



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

Quarterly report on consolidated results for the twelve months ended 31 December 2015
The figures have not been audited.

PART A2: SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31 Dec 2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 Dec 2014 RM'000	CURRENT YEAR TO DATE 31 Dec 2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 Dec 2014 RM'000	
1	Revenue	97,065	86,848	367,374	353,686
2	Profit before tax	12,885	1,490	37,622	22,979
3	Profit for the period	13,799	(1,802)	35,831	15,820
4	Profit attributable to ordinary equity holders of the Company	11,778	782	33,975	13,531
5	Basic earnings per share (sen)	12.21	0.81	35.21	14.02
6	Proposed / Declared Dividend per share (sen)	14.00	4.00	18.00	7.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the Company (RM)	2.95		2.45	
	Remarks :				

PART A3: ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31 Dec 2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 Dec 2014 RM'000	CURRENT YEAR TO DATE 31 Dec 2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 Dec 2014 RM'000	
1	Gross interest income	219	105	991	1,077
2	Gross interest expense	(670)	(699)	(2,657)	(2,723)
	Remarks :				



TIEN WAH PRESS HOLDINGS BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2015

	2015 Current Quarter Ended 31 Dec (RM '000)	2014 Comparative Quarter Ended 31 Dec (RM '000)	2015 Cumulative Twelve months Ended 31 Dec (RM '000)	2014 Cumulative Twelve months Ended 31 Dec (RM '000)
Revenue	97,065	86,848	367,374	353,686
Cost of sales	(72,808)	(75,281)	(288,519)	(293,256)
Gross profit	24,257	11,567	78,855	60,430
Other income	932	2,533	6,382	5,364
Distribution expenses	(2,535)	(3,062)	(10,625)	(11,814)
Administrative expenses	(6,975)	(5,928)	(25,757)	(24,293)
Other expenses	(2,802)	(4,394)	(15,663)	(9,704)
Results from operating activities	12,877	716	33,192	19,983
Finance income	219	105	991	1,077
Finance costs	(670)	(699)	(2,657)	(2,723)
Operating profit	12,426	122	31,526	18,337
Share of profit of equity-accounted associate, net of tax	459	1,368	6,096	4,642
Profit before tax	12,885	1,490	37,622	22,979
Tax expense	914	(3,292)	(1,791)	(7,159)
Profit for the period	13,799	(1,802)	35,831	15,820
Profit for the period attributable to:				
Owners of the Company	11,778	782	33,975	13,531
Non-controlling interests	2,021	(2,584)	1,856	2,289
Profit for the period	13,799	(1,802)	35,831	15,820
Earnings per ordinary share (sen):				
-basic (sen)	12.21	0.81	35.21	14.02

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2014)



TIEN WAH PRESS HOLDINGS BERHAD
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INTERIM FINANCIAL STATEMENTS

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2015**

	2015	2014	2015	2014
	Current	Comparative	Cumulative	Cumulative
	Quarter Ended	Quarter Ended	Twelve months Ended	Twelve months Ended
	31 Dec	31 Dec	31 Dec	31 Dec
	(RM '000)	(RM '000)	(RM '000)	(RM '000)
Profit for the period	13,799	(1,802)	35,831	15,820
Item that may be subsequently reclassified to profit or loss				
Foreign currency translation differences for foreign operations	14	5,198	31,251	2,244
Total comprehensive income for the period, net of tax	13,813	3,396	67,082	18,064
Total comprehensive income attributable to:				
Owners of the Company	10,819	5,360	57,885	16,563
Non-controlling interests	2,994	(1,964)	9,197	1,501
Profit for the period	13,813	3,396	67,082	18,064

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2014)



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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	As at 31 Dec 2015	As at 31 Dec 2014 Restated
	(RM '000)	(RM '000)
Assets		
Property, plant and equipment	242,099	236,965
Intangible assets	19,443	26,874
Investment in joint venture	6,464	-
Investment in an associate	25,460	20,171
Deferred tax assets	1,474	1,218
Total non-current assets	294,940	285,228
Current assets		
Trade and other receivables	58,396	49,329
Inventories	78,979	78,546
Current tax assets	61	667
Cash & cash equivalents	71,330	53,097
Total current assets	208,766	181,639
Total assets	503,706	466,867
Equity and liabilities		
Share capital	96,495	96,495
Reserves	187,776	140,156
Total equity attributable to the equity holders of the Company	284,271	236,651
Non-controlling interests	62,168	68,078
Total equity	346,439	304,729
Non-current liabilities		
Deferred tax liabilities	11,052	10,968
Employee benefits	1,042	1,095
Loans and borrowings	11,530	14,422
Trade and other payables	1,506	4,382
Total non-current liabilities	25,130	30,867
Current liabilities		
Loans and borrowings	60,076	59,539
Trade and other payables	71,502	68,497
Current tax liabilities	559	3,235
Total current liabilities	132,137	131,271
Total liabilities	157,267	162,138
Total equity and liabilities	503,706	466,867

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2014)



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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2015

	Attributable to Equity Holders of the Company				Non-controlling Interest	Total Equity	
	Non-Distributable		Distributable				
	Share Capital (RM '000)	Share Premium (RM '000)	Translation Reserve (RM '000)	Retained Profits (RM '000)	Total (RM '000)	(RM '000)	(RM '000)
At 1 January 2015	96,495	12,504	8,804	118,848	236,651	68,078	304,729
Foreign currency translation differences for foreign operations	-	-	23,910	-	23,910	7,341	31,251
Other comprehensive income for the period	-	-	23,910	-	23,910	7,341	31,251
Profit for the period	-	-	-	33,975	33,975	1,856	35,831
Total comprehensive income for the period	-	-	23,910	33,975	57,885	9,197	67,082
Dividends to owners of the Company	-	-	-	(7,720)	(7,720)	-	(7,720)
Dividends to non-controlling interest	-	-	-	-	-	(15,107)	(15,107)
Disposal of a subsidiary company	-	-	(2,545)	-	(2,545)	-	(2,545)
Total transactions with owners of the Company	-	-	(2,545)	(7,720)	(10,265)	(15,107)	(25,372)
At 31 December 2015	96,495	12,504	30,169	145,103	284,271	62,168	346,439
At 1 January 2014	96,495	12,504	5,772	114,378	229,149	71,337	300,486
Foreign currency translation differences for foreign operations	-	-	3,078	-	3,078	(744)	2,334
Hedge of net investment	-	-	(46)	-	(46)	(44)	(90)
Other comprehensive income for the period	-	-	3,032	-	3,032	(788)	2,244
Profit for the period	-	-	-	13,531	13,531	2,289	15,820
Total comprehensive income for the period	-	-	3,032	13,531	16,563	1,501	18,064
Dividends to owners of the Company	-	-	-	(9,061)	(9,061)	-	(9,061)
Dividends to non-controlling interest	-	-	-	-	-	(4,760)	(4,760)
Total transactions with owners of the Company	-	-	-	(9,061)	(9,061)	(4,760)	(13,821)
At 31 December 2014	96,495	12,504	8,804	118,848	236,651	68,078	304,729

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2014)



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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2015

	2015 Twelve months ended 31 Dec RM '000	2014 Twelve months ended 31 Dec Restated RM '000
<i>Cash flows from operating activities</i>		
Profit before tax	37,622	22,979
<i>Adjustments for non-cash items:</i>		
- Depreciation of property, plant and equipment	26,526	25,005
- Amortisation of intangible assets	9,198	6,569
- Net interest expense	1,666	1,646
- Share of profit of equity-accounted associate, net of tax	(6,096)	(4,642)
- Employee benefits	2,442	3,164
- Gain on disposal of a subsidiary	(2,052)	-
- Other non-cash items	1,366	3,074
Operating profit before changes in working capital	70,672	57,795
-Change in inventories	3,409	(4,455)
-Change trade and other receivables	10,758	11,907
-Change in trade and other payables	(18,016)	780
Cash generated from operations	66,823	66,027
- Tax paid	(4,118)	(4,427)
- Interest received	991	1,077
- Employee benefits used	(4,447)	(6,527)
Net cash generated from operating activities	59,249	56,150
<i>Cash flows from investing activities</i>		
- Acquisition of property, plant and equipment	(14,612)	(31,967)
- Proceeds from disposal of property, plant and equipment	443	60
- Proceeds from disposal of a subsidiary, net of cash and cash equivalents	5,267	-
- Change in pledged deposits	(3)	(102)
- Dividend received	807	864
Net cash used in investing activities	(8,098)	(31,145)
<i>Cash flow from financing activities</i>		
- Proceeds from loans and borrowings	21,902	48,407
- Repayment of loans and borrowings	(38,490)	(49,733)
- Advance from ultimate holding company	10,716	7,417
- Dividend paid to shareholders	(7,720)	(9,061)
- Dividend paid to non-controlling interests	(15,107)	(4,760)
- Interest paid	(2,657)	(2,723)
Net cash used in financing activities	(31,356)	(10,453)
Net increase in cash & cash equivalents	19,795	14,552
Effect of exchange rate fluctuations on cash held	(1,565)	(5,700)
Cash & cash equivalents at 1 January	52,995	44,143
Cash & cash equivalents at 31 December	71,225	52,995

Cash & cash equivalents

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

	2015 Twelve months ended 31 Dec RM '000	2014 Twelve months ended 31 Dec RM '000
Cash and bank balances	46,045	34,928
Deposits with licensed banks	25,285	18,169
	71,330	53,097
Less: Deposit pledged	(105)	(102)
	71,225	52,995

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2014)



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Notes to the Interim Financial Statements for the quarter and twelve months ended 31 December 2015

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (MFRSs) 134, *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014.

The accounting policies and methods of computation adopted by the Group in this interim financial statement are consistent with those adopted in the financial statements for the year ended 31 December 2014. The explanatory notes attached to the Interim Financial Statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

A2. Significant Accounting Policies

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issues Committee (IC) Interpretations were issued but not yet effective and have not been applied by the Group:-

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



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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*

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements of the Group, except as mentioned below:-

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*.

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.

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 exempt 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.

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

A3. Audit Report Qualification and Status of Matters Raised

The audit report of the preceding annual financial statements was not qualified.

A4. Seasonal or Cyclical Nature of Operations

The operations of the Group were not affected by seasonal or cyclical factors.

A5. Items of Unusual Nature

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



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A6. Changes in Estimates of Amounts Reported

During the current financial year, the Group had assessed and reviewed the residual useful life of its property, plant and equipment as at 1 January 2015 based on past experiences and machine vendor's validation. As a result of this review, the residual useful life of certain plant and machineries had been extended for another 8 to 15 years. The net impact of this resulted in lower depreciation of RM1.5 million in the current financial quarter and RM4.7 million current financial year.

A7. Changes in Debt and Equity Securities

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

A8. Dividends Paid

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

	Twelve months ended 31 December	
	2015 RM'000	2014 RM'000
Interim paid on 29 October 2015 in respect of the financial year ended 31 December 2015 . single-tier dividend of 4.00 sen per share of RM1.00 each	3,860	
Interim paid on 31 October 2014 in respect of the financial year ended 31 December 2014 . single-tier dividend of 3.00 sen per share of RM1.00 each		2,895
Final paid on 25 June 2015 in respect of the financial year ended 31 December 2014 . single-tier dividend of 4.00 sen per share of RM1.00 each	3,860	-
Final paid on 10 July 2014 in respect of the financial year ended 31 December 2013 . single-tier dividend of 6.39 sen per share of RM1.00 each	-	6,166
	<hr/> <hr/> 7,720	<hr/> <hr/> 9,061



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A9. Operating Segments

The Group has two reportable segments, as described below which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing strategies. Each of the strategic business units, reflect the Group's management structure and the way financial information is regularly reviewed by the Board of Directors.

The following summary describes the operations in each of the Group reportable segments:

Printing: Rotogravure and photo-lithography printing specialising in cigarette cartons, consumer goods packaging, advertising materials and packaging services in general.

Trading: Trading of cigarette packaging cartons.

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

	Twelve months ended 31 December					
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
	Printing		Trading		Total	
Revenue						
- External	151,356	159,126	216,018	194,560	367,374	353,686
- Inter-segment	197,139	192,729	6,002	12,800	203,141	205,529
Total revenue	348,495	351,855	222,020	207,360	570,515	559,215
Segment profit	42,395	48,368	22,809	14,792	65,204	63,160
Segment assets	385,424	409,262	224,622	188,347	610,046	597,609

	Twelve months ended 31 December	
	2015 RM'000	2014 RM'000
Reconciliation of reportable segment profit or loss		
Total profit for reporting segments	65,204	63,160
Other non-reportable segments	3,106	2,458
Elimination of inter-segment profits/(losses)	606	(14,061)
Depreciation and amortization	(35,724)	(31,574)
Finance costs	(2,657)	(2,723)
Finance income	991	1,077
Share of profit of associate not included in reportable segments	6,096	4,642
Consolidated profit before tax	37,622	22,979



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A10. Material Events Subsequent to the End of Quarterly Period

There was no material events not reflected in the interim financial statements subsequent to the balance sheet date.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial year including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations other than as disclosed below:-

On 25 May 2015, Tien Wah Press Holdings Berhad (TWPH) announced that it had on 24 May 2015 entered into a strategic joint venture agreement with Toyo (Viet) Paper Product Co. Ltd (TVP) and Dong Nai Food Industrial Corporation Vietnam (DOFICO) vide sale of 50% of TVP to DOFICO. Submission for the Amended Investment License was made in December 2015 and although the issuance of the Amended Investment License by the lawful State Authority of Vietnam remains outstanding, the Company considers the transactions to be completed as at 31 December 2015 based on the accounting concept of substance over form as the issuance of the Amended Investment License is considered to be fundamentally administrative in nature. Hence, the disposal of 50% of TVP to DOFICO for a total cash consideration of USD1.6 million (RM6.1 million), was recognized in the Interim Financial Statements and resulting in a gain of RM2.1 million. As such, TVP is accounted for as a Jointly Controlled Entity of TWPH as at 31 December 2015.

A12. Changes in Contingent Liabilities

There were no material changes to contingent liabilities disclosed in the last audited statement of financial position as at 31 December 2014.

A13. Capital Commitments

	31 December 2015 RM'000
Property, plant and equipment	
- Contracted but not provided for	2,478

A14. Related Party Transactions

For the purposes of these interim financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The following transactions have been entered into with related parties that were necessary for the day-to-day operations in the ordinary course of business and are transacted on negotiated and arm's length basis.



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	Twelve months ended 31 December 2015 RM'000
Ultimate holding company	
- Management fees expense	2,243
- Interest expense	654
Related companies	
- Sales	(14,213)
- Purchases	12,015
- Rental of warehouse expense	699
- Expenses of outsourcing of sales administrative and accounting work	265
- Sales of scrap paper	(16)
Associate company	
- Dividend income	(807)

A15. Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The Group uses the following hierarchy in determining the fair value of all financial instruments at fair value:-

Level 1: Fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3: Fair value is estimated using unobservable inputs for the financial assets and liabilities.

As at 31 December 2015, the Group held the following financial liabilities that are not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position:-

	Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Financial liabilities			
- Bank borrowings	69,928	69,928	71,586
- Finance lease liabilities	18	18	20
- Holding company	30,462	30,462	33,723
Total	<u>100,408</u>	<u>100,408</u>	<u>105,329</u>



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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

(a) Current Quarter against Previous Year Corresponding Quarter

Revenue

Group's revenue for the fourth quarter ended 31 December 2015 increased by 11.9% or RM10.3 million to RM97.1 million from RM86.8 million in the preceding year corresponding quarter. This improvement was a result of higher revenue and the absence of one-off sales rebate.

Profit before tax

Profit before tax of RM12.9 million for the fourth quarter ended 31 December 2015 was higher by RM11.4 million as compared to the preceding year corresponding quarter of RM1.5 million.

The improvements were mainly due to disposal of 50% in TVP resulting in a gain of RM2.1 million, sales rebate of RM3.9 million in Q4 2014 and improvement in operating margins, favorable foreign currency exchange rate and lower depreciation charge. In relation to the lower depreciation charge, the Group had assessed and revised the residual useful life of certain plant and machineries to reflect its longer estimated useful life based on past experiences and machine vendors' validation. The impact of the reduction in the depreciation charge in the current quarter was RM1.5 million.

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

Group's revenue for the twelve months ended 31 December 2015 of RM367.4 million was RM13.7 million or 3.9% higher than the previous corresponding period of RM353.7 million.

As a consequence, profit before tax for the twelve months ended 31 December 2015 increased by RM14.6 million or 63.5% to RM37.6 million as compared to the previous corresponding period of RM23.0 million. The improvement were mainly due to the disposal of 50% in TVP resulting in a gain of RM2.1 million, sales rebate of RM 5.9 million in 2014 and improvement in operating margins, favorable foreign currency exchange rate and lower depreciation charge of RM4.7 million. In addition, the Group had also completed its strategic restructuring of the production footprint within the Group in 2015 to service the customers and to reduce operating cost, which incurred a total redundancy cost of RM6.7m (2014 . RM2.0m).

B2. Variation of Results against Preceding Quarter

Group's revenue for current quarter under review, approximate the preceding quarter, increased by RM0.8 million or 0.8% to RM97.1 million from RM96.3 million.

Profit before tax was at RM12.9 million as compared to RM17.8 million for the preceding quarter, a decreased of RM4.9 million or 27.5%, mainly due to decrease in the share of profits of an associate in Q4 2015 of RM 2.5 million and the weakening of the USD FOREX rate in Q4 2015. However, the aforesaid was also due to the depreciation charge for first half 2015 recognized in Q3 2015 of RM1.8 million and mitigated by the disposal of 50% in TVP resulting in a gain of RM2.1 million.



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B3. Prospects

Based on the current year-to-date results under review, the Directors are of the opinion that the outlook for 2016 is challenging with the current volatile global environment. Although the Group is currently benefiting from the stronger US dollar, there is no certainty on the direction of foreign currency fluctuations. Besides efficiency improvement, wastage control and active cost containments, the Group continues to develop new opportunities which could lead to volume growth in new customers and geographical segments.

B4. Profit Forecast

None

B5. Tax Expense

	Current quarter ended 31 December		Twelve months ended 31 December	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Income tax expense				
- Current year	26	114	3,031	5,241
- Prior year	(1,451)	(24)	(1,391)	13
	(1,425)	90	1,640	5,254
Deferred tax				
- Origination and reversal of temporary differences	723	3,209	363	1,912
- Prior year	(212)	(7)	(212)	(7)
	(914)	3,292	1,791	7,159

The Group's effective tax rate for the twelve months ended 31 December 2015 was lower than the Malaysian statutory tax rate of 25% due to effects of lower tax rates in certain tax jurisdictions and effects of certain foreign sourced income which are not subject to tax in the current financial year.

B6. Status of corporate proposals announced

Except as disclosed below, there was no other corporate proposals announced but not completed as at to-date:-

- (a) On 25 May 2015, Tien Wah Press Holdings Berhad (TWPH) announced that it had on 24 May 2015 entered into a strategic joint venture agreement (Proposed Joint Venture) with Toyo (Viet) Paper Product Co. Ltd (TVP) and Dong Nai Food Industrial Corporation Vietnam (DOFICO) vide sale of 50% of TVP to DOFICO for USD1.6 million (RM6.1 million) to secure DOFICO print packaging volume. TVP has been recognised as a Jointly Controlled Entity of TWPH as at 31 December 2015 as explained in section A11.

However, the legal completion of the Proposed Joint Venture shall take place on the date on which:-

- (i) all the condition precedents have been fulfilled to the satisfaction of TWPH or waived by TWPH; and



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- (ii) an amended investment certificate has been issued by the lawful State Authority of Vietnam to TVP according to which TVP has been recognised as the joint venture limited liability company with two members and each of TWPH and DOFICO holds 50% of the Charter Capital respectively.

The legal completion of the Proposed Joint Venture is pending the issuance of an amended investment certificate by the State Authority of Vietnam.

- (b) On 24 August 2015, the Company had entered into a Memorandum of Understanding (MOU) with Lum Chang Holdings Limited to jointly negotiate the terms of the proposed development of a mixed-use commercial development 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, on land which is currently held by a subsidiary of the Company on a 99-year lease from the State Government of Selangor, Malaysia with a residue of approximately forty-four (44) years as of the date of this MOU. The MOU is not legally binding, other than the clauses on confidentiality, exclusivity and termination. The rationale for the MOU is to maximise the usage of the land and deliver additional income stream for the Group.

The project is in the planning stage and there is no material development on the MOU since the last announcement made on 24 August 2015.

B7. Borrowings and Debt Securities

31 December 2015

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings			
Borrowings . Revolving Credits	-	5,330	5,330
Borrowings . Finance lease liabilities	11	-	11
Borrowings . Term loan	-	885	885
Borrowings . Trade facilities	-	53,850	53,850
Sub-totals	11	60,065	60,076
Long-term borrowings			
Borrowings . Revolving Credits	-	11,186	11,186
Borrowings . Finance lease liabilities	9	-	9
Borrowings . Term loan	-	335	335
Sub-totals	9	11,521	11,530
Grand total	20	71,586	71,606



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

	31 December 2015	
	Long-term borrowings RM'000	Short-term borrowings RM'000
Ringgit Malaysia	9	9,011
United States Dollar	11,521	51,065
Total	<u>11,530</u>	<u>60,076</u>

B8. Derivatives

As at 31 December 2015, there were no forward foreign exchange contracts for purchases or sales.

B9. Changes in Material Litigation

As at the date of issuance of this quarterly report, the Company was not engaged in any material litigation.

B10. Dividends

- (a) The Directors have recommended the payment of a final single-tier dividend of 14.00 sen per share of RM1.00 each in respect of the financial year ended 31 December 2015 (2014: final single-tier dividend 4.00 sen per share). The proposed final dividend will be subject to the shareholders' approval at the forthcoming Annual General Meeting.
- (b) The payment date for the final dividend in respect of the financial year ended 31 December 2015 is on 30 June 2016. In respect of the deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 9 June 2016.

B11. Earnings per share

(a) *Basic earnings per share*

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

	Twelve months ended 31 December	
	2015	2014
Profit attributable to equity holders of the Company (RM'000)	33,975	13,531
Weighted average number of ordinary shares in issue (x'000)	96,495	96,495
Basic earnings per share (sen)	35.21	14.02

(b) *Diluted earnings per share*

Not applicable for the Group.



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B12. Auditor's Report on Preceding Annual Financial Statements

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2014 was unqualified.

B13. Profit for the period

	Current quarter ended 31 Dec 2015 RM'000	Twelve months ended 31 Dec 2015 RM'000
Profit for the period is arrived at after charging:-		
Amortisation of intangible assets	2,505	9,198
Depreciation of property, plant and equipment	6,908	26,526
Inventories written off	399	1,420
Redundancy expense	(547)	6,658
Allowance for write down of inventories to net realisable value	311	511
Allowance for inventories obsolescence	244	-
Loss on disposal of property, plant and equipment	554	572
and after crediting:-		
Gain on disposal of property, plant and equipment	62	98
Reversal of allowance for inventories obsolescence	-	425
Gain on disposal of a subsidiary	2,052	2,052
Net foreign exchange gain	(824)	337

Other than the above, there were no gain or loss on disposal of quoted or unquoted securities or investments, gain or loss on derivatives and exceptional items included in the results for the current quarter and financial year ended 31 December 2015.

B14. Retained Profits

The Group's breakdown of realised and unrealised retained profits pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are disclosed as follows:

	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	259,340	246,414
Unrealised	(35,548)	(31,953)
Total retained profits	<u>223,792</u>	<u>214,461</u>



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Total share of retained profits of an associate

	31 Dec 2015	31 Dec 2014
	RM'000	RM'000
Realised	24,514	19,159
Unrealised	(554)	(489)
Total retained profits	<u>23,960</u>	<u>18,670</u>
Consolidated adjustments	(102,649)	(114,283)
Total Group retained profits as per consolidated interim financial statements	<u>145,103</u>	<u>118,848</u>

The determination of realised and unrealised profits is based on the Guidance on Special Matter No. 1: *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

B15. Comparative figures

During the year, certain spare parts that met MFRS 116 definition of property, plant and equipment were reclassified for presentation purposes from inventory to property, plant and equipment in the statement of financial position and statement of cash flows. Accordingly, the comparative figures have been reclassified to conform to the current year presentation.

	31 December 2014	
	As restated RM'000	As previously stated RM'000
Statement of Financial Position		
Property, plant and equipment	236,965	231,539
Inventories	<u>78,546</u>	<u>83,972</u>
	Twelve months ended 31 December 2014	
	As restated RM'000	As previously stated RM'000
Statement of Cash Flows		
Depreciation of property, plant and equipment	25,005	21,835
Change in inventories	(4,455)	(7,305)
Acquisition of property, plant and equipment	(31,967)	(26,445)
Effect of exchange rate fluctuations	<u>(5,700)</u>	<u>(5,202)</u>

The reclassification has no impact to the statement of profit or loss and comprehensive income.



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B16. Disposal of a subsidiary

As elaborated in notes A11 and B6 above, the details of the disposal of 50% of TVP and the de-consolidation of TVP as a subsidiary are set out as follows:

	31 December 2015 RM'000
Property, plant and equipment	15,325
Inventories	6,897
Trade receivables	3,216
Other receivables	2,698
Cash and cash equivalents	879
	<hr/>
	29,015
Trade and other payables	(15,949)
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Carrying value of net assets	13,066
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Consideration received :	
Fair value of deferred consideration	6,146
Cash and cash equivalents of subsidiary	(879)
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Net cash inflow on disposal of a subsidiary	5,267
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Gain on disposal:	
	31 December 2015 RM'000
Fair value of deferred consideration	6,146
Net assets derecognised	(13,066)
Fair value of retained interest	6,533
Goodwill	(106)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary	2,545
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Gain on disposal	2,052
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The gain on disposal amounted to RM 2.1 million was included in other income in profit or loss.