rights Issue, as at the LPD there are no other corporate proposals which have been approved by the authorities and/or our shareholders but have yet to be completed.

3. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE

After due consideration of the various funding options available, our Board is of the view that the Rights Issue is currently the most appropriate avenue for fund raising after taking into consideration, amongst others, the following factors:

- (a) Enable our Company to raise funds for its expansion into the Middle East region and/or Indonesia without incurring interest cost compared to bank borrowings;
- (b) Optimise our Group's capital structure by strengthening our financial position with enhanced shareholders' funds and reducing our current gearing level;

- (c) The Rights Issue provides an opportunity for our Entitled Shareholders to increase their equity participation in TWPH through the subscription of Rights Shares at a discount to the prevailing market price, and correspondingly for our Entitled Shareholders to increase their participation in the future growth of our Group; and
- (d) The enlarged share base is also expected to enhance the liquidity of TWPH Shares on the Main Market of Bursa Securities.

4. DETAILS OF THE UNDERTAKINGS AND UNDERWRITING ARRANGEMENT

4.1 Undertakings

The Rights Issue is intended to be undertaken on a full subscription basis to meet the funding requirements of TWPH which will be channeled towards the utilisation of proceed as set out in **Section 5** of this Abridged Prospectus.

Our major shareholders, namely SPI and TWH 1990, which hold approximately 29.89% and 24.21% equity interests in our Company as at the LPD respectively, had vide letters dated 23 February 2016, provided their respective irrevocable undertakings to, *inter alia*, subscribe in full for their respective entitlements under the Rights Issue based on their shareholdings as at the Entitlement Date as well as subscribe for additional Rights Shares not taken up by other Entitled Shareholders by way of Excess Rights Share application, to the extent such that SPI's and TWH 1990's respective shareholdings each will not exceed 32.40% of the enlarged issued and paid-up share capital in our Company after the completion of the Rights Issue.

A summary of the Undertakings based on the Undertaking Shareholders' shareholdings as at the LPD is as follows:

Undertaking Shareholders	Shareholdings as at the LPD		Entitlements		Additional undertakings		Total Undertakings	
	No. of TWPH Shares	%	No. of Rights Shares	% of total Rights Shares	No. of Rights Shares	% of total Rights Shares	No. of Rights Shares	% of total Rights Shares
SPI	28,842,660	29.89	14,421,330	29.89	3,626,920	7.52	18,048,250	37.41
TWH 1990	23,360,600	24.21	11,680,300	24.21	11,850,000	24.56	23,530,300	48.77
Total	52,203,260	54.10	26,101,630	54.10	15,476,920	32.08	41,578,550	86.18

The Undertaking Shareholders have confirmed that they have sufficient financial resources to fulfill the Undertakings. RHB Investment Bank has verified that the Undertaking Shareholders have the financial resources to fulfill their commitments pursuant to the Undertakings.

The Undertaking Shareholders are not expected to trigger a mandatory take-over offer obligation pursuant to the Malaysian Code on Take-Overs and Mergers, 2010 as none of the Undertaking Shareholders' shareholdings will individually exceed 33.00% of the enlarged issued and paid-up share capital of our Company.

Further, in the event that the Undertaking Shareholders subscribe for their Undertakings and no other Entitled Shareholder subscribe for their entitlements under the Rights Issue, our public shareholding spread is not expected to fall below the minimum shareholdings spread requirement of 25.00% pursuant to Paragraph 8.02(1) of the Listing Requirements.

4.2 Underwriting Arrangement

On 15 June 2016, our Company entered into the Underwriting Agreement with the Underwriter to underwrite up to an aggregate 6,668,950 Rights Shares, representing approximately 13.82% of the total Rights Shares, for which no written undertaking has been obtained.

The underwriting commission is 1.75% of the value of the underwritten Rights Shares, subject to the terms and conditions of the Underwriting Agreement. The underwriting commission payable to the Underwriter and all other incidental costs in relation to the Underwriting Arrangement will be fully borne by our Company.

5. UTILISATION OF PROCEEDS

Based on the issue price of RM1.00 per Rights Share, the Rights Issue will raise total gross proceeds of approximately RM48.25 million, which is expected to be utilised in the manner as follows:

Details of utilisation	Notes	RM'000	Expected timeframe for utilisation of proceeds
Business expansion	(a)	30,000	Within twelve (12) months
Repayment of bank borrowings	(b)	17,448	Within three (3) months
Estimated expenses	(c)	800	Within one (1) month
Total		48,248	

Notes:

- (a) The proceeds earmarked for business expansion will be utilised to finance our Group's expansion into the Middle East region and/or Indonesia. Our Company intends to set aside RM21.00 million for our expansion into the Middle East region and RM9.00 million for our expansion into Indonesia.

Business expansion into the Middle East region

On 8 March 2016, our Company has incorporated a wholly-owned subsidiary, Alliance Print Technologies FZE ("APTF"), in Jebel Ali Free Zone ("Jafza"), Dubai, United Arab Emirates. The principal activities of APTF are in packing and packaging material manufacturing. As at the LPD, APTF is a dormant company and has not commenced operations.

In line with our Company's long term strategic plans and to establish a footprint in the Middle East market, our Board has earmarked to set up a new print packaging production facility in Jafza to service our customers who has presence in and around the Middle East region. As stated in the Circular to our shareholders dated 3 May 2016 ("Circular"), our Company intends to utilise RM21.00 million from the proceeds raised from the Rights Issue for this purpose.

On 15 June 2016, RHB Investment Bank had, on behalf of our Board, announced that upon careful evaluation of our expansion strategy and the funding requirements of our Group, our Board has decided to re-allocate the use of the RM21.00 million earmarked for our expansion into the Middle East region for a more efficient deployment of our Group's financial resources. Details of changes in the allocation are set out below:

Intended utilisation		Allocation as disclosed in the Circular RM'000	New allocation announced on 15 June 2016 RM'000
(a)	Acquisition of an existing factory cum office building in Jafza (" Existing Facility ") as well as renovation costs, purchase of machineries and furniture and fittings	6.00	-
(b)	Construction of a new factory cum office building with an estimated total build-up of 5,500 square metres (" sq m ") (" New Facility ") as well as purchase of furniture and fittings ⁽¹⁾	10.00	6.50
(c)	Working capital of APTF	5.00	-
(d)	Acquisition of an existing factory cum office building (" Dubai Facility ") as well as renovation costs, purchase of machineries and furniture and fittings ⁽²⁾	-	14.50
TOTAL		21.00	21.00

Notes:

- (1) APTF has entered into a 15 years land lease agreement with Jebel Ali Free Zone FZE on 20 March 2016 for the lease of a piece of 9,282 sq m land in Jafza. The construction of the New Facility is expected to commence in the third (3rd) quarter of 2016 and is estimated to be completed by the third (3rd) quarter of 2017. The Company is unable to determine the production capacity for the New Facility at this juncture as the production floor plan is still being finalized; and
- (2) On 19 May 2016, our Company had entered into a sales and purchase agreement with CRB Middle East FZCO to acquire the Dubai Facility, which has a total build-up area of 3,799 sq m for a cash consideration of AED11,000,000 (approximately RM12,227,600 based on the Bank Negara Malaysia exchange rate of AED1.00:RM1.1116 as at the LPD) ("**Purchase Consideration**") ("**SPA**"). The Purchase Consideration was agreed on a willing buyer-willing seller basis. Upon completion of the SPA, APTF will enter into a land lease agreement with Jebel Ali Free Zone FZE for the lease of a piece of 6,404 sq m land in Jafza on which the Dubai Facility is erected on. The acquisition of the Dubai Facility is estimated to be completed by the third (3rd) quarter of 2016.

The machineries for the Dubai Facility includes an existing 6 colours rotogravure printing machine to be transferred from our Company and a new die cut and embossing machine, and a new hot foil stamping machine. Upon commencement of operations at the Dubai Facility, APTF is expected to have the following estimated initial production capacity:

End product	Capacity per annum (million units)
Hinged lids	450
Display carton	50

The built-up area of the Dubai Facility is larger than the Existing Facility, and thus provides sufficient floor space for future expansion requirements of APTF should the need arises. APTF would also be able to commence operations at the Dubai Facility almost immediately and save on costs as compared to the Existing Facility, due to minimal renovation works required.

Any shortfall in the fund required for (b) and (d) above will be funded from internal generated funds and/or bank borrowings.

Business expansion into Indonesia

Our Company intends to utilise the balance of RM9.00 million allocated for business expansion to part finance its expansion into Indonesia. The proceeds are earmarked to either:

- (i) establish a print packaging production facility either through acquisition of an existing facility or construction of a new facility, and purchase of machineries and equipment; or
- (ii) acquire businesses/companies which are involved in operations similar to our Group and possess an existing production facility.

As at the LPD, our management are still exploring its options in expanding into Indonesia and will continuously seek and identify such opportunities. Our Company will make the necessary announcements as and when there are material developments pertaining to its planned expansion into Indonesia and the amount of funds utilised from the proceeds raised from the Rights Issue for such purpose.

Further, if the nature of the transaction requires shareholders' approval pursuant to the Listing Requirements, our Board will seek the necessary approval from our shareholders at an EGM to be convened.

In the event our Group is unable to fully utilise the allocated proceeds or identify any suitable and viable business(es)/investment(s) within the timeframe stipulated (or any extended timeframe, if applicable), the proceeds allocated for business expansion shall be utilised for repayment of bank borrowings. Our Company shall make an announcement to disclose the amount of bank borrowings to be repaid and expected interest savings arising from such repayment in the event our Board decides to utilise any excess in funds allocated for business expansion for repayment of bank borrowings.

- (b) As at the LPD, the total borrowings of our Group stood at approximately RM57.66 million, comprising amongst others, term loan and revolving credits. Our Company intends to partially repay its outstanding term loan and revolving credits by utilising part of the proceeds raised from the Rights Issue as follows:

No.	Facility	Bank Name	Amount outstanding as at the LPD (RM'000)	Proposed repayment (RM'000)	Interest rate (% per annum)/ Maturity date
1	Revolving credits	OCBC Bank (Malaysia) Berhad	19,168 ⁽¹⁾	13,570	2.36%-4.60%
2	Term loan	United Overseas Bank (Malaysia) Berhad	878 ⁽²⁾	878	3.00%/ May 2017
3	Revolving credit	HSBC Bank Malaysia Berhad	3,000	3,000	4.36%
TOTAL			23,046	17,448	

Notes:

- (1) Included the revolving credits of USD3.47 million (approximately RM14.17 million based on the Bank Negara Malaysia exchange rate of USD1.00:RM4.0830 as at the LPD).

- (2) Converted at USD1.00:RM4.0830, being the closing foreign exchange rate as at the LPD from Bank Negara Malaysia.

The partial repayment of our Group's bank borrowings amounting to approximately RM17.45 million is expected to result in an interest cost saving of approximately RM0.59 million per annum based on the average effective interest rate of 3.38% per annum.

- (c) The proceeds earmarked to defray estimated expenses for the Rights Issue shall be utilised as follows:

Estimated expenses	Amount (RM'000)
Professional fees (advisor, reporting accountants, solicitors and etc)	700
Fees to regulatory authorities	41
Other incidental expenses in relation to the Rights Issue	59
TOTAL	800

Any shortfall or excess in funds allocated for estimated expenses will be funded from or used for our Group's working capital requirements.

Pending utilisation of the proceeds from the Rights Issue for the purposes as set out above, the proceeds will be placed in interest bearing deposits with financial institutions or short-term money market instruments as our Board may deem fit. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used for working capital requirements of our Group.

6. RISK FACTORS

You and/or your renounee/transferee (if applicable) should consider carefully, in addition to other information contained elsewhere in this Abridged Prospectus, the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Shares.

6.1 Risks relating to our operations and the industries that we operate in

6.1.1 Business risks

Our Group is subject to general business risks that are inherent within the industries in which it operates. These risks include, amongst others, the shortages of labour and raw materials, increase in costs of labour, raw materials, equipment and electricity tariffs, changes in general economic, business, credit and interest rate conditions, fluctuations in exchange rates and changes in the legal and environmental framework within which the industry operates. In addition, our Group having operations outside Malaysia in countries such as Singapore, Australia, Vietnam, Hong Kong Special Administrative Region and Dubai, is also subject to business risks in the countries where it operates.

Although we seek to limit these risks through, *inter-alia*, the delivery of quality services and products to our clients so as to maintain good business relationships, maintenance of a large pool of reliable and reputable suppliers and clients with whom we have long term relationships and expansion of customer base by increasing our range of products and services offered, no assurance can be given that any change to these factors will not have a material adverse effect on our business and financial conditions.

6.1.2 Our Group's revenue is dependent on the tobacco industry

The principal activities of our subsidiaries include, amongst others, rotogravure and photolithography printing specialising in cigarette cartons, consumer goods packaging and advertising materials, and trading of cigarettes packaging boxes. The future prospects and outlook of these activities are very much dependent on the future prospects and outlook of the tobacco industry which in turn are influenced by, *inter-alia*, efforts made to promote healthy lifestyles and reduction in smoking, the increase of excise duties and tax on cigarettes and increase in consumption of illicit cigarettes which will have an impact on legitimate retail volume of cigarettes.

6.1.3 Political, economic, market and regulatory risks

Like all other business entities, adverse developments in political, economic, regulatory and social conditions where our Group is currently operating in and future operations in the Middle East region and Indonesia could materially affect our financial and business prospects. Such uncertainties that could unfavourably affect us include changes in political leadership, war, economic downturn, changes in monetary and fiscal policy, changes in exchange control regulations or introduction of new rules or regulations, financial crisis, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates and methods of taxation.

Much of the above changes are beyond our Group's control and there can be no assurance that any adverse developments will not materially affect the performance of our Group.

6.1.4 Competition risks

Our Group faces competition from both local and foreign competitors in the print packaging industry, which compete on the basis of product quality, pricing, range of products, marketing and financial strength. Our Group strives to remain competitive with on-going new product development and launches and marketing strategy. In addition, our Group believes that its strength in technical expertise and product know-how, efficiencies in its operations, distribution network, economies of scale, integrated manufacturing operations and established brand name will continue to maintain our competitive edge.

However, there can be no assurance that our Group will be able to maintain its existing market share in the future or increase its market share in the future, or that our Group's profitability will not be adversely affected by our competitors' similar products, which may be used as direct substitutes for our products.

6.1.5 Dependency on major customers/contracts

The industry which our Group operates in is dependent to a large extent on a major multinational customer, namely British American Tobacco. In addition, our Group has existing supply agreement with British American Tobacco (Malaysia) Berhad ("**BATM**") and British American Tobacco (Singapore) Pte Ltd ("**BATS**") to supply to British American Tobacco group within the Asian region. There can be no assurance that the business relationship with this major customer will not be disrupted or that the existing supply agreements are terminated by **BATM** and **BATS** if our Group is in material breach of the terms and conditions of the arrangement or not renewed. Any material reduction in revenue from this major customer may adversely affect the operations of our Group in the future.

6.1.6 Foreign exchange risk

Currently, we are exposed to foreign exchange risk as part of our sales and purchases are transacted in foreign currencies. In addition, our Group has various credit facilities in USD. Further, our Group's operations for its expansion into the Middle East region and Indonesia are denominated in foreign currencies. Any significant fluctuations in the exchange rate between RM and the foreign currencies may have a significant impact, whether positively or negatively, on the financial position and operating results of our Group.

Our Group may, in its ordinary course of business, use derivative instruments such as forwards, futures, swap and options contracts, or other similar transactions or combination of these transactions, to hedge the risks of adverse fluctuations in the foreign exchange.

However, these instruments may not fully hedge the corresponding changes in the underlying currency. Any severe or wide fluctuation in these currencies may materially and adversely affect the business, financial conditions, results of operations and cash flow of our Group if such fluctuations cannot be managed effectively through these derivative instruments.

6.1.7 Dependency on key personnel

Our Board recognises and believes that our continued success depends, to a significant extent, on the abilities and continuing efforts of our Directors as well as our key management and key technical personnel. The loss of any director, key management personnel, and/or key technical personnel could adversely affect our Group's continued ability to compete in this industry.

6.1.8 Borrowings and fluctuations in interest rates

Our Group obtained bank borrowings and loan facilities to finance, *inter-alia*, our day to day operations and capital expenditure. As payment of interest on the bank borrowings is dependent on, amongst others, prevailing interest rates, fluctuations of interest rates could materially affect our Group's profitability.

In addition, the agreements on bank credit facilities and securities in relation thereto, contain covenants which may limit our Group's future operating and financing flexibility. Any breach of such covenants may give rise to a right by the financiers to terminate the relevant credit facilities and/or enforce any security granted in relation to the particular credit facility.

Although our Group seeks to limit these risks, no assurance can be given that the performance of our Group would not be materially affected in the event of any adverse changes in interest rates.

6.1.9 Fluctuations in raw materials prices

Our Group is exposed to fluctuation in raw material prices, which may have an adverse impact on our financial results. The raw materials used by our Group include paperboard, inks, varnishes and solvents which are sourced from suppliers, both locally and abroad. Any increase in raw material prices may affect our Group's profit margin if our Group is unable to pass on the cost to our customers.

6.2 Risks relating to the Rights Issue

6.2.1 Market risks

The market price of our Shares is influenced by, amongst others, the prevailing market sentiments, the liquidity of our Shares, the volatility of equity markets, the outlook of the industries which we operate in and our financial performance. In view of this, there can be no assurance that our Shares will trade at or above the issue price of the Rights Shares or the theoretical ex-rights price of our Shares upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

6.2.2 Delay in or cancellation of the Rights Issue

The Rights Issue is exposed to the risk that it may be delayed or cancelled on the occurrence of any material adverse change of events/circumstances such as changes in inflation rates, interest rates, political leadership and unfavourable changes in the governments' policies such as taxation and licensing regulations as well as other force majeure events, which are beyond the control of our Company and RHB Investment Bank, arising prior to or during the implementation of the Rights Issue.

In addition, there are also certain circumstances where the Underwriter may terminate the Underwriting Agreement on the occurrence of any of the termination events set out in the Underwriting Agreement. These include, among others, events which, in the opinion of the Underwriter, would materially prejudice the success of the Rights Issue or likely to have a material adverse effect on the financial condition, contractual commitments, prospects, properties or results of operations of our Company and/or our Group, as a whole or on the ability of our Company to perform our obligations with regards to the transactions to which our Company is a party as contemplated in the Documents as well as events which as a result of it be commercially impracticable for the Underwriter to proceed with the Rights Issue on the terms and in the manner contemplated in the Documents and the Underwriting Agreement.

Nevertheless, our Group will endeavour to ensure the successful implementation of the Rights Issue. However, there can be no assurance that the abovementioned events will not occur or cause a delay in or cancellation of the Rights Issue. In the event the Rights Issue is cancelled, our Group will repay without interest all monies received in respect of the accepted application for the subscription of the Rights Shares pursuant to the Rights Issue and if such monies are not repaid within 14 days after it becomes liable, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

In the event that the Rights Shares have been allotted to the successful Entitled Shareholders and/or their renouncee/transferee (if applicable) and the Rights Issue is subsequently cancelled, a return of monies to all holders of the Rights Shares can only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the approval of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be returned within a short period of time or at all in such circumstances.

6.2.3 Potential Dilution

Our Entitled Shareholders who do not or are not able to accept their Provisional Rights Shares will have their proportionate ownership and voting interest in our Company reduced, and the percentage of our enlarged issued and paid-up share capital represented by their shareholdings in our Company will also be reduced accordingly.

6.3 Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information which may not be reflective of the future results, whilst others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this Abridged Prospectus are based on forecasts and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, *inter-alia*, the risk factors as set out in this section. In view of these uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company on the achievability of our future plans and objectives.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

Our Company is principally involved in investment holding, while the principal activities of its subsidiaries are rotogravure and photolithography printing specialising in cigarette cartons, consumer goods packaging and advertising materials, and trading of cigarette packaging boxes.

This section of the Abridged Prospectus will present the key findings, outlook and prospects of tobacco prevalence in Malaysia, Vietnam, Singapore, Australia, Indonesia and Middle East which is extracted from the IMR Report in relation to the printing and trading of packaging materials business activities carried out by our Group for the tobacco industry.

7.1 Malaysia

7.1.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 4.2% in the first (1st) quarter of 2016 (4Q 2015: 4.5%). The slight moderation in growth mainly reflected external shocks to the economy and cautious spending by the private sector. Nevertheless, private sector expenditure remained the key driver of growth (4.5%; 4Q 2015: 4.9%). Net exports contributed negatively to growth during the quarter following a decline in real exports of goods and services (-0.5%; 4Q 2015: +4.0%) amid continued positive growth in real imports (1.3%; 4Q 2015: 4.0%). On a quarter-on-quarter seasonally-adjusted basis, the economy recorded a growth of 1.0% (4Q 2015: 1.2%).

Domestic demand grew by 3.6% in the first (1st) quarter of the year (4Q 2015: 4.0%), with private sector expenditure expanding at a slower pace of 4.5% (4Q 2015: 4.9%). Private consumption growth expanded by 5.3% (4Q 2015: 4.9%), supported by continued wage and employment growth. Private investment registered a slower growth of 2.2% in the first (1st) quarter (4Q 2015: 4.9%). The cautious business sentiments and lower commodity prices continued to weigh down on investments in the upstream mining sector. Nevertheless, there was continued investment in the manufacturing and services sectors.

The manufacturing sector continued to expand during the quarter (4.5%; 4Q 2015: 5.0%), supported by both domestic- and export-oriented industries. Growth in the domestic-oriented industries was driven by stronger production in the consumer-related cluster, particularly food-related products, as well as firm demand for construction-related materials. Meanwhile, the export-oriented industries were supported by the better performance in the primary-related cluster amid continued expansion in the electrical and electronics cluster.

(Source: IMR Report)

7.1.2 Overview and prospects of tobacco prevalence in Malaysia

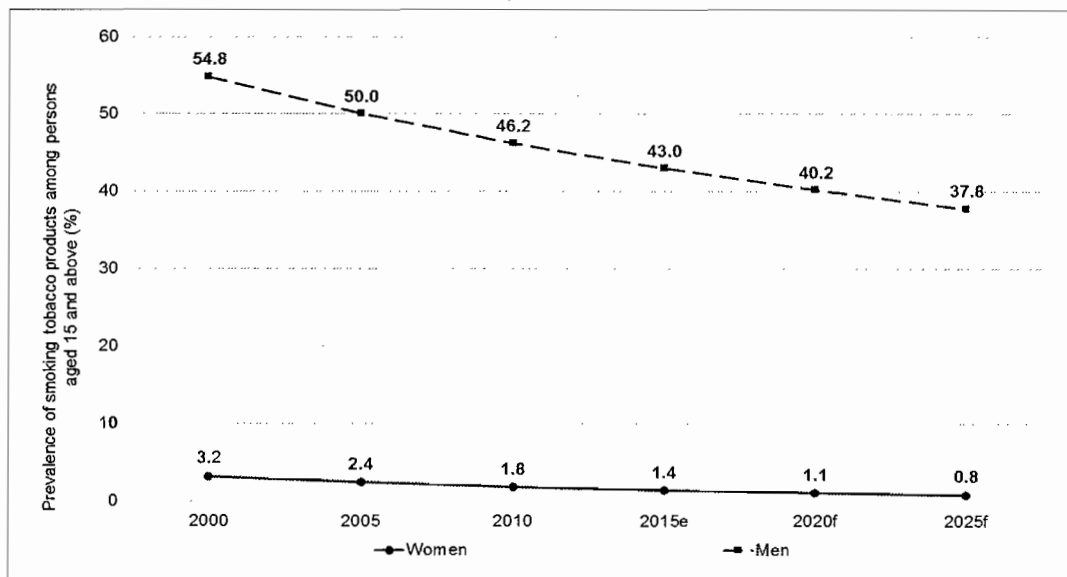
In Malaysia, the use of smoked tobacco is prevalent among the adult population aged 15 years and above where smokers consume manufactured cigarettes (not including kreteks), hand-rolled cigarettes, kreteks, tobacco-filled pipes, curut, cigars or cigarillos, shisha/hookah and bidis. The consumption of smokeless tobacco is minimal in Malaysia among adult smokers. Smokeless tobacco is consumed by way of chewing, applying it to teeth and gums or by sniffing it. Smokeless tobacco products in Malaysia include betel quid with tobacco, gutkha, paan masala, and other products such as snuff.

Key findings on historical tobacco prevalence among adults in Malaysia:

- (i) Tobacco prevalence among men witnessed a decline from 54.8% in 2000 to an estimated 43.0% in 2015; and
- (ii) Tobacco prevalence among women witnessed a decline from 3.2% in 2000 to an estimated 1.4% in 2015.

Tobacco consumption in Malaysia is influenced by social norms; social influence; social and economic status; as well as awareness, knowledge and belief levels of the population.

Tobacco prevalence in Malaysia



e : Estimates

f : Forecast

(Source: World Health Organisation)

As a developing nation, Malaysia faces the rising social costs of tobacco. Malaysia is one (1) of the more mature cigarette markets in Southeast Asia where cigarette sales reach approximately 20 billion sticks annually.¹ To a large extent, the consumption of tobacco and the prevalence of its use among the population in Malaysia are associated with the cost of tobacco products available in the country, and the price of cigarettes is influenced by the level of taxation on tobacco products. The Government of Malaysia places emphasis on public health measures to monitor and control tobacco consumption in the country, where approaches adopted under the tobacco control programme include legislation, taxation, provision of smoking cessation services, as well as health promotion for the general public and specially targeted population.

Key findings on the outlook of the number of daily smokers in Malaysia:

- (i) The estimated number of smokers is projected to hover at an estimated 4.1 million in 2015, 2020 and 2025 respectively; and
- (ii) The estimated number of smokers, as a percentage of total population, is projected to decline from 17.8% in 2015 to 16.4% in 2020 and subsequently 15.2% in 2025.

Estimated number of daily smokers in Malaysia

Year	Population ('000 persons)			Estimated number of daily smokers	
	Men	Women	Total	Total ('000 persons)	As a percentage of total population (%)
2000	7,908.0	7,710.0	15,618.0	3,815.3	24.4
2005	8,914.0	9,114.0	18,028.0	3,916.6	21.7
2010	9,928.0	10,521.0	20,449.0	3,988.1	19.5
2015e	11,052.0	11,859.0	22,911.0	4,074.2	17.8
2020f	12,007.0	13,033.0	25,040.0	4,101.7	16.4
2025f	12,811.0	14,013.0	26,824.0	4,068.3	15.2
CAGR 2000 – 2015e	2.3%	2.9%	2.6%	0.4%	
CAGR 2015e – 2025f	1.5%	1.7%	1.6%	0.0%	

(Source: World Health Organisation)

(Source: IMR Report)

7.2 Vietnam

7.2.1 Overview and outlook of the Vietnamese economy

Economic growth accelerated to 6.7% in 2015, the fastest clip since 2008. Industry expanded by 9.6% and contributed nearly half of total growth. Powered by high foreign direct investment ("FDI"), the manufacturing subsector rose by a rapid 10.6%, and construction grew by 10.8% on foreign investment in factories, a recovery in the property market, and higher spending on infrastructure. FDI disbursements, which have increased substantially over the past decade, swelled by 17% to USD14.5 billion in 2015.

¹ Source: Global Adult Tobacco Survey: Malaysia 2011

Notwithstanding stronger domestic demand, inflation slowed to average just 0.6% last year, the lowest since 2001, mainly on lower food and fuel prices. The State Bank of Viet Nam, the central bank, kept policy interest rates steady in 2015 after reducing them over recent years, but commercial banks trimmed lending rates by 0.2–0.5 percentage points on average. Lending rates have dropped by half since 2011. Lower rates for borrowers complemented recovering consumer and investor confidence to spur credit growth to an estimated 18%, exceeding the government's initial target of 13%–15%. Broad money supply increased by an estimated 14%.

Manufacturing and construction are projected to maintain solid expansion. The purchasing managers' index showed in the first two (2) months of 2016 improving business conditions for manufacturers, including a rise in new orders. Services are projected to expand at a robust pace, though prospects have dimmed for tourism from the People's Republic of China, the source of one (1)-quarter of Viet Nam's inbound tourists. Inflation picked up to average 1.3% in the first three (3) months of 2016 and is forecast to average 3.0% this year and 4.0% in 2017.

Fiscal policy looks set to tighten gradually but to remain supportive of growth. The government aims to narrow the budget deficit to 4.9% of GDP in 2016 and 4.0% in 2017. Continuing a shift started in 2015, the budget for 2016 puts greater emphasis on capital expenditure, which is slated to rise by 25.5%. Current expenditure is set to rise by a more modest 6.5%.

(Source: IMR Report)

7.2.2 Overview and prospects of tobacco prevalence in Vietnam

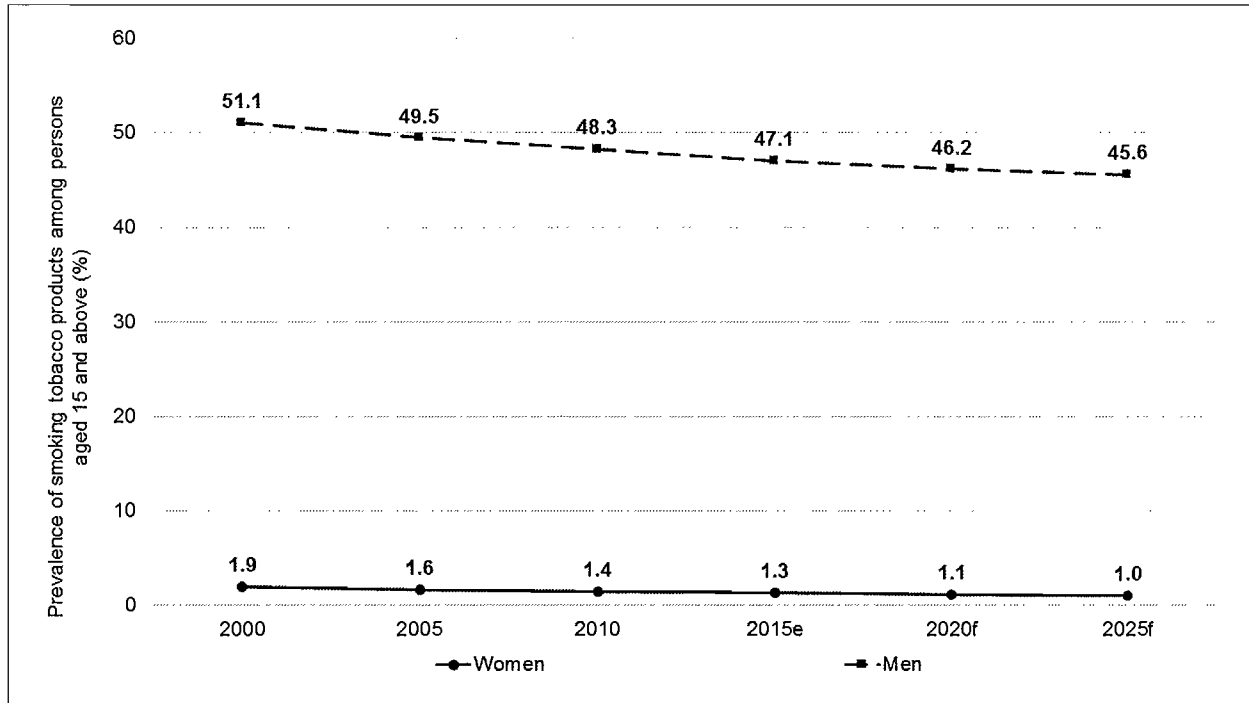
The consumption of smoked tobacco is prevalent in Vietnam where the population primarily smokes cigarettes, as well as water pipes (also known as hookah, narghile and shisha) and smokeless tobacco to a smaller degree. The smoking of waterpipes is more prevalent in rural areas of Vietnam while cigarettes are more popular in urban areas.

Key findings on historical tobacco prevalence among adults in Vietnam:

- (i) Tobacco prevalence among men witnessed a decline from 51.1% in 2000 to an estimated 47.0% in 2015; and
- (ii) Tobacco prevalence among women witnessed a decline from 1.9% in 2000 to an estimated 1.3% in 2015.

Tobacco consumption in Vietnam is influenced by low cigarette prices and the increase in income that have made tobacco more affordable to the population. The marketing strategies employed by tobacco companies, particularly among the low income population and the youths, have kept smoking prevalence at high levels over the years where the risk of becoming regular smokers is particularly distinct among the low income population and population with low levels of education.

Tobacco prevalence in Vietnam



e : Estimates

f : Forecast

(Source: World Health Organisation)

Vietnam is one (1) of the low and middle income countries that is ranked among the top 15 consumers of tobacco globally. Vietnam's tobacco industry is largely under the control of the Government of Vietnam, with joint ventures established with multinational companies. These joint ventures between the Government and multinational companies are involved with all stages of tobacco production, from tobacco growing and processing to cigarette manufacturing. The majority of cigarettes produced in Vietnam are manufactured by the state-owned Vietnam Tobacco Corporation and its subsidiaries, which produce more than 200 brands nationwide.

Key findings on the outlook of the number of daily smokers in Vietnam:

- (i) The estimated number of smokers is projected to rise from 14.0 million in 2015 to 14.7 million in 2020 and subsequently 15.2 million in 2025; and
- (ii) The estimated number of smokers, as a percentage of total population, is projected to dip from 19.4% in 2015 to 19.2% in 2020 and subsequently 18.9% in 2025.

Estimated number of daily smokers in Vietnam

Year	Population ('000 persons)			Estimated number of daily smokers	
	Men	Women	Total	Total ('000 persons)	As a percentage of total population (%)
2000	26,756.0	28,588.0	55,344.0	11,074.2	20.0
2005	29,992.0	31,917.0	61,909.0	12,138.1	19.6
2010	33,120.0	35,009.0	68,129.0	13,200.7	19.4
2015e	35,234.0	37,203.0	72,437.0	14,042.8	19.4
2020f	37,163.0	39,203.0	76,366.0	14,660.6	19.2
2025f	39,205.0	41,211.0	80,416.0	15,190.3	18.9
CAGR 2000 – 2015e	1.9%	1.8%	1.8%	1.6%	
CAGR 2015e – 2025f	1.1%	1.0%	1.1%	0.8%	

(Source: World Health Organisation)

(Source: IMR Report)

7.3 Singapore

7.3.1 Overview and outlook of the Singaporean economy

The domestic economy grew by a marginal 0.2% quarter-on-quarter seasonally-adjusted annualised rate in first (1st) quarter 2016, a significant step-down from the robust 6.2% expansion in fourth (4th) quarter 2015. The muted outcome largely reflected a slowdown in services during the quarter, including in wholesale trade and finance & insurance. In comparison, manufacturing expanded robustly, buoyed by an upsurge in the pharmaceuticals segment.

The domestic economy is likely to see modest growth over the coming quarters, with GDP projected to expand by 1–3% for 2016. Trade-related sectors such as manufacturing and transport and storage will continue to face external headwinds. Modern services should remain a key source of support, even as growth momentum moderates alongside weaker offshore lending and fund management activities. Meanwhile, public spending on social services and infrastructure will impart some resilience to the domestic-oriented segments.

Monetary Authority of Singapore core inflation is expected to rise over the course of 2016, as the disinflationary effects of oil as well as budgetary and other one-off measures ease. However, the increase will be mild, given the weak external price outlook, subdued economic growth prospects, and a reduction in labour market tightness. For the whole of 2016, core inflation is likely to come in at the lower half of the 0.5–1.5% forecast range, barring a sharp rise in global oil prices. Lower certificate of entitlement premiums and housing rentals will continue to dampen consumer price index - all items inflation, which is expected to average between –1.0% and 0.0% in 2016.

(Source: IMR Report)

7.3.2 Overview and prospects of tobacco prevalence in Singapore

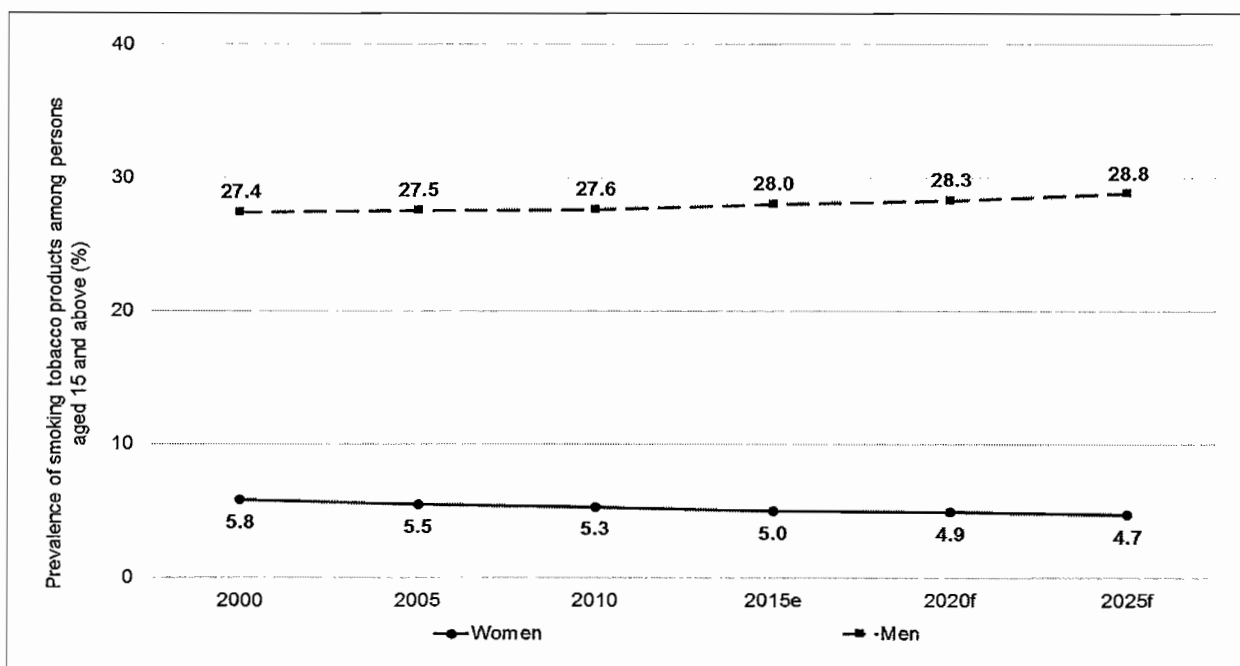
In Singapore, the use of smoked tobacco is prevalent among the population where manufactured cigarettes are the preferred form of tobacco products. Other forms of tobacco products that are consumed in Singapore include cigars, roll-your-own cigarettes, shisha and electronic cigarettes.

Key findings on historical tobacco prevalence among adults in Singapore:

- (i) Tobacco prevalence among men witnessed a marginal increase from 27.4% in 2000 to an estimated 28.0% in 2015; and
- (ii) Tobacco prevalence among women witnessed a marginal decline from 5.8% in 2000 to an estimated 5.0% in 2015.

Factors influencing the consumption of tobacco among youths in Singapore are social influencers such as older peers and parents. The Student Health Survey conducted by Singapore's Health Promotion Board found that 58.0% of youth smokers have at least one (1) parent who smokes.

Tobacco prevalence in Singapore



e : Estimates
f : Forecast

(Source: World Health Organisation)

Singapore has among the lowest tobacco prevalence rates in Southeast Asia as a result of initiatives such as the National Tobacco Control Programme that aims to prevent the initiation of smoking among young people; educating, motivating and assisting smokers to quit smoking; and promoting a climate conducive for non-smokers to remain free from the harmful effects of environmental tobacco. Singapore adopts a multi-pronged approach to drive down the nation's smoking prevalence such as legislation which includes restrictions on tobacco advertising and smoking prohibitions in public places, public education, the provision of smoking cessation services and taxation. According to Singapore's Health Promotion Board, approximately 85.0% of adults in Singapore are non-smokers.

(Source: IMR Report)

7.4 Australia

7.4.1 Overview and outlook of the Australian economy

The Australian economy grew by 3 per cent (3%) over 2015, which is a little above central estimates of the economy's potential growth rate and was stronger than had been anticipated. In part, this reflected very strong growth in the September quarter following an upward revision to that estimate. GDP grew by 0.6 per cent (0.6%) in the December quarter and indications are that GDP has increased at a similar rate in early 2016.

Stronger output growth over 2015 was accompanied by a large increase in employment and a decline in the unemployment rate. After particularly strong outcomes in late 2015, employment growth has moderated over the past few months, and forward-looking indicators provide mixed signals about the underlying pace of improvement in the labour market. The unemployment rate has continued to edge down, to be about ½ percentage point below its peak in 2015. Nevertheless, there is still evidence of spare capacity in the labour market, with wage growth remaining very low. While the protracted period of low wage growth has allowed for more employment than otherwise, it has also constrained growth in nominal household income in recent years. At the same time, gains in asset prices have supported increases in household wealth.

There continue to be significant differences in economic conditions across the country, consistent with the rebalancing of economic activity. Outside the resource-rich states of Queensland and Western Australia, growth has picked up over recent years. Unemployment rates have fallen noticeably in the eastern states, supported by an increase in demand, particularly for services. Overall, economic conditions in Queensland have improved a little of late, with weakness in the mining sector offset by improvements in construction and tourism activity. In contrast, activity remains weak in Western Australia as investment and employment in the mining sector have fallen, and the unemployment rate has risen over the past few years.

(Source: IMR Report)

7.4.2 Overview and prospects of tobacco prevalence in Australia

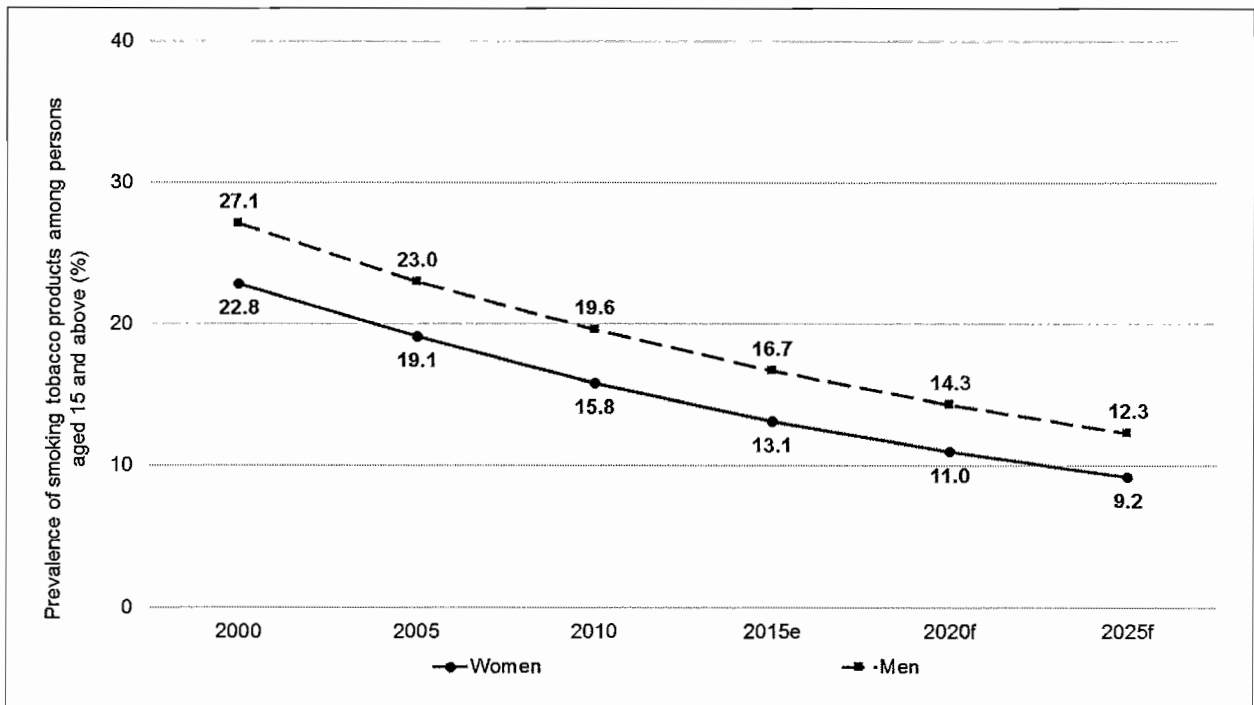
In Australia, tobacco is primarily consumed in the form of factory-made cigarettes. Other forms of smoked tobacco include pipes, cigars, roll-your-own tobacco and chop-chop. Chop-chop is finely cut unbranded loose tobacco that is grown, distributed and sold without government intervention or taxation. Due to its comparative cheapness, some smokers have adopted it as an alternative to, or in addition to, smoking manufactured tobacco products. The consumption of smokeless tobacco products such as chewing tobacco and snuff is less prevalent in Australia.

Key findings on historical tobacco prevalence among adults in Australia:

- (i) Tobacco prevalence among men witnessed a decline from 27.1% in 2000 to an estimated 16.7% in 2015; and
- (ii) Tobacco prevalence among women witnessed a decline from 22.8% in 2000 to an estimated 13.1% in 2015.

The changes over time in the consumption of tobacco are influenced by several factors including demographic trends such as the post-war baby boom and increasing life expectancy; marketing practices of tobacco companies, including promotion and the nature of the product itself, both of which can increase the uptake of smoking and resumption of smoking among those who have quit; characteristics of smokers who quit versus those who continue to smoke; the affordability of tobacco products driven by economic trends, industry pricing, and Government excise and customs duties as well as other charges and taxes; the effects of other policy measures introduced by the Government; and changing social factors such as increasing public awareness of the health risks of smoking and levels of public tolerance about exposure to tobacco smoke.

Tobacco prevalence in Australia



e : Estimates

f : Forecast

(Source: World Health Organisation)

Key findings on the historical number of daily smokers in Australia:

- (i) The estimated number of smokers declined from 3.2 million in 2000 to 2.4 million in 2015 at a CAGR of 2.0%; and
- (ii) The estimated number of smokers, as a percentage of total population, declined from 21.1% in 2000 to 12.3% in 2015.

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Since the 1970s, the Government of Australia has adopted various strategies to minimise the harm from tobacco consumption. The National Tobacco Strategy 2012 – 2018 sets out a national framework to reduce tobacco-related harm in Australia, with the goal to improve the health of all Australians by reducing the prevalence of smoking and its associated health, social and economic costs, and the inequalities it causes. It is a policy framework for the Federal Government as well as State and Territory Governments to work together and in collaboration with non-government agencies to improve health and reduce the social and economic costs of tobacco. In 2012, the Government further introduced the tobacco plain packaging measure with an aim to reduce the attractiveness and appeal of tobacco products to consumers, particularly young people; increase the noticeability and effectiveness of mandated health warnings; reduce the ability of the retail packaging of tobacco products to mislead consumers about the harms of smoking; and through the achievement of these aims in the long term, as part of a comprehensive range of tobacco control measures, contribute to efforts to reduce smoking rates.

Key findings on the outlook of the number of daily smokers in Australia:

- (i) The estimated number of smokers is projected to decline further from 2.4 million in 2015 to 2.1 million in 2020 and subsequently 1.9 million in 2025; and
- (ii) The estimated number of smokers, as a percentage of total population, is projected to dip from 12.3% in 2015 to 10.3% in 2020 and subsequently 8.6% in 2025.

Estimated number of daily smokers in Australia

Year	Population ('000 persons)			Estimated number of daily smokers	
	Men	Women	Total	Total ('000 persons)	As a percentage of total population (%)
2000	7,509.0	7,756.0	15,265.0	3,216.6	21.1
2005	8,109.0	8,358.0	16,467.0	2,885.8	17.5
2010	8,974.0	9,187.0	18,161.0	2,675.4	14.7
2015e	9,549.0	9,789.0	19,338.0	2,384.8	12.3
2020f	10,105.0	10,387.0	20,492.0	2,106.7	10.3
2025f	10,699.0	11,034.0	21,733.0	1,875.7	8.6
CAGR 2000 – 2015e	1.6%	1.6%	1.6%	-2.0%	
CAGR 2015e – 2025f	1.1%	1.2%	1.2%	-2.4%	

(Source: World Health Organisation)

(Source: IMR Report)

7.5 Middle Eastern region

7.5.1 Overview and outlook of the Middle Eastern economy

The growth prospects for most oil exporters have been revised down markedly since last October, amid a continued rout in the global oil market. Oil exporters' growth is still projected to rise from 2 per cents (2%) in 2015 to 3 per cents (3%) this year; however, this is mainly due to increased oil production in Iraq and post-sanctions Iran. In the Gulf Cooperation Council ("GCC"), economic activity is projected to slow further. Ambitious fiscal consolidation measures are being implemented this year, but budget balances will deteriorate nonetheless given the sharp drop in oil prices. An additional and substantial deficit-reduction effort is required over the medium term to restore fiscal sustainability, and, in the GCC countries, to support the exchange rate pegs. An equally important priority is to ensure that the private sector can create enough jobs for a young and growing population at a time when public sector job creation will be constrained. This will require deep structural reforms to improve medium-term prospects and facilitate economic diversification. Policymakers in most countries are increasingly determined to be proactive in addressing the challenges posed by the oil price malaise.

After four (4) years of stagnation, economic activity in Middle East, North Africa, Afghanistan, and Pakistan importers is starting to strengthen, albeit gradually and unevenly. Growth increased from 3 per cent (3%) in 2011–14 to 3¼ per cent (3¼%) in 2015 and is projected to remain around that level in 2016–17. Lower oil prices, less fiscal drag, and improved confidence owing to progress with recent reforms are supporting this recovery. Yet security disruptions and social tensions persist, and adverse spillovers from regional conflicts—including economic pressures from hosting refugees—and, more recently, slowdowns in the GCC, strain the outlook. Reforms of generalized energy subsidies have helped stabilize public debt and preserve macroeconomic stability, and improved targeted safety nets have helped protect the vulnerable. However, additional fiscal consolidation is still needed to put public debt firmly on a sustainable path and rebuild policy buffers. In some cases, greater exchange rate flexibility would also help reduce vulnerabilities and improve competitiveness. Stepped-up structural reforms in business, labor and financial markets, and trade are critical for boosting economic prospects, improving living standards, and creating much-needed jobs.

(Source: IMR Report)

7.5.2 Overview and prospects of tobacco prevalence in the Middle East

The GCC is a regional intergovernmental political and economic union comprising all Arab States of the Persian Gulf, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates, which are referred to as the Gulf Cooperation Council States ("GCC States"). The GCC States have among the fastest growing economies regionally, as a result of the expansion of oil and natural gas revenues coupled with construction and investment growth backed by petroleum revenues. Thus, this section will focus on the GCC States in assessing the prevalence of tobacco in the Middle East. Due to limited publicly available information, the IMR has assessed tobacco prevalence in the GCC States of Saudi Arabia, Bahrain and Oman.

Saudi Arabia

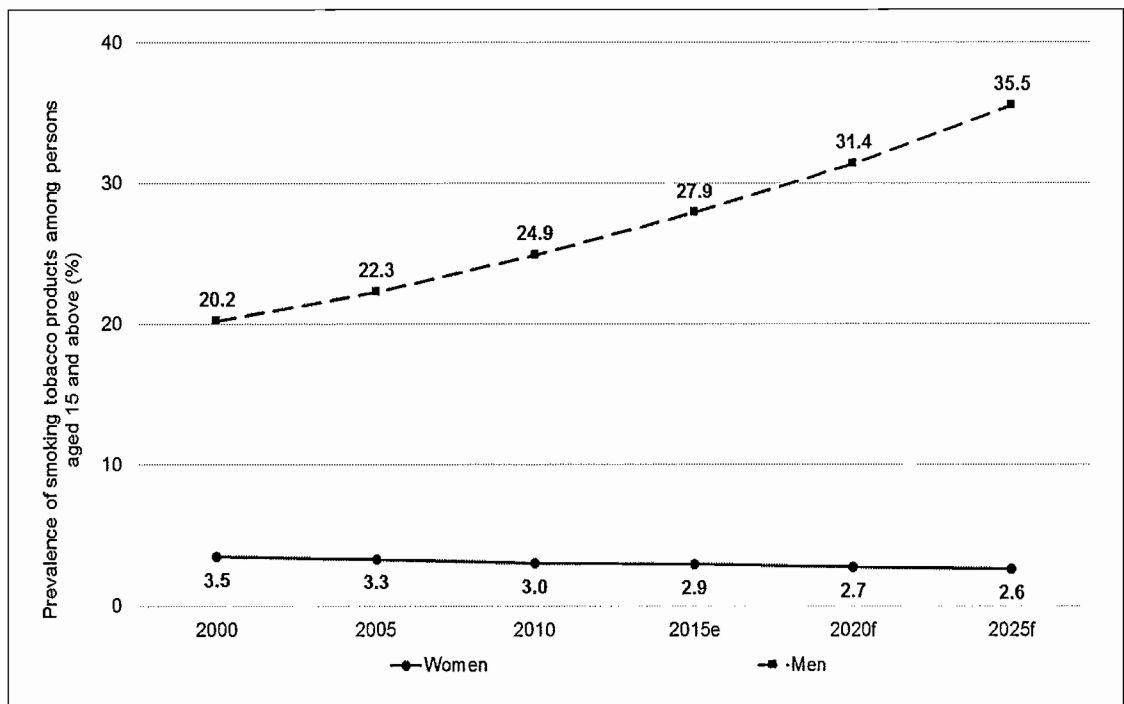
In Saudi Arabia, tobacco is consumed in the forms of jirak for hookahs or shisha, cigarettes and shag for roll-your-own cigarettes. Shisha is perceived to be less harmful than cigarettes, although accumulating evidence suggests that shisha smoking may be as addictive as other forms of tobacco use, and may carry similar or greater risks to health. Tobacco is not grown or produced in Saudi Arabia, but imported in the forms of jirak, shag, cigars, chewing tobacco as well as snuff. Culturally, smoking is not acceptable among the older generations, although it is on the increase among the younger generation. Public smoking among women is also not traditionally accepted in public.

Key findings on historical tobacco prevalence among adults in Saudi Arabia:

- (i) Tobacco prevalence among men witnessed an increase from 20.2% in 2000 to an estimated 27.9% in 2015; and
- (ii) Tobacco prevalence among women witnessed a decline from 3.5% in 2000 to an estimated 2.9% in 2015.

The influence of friends and family is a key factor involved in the decision to begin smoking. Other influencing factors include unrestricted tobacco sales to minors and the low price of cigarettes. In Saudi Arabia, smokers begin smoking at a young age, despite the awareness of the general public about the ill effects of smoking.

Tobacco prevalence in Saudi Arabia



e : Estimates
f : Forecast

(Source: World Health Organisation)

In 2005, Saudi Arabia ratified the World Health Organisation's Framework Convention of Tobacco Control where as a ratifying nation, Saudi Arabia will ban tobacco advertising, take measures to protect non-smokers from secondhand smoke, increase the cost of tobacco products, and make efforts to stop tobacco smuggling. The GCC proposed certain measures in 1987 to be implemented by all GCC States that include limits on tar and nicotine levels and the printing of health warnings on cigarette packets. The GCC also proposed that import duties on cigarettes be increased from 30% to 50%, that the import of chewing tobacco be banned, and the imposition of curbs on the advertisement and promotion of cigarettes. Saudi Arabia's national multisectoral committee adopted a national tobacco control program that encompasses estimating the epidemiology of smoking (prevalence, consumption, economy, and morbidity) as well as primary and secondary prevention. With respect to legislation, there are several policies relating to the banning of smoking in health and educational facilities and public transportation; banning media advertisement; banning sponsorship of sports events; and raising taxes and cost of tobacco products. Tobacco industry associations are banned in Saudi Arabia, as well as the use of waterpipes in capital city Riyadh.

Key findings on the outlook of the number of daily smokers in Saudi Arabia:

- (i) The estimated number of smokers is projected to rise from 3.4 million in 2015 to 4.3 million in 2020 and subsequently 5.4 million in 2025; and
- (ii) The estimated number of smokers, as a percentage of total population, is projected to rise from 15.7% in 2015 to 18.0% in 2020 and subsequently 20.4% in 2025.

Estimated number of daily smokers in Saudi Arabia

Year	Population ('000 persons)			Estimated number of daily smokers	
	Men	Women	Total	Total ('000 persons)	As a percentage of total population (%)
2000	6,926.0	5,476.0	12,402.0	1,363.2	11.0
2005	9,469.0	6,753.0	16,222.0	2,031.6	12.5
2010	11,097.0	7,786.0	18,883.0	2,626.0	13.9
2015e	12,956.0	8,475.0	21,431.0	3,370.2	15.7
2020f	14,934.0	9,108.0	24,042.0	4,336.3	18.0
2025f	16,635.0	9,743.0	26,378.0	5,372.5	20.4
CAGR 2000 – 2015e	4.3%	3.0%	3.7%	6.2%	
CAGR 2015e – 2025f	2.5%	1.4%	2.1%	4.8%	

(Source: World Health Organisation)

Bahrain

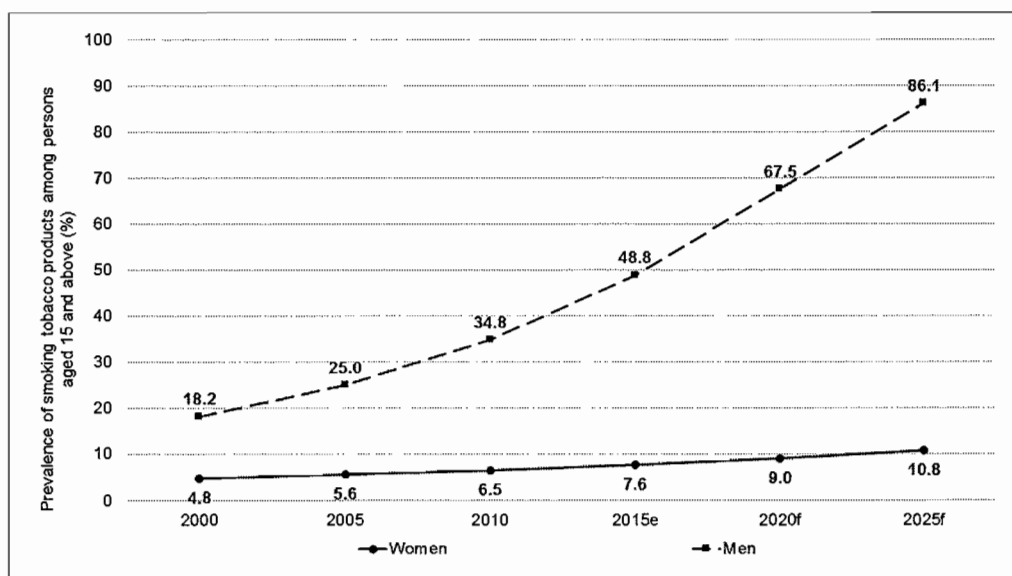
Cigarettes and waterpipe tobacco (also known as shisha) are the main forms of smoked tobacco products consumed in Bahrain, while cigars and pipes are also consumed to a lesser degree.

Key findings on historical tobacco prevalence among adults in Bahrain:

- (i) Tobacco prevalence among men witnessed a sharp increase from 18.2% in 2000 to an estimated 48.8% in 2015; and
- (ii) Tobacco prevalence among women witnessed a gradual increase from 4.8% in 2000 to an estimated 7.6% in 2015.

Peer influence as well as family history of smoking are cited among the main factors influencing tobacco consumption in Bahrain. The consumption of waterpipe tobacco is perceived to be less harmful to health than cigarettes. Many smokers perceive smoking waterpipe tobacco as a sign of maturity and acceptable by society. Nonetheless, public smoking of tobacco products among women is considered socially unacceptable in Bahrain.

Tobacco prevalence in Bahrain



e : Estimates
f : Forecast

(Source: World Health Organisation)

Key findings on the outlook of the number of daily smokers in Bahrain:

- (i) The estimated number of smokers is projected to rise from 328,700 in 2015 to 509,000 in 2020 and subsequently 717,900 in 2025; and
- (ii) The estimated number of smokers, as a percentage of total population, is projected to increase from 30.8% in 2015 to 43.1% in 2020 and subsequently 56.0% in 2025.

Estimated number of daily smokers in Bahrain

Year	Population ('000 persons)			Estimated number of daily smokers	
	Men	Women	Total	Total ('000 persons)	As a percentage of total population (%)
2000	276.0	186.0	462.0	52.2	11.3
2005	405.0	238.0	643.0	102.3	15.9
2010	654.0	349.0	1,003.0	225.6	22.5
2015e	690.0	376.0	1,066.0	328.7	30.8
2020f	766.0	415.0	1,181.0	509.0	43.1
2025f	826.0	457.0	1,283.0	717.9	56.0
CAGR 2000 – 2015e	6.3%	4.8%	5.7%	13.1%	
CAGR 2015e – 2025f	1.8%	2.0%	1.9%	8.1%	

(Source: World Health Organisation)

Oman

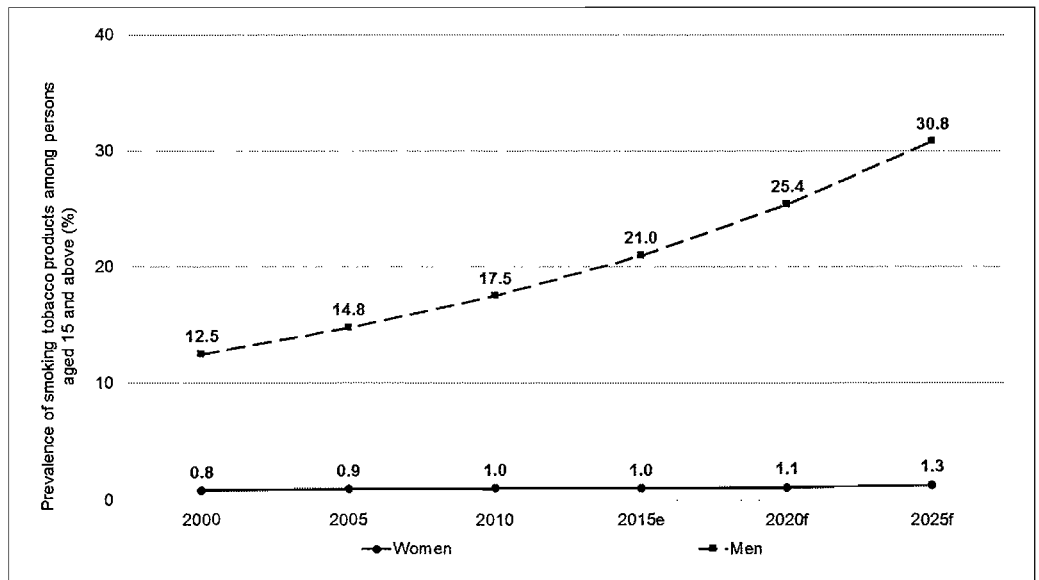
In Oman, tobacco is largely consumed in the form of cigarettes, shisha, gadou, pipes (old fashioned waterpipes) and chewing tobacco.

Key findings on historical tobacco prevalence among adults in Oman:

- (i) Tobacco prevalence among men witnessed an increase from 12.5% in 2000 to an estimated 21.0% in 2015; and
- (ii) Tobacco prevalence among women witnessed a marginal growth from 0.8% in 2000 to an estimated 1.0% in 2015.

The factors influencing the consumption of tobacco in Oman include peer influence as well as socio-demographic and family characteristics.

Tobacco prevalence in Oman



e : Estimates

f : Forecast

(Source: World Health Organisation)

Key findings on the outlook of the number of daily smokers in Oman:

- (i) The estimated number of smokers is projected to rise from 400,600 in 2015 to 533,700 in 2020 and subsequently 687,800 in 2025; and
- (ii) The estimated number of smokers, as a percentage of total population, is projected to rise further from 12.3% in 2015 to 15.3% in 2020 and subsequently 18.5% in 2025.

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Estimated number of daily smokers in Oman

Year	Population ('000 persons)			Estimated number of daily smokers	
	Men	Women	Total	Total ('000 persons)	As a percentage of total population (%)
2000	811.0	566.0	1,377.0	87.2	6.3
2005	957.0	680.0	1,637.0	120.8	7.4
2010	1,252.0	782.0	2,034.0	186.3	9.2
2015e	2,249.0	997.0	3,246.0	400.6	12.3
2020f	2,375.0	1,104.0	3,479.0	533.7	15.3
2025f	2,479.0	1,229.0	3,708.0	687.8	18.5
CAGR 2000 – 2015e	7.0%	3.8%	5.9%	10.7%	
CAGR 2015e – 2025f	1.0%	2.1%	1.3%	5.6%	

(Source: World Health Organisation)

(Source: IMR Report)

7.6 Indonesia

7.6.1 Overview and outlook of the Indonesian economy

Domestic economic growth was projected to accelerate in the first (1st) quarter of 2016 with the momentum maintained into the second (2nd) quarter on the back of more fiscal stimuli. Government consumption and investment were expected to drive the economy in Q1/2016, as public capital spending and procurement increased significantly due to the implementation of various infrastructure projects. Private investment is also expected to improve in Q2-2016. Additionally, automotive sales climbed into positive territory and consumer confidence surged, indicating solid household consumption. Export performance of several commodities are beginning to improve, especially textile, electrical apparels, and passenger cars. In general, Bank Indonesia predicts economic growth to accelerate in the second (2nd) quarter of 2016 on the back of increased consumption and investment.

Accelerated fiscal stimuli shored up domestic economic growth in the first (1st) quarter of 2016. Government consumption and investment surged during the reporting period in line with a significant spike in public spending in March, especially procurement and capital spending by the central government. Fiscal stimuli boosted construction investment, reflecting a rise in sales of heavy construction equipment. Such conditions demonstrate the government's avowed commitment to accelerate implementation of infrastructure projects.

Low inflation was recorded in March 2016, thereby supporting attainment of the 2016 inflation target of 4±1%. The Consumer Price Index (CPI) recorded inflation of 0.19% mark to market ("mtm") or 4.45% year-on-year ("yoy") in March, with volatile foods as the main contributor. Conversely, administered prices experienced deflation and low core inflation was reported. Year-to-date ("ytd") and on an annualized basis, inflation in March 2016 stood at 0.62% (ytd) and 4.45% (yoy) respectively.

(Source: IMR Report)

7.6.2 Overview and prospects of tobacco prevalence in Indonesia

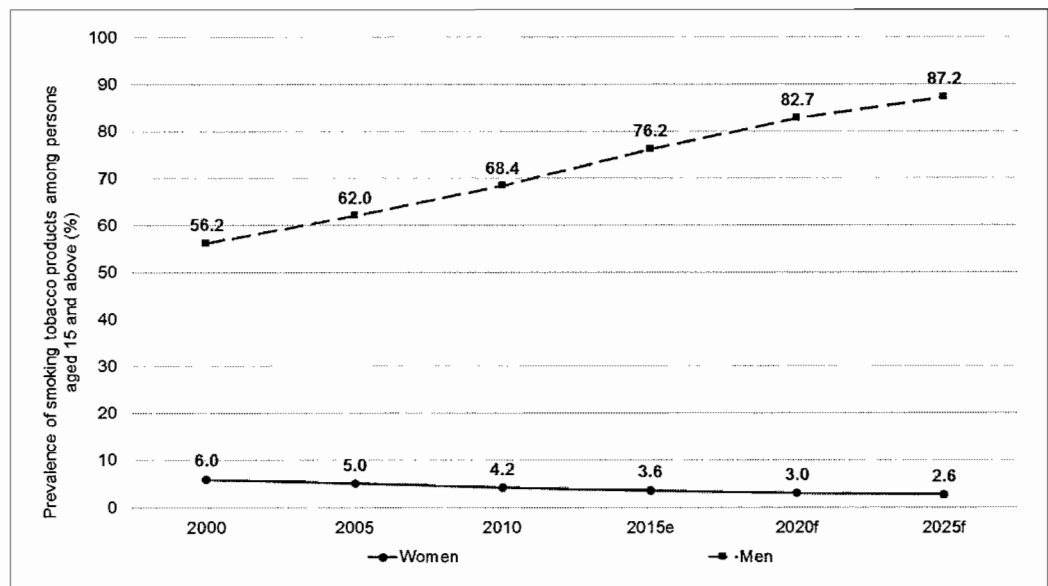
In Indonesia, smoked tobacco is prevalent among adult smokers where kretek, illicit cigarettes and hand rolled cigarettes are largely consumed compared to other smoked tobacco products such as pipes, cigars, and shisha. Kreteks are clove cigarettes that contain a mixture of tobacco, cloves and other additives which are unique to each brand, while illicit cigarettes typically only contain tobacco and are largely imported. Kreteks can be either machine-rolled or hand rolled and illicit cigarettes are primarily machine-rolled. There is a market for hand-rolled cigarettes in Indonesia where filtered and unfiltered kretek is available for sale to the population. Indonesia is a unique tobacco market due to the popularity of kretek and the strength of the cottage sector that produces hand-rolled cigarettes.

Key findings on historical tobacco prevalence among adults in Indonesia:

- (i) Tobacco prevalence among men witnessed an increase from 56.2% in 2000 to an estimated 76.2% in 2015; and
- (ii) Tobacco prevalence among women witnessed a decline from 6.0% in 2000 to an estimated 3.6% in 2015.

Tobacco consumption in Indonesia is influenced by low cigarette prices, population growth, rising household incomes and mechanisation of kretek production, which collectively have contributed to the rise in tobacco consumption in the nation.

Tobacco prevalence in Indonesia



e : Estimates

f : Forecast

(Source: World Health Organisation)

Globally, Indonesia ranks among the top ten (10) tobacco leaf producers, as well as producers and exporters of cigarettes.² Indonesia is an attractive market for tobacco and was recognised as the fifth (5th) largest tobacco market in the world. Smoking is largely unrestricted in Indonesia, with rampant advertising, promotion and sponsorship aimed at youths.

² Source: Global Adult Tobacco Survey: Indonesia Report 2011

Indonesia is the only country in Southeast Asia that has yet to ratify the World Health Organisation's Framework Convention of Tobacco Control,³ where this treaty aims to protect present and future generations from the health, social, environmental and economic consequences of tobacco consumption and exposure to tobacco smoke through a set of universal standards stating the dangers of tobacco and limiting its use worldwide. Provisions under the World Health Organisation's Framework Convention of Tobacco Control include rules that govern the production, sale, distribution, advertisement, and taxation of tobacco. In 2014, Indonesia's Industrial Committee submitted a new Tobacco Bill that was included in the list of priority bills on tobacco in the year 2015 where the main objectives of this bill are to increase tobacco production, enhance community welfare, develop the domestic tobacco industry and increase state revenues.

Key findings on the outlook of the number of daily smokers in Indonesia:

- (i) The estimated number of smokers is projected to increase from an estimated 63.1 million in 2015 to 75.6 million in 2020 and subsequently 87.6 million in 2025; and
- (ii) The estimated number of smokers, as a percentage of total population, is projected to increase from 34.3% in 2015 to 37.9% in 2020 and subsequently 40.7% in 2025.

Estimated number of daily smokers in Indonesia

Year	Population ('000 persons)			Estimated number of daily smokers	
	Men	Women	Total	Total ('000 persons)	As a percentage of total population (%)
2000	71,900.0	72,979.0	144,879.0	36,558.5	25.2
2005	78,227.0	78,903.0	157,130.0	43,747.0	27.8
2010	84,146.0	84,739.0	168,885.0	52,184.9	30.9
2015e	91,807.0	92,174.0	183,981.0	63,079.2	34.3
2020f	99,768.0	99,985.0	199,753.0	75,628.6	37.9
2025f	107,642.0	107,886.0	215,528.0	87,624.8	40.7
CAGR 2000 – 2015e	1.6%	1.6%	1.6%	3.7%	
CAGR 2015e – 2025f	1.6%	1.6%	1.6%	3.3%	

(Source: World Health Organisation)

(Source: IMR Report)

7.7 Overview and prospects of TWPB

Our principal activities are that of investment holding, whilst the principal activities of our subsidiaries are rotogravure and photolithography printing specialising in cigarette cartons, consumer goods packaging and advertising materials, and trading of cigarette packaging boxes. The outlook of these activities is largely dependent on the outlook of the tobacco industry, which in turn are affected by factors such as the expansion of competitors' presence in Asia, continuous efforts by governments in promoting activities and campaigns to discourage the public from smoking, the increase of excise duty and taxes in various countries, and the increase in consumption of illicit cigarette. In view of all these factors, the outlook for printing of cigarette cartons and trading of cigarette packaging boxes are expected to be challenging in the near future.

³ Source: 2013 Asia Pacific Association for the Control of Tobacco (APACT) Declaration on Tobacco Control in Indonesia

On 17 March 2016, a key customer of our Group, British American Tobacco (Malaysia) Berhad ("**BATM**") had announced that British American Tobacco will source their tobacco products for the Malaysian market from other British American Tobacco group factories regionally and therefore will cease their manufacturing operations in Malaysia under a restructuring exercise that would involve winding down their facility in stages ("**Restructuring Exercise**"). The process is targeted to be completed by the second (2nd) half of year 2017. Our Board is of the opinion that the Restructuring Exercise will not have a material financial and operational impact to our Group as our Company will still continue to supply to British American Tobacco group within the Asian region, as per the existing supply agreements that our Group has with BATM and British American Tobacco (Singapore) Pte Ltd. Currently, our Group serves as a regional printing partner for British American Tobacco in the Asian region and our Company expects BATM's production volume for the Malaysian market to be transferred to other countries within the Asian region.

The tobacco industry in 2016 will largely depend on the recovery of the weakened economy and consumer sentiments. In order to overcome these challenges, our Board had initiated plans to expand our businesses into new regions in particular the Middle East region and Indonesia as we believe that the outlook and prospects of these regions would benefit our Company. Based on the IMR Report, it is noted that the Middle East region and Indonesia have emerged as nations with attractive growth potential as evidenced by the increase in tobacco prevalence and estimated number of daily smokers, thus presenting expansion opportunities for players in the tobacco industry's supply chain, including producers of packaging materials. With the proceeds raised from the Rights Issue, our Group is able to finance our expansion plans to the Middle East region and/or Indonesia and repay part of our outstanding borrowings. Our Board is confident that our expansion plan would enable our Group to further strengthen our position as a regional printer and packaging supplier.

On 16 May 2016, Tien Wah Properties Sdn Bhd, our wholly-owned subsidiary had entered into a shareholders' agreement with Kemensah Holdings Pte Ltd, a wholly-owned subsidiary of Lum Chang Holdings Limited, a Singapore public limited company listed on the Singapore Exchange Limited to form and operate a joint venture company currently known as Sterling Model Sdn Bhd ("**SMSB**") for the proposed development of a leasehold land measuring 13,040 square metres at No 9 & 11, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, under title no. 3674 and 3967, Lot 30 & 4, Section 13 Municipality of Petaling Jaya, Selangor Darul Ehsan ("**Land**") ("**Proposed Joint Venture**") and proposed disposal of the Land to SMSB ("**Proposed Land Disposal**"). The Proposed Joint Venture and Proposed Land Disposal are to maximize the usage of the Land owned by our Group with the long term intention of maximising shareholders' value as well as intended to deliver additional income stream for our Group.

Our Board is optimistic that the prospects of our Group would be favourable and the expansion plans of our Group will be able to yield positive effects and contribute positively to the financial performance of our Group in the future and deliver greater value to the shareholders of our Company.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE

The pro forma effects of the Rights Issue on the issued and paid-up share capital, NA per Share, gearing, earnings and EPS in TWPH are as follow:

8.1 Share capital

The pro forma effects of the Rights Issue on the issued and paid-up share capital of our Company are as follows:

	No. of TWPH Shares	Par value	
		RM	RM
Issued and paid-up share capital as at the LPD	96,495,000	1.00	96,495,000
To be issued pursuant to the Rights Issue	48,247,500	1.00	48,247,500
Enlarged issued and paid-up capital	144,742,500	1.00	144,742,500

8.2 NA per Share and gearing

Based on our latest audited consolidated financial statements for the FYE 31 December 2015, the pro forma effects of the Rights Issue on the consolidated NA per Share and gearing of our Group are as follows:

	Audited as at 31 December 2015 RM'000	Pro Forma I
		After the Rights Issue RM'000
Share capital	96,495	144,743
Share premium	12,504	12,504
Retained earnings	145,103	144,303 ⁽¹⁾
Translation reserve	30,169	30,169
NA/ Shareholders' funds	284,271	331,719
Number of TWPH Shares ('000)	96,495	144,743
NA per Share (RM)	2.95	2.29
Total borrowings	71,606	54,158
Gearing (times)	0.25	0.16

Note:

(1) After deducting estimated expenses to be incurred for the Rights Issue of approximately RM800,000.

8.3 Earnings and EPS

As the Rights Issue is expected to be completed by the third (3rd) quarter of the calendar year 2016, the Rights Issue is not expected to have any material effect on the earnings of our Group for the FYE 31 December 2016. However, the EPS of our Group may be diluted as a result of the increase in the number of our Shares in issue upon the completion of the Rights Issue.

The pro forma effects of the Rights Issue on the PAT and EPS of TWPH for the FYE 31 December 2015 are set out below:

	Audited FYE 31 December 2015 RM'000	Pro Forma I After the Rights Issue RM'000
Profit attributable to owners of the Company	33,975	33,975
Number of Shares ('000)	96,495	144,743
Basic EPS (sen)	35.21	23.47

Moving forward, the Rights Issue is expected to contribute positively to the earnings of our Group in the ensuing years when the benefits from the utilisation of proceeds as set out in **Section 5** of this Abridged Prospectus are realised.

8.4 Convertible securities

As at LPD, our Company does not have any existing convertible securities.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that, after taking into consideration the cash flow position of our Group, banking facilities available and the proceeds to be received from the Rights Issue, our Group will have sufficient working capital for the next twelve (12) months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM57.66 million, all of which are interest-bearing, and comprise the following:

	Currency	Amount in foreign currency (^{'000})	Amount in RM' ⁰⁰⁰
Short term borrowings:			
Term loans	USD	78	318 ⁽¹⁾
Revolving credits	USD	11,077	45,227 ⁽¹⁾
Revolving credits	RM		8,000
			53,545
Long term borrowings:			
Term loans	USD	137	559 ⁽¹⁾
Revolving credits	USD	870	3,552 ⁽¹⁾
			4,111
Total			57,656

Note:

(1) Converted at USD1.00:RM4.0830, being the closing foreign exchange rate as at the LPD from Bank Negara Malaysia.

As at the LPD, we do not have any non-interest bearing borrowings.

There has been no default on payments of either interest and/or principal sums in respect of any borrowings during the FYE 31 December 2015 and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

Save as disclosed below, our Board confirms that as at the LPD, there are no other contingent liabilities incurred or known to be incurred which may, upon becoming enforceable, have a material impact on the financial results/position of our Group:

- (i) As at the LPD, our Company has also given a performance guarantee to a joint venture entity. Details are as follows:

A strategic joint venture agreement ("**Joint Venture Agreement**") was entered into between, TWPH, Toyo (Viet) Paper Product Co. Ltd ("**TVP**"), a subsidiary of TWPH and Dong Nai Food Industrial Corporation, Vietnam ("**DOFICO**") on 24 May 2015. The Joint Venture Agreement is, *inter-alia*, for the disposal of TWPH's 50% equity interest in TVP to DOFICO for an approximately cash consideration of USD1.6 million ("**Purchase Price**") to secure DOFICO print packaging volume. The entry into the Joint Venture Agreement renders TVP a jointly controlled entity of TWPH and DOFICO ("**JV Company**").

In accordance with the Joint Venture Agreement, if TVP suffers losses or the profits received by DOFICO from the JV Company within thirty six (36) months as of the commencement date of the joint venture is less than 20% of the Purchase Price, DOFICO at its own discretion shall:

- (a) continue the Joint Venture Agreement and extend the payment timeline for the Purchase Price until the profits received from TVP are sufficient for DOFICO to pay the Purchase Price to TWPH; or
- (b) have the right to sell to our Company the entire 50% of the equity interest in TVP amounting to USD2,210,570 ("**Sale Capital Contribution**") at the reselling price being the remaining amount after the Purchase Price minus outstanding payments for the Purchase Price that have not been paid by DOFICO to our Company at the time of actual payment of re-selling price ("**Re-selling Price**"). In this case, our Company is obligated to re-purchase DOFICO's entire 50% of the equity interest in TVP amounting to USD2,210,570 ("**Capital Contribution of DOFICO**") in whole; or
- (c) exercise the put option calling for our Company to purchase its Sale Capital Contribution in whole at the Re-selling Price. Our Company commits to buy back the Capital Contribution of DOFICO in case DOFICO exercises its put option.

9.4 Material commitments

Save as disclosed below, our Board confirms that as at the LPD, there are no other material commitments incurred or known to be incurred by our Group which may have a material impact on the financial results/position of our Group:

	RM'000
Property, plant and equipment	
Contracted but not provided for	18,130

10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES, EXCESS RIGHTS SHARES APPLICATION AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE/TRANSFEE (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR PART OF YOUR/THEIR ENTITLEMENTS, ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNCEE/TRANSFEE (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND THE INSTRUCTIONS THEREIN CAREFULLY. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

10.1 GENERAL

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares which you are entitled to subscribe for, in full or in part, in accordance with the terms of the Rights Issue. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Rights Shares into your CDS Account and the RSF to enable you to subscribe for such Provisional Rights Shares, as well as to apply for the Excess Rights Shares if you choose to do so.

10.2 NPA

The Provisional Rights Shares are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in such Provisional Rights Shares will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renounee/transferee (if applicable) are required to have valid and subsisting CDS Accounts when making applications for the Rights Shares.

10.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Rights Shares is 19 July 2016 at 5.00 p.m. or such later date and time as our Board may, at their absolute discretion, determine and announce, but not less than two (2) Market Days before such stipulated date and time.

10.4 Procedures for acceptance and payment

Acceptance of and payment for the Provisional Rights Shares must be made in accordance with the RSF enclosed with this Abridged Prospectus. The RSF must be completed strictly in accordance with the notes and instructions contained in the RSF. Acceptances and/or payments which do not conform to the terms of this Abridged Prospectus, the RSF and the notes and instructions contained in the RSF or which are illegible may not be accepted at the absolute discretion of our Board.

If you wish to accept the Provisional Rights Shares, either in full or in part, please complete **Parts I(A) and II** of the RSF, and despatch by **ORDINARY POST, COURIER** or **DELIVERED BY HAND** (at your own risk) each completed RSF together with the relevant payment, using the envelope provided, to our Share Registrar at the following address and arrived **by the Closing Date**:

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Tel: 03-2783 9299

Fax: 03-2783 9222

OR

Customer Service Centre (CSC)

Unit G-3, Ground Floor
Vertical Podium
Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

You must use one (1) RSF for the subscription of the Provisional Rights Shares standing to the credit of one (1) CDS Account. Separate RSFs must be used for separate CDS Accounts. The Rights Shares accepted by you in accordance with the notes and instructions contained in the RSF will be credited into the respective CDS Accounts where the Provisional Rights Shares are standing to the credit.

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSFs by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

You should take note that a trading board lot comprises 100 TWPH Shares. The minimum number of Rights Shares that can be accepted is one (1) Rights Share. Fractions of a Rights Share (if any) shall be disregarded and will be dealt with in such manner as our Board, at its absolute discretion, deems fit and expedient, and in the best interest of our Company.

Each completed RSF must be accompanied by the appropriate remittance made in RM for the **FULL** and **EXACT** amount payable for the Rights Shares accepted, in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made payable to "**TWPH RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name and CDS Account number to be received by our Share Registrar by the Closing Date.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbroker, our Share Registrar at the address stated above or Bursa Securities' website at <http://www.bursamalaysia.com>.

Applications accompanied by payment other than in the manner stated above or with excess or insufficient payment may be rejected at the absolute discretion of our Board. **Details of the remittances must be filled in the appropriate boxes provided in the RSF.**

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR THE APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS SHARES. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, YOU WILL BE ALLOTTED WITH YOUR RIGHTS SHARES, AND A NOTICE OF ALLOTMENT WILL BE ISSUED AND DESPATCHED TO YOU BY ORDINARY POST (AT YOUR OWN RISK) TO THE ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS OF OUR COMPANY PROVIDED BY BURSA DEPOSITORY, WITHIN EIGHT (8) MARKET DAYS FROM THE CLOSING DATE, OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

SUBSCRIPTION OF THE PROVISIONAL RIGHTS SHARES SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT AT ITS ABSOLUTE DISCRETION NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

WHERE THE SUBSCRIPTION OF THE PROVISIONAL RIGHTS SHARES IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST (AT YOUR OWN RISK) TO THE ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS OF OUR COMPANY PROVIDED BY BURSA DEPOSITORY, WITHIN FIFTEEN (15) MARKET DAYS FROM THE CLOSING DATE.

If the acceptance of and payment for the Provisional Rights Shares allotted to you (whether in full or in part) are not received by our Share Registrar by the **Closing Date** or any such later date and time as our Board may, at their absolute discretion, determine and announce, your Provisional Rights Shares or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled.

Such Rights Shares not taken up will be allotted to the applicants applying for the Excess Rights Shares and, subsequently, to the Underwriter if the Rights Shares are not fully subscribed for in the manner as set out in **Section 10.6** of this Abridged Prospectus.

10.5 Procedures for the sale or transfer of the Provisional Rights Shares

As the Provisional Rights Shares are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Rights Shares to one (1) or more persons, you may do so through your stockbroker without first having to request for a split of the Provisional Rights Shares standing to the credit of your CDS Account. You may sell such entitlement on Bursa Securities for the period up to the last date and time for the sale of the Provisional Rights Shares (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such person as may be allowed pursuant to the Rules of Bursa Depository for the period up to the last date and time for the transfer of the Provisional Rights Shares (in accordance with the Rules of Bursa Depository).

In selling or transferring all or part of your Provisional Rights Shares, you are not required to deliver any document, including the RSF, to any stockbroker. You are however advised to ensure that you have sufficient number of Provisional Rights Shares standing to the credit of your CDS Account before selling or transferring.

If you have sold or transferred only part of the Provisional Rights Shares, you may still accept the balance of your Provisional Rights Shares not sold or transferred by completing **Parts I(A) and II** of the RSF and forwarding the RSF together with the appropriate remittance in RM for the **FULL** and **EXACT** amount payable for the balance of the Provisional Rights Shares accepted, to our Share Registrar in accordance with the instructions as set out in **Section 10.4** of this Abridged Prospectus.

A purchaser or transferee of the Provisional Rights Shares may obtain a copy of this Abridged Prospectus and the RSF from his stockbroker, our Share Registrar at the address stated above or Bursa Securities' website at <http://www.bursamalaysia.com>.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

10.6 Procedures for application for the Excess Rights Shares

If you are an Entitled Shareholder, you and/or your renounee/transferee (if applicable) may apply for the Excess Rights Shares in addition to your Provisional Rights Shares. If you wish to do so, please complete **Part I(B)** of the RSF (in addition to **Parts I(A) and II**) and forward the RSF (together with a separate remittance made in RM for the FULL and EXACT amount payable in respect of the Excess Rights Shares applied for) using the envelope provided (at your own risk) to our Share Registrar at the address as set out in **Section 10.4** of this Abridged Prospectus, so as to arrive **by the Closing Date** or any such later date and time as our Board may, at their absolute discretion, determine and announce, not less than two (2) Market Days before such stipulated date and time.

Payment for the Excess Rights Shares applied for should be made in the same manner described in **Section 10.4** of this Abridged Prospectus, except that the Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia be made payable to "**TWPH EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name and CDS Account number to be received by our Share Registrar by the Closing Date. The payment must be made for the **FULL** and **EXACT** amount payable for the Excess Rights Shares applied for. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to our Entitled Shareholders and/or their renounee/transferee (if applicable) who have applied for the Excess Rights Shares in the following order of priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lot to our Entitled Shareholders who have applied for the Excess Rights Shares, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lot to our Entitled Shareholders who have applied for the Excess Rights Shares, calculated based on the quantum of their respective Excess Rights Shares applied for; and
- (iv) lastly, on a pro-rata basis and in board lot to the renounee/transferee (if applicable) who have applied for the Excess Rights Shares, calculated based on the quantum of their respective Excess Rights Shares applied for.

In the event of an under subscription by our Entitled Shareholders and/or renounee/transferee (if applicable), even after all the application for the Excess Rights Shares have been taken into consideration, the remaining unsubscribed Rights Shares will be subscribed by the Underwriter in accordance with the terms and conditions as set out in the Underwriting Agreement.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares applied for in such manner as they deem fit and expedient, and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in **Section 10.6(i) to (iv)** above is achieved. Our Board also reserves the right to accept any application for the Excess Rights Shares, in full or in part, without assigning any reason thereof.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR THE APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, YOU WILL BE ALLOTTED WITH THE EXCESS RIGHTS SHARES, AND A NOTICE OF ALLOTMENT WILL BE ISSUED AND DESPATCHED TO YOU BY ORDINARY POST (AT YOUR OWN RISK) TO THE ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS OF OUR COMPANY PROVIDED BY BURSA DEPOSITORY, WITHIN EIGHT (8) MARKET DAYS FROM THE CLOSING DATE, OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR.

APPLICATIONS FOR THE EXCESS RIGHTS SHARES SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT AT ITS ABSOLUTE DISCRETION NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR LATE APPLICATIONS OR PARTIALLY SUCCESSFUL APPLICATIONS FOR THE EXCESS RIGHTS SHARES, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST (AT YOUR OWN RISK) TO THE ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS OF OUR COMPANY PROVIDED BY BURSA DEPOSITORY, WITHIN FIFTEEN (15) MARKET DAYS FROM THE CLOSING DATE.

10.7 Procedures for acceptance by renounee/transferee

The procedures applicable to renounee/transferee for acceptance, selling and/or transferring of the Provisional Rights Shares, applying for the Excess Rights Shares and/or payment are the same as those which are applicable to our Entitled Shareholders as described in **Sections 10.4, 10.5 and 10.6** of this Abridged Prospectus and in the RSF. Please refer to the relevant sections for the procedures to be followed.

You may obtain a copy of this Abridged Prospectus and/or accompanying RSF, from your stockbroker, our Share Registrar or Bursa Securities' website at <http://www.bursamalaysia.com>.

RENOUNCEE/TRANSFEREE ARE ADVISED TO READ AND ADHERE STRICTLY TO THIS ABRIDGED PROSPECTUS AND THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

10.8 Form of issuance

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and as such, all dealings in the Rights Shares will be by book entry through a CDS Account and shall be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares. Failure to comply with these specific instructions for application or inaccuracy in the CDS Account number may result in your application being rejected.

Your subscription for the Rights Shares shall constitute consent to receive such Rights Shares as prescribed securities which will be credited directly into your CDS Account. No physical share certificate will be issued to you.

Any person who intends to subscribe for the Rights Shares as a renounee/transferee (if applicable) by purchasing the Provisional Rights Shares from an Entitled Shareholder will have his/her Rights Shares credited directly as prescribed securities into his/her CDS Account.

All Excess Rights Shares, if allotted to the successful applicants who apply for the Excess Rights Shares, will be credited directly into his/her CDS Account.

If you have multiple CDS Accounts into which the Provisional Rights Shares have been credited, you cannot use a single RSF to apply for all these Provisional Rights Shares. Separate RSFs must be used for separate CDS Accounts. If successful, the Rights Shares that you applied for will be credited into the respective CDS Accounts into which the Provisional Rights Shares has been credited.

10.9 Procedures for acceptance and application by the Foreign Addressed Shareholders and Entitled Shareholders and/or their renounee/transferee (if applicable) who are subject to the laws of foreign countries or jurisdictions

The Documents have not been and will not be made to comply with the laws of any foreign jurisdiction and have not been, and will not be, lodged, registered or approved pursuant to or under any legislation, or with or by any regulatory authorities or other relevant bodies, of any county or jurisdiction other than Malaysia.

The distribution of the Documents, as well as the acceptance of the Provisional Rights Shares, the Excess Rights Shares application and the subscription for or the acquisition of the Rights Shares may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, complied with) in certain countries or jurisdictions under the relevant laws of those countries or jurisdictions.

Foreign Addressed Shareholders and/or their renounee/transferee (if applicable) may accept or renounce, as the case may be, all or any part of their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so.

RHB Investment Bank, the Underwriter, our Company and Directors, and officers ("**Parties**") would not, in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which the Foreign Addressed Shareholders and/or their renounee/transferee (if applicable) are or may be subjected to. Foreign Addressed Shareholders and/or their renounee/transferee (if applicable) shall solely be responsible to seek advice as to the laws of the countries or jurisdictions to which they are or may be subjected to. The Parties shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Addressed Shareholders and/or their renounee/transferee (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction.

Accordingly, the Documents will not be despatched to the Foreign Addressed Shareholders and/or their renounee and/or transferee (if applicable) who do not have a registered address in Malaysia as stated in the Record of Depositors or who have not provided the Share Registrar with an address in Malaysia for despatch of the Documents by the Entitlement Date. The Company will not make or be bound to make any enquiry as to whether the Foreign Addressed Shareholders and/or renounee/transferee (if applicable) have a registered address other than as stated in the Record of Depositors of our Company on the Entitlement Date, and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. However, such Foreign Addressed Shareholders and/or renounee/transferee (if applicable) (without an address in Malaysia) may collect the Documents from the Share Registrar, in which event the Share Registrar shall be entitled to request for such evidence (i.e. identification or authorisation documents) as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents.

Our Company reserves the right, in our absolute discretion, to treat any acceptance as invalid, if it believes or has reason to believe that such acceptance may violate any applicable legal or regulatory requirements. The Provisional Rights Shares relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares available for Excess Rights Share application by the other Entitled Shareholders and/or their renounee/transferee (if applicable).

No shareholder or person acting for the account or benefit of any such person, or any other person, shall have any claims whatsoever against any of the Parties.

By accepting the delivery of the Documents, signing any of the forms in the Documents or subscribing for or acquiring the Rights Shares, the Foreign Addressed Shareholders and/or their renounee/transferee (if applicable) are deemed to have represented, acknowledged and declared in favour of, and which representations, acknowledgments and declarations will be relied upon by the Parties that:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which those Foreign Addressed Shareholders and/or their renounee/transferee (if applicable) are or may be subject to;
- (ii) Foreign Addressed Shareholders and/or their renounee/transferee (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;
- (iii) Foreign Addressed Shareholders and/or their renounee/transferee (if applicable) are not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation, be in breach of the laws of any country or jurisdiction to which that person is or may be subjected to;
- (iv) Foreign Addressed Shareholders and/or their renounee/transferee (if applicable) are aware that the Provisional Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) Foreign Addressed Shareholders and/or their renounee/transferee (if applicable) have obtained a copy of this Abridged Prospectus and have relied on their own evaluation to assess the merits and risks of this investment; and

- (vi) Foreign Addressed Shareholders and/or their renounee/transferee (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Persons receiving the Documents, including without limitation custodians, nominees and trustees, must not, in connection with the Rights Issue, distribute or send it into any country or jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations.

No person in any territory outside of Malaysia receiving this Abridged Prospectus and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for or acquire any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.


11. TERMS AND CONDITIONS

The issuance of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions set out in the Documents.

12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board
TIAN WAH PRESS HOLDINGS BERHAD



LEE CHEE WHYE
Chief Executive Officer

CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE PASSED AT OUR EGM HELD ON 18 MAY 2016**TIEN WAH PRESS HOLDINGS BERHAD**
(Company No. 340434-K)**CERTIFIED EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON 18 MAY 2016****ORDINARY RESOLUTION 1****PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 48,247,500 NEW ORDINARY SHARES OF RM1.00 EACH IN TWPH ("TWPH SHARE(S)") ("RIGHTS SHARE(S)") AT AN ISSUE PRICE OF RM1.00 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING TWPH SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("PROPOSED RIGHTS ISSUE")**

On the proposal of Mr Hon Kah Sin and seconded by Mr Ho Chee Wah, it was unanimously RESOLVED:-

"THAT, conditional upon the approvals of all relevant authorities for the listing of and quotation for the Rights Shares to be issued by the Company pursuant to the Proposed Rights Issue on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") being obtained, approval be and is hereby given to the Board of Directors of TWPH ("Board") to offer, provisionally allot and issue by way of a renounceable rights issue of 48,247,500 Rights Shares at an issue price of RM1.00, on the basis of one (1) Rights Share for every two (2) TWPH Shares held by the entitled shareholders of TWPH whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined and announced later by the Board;

THAT, any fractional entitlements that may arise from the Proposed Rights Issue will be disregarded and shall be dealt with in such manner as the Board shall in its absolute discretion think fit and expedient or to be in the best interest of the Company;

THAT, any Rights Shares which are unsubscribed or not taken up or not validly taken up shall be made available for excess application and the Board be and is hereby authorised to allocate such excess Rights Shares in a fair and equitable manner;

THAT, the Board be and is hereby authorised to utilise the proceeds from the Proposed Rights Issue in the manner as set out in Section 2.5 of the Circular to shareholders of the Company dated 3 May 2016 ("Circular"), and the Board be and is hereby authorised with full powers to vary the manner, timing and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interest of the Company, subject (where required) to the approval of the relevant authorities;

THAT the Rights Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing TWPH Shares, save and except that the Rights Shares shall not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid to the shareholders of TWPH, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares;

**CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE
PASSED AT OUR EGM HELD ON 18 MAY 2016 (CONT'D)**

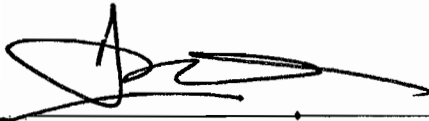
TIEN WAH PRESS HOLDINGS BERHAD

(Company No. 340434-K)

- *Certified Extract of the Extraordinary General Meeting of the Company held on 18 May 2016*

AND THAT the Board be and is hereby authorised to give full effect to the Proposed Rights Issue with full power to make and/or assent to any conditions, variations, modifications and/or amendments in any manner as may be imposed by the relevant authorities and to take all steps as they may consider necessary in order to implement, finalise and give full effect to the Proposed Rights Issue.”

CERTIFIED TRUE COPY:



DIRECTOR
DATUK TOH AH WAH



DIRECTOR
LEE CHEOW FUI

INFORMATION ON OUR COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia as Haresfield Holdings Sdn Bhd, a private limited company on 15 April 1995 under the Act. Our Company was converted into a public limited company on 13 June 1995 and subsequently assumed its name Tien Wah Press Holdings Berhad on 5 July 1995. Our Company was listed on the Second Board of the then Kuala Lumpur Stock Exchange on 2 August 1996 and was transferred to the Main Board of Bursa Securities (now known as the Main Market of Bursa Securities) on 8 October 2007.

Our Company is principally engaged in investment holding. The principal activities of our subsidiaries include rotogravure printing specialising in cigarette cartons and consumer goods packaging and photolithography printing specialising in cartons, labels packaging and advertising materials, investment property holding, investment holding, printing services for tobacco packaging and packaging services in general, trading of cigarette packaging boxes and providing printing services for tobacco packaging and packaging services in general. The principal activities of our associated company are manufacture and sales of standard and perforated tipping papers. The principal activities of our joint venture companies are manufacture of aluminium paper, paper core, board paper, tipping paper, plastic film and box printing.

Further details on our subsidiary, joint venture and associated companies are set out in **Section 5** of this Appendix.

2. SHARE CAPITAL AND MOVEMENTS IN SHARE CAPITAL

Our authorised and issued and paid-up share capital are set out below:

	No. of Shares	Par value RM	Total RM
Authorised	200,000,000	1.00	200,000,000
Issued and paid-up	96,495,000	1.00	96,495,000

There are no changes in our Company's issued and paid-up share capital for the past three (3) years preceding the LPD.

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Based on the Record of Depositors of our Company, the substantial shareholders of our Company as at the LPD and the effects of the Rights Issue on their shareholdings in TWPH, for illustrative purposes, are based on the following assumptions:

Scenario 1: Assuming the Undertaking Shareholders subscribe for their Undertakings and that the remaining Rights Shares will be underwritten.

Scenario 2: Assuming all Entitled Shareholders subscribe for their respective entitlements under the Rights Issue.

INFORMATION ON OUR COMPANY (CONT'D)

Scenario 1

Substantial shareholders	As at the LPD				Pro Forma I After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of TWPB Shares	%	No. of TWPB Shares	%	No. of TWPB Shares	%	No. of TWPB Shares	%
SPI	28,842,660	29.89	-	-	46,890,910	32.40	-	-
TWH 1990	23,360,600	24.21	-	-	46,890,900	32.40	-	-
New Toyo Lamination (M) Pte Ltd ("NTLM")	-	-	23,360,600	24.21 ⁽¹⁾	-	-	46,890,900	32.40 ⁽¹⁾
NTIH	-	-	52,203,260	54.10 ⁽²⁾	-	-	93,781,810	64.80 ⁽²⁾
Yen Wen Hwa (Ngan Tzee Manh)	-	-	52,203,260	54.10 ⁽³⁾	-	-	93,781,810	64.80 ⁽³⁾
Lu Le Nhi	-	-	52,203,260	54.10 ⁽⁴⁾	-	-	93,781,810	64.80 ⁽⁴⁾
Yen & Son Holdings Pte Ltd	-	-	52,203,260	54.10 ⁽⁵⁾	-	-	93,781,810	64.80 ⁽⁵⁾

Notes:

- (1) Deemed interested by virtue of its shareholding in TWH 1990 pursuant to Section 6A of the Act.
- (2) Deemed interested by virtue of its shareholding in:
- (i) SPI, its wholly-owned subsidiary; and
- (ii) TWH 1990 via its wholly-owned subsidiary, NTLM pursuant to Section 6A of the Act.
- (3) Deemed interested by virtue of his shareholding in Yen & Son Holdings Pte Ltd and NTIH pursuant to Section 6A of the Act.
- (4) Deemed interested through shares held by her spouse, Yen Wen Hwa (Ngan Tzee Manh) and her shareholdings in Yen & Son Holdings Pte Ltd and NTIH pursuant to Section 6A of the Act.
- (5) Deemed interested by virtue of its shareholdings in NTIH pursuant to Section 6A of the Act.

INFORMATION ON OUR COMPANY (CONT'D)

Scenario 2

Substantial shareholders	As at the LPD				Pro Forma I After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of TWP Shares	%	No. of TWP Shares	%	No. of TWP Shares	%	No. of TWP Shares	%
SPI	28,842,660	29.89	-	-	43,263,990	29.89	-	-
TWH 1990	23,360,600	24.21	-	-	35,040,900	24.21	-	-
NLTM	-	-	23,360,600	24.21 ⁽¹⁾	-	-	35,040,900	24.21 ⁽¹⁾
NTIH	-	-	52,203,260	54.10 ⁽²⁾	-	-	78,304,890	54.10 ⁽²⁾
Yen Wen Hwa (Ngan Tzee Manh)	-	-	52,203,260	54.10 ⁽³⁾	-	-	78,304,890	54.10 ⁽³⁾
Lu Le Nhi	-	-	52,203,260	54.10 ⁽⁴⁾	-	-	78,304,890	54.10 ⁽⁴⁾
Yen & Son Holdings Pte Ltd	-	-	52,203,260	54.10 ⁽⁵⁾	-	-	78,304,890	54.10 ⁽⁵⁾

Notes:

- (1) Deemed interested by virtue of its shareholding in TWH 1990 pursuant to Section 6A of the Act.
- (2) Deemed interested by virtue of its shareholding in:
 - (i) SPI, its wholly-owned subsidiary; and
 - (ii) TWH 1990 via its wholly-owned subsidiary, NLTM pursuant to Section 6A of the Act.
- (3) Deemed interested by virtue of his shareholding in Yen & Son Holdings Pte Ltd and NTIH pursuant to Section 6A of the Act.
- (4) Deemed interested through shares held by her spouse, Yen Wen Hwa (Ngan Tzee Manh) and her shareholdings in Yen & Son Holdings Pte Ltd and NTIH pursuant to Section 6A of the Act.
- (5) Deemed interested by virtue of its shareholdings in NTIH pursuant to Section 6A of the Act.

INFORMATION ON OUR COMPANY (CONT'D)**4. DIRECTORS**

The particulars of our Directors as at the LPD are set out below:

Name	Address	Age	Nationality	Profession	Designation
Yen Wen Hwa (Ngan Tzee Manh)	Lot 248, No. 12 Jalan Jemerlang Country Heights Damansara 60000 Kuala Lumpur Malaysia	67	Singaporean	Company Director	Chairman and Executive Director
Angela Heng Chor Kiang	131 Sunrise Way Singapore 806237	57	Singaporean	Company Director	Non- Independent Non-Executive Director
Mej Jen Datuk Abdul Kadir Bin Nordin (Bersara)	No. 22A, Lot 69 Jalan Kudalari, Country Heights 43000 Kajang Selangor Darul Ehsan Malaysia	74	Malaysian	Company Director	Non- Independent Non-Executive Director
David Lim Teck Leong	1C Margate Road Singapore 438074	59	Singaporean	Advocate and Solicitor	Non- Independent Non-Executive Director
Datuk Toh Ah Wah	13, Jalan Changkat Suria 1 The Residence Mont Kiara 50480 Kuala Lumpur Malaysia	58	Malaysian	Company Director	Independent Non-Executive Director
Lee Cheow Fui	16, Jalan Kenanga 2/5D Saujana Utama 47000 Sungai Buloh Selangor Darul Ehsan Malaysia	59	Malaysian	Company Director	Independent Non-Executive Director

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INFORMATION ON OUR COMPANY (CONT'D)

The shareholdings of our Directors as at the LPD and after the Rights Issue are set out below:

Scenario 1:

Directors	Shareholdings as at the LPD				Proforma I After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of TWP Shares held	%	No. of TWP Shares held	%	No. of TWP Shares held	%	No. of TWP Shares held	%
Yen Wen Hwa (Ngan Tzee Manh)	-	-	52,203,260 ⁽¹⁾	54.10	-	-	93,781,810 ⁽¹⁾	64.80
Angela Heng Chor Kiang	-	-	-	-	-	-	-	-
Mej Jen Datuk Abdul Kadir bin Nordin (Bersara)	-	-	-	-	-	-	-	-
Datuk Toh Ah Wah	-	-	-	-	-	-	-	-
Lee Cheow Fui	-	-	-	-	-	-	-	-
David Lim Teck Leong	-	-	-	-	-	-	-	-

Note:

(1) Deemed interested by virtue of his shareholding in Yen & Son Holdings Pte Ltd and NTH pursuant to Section 6A of the Act.

INFORMATION ON OUR COMPANY (CONT'D)

Scenario 2:

Directors	Shareholdings as at the LPD			Proforma I After the Rights Issue		
	Direct No. of TWP Shares held	Indirect No. of TWP Shares held	%	Direct No. of TWP Shares held	Indirect No. of TWP Shares held	%
Yen Wen Hwa (Ngan Tzee Manh)	-	52,203,260 ⁽¹⁾	54.10	-	78,304,890 ⁽¹⁾	54.10
Angela Heng Chor Kiang	-	-	-	-	-	-
Mej Jen Datuk Abdul Kadir bin Nordin (Bersara)	-	-	-	-	-	-
Datuk Toh Ah Wah	-	-	-	-	-	-
Lee Cheow Fui	-	-	-	-	-	-
David Lim Teck Leong	-	-	-	-	-	-

Note:

(1) Deemed interested by virtue of his shareholding in Yen & Son Holdings Pte Ltd and NTH pursuant to Section 6A of the Act.

INFORMATION ON OUR COMPANY (CONT'D)**5. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES**

As at the LPD, our subsidiary, joint venture and associated companies are set out below:

Name of company	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
<u>Subsidiaries</u>				
Tien Wah Press (Malaya) Sdn Bhd	20 July 1960/ Malaysia	RM18,000,000	100	Rotogravure printing specialising in cigarette cartons and consumer goods packaging, and photolithography printing specialising in cartons and labels packaging and advertising materials
Tien Wah Properties Sdn Bhd	23 April 1997/ Malaysia	RM2	100	Investment property holding
New Toyo Investment Pte. Ltd. ("NTIV")	1 February 1996/ Singapore	Singapore Dollar 350,000	100	Investment holding
Max Ease International Limited ("MEIL")	26 June 2008/ Hong Kong Special Administrative Region	USD 17,500,000	51	Investment holding and trading of cigarette packaging boxes.
Alliance Print Technologies FZE	8 March 2016/ Jebel Ali Free Zone in Dubai, United Arab Emirates ("UAE")	AED1,000,000	100	Packing and packaging material manufacturing
<u>Subsidiary of MEIL</u>				
Anzpac Services (Australia) Pty. Ltd.	31 March 1936/ Australia	Australian Dollar 4,584,279	51	Printing packaging services in general
<u>Subsidiary of NTIV</u>				
Alliance Print Technologies Co., Ltd.	24 November 2004/ Vietnam	USD3,340,010 (Charter capital)	100	Provision of printing services for tobacco packaging and paper services in general
<u>Joint Venture</u>				
Toyo (Viet) – Dofico Print Packaging Company Limited (formerly known as Toyo (Viet) Paper Product Co. Ltd.)	14 July 1993/ Vietnam	USD4,421,141 (Charter capital)	50	Manufacture aluminium paper, paper core, board paper, tipping paper, plastic film and box printing
Sterling Model Sdn Bhd	11 March 2016/ Malaysia	RM2	50	Dormant

INFORMATION ON OUR COMPANY (CONT'D)

Name of company	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
<u>Associated company</u>				
Benkert (Malaysia) Sdn Bhd	8 July 1997/ Malaysia	RM5,000,000	30	Manufacture and sales of standard and perforated tipping papers

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INFORMATION ON OUR COMPANY (CONT'D)

6. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our audited consolidated financial statements for the past three (3) financial years up to the FYE 31 December 2015 and our unaudited consolidated financial statements for the three (3)-month FPE 31 March 2016.

	<-----Audited----->			<-----Unaudited----->	
	<-----FYE 31 December ----->			Three (3) months <-----FPE 31 March----->	
	2013 (RM'000)	2014 (RM'000)	2015 (RM'000)	2015 (RM'000)	2016 (RM'000)
Revenue	380,371	353,686	367,374	87,519	82,386
Cost of sales	(300,511)	(293,256)	(288,519)	(71,844)	(66,884)
Gross profit	79,860	60,430	78,855	15,675	15,502
Other income	5,038	5,364	9,164	2,041	1,591
Distribution expenses	(12,489)	(11,814)	(10,625)	(2,659)	(1,976)
Administrative expenses	(22,717)	(24,293)	(25,757)	(5,752)	(6,962)
Other expenses	(10,213)	(9,704)	(18,445)	(9,233)	(1,879)
Result from operating activities	39,479	19,983	33,192	72	6,276
Finance income	1,108	1,077	991	300	276
Finance costs	(3,124)	(2,723)	(2,657)	(642)	(536)
Net finance costs	(2,016)	(1,646)	(1,666)	(342)	(260)
Share of profit of equity accounted associate, net of tax	3,723	4,642	6,096	1,441	782
Share of loss of equity-accounted joint venture, net of tax	-	-	-	-	(159)
Profit before taxation	41,186	22,979	37,622	1,171	6,639
Tax expense	(7,363)	(7,159)	(1,791)	(413)	(1,004)
PAT	33,823	15,820	35,831	758	5,635
Profit attributable to:					
Owners of the Company	24,526	13,531	33,975	2,088	5,604
Non-controlling interests	9,297	2,289	1,856	(1,330)	31
	33,823	15,820	35,831	758	5,635
Earnings before interests, taxes, depreciation and amortisation	70,583	56,199	75,012	9,864	13,235
Gross profit margin (%)	21.0	17.1	21.5	17.9	18.8
PAT margin (%)	8.9	4.5	9.8	0.9	6.8
Basic EPS (sen)	25.42	14.02	35.21	2.16	5.81
Dividend per TWPH Share (sen)	12.78	7.00	18.00	-	-

INFORMATION ON OUR COMPANY (CONT'D)

Commentaries on past performance:**FYE 31 December 2013**

For the financial year under review, our Group recorded revenue of RM380.37 million representing a decrease of RM27.71 million or 6.79% as compared to RM408.08 million in the FYE 31 December 2012. The decrease in revenue was contributed by lower demand and the weakening Australian Dollar.

Our Group recorded a lower PAT of RM33.82 million, representing a decrease of RM6.56 million or 16.25% as compared to RM40.38 million for the FYE 31 December 2012. This decrease was contributed by lower revenue and provision of redundancy expenses following the restructuring of the production footprint within our Group. The restructuring of the production footprint is a routine operational function and its objective is to improve our Group's ability to service customers in their relevant locations and to reduce operating cost over the longer term.

FYE 31 December 2014

For the financial year under review, our Group recorded revenue of RM353.69 million representing a decrease of RM26.68 million or 7.01% as compared to RM380.37 million in the FYE 31 December 2013. The decrease in revenue was contributed by lower sales demand.

Our Group recorded a lower PAT of RM15.82 million, representing a decrease of RM18.00 million or 53.22% as compared to RM33.82 million for the FYE 31 December 2013. This decrease was contributed by lower revenue. Further, our Group incurred retrenchment costs for our Australian subsidiary and one time sales rebate.

FYE 31 December 2015

For the financial year under review, our Group recorded revenue of RM367.37 million representing an increase of RM13.68 million or 3.87% as compared to RM353.69 million in the FYE 31 December 2014. The increase in revenue was contributed by the strengthening of the USD.

Our Group recorded a higher PAT of RM35.83 million, representing an increase of RM20.01 million or 126.49% as compared to RM15.82 million for the FYE 31 December 2014. This increase was contributed by a gain on disposal of a 50% stake of our subsidiary in Vietnam to become a jointly controlled entity, the absence of sales rebate incurred in 2014, and improvements in operating margins, favourable foreign currency exchange rates, and lower depreciation charge due to change of residual useful life of property, plant and equipment.

Three (3)-month FPE 31 March 2016

For the financial period under review, our Group recorded a revenue of RM82.39 million representing a decrease of RM5.13 million or 5.86% as compared to RM87.52 million in the three (3)-month FPE 31 March 2015. The decrease in revenue was due to the change of pricing of certain products to our major customer and the deconsolidation of our former subsidiary in Vietnam to a jointly controlled entity in 31 December 2015. The aforesaid impacts were mitigated by sale to a new multinational tobacco company customer.

Our Group recorded a higher PAT of RM5.64 million, representing a substantial increase of RM4.88 million or 642.11% as compared to RM0.76 million for the three (3)-month FPE 31 March 2015. This increase was due to the strengthening of the USD, significant improvements in productivity and waste reduction, as well as the absence of redundancy expense of RM6.9 million which was incurred in first (1st) quarter of 2015 as a result of the restructuring of production footprint within our Group to improve strategic positioning to service our customers and reduce operating costs over the longer term.

INFORMATION ON OUR COMPANY (CONT'D)

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of our Shares as traded on Bursa Securities for the past twelve (12) months from May 2015 up to the LPD of 23 May 2016 are set out below:

	High	Low
	RM	RM
2015		
May	1.90	1.84
June	1.85	1.70
July	1.79	1.68
August	1.72	1.60
September	1.72	1.67
October	1.71	1.65
November	2.85	1.72
December	2.65	2.28
2016		
January	3.26	2.60
February	3.26	2.78
March	2.82	2.43
April	2.54	2.35
May (up to the LPD)	2.40	2.32
Last transacted market price on 22 February 2016 (being the day prior to the announcement on the Rights Issue)		3.01
Last transacted market price on the LPD		2.38
Last transacted price of TWPH Shares on 27 June 2016 (being the date prior to the ex-date for the Rights Issue)		1.98

(Source: Bloomberg Finance LP)

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON



KPMG (Firm No. AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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Fax +60 (3) 7721 3399
Internet www.kpmg.com.my

The Board of Directors
Tien Wah Press Holdings Berhad
9 & 11, Jalan Semangat
46200 Petaling Jaya
Selangor Darul Ehsan

31 May 2016

Dear Sirs

**Tien Wah Press Holdings Berhad (“TWPH” or the “Company”)
Report on the compilation of pro forma consolidated statements of financial position for inclusion in the Company’s abridged prospectus in connection with the renounceable rights issue of 48,247,500 new ordinary shares of RM1.00 each in TWPH (“TWPH Share(s)” (“Rights Share(s)”) at an issue price of RM1.00 per Rights Share on the basis of one (1) Rights Share for every two (2) existing TWPH Shares held on the Entitlement Date (“Rights Issue”) (“Abridged Prospectus”)**

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statements of financial position of Tien Wah Press Holdings Berhad and its subsidiaries (collectively, the “Group”) prepared by the management of the Company (the “Management”). The pro forma consolidated statements of financial position as at 31 December 2015 and related notes as attached to this report in Appendix A have been stamped by us for identification purposes. The applicable criteria on the basis of which the Management has compiled the pro forma consolidated statements of financial position are described in the notes to the pro forma consolidated statements of financial position.

The pro forma consolidated statements of financial position have been compiled by the Management for inclusion in the Abridged Prospectus solely to illustrate the impact of the Rights Issue on the Group’s consolidated statements of financial position as at 31 December 2015, as if the Rights Issue had taken place as at 31 December 2015. As part of this process, information about the Group’s financial position has been extracted by the Management from the financial statements of the Group for the year ended 31 December 2015, on which an audit report has been issued.

Management’s Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Management is responsible for compiling the pro forma consolidated statements of financial position on the basis described in Note 1 in Appendix A.

Reporting Accountants’ Independence and Quality Control

We have complied with the independence and other ethical requirement of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG, a partnership established under Malaysian law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)



Tien Wah Press Holdings Berhad
Report on the compilation of the pro forma consolidated statements of
financial position for inclusion in the Company's Abridged Prospectus in
connection with the Rights Issue
31 May 2016

The firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion about whether the pro forma consolidated statements of financial position has been compiled, in all material respects, by the Management on the basis described in Note 1 in Appendix A.

We conducted our engagement in accordance with International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the pro forma consolidated statements of financial position on the basis described in Note 1 in Appendix A.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of the pro forma consolidated statements of financial position included in the Abridged Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma consolidated statements of financial position reflects the proper application of those adjustments to the unadjusted financial information.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)



Tien Wah Press Holdings Berhad
Report on the compilation of the pro forma consolidated statements of
financial position for inclusion in the Company's Abridged Prospectus in
connection with the Rights Issue
31 May 2016

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma consolidated statements of financial position has been compiled, in all material respects, on the basis stated in Note 1 in Appendix A.

Other Matters

Our report on the pro forma consolidated statements of financial position has been prepared for inclusion in the Abridged Prospectus in connection with the Rights Issue and should not be relied upon for any other purposes.

KPMG
Firm Number: AF 0758
Chartered Accountants

Lee Yee Keng
Approval Number: 2880/04/17(J)
Chartered Accountant

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

APPENDIX A

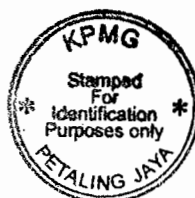
TIEN WAH PRESS HOLDINGS BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND THE NOTES THEREON

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

The pro forma consolidated statements of financial position of Tien Wah Press Holdings Berhad ("TWPH" or the "Company") and its subsidiaries (the "Group") as at 31 December 2015 as set out below has been prepared for illustrative purposes only and to show the effects of the events or transactions referred to in the notes, and should be read in conjunction with the notes accompanying the pro forma consolidated statements of financial position:

	Note	Pro forma I	
		As at 31 December 2015* RM'000	After the Rights Issue RM'000
Assets			
Property, plant and equipment		242,099	242,099
Intangible assets		19,443	19,443
Investment in joint venture		6,464	6,464
Investment in an associate		25,460	25,460
Deferred tax assets		1,474	1,474
Trade and other receivables		9,679	9,679
Total non-current assets		304,619	304,619
Trade and other receivables		48,717	48,717
Inventories		78,979	78,979
Current tax assets		61	61
Cash and cash equivalents	3(a)	71,330	101,330
Total current assets		199,087	229,087
Total assets		503,706	533,706
Equity			
Share capital	3(b)	96,495	144,743
Share premium		12,504	12,504
Translation reserve		30,169	30,169
Retained earnings	3(c)	145,103	144,303
Total equity attributable to owners of the Company		284,271	331,719
Non-controlling interests		62,168	62,168
Total equity		346,439	393,887
Liabilities			
Deferred tax liabilities		11,052	11,052
Employee benefits		1,042	1,042
Loans and borrowings		11,530	11,530
Trade and other payables		1,506	1,506
Total non-current liabilities		25,130	25,130



* Extracted from the audited financial statements of the Group for the financial year ended 31 December 2015.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

APPENDIX A

TIEN WAH PRESS HOLDINGS BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND THE NOTES THEREON

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015 (continued)

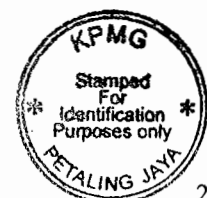
		As at 31 December 2015*	Pro forma I After the Rights Issue RM'000
	Note	RM'000	RM'000
Liabilities			
Loans and borrowings	3(d)	60,076	42,628
Trade and other payables		71,502	71,502
Current tax liabilities		559	559
Total current liabilities		132,137	114,689
Total liabilities		157,267	139,819
Total equity and liabilities		503,706	533,706
No. of TWPH Shares ('000)		96,495	144,743
Net assets per TWPH Share (RM) ^(a)		2.95	2.29

* Extracted from the audited financial statements of the Group for the financial year ended 31 December 2015.

Note:

(a) Net assets is defined as equity attributable to owners of the Company.

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TIEN WAH PRESS HOLDINGS BERHAD **APPENDIX A**
 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND THE NOTES THEREON

1. Basis of preparation

The pro forma consolidated statements of financial position of the Group as at 31 December 2015 has been prepared based on the audited financial statements of the Group for the year ended 31 December 2015, which was prepared in accordance with the approved accounting standards as defined in the Financial Reporting Act 1997, and in a manner consistent with the format of the statements of financial position and the accounting policies adopted by the Group.

The audited financial statements of the Group for the financial year ended 31 December 2015 were prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”). The pro forma consolidated statements of financial position does not include the effects of the adoption of Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board which are effective for the annual period beginning on 1 January 2016.

The auditors’ reports of the audited financial statements of the Group for the financial year ended 31 December 2015 were not subject to any qualification, modification or disclaimer of opinion.

The pro forma consolidated statements of financial position has been prepared for illustrative purposes only, and because of its nature, may not give a true picture of the actual financial position of the Group.

2. Pro forma adjustments to the pro forma consolidated statements of financial position as at 31 December 2015

The pro forma consolidated statements of financial position has been prepared for inclusion in the Company’s abridged prospectus in connection with the renounceable rights issue of 48,247,500 new ordinary shares of RM1.00 each in TWPH (“TWPH Share(s)”) (“Rights Share(s)”) at an issue price of RM1.00 per Rights Share on the basis of one (1) Rights Share for every two (2) existing TWPH Shares held on the Entitlement Date (“Rights Issue”) (“Abridged Prospectus”).

Accordingly, the pro forma consolidated statements of financial position, which has been prepared for illustrative purposes only, incorporates the following events or transactions as if they were effected on 31 December 2015:

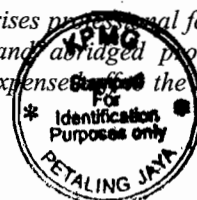
a) Pro forma I –Rights Issue

Pro forma I incorporates the effects of the Rights Issue. It is assumed that all the existing shareholders of TWPH will subscribe for their entitlements pursuant to the Rights Issue. This would result in the issuance of 48,247,500 Rights Shares and gross proceeds of RM48.25 million to be raised by the Company, which is expected to be utilised in the following manner:

	RM'000
Business expansion	30,000
Repayment of bank borrowings	17,448
Estimated expenses in relation to the Rights Issue ⁽¹⁾	800
Total	48,248

Note:

⁽¹⁾ The estimated expenses in relation to the Rights Issue, which comprises professional fees, fees payable to the relevant authorities, printing cost of circular and abridged prospectus, advertising and miscellaneous expenses, is assumed to be entirely expensed from the retained profits of the Group.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2015 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

APPENDIX A

TIEN WAH PRESS HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND THE NOTES THEREON

3. Effects on the pro forma consolidated statements of financial position

a) Movement in cash and cash equivalents

	RM'000
Audited balance as at 31 December 2015	71,330
Effects of pro forma I:	
- Proceeds from issuance of Rights Shares pursuant to the Rights Issue	48,248
- Repayment of bank borrowings	(17,448)
- Payment of expenses relating to the Rights Issue	(800)
Pro forma I	<u>101,330</u>

b) Movement in share capital

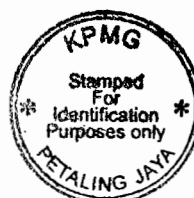
	RM'000
Audited balance as at 31 December 2015	96,495
Effects of pro forma I:	
- Issuance of Rights Shares pursuant to the Rights Issue	48,248
Pro forma I	<u>144,743</u>

c) Movement in retained earnings

	RM'000
Audited balance as at 31 December 2015	145,103
Effects of pro forma I:	
- Payment of expenses relating to the Rights Issue	(800)
Pro forma I	<u>144,303</u>

d) Movement in loans and borrowings (current)

	RM'000
Audited balance as at 31 December 2015	60,076
Effects of pro forma I:	
- Repayment of bank borrowings	(17,448)
Pro forma I	<u>42,628</u>



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31
DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON**

Tien Wah Press Holdings Berhad
(Company No. 340434-K)
(Incorporated in Malaysia)
and its subsidiaries

**Financial statements for the year
ended 31 December 2015**

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

1

Tien Wah Press Holdings Berhad

(Company No. 340434-K)

(Incorporated in Malaysia)

and its subsidiaries

Directors' report for the year ended 31 December 2015

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

Principal activities

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	33,975	28,262
Non-controlling interests	<u>1,856</u>	<u>-</u>
	<u>35,831</u>	<u>28,262</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid:

- (i) a final single-tier dividend of 4 sen per share totalling RM3,859,800 in respect of the financial year ended 31 December 2014 on 25 June 2015; and
- (ii) an interim single-tier dividend of 4 sen per share totalling RM3,859,800 in respect of the financial year ended 31 December 2015 on 29 October 2015.

The Directors have recommended the payment of a final single-tier dividend of 14 sen per share totalling RM13,509,300 in respect of the financial year ended 31 December 2015.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

2

Directors of the Company

Directors who served since the date of the last report are:

Yen Wen Hwa @ Ngan Tzee Manh (appointed on 16 February 2015)
 Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff (retired on 16 February 2015)
 Angela Heng Chor Kiang
 Lee Chee Whye (redesignated on 16 February 2015 to Chief Executive Officer)
 Mej Jen (B) Datuk Abdul Kadir bin Nordin
 Datuk Toh Ah Wah
 Lee Cheow Fui
 Lim Teck Leong David

Directors' interests in shares

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1 each			
	At 1.1.2015/ date of appointment	Bought	Sold	At 31.12.2015
Company				
Deemed interest				
Yen Wen Hwa @ Ngan Tzee Manh	52,203,260	-	-	52,203,260
Fully paid ordinary shares with no par value (SGD)				
Ultimate Holding Company				
Direct interest				
Angela Heng Chor Kiang	500,000	-	-	500,000
Yen Wen Hwa @ Ngan Tzee Manh	139,959,164	-	-	139,959,164
Deemed interest				
Yen Wen Hwa @ Ngan Tzee Manh	87,910,517	-	-	87,910,517

None of the other Directors holding office at 31 December 2015 had any interest in the ordinary shares and option over shares of the Company and of its related corporations during the financial year.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in note 30.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issues of shares and debentures

There were no changes in the authorised, issued and paid up capital of the Company during the financial year. There were no debentures issued in the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate allowance has been made for doubtful debts, and
- ii) any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

4

Other statutory information (continued)

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2015 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Subsequent events

- a) On 23 February 2016, the Company announced that it proposes to undertake a renounceable rights issue of 48,247,500 new ordinary shares of RM1.00 each ("Rights Share(s)") at an issue price of RM1.00 per Rights Share on the basis of one (1) Rights Share for every two (2) existing shares of the Company held on an entitlement date to be determined and announced later. The proceeds from the rights issue are proposed to be utilised for business expansion in the Middle East region and/or Indonesia, and repayment of bank borrowings. The proposed rights issue is expected to be completed by third quarter of 2016.
- b) On 11 March 2016, the Company announced that it had on 8 March 2016, incorporated a new wholly owned subsidiary, Alliance Print Technologies FZE ("FZE") in Dubai, United Arab Emirates with a registered share capital of AED1,000,000 consist of one (1) share. The said incorporation is in line with the long term strategic plans of TWPH and to gain footprint in the Middle East market.
- c) On 17 March 2016, the key customer of the Group announced that it will cease its manufacturing operations in Malaysia under an operations restructuring exercise and would be winding down its facility in stages and the process is targeted to be completed by the second half of 2017.

The Board is of the opinion that there is no impact to the financial statements for the year ended 31 December 2015 as the Group will still be continuing to supply the customer's requirements, albeit to different locations, as per the existing supply agreement.

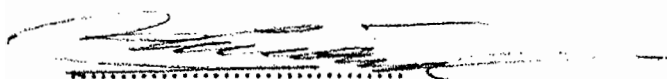
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31
DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

5

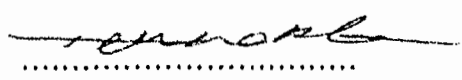
Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



Yen Wen Hwa @ Ngan Tzee Manh



Lee Cheow Fui

Petaling Jaya, Selangor

Date: 21 March 2016

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

6

Tien Wah Press Holdings Berhad

(Company No. 340434-K)

(Incorporated in Malaysia)

and its subsidiaries

Statements of financial position as at 31 December 2015

	Note	Group		Company	
		2015	2014	2015	2014
		RM'000	restated RM'000	RM'000	RM'000
Assets					
Property, plant and equipment	3	242,099	236,965	295	437
Intangible assets	4	19,443	26,874	-	-
Investment in subsidiaries	5	-	-	111,069	123,928
Investment in joint venture	6	6,464	-	6,430	-
Investment in an associate	7	25,460	20,171	1,500	1,500
Deferred tax assets	8	1,474	1,218	-	-
Trade and other receivables	9	9,679	-	9,679	-
Total non-current assets		304,619	285,228	128,973	125,865
Trade and other receivables	9	48,717	49,329	31,081	32,403
Inventories	10	78,979	78,546	-	-
Current tax assets		61	667	-	-
Cash and cash equivalents	11	71,330	53,097	9,015	309
		199,087	181,639	40,096	32,712
Asset classified as held for sale	32	-	-	7,079	-
Total current assets		199,087	181,639	47,175	32,712
Total assets		503,706	466,867	176,148	158,577
Equity					
Share capital	12	96,495	96,495	96,495	96,495
Reserves	13	187,776	140,156	62,667	42,125
Total equity attributable to owners of the Company		284,271	236,651	159,162	138,620
Non-controlling interests		62,168	68,078	-	-
Total equity		346,439	304,729	159,162	138,620
Liabilities					
Deferred tax liabilities	8	11,052	10,968	-	-
Employee benefits	14	1,042	1,095	284	251
Loans and borrowings	15	11,530	14,422	5	8
Trade and other payables	16	1,506	4,382	-	-
Total non-current liabilities		25,130	30,867	289	259
Loans and borrowings	15	60,076	59,539	4	1,421
Trade and other payables	16	71,502	68,497	16,693	18,277
Current tax liabilities		559	3,235	-	-
Total current liabilities		132,137	131,271	16,697	19,698
Total liabilities		157,267	162,138	16,986	19,957
Total equity and liabilities		503,706	466,867	176,148	158,577

The notes on pages 15 to 94 are an integral part of these financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

7

Tien Wah Press Holdings Berhad

(Company No. 340434-K)

(Incorporated in Malaysia)

and its subsidiaries
Statements of profit or loss and other comprehensive income for the year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue					
- Sale of goods		367,374	353,686	-	-
- Gross dividend income from unquoted subsidiaries and an unquoted associate		-	-	29,274	11,523
		<u>367,374</u>	<u>353,686</u>	<u>29,274</u>	<u>11,523</u>
Cost of sales		(288,519)	(293,256)	-	-
Gross profit		<u>78,855</u>	<u>60,430</u>	<u>29,274</u>	<u>11,523</u>
Other income		9,164	5,364	5,415	1,027
Distribution expenses		(10,625)	(11,814)	-	-
Administrative expenses		(25,757)	(24,293)	(5,856)	(3,630)
Other expenses		(18,445)	(9,704)	(1,262)	127
Results from operating activities		<u>33,192</u>	<u>19,983</u>	<u>27,571</u>	<u>9,047</u>
Finance income		991	1,077	1,414	1,363
Finance costs	17	(2,657)	(2,723)	(703)	(734)
Net finance (costs)/income		<u>(1,666)</u>	<u>(1,646)</u>	<u>711</u>	<u>629</u>
Share of profit of equity accounted associate, net of tax	7	6,096	4,642	-	-
Profit before tax	18	<u>37,622</u>	<u>22,979</u>	<u>28,282</u>	<u>9,676</u>
Tax expense	21	(1,791)	(7,159)	(20)	(13)
Profit for the year		<u>35,831</u>	<u>15,820</u>	<u>28,262</u>	<u>9,663</u>
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		31,251	2,334	-	-
Hedge of net investment		-	(90)	-	-
Other comprehensive income for the year, net of tax	19	<u>31,251</u>	<u>2,244</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>67,082</u>	<u>18,064</u>	<u>28,262</u>	<u>9,663</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

8

Statements of profit or loss and other comprehensive income for the year ended 31 December 2015 (continued)

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit attributable to:					
Owners of the Company		33,975	13,531	28,262	9,663
Non-controlling interests		<u>1,856</u>	<u>2,289</u>	-	-
Profit for the year		<u>35,831</u>	<u>15,820</u>	<u>28,262</u>	<u>9,663</u>
Total comprehensive income attributable to:					
Owners of the Company		57,885	16,563	28,262	9,663
Non-controlling interests		<u>9,197</u>	<u>1,501</u>	-	-
Total comprehensive income for the year		<u>67,082</u>	<u>18,064</u>	<u>28,262</u>	<u>9,663</u>
Basic earnings per ordinary share (sen)	22	<u>35.21</u>	<u>14.02</u>		

The notes on pages 15 to 94 are an integral part of these financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

9

Tien Wah Press Holdings Berhad
(Company No. 340434-K)
(Incorporated in Malaysia)
and its subsidiaries

Consolidated statement of changes in equity for the year ended 31 December 2015

Group	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Attributable to owners of the Company		Total equity RM'000
				Non-Distributable	Distributable	
	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Retained earnings RM'000	Total interests RM'000	Total equity RM'000
At 1 January 2014	96,495	12,504	5,772	114,378	229,149	300,486
Foreign currency translation differences for foreign operations	-	-	3,078	-	3,078	2,334
Hedge of net investment	-	-	(46)	-	(46)	(90)
Total other comprehensive income for the year	-	-	3,032	-	3,032	2,244
Profit for the year	-	-	-	13,531	13,531	15,820
Total comprehensive income for the year	-	-	3,032	13,531	16,563	18,064
Dividends to owners of the Company	-	-	-	(9,061)	(9,061)	(9,061)
Dividends to non-controlling interests	-	-	-	-	-	(4,760)
At 31 December 2014	96,495	12,504	8,804	118,848	236,651	304,729

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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**Consolidated statements of changes in equity for the year ended 31 December 2015
(continued)**

Group	Note	Share capital RM'000	Share premium RM'000	Attributable to owners of the Company			Total equity RM'000
				Translation reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000	
At 1 January 2015		96,495	12,504	8,804	118,848	68,078	304,729
Foreign currency translation differences for foreign operations		-	-	23,910	-	7,341	31,251
Total other comprehensive income for the year		-	-	23,910	-	7,341	31,251
Profit for the year		-	-	-	33,975	1,856	35,831
Total comprehensive income for the year		-	-	23,910	33,975	9,197	67,082
Dividends to owners of the Company	23	-	-	-	(7,720)	-	(7,720)
Dividends to non-controlling interests		-	-	-	-	(15,107)	(15,107)
Disposal of a subsidiary	31	-	-	(2,545)	-	-	(2,545)
At 31 December 2015		96,495	12,504	30,169	145,103	62,168	346,439

The notes on pages 15 to 94 are an integral part of these financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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**Statements of changes in equity for the year ended
31 December 2015**

Company	Note	<i>Attributable to owners of the Company</i>			Total equity RM'000
		<i>Non-Distributable Share capital RM'000</i>	<i>Share premium RM'000</i>	<i>Distributable Retained earnings RM'000</i>	
At 1 January 2014		96,495	12,504	29,019	138,018
Profit and total comprehensive income for the year		-	-	9,663	9,663
Dividends to owners of the Company	23	-	-	(9,061)	(9,061)
At 31 December 2014/ 1 January 2015		96,495	12,504	29,621	138,620
Profit and total comprehensive income for the year		-	-	28,262	28,262
Dividends to owners of the Company	23	-	-	(7,720)	(7,720)
At 31 December 2015		96,495	12,504	50,163	159,162

The notes on pages 15 to 94 are an integral part of these financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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Tien Wah Press Holdings Berhad

(Company No. 340434-K)

(Incorporated in Malaysia)

and its subsidiaries

**Statements of cash flows for the year ended
31 December 2015**

	Note	Group		Company	
		2015	2014	2015	2014
		RM'000	restated RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before tax		37,622	22,979	28,282	9,676
Adjustments for:					
Amortisation of intangible assets	4	9,198	6,569	-	-
Depreciation of property, plant and equipment	3	26,526	25,005	103	96
Dividend income		-	-	(29,274)	(11,523)
Loss/(Gain) on disposal of property, plant and equipment		474	10	(45)	-
Inventory write down/off		1,506	2,409	-	-
Finance costs	17	2,657	2,723	703	734
Finance income		(991)	(1,077)	(1,414)	(1,363)
Change in fair value of investment in joint venture	6	(34)	-	-	-
(Gain)/loss on disposal of a subsidiary	31	(2,052)	-	284	-
Retirement benefits provided	14	115	116	75	83
Provision for annual leaves		2,102	2,502	37	-
Provision for long-service leave		225	546	-	-
Share of profit of equity-accounted associate, net of tax		(6,096)	(4,642)	-	-
Unrealised loss/(gain) on foreign exchange differences		926	3,064	979	(271)
Operating profit/(loss) before changes in working capital		72,178	60,204	(270)	(2,568)
Changes in working capital:					
Inventories		1,903	(6,864)	-	-
Trade and other receivables		6,911	11,907	(8,548)	(30)
Trade and other payables		(18,016)	780	(75)	364
Cash generated from/(used in) operations		62,976	66,027	(8,893)	(2,234)
Dividends received		-	-	23,756	10,659
Interest received		991	1,077	1,414	1,363
Employee benefits used		(4,447)	(6,527)	(519)	-
Income tax paid		(3,710)	(4,427)	(20)	(13)
Net cash from operating activities		55,810	56,150	15,738	9,775

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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**Statements of cash flows for the year ended
31 December 2015 (continued)**

	Note	Group		Company	
		2015	2014	2015	2014
		RM'000	restated RM'000	RM'000	RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(14,612)	(31,967)	(180)	(170)
Proceeds from disposal of property, plant and equipment		443	60	264	-
Proceeds from disposal of a subsidiary, net of cash and cash equivalents	31	5,267	-	6,146	-
Change in pledged deposits		(3)	(102)	-	-
Dividend received		807	864	807	864
Net cash (used in)/from investing activities		<u>(8,098)</u>	<u>(31,145)</u>	<u>7,037</u>	<u>694</u>
Cash flows from financing activities					
Proceeds from loans and borrowings		21,902	48,407	-	-
Dividends paid to owners of the Company	23	(7,720)	(9,061)	(7,720)	(9,061)
Dividends paid to non-controlling interest		(15,107)	(4,760)	-	-
Interest paid		(2,657)	(2,723)	(703)	(734)
Repayment of loans and borrowings		(24,257)	(49,733)	(1,420)	(8,181)
Advance to subsidiary		-	-	(2,327)	(1,502)
Advance from/(repayment to) ultimate holding company		10,716	7,417	(1,899)	8,938
Net cash used in financing activities		<u>(17,123)</u>	<u>(10,453)</u>	<u>(14,069)</u>	<u>(10,540)</u>
Net increase/(decrease) in cash and cash equivalents		30,589	14,552	8,706	(71)
Effect of exchange rate fluctuations on cash held		(12,359)	(5,700)	-	-
Cash and cash equivalents at 1 January		<u>52,995</u>	<u>44,143</u>	<u>309</u>	<u>380</u>
Cash and cash equivalents at 31 December	(i)	<u>71,225</u>	<u>52,995</u>	<u>9,015</u>	<u>309</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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**Statements of cash flows for the year ended
31 December 2015 (continued)**

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following:

	Note	Group		Company	
		2015	2014 restated	2015	2014
		RM'000	RM'000	RM'000	RM'000
Cash and bank balances	11	46,045	34,928	9,015	309
Deposits with licensed banks	11	25,285	18,169	-	-
		<u>71,330</u>	<u>53,097</u>	<u>9,015</u>	<u>309</u>
Less: Deposit pledged	11	(105)	(102)	-	-
		<u>71,225</u>	<u>52,995</u>	<u>9,015</u>	<u>309</u>

The notes on pages 15 to 94 are an integral part of these financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

15

Tien Wah Press Holdings Berhad

(Company No. 340434-K)

(Incorporated in Malaysia)

and its subsidiaries**Notes to the financial statements**

Tien Wah Press Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

Registered office

Lot 6.05, Level 6, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

Principal place of business

9 & 11, Jalan Semangat
46200 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"), the Group's interest in an associate and joint venture.

The Company is principally engaged in investment holding, whilst the principal activities of the other Group entities are stated in Note 5 to the financial statements.

The ultimate holding company during the financial year is New Toyo International Holdings Ltd., a company incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited.

These financial statements were authorised for issue by the Board of Directors on 21 March 2016.

1. Basis of preparation**(a) Statement of compliance**

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The following are accounting standards, amendments and interpretations of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2016

- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and Amendments effective for a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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1. Basis of preparation (continued)**(a) Statement of compliance (continued)**

The Group plans to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for MFRS 14 and Amendments to MFRS 141 which are not applicable to the Group.
- from the annual period beginning on 1 January 2018 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018.

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company, except as mentioned below:

MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services*.

Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*

The amendments to MFRS 10, MFRS 12 and MFRS 128 require an investment entity parent to fair value a subsidiary providing investment-related services that is itself an investment entity, an intermediate parent owned by an investment entity group can be exempted from preparing consolidated financial statements and a non-investment entity investor can retain the fair value accounting applied by its investment entity associate or joint venture.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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1. Basis of preparation (continued)**(a) Statement of compliance (continued)**

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9, MFRS 15 and amendments to MFRS 10, MFRS 12 and MFRS 128.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than disclosed in note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than disclosed in the following notes:

- Note 3 - Reassessment for residual useful life of property, plant and equipment
- Note 4 - Valuation of intangible assets

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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2. Significant accounting policies

The accounting policies set out below have been applied consistently to the years presented in these financial statements, and have been applied consistently by the Group and the Company, unless otherwise stated.

(a) Basis of consolidation**(i) Subsidiaries**

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON

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2. Significant accounting policies (continued)**(a) Basis of consolidation (continued)****(ii) Business combinations (continued)**

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Acquisitions from entities under common controls

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain/loss is recognised directly in equity.

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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2. Significant accounting policies (continued)**(a) Basis of consolidation (continued)****(vi) Associate**

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in associate is accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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2. Significant accounting policies (continued)**(a) Basis of consolidation (continued)****(vii) Joint Arrangement**

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investment in joint venture is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction cost.

(viii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(ix) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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2. Significant accounting policies (continued)**(b) Foreign currency****(i) Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia ("RM")

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and contract value and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2011 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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2. Significant accounting policies (continued)**(b) Foreign currency****(ii) Operations denominated in functional currencies other than Ringgit Malaysia ("RM") (continued)**

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant portion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant portion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments**(i) Initial recognition and measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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2. Significant accounting policies (continued)**(c) Financial instruments (continued)****(ii) Financial instrument categories and subsequent measurement**

The Group and the Company categorise financial instruments as follows:

Financial assets***Loans and receivables***

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets are subject to review for impairment (see Note 2(i)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Hedge of a net investment

A hedge of a net investment is a hedge in the interest of the net assets of a foreign operation. In a net investment hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss. The cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss on disposal of foreign operation.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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2. Significant accounting policies (continued)**(c) Financial instruments (continued)****(iv) Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

(d) Property, plant and equipment**(i) Recognition and measurement**

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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2. Significant accounting policies (continued)**(d) Property, plant and equipment (continued)****(i) Recognition and measurement (continued)**

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within “other income” or “other expenses” respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated residual useful lives for the current and comparative periods are as follows:

• Leasehold land	Between	7 – 48 years
• Buildings	Between	20 – 63 years
• Plant and machineries	Between	8 – 15 years
• Motor vehicles	Between	5 – 10 years
• Furniture, fittings and office equipment	Between	3 – 10 years
• Air conditioners	Between	5 – 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.