



TIEN WAH PRESS HOLDINGS BERHAD

(CO. NO. 340434-K)

Quarterly report on consolidated results for the nine months ended 30 September 2016
The figures have not been audited.

PART A2: SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 30 SEPTEMBER 2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 SEPTEMBER 2015 RM'000	CURRENT YEAR TO DATE 30 SEPTEMBER 2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 SEPTEMBER 2015 RM'000	
1	Revenue	82,927	96,272	246,486	270,309
2	Profit before tax	2,719	17,785	16,883	24,737
3	Profit for the period	2,130	16,033	14,407	22,032
4	Profit attributable to ordinary equity holders of the Company	4,161	14,611	15,884	22,197
5	Basic earnings per share (sen)	3.09	12.64	11.81	19.21
6	Proposed / Declared Dividend per share (sen)	0.00	0.00	4.00	4.00
		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)	2.29		2.95	
	Remarks :				

PART A3: ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 30 SEPTEMBER 2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 SEPTEMBER 2015 RM'000	CURRENT YEAR TO DATE 30 SEPTEMBER 2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 SEPTEMBER 2015 RM'000	
1	Gross interest income	467	226	1,024	772
2	Gross interest expense	(553)	(697)	(1,625)	(1,987)
	Remarks :				



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

	2016 Current Quarter Ended 30 September (RM '000)	2015 Comparative Quarter Ended 30 September (RM '000)	2016 Cumulative Nine months Ended 30 September (RM '000)	2015 Cumulative Nine months Ended 30 September (RM '000)
Revenue	82,927	96,272	246,486	270,309
Cost of sales	(69,093)	(71,936)	(203,365)	(215,711)
Gross profit	13,834	24,336	43,121	54,598
Other income	2,723	1,866	7,294	5,450
Distribution expenses	(2,632)	(2,668)	(6,558)	(8,090)
Administrative expenses	(7,801)	(6,841)	(22,043)	(18,782)
Other expenses	(4,462)	(1,483)	(7,402)	(12,861)
Results from operating activities	1,662	15,210	14,412	20,315
Finance income	467	226	1,024	772
Finance costs	(553)	(697)	(1,624)	(1,987)
Operating profit	1,576	14,739	13,812	19,100
Share of profit of equity-accounted associate, net of tax	1,547	3,046	3,768	5,637
Share of loss of equity-accounted joint venture, net of tax	(404)	-	(697)	-
Profit before tax	2,719	17,785	16,883	24,737
Tax expense	(589)	(1,752)	(2,476)	(2,705)
Profit for the period	2,130	16,033	14,407	22,032
Profit for the period attributable to:				
Owners of the Company	4,161	14,611	15,884	22,197
Non-controlling interests	(2,031)	1,422	(1,477)	(165)
Profit for the period	2,130	16,033	14,407	22,032
Earnings per ordinary share :				
-basic (sen)	3.09	12.64	11.81	19.21

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2015)



INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

	2016 Current Quarter Ended 30 September (RM '000)	2015 Comparative Quarter Ended 30 September (RM '000)	2016 Cumulative Nine months Ended 30 September (RM '000)	2015 Cumulative Nine months Ended 30 September (RM '000)
Profit for the period	2,130	16,033	14,407	22,032
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	7,809	23,495	(3,382)	31,237
Total comprehensive income for the period, net of tax	<u>9,939</u>	<u>39,528</u>	<u>11,025</u>	<u>53,269</u>
Total comprehensive income attributable to:				
Owners of the Company	9,124	33,032	12,927	47,066
Non-controlling interests	815	6,496	(1,902)	6,203
Total comprehensive income for the period, net of tax	<u>9,939</u>	<u>39,528</u>	<u>11,025</u>	<u>53,269</u>

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2015)



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

	As at 30 September 2016	As at 31 December 2015
	(RM '000)	(RM '000)
Assets		
Property, plant and equipment	245,503	242,099
Intangible assets	18,465	19,443
Investment in joint venture	10,767	6,464
Investment in an associate	28,298	25,460
Deferred tax assets	1,454	1,474
Other receivables	9,049	9,679
Total non-current assets	313,536	304,619
Trade and other receivables	64,953	48,717
Inventories	68,398	78,979
Current tax assets	1,918	61
Cash & cash equivalents	64,500	71,330
Total current assets	199,769	199,087
Total assets	513,305	503,706
Equity		
Share capital	144,743	96,495
Reserves	186,094	187,776
Total equity attributable to owners of the Company	330,837	284,271
Non-controlling interests	57,243	62,168
Total equity	388,080	346,439
Liabilities		
Deferred tax liabilities	10,992	11,052
Employee benefits	1,084	1,042
Loans and borrowings	7,156	11,530
Other payables	-	1,506
Total non-current liabilities	19,232	25,130
Loans and borrowings	37,145	60,076
Trade and other payables	68,035	71,502
Current tax liabilities	813	559
Total current liabilities	105,993	132,137
Total liabilities	125,225	157,267
Total equity and liabilities	513,305	503,706

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2015)



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

	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 Earnings (RM '000)	Total (RM '000)	(RM '000)	(RM '000)
At 1 January 2016	96,495	12,504	30,169	145,103	284,271	62,168	346,439
Foreign currency translation differences for foreign operations	-	-	(2,957)	-	(2,957)	(425)	(3,382)
Total other comprehensive income for the period	-	-	(2,957)	-	(2,957)	(425)	(3,382)
Profit for the period	-	-	-	15,884	15,884	(1,477)	14,407
Total comprehensive income for the period	-	-	(2,957)	15,884	12,927	(1,902)	11,025
Dividends to owners of the Company	-	-	-	(13,509)	(13,509)	-	(13,509)
Dividends to non-controlling interest	-	-	-	-	-	(3,023)	(3,023)
Issued of ordinary shares pursuant to rights issue	48,248	-	-	-	48,248	-	48,248
Expenses incurred for rights issue	-	(1,100)	-	-	(1,100)	-	(1,100)
Total transactions with owners of the Company	48,248	(1,100)	-	(13,509)	33,639	(3,023)	30,616
At 30 September 2016	144,743	11,404	27,212	147,478	330,837	57,243	388,080
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	-	-	24,869	-	24,869	6,368	31,237
Total other comprehensive income for the period	-	-	24,869	-	24,869	6,368	31,237
Profit for the period	-	-	-	22,197	22,197	(165)	22,032
Total comprehensive income for the period	-	-	24,869	22,197	47,066	6,203	53,269
Dividends to owners of the Company	-	-	-	(3,860)	(3,860)	-	(3,860)
Dividends to non-controlling interest	-	-	-	-	-	(8,080)	(8,080)
Total transactions with owners of the Company	-	-	-	(3,860)	(3,860)	(8,080)	(11,940)
At 30 September 2015	96,495	12,504	33,673	137,185	279,857	66,201	346,058

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2015)



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

	2016 Nine months ended 30 September RM '000	2015 Nine months ended 30 September RM '000
Cash flows from operating activities		
Profit before tax	16,883	24,737
Adjustments for :		
- Amortisation of intangible assets	794	6,693
- Depreciation of property, plant and equipment	18,880	19,618
- Net interest expense	600	1,215
- Share of profit of equity-accounted associate, net of tax	(3,768)	(5,637)
- Share of loss of equity-accounted joint venture, net of tax	697	-
- Employee benefits	7,129	9,128
- Other non-cash items	1,336	(1,333)
Operating profit before changes in working capital	42,551	54,421
-Changes in inventories	9,738	(463)
-Changes in trade and other receivables	(16,907)	(694)
-Changes in trade and other payables	11,510	(17,134)
Cash generated from operations	46,892	36,130
- Interest received	1,024	772
- Employee benefits used	(6,804)	(10,515)
- Income tax paid	(4,156)	(2,959)
Net cash from operating activities	36,956	23,428
Cash flows from investing activities		
- Acquisition of property, plant and equipment	(26,416)	(9,390)
- Proceeds from disposal of property, plant and equipment	22	36
- Change in pledged deposits	(3)	(102)
- Investment in joint venture	(5,000)	-
- Dividend received	930	507
Net cash used in investing activities	(30,467)	(8,949)
Cash flows from financing activities		
- Proceeds from loans and borrowings	139,018	140,578
- Repayment of loans and borrowings	(166,323)	(152,141)
- Dividend paid to shareholders	(13,509)	(3,860)
- Dividend paid to non-controlling interests	(3,023)	(8,080)
- Proceeds from rights issued	48,248	-
- Rights issued expenses	(1,100)	-
- Interest paid	(1,624)	(1,987)
-(Repayment to)/ Advance from ultimate holding company	(13,791)	15,720
Net cash used in financing activities	(12,104)	(9,770)
Net (decrease) / increase in cash & cash equivalents	(5,615)	4,709
Effect of exchange rate fluctuations on cash held	(1,215)	3,106
Cash & cash equivalents at 1 January	71,225	53,097
Cash & cash equivalents at 30 September	64,395	60,912

Cash & cash equivalents

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

	2016 Nine months ended 30 September RM '000	2015 Nine months ended 30 September RM '000
Cash and bank balances	27,780	35,770
Deposits with licensed banks	36,720	25,244
	64,500	61,014
Less: Deposit pledged	(105)	(102)
	64,395	60,912

(The Interim Financial Statements should be read in conjunction with notes to the audited financial statements for the year ended 31 December 2015)



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

Notes to the Interim Financial Statements for the quarter and nine months ended 30 September 2016

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 2015.

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 2015 except for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 January 2016. The adoption of these standards, amendments and interpretations has no material impact to these interim financial statements. 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 2015.

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 2017

- Amendments to MFRS 107, *Disclosure Initiative*
- Amendments to MFRS 112, *Recognition of Deferred Tax Assets for Unrealised Losses*

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

- Amendments to MFRS 2, *Classification and Measurement of Share-based Payment Transactions*
- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*

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*



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

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 MFRS 9 and MFRS 15.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15 and MFRS 9.

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 quarter and financial year-to-date.

A6. Changes in Estimates of Amounts Reported

There were no changes in estimates of amounts reported in prior financial year that have a material effect in the current quarter and financial year-to-date.

A7. Changes in Debt and Equity Securities

On 9 August 2016, the Company ("TWPH") announced the completion of the Rights Issue comprising of 48,247,500 new ordinary shares of RM1.00 each in TWPH ("TWPH Shares") ("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 shares held. The enlarged issued and paid-up share capital of TWPH was RM144,742,500 comprising 144,742,500 ordinary shares of RM1.00 each.

Other than the above, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities.



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

A8. Dividends Paid

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

	Nine months ended 30 September	
	2016	2015
	RM'000	RM'000
Final paid on 30 June 2016 in respect of the financial year ended 31 December 2015 – single-tier dividend of 14.00 sen per share of RM1.00 each	13,509	-
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
	<hr/>	<hr/>
	13,509	3,860

A9. Operating Segments

The Group takes the view that there is effectively only one segment as both the printing business and trading activities are inter-twined and all purchases for the trading activities are from companies within the Group.

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

	Nine months ended 30 September	
	2016	2015
	RM'000	RM'000
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	246,486	270,309
Segment profit	39,501	43,925
Segment assets	423,255	662,458



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

	Nine months ended	
	30 September	
	2016	2015
	RM'000	RM'000
Reconciliation of reportable segment profit or loss		
Total profit for reporting segments	39,501	43,925
Other non-reportable segments	14,414	10,654
Elimination of inter-segment profits	(19,829)	(7,953)
Depreciation and amortization	(19,674)	(26,311)
Finance costs	(1,624)	(1,987)
Finance income	1,024	772
Share of profit of associate not included in reportable segments	3,768	5,637
Share of loss of joint venture not included in reportable segments	(697)	-
Consolidated profit before tax	16,883	24,737

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 other than as disclosed below:-.

We refer to the announcement dated 5 October 2016 and 24 October 2016, wherein the Company ("TWPH") had on 4 October 2016, been awarded the tender by PT Bentoel Internasional Investama Tbk ("Bentoel Group"), a member of British American Tobacco Group ("BAT Group") in Indonesia. The acquisition price for the tender is circa IDR304 billion (equivalent to approximately RM96.9 million).

On 3 November 2016 Max Ease International Limited ("MEIL"), a 51%-owned subsidiary company of TWPH, and Max View Holdings Limited ("MVHL"), a wholly-owned subsidiary of MEIL (collectively "the Purchasers") had entered into a Conditional Sale and Purchase of Shares Agreement ("CSPA") with PT Bentoel Prima ("PTBP") and PT Lestari Putra Wirasejati ("PTLW") (collectively "the Sellers") for the proposed acquisition of 100% of the issued and paid-up share capital in Bintang Pesona Jagat ("BPJ") ("Proposed Acquisition"). The Sellers and BPJ are subsidiary companies of PT Bentoel Internasional Investama Tbk ("PTBINI"), a listed company in Bursa Efek Indonesia ("BEI") or Indonesian Stock Exchange

The Proposed Acquisition comes with a Manufacturing and Supply of Packaging Materials Agreement ("MSPM") whereby PTBINI and its affiliates will appoint BPJ as the exclusive supplier to supply the Goods (hereinafter defined) to British American Tobacco group of companies ("BAT Group") for a fixed period of six (6) years until 31 December 2022 when it shall expire.

To fund the Proposed Acquisition, MEIL will secure external borrowings and proportionate funds from its shareholders namely TWPH and New Toyo International Holdings Limited ("NTIH"). As TWPH's effective interest in the Purchasers is 51%, the portion of the Purchase Price that TWPH has to contribute for the Proposed Acquisition will be satisfied by partly by cash proceeds raised from the rights issue exercise completed by the Company on 9 August 2016 in accordance with the approved utilisation of proceeds of the Rights Issue exercise, internally generated funds, loan from financial institution and/or from NTIH.

Upon the completion of the sale and transfer of the above issued and paid-up share capital in BPJ, BPJ shall be an indirect subsidiary of the Company, vide MEIL.



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

A11. Changes in the Composition of the Group

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

- (a) On 8 March 2016, the Company has incorporated a new wholly owned subsidiary, Alliance Print Technologies FZE ("APTF"), in Jebel Ali Free Zone, Dubai, United Arab Emirates, with a share capital of AED1,000,000 (equivalent to approximately RM1,120,000) which represents the entire share capital of APTF. The principal activity of APTF is in packing and packaging material manufacturing. APTF is currently a dormant company. The said incorporation is in line with the long term strategic plans of the Company and to gain footprint in the Middle East market.
- (b) On 16 May 2016, Tien Wah Properties Sdn Bhd ("TWPSB"), a wholly owned subsidiary of the Company has entered into a Shareholders' Agreement ("JVSA") with Kemensah Holdings Pte Ltd ("KHPL"), a wholly owned subsidiary of Lum Chang Holdings Limited ("LCH"), to form and operate a joint venture company known as Lum Chang Tien Wah Property Sdn Bhd (formerly known as Sterling Model Sdn Bhd ("SMSB" or "JV Co")) with a total issued and paid-up share capital of the JV Co of RM 10,000,000 comprising 10,000,000 ordinary shares of RM1 each held by the JVSA Parties in equal proportion as per the JVSA. The principal activity of SMSB is in property development.
- (c) On 24 October 2016, MEIL, a 51%-owned subsidiary of the Company had acquired 100% of the issued share capital of Max View Holdings Limited ("MVHL"), Hong Kong at a total cash consideration of Hong Kong Dollar One (HKD1.00) only (equivalent to approximately RM0.54) (the "Acquisition").

The above Acquisition resulted in MVHL becoming a wholly-owned subsidiary of MEIL, which in turn is the 51%-owned subsidiary of the Company.

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 2015.

A13. Capital Commitments

	30 September 2016
	RM'000
Property, plant and equipment	
- Authorised but not contracted for	466
- Contracted but not provided for	26,321



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

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.

	Nine months ended 30 September 2016 RM'000
Ultimate holding company	
- Management fees expense	1,714
- Interest expense	423
Related companies	
- Sales	(15,273)
- Purchases	3,741
- Rental of warehouse expense	524
Joint venture company	
- Management fees received	(55)
- Interest received	(2)
- Sales	(507)
- Purchases	436

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 30 September 2016, the Group held the following financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position:-



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

	Level 1	Level 2	Level 3	Total fair value	Carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000
	Fair value of financial instruments carried at fair value				
Financial assets					
-Other receivables	-	-	10,308	10,308	10,308
	Fair value of financial instruments not carried at fair value				
Financial liabilities					
- Bank borrowings	-	-	(43,164)	(43,164)	(44,290)
- Finance lease liabilities	-	-	(10)	(10)	(11)
- Ultimate holding company	-	-	(17,434)	(17,434)	(18,702)
Total	-	-	(50,300)	(50,300)	(52,695)



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

**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 third quarter ended 30 September 2016 decreased by 13.81% or RM13.3 million to RM83.0 million from RM96.3 million in the preceding year corresponding quarter. The current quarter results were affected by sluggish demand in certain cigarette brand related packaging products, change of pricing of some products to a major customer and the impact of a Vietnam subsidiary that was deconsolidated from 31 December 2015 as a subsidiary to a jointly controlled entity.

Profit before tax

Profit before tax of RM2.7 million for the third quarter ended 30 September 2016 was lower by RM15.0 million as compared to the preceding year corresponding quarter of RM17.7 million.

The aforesaid unfavorable results for the quarter were impacted by lower revenue as explained above, lower gross profit margin and retrenchment cost of RM5.1 million. The retrenchment arose from the re-organisation of production footprint within the Group in order to improve its strategic positioning to service the customers and reduce operating cost over the longer term.

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

Revenue

Group's revenue for the nine months ended 30 September 2016 of RM246.5 million was RM23.8 million or 8.8% lower than the previous corresponding period of RM270.3 million.

Profit before tax

As a consequence of the dynamics mentioned above, profit before tax for the nine months ended 30 September 2016 reduced by RM7.8 million or 31.6% to RM16.9 million as compared to the previous corresponding period of RM24.7 million.

B2. Variation of Results against Preceding Quarter

Group's revenue for current quarter under review improved marginally by RM1.8 million or 2.2% to RM83.0 million from RM81.2 million.

Profit before tax was at RM2.7 million as compared to RM7.5 million for the preceding quarter, a decrease of RM4.8 million or 64.0%, this decrease was mainly due to retrenchment cost of RM5.1 million.



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

B3. Prospects

Based on the current year-to-date results under review, the Directors are of the opinion that the outlook for 2016 continues to be challenging in the volatile global environment. Besides efficiency improvement, wastage control and active cost containments, the Group is continuing to develop new opportunities which would lead to volume growth from new customers in other geographical segments and existing customers over the longer term.

B4. Profit Forecast

None.

B5. Tax Expense

	Current quarter ended 30 September		Nine months ended 30 September	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Income tax expense				
- Current year	614	2,546	2,536	3,005
- Prior year	-	31	-	60
	<hr/> 614	<hr/> 2,577	<hr/> 2,536	<hr/> 3,065
Deferred tax				
- Origination and reversal of temporary differences	(25)	(825)	(60)	(360)
	<hr/> 589	<hr/> 1,752	<hr/> 2,476	<hr/> 2,705

The Group's effective tax rate for the nine months ended 30 September 2016 was lower than the Malaysian statutory tax rate of 24% due to effects of lower tax rates and tax incentives in certain tax jurisdictions and effects of certain foreign sourced income which are not subject to tax in the current financial year-to-date.

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 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 TWPSB (the "Land"), a wholly owned 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 "Proposed Development"). The rationale for the MOU is to maximise the usage of the land and deliver additional income stream for the Group.



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

On 16 May 2016, TWPSB, had entered into a Shareholders' Agreement ("JVSA") with KHPL, a wholly owned subsidiary of LCH, to form and operate a joint venture company known as Lum Chang Tien Wah Property Sdn Bhd (formerly known as SMSB) with a total issued and paid-up share capital of the JV Co of RM 10,000,000 comprising 10,000,000 ordinary shares of RM1 each held by the JVSA Parties in equal proportion as per the JVSA.

On the same date, TWPSB had also entered into a Sale and Purchase Agreement in respect of the sale of the Land with SMSB for a total sale consideration of RM 63,750,000. The titles to the Land have been issued under the name of the JV Co on 6 October 2016.

- (b) 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 9 August 2016, the Company announced the completion of the Rights Issue. The enlarged issued and paid-up share capital of TWPH is RM144,742,500 comprising 144,742,500 ordinary shares of RM1.00 each.
- (c) We refer to the announcement dated 5 October 2016 and 24 October 2016, wherein the Company ("TWPH") had on 4 October 2016, been awarded the tender by PT Bentoel Internasional Investama Tbk ("Bentoel Group"), a member of British American Tobacco Group ("BAT Group") in Indonesia. The acquisition price for the tender is circa IDR304 billion (equivalent to approximately RM96.9 million).

On 3 November 2016 Max Ease International Limited ("MEIL"), a 51%-owned subsidiary company of TWPH, and Max View Holdings Limited ("MVHL"), a wholly-owned subsidiary of MEIL (collectively "the Purchasers") had entered into a Conditional Sale and Purchase of Shares Agreement ("CSPA") with PT Bentoel Prima ("PTBP") and PT Lestari Putra Wirasejati ("PTLW") (collectively "the Sellers") for the proposed acquisition of 100% of the issued and paid-up share capital in Bintang Pesona Jagat ("BPJ") ("Proposed Acquisition"). The Sellers and BPJ are subsidiary companies of PT Bentoel Internasional Investama Tbk ("PTBINI"), a listed company in Bursa Efek Indonesia ("BEI") or Indonesian Stock Exchange

The Proposed Acquisition comes with a Manufacturing and Supply of Packaging Materials Agreement ("MSPM") whereby PTBINI and its affiliates will appoint BPJ as the exclusive supplier to supply the Goods (hereinafter defined) to British American Tobacco group of companies ("BAT Group") for a fixed period of six (6) years until 31 December 2022 when it shall expire.

To fund the Proposed Acquisition, MEIL will secure external borrowings and proportionate funds from its shareholders namely TWPH and New Toyo International Holdings Limited ("NTIH"). As TWPH's effective interest in the Purchasers is 51%, the portion of the Purchase Price that TWPH has to contribute for the Proposed Acquisition will be satisfied by partly by cash proceeds raised from the rights issue exercise completed by the Company on 9 August 2016 in accordance with the approved utilisation of proceeds of the Rights Issue exercise, internally generated funds, loan from financial institution and/or from NTIH.

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed on 15 December 2016 or such later date (no later than 31 December 2016) as may be agreed between the Parties.



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

B7. Status of corporate proposals and utilisation of proceeds raised from Rights Issue

The Company has increased its share capital by 48,247,500 new ordinary shares of RM1.00 each at an issue price of RM1.00 each per share, amounting to RM48,247,500 from the Rights Issue.

The status of the utilisation of proceeds from the rights issue as at 30 September 2016 are summarised as follows:

Purposes	Proposed utilisation	Actual utilisation	Amount unutilised
	RM'000	RM'000	RM'000
1 Business expansion	30,000	14,906	15,094
2 Repayments of bank borrowings	17,448	17,448	-
3 Rights issue expenses	800	800	-
Total	48,248	33,154	15,094

B8. Borrowings and Debt Securities

	30 September 2016		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings			
Borrowings – Revolving Credits	-	4,797	4,797
Borrowings – Finance lease liabilities	10	-	10
Borrowings – Term loan	-	534	534
Borrowings – Trade facilities	-	31,804	31,804
Sub-totals	10	37,135	37,145
	Secured RM'000	Unsecured RM'000	Total RM'000
Long-term borrowings			
Borrowings – Revolving Credits	-	7,155	7,155
Borrowings – Finance lease liabilities	1	-	1
Sub-totals	1	7,155	7,156
Grand total	11	44,290	44,301



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

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

	30 September 2016	
	Long- term borrowings RM'000	Short-term borrowings RM'000
Ringgit Malaysia	1	1,010
United States Dollar	7,155	36,135
Total	<u>7,156</u>	<u>37,145</u>

B9. Derivative Financial instruments

As at 30 September 2016, there were no forward foreign exchange contracts for purchases or sales.

B10. Changes in Material Litigation

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

B11. Dividends

The directors do not recommend any interim dividend in respect of the quarter ended 30 September 2016.

Total dividend declared and paid for the nine months ended 30 September 2016 comprising:

- (a) An interim single-tier dividend of 4.00 sen per ordinary share of RM1.00 each in respect of the financial year ending 31 December 2016 (2015: interim single-tier dividend of 4.00 sen per share). The payment date for the interim dividend in respect of the financial year ending 31 December 2016 is on 28 October 2016. In respect of the deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 30 September 2016.
- (b) On 30 June 2016, the Company had paid a final single-tier dividend of 14.00 sen per ordinary share of RM 1.00 each totaling RM13,509,300 in respect of the financial year ended 31 December 2015.

B12. 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.



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

	Nine months ended 30 September	
	2016	2015
Profit attributable to equity holders of the Company (RM'000)	15,884	22,197
Weighted average number of ordinary shares in issue ('000)	134,446	115,561
Basic earnings per share (sen)	11.81	19.21

(b) Diluted earnings per share

Not applicable for the Group.

B13. 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 2015 was unqualified.

B14. Profit for the period

	Current quarter ended 30 September 2016 RM'000	Nine months ended 30 September 2016 RM'000
Profit for the period is arrived at after charging:-		
Amortisation of intangible assets	265	794
Depreciation of property, plant and equipment	6,461	18,880
Inventories written off	552	552
Expenses related to employee benefits	727	2,058
Retrenchment expenses	5,071	5,071
Net foreign exchange (gain)/loss	(1,051)	1,348
Gain on disposal of property, plant and equipment	-	5

Other than the above, there were no allowance for doubtful debts, bad debts written off, allowance for inventories, impairment of assets, gain or loss on disposal of quoted or unquoted securities or investments or properties, gain or loss on derivatives and exceptional items included in the results for the current quarter and financial period ended 30 September 2016.



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

B15. Retained Earnings

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

	30 September 2016 RM'000	31 December 2015 RM'000
Total retained earnings of the Company and its subsidiaries :		
Realised	234,906	259,340
Unrealised	(37,285)	(35,548)
	<hr/> 197,621	<hr/> 223,792
Total share of retained earnings of an associate:		
Realised	27,381	24,514
Unrealised	(584)	(554)
	<hr/> 26,797	<hr/> 23,960
Total share of retained earnings of joint venture:		
Realised	(681)	-
Unrealised	18	-
	<hr/> (663)	<hr/> -
Consolidated adjustments	(76,277)	(102,649)
Total Group retained earnings as per consolidated interim financial statements	<hr/> 147,478	<hr/> 145,103

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.