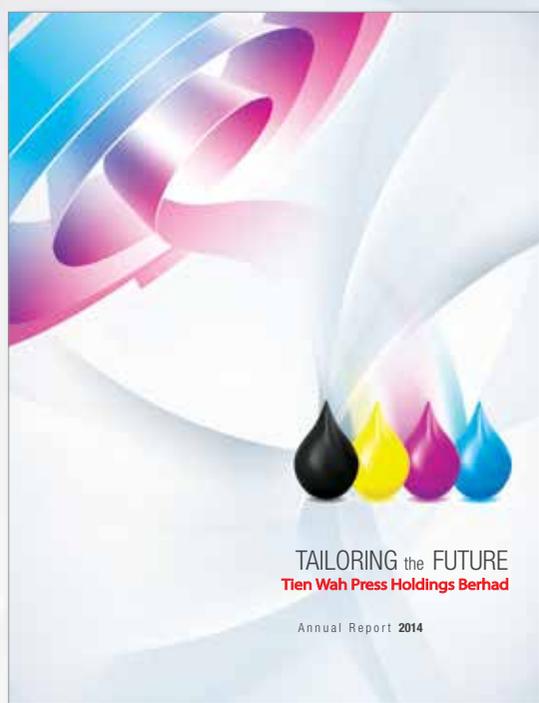




TAILORING the FUTURE
Tien Wah Press Holdings Berhad

Annual Report **2014**



COVER RATIONALE

“TAILORING THE FUTURE”

Like colours that blend together to create an uniquely different colour, TWPH Group encompasses the same uniqueness and capability of tailoring to the varying demands of our customers.

The four drops of colours on the cover represents TWPH’s boldness in assembling and putting into actions all the numerous oddly shaped and interlocking pieces of our future to finally produce a complete picture. With the collaboration and commitment of TWPH’s diverse workforce, working together towards a common goal, we are able to tailor fit itself for a sustainable future.

HIGHLIGHTS OF THE YEAR

		Year ended 31.12.14 RM million	Year ended 31.12.13 RM million	Increase / (Decrease) %
Revenue		353.7	380.4	(7.02)
Profit before tax		23.0	41.2	(44.17)
Profit for the year		15.8	33.8	(53.25)
Profit attributable to owners of the Company		13.6	24.5	(44.49)
Total equity attributable to owners of the Company		236.7	229.1	3.32
Return on shareholders’ funds	(%)	5.72	10.70	(4.98)
Net earnings per share	(sen)	14.02	25.42	(44.85)
Net dividend per share	(sen)	7.00	12.78	(45.23)

- Tough market conditions in 2014 primarily caused by stricter government legislation and decline in the tobacco industry.
- Profits affected by overall change in sales mix, one-off sales rebate and redundancy cost.
- Successfully re-organised production footprint and transferred one Gravure Printing Machine from Australia to Vietnam.
- Extended the long term exclusive supply contract for an additional one year with rights to extend for three years.
- Re-designed a stronger Management Team to support the Board of Directors.

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FINANCIAL CALENDAR

Financial Year 2014

1 January to 31 December

ANNOUNCEMENT OF RESULTS

First Quarterly Report - Unaudited consolidated results for the quarter ended 31 March 2014	Monday, 12 May 2014
Second Quarterly Report - Unaudited consolidated results for the quarter ended 30 June 2014	Wednesday, 6 August 2014
Third Quarterly Report - Unaudited consolidated results for the quarter ended 30 September 2014	Thursday, 13 November 2014
Fourth Quarterly Report - Unaudited consolidated results for the quarter ended 31 December 2014	Monday, 16 February 2015

DIVIDEND

Interim Dividend (Interim single-tier exempt dividend of 3.00 sen net per ordinary share of RM1.00 each)	
Date paid	Friday, 31 October 2014
Proposed Final Dividend (Final single-tier exempt dividend of 4.00 sen net per ordinary share of RM1.00 each)	
Date of entitlement	Wednesday, 10 June 2015
Date payable	Thursday, 25 June 2015

ANNUAL REPORT AND ANNUAL GENERAL MEETING

2014 Annual Report	
Date of issuance	Wednesday, 6 May 2015
20th Annual General Meeting	
Date of notice	Wednesday, 6 May 2015
Date of meeting	Thursday, 28 May 2015

CORPORATE VISION AND MISSION STATEMENT

T

**Total Quality
Management through**

W

**Working as
a Team to achieve**

P

**Profitability &
Productivity**

CORPORATE VISION

To be the Winning Company in the provision of Solutions and Services to our customers in the Image Transfer Industry

CORPORATE MISSION STATEMENT

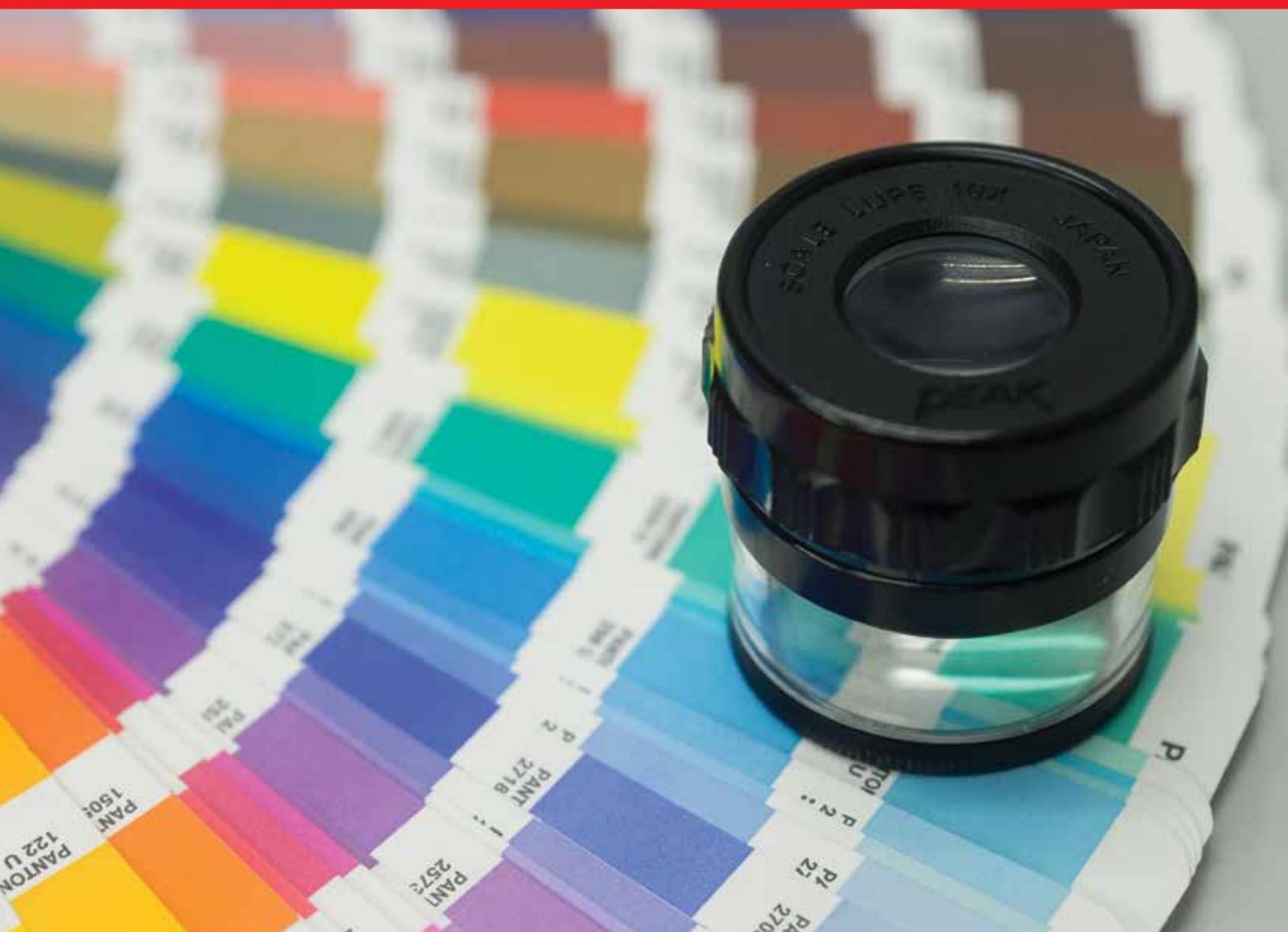
To maximise Stakeholders Value through:-

- Focusing on the continuous improvement in the provision of solutions and operational excellence to help serve our customers' needs better and to grow together.
- Conducting our businesses in a healthy and safe environment and in compliance to the law.
- Cultivating a culture of achievements.
- Continuous innovation with creation of new products and new businesses.



Quality You Can Trust

With a tremendous demand for quality printing in the world today, we have stepped to the forefront to becoming one of the leading companies to provide trustworthy products while utilising the latest technology to provide everything that is necessary for today's fast-paced economy that merges with customers' needs.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Company will be held at Atlanta East, Level 3, Armada Hotel, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28 May 2015 at 10.30 a.m. to transact the following businesses:

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2014 together with the Directors' and Auditors' Reports thereon. **(Please refer to Note 1 of the Explanatory Notes)**
2. To declare a final single-tier tax exempt dividend of 4.00 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2014. **Ordinary Resolution 1**
3. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:-

“That pursuant to Section 129(6) of the Companies Act, 1965, Mej Jen Datuk Abdul Kadir Bin Nordin (Bersara) be re-appointed as Director to hold office until the conclusion of the next Annual General Meeting of the Company.”

Ordinary Resolution 2
4. To re-elect the following Directors who retires by rotation in accordance with Article 93 of the Articles of Association of the Company:-
 - (i) Mr David Lim Teck Leong **Ordinary Resolution 3**
 - (ii) Mr Yen Wen Hwa (Ngan Tzee Manh) **Ordinary Resolution 4**
5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business

To consider and, if thought fit, to pass the following Resolutions:

6. Directors' Fees

To approve the payment of Directors' Fees of up to RM900,000 for the financial year ending 31 December 2015 to be paid quarterly in arrears. **Ordinary Resolution 6**

7. Proposed Renewal of Shareholders' Mandate and Additional Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholders' Mandate”)

“THAT subject to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company and its subsidiaries (“TWPH Group”) be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3 of the Circular to Shareholders dated 6 May 2015 with the related parties mentioned therein which are necessary for the TWPH Group's day-to-day operations and/or in the ordinary course of business of TWPH Group on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company and THAT such approval shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which this Ordinary Resolution shall be passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority conferred by this resolution is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“the Act”) (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier;

NOTICE OF ANNUAL GENERAL MEETING

THAT in making the disclosure of the aggregate value of the recurrent related party transactions conducted pursuant to the proposed shareholders' approval in the Company's annual report, the Company shall provide a breakdown of the aggregate value of recurrent related party transactions made during the financial year, amongst others, based on:

- (i) the type of the recurrent related party transactions made; and
- (ii) the name of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company.

AND THAT the Directors of the Company and its subsidiaries be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the transactions as authorised by this Proposed Shareholders' Mandate."

Ordinary Resolution 7

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this Twentieth AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 54 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 21 May 2015. Only a depositor whose name appears on the Record of Depositors as at 21 May 2015 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Twentieth AGM, a final single-tier tax exempt dividend of 4.00 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2014 will be paid to the shareholders on 25 June 2015. The entitlement of the said dividend shall be on 10 June 2015.

A Depositor shall qualify for entitlement to the Dividend only in respect of :

- (a) Shares transferred to the Depositor's securities account before 4.00 p.m. on 10 June 2015 in respect of transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD
TAI YIT CHAN (MAICSA 7009143)
CHOONG LEE WAH (MAICSA 7019418)
Secretaries

Date: 6 May 2015

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
2. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting and where a member appoints two proxies the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the form of proxy shall be executed under the corporation’s seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

Explanatory Notes:

1. To receive the Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 169(1) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. Ordinary Resolution 7 on the Proposed Shareholders’ Mandate

The explanatory note on Ordinary Resolution 7 is set out in the Circular to the Shareholders dated 6 May 2015.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

CORPORATE INFORMATION

BOARD OF DIRECTORS

*Executive Director
Chairman*

YEN WEN HWA (NGAN TZEE MANH)

Non-Independent Non-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

Independent Non-Executive Director
DATUK TOH AH WAH

Independent Non-Executive Director
LEE CHEOW FU

COMPANY SECRETARIES

TAI YIT CHAN (MAICSA 7009143)
CHOONG LEE WAH (MAICSA 7019418)
Tel : +60 (3)7720 1188
Fax : +60 (3)7720 1111
E-mail : boardroom-kl@boardroomlimited.com

REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya, Selangor Darul Ehsan
Tel : +60 (3)7720 1188
Fax : +60 (3)7720 1111
E-mail : boardroom-kl@boardroomlimited.com
Website : www.boardroomlimited.com

SHARE REGISTRAR

TRICOR INVESTOR SERVICES SDN BHD
(118401-V)
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : +60 (3)2264 3883
Fax : +60 (3)2282 1886
E-mail : is.enquiry@my.tricorglobal.com
Website : www.tricorglobal.com

AUDITORS

KPMG (AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : +60 (3)7721 3388
Fax : +60 (3)7721 3399
E-mail : info@kpmg.com.my
Website : www.kpmg.com.my

PRINCIPAL BANKERS

OCBC BANK (MALAYSIA) BERHAD (295400-W)
HSBC BANK MALAYSIA BERHAD (127776-V)
AFFIN BANK BERHAD (25046-T)
PUBLIC BANK BERHAD (6463-H)

PRINCIPAL OFFICES

HEAD OFFICE
TIEN WAH PRESS HOLDINGS BERHAD
(340434-K)
9 & 11 Jalan Semangat, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +60 (3)7956 3866, 7955 6233
Fax : +60 (3)7956 1228
E-mail : lilianleong@tienwah.com
Website : www.tienwah.com

SUBSIDIARY COMPANIES

TIEN WAH PRESS (MALAYA) SDN BHD (3850-D)
TIEN WAH PROPERTIES SDN BHD (428504-A)
9 & 11 Jalan Semangat, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +60 (3)7956 3866, 7955 6233
Fax : +60 (3)7956 1228 (General)
+60 (3)7956 6925 (Sales)
E-mail : sales@tienwah.com

ALLIANCE PRINT TECHNOLOGIES

CO LTD (463043000165)
38, Huu Nghi Street
Vietnam – Singapore Industrial Park
Thuan An District, Binh Duong Province
Vietnam
Tel : +84 (650)376 7194, 376 7195
Fax : +84 (650)376 7089, 376 7459
E-mail : ryan_apt@newtoyo.com

TOYO (VIET) PAPER PRODUCTS

CO LTD (412043000459)
Lot B4, A Street, Binh Chieu Industrial Park
Thu Duc District, Ho Chi Minh City, Vietnam
Tel : +84 (08)3897 1267
Fax : +84 (08)3729 4888
E-mail : tuyen.pham@newtoyo.com

ANZPAC SERVICES (AUSTRALIA)

PTY LTD (ABN25000032164)
32 Britton Street, Smithfield
New South Wales 2164, Australia
Tel : +61 (2)8787 1333
Fax : +61 (2)9757 1599
E-mail : glenn.brailey@newtoyo.com
Website : www.anzpac.com.au

ASSOCIATE COMPANY

BENKERT (MALAYSIA) SDN BHD
(438453-M)
15, Jalan Industri PBP 3, Taman Industri
Pusat Bandar Puchong, 47100 Puchong
Selangor Darul Ehsan
Tel : +60 (3)5882 4010
Fax : +60 (3)5882 4020
Email : kelvin.tan@benkert.com.my
Website : www.benkert-group.com

STOCK EXCHANGE LISTING

BURSA MALAYSIA SECURITIES BERHAD
(635998-W)
Main Market
Listed since: 2 August 1996
Stock Code: 7374
Stock Name: TIENWAH

GROUP CORPORATE STRUCTURE

as at 6 May 2015



Tien Wah Press Holdings Berhad
(Company No: 340434-K)

Investment holding company
Incorporated on 15 April 1995.

Tien Wah Press (Malaya) Sdn Bhd

(Company No: 3850-D)

Equity 100%

Rotogravure printing specialising in cigarette cartons and consumer goods packaging and photolithography printing specialising in cartons and labels packaging and advertising materials.

Incorporated on 20 July 1960.

Tien Wah Properties Sdn Bhd

(Company No: 428504-A)

Equity 100%

Investment property holding

Incorporated on 23 April 1997.

Toyo (Viet) Paper Product Co Ltd

(Investment Licence No: 412043000459)

Equity 100%

Provision of printing services for tobacco packaging and packaging services in general.

Incorporated on 14 July 1993.

New Toyo Investments Pte Ltd

(Company No: 199600807W)

Equity 100%

Investment holding company

Incorporated on 1 February 1996.

Alliance Print Technologies Co Ltd

(Investment Licence No: 463043000165)

Equity 100%

Provision of printing services for tobacco packaging and packaging services in general.

Incorporated on 24 November 2004.

Max Ease International Limited

(Company No: 1250981)

Equity 51%

Investment holding, sales, sub-contracting and licensing for the manufacturing, printing and selling of printed folding cartons and tobacco product packaging.

Incorporated on 26 June 2008.

Anzpac Services (Australia) Pty Ltd

(Company No: ABN 25000032164)

Equity 100%

Provision of printing services for tobacco packaging and packaging services in general.

Incorporated on 31 March 1936.

Benkert (Malaysia) Sdn Bhd

(Company No: 438453-M)

Equity 30%

Manufacture and sales of standard and perforated tipping papers.

Incorporated on 8 July 1997.

CORPORATE PROFILE

INCORPORATION AND PRINCIPAL ACTIVITIES

Tien Wah Press Holdings Berhad ("TWPH") was incorporated in Malaysia on 15 April 1995 as a private limited company and was converted into a public company on 13 June 1995. The Company was listed on the Second Board of the Kuala Lumpur Stock Exchange on 2 August 1996 and migrated to the Main Board of Bursa Malaysia Securities Berhad on 8 October 2007, now known as Main Market. Its principal activity is that of investment holding while the activities of its subsidiaries and associate company are those of rotogravure printing, photolithography printing, trading and printing of tipping paper.



CORPORATE PROFILE

BACKGROUND AND BUSINESS OVERVIEW

The TWPB Group's operation began with the establishment of Tien Wah Press (M) Sdn Bhd ("TWPM") on 20 July 1960 with a workforce of 78 involved initially in the operations of photolithography printing specialising in book printing and folding carton conversion. Spurred by the steady growth of its business, TWPM ventured into rotogravure printing technology in 1986 to meet the increasing demand in tobacco packaging.

Since its listing in 1996, the TWPB Group developed further by establishing joint venture companies; Benkert (M) Sdn Bhd ("Berkert") in 1998 and Paper Base Converting Sdn Bhd ("PBC") in 1999. Berkert operates as a member of the International Benkert Group who is a major supplier of gravure printed and perforated tipping materials to the global cigarette manufacturers. PBC manufactures aluminium foil laminated paper and paperboard for cigarette packaging and other applications such as liquor and cosmetics. PBC was disposed off to New Toyo Lamination (M) Pte Ltd, a deemed substantial shareholder of TWPB, on 4 December 2008.

In 2007, TWPB completed the acquisition of a wholly-owned subsidiary, New Toyo Investments Pte Ltd ("NTIV") from New Toyo International Holdings Ltd ("NTIH"), the ultimate shareholder of TWPB. NTIV is an investment holding company which owns 100% of Alliance Print Technologies Co. Ltd in Vietnam. This acquisition enabled the TWPB Group to enter into Vietnam, a market in Southeast Asia with strong growth, an attractive tax regime and low production cost.



On 8 September 2008, TWPB acquired Max Ease International Limited ("MEIL"), a company incorporated and domiciled in Hong Kong Special Administrative Region of the People's Republic of China, and converted it into a joint venture company with NTIH. Through MEIL, TWPB Group expanded its operations into the Australasia region by acquiring Anzpac Services (Australia) Pty Ltd ("Anzpac"), based in Sydney, Australia. The acquisition of Anzpac was completed on 31 October 2008.

Also in 2008, the Group, together with our substantial shareholder and ultimate holding company NTIH, successfully bid for a seven year exclusive supply agreement with a right to extend for additional three years to supply British American Tobacco's printed carton requirements in Australasia, Vietnam, Singapore and Malaysia. This agreement was subsequently extended on 13 November 2014 for an additional one year from the existing period of seven years ending 31 October 2015 to 31 October 2016 and the continuing right to extend for additional three years. Fulfilling the demands spelt out in this agreement now represents the Group's core business.

In 2009, TWPB acquired Toyo (Viet) Paper Product Co. Ltd., a company incorporated and domiciled in Vietnam. This move represents one of the many strategies undertaken by the Group to expand operating capacity.

TWPB Group's manufacturing operations are presently sited at factories located at Petaling Jaya and Puchong in Malaysia, Vietnam-Singapore Industrial Park and Binh Chieu Industrial Park in Ho Chi Minh City, Vietnam, and Smithfield Sydney, Australia. TWPB is reputed as a high quality print packaging company offering excellent quality materials using state-of-the-art printing technologies. In terms of market share, the TWPB Group is one of the top 5 printers in Malaysia, and a major player in South East Asia and Australasia. Supported by its staff of about 800, the TWPB Group will continue to focus on developing its core competencies and consolidating its strengths to enable us to maintain its leading edge in the industry both locally and globally.

The TWPB Group, established over five decades ago and built on a strong financial position, dedicated work force and extensive market coverage, remains firm in providing quality products and services to its customers.



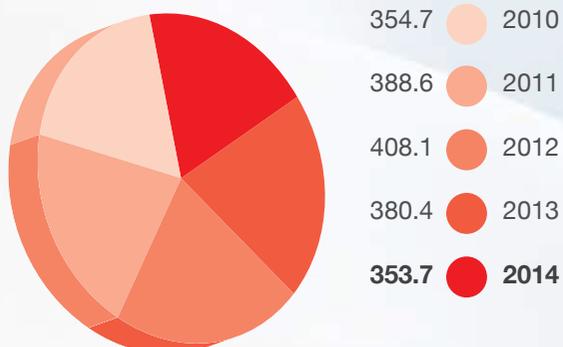
FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000
PROFITABILITY					
Revenue	353,686	380,371	408,081	388,575	354,666
Results from operating activities	19,983	39,479	46,813	47,626	26,686
Profit before tax	22,979	41,186	47,222	44,580	21,113
Profit for the year	15,820	33,823	40,375	38,374	18,901
Profit attributable to owners of the Company	13,531	24,526	27,168	26,421	13,821
Net annual dividends	6,755	12,332	12,332	12,303	10,711
KEY BALANCE SHEET DATA					
Share capital	96,495	96,495	96,495	96,495	96,495
Total equity attributable to owners of the Company	236,651	229,149	217,016	211,589	189,408
Intangible assets	26,874	32,697	36,636	41,708	44,004
Property, plant and equipment	231,539	221,075	229,090	249,466	228,583
Investment in an associate	20,171	16,393	13,349	11,074	9,079
Other non-current assets	1,218	3,711	4,180	4,033	3,606
Current assets	187,065	176,078	172,447	153,803	160,051
Total assets	466,867	449,954	455,702	460,084	445,323
Non current liabilities	30,867	31,427	48,443	77,879	110,946
Current liabilities	131,271	118,041	118,582	107,575	121,709
Total liabilities	162,138	149,468	167,025	185,454	232,655
Loans and borrowings	73,961	72,901	92,246	111,887	128,997
Capital expenditure	26,445	13,998	8,933	31,344	21,119
Cash generated from operations	60,007	58,278	77,805	83,647	26,874
SHARE INFORMATION					
Gross earnings per share (sen)	23.81	42.68	48.94	46.20	21.88
Net earnings per share (sen)	14.02	25.42	28.15	27.38	14.32
Net assets per share (RM)	2.45	2.37	2.25	2.19	1.96
Net dividend per share (sen)	7.00	12.78	12.78	12.75	11.10
Share price as at 31 December (RM)	1.85	2.68	2.00	1.79	1.68
FINANCIAL RATIOS					
Return on revenue (%)	3.83	6.45	6.66	6.80	3.90
Return on paid-up capital (%)	14.02	25.42	28.15	27.38	14.32
Return on shareholders' funds (%)	5.72	10.70	12.52	12.49	7.30
Gearing (net borrowings to shareholders' funds) - times	0.31	0.32	0.43	0.53	0.68

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

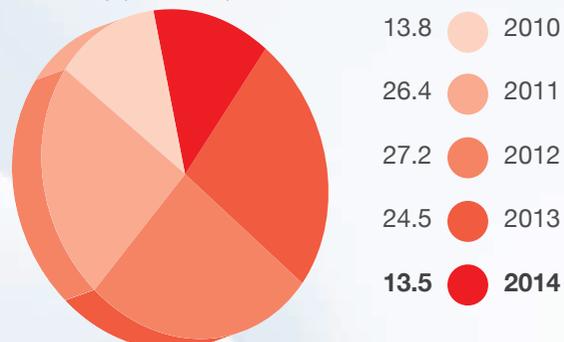
REVENUE

Profitability (RM'million)



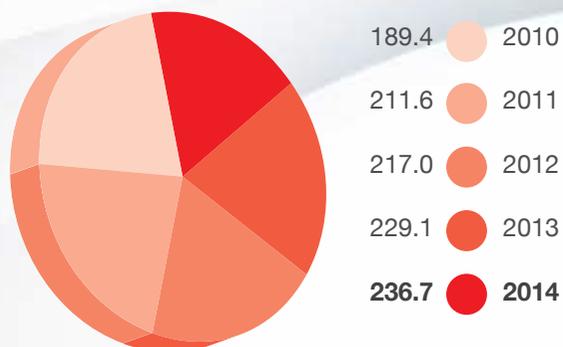
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profitability (RM'million)



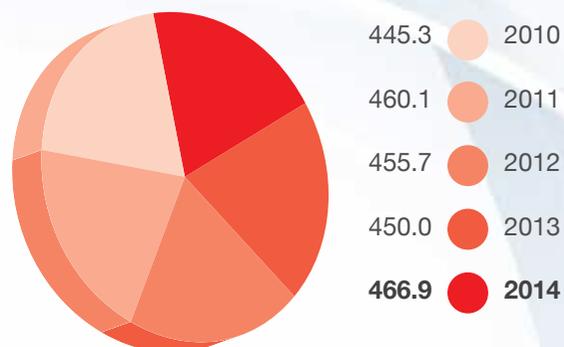
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Key Balance Sheet Data (RM'million)



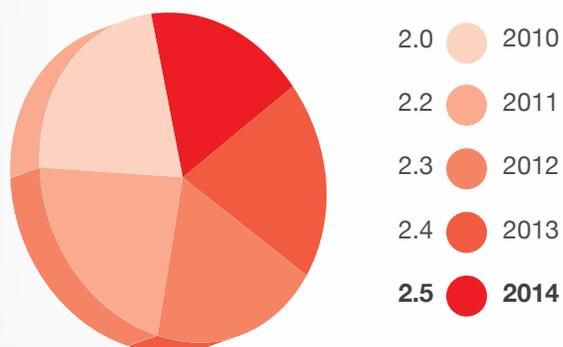
TOTAL ASSETS

Key Balance Sheet Data (RM'million)



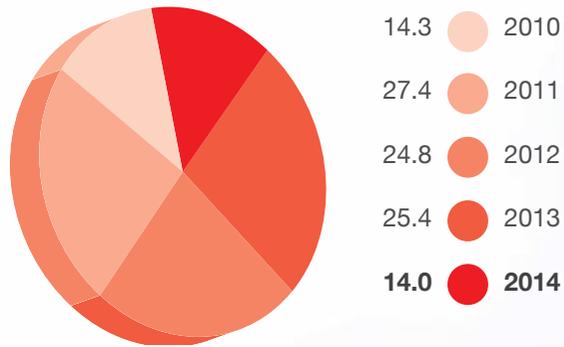
NET ASSETS PER SHARE

Share Information (RM)



NET EARNINGS PER SHARE

Share Information (Sen)



INVESTOR INFORMATION

STOCK MARKET PERFORMANCE IN 2014

FTSE Bursa Malaysia Composite Index (“FBM KLCI”) started 2014 at 1,867 points. Commencing from 15 January 2014, market sentiment dampens following weak economic data in China and US. With continued economic growth concerns in China and US, FBM KLCI dropped to 1,779 points on 4 February 2014.

FBM KLCI continued to recover and grow steadily in the range of 1,779 points to 1,892 points from February to June 2014. On 8 July 2014, FBM KLCI traded at its all-time high of 1,893 points during the year 2014.

During October 2014, market concerns over weakening global economic growth, plunging oil prices and potential outbreak of the Ebola virus, resulted in FBM KLCI showing downtrend.

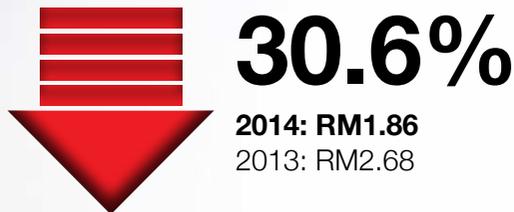
On 16 December 2014, FBM KLCI fell to the lowest point of the year at 1,674 points following continued decline in crude oil prices, weakening Ringgit vis-à-vis the US Dollar and concerns over Malaysia’s fiscal position weighed down market. As at 31 December 2014, FBM KLCI closed at 1,761 points, recording a fall of 106 points or 5.7% compared to 2013.

TIEN WAH PRESS HOLDINGS (“TWPH”) SHARE PRICE PERFORMANCE IN 2014

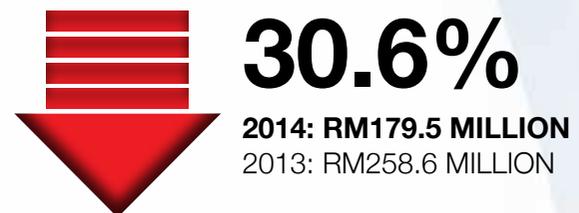
TWPH share price recorded downtrend throughout 2014. Trading at an opening price of RM2.68 on 1 January 2014 and closed at RM1.86 at the end of 2014, the share price dropped by RM0.86 or 30.6%.

TWPH’s value in terms of market capitalisation fell accordingly by 30.6% or RM79.1 million to RM179.5 million as at the end of 2014. This was resulted from the overall fall in FBM KLCI and also unfavourable financial performance of TWPH during 2014.

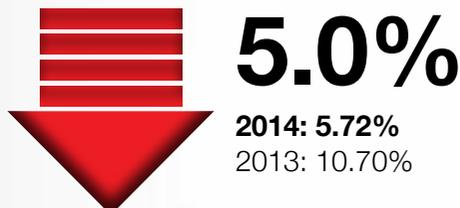
SHARE PRICE



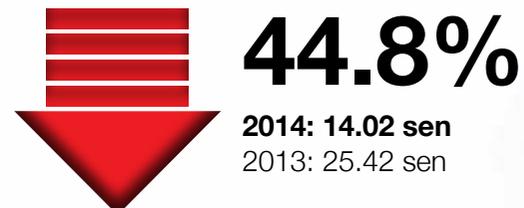
MARKET CAPITALISATION



NET RETURN ON EQUITY



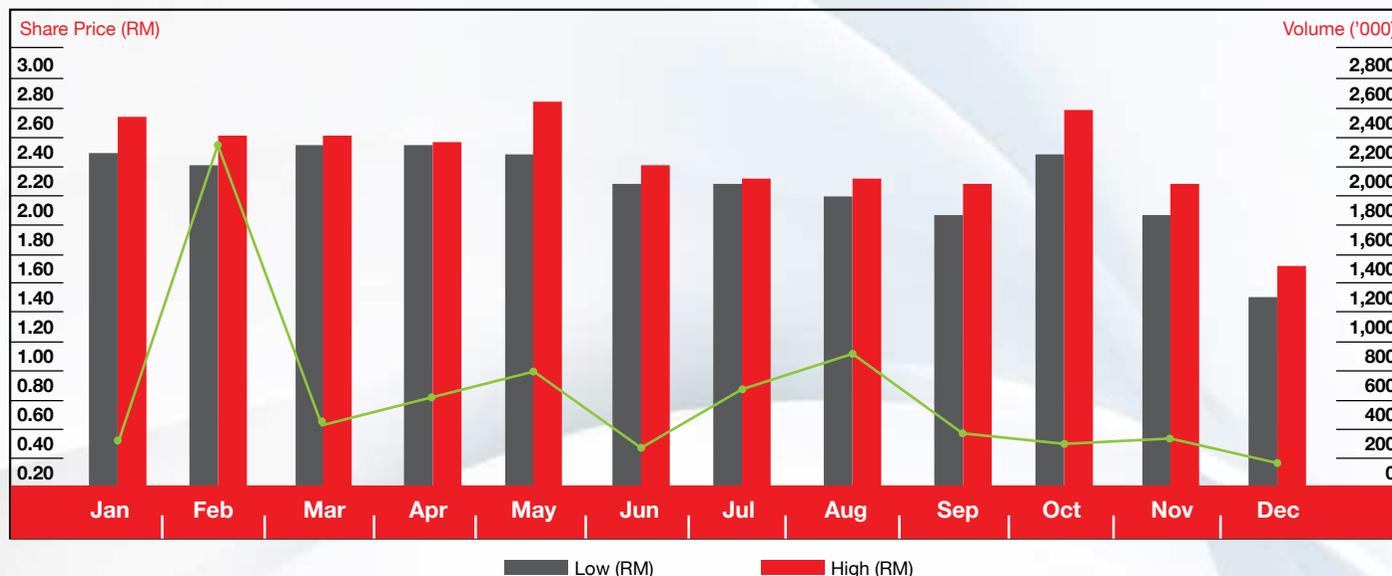
EARNINGS PER SHARE



INVESTOR INFORMATION

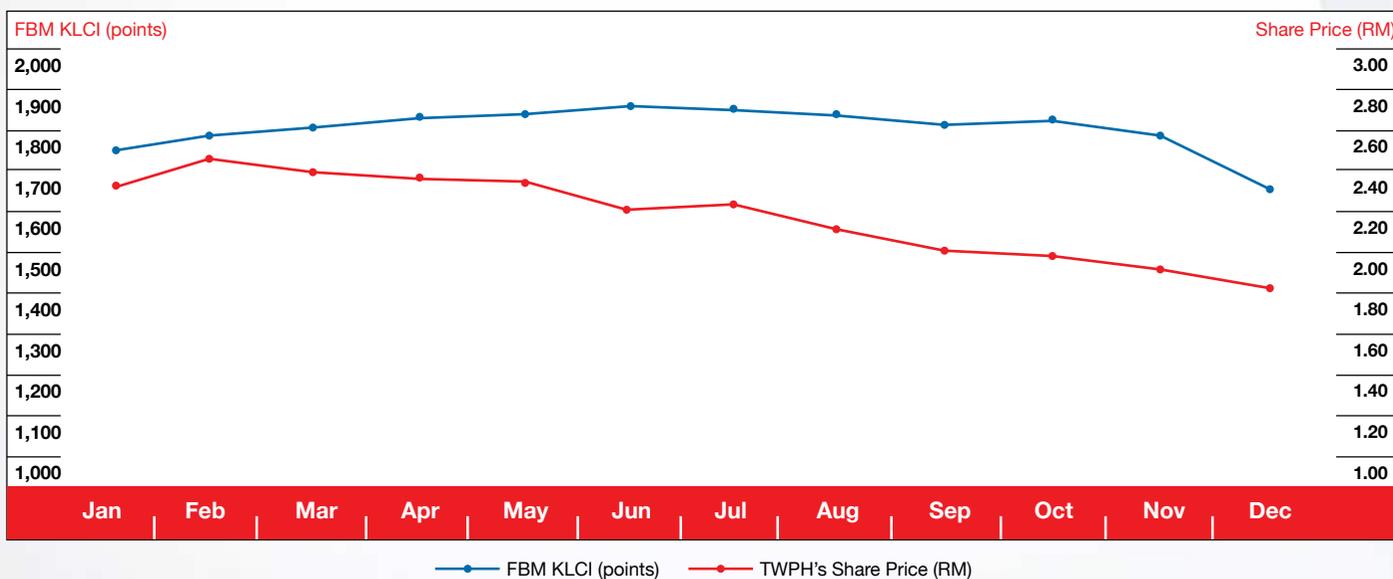
TWPH'S SHARE PERFORMANCE IN 2014

2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Low (RM)	2.46	2.40	2.52	2.51	2.40	2.34	2.32	2.22	2.16	2.00	1.98	1.85
High (RM)	2.68	2.62	2.63	2.59	2.56	2.47	2.36	2.36	2.28	2.25	2.15	1.97
Volume ('000)	253	2,290	343	563	678	238	522	837	268	223	229	134



MONTHLY CLOSING FOR TWPH'S SHARE PRICE VS KLCI IN 2014

2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
FBM KLCI (points)	1,804	1,836	1,849	1,872	1,873	1,883	1,871	1,866	1,846	1,855	1,821	1,761
TWPH's Share Price (RM)	2.46	2.60	2.52	2.51	2.42	2.34	2.35	2.23	2.16	2.12	2.00	1.86



PROFILE OF DIRECTORS

He was appointed to the Board of the Company and elected as Executive Chairman on 16 February 2015. He served as the Chief Executive Officer of the Company from 1 September 2010 to 31 December 2011.

He is the founder of New Toyo International Holdings Ltd (“NTIH”) Group and served as Managing Director and Chairman of the Board of NTIH until 30 September 2011. He also served as a Non-Independent Non-Executive Director of Shanghai Asia Holdings Ltd from 10 February 2004 up to 1 May 2012.

Mr Yen was responsible for the overall business strategy and development of NTIH Group. Mr Yen has over 40 years of experience in the paper conversion and packaging industry.

He is deemed interested in the recurrent related party transactions by virtue of his shareholdings in Yen & Son Holdings Pte Ltd (“YSH”) and NTIH pursuant to Section 6A of the Companies Act, 1965. YSH is a major shareholder of the Company and is deemed interested by virtue of its shareholdings in NTIH. NTIH is a major shareholder and ultimate holding company of TWPH via its shareholding in Tien Wah Holdings (1990) Sdn Bhd and Singapore Pacific Investments Pte Ltd. He has never been convicted for any offences within the past ten (10) years other than traffic offences, if any.



Mr. Yen Wen Hwa (Ngan Tzee Manh)

Executive Director
Chairman
Singaporean, Age 66 years

She was appointed to the Board of the Company on 25 April 2014. She serves as a member of the Remuneration Committee.

Ms Angela was appointed to the Board of New Toyo International Holdings Ltd (“NTIH”) on 27 March 2014 and elected as Executive Chairman of NTIH on 25 April 2014. NTIH is a substantial shareholder and ultimate holding company of Tien Wah Press Holdings Berhad (“TWPH”). She joined NTIH in the 1970s and was one of the pioneers of NTIH. She was instrumental in setting up the administration and accounts departments and later responsible for the sales and marketing activities of the NTIH Group.

In 1990, she assumed the position of General Manager of New Toyo Aluminium Paper Product Co (Pte) Ltd and brought this unit to ISO 9002 certification in 1996; paving the way for many other NTIH units to follow likewise. She started New Toyo International Co (Pte) Ltd in 1992 and served as its director till 1995. She was one of the key personnel involved in the listing of the NTIH Group on the main board of the Singapore Exchange Securities Trading Limited in 1997. She was appointed as the Deputy Chairperson of NTIH from 1997 to 1999 and the President for Asia Pacific from 2002 to 2006.

Ms Angela has accumulated more than 25 years of experience in the lamination industry, more than 10 years of experience in the printing business and more than 30 years in senior management and operations.

She served on the Management Committee of Care Community Services Society of Singapore from 2000 to 2003.

She is deemed interested in the recurrent related party transactions by virtue of her being a person connected with NTIH, a major shareholder of TWPH via its shareholding in Tien Wah Holdings (1990) Sdn Bhd and Singapore Pacific Investments Pte Ltd. She has never been convicted for any offences within the past ten (10) years other than traffic offences, if any.

She has attended all the seven (7) board meetings held in the financial year after her appointment.



Ms. Angela Heng Chor Kiang

Non-Independent and
Non-Executive Director
Singaporean, Age 56 years

PROFILE OF DIRECTORS



**Mejj. Jen. Datuk Abdul Kadir
bin Nordin (Bersara)**

Non-Independent and Non-Executive Director
Malaysian, Age 73 years

He was appointed to the Board of the Company on 2 September 1999. He also serves as the Chairman of the Remuneration Committee and a member of the Audit Committee, Risk and Finance Committee and Nomination Committee.

He served in the Malaysian Armed Forces for 34 years and had served as a Director of Armed Forces Cooperative for 6 years. He has also served as the Director of Human Resources in SUKOM Ninety-Eight Berhad on his retirement from the Armed Forces.

He does not have any family relationship with any director and/or major shareholder of TWPH Group, or any conflict of interests in any business arrangement involving the Company. He has never been convicted for any offences within the past ten (10) years other than traffic offences, if any.

He has attended all the eight (8) board meetings held in the financial year.



Datuk Toh Ah Wah

Independent and Non-Executive Director
Malaysian, Age 57 years

He was appointed to the Board of the Company on 23 July 2013. He serves as the Chairman of the Risk and Finance Committee and a member of Audit Committee and Nomination Committee.

He holds a Bachelor of Commerce from the Concordia University, Montreal, Canada. He joined Rothmans of Pall Mall (Malaysia) Berhad in 1981 as management trainee, now known as British American Tobacco (Malaysia) Berhad ("BATM") and held various marketing roles including Area Manager and Marketing Manager. He was seconded to China in 1991 and during his tenure overseas had held various positions including General Manager for Shandong Rothmans Tobacco Company Limited, China in 1991, Sales and Marketing Director China/Hong Kong for Rothmans (Far East) Limited in 1994, General Manager Taiwan of Rothmans (Far East) Taiwan Limited in 1996, General Manager China/Hong Kong of Rothmans (Far East) Limited in 1997 and Managing Director Greater China of Rothmans (Far East) Limited in 1998.

He re-joined BATM in 1999 post the merger between Rothmans and BAT and thereafter held various positions including Business Development Director China for BAT Asia Pacific North in 2000, Managing Director of BAT New Zealand Limited in 2003, Managing Director of Pakistan Tobacco Company Limited in 2005, the Area Director of BAT South Asia Area in 2007, the Area Director of the Indonesia Cluster and the Regional Project Manager of BAT Asia Pacific Region Ltd in 2008, Managing Director of BATM in October 2009, a position he held until his retirement in June 2013. During this period, he also served as the Audit Committee Chairman for BAT Vietnam Area and BAT Greater China Area.

He is currently a Director of Petronas Chemicals Group Berhad and CTBAT International Co Ltd, a company incorporated in Hong Kong. He was appointed as a Council member of the Badminton Association of Malaysia in August 2014.

He does not have any family relationship with any director and/or major shareholder of TWPH Group, or any conflict of interests in any business arrangement involving the Company. He has never been convicted for any offences within the past ten (10) years other than traffic offences, if any.

He has attended all the eight (8) board meetings held in the financial year.

PROFILE OF DIRECTORS



Mr. David Lim Teck Leong

Non-Independent and Non-Executive Director
Singaporean, Age 58 years

He was appointed to the Board of the Company on 1 October 2014.

Mr Lim is an Independent Director of several companies publicly listed on the Singapore Exchange Securities Trading Limited (SGX-ST), namely, G.K. Goh Holdings Limited, LH Group Limited and New Toyo International Holdings Ltd. He is the Non-Executive Chairman and Independent Director of Croesus Retail Asset Management Pte. Ltd., the Trustee Manager for Croesus Retail Trust, a Business Trust listed on the SGX-ST. He also sits on the boards of private companies in Singapore, Indonesia and Thailand in non-executive capacities and on the executive committees of several private equity investments.

Mr Lim is the founder of David Lim & Partners LLP and has been the Managing Partner since 1990. He began his career at Rodyk & Davidson in 1982 with a focus in commercial litigation, corporate finance, restructuring and mergers & acquisitions. Mr Lim has represented MNCs and corporations from the financial and banking sectors, fund management, private equity, manufacturing, tobacco, information technology and telecommunications, infrastructure, property development, food, hospitality, healthcare, shipping and electronics.

Mr Lim is an honorary legal adviser (for David Lim & Partners LLP) of the Singapore Physiotherapy Association.

He is deemed interested in the recurrent related party transactions by virtue of him being a person connected with NTIH, a major shareholder of TWPH via its shareholding in Tien Wah Holdings (1990) Sdn Bhd and Singapore Pacific Investments Pte Ltd. He has never been convicted for any offences within the past ten (10) years other than traffic offences, if any.

He has attended one (1) board meeting held in the financial year after his appointment.

He was appointed to the Board of the Company on 23 July 2013. He serves as the Chairman of the Nomination Committee and the Audit Committee and is a member of the Remuneration Committee and Risk and Finance Committee.

He holds a Bachelor of Commerce degree from the University of New South Wales, Australia. He started his career with Touche Ross & Co in Sydney soon after graduation in 1979 until his return to Malaysia in 1982. From 1982 to 1992, he was employed by the ACI International Group as their Finance Manager in Malaysia. ACI was an Australian conglomerate with glass container and glass building products businesses in Malaysia. ACI International was subsequently acquired by BTR-Nylex Ltd and he was appointed as the Regional Finance Manager for the Asia buildings products division based in Singapore. In 1992, he left to join the corporate office of Fraser and Neave Limited ("F&N Ltd") as their Deputy Corporate Finance Manager. In 1996, he returned to Malaysia once again, as the Chief Financial Officer of the newly formed F&N Holdings Berhad, which he had helped to setup. In 2007, he initiated a major acquisition for the F&N Group and was appointed as the Chief Operating Officer for the dairies product division, the position he held until his retirement in May 2012.

Mr Lee also serves on the Board of Apex Equity Holdings Berhad and Esthetics International Group Berhad.

Professionally, he is a fellow of the Institute of Chartered Accountants in Australia, member of CPA Australia, the Institute of Singapore Chartered Accountants and the Malaysian Institute of Accountants.

A professional manager all his life and in recognition for his efforts during his career, he was selected as one of the winners in the Asia Pacific Entrepreneurial Awards for 2011.

He does not have any family relationship with any director and/or major shareholder of TWPH Group, or any conflict of interests in any business arrangement involving the Company. He has never been convicted for any offences within the past ten (10) years other than traffic offences, if any.

He has attended all the eight (8) board meetings held in the financial year.



Mr. Lee Cheow Fui

Independent and Non-Executive Director
Malaysian, Age: 58 years

PROFILE OF TOP TEAM MEMBERS



Mr. Lee Chee Whye
Chief Executive Officer
Tien Wah Press Holdings Berhad
Singaporean, Age 48 years

Mr Lee was appointed to the Board of Tien Wah Press Holdings Berhad (“TWPH”) on 21 February 2012 and re-designated as the Executive Director and Chief Executive Officer (“CEO”) effective 5 November 2014. Subsequent to that, on 16 February 2015, he was re-designated as the CEO of TWPH.

He holds a Bachelor in Computer Science with Business degree and has more than 16 years of senior management, operations and marketing experience. He was the Executive Director and CEO of New Toyo International Holdings Ltd (“NTIH”), a substantial shareholder and ultimate holding company of TWPH until 1 August 2014. He was seconded to TWPH to serve as the CEO for two years effective 5 November 2014. Prior to this appointment, he was the Operations Manager of New Toyo Aluminium Paper Product Co (Pte) Ltd, a subsidiary of NTIH from years 2005 to 2006 and was subsequently promoted to Business Head of Specialty Papers Division in October 2006.

In his current role as the CEO, Mr Lee is responsible for implementing the Board’s policies and decisions as well as developing and implementing the business and corporate strategies of the Company and its subsidiaries (“Group”). Currently, he holds directorships in a few subsidiaries in TWPH Group and other non-listed companies.



Mr. Chea Kok Keong
Group Operations Director
Tien Wah Press Holdings Berhad
Malaysian, Age 56 years

Mr Chea holds a Bachelor Degree in Business Administration from RMIT University, Australia. He then went on to complete his Executive MBA (General) from University of Bath, UK.

He has been associated with the FMCG industry (soft drinks and cigarettes) for more than 35 years, with vast experience in operational management. He started his career as a Production Executive in F&N Beverages Sdn Bhd and move on to the tobacco industry in 1996. He left Japan Tobacco International Sdn Bhd in 2012 as the Director of Manufacturing Services – Asia, being his last designation. Subsequently he went on to become General Manager of Paper Base Converting Sdn Bhd for 2 years before joining TWPH.

He has wide exposure in the area of Production, Supply Chain Management, and Government Relations. He is the pioneer in the commissioning of SAP system in his previous company as well as the lead for getting the various ISO systems (ISO 9002, ISO 14001 and OHSAS 18001) implemented.

Mr Chea joined on 1 April 2015 as Group Operations Director of TWPH with the responsibility of revenue growth, profitability, product & service quality and long term business sustainability.

PROFILE OF TOP TEAM MEMBERS



Mr. Andrew Yeo Peng Khoon

Group Human Resources Director
Tien Wah Press Holdings Berhad
Malaysian, Age 39 years

Mr Andrew Yeo was appointed as the Group Human Resources Director on 16 April 2015.

After being called to the Malaysian Bar, Mr Yeo began his career as an Advocate and Solicitor, specialising in civil and criminal litigation and intellectual property law. He holds a degree in Law (LL.B) from IIU Law, Malaysia. Mr Yeo then joined British American Tobacco ("BAT") in 2001, and has worked in various countries, managing large-scale business transformations. He brings expertise in talent, change management, succession planning and organisational design.

He was instrumental in improving Human Resources ("HR") standards for various markets, and has been active in identifying, coaching and mentoring emerging leaders. In all markets he served, Mr Yeo has left the legacy of a stronger management team, with successors prepared for key positions.

In 2008, Mr Yeo was appointed Head of HR, based in BAT Cambodia and Thailand, and subsequently appointed HR Director of BAT Cambodia and Asian Emerging Markets, before returning to Malaysia as the Head of HR for Commercial Marketers and Distributors Sdn. Bhd. In his current role, Mr Yeo is responsible to shape and implement the talent and organisational strategy and to strengthen end-to-end HR practices for the Group.



Mr. Ian John Harris

Group Business Development Director
Tien Wah Press Holdings Berhad
British, Age 67 years

Mr Harris holds a Bachelor of Arts in Economics and Business Studies from the Open University, United Kingdom.

He has worked within the paper and paperboard industry for forty five (45) years initially for a UK based manufacturing business, and for the last 30 years a Swedish forestry company in various sales and marketing positions.

He is experienced in both the graphic and packaging sectors and for twenty five (25) years specialising in both sales and product development with UK based multinational tobacco companies and specialist tobacco converters. This role also comprised the coordination of MNC business in Europe, Asia Pacific and Southern Africa.

Mr Harris joined on 1 May 2015 as Group Business Development Director. In his new role he will be based in Europe and responsible for both existing customers and identifying new business opportunities within the tobacco business area.

PROFILE OF TOP TEAM MEMBERS



Mr. Frank Federico
Group Sales Director
Tien Wah Press Holdings Berhad
Australian, Age 48 years

Mr. Frank Federico holds a Bachelor of Applied Science (Hons) degree from University of Technology, NSW, Australia. He has been awarded numerous cartons packaging design registrations and was an executive on the NSW Board of the Packaging Council of Australia.

Since 1987 he has worked in the flexibles and corrugated cartons fields, and the glass bottle industry supplying beverage containers. In 1992 he became involved in folding carton packaging with Anzpac Services (Australia) Pty Ltd (“Anzpac”) and held various positions including QA Manager, Technical Development Manager, Sales Manager, and General Manager. He was instrumental in constructing Anzpac’s quality assurance system to obtain ISO9001 and HACCP accreditation in the mid-1990’s. Mr Federico has considerable experience in tobacco packaging having been involved in the supply to Rothmans and British American Tobacco in Australia and South East Asia region since 1992. He has also been involved in the supply general folding cartons to multinationals including Mead Westvaco, McDonalds and Colgate.

Mr. Federico joined TWPH Group in September 2008. He was the General Manager in Anzpac from November 2008 until 30 April 2015. On 1 May 2015, Mr Federico was appointed as Group Sales Director for TWPH with the responsibility for sales revenue growth through the strategic acquisition and management of the current and new customer portfolio across the Asia Pacific region.



Mr. Ong Liang Win
General Manager, Corporate and Commercial
Tien Wah Press Holdings Berhad
Malaysian, Age 52 years

Mr. Ong is a qualified Chartered Accountant from the Institute of Chartered Accountants in England and Wales and holds a Bachelor of Arts (majoring in Accounts and Finance) from University of Lancaster, England.

Prior to his appointment with TWPH, he served as a Director/ Group General Manager for Eksons Corporation Berhad from 1999 to 2004. He presently sits on the board of Selangor Properties Berhad as an Independent Non-Executive Director. He has a wide spectrum of invaluable experiences, starting his career in 1985 as an Auditor at Robson Rhodes, Manchester, England and has held various senior positions in the property development, construction, manufacturing and investment companies.

Mr. Ong joined in April 2004 as Group General Manager and later in 2006 he was made responsible for the New Business Development Unit of the Group. Due to the business evolution in 2010, he was re-designated to his current role and is responsible in the new business investment/divestment, profit optimisation and cost efficiencies for TWPH Group.

Mr. Ong was also appointed by the Risk and Finance Committee to handle the role of a Group Risk Manager of TWPH Group.

PROFILE OF TOP TEAM MEMBERS



Ms. Lilian Leong Lai Yoong

Financial Controller
Tien Wah Press Holdings Berhad
Malaysian, Age 50 years

Ms. Lilian Leong is a holder of Bachelor of Commerce majoring in Accountancy and Information Systems from University of New South Wales, Australia. She is a member of the Malaysian Institute of Accountants, fellow member of CPA Australia and provisional member of New Zealand Institute of Chartered Accountants.

She started her career with Powell Kwok Baker, Australia as a Graduate Accountant where she was involved in accounting and taxation matters. Subsequently, she proceeded on to work with Nelson Parkhill BDO, Australia as an auditor and thereafter, joined Halwood Corporation Ltd, Australia as a Corporate Management Accountant.

Ms Leong joined in December 1990 and was promoted as the Finance Manager prior to her present position as the Financial Controller. She is responsible for the overall financial matters for TWPH Group.



Mr. Allan John Sarte Laceda

General Manager
Tien Wah Press (M) Sdn Bhd ("TWPM")
Print Division - Malaysia
Filipino, Age 50 years

Mr. Allan Laceda holds a Bachelor of Science in Mechanical Engineering from De La Salle University, Philippines.

He has been associated with the tobacco printing industry for more than 20 years, with vast experience in operational management. He started his career as a Material Planner and Inventory Controller in Amcor Tobacco Packaging Rizal Corp in 1990 and has progressed up the rank of a Plant General Manager.

He has wide exposure in the area of Supply Chain Management, Lean Manufacturing and Six Sigma. He is recognised throughout his career for being an exceptional leader and a coach leveraging in-depth knowledge of the marketplace and the manufacturing landscape to significantly increase revenue and operational efficiency.

Mr. Laceda joined on 29 April 2013 as General Manager of TWPM with the responsibility of revenue growth, profitability, total cost reduction and long term business sustainability.

PROFILE OF TOP TEAM MEMBERS



Mr. Ong Kiok Teng

General Manager
Tien Wah Properties Sdn Bhd (“TWPP”)
Property Division - Malaysia
Malaysian, Age 51 years

Mr. Ong is a holder of Bachelor of Civil Engineering degree from Swinburne University of Technology, Melbourne, Australia.

He started his career in 1985 with Crooks Michell Peacock Stewart (CMPS) Pty Ltd, an engineering consulting and project management Company in Australia. Prior to his appointment with TWPH Group, he was with Mega First Corporation Berhad and throughout his vast experience, he was involved in various property developments and building industry. He has more than 20 years of experience and has completed a diverse range of mixed commercial and residential property developments.

He joined in August 2008 as General Manager of TWPP and is responsible for the management and development of the existing and potential new properties for TWPH Group.



Mr. Errol Tan Poh Hin

General Manager of Vietnam
Alliance Print Technologies Co., Ltd. (“APT”)
Toyo (Viet) Paper Product Co., Ltd. (“TVP”)
Print Division - Vietnam
Singaporean, Age 53 years

Mr. Errol Tan holds a Bachelor of Engineering degree majoring in Mechanical and Production Engineering from the National University of Singapore.

He has more than 20 years of experience with various manufacturing industries in Singapore, Indonesia, Vietnam, and Thailand where he had assisted in the setting up and running of a new plant. Immediately prior to joining TWPH Group, he was the factory manager in a company producing corrugated boxes.

Mr. Tan joined in December 2009 as Operations Manager of APT and was promoted to be the General Manager of APT in July 2011. As part of the restructuring and rationalisation of operations in Vietnam, he was promoted to his present position as the General Manager of Vietnam for two entities namely APT and TVP with effect from 30 November 2011. He is responsible for the revenue growth, profitability, total cost reduction and long term sustainability for the business units in Vietnam.

Reaching **The Horizons**

As time goes by, we have continued to march further and further up the horizon to only produce the best when it comes to quality printing. With our strong operational facilities, every product emerging from our presses bears our trademark of innovation, quality and excellence. We want to achieve a breakthrough with our customers and tailor-make our products to meet their specific needs.



CHAIRMAN'S REVIEW STATEMENT



Dear Shareholders,

On behalf of the Board of Directors of Tien Wah Press Holdings Berhad (“TWPH” or “the Group”), it is my pleasure to present the Group’s performance for our financial year ended 31 December 2014.

Yen Wen Hwa (Ngan Tzee Manh)
Chairman

CHAIRMAN'S REVIEW STATEMENT

2014 was a difficult year for the Group. The main industry in which we operate in, continued to undergo dynamic changes. This in return had a direct impact on our business.

The introduction of Graphical Health Warning on packs for Vietnam's market was one significant impact on our business as we saw a drastic drop in demand. Increase in excise duties continued to dampened demand on the major industry players as this resulted in an increasing prevalence of illicit products.

The Group as a whole, continued to face severe challenges as our major customer raised their level of expectations on quality and deliveries. This demanded further process changes as well as implementation of new resources for the Group. The Board then approved a restructuring of the production footprint within the Group to improve strategic positioning to service the customers and reduce operating cost over the longer term. As a consequence of the restructuring, a redundancy expense of RM2.0 million was recognised. There was also a one-off sales rebate of RM5.9 million incurred during the year.

These events contributed to an overall decline in both revenue and profit for the year. While the Group is still profitable at RM13.5 million, revenue declined by 7.0% or RM26.7 million and net profit reduced by 44.8% or RM11.0 million as compared to 2013. Our balance sheet remains favourable with the Group's net assets (excluding non-controlling interests) increasing by 3.3% to RM236.7 million from RM229.1 million. Debt levels increased slightly from RM72.9 million to RM74.0 million, due to the implementation of new resources mentioned above. The business also continued to generate cash positively in the year under review which amounted to RM60.0 million (2013: RM58.3 million).

DIVIDENDS

In appreciation of the continued support from our shareholders and with the positive cash generation, the Board has recommended a final single-tier tax exempt dividend of 4.00 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2014 making the total dividend payout for the year at 7.00 sen per share (2013: 12.78 sen per share) when combined with the interim dividend of 3.00 sen paid on 31 October 2014. Despite the reduction in profits, the Group is committed to pay dividends regularly.

OUTLOOK FOR 2015

The market, in which we operate in, continues to show uncertainty. The challenges of 2014 are expected to continue in 2015. We have also seen increasing activities among our competitors as they continue to expand their presence in Asia. As the competition intensifies, the demand on quality and delivery expectations would be even greater. To overcome these severe challenges, it is paramount for the Group to look beyond our current footprint and customers' base. The Group would continue to explore new opportunities while driving total cost downwards.

The Group remains positive that we have the knowledge, capabilities and resources to continue to grow the company in both revenue and profits. Our strategy of focusing on being a business partner to our customers to help drive efficiencies, cost reductions and innovation would remain as our top priority.



CHAIRMAN'S REVIEW STATEMENT



BOARD MEMBERS

The Group strives to ensure that we have the right mix of expertise on our Board. It is our pleasure to welcome Mr David Lim Teck Leong, who joined as Non-Independent Non-Executive Director on 1 October 2014. His vast experience in both the legal and business field would definitely help the Group to add value to our customers as we expand our business presence.

Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff ("Tengku Mahaleel"), Non-Executive Chairman of the Group, retired from the Board with effect from 16 February 2015. Mr Lim Meng Kwong, Independent Non-Executive Director of the Group also resigned from the Board with effect from 31 December 2014. On behalf of the Board of Directors and the Group, we would like to express our utmost appreciation for their valuable contributions and dedication to the Group during their terms in office. We regret to see them leave, especially Tengku Mahaleel, who has dedicated eight (8) years of his time in the guidance and growth of the Group and we wish them well in their future endeavours.

APPRECIATION

We would like to express our deepest appreciation to all our stakeholders and valuable customers, who continue to support us in these times of changes. We would also like to express our utmost gratitude to our staff who remained resilient in spite of the challenges faced by the Group and last but not least, our valuable shareholders who continue to support us all these years.

Thank you very much.

Yen Wen Hwa (Ngan Tzee Manh)
Chairman

BUSINESS OPERATIONS REVIEW BY CHIEF EXECUTIVE OFFICER



The year 2014 for Tien Wah Press Holdings Berhad Group (“the Group”) was a difficult period as the tobacco industry continued to face regulatory and demand challenges. The printed packaging industry also saw further consolidation among the competitors and the growing presence of these competitors in Asia resulted in a necessity for change within the Group. In spite of these factors, the Group continued to deliver operational improvement in terms of expanding our technical capability and improving our quality level, in order to provide stability to our key customers.

The increased demand in delivery expectations pushed the Group to operate in a volatile demand environment while meeting the speed to market targets. Operating processes had to be changed to bring about greater efficiency and effectiveness.

BUSINESS OPERATIONS REVIEW BY CHIEF EXECUTIVE OFFICER



QUALITY

2014 saw significant improvement in our quality standards. The growing presence of major competitors in Asia resulted in the raising of the bar in quality standards and the Group was similarly challenged to raise our quality excellence. With the additional capital expenditure invested in 2014 on quality capabilities, the Group is positive that we would be able to deliver quality products that are above the industry standards.

2014 PERFORMANCE OVERVIEW

The Group recorded sales during 2014 of RM353.7 million, a decrease of 7.0% over 2013. The decrease was mainly attributable to revenue decreases under the long term supply agreement held with our key customer. The changing legislative environment as well as excise duty changes in some of the markets where our customers operate in, contributed to a change in product mix as well as increased prevalence of illicit products.

In 2014, the Group recorded profit before taxation of RM23.0 million, representing a 44.2% decrease compared to 2013. In the same manner, the net profit attributable to shareholders decreased by 44.8% to RM13.5 million. On the other hand, the Group's year end net tangible assets increased marginally by 3.3% to RM236.7 million. Cash generated from operations increased from RM58.3 million to RM60.0 million.

BUSINESS OPERATIONS REVIEW BY CHIEF EXECUTIVE OFFICER



TAILORING OUR FUTURE FOR 2015 AND BEYOND

The challenges of 2014 would continue to be present for 2015 and the Group put in place strategies to focus on expanding our footprint and customer base. This would be one of the key critical success factors for the Group's future growth in the face of mounting competition. Changes within the Group can be expected as we strive towards meeting the new and challenging demands of our key customers. The Group, while seeking to expand our global presence, would continue to identify process changes that reduce cost, improve efficiency and achieve quality excellence. The Group also places strong emphasis on the importance of its human capital which is the key to our success. In 2015, a new Group Management Board comprising senior management was formed to provide the strategic, commercial and people leadership required to grow the business and develop a sustainable organisation for our business units in Malaysia, Vietnam and Australia.

While the consolidations of competitors are viewed as a threat, the Group also sees a great opportunity in our drive towards customer base expansion. With our current capabilities and knowledge, the Group is confident that we are in a good position to acquire new business opportunities in both tobacco and non-tobacco segments.

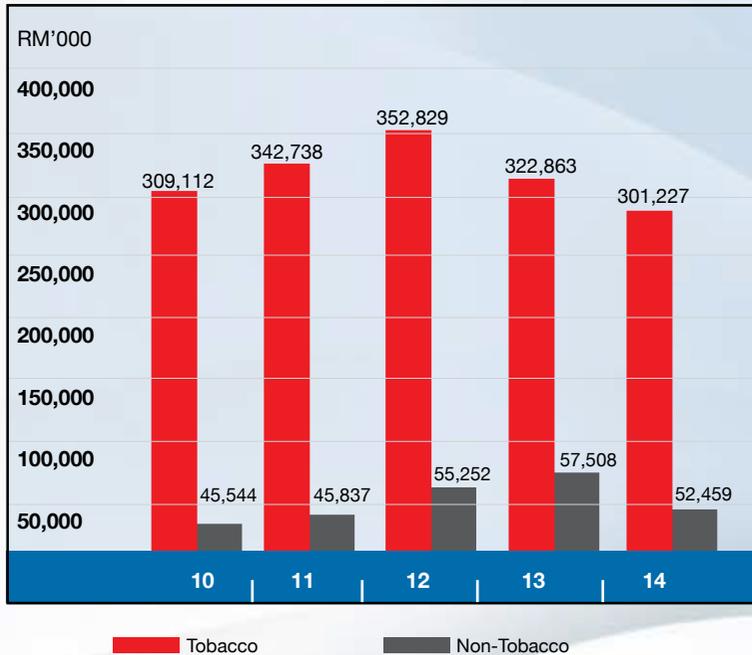
Foreign currency fluctuations will remain a concern for the Group as we operate in different countries. However, we have processes in place to mitigate some of these exposures and will continue to closely monitor the currency movements.

On behalf of the management, I would like to take this opportunity to thank all our customers, shareholders, suppliers and employees of the company for their continual support to the Group.

Lee Chee Whye
Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue Composition from 2010 to 2014

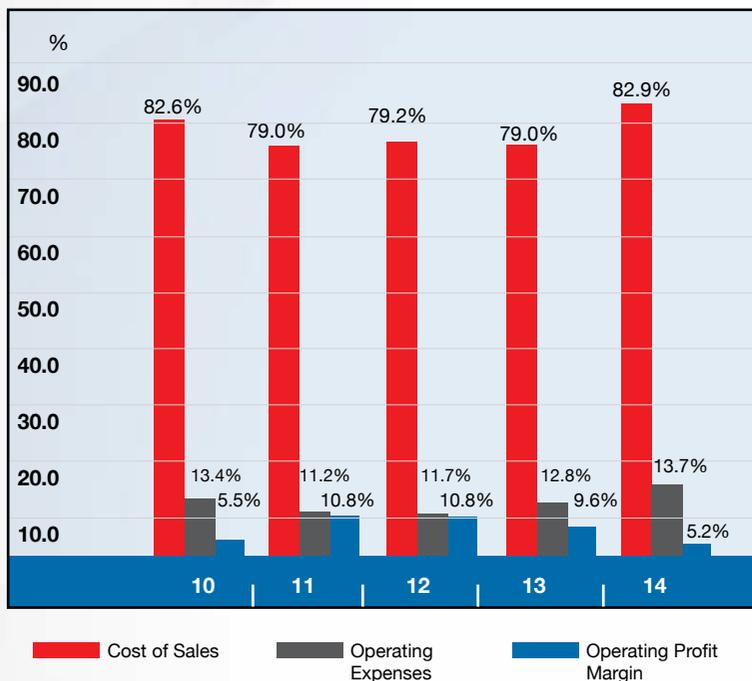


REVENUE PERFORMANCE

Total revenue amounted to RM353.7 million in 2014, down by 7.0% (2013: RM380.4 million). The decrease mainly in the tobacco segment was attributable to more difficult market conditions and lower demand in some countries primarily caused by tougher government legislation.

The Group has two main types of customers comprising of tobacco and non-tobacco customers. We print cigarette packaging for tobacco customers which includes hinge lid blanks, display outer cartons and limited edition cigarette packaging for promotions. General packaging for non-tobacco customers include beer and milk labels, health and pharmaceutical products and food and beverage packaging. 2014 revenue for the tobacco segment decreased from RM322.9 million to RM301.2 million and revenue for non-tobacco segment, decreased from RM57.5 million to RM52.5 million.

Cost Composition and Operating Profit Margin from 2010 to 2014



COST AND MARGIN

Operating profit margin decreased to RM18.3 million or 5.2% of revenue in 2014 (2013: RM37.5 million or 9.9%).

In 2014, the total cost base decreased by 2.1% to RM341.8 million (2013: RM349.1 million) whilst revenue decreased by 7.0% as highlighted above. The decrease in cost base was principally driven by lower Cost of Sales ("COS") in 2014 by 2.4% to RM293.3 million (2013: RM300.5 million) in line with the decrease in revenue. Operating expenses against revenue increased from 12.8% to 13.7%, a result of the redundancy cost of RM2.0 million following the Group's business restructuring that took place in 2014.

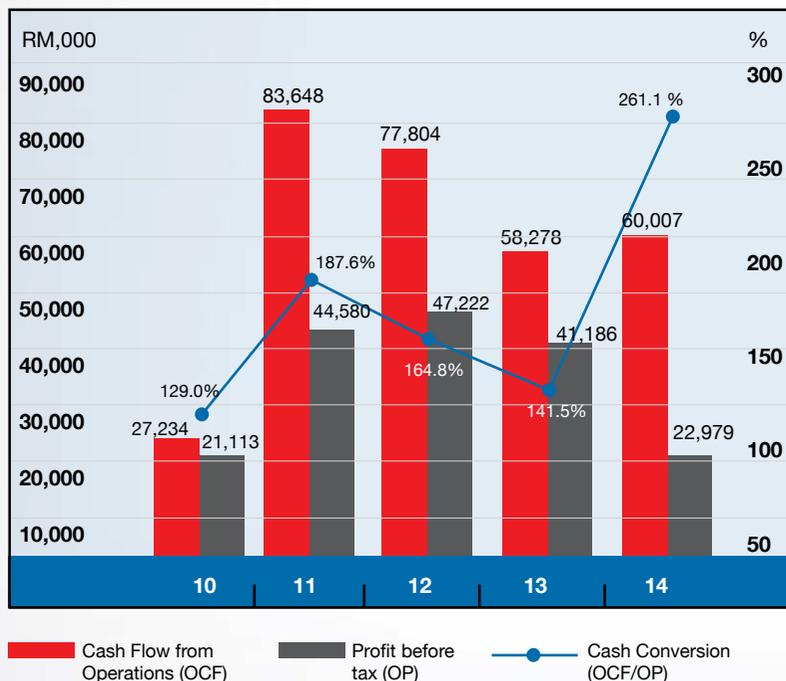
NET PROFIT

The Group reported a reduction in net profit of 53.2% from RM33.8 million to RM15.8 million versus same period last year. This was attributable to lower revenue and redundancy costs. As a result, the net profit after minority interests stood at RM13.5 million, a decrease of 44.8% compared to 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

CONSOLIDATED INCOME STATEMENT	12 months 2014 RM'000	12 months 2013 RM'000	Increase / (Decrease) %
Revenue	353,686	380,371	(7.0)
Cost of sales	(293,256)	(300,511)	(2.4)
Gross profit	60,430	79,860	(24.3)
Operating expenses	(48,534)	(48,543)	(0.0)
Other operating income	6,441	6,146	4.8
Operating profit	18,337	37,463	(51.1)
Share of profit after tax for associate	4,642	3,723	24.7
Profit before tax	22,979	41,186	(44.2)
Tax expense	(7,159)	(7,363)	(2.8)
Profit after tax	15,820	33,823	(53.2)
Attributable to :-			
Owners of the Company	13,531	24,526	(44.8)
Minority Interest	2,289	9,297	(75.4)
	15,820	33,823	(53.2)
Net earning per share - basic and diluted	14.02	25.42	(44.8)
Operating profit margin	5.18%	9.85%	(4.67)
Profit before tax / Revenue	6.50%	10.83%	(4.33)
Profit after tax / Revenue	4.47%	8.89%	(4.42)

Cash flow management from 2010 to 2014



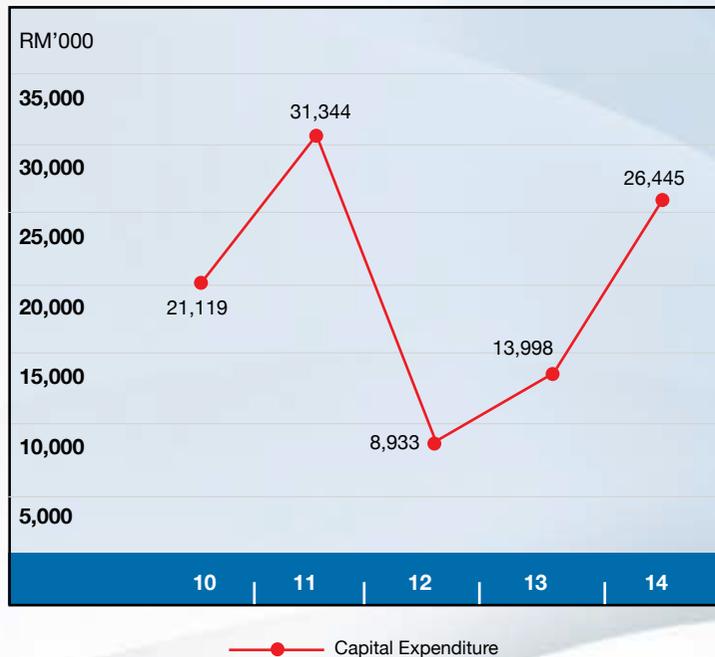
OPERATING CASH FLOW

The closing cash and cash equivalents amounted to RM53.0 million, an increase of RM8.9 million from 2013. The higher cash inflow in 2014 was largely attributable to an improvement in working capital (predominantly a decrease in receivables). These inflows were partially offset by an increase in net capital expenditure and employee benefits (redundancy costs) paid during the year.

The Group's cash flow from operations stood at RM60.0 million, representing 261.1% of profit from operations, up from 141.5% in 2013 comparatively.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital expenditure from 2010 to 2014

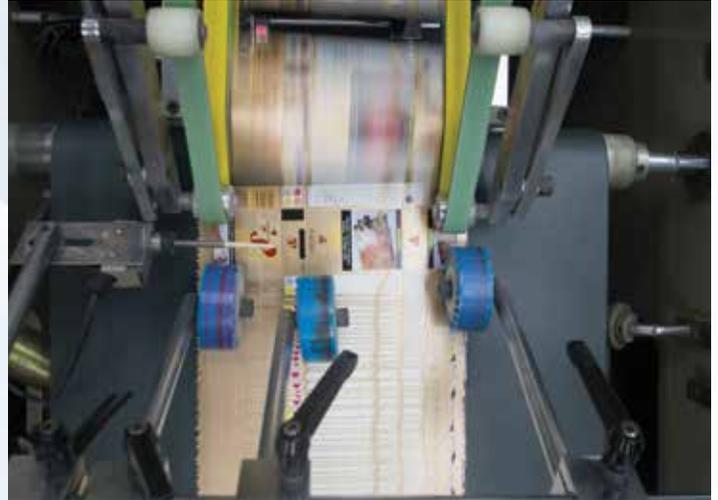


In terms of capital expenditure, the Group spent RM26.5 million in 2014 (2013: RM14.0 million). The acquisition in 2014 was mainly in the enhancement of the existing printing machine, quality inspection system and tooling to increase our capabilities for complex tobacco packaging.

CONSOLIDATED CASH FLOW STATEMENT

	12 months 2014 RM'000	12 months 2013 RM'000	Increase / (Decrease) %
Profit before tax	22,979	41,186	(44.2)
Adjustment for:-			
Net interest expense	1,646	2,016	(18.4)
Property, plant and equipment			
- Depreciation	21,835	22,090	(1.2)
- Gain on disposal	10	(273)	(103.7)
Employee benefits provided	3,164	6,474	(51.1)
Share of profit after tax for associate	(4,642)	(3,723)	24.7
Amortisation of intangible assets	6,569	5,291	24.2
Unrealised foreign exchange loss	3,064	196	1,463.3
Changes in working capital	5,382	(14,979)	(135.9)
Cash generated from operations	60,007	58,278	3.0
Net interest paid	(1,646)	(2,016)	(18.4)
Employee benefits used	(6,527)	(3,076)	112.2
Taxes paid	(4,427)	(5,590)	(20.8)
Net capital expenditure	(26,385)	(13,513)	95.3
Net financing activities	5,989	(16,106)	(137.2)
Net Dividend	(12,957)	(17,852)	(27.4)
Increase in cash and cash equivalents	14,054	125	11,143.2
Exchange differences on translation of opening balance	(5,202)	(4,846)	7.4
Cash and cash equivalents at 1 January	44,143	48,864	(9.7)
Cash and cash equivalents at 31 December	52,995	44,143	20.1

MANAGEMENT DISCUSSION AND ANALYSIS



HIGH DIVIDEND PAYOUT

The Group continued its strong commitment to pay dividends at a level of 49.9% of its earnings for the year (2013: 50.3%). With the aim to accelerate dividend payment to shareholders, the Group once again declared and paid one interim dividend in October 2014 and a final dividend payable in June 2015. Total dividend proposed for 2014 amounted to a net of 7.00 sen per share or RM6.76 million despite a lower net profit achieved.

This equates to a total return of 3.8% (2013: 4.8%) to shareholders based on the closing price of RM1.85 at the end of 2014 (2013: RM2.68).

PERFORMANCE OF AN ASSOCIATE COMPANY

The principal activity of Benkert (Malaysia) Sdn Bhd (“Benkert Malaysia”) is the manufacture of tipping paper for use in the production of tobacco products. Benkert Malaysia is part of the Benkert Group based in Germany, a major supplier of these products to multinational tobacco companies globally.

Turnover in 2014 increased to RM94.4 million from RM87.4 million in the preceding year. Profit after tax increased to RM15.4 million from RM12.4million in the preceding year.

Benkert Malaysia made a significant investment in property, plant and equipment in 2014 to improve efficiency.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (“the Board”) of Tien Wah Press Holdings Berhad (“TWPH”) is committed to achieve and maintain high standards of corporate governance within TWPH and its subsidiaries (the “Group”). The Board views corporate governance as synonymous with four key concepts, namely transparency, accountability, integrity as well as corporate performance. The Board believes that a high standard of corporate governance will create and deliver long-term sustainable shareholder value.

The Board is guided by the Principles and Recommendations as promulgated by the Malaysian Code on Corporate Governance 2012 (the “MCCG 2012”) and Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia Listing Requirements”).

The Board is pleased to provide the following Statement which set out how the Group has applied the Principles and Recommendations of the MCCG 2012 and Bursa Malaysia Listing Requirements during the financial year ended 31 December 2014. Where a specific Recommendation of the MCCG 2012 has not been observed during the financial year under review, the non-observance, including the reasons thereof, is included in the following Statement.

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

1.1 Clear functions of the Board and Management

The TWPH Group acknowledges the pivotal role played by the Board in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholders’ value. The Group is led by an effective and experienced Board with members from diverse backgrounds and specialisations. To fulfill this role, the Board is responsible for the overall corporate governance of the TWPH Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Beyond the matters reserved for the Board’s decision, the Board has delegated the authority to achieve the corporate objectives and day-to-day management of the business of the Group to the Chief Executive Officer (“CEO”). The CEO remains accountable to the Board for the authority that was delegated to him, and for the performance of the Group.

The Board monitors the decisions and actions of the CEO and the performance of the Group to gain assurance that progress is being made towards the corporate objectives.

1.2 Clear roles and responsibilities

The roles and functions of the Board, as well as the differing roles of the Executive Director and Non-Executive Directors, including Board processes are clearly set out in the Board Charter which was adopted on 26 February 2013. The Board has assumed the following principal responsibilities in discharging their stewardship responsibilities pursuant to the MCCG 2012:-

- reviewing and adopting a strategic plan including setting performance objectives and approving operating budgets for the Group and ensuring that the strategies promote sustainability;
- monitoring the Company’s performance and build sustainable value for Shareholders in accordance with any duties and obligations imposed on the Board by law and within a framework of prudent and effective controls which enables risk to be assessed and managed;
- reviewing the procedures to identify principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- set, review and ensure compliance with the Company’s principles, values and ethos of the Company;
- succession planning, including appointing, assessing, training, fixing the compensation of and where appropriate, replacing Executive Directors and Senior Management;
- developing and implementing a Corporate Disclosure Policy (including an investor relations programme and shareholder communications policy) for the Group;
- reviewing the adequacy and the integrity of the Group’s risk management and internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- determining the remuneration of Non-Executive Directors, with the individuals concerned abstaining from discussions of their own remuneration;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- ensuring that the Company’s financial statements are true and fair and conform with the accounting standards;
- monitoring and reviewing policies and procedures relating to occupational health and safety and compliance with relevant laws and regulations; and
- ensuring that the Company adheres to high standards of ethics and corporate behaviour.

CORPORATE GOVERNANCE STATEMENT

The Board has a formal schedule of matters reserved for decision-making which includes the TWPH Group's overall strategy and direction, acquisition and divestment policy, approval of major capital expenditure projects, consideration of significant financial matters and it reviews the financial and operating performance of the TWPH Group. This schedule ensures that good governance is in place for the TWPH Group.

To ensure the effective discharge of its functions and responsibilities, the Board has established and delegates certain responsibilities to the Board Committees which have been set up that are Audit Committee ("AC"), Nomination Committee, Remuneration Committee and Risk and Finance Committee.

The Board Committees are entrusted with specific responsibilities to oversee the Company's affairs, in accordance with their respective written Terms of References and operating procedures and the Board receives reports of their proceedings and deliberations. The Chairman(s) of the respective Board Committees will report to the Board on the outcome of these meetings and such reports are incorporated into the Board papers. These Board Committees were formed in order to enhance business and operational efficiency as well as efficacy. The Board remains fully responsible for the direction and control of the Company and the TWPH Group.

1.3 Formalised ethical standards through Code of Ethics

Code of Ethics

The Board has adopted a Code of Ethics for the Board on 26 February 2013. The Code of Ethics is intended to focus on the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of integrity, honesty and accountability.

A copy of the Code of Ethics is available in the Company's website at www.tienwah.com.

The Group has in place a Code of Conduct for Directors, management and employees of the Group. The Code of Conduct was formalised on 26 February 2013 to emphasise the Group's commitment to ethics and compliance with applicable laws and regulations, set forth basic standards of ethical behaviour within the Group.

The principle of the Code of Conduct is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism. The Code of Conduct is reviewed annually by the Senior Management and the Board to meet TWPH's needs and to address the changing conditions where it works.

A copy of the Code of Conduct is available in the Company's website at www.tienwah.com.

Whistle Blower Policy

As part of the Company's continuous effort to ensure that good corporate governance practices are being adopted, the Company has an established Whistle Blower Policy on 26 February 2013 so that any officer/employee or stakeholder of the Group may report genuine concerns relating to any malpractice or improper conduct of the Group's businesses.

Managers, officers and employees in supervisory roles shall report directly to the Senior Independent Director on any allegations of suspected improper activities whether received as a protected disclosure or discovered in the course of performing their own duties and such disclosures including those relating to financial reporting, unethical or illegal conduct. Disclosures can be verbal or in writing and forwarded in a sealed envelope, reported by their subordinates in the ordinary course of performing their duties, or discovered in the course of performing their own duties.

A summary of the Whistle Blower Policy is available in the Company's website at www.tienwah.com.

Insider Dealing Policy

TWPH's Directors and employees who possess price sensitive information which is not generally available to the public are not allowed to trade in securities consistent with the Capital Markets and Services Act 2007, which prohibits insider trading.

Notices on the closed period for trading in the Company's shares are sent to Directors and principal officers and the relevant employees on a quarterly basis. In 2014, none of the Directors dealt in securities of the Company during the closed period.

CORPORATE GOVERNANCE STATEMENT

1.4 Strategies promoting sustainability

The Board has adopted a Sustainability Policy for the Group on 26 February 2013. The Group recognises the importance of sustainability and its increasing relevance to the Group's business. The Group is committed to understanding and implementing sustainable practices and to exploring the benefits to the business whilst attempting to achieve the right balance between the needs of the wider community, the environment, social and governance considerations, the requirements of shareholders and stakeholders as well as economic success.

Details of the sustainability activities for the year under review are set out on in the Corporate Social Responsibility of this Annual Report.

1.5 Access to information and advice

The Chairman ensures that all Directors have full and timely access to all information with regard to Board papers distributed in advance of meetings.

Prior to each meeting of the Board or a Board Committee, Board or Committee papers, as the case may be, which include the agenda, minutes of the previous meeting and reports relevant to the issues of the meeting covering the areas of strategic, financial, operational and regulatory compliance matters, are circulated to all the Board or Committee members. The Directors meet, review and approve all corporate announcements, including the announcement of the quarterly financial results, prior to releasing them to Bursa Malaysia Securities Berhad ("Bursa Securities"). The Directors have unrestricted access to all information pertaining to the Group's business and affairs to enable them to carry out their duties effectively and diligently. The AC and Risk and Finance Committee play a pivotal role in channelling pertinent operational and assurance related issues to the Board. There are procedures sanctioned by the Board, whether as a full board or in their individual capacity, to take independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, at the TWPH Group's expense.

Detailed periodic briefings on the industry outlook, Company's performance and forward previews are also conducted for the Directors to ensure that the Board is well informed of the latest market and industry trends.

1.6 Qualified and competent Company Secretaries

The Company Secretaries ensure the flow of information to the Board and its Committees. They ensure that Board procedures are complied with and advise the Board on governance matters.

The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and competent on new statutory and regulatory requirements, and the resultant implications to the Company and Directors in relation to their duties and responsibilities. The Company Secretaries, who oversee adherence with board policies and procedures, brief the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretaries attend all Board and Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the deliberations, proceedings and resolutions passed are taken and maintained accordingly in the statutory register at the registered office of the Company.

The removal of Company Secretaries, if any, is a matter for the Board, as a whole, to decide. Every Director has also unhindered access to the advice and services of the Company Secretaries.

1.7 Board Charter

The Board is guided by the Board Charter which set out the roles and responsibilities of the Board, the Chairman, the CEO and the Board Committees, including the process and procedures for convening of Board Meeting.

The Board Charter is reviewed annually by the Board.

The Board Charter is available on the Company's website at www.tienwah.com.

STRENGTHEN COMPOSITION OF THE BOARD

The strength of the Board lies in the composition of its members, who have a wide range of expertise, extensive experience and diverse backgrounds. The Board consists of six (6) members, of whom two (2) are non-executive and independent. The Board composition complies with the Bursa Malaysia Listing Requirements which requires that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, to be independent Directors. There is no individual Director or group of Directors who dominates the Board's decision-making. The Board is satisfied that the current Board composition fairly reflects the interests of the minority shareholders in the Company and provides the appropriate balance and size to govern the Company effectively.

CORPORATE GOVERNANCE STATEMENT

A brief profile of each Director is set out in the Profile of Directors of this Annual Report.

2.1 Nomination Committee

The Nomination Committee (“NC”) shall comprise exclusively of Non-Executive Directors, a majority of whom are independent and number at least three (3) in total. The NC is empowered by the Board and its Terms of Reference to bring to the Board recommendations as to the appointment of new Directors, CEO and Senior Management reporting directly to the CEO.

The NC also keeps under review of the Board's structure, its size and composition, as well as the succession planning. The NC further assesses the effectiveness of the Board, its Board Committees, the CEO and the contribution of each individual Director on an annual basis.

The NC meets as and when required, and at least once a year. The NC comprises of the following members and met twice during the financial year and the meeting attendance was as follows:-

		No. of Meetings Attended
Lee Cheow Fui	Chairman, Independent Non-Executive Director	4/4
Mej Jen Datuk Abdul Kadir bin Nordin (<i>Bersara</i>)	Non-Independent Non-Executive Director	4/4
Datuk Toh Ah Wah (<i>Appointed with effect from 16 January 2015</i>)	Independent Non-Executive Director	Not applicable
Lim Meng Kwong (<i>Resigned with effect from 31 December 2014</i>)	Independent Non-Executive Director	3/4

The Board is of the opinion that the appointment of a Senior Independent Non-Executive Director is not necessary at this stage as Mr Lee Cheow Fui is suitable to act as Chairman of the NC, given his experience, background and commitment. Also, all members of the Board are always available and issues are openly discussed in Board meetings.

The Board as a policy will select candidate as a Director who will best serve the Company regardless of gender and thus do not consider it necessary to set any target nor undertake any specific measures to recruit women candidates specifically. The NC will consider female candidates as new Directors of the Company as and when the opportunity arises.

Although the Company does not have a formal policy on diversity (both gender and ethnicity) for the financial year under review, the Board believes in gender diversity as put into practice by having a female Director on the Board. The ages of the Directors ranged from 56 up to 73.

2.2 Develop, maintain and review criteria for recruitment processes and annual assessment of Directors

Appointment process

The Board, through the NC's annual appraisal, believes that the current composition of the Board brings the required mix of skills and core competencies for the Board to discharge its duties effectively. All Directors are expected to be individuals with integrity, high personal and professional ethics, sound business judgment, and the ability and willingness to commit sufficient time to the Board.

The Board appoints its members through a formal and transparent selection process. New appointees will be considered and evaluated by the NC. The NC will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made, and that legal and regulatory obligations are met.

The NC is responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise. The NC shall assess and consider the skills, knowledge, expertise and experience, professionalism, commitment (including time commitment) to effectively discharge his/her roles as a Director as well as contribution and performance, background, character, integrity and competence of a candidate and Board diversity including gender, ethnicity and age when making the recommendations to the Board.

In the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

The NC also makes recommendations to the Board for the appointment of the Chairman, CEO and Senior Independent Director, including an assessment of the time commitment expected and recognising the need for availability in the event of crises.

CORPORATE GOVERNANCE STATEMENT

During the financial year under review, the NC had assessed and recommended to the Board on Board vacancies and replacements.

Re-election of Directors

The Articles of Association provide that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. Any new Director appointed by the Board during the year is required to stand for election at the next Annual General Meeting ("AGM"). The Directors to retire in each year are the Directors who have been longest in office since their last election. The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meeting attendance and the shareholdings in TWPH Group of each Director standing for re-election are furnished in the Profile of Directors contained in the annual report.

Directors over seventy (70) years of age are required to subject themselves for re-appointment annually at general meeting for shareholders' approval in accordance with Section 129 (6) of the Companies Act, 1965.

Pursuant to Articles of Association of the Company, David Lim Teck Leong and Yen Wen Hwa (Ngan Tzee Manh) ("Yen Wen Hwa") will retire at the forthcoming AGM following their appointment and be eligible for re-election. Mej Jen Datuk Abdul Kadir bin Nordin, who is over the age of seventy (70) had expressed his intention to seek re-appointment as Director of the Company at the forthcoming AGM under Section 129(6) of the Companies Act, 1965.

The Board recommended for David Lim Teck Leong and Yen Wen Hwa for re-election and Mej Jen Datuk Abdul Kadir bin Nordin for re-appointment as directors at the forthcoming AGM.

Board Evaluation

The Board regularly evaluates its performance and the governance processes that support the Board's works with the aim of improving individual contributions, effectiveness of the Board and its committees and TWPH's performance.

The NC uses the criteria and procedures set out in the Directors' Assessment Policy in assessing the performance of the Directors and CEO of TWPH.

During the financial year under review, the NC had reviewed and assessed the mix of skills and experience and size of the Board, contribution of each Director and effectiveness of the Board and Board Committees and also reviewed the retirement of Directors by rotation eligible for re-election. The NC also reviewed the appointment and succession planning for key senior managers and Board members.

The NC, through the annual appraisal, was of the view that all the Directors, the CEO and key senior managers have the necessary character, experience, integrity, competence and sufficient time to discharge their respective roles effectively during the financial year ended 31 December 2014.

2.3 Remuneration policies and procedures

Remuneration Committee

The Remuneration Committee ("RC") consists wholly or mainly of Non-Executive Directors and number at least three (3) in total. The RC is responsible for recommending the remuneration framework for non-executive Directors as well as the remuneration packages of Executive Directors and Senior Management reporting directly/indirectly to the CEO to attract, retain and motivate Directors and Senior Management based on the criteria set out in the Directors' Remuneration Policy. None of the Executive Directors may participate in any way in determining their individual remuneration.

The RC meets as and when required, and at least once a year. The members of the RC have many years of corporate experience and are knowledgeable in the field of executive compensation. The RC comprising the following members have met twice during the financial year under review and the meeting attendance was as follows:-

		No. of Meetings Attended
Mej Jen Datuk Abdul Kadir bin Nordin (<i>Bersara</i>)	Chairman, Non-Independent Non-Executive Director	2/2
Lee Cheow Fui	Independent Non-Executive Director	2/2
Angela Heng Chor Kiang (<i>Appointed with effect from 16 February 2015</i>)	Non-Independent Non-Executive Director	Not applicable
Lee Chee Whye (<i>Resigned with effect from 16 February 2015</i>)	Non-Independent Executive Director	2/2

CORPORATE GOVERNANCE STATEMENT

The Board as a whole determines the remuneration of Non-Executive Directors with each individual Director abstaining from any decision in respect of his/her own remuneration. In determining an appropriate level of fees for each Non-Executive Director, the Board considers the responsibility and time commitments of the Director concerned, apart from the number of Board meetings and special meetings attended as well as the membership and chairmanship of Board Committees. Such remuneration (in the form of Directors' fees) is subject to shareholders' approval at the AGM.

During the financial year ended 31 December 2014, the RC deliberated on matters such as guidelines on increment and industry standards, remuneration for expatriates, bonus payments and compensation for Directors and key Senior Management.

Directors' Remuneration

The RC has established a Directors' Remuneration Policy in order to ensure TWPH Group provides remuneration packages which will attract, retain and motivate Directors of the quality required to oversee the management of the TWPH Group.

Information gathered based on remuneration within the industry and in comparable companies are taken into consideration in determining the remuneration packages. The RC also reviews all matters concerning the remuneration of Non-Executive Directors to ensure that the remuneration commensurate with the contributions and responsibilities of the Directors. The RC is authorised by the Board to seek appropriate professional advice within and outside the TWPH Group as and when it considers necessary.

Details of the Directors' Remuneration

Further details of Directors' remuneration are set out below and in Note 19 to the financial statements.

The aggregate remuneration of the Directors for the financial year ended 31 December 2014 is categorised as follows:

	Salaries RM	Fees and Allowances RM	Benefits-in-kind RM	Provision for Ex-gratia	Total RM
Executive Director	161,896	-	4,575	-	166,471
Non-Executive Directors	-	550,385	31,150	235,550	817,085
TOTAL	161,896	550,385	35,725	235,550	983,556

Breakdown of Directors' remuneration for the financial year ended 31 December 2014, by category and in each successive band of RM10,000.00, is as follows:-

Range of Remuneration (RM)	No. of Directors	
	Executive Directors	Non-Executive Directors
20,000 and below	-	2
60,001 – 70,000	-	2
70,001 – 80,000	-	1
140,000 – 150,000	-	1
160,000 – 170,000	1	-
410,000 – 420,000	-	1
TOTAL	1	7

Remuneration of each individual Director is not disclosed; as such information is considered highly sensitive and confidential in nature and will not add significantly to the understanding and evaluation of the Company's governance.

REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in the decision-making process. The Independent Directors bring their respective knowledge and experience to the Board. The Independent Directors provide unbiased views and impartiality to the Board's deliberations and decision-making process.

CORPORATE GOVERNANCE STATEMENT

The Independent Directors namely, Datuk Toh Ah Wah and Mr Lee Cheow Fui fulfilled the criteria of “Independence” as prescribed under the Bursa Malaysia Listing Requirements. The key criteria for the appointment of an independent Director is one who is not a member of the management (a non-executive Director) and who is free of any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. No individual or small group of individuals dominates the Board’s decision-making process.

3.2 Tenure of Independent Directors

In line with the MCCG 2012, the tenure of an independent Director should not exceed a cumulative term of nine (9) years. However, an independent Director may continue to serve on the Board subject to the Director’s re-designation as a non-independent Director. In exceptional cases and subject to assessment by the NC, the Board may recommend and provide justifications for an independent Director who has served a consecutive or cumulative term of nine years to remain as an independent Director, subject to the shareholders’ approval.

Both Independent Directors were appointed in year 2013.

3.3 Separation of Positions of the Chairman and CEO

The Board recognises the importance of having a clearly accepted division of power and responsibilities. It is the policy of the Board to keep the roles of the Chairman and the CEO separate. There is a clear division of responsibilities to ensure a balance of authority and power. The Chairman is responsible for leading the Board in the oversight of the management and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions. The CEO is responsible for implementing the Board’s policies and decisions as well as developing, coordinating and implementing business and corporate strategies apart from its day-to-day management of the business.

3.4 Board Composition and Balance

The Board’s composition consists of six (6) members; comprising one (1) Executive Chairman, three (3) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors. A brief profile of each Director is presented in the Profile of Directors contained in this Annual Report.

The Board recognises the need for the composition to reflect a range of skill mix, expertise and diversity in respect of the age, gender and ethnicity. High level of professional skills and appropriate personal qualities are pre-requisite for directorships. The qualifications for Board membership are the ability to make informed business decisions and recommendations, as entrepreneurial talent for contributing to the creation of shareholder value, relevant experience, the ability to appreciate the wider picture, ability to ask probing operational related questions, high ethical standards, sound practical sense, and total commitment to furthering the interests of shareholders and the achievement of the Company’s goals.

The Board maintains a strong record on Board diversity in a wide range of backgrounds and nationalities represented among the Board members. In terms of gender diversity, the Board currently comprises of 17% women representation. With regard to ethnicity diversity, the Board currently comprises of 17% Bumiputra, 33% Chinese and 50% Foreigners. The breakdown of the Board composition in terms of age is as follows:-

Age Range	Composition
51 – 60	66.70%
61 – 70	16.65%
71 - 80	16.65%

The Directors, with their different backgrounds and specialisations, collectively bring with them not only the industry knowledge but also a wide range of experience and expertise in areas such as finance, corporate affairs, marketing, tobacco industry, and manufacturing. The Independent Non-Executive Directors bring to bear objective and independent judgement to the decision-making process of the Board and provide the check and balance. The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. The Executive Chairman together with the CEO have intimate knowledge of the business are responsible for the day-to-day management of the Group. The Board is constituted of individuals who are committed to business integrity and professionalism in all its activities.

CORPORATE GOVERNANCE STATEMENT

With the recent appointment of Yen Wen Hwa, the Board will be led by an Executive Chairman. Yen Wen Hwa is also a major shareholder of the Company. Though the Board does not comprise majority of Independent Directors where the Chairman is not an Independent Director as recommended by the MCCG 2012, the existing Independent Directors who are professionals of high caliber and credibility, are able to exercise independent judgement thus ensuring balance of power and authority whilst taking cognizance of the interests of minority shareholders and other stakeholders.

The Board is satisfied that the current Board composition fairly reflects the interests of minority shareholders in the Company.

FOSTER COMMITMENT

4.1 Time Commitment

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the financial year ended 31 December 2014, the Board met on eight (8) occasions, where it deliberated upon and considered a variety of matters including the TWPH Group's financial results, major investments, strategic decisions, the business plan and direction of the TWPH Group and corporate governance matters.

The Board receives documents on matters requiring its consideration prior to and in advance of each meeting. The Board papers are comprehensive and encompass both quantitative and qualitative factors so that informed decisions are made. All proceedings at the Board meetings are minuted and signed by the Chairman of the meeting. Senior Management and external advisors are invited to attend the Board meetings to advise on relevant agenda items to enable the Board to arrive at a considered decision.

Procedures are in place for Directors to seek independent professional advice at the Company's expense and have access to the Company Secretary in order to fulfill their duties and specific responsibilities as enumerated in the Board Charter.

The Board members are required to notify the Board's Chairman prior to their acceptance of new directorships in other companies.

Details of each Director's attendance at the Board Meetings held during the financial year under review are as follows:-

		No. of Meetings Attended
Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff <i>(Retired with effect from 16 February 2015)</i>	Chairman Non-Independent Non-Executive Director	8/8
Datuk Toh Ah Wah	Independent Non-Executive Director	8/8
Lee Cheow Fui	Independent Non-Executive Director	8/8
Mej. Jen Datuk Abdul Kadir bin Nordin <i>(Bersara)</i>	Non-Independent Non-Executive Director	8/8
Angela Heng Chor Kiang <i>(Appointed with effect from 25 April 2014)</i>	Non-Independent Non-Executive Director	7/7
David Lim Teck Leong <i>(Appointed with effect from 1 October 2014)</i>	Non-Independent Non-Executive Director	1/1
Gary Yen <i>(Resigned with effect from 25 April 2014)</i>	Deputy Chairman, Non-Independent Non-Executive Director	1/1
Lee Chee Whye <i>(Re-designated as CEO with effect from 16 February 2015)</i>	Executive Director and CEO	7/8
Lim Meng Kwong <i>(Resigned with effect from 31 December 2014)</i>	Independent Non-Executive Director	4/8

Note: Yen Wen Hwa was appointed as Executive Chairman of the Company on 16 February 2015.

CORPORATE GOVERNANCE STATEMENT

4.2 Directors' training

The Board through the NC ensures that it recruits to the Board only individuals of sufficient calibre, knowledge and experience to fulfill the duties of a Director appropriately. An induction programme has been arranged for newly appointed Directors to facilitate their understanding of the operations of the TWPH Group as well as the products and services offered by the TWPH Group. All the Directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) pursuant to the requirement by Bursa Securities. Given the varying training needs of each Director, all the Directors except Yen Wen Hwa who was appointed as Executive Chairman on 16 February 2015 have continuously undergone training programmes to enhance their skills and knowledge.

The Directors are mindful that they continue to update their skills and knowledge to maximize their effectiveness as Directors during their tenure. Throughout their period in office, the Directors are continually updated on TWPH's business and the regulatory and industry environment.

During the financial year ended 31 December 2014, the trainings or conferences/seminars attended by the Directors are in areas of Corporate Governance, Finance and regulatory development, as follows:-

Name of Director	Training Programme/Conference Seminar
Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff <i>(Retired with effect from 16 February 2015)</i>	1. Universiti Sains Malaysia – 19th National Conference on Medical and Health Sciences (as one of the speakers)
Mej. Jen Datuk Abdul Kadir bin Nordin <i>(Bersara)</i>	1. The Iclif Leadership and Governance Centre – Nominating Committee Programme: Board Effectiveness and Succession Planning 2. Malaysian Institute of Accountants – Audit Committee Conference 2014: Stepping up for Better Governance 3. Bursa Malaysia Berhad – Risk Management and Internal Control: An Integrated Assurance on Risk Management and Internal Control – Is our Line of Defence Adequate and Effective?
Datuk Toh Ah Wah	1. Malaysian Institute of Accountants – Audit Committee Conference 2014: Stepping up for Better Governance 2. Petronas in-house training – Board Dynamics and Governance
Lee Cheow Fui	1. The Iclif Leadership and Governance Centre – Nominating Committee Programme: Board Effectiveness and Succession Planning 2. Bursa Malaysia Berhad – Advocacy Sessions on Corporate Disclosure for Directors 3. ICAA Malaysia – GST Seminar
Angela Heng Chor Kiang <i>(Appointed with effect from 25 April 2014)</i>	1. Bursatra Sdn Bhd – Mandatory Accreditation Programme for Directors of Public Listed Companies
David Lim Teck Leong <i>(Appointed with effect from 1 October 2014)</i>	1. Bursatra Sdn Bhd – Mandatory Accreditation Programme for Directors of Public Listed Companies
Lee Chee Whye <i>(Re-designated as CEO with effect from 16 February 2015)</i>	1. Bursa Malaysia Berhad – Risk Management and Internal Control: An Integrated Assurance on Risk Management and Internal Control – Is our Line of Defence Adequate and Effective?
Lim Meng Kwong <i>(Resigned with effect from 31 December 2014)</i>	1. Bursa Malaysia Berhad – Advanced Risk Governance and Risk Management

The Company Secretaries circulate the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board quarterly on these updates at Board meetings. The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with applicable financial reporting standards

Financial Reporting

The Board strives to provide and present a balanced and meaningful assessment of the TWPH Group's financial performance and prospects for every financial year, primarily through the annual financial statements, quarterly announcements of results to shareholders, as well as the Chairman's Review Statement and Business Operations Review in the annual report. The Board is assisted by the AC to oversee the TWPH Group's financial reporting processes and the quality of its financial reporting. Timely release of the quarterly results reflects the Board's commitment to provide transparent and up to date disclosure of the performance of the Group.

CORPORATE GOVERNANCE STATEMENT

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the TWPH Group give a true and fair view of the state of affairs of the TWPH Group and of the Company as at the end of the accounting period and of their profit or loss and cashflow for the period then ended. In preparing the financial statements, the Directors have ensured that accounting standards approved by the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 1965 in Malaysia have been complied with and reasonable and prudent judgments and estimates have been made.

In preparing the financial statements, the Directors have selected and consistently applied suitable accounting policies and made reasonable and prudent judgments and estimates. The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the TWPH Group and to prevent and detect fraud and other irregularities. The Directors are also responsible for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board is satisfied that it has met its obligation to present a balanced and understandable assessment of the Company's position and prospects in the Directors' Report and the Financial Statements of this annual report.

Related Party Transactions

An internal compliance framework exists to ensure that the Group meets its obligations relating to related party transactions under the Listing Requirements. The Board, through its AC, reviews all material related party transactions involved. A Director who has an interest in a transaction must abstain from deliberation and voting on the relevant resolution in respect of such transaction at the Board meeting and at any general meeting convened to consider such matters.

There are procedures and guidelines established to ensure that all related party transactions are undertaken on an arm's length basis and on normal commercial terms consistent with the TWPH Group's usual business practices and policies, which are generally not more favourable than those generally available to third parties or the public and are not to the detriment of the minority shareholders.

The internal framework pertaining to the governance of related party transactions is summarised as follows:-

- (i) A list of the related parties is circulated within the TWPH Group and all Directors and Management are notified that all related party transactions are required to be undertaken on an arm's length basis and on normal commercial terms and not more favourable than those generally available to third parties or the public and are not to the detriment of the minority shareholders;
- (ii) Where the new related party transactions is equal to or below RM100,000, it will be reviewed and approved by the Senior Management and where the value is above RM100,000, it will be reviewed by the Senior Management and approved by the AC before they are entered into to ensure that the terms are not more favourable than those generally available to the public;
- (iii) The AC, through the Internal Audit will review all aspects of the recurrent related party transactions entered into to ensure that the relevant approvals have been obtained and the transactions are conducted at arm's length basis;
- (iv) All related party transactions which are entered into will be recorded by the Company in a register maintained by the Company;
- (v) The AC updates the Board on a quarterly basis on all related party transactions and the Internal Audit Department is directed to look into any discrepancies or queries raised.

Further details of these transactions are set out in the Circular to Shareholders dated 6 May 2015 with regard to the Recurrent Related Party Transactions.

5.2 Assessment of sustainability and independence of External Auditors

The Board has established a formal and transparent arrangement for maintaining appropriate relationships with the External Auditors in seeking professional advice and ensuring compliance with the applicable rules, regulations and laws. Key features underlying the relationship of the AC with the internal audit function and External Auditors are detailed in the AC Report of the annual report. A summary of the activities of the AC during the year are also set out therein.

TWPH has in place the policies covering the provision of non-audit services, which are designed to ensure that such services do not impair the external auditors' independence or objectivity. The external auditors provide mainly audit-related services to TWPH. Due to the strong knowledge of TWPH, the external auditors also undertake certain non-audit services such as interim reviews, regulatory reviews and reporting, and other services.

The Board upholds the integrity of financial reporting by the Company and as such, the external auditors have confirmed to the Board their independence in providing both audit and non-audit services.

CORPORATE GOVERNANCE STATEMENT

The AC works closely with the audit partner assigned by KPMG to the Company, to act as the key representative for overseeing the relationship of the Company with the external auditors. In compliance with the Malaysian Institute of Accountants, KPMG rotates its audit partners every five (5) years to ensure objectivity, independence and integrity of the audit.

The external auditors attended two (2) out of five (5) of the AC meetings held to review the quarterly results and the financial statements.

RECOGNISE AND MANAGE RISKS

6.1 Sound framework to manage risks

The Board has ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policy and overseeing the Company's strategic risk management and internal control framework.

The Company has in place an on-going process for identifying, evaluating and managing significant risks that may affect the achievement of the business objectives of the Group. The Board through the Risk and Finance Committee reviews the key risks identified on a regular basis to ensure proper management of risks and that measures are taken to mitigate any weaknesses in the control environment. The Board has also established an independent internal audit function that reports directly to the AC, details as set out in AC Report.

Risk and Finance Committee

The Risk and Finance Committee ("RFC") consists majority of Non-Executive Directors and number at least three (3) in total. The RFC is responsible for the review and assessment of the performance of business units, its business plans, proposal on major acquisition or disposal, capital expenditure, substantial investment/projects/divestments and to ensure that they are aligned with the Group's strategic business objectives and Risk Management Policy as well as to communicate risk issues and strategies to all relevant employees across the Group and update the risk profiles of the Group.

The RFC meets as and when required, and at least four times a year. The RFC comprising the following members met four times during the financial year and the meeting attendance was as follows:-

		No. of Meetings Attended
Datuk Toh Ah Wah	Chairman, Independent Non-Executive Director	4/4
Lee Cheow Fui	Independent Non-Executive Director	4/4
Mej Jen Datuk Abdul Kadir bin Nordin (<i>Bersara</i>)	Non-Independent Non-Executive Director	4/4
Lee Chee Whye (<i>Resigned with effect from 16 February 2015</i>)	Non-Independent Executive Director	3/4

The key features of the Risk Management Framework are set out in the Statement on Risk Management and Internal Control of the Company of this Annual Report.

6.2 Internal audit function

The Board has established an internal audit function within the Company, which is led by the Head of Internal Audit who reports directly to the AC.

Details of the Company's internal control system and framework as set out in the Statement on Risk Management and Internal Control together with AC Report of this Annual Report.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

Information Disclosure

The Board has in place a policy to ensure disclosure of information is in accordance with the disclosure requirements under the Listing Requirements and other applicable laws.

CORPORATE GOVERNANCE STATEMENT

7.2 Leverage on information technology for effective dissemination of information

Investor Relations

The Investor Relations Policy was reviewed and revised by the Board regularly and is designed to be both proactive and interactive and is driven by the following principles:-

- To report its financial results and material developments to Bursa Securities, its shareholders and other stakeholders;
- Communicate only through its designated spokespersons;
- Use its website as an additional primary communication channel;
- Address reports and rumours (as queried by Bursa Securities) so as to avoid unnecessary speculations in its securities;
- Reasonable access to analysts and the media to help them have informed opinions of the Company, but will not seek to influence those opinions;
- Endeavour to meet with its major shareholders at least once in each fiscal year as part of its on-going programme to inform and obtain feedback on the Company.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is also be wary of the legal and regulatory framework governing the release of material and price-sensitive information. The Company takes into account the prevailing legislative restrictions and requirements as well as the investors' needs for timely release of price sensitive information such as financial performance results and statements, material acquisitions, significant corporate proposals as well as other significant corporate events when releasing such information.

Shareholders and other interested parties may contact Mr Ong Liang Win, General Manager, Corporate and Commercial or Ms Lilian Leong, Financial Controller, to address any concerns by writing or via telephone or facsimile as follows:-

Tel: +60 (3) 79563866

Fax: +60 (3) 79576743

Email: winong@tienwah.com or lilianleong@tienwah.com

Postal Address: No. 9 Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Encourage shareholder participation at general meetings

The AGM is the principal forum for dialogue with shareholders. It has also been the Company's practice to send the Notice of the AGM and related papers to shareholders at least twenty-one (21) clear days before the meeting. The date, venue and time of these meetings are determined to provide the maximum opportunity for as many shareholders as possible to attend and participate either in person, by corporate representative or by proxy. The Board will respond to shareholders' questions during the meeting.

All resolutions put forth for shareholders' approval at the 19th AGM held on 12 June 2014 were voted by a show of hands. The shareholders were informed of their right to demand for poll at the onset of the AGM provided they met the prescribed requirements.

8.2 Effective Communication and Proactive Engagement

The Company recognises the importance of communicating with its shareholders and does this through annual reports, AGMs and the Company's website. The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving shareholders as clear and complete a picture of the Company's performance and position as possible.

During the AGM, the Chairman also provides shareholders with a brief review of the Group's operations for the financial year and overview of the current year performance.

The key element of the Company's dialogue with its shareholders at the AGM is the opportunity to gather views of, and answer questions from, both private and institutional shareholders on all issues relevant to the Company. At the AGM, the shareholders are encouraged to ask questions both about the resolutions being proposed and about the TWPH Group's operations in general. Additionally, a press conference is held immediately after the AGM where the Chairman and the CEO advise the press of the resolutions passed, and answers questions on the TWPH Group's performance.

The Company's website, www.tienwah.com, provides an avenue for information, such as dedicated sections on corporate information, including financial information, share price history, announcements and press releases. The website is continuously updated to ensure that the information contained within is current.

Yen Wen Hwa (Ngan Tzee Manh)
Executive Chairman

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the Board of Directors (the "Board") of Tien Wah Press Holdings Berhad and its subsidiaries (the "Group") is pleased to present the following Statement on Risk Management and Internal Control (the "Statement") for the financial year ended 31 December 2014, which takes into account the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. The Malaysian Code on Corporate Governance 2012 under Principle 6 also states that the Board should establish a sound risk management framework and internal control systems.

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound internal control system for the Group to safeguard the shareholders' investment and the Group's assets, and to discharge their stewardship responsibilities in identifying risks and ensuring the implementation of internal control system to manage these risks in accordance with the best practices of the Malaysian Code on Corporate Governance 2012.

The Board establishes a sound framework to monitor the effectiveness and integrity of the system of risk management and internal control, which amongst others, include the following:-

- Affirms its overall responsibility for the adequacy and effectiveness of the Group's risk management and internal control system.
- Establishes an appropriate control environment and framework and provides reasonable assurance that key risks are managed within the Group's defined risk appetite and tolerance.
- Establishes an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines.
- Maintains a sound risk management and internal control system to safeguard shareholders' investment and the Group's assets as well as other stakeholder interests.
- Implements the Board's policies and procedures on the system of risk management and internal controls with the assistance of Management in respect of:-
 - Implementing the process for identifying, evaluating, monitoring, and reporting of risks and internal control.
 - Designing, implementing and monitoring the risk management framework in line with Group's business objectives and risk appetite.
 - Identifying changes to risks and taking appropriate actions to mitigate and control these risks.
 - Providing assurance to the Board that the risk management and internal control system of the Group is operating adequately and effectively, in all material aspects.
- Provides reasonable and not absolute assurance against material misstatement, losses or fraud.

ENTERPRISE RISK MANAGEMENT

The Group's risk management is firmly embedded in the Group's management system and operates under an effective Enterprise Risk Management ("ERM") framework to manage the diverse risks faced by the Group in accordance with the Company's strategic vision and overall risk appetite. The Risk and Finance Committee ("RFC"), comprising of Directors and Senior Managers, was set up by the Board to proactively manage the risks of the Group. It meets formally at least four times a year to review the updated risk register and assess the status of the risk mitigation action plans and to mitigate potential risks. RFC reviews the effectiveness of the Risk Management Framework and Internal Control System of the Group on an annual basis and reports to the Audit Committee ("AC") of its assessment.

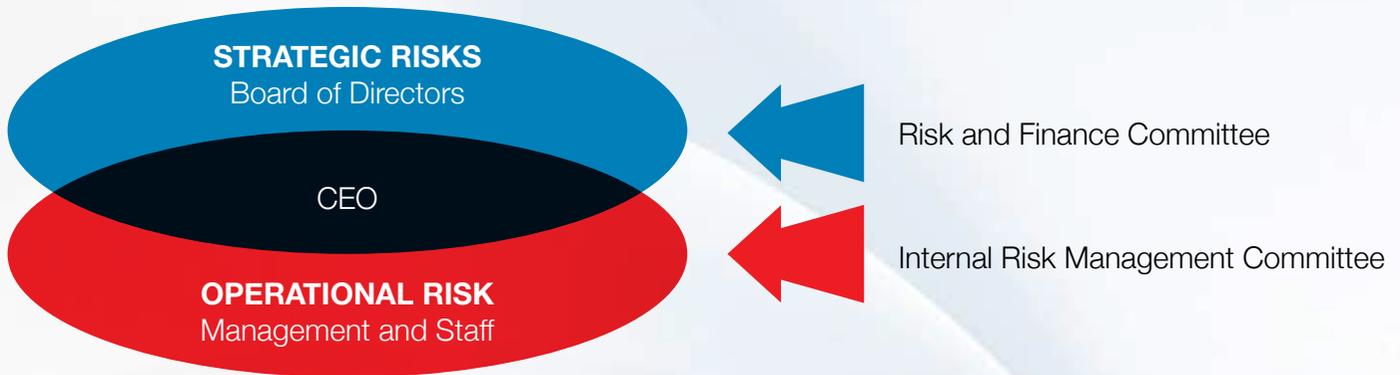
ERM CORE ELEMENTS

ERM requires a holistic approach which is integrated, future focused and process orientated to manage all key business risks and opportunities to maximise shareholder value after taking into consideration of all affected stakeholders. The core element of ERM involves:-

- Identification of each business risks;
- Measurement of the identified business risks;
- Control and management of risks in line with the needs of the Group's policies and strategies; and
- Constant monitoring and communicating of risks associated with any activity, function or process in a way that will enable the Group to minimise losses and optimise opportunities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT ACCOUNTABILITY



Under the Group's ERM framework, the Group has relevant policies and guidelines on risk reporting and disclosure which cover the following principal risks:-

i) Strategic risks

The strategic risks are primarily caused by external events, which may not be predictable or monitored through operational procedures but may have a significant impact on the Group's strategic decisions and activities. The accountability of managing strategic risks rests with the Board and Chief Executive Officer ("CEO"). The custody of this critical function is carried out by the Risk and Finance Committee, which also monitors the key operational risks affecting the Group and reports to the Board on a regular basis.

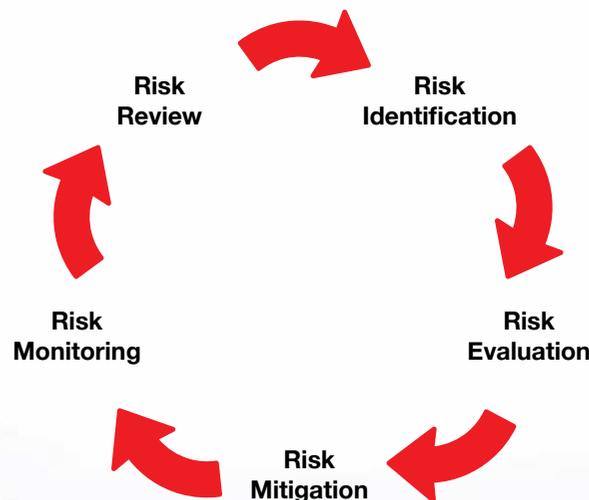
ii) Operational risks

The operational risks are inherent within the on-going activities within each operating unit and are managed by the General Managers, Heads of Department and staff. The CEO, as Chairman of the Internal Risk Management Committee ("IRMC") oversees and monitors the Group and operating units' risks from strategic operating risks to daily operational risks.

The management of the Group's daily operational risk (such as health & safety, key customer reliance, operational, quality issues, competitive pricing and cost management regulatory) are guided by standard operating procedures or practices. The operational risks that cut across the organisation (such as environmental sustainability, transfer pricing and corporate reputation) are adequately managed.

ERM PROCESS

The Group's ERM process basically encompasses five phases continually, namely:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The identified business risks are then evaluated based on the risk matrix below:-

		RISK MATRIX						
Likelihood of Occurrence	Almost Certain	M	MH	MH	H	H	H	
	Very Likely	L	M	MH	H	H	H	
	Likely	L	M	M	MH	H	H	
	Moderate	L	L	M	M	MH	H	
	Unlikely	L	L	L	M	M	MH	
	Rare	L	L	L	L	M	MH	
			Insignificant	Minor	Moderate	Moderate High	Major	Catastrophic
		Magnitude Impact						

KEY

L = low	M = Moderate	MH = Moderate High	H = High
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The outcome from the on-going identification and mapping of the business risk is the Risk Register which records the risks identified, action plans and net risk rating. The risks identified are deliberated at the respective operating units and also by the IRMC. For the risks identified, actions plans have been or are being taken to remedy or mitigate any significant failings or weaknesses. Key risks are cascaded to the RFC, which reports to the Board.

The ERM process has not been applied to an associate company within the Group.

INTERNAL CONTROL

- The Group's corporate culture is inculcated through continuous improvement, conduct of business in a healthy and safe environment, law compliance, cultivating a culture of achievements and continuous innovation with creation of new products and new businesses. This is done in order to achieve the Group's vision, support the business objectives, risk management and internal control system.
- The Group's Code of Conduct and Ethics provides guidance on moral and ethical behaviour that is expected from all employees to comply with laws, policies, standards and procedures.
- There is a clearly defined organisation structure which covers delegation of authority and responsibility of the management and reporting mechanism within the Group.
- There are proper guidelines established within the Group for recruitment and termination, formal training programme and annual performance appraisals for staff to enhance the level of staff competency in carrying out their duties and responsibilities
- There is a process of hierarchical reporting which provides a documented and auditable trail of accountability, which includes the establishment of limits of authority coupled with the publication of Group Policies, Executive Handbook, Employees Conditions of Employment Agreement and Environment, and Health and Safety Handbook.
- There are annual business plans and budgets prepared by the major business units and approval obtained from the Board. The performance of the business unit is assessed against the approved budgets on a quarterly basis. Explanations are provided for significant variances and remedial action, if required.
- The performance of the Company and its subsidiaries are monitored by the Senior Management through the management reports on a monthly basis and regular discussions.
- There is a process to ensure the effectiveness of the Group's daily operations in accordance with the corporate objectives, strategies and business directions.
- There is update and discussion on general information technology controls in relation to the ERP software.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

COMMUNICATION PROCESS

- Management and the Board receive timely, relevant and reliable monthly management and financial reports which are reviewed on a regular basis.
- The Group developed an ERP software that captures, complies, analyse and reports appropriate data, which enables management to make business decision in accurate and timely manner.
- A whistle blowing policy is established to provide clear communication and reporting line of concerns for employees at all levels in a transparent and confidential manner.

MONITORING

- There is review of monthly financial and manufacturing operational performance of business units including key performance indicators, productivity, efficiency and effectiveness. This includes evaluation of factors such as key business, operational and issues impacting on their performance.
- There is review of the reports from the Management on a quarterly basis covering, but not restricted to strategy, key performance, resources and risk indicators.
- There is identification and review the risk elements that impact on the financial performances of the Group and establish mechanism to manage risks of business operations.

INTERNAL AUDIT FUNCTION

The Internal Audit Function directly reports to AC and is guided by Internal Audit Charter that is approved by the Board of Directors and that adopts a risk based approach. The Internal Audit Function assists AC in discharging its duties to ensure that there are:-

- Independent reviews of key business processes to identify and evaluate significant operational, financial and compliance risks.
- Follow up audit review on the action plans taken by the management on the recommendations being proposed by Internal Audit Department ("IAD").
- Highlighting of internal control weaknesses that will result in any material misstatement or loss that would require additional adjustment or disclosure to the Group's annual report. The management continues to take prompt measures to continuously improve the internal control environment.

REVIEW FOR THE FINANCIAL YEAR

A review on the adequacy and effectiveness of the risk management and internal control system has been undertaken for the financial year under review. The AC supported by the RFC is responsible to review and monitor the effectiveness of the Group's risk management and system of internal controls in respect of the followings:-

- Reviews and approves annual internal audit plan
- Evaluates the adequacy of key processes, systems and internal controls in relation to the principal risks, and establishes strategic responses, action plan programs and tasks to manage and/or eliminate performance gaps.
- Reviews the internal audit functions with particular emphasis on the scope and frequency of audits and the adequacy of resources.
- Reviews key internal control issues identified by the IAD, the Management and external auditors and action plans taken by the Management to mitigate risks in daily business operations on a quarterly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ANNUAL ASSESSMENT

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control systems. The Board received assurance from the CEO and Financial Controller that the risk management and internal control system, in all material aspects are operated adequately and effectively and has been in place for the year under review and up to the date of the annual report. For the financial year under review, there were no material control failures or adverse consequences that have directly resulted in any material loss to the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 (Revised), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2014, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosure required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- (b) is factually inaccurate

RPG 5 (Revised) does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The auditors are also not required to consider whether the process described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

The Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 25 March 2015

COMPLIANCE WITH MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The information set out below is disclosed in compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"):-

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

The Company ("TWPH") has not raised any funds from any corporate proposals during the financial year ended 31 December 2014.

Disclosed in accordance with Appendix 9C, Part A, item 13 of the Listing Requirements of Bursa Malaysia.

2. SHARE BUY-BACKS

The Company has not purchased any of its own shares during the financial year ended 31 December 2014.

Disclosed in accordance with Paragraph 12.23, Appendix 12D of the Listing Requirements of Bursa Malaysia.

3. OPTIONS OR CONVERTIBLE SECURITIES

The Company has not issued any options or convertible securities during the financial year ended 31 December 2014 and there are no options or convertible securities outstanding and exercisable at the end of the financial year ended 31 December 2014.

Disclosed in accordance with Appendix 9C, Part A, item 15 of the Listing Requirements of Bursa Malaysia.

4. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2014.

Disclosed in accordance with Appendix 9C, Part A, item 16 of the Listing Requirements of Bursa Malaysia.

5. SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on TWPH and its subsidiary companies, directors or management by the relevant regulatory bodies which were made public during the financial year ended 31 December 2014.

Disclosed in accordance with Appendix 9C, Part A, item 17 of the Listing Requirements of Bursa Malaysia.

6. NON-AUDIT FEES

The amount of non-audit fees paid to the external auditors and its affiliated companies by the Group for the financial year ended 31 December 2014 was as follows:-

	RM
a) KPMG, Malaysia	18,000
b) KPMG, Vietnam	51,000
	69,000

Disclosed in accordance with Appendix 9C, Part A, item 18 of the Listing Requirements of Bursa Malaysia.

7. VARIATION IN RESULTS

There was no profit estimate, forecast or projection issued by TWPH and its subsidiary companies during the financial year ended 31 December 2014.

Disclosed in accordance with Appendix 9C, Part A, item 19 of the Listing Requirements of Bursa Malaysia.

8. PROFIT GUARANTEE

There was no profit guarantee given by TWPH and its subsidiary companies during the financial year ended 31 December 2014.

Disclosed in accordance with Appendix 9C, Part A, item 20 of the Listing Requirements of Bursa Malaysia.

9. MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by TWPH and/or its subsidiary companies which involve Directors' and major shareholders' interests during the financial year ended 31 December 2014.

Disclosed in accordance with Appendix 9C, Part A, item 21 of the Listing Requirements of Bursa Malaysia.

COMPLIANCE WITH MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

10. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“RRPT”)

At an Annual General Meeting (“AGM”) held on 12 June 2014, TWPH had obtained shareholders’ mandate to allow the TWPH Group to enter into RRPT with related parties that are necessary for the day-to-day operations. The RRPT mandate is valid until the conclusion of the forthcoming Twentieth AGM of the Company to be held on 28 May 2015.

The details of the RRPT conducted during the financial year ended 31 December 2014 (“FYE 2014”) pursuant to the said shareholders’ mandate are as follows:-

Name of Company	Name of Company transacting with	Nature of transactions	Value of transactions for FYE 2014 RM ‘000	Related party	Nature of Relationship of Related Party with Tien Wah Press Holdings Berhad (“TWPH”) Group
1. Tien Wah Press (M) Sdn Bhd (“TWPM”)	Paper Base Converting Sdn Bhd (“PBC”)	(i) Purchases of paperboard	1,363	<p>Directors</p> <p>(i) Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff (“Tengku Mahaleel”)</p> <p>(ii) Angela Heng Chor Kiang (“Angela Heng”)</p> <p>(iii) David Lim Teck Leong (“David Lim”)</p> <p>(iv) Yen Wen Hwa (Ngan Tzee Manh) (“Yen Wen Hwa”)</p> <p>(v) Lee Chee Whye</p> <p>Major Shareholders</p> <p>(i) New Toyo International Holdings Ltd (“NTIH”)</p> <p>(ii) Tien Wah Holdings (1990) Sdn Bhd (“TWH1990”)</p> <p>(iii) Singapore Pacific Investments Pte Ltd (“SPI”)</p> <p>(iv) Yen Wen Hwa</p> <p>(v) Lu Le Nhi</p> <p>(vi) Yen & Son Holdings Pte Ltd (“YSH”)</p> <p>(vii) New Toyo Lamination (M) Pte Ltd (“NT Lam”)</p>	<p>(i) Tengku Mahaleel is a former Non-Independent Non-Executive Director and Chairman of TWPH, retired on 16 February 2015. He is also a director of NTIH, TWH1990, PBC and Toyoma Non-Carbon Paper Manufacturer Sdn Bhd (“TNCP”).</p> <p>(ii) Angela Heng is a Non-Independent Non-Executive Director of TWPH and the Executive Chairman of NTIH. She is also a director of SPI, NT Lam, TWH1990, Alliance Innovative Solutions Pte Ltd (“AIS”), Max Ease International Limited (“MEIL”), New Toyo International Co (Pte) Ltd (“NTIT”), Anzpac Services (Australia) Pte Ltd (“Anzpac”), Vina Toyo Company Ltd (“VT”), PBC and New Toyo Corrugated Products Pte Ltd (“NTCP”).</p> <p>(iii) David Lim is a Non-Independent Non-Executive Director of TWPH and Director of NTIH.</p> <p>(iv) Yen Wen Hwa is the Executive Chairman, appointed on 16 February 2015. He is a major shareholder of TWPH via his shareholdings in YSH and NTIH pursuant to Section 6A of the Companies Act, 1965 (the “Act”). He is also a director of Anzpac and New Toyo Pulppy (Hong Kong) Ltd (“NTPHK”) and a major shareholder of NTPHK via his shareholdings in Greeting Tomt Limited.</p> <p>(v) Lee Chee Whye is a former Executive Director of TWPH, resigned on 16 February 2015. His position as the Chief Executive Officer of TWPH remains unchanged. He is also a director of MEIL, VT, NTCP, NTIT, New Toyo (Vietnam) Aluminium Paper Packaging Co. Ltd (“NTVN”), New Toyo Aluminium Paper Product Co (Pte) Ltd (“NTA”), Anzpac, TNCP, PBC, New Toyo Investments Pte Ltd, APT, Toyo (Viet) Paper Product Co. Ltd (“TVP”) and TWPM.</p> <p>NTIH is a major shareholder of TWPH via its shareholding in TWH1990 and SPI. NT Lam is a major shareholder of TWPH via its shareholding in TWH1990. PBC is a wholly-owned subsidiary of NT Lam, which, in turn, is a wholly-owned subsidiary of NTIH. TWH1990 is a major shareholder of TWPH with a 24.2% direct equity interest as at 31 March 2015. SPI is a major shareholder of TWPH with a 29.9% direct equity interest as at 31 March 2015. Lu Le Nhi is a major shareholder of TWPH via the shares held by her spouse, Yen Wen Hwa and her shareholdings in YSH and NTIH pursuant to Section 6A of the Act. YSH is a major shareholder of TWPH via its shareholdings in NTIH pursuant to Section 6A of the Act.</p>

COMPLIANCE WITH MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Name of Company	Name of Company transacting with	Nature of transactions	Value of transactions for FYE 2014 RM '000	Related party	Nature of Relationship of Related Party with TWPH Group
2. TWPM, APT, Anzpac and TVP	NTIH	(i) Management fees paid/ payable	2,194	Directors and Major Shareholders as per the above disclosure transaction no: 1	Nature of relationship of related parties as per the above disclosure transaction no: 1
3. TVP	NTIT	(i) Sales of printed cartons (ii) Purchases of raw materials	21,167 11,616	Directors and Major Shareholders as per the above disclosure transaction no: 1	Nature of relationship of related parties as per the above disclosure transaction no: 1. NTIT is a wholly-owned subsidiary of NTIH, substantial and ultimate holding company of TWPH.
4. TWPM	TNCP	(i) Rental of warehouse	699	Directors and Major Shareholders as per the above disclosure transaction no: 1	Nature of relationship of related parties as per the above disclosure transaction no: 1. TNCP is a wholly-owned subsidiary of NTIH, substantial and ultimate holding company of TWPH.
5. Anzpac	TWPH	(i) Administrative fee received	289	Directors and Major Shareholders as per the above disclosure transaction no: 1	Nature of relationship of related parties as per the above disclosure transaction no: 1. Anzpac is wholly-owned subsidiary of MEIL, who in turn is a 51%-owned company of TWPH and 49%-owned by NTIH, substantial and ultimate holding company of TWPH.
6. TWPM	AIS	(i) Purchase of ink and related items	316	Directors and Major Shareholders as per the above disclosure transaction no: 1	Nature of relationship of related parties as per the above disclosure transaction no: 1. AIS is a 50%-owned subsidiary of NT Lam, which in turn is a wholly-owned subsidiary of NTIH, substantial and ultimate holding company of TWPH.
7. APT TVP	NTVN	(i) Purchase of slitting services	7	Directors and Major Shareholders as per the above disclosure transaction no: 1	Nature of relationship of related parties as per the above disclosure transaction no: 1. NTVN is a wholly-owned subsidiary of NTIH, substantial and ultimate holding company of TWPH.
8. APT	NTIH	(i) Interest paid on loan	434	Directors and Major Shareholders as per the above disclosure transaction no: 1	Nature of relationship of related parties as per the above disclosure transaction no: 1.
9. TWPM	NTA	(i) Sales and purchases of paperboard	46	Directors and Major Shareholders as per the above disclosure transaction no: 1	Nature of relationship of related parties as per the above disclosure transaction no: 1. NTA is a wholly-owned subsidiary of NTIH, substantial and ultimate holding company of TWPH.
10. MEIL	NTPHK	(i) Outsourcing of sales administrative and accounting work	302	Directors and Major Shareholders as per the above disclosure transaction no: 1	NTPHK is a company in which Yen Wen Hwa is also a director, and major shareholder by virtue of his shareholdings in Greeting Tomt Limited.
11. APT	VT	(i) Purchase of packing materials	17	Directors and Major Shareholders as per the above disclosure transaction no: 1	Nature of relationship of related parties as per the above disclosure transaction no: 1. VT is a 50%-owned subsidiary of NTCP, which in turn is a wholly-owned subsidiary of NTIH, substantial and ultimate holding company of TWPH.
TOTAL			38,450		

The transaction prices, terms and conditions are determined by market forces and are comparable to those applicable transactions with the public, which depend on the demand and supply of the products and services. There is no preferred treatment accorded to the related parties.

Disclosed in accordance with Paragraph 10.09(2)(b) of the Listing Requirements of Bursa Malaysia.

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report for the financial year ended 31 December 2014 in accordance with Paragraph 15.15 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

1. MEMBERSHIP AND ATTENDANCE

As at the date of this Annual Report, the members of the Audit Committee (“AC”) comprises of the following members: -



Details of attendance of each member of the AC at the meetings held during the financial year ended 31 December 2014 are as follows:-

Composition of Audit Committee	Number of AC Meetings		%
	Held	Attended	
Mr. Lee Cheow Fui – Chairman, Independent, Non-Executive Director	5	4*	80
Mej. Jen. Datuk Abdul Kadir bin Nordin (<i>Bersara</i>) – Non-Independent, Non-Executive Director	5	5	100
Datuk Toh Ah Wah – Independent, Non-Executive Director	5	5	100
Mr. Lim Meng Kwong – Independent, Non-Executive Director	5	4**	80

* Mr Lee Cheow Fui was appointed as Chairman of the AC with effect from 16 January 2015.

** Mr Lim Meng Kwong resigned as Chairman of the AC with effect from 31 December 2014.

The Chairman of the AC, Mr. Lee Cheow Fui is a member of the Malaysian Institute of Accountants. All members of the AC are financially literate and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as members of the AC.

Details of the members of AC are set out in the Profile of Directors of this Annual Report.

The AC is in compliance with Paragraph 15.09 of the Listing Requirements of Bursa Securities. The Chief Executive Officer and General Manager, Corporate and Commercial were invited to all the meetings to facilitate direct communication and to provide clarification on audit issues and the operations of the Company and its subsidiaries (“Group”). The Financial Controller and Head of Internal Audit were present at all AC meetings to table the respective unaudited quarterly financial statements and internal audit reports. From time to time, other directors, senior management and employees may also be invited by the AC to attend the AC meetings.

AUDIT COMMITTEE REPORT

2. COMPOSITION AND TERMS OF REFERENCE

The Terms of Reference of the AC are as follows:-

a. Members and Chairman

The AC shall be appointed by the Board of Directors from among their number (pursuant to a resolution of the Board of Directors) and shall comprise of not less than three (3) members and majority shall be independent directors. Currently, the members of the AC are all Non-Executive Directors.

In addition, at least one (1) member of the AC shall be a member of the Malaysian Institute of Accountants or if he is not a member, he must have at least three (3) years' working experience and the following criteria or he must fulfill such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad:

- (i) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
- (ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

The members of the AC shall elect a chairman from among their number who shall be an independent director.

In the event of any vacancy in the AC resulting in the non-compliance of Paragraph 15.09(1) of the Listing Requirements of Bursa Securities, the vacancy must be filled within three (3) months of that event.

The Board of Directors reviews the terms of office and performance of the AC and each of its members at least once every three (3) years to determine whether the AC and the members have carried out their duties in accordance with the terms of reference.

b. Functions

The functions of the AC are as follows:-

- a) Review the following and report the same to the Board of Directors:-
 - i) with the external auditors, the audit plan;
 - ii) with the external auditors, their evaluation of the system of internal controls;
 - iii) with the external auditors, their audit report;
 - iv) the assistance given by the Company's employees to the external auditors; and
 - v) any related party transactions and conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- b) To consider the appointment and independence of the external auditors, the audit fee and any questions of resignation or dismissal;
- c) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firms are involved;
- d) To obtain the confirmation from external auditors that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;
- e) To discuss the entering of contracts for the provision of non-audit services and the procedures that must be adhered to by the external auditors. The contracts that cannot be entered into should include:-
 - strategic decision;
 - internal audit; and
 - policy and standard operating procedures documentation

AUDIT COMMITTEE REPORT

- f) To review the quarterly and year-end financial statements of the Company, focusing particularly on:-
- any changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption;
 - integrity of financial statements; and
 - compliance with accounting standards and other legal requirements;
- g) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);
- h) To review the external auditor's management letter and management's response;
- i) To assess the sound system of internal controls by conducting the following:-
- Establish an internal audit function which is independent of the activities it audits and appoint a head of internal audit who will report directly to the AC;
 - Review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - Review the internal audit programme and results of the internal audit processes and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
 - Review any appraisal or assessment of the performance of members of the internal audit function;
 - Approve any appointments or termination of senior auditors of the internal audit function;
 - Inform itself of resignations of internal auditors and provide the resigning internal auditor an opportunity to submit his reasons for resigning;
 - Prepare reports, at least once (1) a year, to the Board of Directors summarising the activities of the internal audit function performed in fulfilling the AC's primary responsibilities, including details of relevant training attended by AC members.
- j) To consider the major findings of internal investigations and management's response;
- k) To ensure the internal audit function is independent of the activities it audits. The Head of Internal Audit will be responsible for the regular review and/or appraisal of the effectiveness of risk management, internal control and governance processes within the Company;
- l) If the Holding Company plans to perform an internal audit on Tien Wah Press Holdings Berhad ("TWPH"), it should first obtain the AC's clearance;
- m) To approve the internal audit to be performed by TWPH's appointed internal auditors in TWPH's subsidiaries;
- n) To report promptly any matters resulting in the breach of the Listing Requirements of Bursa Securities to the Board. Where the AC is of the opinion that such matter reported by it to the Board of Directors has not been satisfactorily resolved, the Committee shall promptly report such matter to Bursa Securities; and
- o) To consider other areas as defined by the Board of Directors.

c. Rights of the AC

The AC shall, wherever necessary and reasonable for the Company to perform its duties, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:

- a) have authority to investigate any matter within its terms of reference;
- b) have the resources which are required to perform its duties;
- c) have full and unrestricted access to any information and documents pertaining to the TWPH Group;
- d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function and activity on a continuous basis in order to be kept informed of matters affecting the TWPH Group;

AUDIT COMMITTEE REPORT

- e) be able to obtain independent professional or other advice as it considers necessary, at the expense of the Company; and
- f) be able to convene meetings with the external auditors, internal auditors or both (without the presence of executive Board members and management) at least twice a year and whenever deemed necessary.

d. Meetings, minutes and quorum

The AC shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties. However, at least twice a year the AC shall meet with the external auditors without the Executive Director and management being present. This year, the AC had met with the External Auditors separately on two occasions without the Executive Director and management being present.

In addition, the Chairman may call for an AC meeting if a request is made by any AC member, senior management or internal or external auditors.

The Company Secretary or other appropriate senior official shall act as secretary of the AC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to AC members prior to each meeting. The Company Secretary shall also be responsible for keeping the minutes of meetings of the AC, and circulating them to AC members and to the other members of the Board of Directors.

A quorum shall consist of a majority of independent directors.

3. SUMMARY OF ACTIVITIES DURING THE YEAR

During the financial year under review, the AC has carried out its functions and duties in accordance with its terms of reference. The activities carried out by the AC encompassed the following:-

a. Financial reporting

- Reviewed the quarterly unaudited and annual audited financial statements of the Company and Group with the CEO and Financial Controller before recommending them to the Board of Directors for approval. The review focused on significant changes to accounting policies and practices, adjustments arising from the audits, compliance with applicable approved accounting standards and other legal requirements.

b. External Audit

- Reviewed with the external auditors the Group's annual financial statements focusing on findings arising from audits particularly the comments and responses in management letter as well as assistance given by the employees of the Group before recommending to the Board of Directors for approval.
- Reviewed the external auditors' audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the external auditors.
- Reviewed with the external auditors the Company's Statement on Risk Management and Internal Control before recommending the same for inclusion into the 2014 annual report.
- Reviewed the performance of the external auditors, including assessment of their independence, technical competency and reasonableness of their audit fees and non-audit fees such as review the Statement on Risk Management and Internal Control and Disclosure of Realised and Unrealised Profits or Losses.

c. Internal Audit

In-House

- Reviewed the internal audit reports prepared by the Head of Internal Audit, which highlighted the audit issues, root causes, potential risks and implications, recommendations and Management's response. Discussed with Management the actions taken to improve the system of internal control based on improvement opportunities identified in the internal audit reports and follow up on audit recommendations.

AUDIT COMMITTEE REPORT

- Reviewed any related party transactions and conflict of interest situations that may arise within the TWPH Group, including any transaction, procedure or course of conduct that raises questions of management integrity.
- Reviewed the internal audit plans as to their consistency with the Enterprise Risk Management Framework, in particular to the high risks areas identified.

Holding Company

- Reviewed the follow up internal audit reports arising from internal audit points raised by a firm of outsourced internal auditor appointed by our Holding Company. The recommendations stated were reviewed with Management and followed up by the in-house internal audit department.

4. INTERNAL AUDIT FUNCTION

The internal audit function during the year was undertaken by the in-house internal audit department who is independent of the activities or operations of the Company. The principal role of the internal audit is to undertake independent regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems are in place and continue to operate satisfactorily and effectively as functionally intended. It is the responsibility of the internal auditors to provide the AC with independent and objective reports on the state of risk management, control and governance of the various operating units within the TWPH Group and the extent of compliance of the units with the TWPH Group's established policies and procedures as well as relevant statutory requirements.

The other main activities performed by the in-house internal audit department are as follows:-

- Reviewed the pertinent issues of the TWPH Group, which had a significant impact on the results of the TWPH Group that included the corporate matters, health and safety issues and improvement of key customers' relationship.
- Undertook special reviews requested by the AC and/or management.

Further details of the activities of the in-house internal audit department are set out in the Statement on Risk Management and Internal Control of the annual report. The total costs incurred by in-house internal audit in discharging its function and responsibilities in 2014 amounted to approximately RM150,000.00 which includes expenses.

During the financial year under review, there was no material internal control failure that would have resulted in any significant loss to the Group.

5. STATEMENT BY THE AC

There were no share options offered to eligible employees or the non-executive directors during the financial year ended 31 December 2014.

This AC Report was made in accordance with the resolution of the Board of Directors duly passed on 25 March 2015.

Making visions **a Reality**

Our relationship with our clients is of real importance to us, thus we make it our mission to make vision a reality. As we venture further down the road, our standard operating procedures will protect and enhance the quality of life and the environment we operate in, while we continue to deliver the best, most cost effective quality printing that our clients will experience.



CORPORATE SOCIAL RESPONSIBILITY

As part of Tien Wah Press Holdings Berhad (“TWPH”)’s belief that good management and corporate governance will generate and sustain short and long term value for our stakeholders, we have setup a sustainability policy to encompass all aspects of ethical business practices, addressing relevant environmental, social and governance issues. TWPH is committed to understanding and implementing sustainable practices and to explore the benefits to the business whilst attempting to achieve the right balance between enhancing the well-being of the wider community, the requirements of shareholders and stakeholders and economic success.

1. SOCIAL SUSTAINABILITY

Social sustainability is focused on the development of programmes and processes that promote social interaction and cultural enrichment. It emphasises the protection of the vulnerable, respecting social diversity and ensuring that TWPH put priority on social capital.

Healthy workforce

TWPH recognises the importance of non-work related activities amongst colleagues. To build-up a strong team spirit and to foster interaction amongst employees, TWPH, through its Sport and Recreation Club in various subsidiaries, has organised numerous activities and continuing upgrades to its facilities in achieving these objectives.

The following were some activities rolled out to promote healthier lifestyle and work-life balance for our people:-

- Recreational activities and competitions such as bowling, football and flower decoration amongst others.
- Picnic for employees at a seaside resort
- Intercompany games
- Celebration feast for festive occasions and annual dinner

In order to provide a better quality of life for our workforce and also to inculcate a performance-based culture in the organisation, we believe that well deserving employees should be rewarded accordingly. As such, we are continuously improving the effectiveness of our performance appraisal system in order to give them due recognition and rewards. TWPH takes care of the welfare of its employees by providing personal health insurance, medical care for employees, annual bonus payments, ex-gratia payments, retirement benefits through additional Employee Provident Fund contributions (in Malaysia) and also study loan subsidies for approved disciplines. These benefits, together with disciplinary codes and complaint procedures are stipulated in the “Executive Handbook” and “Employees’ Conditions of Employment Agreement Handbook” which are provided to the employees of TWPH. There is also a programme designed to provide employees and their families with access to counselling and support services in the event of a personal or family crisis.

To further promote health awareness for the workforce within the Group, the Company organised a health screening with the objective to deliver the message “Early Detection and Prevention Saves Lives” and health talk programmes for the employees. In Australia, the health and wellbeing programme

was launched for the fourth year and the topics covered in 2014 included:- *New Year’s Health Resolutions, Genetics, Healthy Aging, Bone Health, Eye Health, Allergies, Get Healthy, Good Mental Health, Sober October, Cholesterol, Charity & Spirit of Giving*. Employees were given a free flu vaccination under the health and wellbeing programme. In Malaysia and Vietnam, health screening that encompasses general checkup, x-ray, and test on blood, urine, kidney, bone and eyes were conducted.

Training and development

TWPH firmly believes that quality employees form the backbone of the success of our organisation. As such, we are serious in developing and investing our human capital and appreciate their contributions to the company. TWPH is fully committed in engaging, developing, training and rewarding its employees.

In 2014, we have invested 5,572 hours in our employees on seminars and training sessions both in-house and by external consultants to equip our employees at all levels and positions with the necessary know-how needed to meet their responsibilities and perform at their best. Apart from the trainings organised, the company also sponsored executives to take up courses and studies that are relevant and beneficial to their roles in the company.

The apprenticeship programme continues to yield talent from within with a number of people securing and continuing existing adult apprenticeships at factories. The apprenticeship programme provides a meaningful impetus to many of our people to improve their qualifications and skill levels ensuring that we have a steady stream of qualified talent on tap throughout the organisation. We believe that such programmes foster loyalty and help reduce employee turnover.

We also leverage on our regional presence as a platform for exchange where employees gain exposure by rotating to different job functions or countries as part of their career developments. Throughout 2014, the company exchanged a number of technical staff and managers between our facilities in Australia and Vietnam for skill training and short term secondment. Aside from facilitating the transfer of one Gravure printing machine it also gave our employees the opportunity to broaden their skillset and exposure to the operating companies in various countries across the Group. This is part of the on-the-job training at various operations to complement the usual classroom training.

CORPORATE SOCIAL RESPONSIBILITY



Safer workplace

For the year under review, TWPH continued to implement its wide ranging safety and health management programmes in line with the corporate belief of “Safety First” and “Safety is not just a slogan, it’s a way of life”. TWPH provides the necessary medical care and good safety protection so that employees can work safely in a healthy environment.

Examples of these are detailed as follows:

Personal Protective Equipment

Employees are provided with personal protective equipment such as goggles, respirator, hand protection gloves, apron and safety shoes for use when handling chemicals while washing printing cylinders or handling solvents. In addition, employees who handle solvents are issued personal respiratory protection equipment. Ear plugs or ear muffs are also issued for employees for use in areas where hearing protection is required. All employees are required to wear safety shoes before entering the production and warehouse areas.

Safety Practices

In order to ensure that all ad-hoc contractors who work on-site at our premises are qualified and safety-conscious, we have adopted a Permit-To-Work (PTW) and Hot Work System which requires them to have appropriate work permits specific to the nature of work to be undertaken by them. Likewise, any disassembly of electrical equipment must only be done by an authorised electrician. This is in line with our principle of “Safety First”. In addition, we conduct Job Safety Analysis (JSA) or Risk Assessments for jobs or machinery that are considered hazardous or risky in order to determine the safety precautions that need to be in place prior to commencement of the job. With regard to confined space entry, all precautions must be taken to maintain a safe breathable atmosphere within the confined space for the duration of its occupancy. In addition, workers are

required to use the right hand-tools and wear appropriate protective clothing in order to prevent industrial accidents. To ensure our employees are aware of the importance of the safety practices, TWPH has invested a total of 2,216 hours to promote the awareness of the safety practices among the employees by providing safety related training. In the context of building security, the Company has designated “Smoking Areas” in the factory to eliminate fire hazard risk or in specific outdoor areas.

In compliance with legislative and legal requirements and to ensure the safety of our workers and property on the premises, Tien Wah Press (M) Sdn Bhd (“TWPM”) has obtained Certificates of Fitness (“CF”) for the printing machineries in the production area. TWPM has also engaged a third party specialist to inspect, test and make recommendations in terms of Fire and Electrical Equipment.

In order to further improve the safety practices at Anzpac Services (Australia) Pty Ltd (“Anzpac”), the Company has in place documented housekeeping standards and developed an online safety reporting and corrective action system thus allowing a faster safety reporting and rectification.

Health Practices

General Exhaust Ventilation Systems and Local Exhaust Ventilation Systems are inspected, tested and assessed annually by a competent hygiene technician to ensure their effectiveness for preventing or reducing the level of production generated airborne vapours, fumes and gasses from being breathed by the workers. Additionally, workers’ exposure to various types of solvent is evaluated annually by a competent hygiene technician to ensure that their exposure is below the permissible exposure level.

In Australia, the concentration of solvent vapours at factory floor level is measured on a regular basis. If the concentration is deemed too high then additional venting is added to increase interior airflow and remove the offending vapours from the production areas. .

CORPORATE SOCIAL RESPONSIBILITY

Safety, Health and Environmental (“SHE”)

A SHE Committee sponsored by our General Managers was formalised to ensure that all health, safety and environmental matters are continuously and effectively monitored throughout the whole organisation. To ensure SHE matters are effectively addressed across the whole company, SHE committees were formed with representatives from both the employer and employees in order to provide SHE feedback at their workplace. All level of employees, from workers to senior management is encouraged to play a role in identifying and resolving any potential safety issue that may arise.

This is a part of our commitment to acting responsibly towards the environment while providing a safe workplace for all employees. The existence of a high standard in SHE played a major role towards TWPH being qualified with the esteemed status as an “approved supplier” by British American Tobacco Malaysia.

Events during the year

During the year, SHE conducted numerous trainings and refresher programmes as part of an overall company-wide occupational SHE plan. Trainings included SHE awareness, safe forklift usage, first aider recertification, manual handling training, chemicals handling, and fire extinguisher training. In addition, we also conducted an audiometric test for employees exposed to high levels of noise in production areas and undertaken training to minimise back, spine, and shoulder related injuries to workers involved in manual handling. Hazard Identification, Risk Assessment & Risk Control (HIRARC) was also conducted to prevent accidents. During the year, fire evacuation exercises and trainings were successfully conducted within the premises of all the



factories and offices in TWPH Group. Cross function SHE audits were also conducted to ensure safety and health at workplace, elimination of outbreak of fire, and environment preservation. SHE also engaged a third party specialist to inspect, test and make recommendations in terms of a formal Pest Control programme as part of standard hygiene practices.

Harmonious Environment for a Diverse Workforce

The TWPH Group is committed to create a conducive industrial climate in a diverse workforce with its multi-faceted mix of age, gender, race and experience. As part of its commitment, the Group has undertaken the following initiatives:-

- Provision of fair and equitable employment regardless of ethnicity, gender or creed. No engagement of child or slave labour.
- Equal opportunities for career advancement based on merit. Whenever possible, we will provide employment opportunities to local residents before employment of foreigners.
- Protection of all levels of employees from any form of harassment, humiliation or intimidation
- All cases in dealings with grievances and allegations of misconduct will be dealt with sensitivity to ensure speedy resolution.

On-going dialogue between employees is instrumental to creating a culture of pride and personal ownership. We constantly engage and interact with all our employees through staff meetings and discussion with Union Committees. We respect employees' right to form and join unions of their choice. TWPM successfully concluded its Collective Agreement negotiation on 19 December 2014 and on 7 January 2015 entered into a new Collective Agreement 2015 with the Printing Industry Employees Union of Peninsular Malaysia (PIEUPM). We have a good, long term relationship with the union and have not had strikes or other labour related operational disruptions over the past years.



CORPORATE SOCIAL RESPONSIBILITY



Connecting the communities

To achieve and maintain long-term relationships with communities and stakeholders, TWPH is committed to demonstrating proactive corporate citizenship through various means. We do this by investing and participating in relevant community activities, donating to underprivileged children and communities, and by employing, where possible, people from the relevant local community.

Community Investment Initiatives

TWPH maintains a belief and philosophy that values the underprivileged and physically challenged. The company believes that as much as we should provide them with employment opportunities that help them to build their self-esteem and confidence through meaningful employment. Our caring attitude and genuine intent is reflected not only by valuing them as part of our productive workforce but in translating the belief into real actions.

Charitable Contributions

During the year, TWPH continued to make donations to several charitable contributions. These included continuous support to borderless charitable initiatives through variety of social contributions to help the needs of communities and monetary donations to schools, universities and sports associations.

In Australia, during the Christmas period, Anzpac donated hamper collections of food and gifts to the Parramatta Mission. Anzpac, when requested through its customers also provides free packaging for charitable and socially beneficial causes.

On an annual basis, Alliance Print Technologies Co Ltd ("APT") and Toyo (Viet) Paper Product Co Ltd ("TVP") in Vietnam organise a visit to a senior citizen's home in Binh Duong area. With contributions in the form of food and cash to the homes, the APT and TVP staff spend a meaningful day with all of the senior citizens.

2. ENVIRONMENT SUSTAINABILITY

TWPH is committed to identify, manage and minimize the environmental impact of business operations.

Waste Management

In our printing division, we ensure that waste is segregated into hazardous and non-hazardous, paper/board and plastic at the point of generation. Issuance of batteries will be based on one for one exchange. To safeguard the environment, disposal of all hazardous waste is carried out only by licensed contractors registered with the local authorities. In addition, we also work towards controlling and limiting the quantity of waste generated from our activities.

Reduce, Recycle and Reuse

All our waste paper and board are recycled into low grade paper for reuse by authorised contractors to support our effort in preserving the environment. Liquid waste generated by our printing operations which uses various solvents and inks are recycled and used as constitute in the manufacturing of paint undercoat. We also encourage the use of washable wiping cloths in cleaning printing cylinders and rollers, and reusing pallets returned by our customers.

Energy Conservation and Water Management

Energy and water are valuable resources and TWPH values it by instituting measures to reduce electricity and water consumption. TWPH tries to make use of natural light where possible and stresses good conservation habits such as "switch off when not using" and changing to energy savings LED lighting whenever possible.



CORPORATE SOCIAL RESPONSIBILITY



Air Pollution

Air pollution is a major environmental risk to health around the world, especially in locations where there are high levels of pollutants. In our operations, the air emission comes from thermo pack oil heater stacks. TWPM has engaged third party specialist in efforts to ensure that the emission levels are well within the specifications as stipulated under the Malaysian Environment Quality (Clean Air) Regulations, 1978. The air emission test and dark smoke observation were successfully carried out in October 2014 and results are within permitted levels. In Australia and Vietnam, air emission test are also conducted and results are within permitted levels.

The Programme for the Endorsement of Forest Certification ("PEFC")

TWPH is committed in various programmes to support long-term environmental sustainability. One of the programmes is to participate in PEFC where it works through the entire forest supply chain to promote good practice in the forest and to ensure that timber and non-timber forest products are produced with respect for the highest ecological, social and ethical standards.

TWPM was certified in October 2011 for using raw materials which are certified by PEFC for the manufacturing of cigarette boxes and general packaging materials and maintains the certification. APT was certified by PEFC since November 2010 and maintains the certification during the year.

Australian Packaging Covenant

In 2010, Anzpac joined as a signatory and member to the Australian Packaging Covenant, a voluntary industry community that manufactures, uses, distributes and recovers

packaging materials in a sustainable way. With the mission to voluntarily demonstrate leadership in sustainable packaging design, recovery and recycling of used packaging materials the company's efforts resulted in reduced waste and litter. In 2013, Anzpac was one of the award winning companies among 900 other signatories.

3. GOVERNANCE SUSTAINABILITY

Governance sustainability is becoming more essential in gaining the confidence of investors, other stakeholders and the public. TWPH recognises the importance of governance sustainability and incorporates it into all functions and processes which include strategic planning, accountability, sustainable planning and development.

Corporate Governance

TWPH supports the fundamental principle of good corporate governance and the best practice provisions contained in the Malaysian Code of Corporate Governance (Revised 2012). Among others, TWPH focuses on laying a strong foundation for the Board, its committees and Management to carry out their roles effectively. At the same time, we are committed to timely disclosure and safeguarding the integrity of financial reporting. TWPH also emphasises on the importance of risk management and internal control as well as encouraging shareholder participation in general meeting.

In pursuit of excellent corporate governance, a high standard is set to ensure our annual reports are produced in a timely, informative, factual and reader-friendly manner to the investing community. We are committed to attaining a high level of transparency and accountability to the investing community.

CORPORATE SOCIAL RESPONSIBILITY



Stakeholders Engagement

TWPH aims to develop a good relationship with its stakeholder as this is important for the Company's development. As such, TWPH maintains a high level of transparency and constant dialogue with our stakeholder via various communication channels, such as one-on-one meetings, conference calls, regular meetings, surveys, timely disclosure to Bursa Malaysia Securities Berhad ("Bursa Malaysia"), annual general meeting, investor conferences and posting of up-to-date information on the Company's website.

Recognition by Stakeholders

In 2013, APT was awarded Good Enterprise for 2013 by the Binh Duong People Committee (ruling government). The award was given to APT for creation of job opportunity for the Vietnamese people in the Binh Duong Province, training for the local people with the aim to upgrade their skill level and social responsibility with regular visits to homes of the disadvantage and contribution towards the flood victim in Central Vietnam.

TWPM was awarded for the Best Supplier 'QPA' from Guinness Anchor Bhd (GAB) in July 2013 for the effort to focus on quality, fast response on quality issues and maintain minimum downtime cost for the customer.

In Australia, Anzpac received the Higher Achiever Award from Australian Packaging Covenant for their contribution in meeting the Environmental KPI's for Recycling, Product Stewardship and Resource Use. Anzpac also received a commendation from a customer in 2014 for the "visual impact" of a job and recognition from a customer for resolving an acute embossing issue.

Procurement Practices

TWPH manages risks related to its supply chain by adopting a strict Code of Conduct which our supplier should meet. The code includes comprehensive social and environmental criteria which suppliers have to comply with. Suppliers are expected to progressively identify and eliminate risks to employees such as harassment, discrimination and poor safety standard. In this manner, TWPH shows its preference for business partners that share its values.

ISO Certifications

In Malaysia

TWPM is an ISO 9001:2008-certified organisation. This certification was reconfirmed after a review of TWPM's systems and processes by TUV Rheinland Malaysia, the local office of the TUV Rheinland Group.

In Vietnam

Like TWPM, APT had also achieved the certification of ISO 9001:2008 in December 2006, and this certification was reconfirmed after the audit of BUREAU VERITAS on 23 November 2010. Toyo (Viet) Paper Product Co Ltd ("TVP") was initially certified with ISO 9001:2000 in May 2005. TVP was also certified ISO 9001:2008 on 4 October 2011.

In Australia

Anzpac was certified to ISO 9001:2008. The company was also certified to ISO 14001-2004, the international standard for environmental management. In addition, due to its strong exposure to the fast moving consumer goods market (FMCG) market and food packaging, Anzpac was certified to the food industry's HACCP programme and GS1 barcode and numbering industry standard.

Kaizen and Lean Six Sigma

Kaizen focused on both philosophical and cultural concepts and is based on the belief that the development of an individual's skill benefits both the company and that individual, and that people constantly aim for self-improvement. Kaizen is currently being practiced in Malaysia and Vietnam. Amongst the key objectives, we strive to achieve with Kaizen are the elimination of waste (in terms of materials, time, money and effort), quality control and customer care. To facilitate the implementation of Kaizen, various teams were formed under the direction of the General Managers.

Lean Six Sigma ("LSS") is a methodology chiefly target at eliminating waste. It is a marriage of two otherwise distinct business management strategies, lean manufacturing and Motorola's Six Sigma system. While the lean manufacturing methodology concentrates on creating more value with less work, the Six Sigma system strives to identify and eliminate defects in product development. Thus, LSS provides a method to accelerate a company's decision-making processes, while reducing production inefficiencies as well as increasing product quality. LSS is currently being practiced in Australia.

During 2014, Anzpac continued with LSS programme and philosophy by training approximately half the company's employees in LSS techniques. The programme was immediately leveraged with employee based teams formed to identify and work on a number of cost reduction and process improvement programmes targeting labour cost, raw material cost, and capacity growth. The results were extremely pleasing with major reductions achieved.

Financial Statements

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DIRECTORS' REPORT

for the year ended 31 December 2014

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 2014.

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	13,531	9,663
Non-controlling interests	2,289	-
	15,820	9,663

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 tax exempt dividend of 6.39 sen net per share totalling RM6,166,030 in respect of the financial year ended 31 December 2013 on 10 July 2014.
- (ii) an interim single-tier tax exempt dividend of 3.00 sen net per share totalling RM2,894,850 in respect of the financial year ended 31 December 2014 on 31 October 2014.

The Directors have recommended the payment of a final single-tier tax exempt dividend of 4.00 sen net per share totaling RM3,859,800 in respect of the financial year ended 31 December 2014.

DIRECTORS OF THE COMPANY

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

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
 Angela Heng Chor Kiang (appointed on 25 April 2014)
 Lim Teck Leong David (appointed on 1 October 2014)
 Yen Wen Hwa @ Ngan Tzee Manh (appointed on 16 February 2015)
 Tengku Tan Sri Dr.Mahaleel bin Tengku Ariff (retired on 16 February 2015)
 Yen Gary (resigned on 25 April 2014)
 Lim Meng Kwong (resigned on 31 December 2014)

DIRECTORS' REPORT

for the year ended 31 December 2014

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 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:

Company	Number of ordinary shares of RM1 each			
	At 1.1.2014/ date of appointment	Bought	Sold	At 31.12.2014
Direct interest				
Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff	20,000	-	(20,000)	-
Holding Company				
Angela Heng Chor Kiang	500,000	-	-	500,000

None of the other Directors holding office at 31 December 2014 had any interest in the ordinary shares and option over shares of the Company and of its related corporations during the financial year.

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.

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 provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

**DIRECTORS'
REPORT**

for the year ended 31 December 2014

OTHER STATUTORY INFORMATION (CONTINUED)

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 provision 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.

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 2014 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.

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:



.....
Lee Chee Whye



.....
Lee Cheow Fui

Petaling Jaya, Selangor

Date: 25 March 2015

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Assets					
Property, plant and equipment	3	231,539	221,075	437	363
Intangible assets	4	26,874	32,697	-	-
Investment in subsidiaries	5	-	-	123,928	123,928
Investment in an associate	6	20,171	16,393	1,500	1,500
Deferred tax assets	7	1,218	3,711	-	-
Total non-current assets		279,802	273,876	125,865	125,791
Trade and other receivables	8	49,329	57,783	32,403	32,070
Inventories	9	83,972	73,841	-	-
Current tax assets		667	311	-	-
Cash and cash equivalents	10	53,097	44,143	309	380
Total current assets		187,065	176,078	32,712	32,450
Total assets		466,867	449,954	158,577	158,241
Equity					
Share capital	11	96,495	96,495	96,495	96,495
Reserves	12	140,156	132,654	42,125	41,523
Total equity attributable to owners of the Company		236,651	229,149	138,620	138,018
Non-controlling interests		68,078	71,337	-	-
Total equity		304,729	300,486	138,620	138,018
Liabilities					
Deferred tax liabilities	7	10,968	11,610	-	-
Employee benefits	13	1,095	1,802	251	645
Loans and borrowings	14	14,422	16,115	8	3,781
Trade and other payables	15	4,382	1,900	-	-
Total non-current liability		30,867	31,427	259	4,426
Liabilities					
Loans and borrowings	14	59,539	56,786	1,421	6,102
Trade and other payables	15	68,497	59,201	18,277	9,695
Current tax liabilities		3,235	2,054	-	-
Total current liabilities		131,271	118,041	19,698	15,797
Total liabilities		162,138	149,468	19,957	20,223
Total equity and liabilities		466,867	449,954	158,577	158,241

The notes on pages 75 to 122 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue					
- Sale of goods		353,686	380,371	-	-
- Gross dividend income from unquoted subsidiaries and an unquoted associate		-	-	11,523	12,738
		353,686	380,371	11,523	12,738
Cost of sales		(293,256)	(300,511)	-	-
Gross profit		60,430	79,860	11,523	12,738
Other income		5,364	5,038	1,027	1,072
Distribution expenses		(11,814)	(12,489)	-	-
Administrative expenses		(24,293)	(22,717)	(3,630)	(3,152)
Other expenses		(9,704)	(10,213)	127	53
Results from operating activities		19,983	39,479	9,047	10,711
Finance income		1,077	1,108	1,363	1,445
Finance costs	16	(2,723)	(3,124)	(734)	(855)
Net finance (costs)/income		(1,646)	(2,016)	629	590
Share of profit of equity					
- accounted associate, net of tax		4,642	3,723	-	-
Profit before tax	17	22,979	41,186	9,676	11,301
Tax expense	20	(7,159)	(7,363)	(13)	(20)
Profit for the year		15,820	33,823	9,663	11,281
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		2,334	(357)	-	-
Hedge of net investment		(90)	(3,125)	-	-
Other comprehensive income for the year, net of tax		2,244	(3,482)	-	-
Total comprehensive income for the year		18,064	30,341	9,663	11,281
Profit attributable to:					
Owners of the Company		13,531	24,526	9,663	11,281
Non-controlling interests		2,289	9,297	-	-
Profit for the year		15,820	33,823	9,663	11,281
Total comprehensive income attributable to:					
Owners of the Company		16,563	24,465	9,663	11,281
Non-controlling interests		1,501	5,876	-	-
Total comprehensive income for the year		18,064	30,341	9,663	11,281
Basic earnings per ordinary share (sen)	21	14.02	25.42		

The notes on pages 75 to 122 are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2014

Note	Attributable to owners of the Company				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Retained earnings RM'000			
Group							
At 1 January 2013	96,495	12,504	5,833	102,184	217,016	71,661	288,677
Foreign currency translation differences for foreign operations	-	-	1,533	-	1,533	(1,890)	(357)
Hedge of net investment	-	-	(1,594)	-	(1,594)	(1,531)	(3,125)
Total other comprehensive income for the year	-	-	(61)	-	(61)	(3,421)	(3,482)
Profit for the year	-	-	-	24,526	24,526	9,297	33,823
Total comprehensive income for the year	-	-	(61)	24,526	24,465	5,876	30,341
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company 22	-	-	-	(12,332)	(12,332)	-	(12,332)
Dividends to non-controlling interests	-	-	-	-	-	(6,200)	(6,200)
Total transactions with owners of the Company	-	-	-	(12,332)	(12,332)	(6,200)	(18,532)
At 31 December 2013	96,495	12,504	5,772	114,378	229,149	71,337	300,486
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)
Total other comprehensive income for the year	-	-	3,032	-	3,032	(788)	2,244
Profit for the year	-	-	-	13,531	13,531	2,289	15,820
Total comprehensive income for the year	-	-	3,032	13,531	16,563	1,501	18,064
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company 22	-	-	-	(9,061)	(9,061)	-	(9,061)
Dividends to non-controlling interests	-	-	-	-	-	(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

Company	Note	Attributable to owners of the Company			Total equity RM'000
		Share capital RM'000	Share premium RM'000	Retained profits RM'000	
At 1 January 2013		96,495	12,504	30,070	139,069
Profit and total comprehensive income for the year		-	-	11,281	11,281
<i>Distributions to owners of the Company</i>					
Dividends to owners of the Company 22		-	-	(12,332)	(12,332)
Total transactions with owners of the Company		-	-	(12,332)	(12,332)
At 31 December 2013/1 January 2014		96,495	12,504	29,019	138,018
Profit and total comprehensive income for the year		-	-	9,663	9,663
<i>Distributions to owners of the Company</i>					
Dividends to owners of the Company 22		-	-	(9,061)	(9,061)
Total transactions with owners of the Company		-	-	(9,061)	(9,061)
At 31 December 2014		96,495	12,504	29,621	138,620

The notes on pages 75 to 122 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash flows from operating activities					
Profit before tax		22,979	41,186	9,676	11,301
Adjustments for:					
Amortisation of intangible assets	4	6,569	5,291	-	-
Depreciation of property, plant and equipment	3	21,835	22,090	96	50
Dividend income		-	-	(11,523)	(12,738)
Loss/(Gain) on disposal of property, plant and equipment		10	(273)	-	(123)
Finance costs	16	2,723	3,124	734	855
Finance income		(1,077)	(1,108)	(1,363)	(1,445)
Retirement benefits provided	13	116	18	83	65
Redundancy provision	17	-	2,871	-	-
Provision for annual leaves		2,502	2,882	-	-
Liability for long-service leave		546	703	-	-
Share of profit of equity- accounted associate, net of tax		(4,642)	(3,723)	-	-
Unrealised loss/(gain) on foreign exchange differences		3,064	196	(271)	(290)
Operating profit/(loss) before changes in working capital		54,625	73,257	(2,568)	(2,325)
Changes in working capital:					
Inventories		(7,305)	827	-	-
Trade and other receivables		11,907	(2,533)	(30)	(8)
Trade and other payables		780	(13,273)	364	76
Cash generated from/(used in) operations		60,007	58,278	(2,234)	(2,257)
Dividends received		-	-	10,659	12,058
Interest received		1,077	1,108	1,363	1,445
Employee benefits used		(6,527)	(3,076)	-	-
Income tax paid		(4,427)	(5,590)	(13)	19
Net cash from operating activities		50,130	50,720	9,775	11,265
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(26,445)	(13,998)	(170)	(409)
Proceeds from disposal of property, plant and equipment		60	485	-	125
Change in pledged deposits		(102)	-	-	-
Dividend received		864	680	864	680
Net cash (used in)/from investing activities		(25,623)	(12,833)	694	396
Cash flows from financing activities					
Proceeds from loans and borrowings		48,407	2,838	-	14
Dividends paid to owners of the Company	22	(9,061)	(12,332)	(9,061)	(12,332)
Dividends paid to non-controlling interest		(4,760)	(6,200)	-	-
Interest paid		(2,723)	(3,124)	(734)	(855)
Repayment of loans and borrowings		(49,733)	(25,863)	(8,181)	(5,041)
Advance from subsidiary		-	-	(1,502)	6,734
Advance from ultimate holding company		7,417	6,919	8,938	-
Net cash (used in) financing activities		(10,453)	(37,762)	(10,540)	(11,480)
Net increase/(decrease) in cash and cash equivalents		14,054	125	(71)	181
Effect of exchange rate fluctuations on cash held		(5,202)	(4,846)	-	-
Cash and cash equivalents at 1 January		44,143	48,864	380	199
Cash and cash equivalents at 31 December	(i)	52,995	44,143	309	380

The notes on pages 75 to 122 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2014

(i) Cash and cash equivalents

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

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash and bank balances	10	34,928	25,941	309	380
Deposits with licensed banks	10	18,169	18,202	-	-
		53,097	44,143	309	380
Less: Deposit pledged	10	(102)	-	-	-
		52,995	44,143	309	380

The notes on pages 75 to 122 are an integral part of these financial statements.

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 year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interest in an associate. The financial statements of the Company as at and for the year ended 31 December 2014 do not include other entities.

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 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 25 March 2015.

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 Companies Act, 1965 in Malaysia.

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

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

- 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* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- 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*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (Continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016 (continued)

- 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 2017

- MFRS 15, *Revenue from Contracts with Customers*

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

- MFRS 9, *Financial Instruments (2014)*

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.
- from the annual period beginning on 1 January 2017 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2017.
- 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 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, 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*.

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

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.

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

(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 4 - Valuation of intangible assets
- Note 7 - Deferred tax assets / (liabilities)

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (Continued)

(iii) Acquisitions of non-controlling interests

The Group treats 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (Continued)

(vii) 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.

(viii) 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency (Continued)

(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 dispose 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.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(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.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (Continued)

(iii) Hedge of net investment

A hedge of 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.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (Continued)

(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 useful lives for the current and comparative periods are as follows:

• Leasehold land	8 - 49 years
• Buildings	20 - 63 years
• Plant and machineries	3 - 15 years
• Motor vehicles	5 - 10 years
• Furniture, fittings and office equipment	3 - 10 years
• Air conditioners	5 - 10 years

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

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment or as investment property if held to earn rental income or for capital appreciation or for both.

(ii) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets

(i) Goodwill

Goodwill arising on business combinations is measured at cost less any accumulated impairment losses. In respect of equity accounted associate, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill that forms part of the carrying amount of the equity accounted associate.

(ii) Contract value

Contract value relates to an eight (8) years' exclusive agreement beginning from financial year 2008 to supply British American Tobacco's printed carton requirements in several locations in the Asia Pacific region, with a right to extend the supply period for an additional three (3) years.

Contract value is stated at cost less accumulated amortisation and impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is based on the cost of an asset less its residual value.

Goodwill with indefinite useful life is not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Contract value is amortised from the date it is available for use.

Amortisation is recognised in profit or loss based on the supply period of eleven (11) years from the date that the contract value is available for use.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment

(i) Financial assets

All financial assets (except for investments in subsidiaries and investment in associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories, deferred tax assets and assets arising from employee benefits) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amount of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment (Continued)

(ii) Other assets (Continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(k) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Long service leave

The liability of long service leave is recognised in the non-current provision for employee benefits and is measured as the present value of the expected future payments to be made in respect of services provided by an employee up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Once the contributions have been paid, the Group has no further payment obligations.

(iv) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits (Continued)

(iv) Defined benefit plans (Continued)

The calculation of defined benefit obligations is performed by the management using the projected unit credit method, a method which is consistent with the computation by the qualified actuary employed in prior years. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(m) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(n) Revenue and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Revenue and other income (Continued)

(iii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(o) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(p) Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustments to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill and contract value, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax asset and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Earnings per ordinary share

The Group presents basic earnings per share data for its ordinary shares (“EPS”).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors of the Group, to make decisions about the resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(s) Fair value measurement

Fair Value an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as fair as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

Group	Land RM'000	Leasehold buildings RM'000	Freehold buildings RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Air conditioners RM'000	Capital work-in- progress RM'000	Total RM'000
Cost									
At 1 January 2013	47,795	17,682	18,303	256,965	1,078	16,219	1,098	2,898	362,038
Additions	-	231	-	11,825	562	679	8	693	13,998
Disposals	-	-	-	(334)	(562)	(15)	-	-	(911)
Reclassification	-	-	-	132	-	2,765	-	(2,897)	-
Effect of movements in exchange rates	361	503	(1,508)	(428)	15	477	-	(27)	(607)
At 31 December 2013/ 1 January 2014	48,156	18,416	16,795	268,160	1,093	20,125	1,106	667	374,518
Additions	-	570	-	23,779	153	477	126	1,340	26,445
Disposals	-	-	-	(154)	(52)	-	-	-	(206)
Reclassification	-	52	-	7,432	-	(7,484)	-	-	-
Effect of movements in exchange rates	1,095	536	(325)	7,047	18	646	-	(53)	8,964
At 31 December 2014	49,251	19,574	16,470	306,264	1,212	13,764	1,232	1,954	409,721
Depreciation									
At 1 January 2013	1,336	1,818	1,693	114,378	1,025	11,647	1,051	-	132,948
Charge for the year	449	115	770	18,312	71	2,343	30	-	22,090
Disposals	-	-	-	(124)	(562)	(13)	-	-	(699)
Effect of movements in exchange rates	72	173	(225)	(1,216)	8	292	-	-	(896)
At 31 December 2013/ 1 January 2014	1,857	2,106	2,238	131,350	542	14,269	1,081	-	153,443
Charge for the year	508	328	741	19,200	132	871	55	-	21,835
Disposals	-	-	-	(84)	(52)	-	-	-	(136)
Reclassification	-	16	-	5,431	-	(5,447)	-	-	-
Effect of movements in exchange rates	85	223	(21)	2,319	7	427	-	-	3,040
At 31 December 2014	2,450	2,673	2,958	158,216	629	10,120	1,136	-	178,182
Carrying amounts									
At 31 December 2013/ 1 January 2014	46,299	16,310	14,557	136,810	551	5,856	25	667	221,075
At 31 December 2014	46,801	16,901	13,512	148,048	583	3,644	96	1,954	231,539

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Air conditioners RM'000	Office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost				
At 1 January 2013	-	7	410	417
Additions	-	34	375	409
Written off/Disposal	-	(2)	(410)	(412)
At 31 December 2013/1 January 2014	-	39	375	414
Additions	1	22	147	170
At 31 December 2014	1	61	522	584
Accumulated Depreciation				
At 1 January 2013	-	1	410	411
Charge for the year	-	6	44	50
Disposal	-	-	(410)	(410)
At 31 December 2013/1 January 2014	-	7	44	51
Charge for the year	-	10	86	96
At 31 December 2014	-	17	130	147
Carrying amounts				
At 31 December 2013/1 January 2014	-	32	331	363
At 31 December 2014	1	44	392	437

3.1 Leased office equipment

At 31 December 2014, the net carrying amount of leased office equipment was RM28,000 (2013: RM39,000).

3.2 Security

The leased office equipment discussed above secures finance lease obligations (see note 14).

At 31 December 2014, properties with a carrying amount of RM7,267,000 (2013: RM32,284,000) has been charged to secure banking facilities granted to subsidiaries (see Note 14).

3.3 Land

Included in the carrying amounts of land are:

	Group	
	2014 RM'000	2013 RM'000
Freehold land	27,017	26,264
Leasehold land with unexpired lease period of less than 50 years	19,784	20,035
	46,801	46,299

NOTES TO THE FINANCIAL STATEMENTS

4. INTANGIBLE ASSETS

Group	Goodwill RM'000	Contract value RM'000	Total RM'000
Cost			
At 1 January 2013	15,081	31,765	46,846
Effect of movements in exchange rates	-	2,253	2,253
At 31 December 2013/1 January 2014	15,081	34,018	49,099
Effect of movements in exchange rates	-	2,269	2,269
At 31 December 2014	15,081	36,287	51,368
Amortisation			
At 1 January 2013	-	10,210	10,210
Amortisation for the year	-	5,291	5,291
Effect of movements in exchange rates	-	901	901
At 31 December 2013/1 January 2014	-	16,402	16,402
Amortisation for the year	-	6,569	6,569
Effect of movements in exchange rates	-	1,523	1,523
At 31 December 2014	-	24,494	24,494
Carrying amounts			
At 1 January 2013	15,081	21,555	36,636
At 31 December 2013/1 January 2014	15,081	17,616	32,697
At 31 December 2014	15,081	11,793	26,874

4.1 Amortisation

Amortisation of contract value is recognised as other expenses.

4.2 Impairment testing for cash-generating units containing goodwill and contract value

For the purpose of impairment testing, goodwill and contract value are allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill and contract value are monitored for internal management purposes.

The aggregate carrying amounts of intangible assets allocated to each unit are as follows:

	Note	Group 2014 RM'000	2013 RM'000
Goodwill	a	15,081	15,081
Contract Value			
Max Ease International Limited	b	11,793	17,616
		26,874	32,697

Goodwill and contract value are allocated to each unit expected to benefit from the synergies of the acquisitions. The recoverable amount for the Group was based on value in use calculations. The recoverable amounts for the Group's cash-generating unit ("GCGU") covering operations in Australia, Vietnam and Malaysia is higher than the carrying amount of the goodwill and contract value allocated and hence no impairment loss was recognised on the Group's intangible assets during the year.

NOTES TO THE FINANCIAL STATEMENTS

4. INTANGIBLE ASSETS (CONTINUED)

4.2 Impairment testing for cash-generating units containing goodwill and contract value (Continued)

Note a

Value in use in respect of goodwill was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

- Cash flows were projected based on the 1-year (2013 : 1-year) financial budget approved by management. Management has considered the factors applied in the financial budget. The budgeted gross margin is based on past experience.
- Cash flows were projected over a period of 10 years, (2013 : 10-years) based on the ability of the plant and equipment to continue operating.
- An anticipated revenue growth rate of -8%, 3%, 13%, 0% and 2% in 2015, 2016, 2017, 2018 and 2019 respectively and thereafter zero growth was used in the cash flows. (2013 : 7% and -6% in 2015 and 2016 respectively and thereafter zero growth was used in cash flow)
- The pre-tax discount rate of 10% (2013: 10%) was applied in determining the recoverable amounts of the GCGU. The discount rate was estimated based on the range of the weighted average cost of capital of companies in the same industry.
- The Group is expected to successfully renew its exclusive rights to supply British American Tobacco's printed carton requirements upon the expiry of the agreement and to continue to have such exclusive rights over the projected period.

Note b

Contract value is in relation to the exclusive rights to supply British American Tobacco's printed carton requirements in several locations in the Asia Pacific region. The contract was initially for a period of seven (7) years beginning from financial year 2008, with a right to extend the supply period by an additional three (3) years.

On 13 November 2014, the Company announced that Tobacco Importers and Manufacturers Sdn Bhd, a wholly-owned subsidiary of British American Tobacco (Malaysia) Berhad and British American Tobacco Marketing (Singapore) Private Limited, a company incorporated in Singapore under the laws of Singapore and a subsidiary of British American Tobacco International (Holdings) B.V. agreed to extend its current Supply Agreements (SA-BATS and SA-BATM, collectively identified as "SA-BAT") for an additional one (1) year from the existing period of seven (7) years ending 31 October 2015 to 31 October 2016 for their printed carton requirements in Malaysia, Singapore and Vietnam for the domestic and/or export markets, with the Right to Extend the Supply Period for another three (3) years on terms no less favourable than what is offered by bona fide third party suppliers.

For the purpose of impairment testing, the recoverable amount of the contract value is estimated using the present value of expected future cash flows generated by the contract value and based on the following key assumptions:

- Cash flows were projected based on the 1-year (2013 : 1-year) financial budget approved by management. Management has considered the factors applied in the financial budget. The budgeted gross margin is based on past experience.
- Cash flows were projected over a period of 10 years, (2013 : 10-years) based on the ability of the plant and equipment to continue operating.
- An anticipated revenue growth rate of -8%, 3%, 13%, 0% and 2% in 2015, 2016, 2017, 2018 and 2019 respectively and thereafter zero growth was used in the cash flows. (2013 : 7% and -6% in 2015 and 2016 respectively and thereafter zero growth was used in cash flow)
- The pre-tax discount rate of 10% (2013: 10%) was applied in determining the recoverable amounts of the GCGU. The discount rate was estimated based on the range of the weighted average cost of capital of companies in the same industry.
- The Group is expected to successfully renew its exclusive rights to supply British American Tobacco's printed carton requirements upon the expiry of the agreement and to continue to have such exclusive rights over the projected period.

NOTES TO THE FINANCIAL STATEMENTS

4. INTANGIBLE ASSETS (CONTINUED)

4.2 Impairment testing for cash-generating units containing goodwill and contract value (Continued)

Note b (continued)

Management believes that any reasonable change in the key assumptions would not cause the carrying amount of the goodwill and contract value to exceed the recoverable amount for the Group. Based on the above review, there is no evidence of impairment on the Group's intangible assets.

5. INVESTMENT IN SUBSIDIARIES

	Company	
	2014 RM'000	2013 RM'000
Unquoted shares	123,928	123,928

Details of the subsidiaries as follow:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2014 %	2013 %
Tien Wah Press (Malaya) Sdn. Bhd. ("TWPM")	Malaysia	Rotogravure and lithography printing specialising in cigarette cartons, consumer goods packaging and advertising materials.	100	100
Tien Wah Properties Sdn. Bhd. ("TWPP")	Malaysia	Investment property	100	100
*Toyo (Viet) Paper Product Co., Ltd. ("TVP")	Vietnam	Provide printing services for tobacco packaging and packaging services in general.	100	100
*New Toyo Investment Pte. Ltd. ("NTIV")	Singapore	Investment property	100	100
+#Max Ease International Limited ("MEIL")	Hong Kong	Investment holding company and trading of cigarette packaging boxes.	51	51
Subsidiary of MEIL: *Anzpac Services (Australia) Pty. Ltd. ("Anzpac")	Australia	Supply of printed tobacco and general folding cartons	51	51
Subsidiary of NTIV: *Alliance Print Technologies Co., Ltd. ("APT")	Vietnam	Provide printing services for tobacco packaging & packaging services in general	100	100

* Audited by other member firms of KPMG International

+ Not audited by member firms of KPMG International

Auditors' report on the financial statements includes qualified opinion arising from non-compliance with HKFRS 10: *Consolidated Financial Statements* or MFRS 127: *Separate Financial Statements*, because the subsidiary does not prepare consolidated financial statements. These financial statements have been used in the preparation of the Group consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-Controlling interests in subsidiaries

The Group's subsidiary that has material non-controlling interest ("NCI") is as follows:

	MEIL Group	
	2014	2013
	49%	49%
	RM'000	RM'000
NCI percentage of ownership interest and voting interest		
Carrying amount of NCI	68,078	71,337
Profit allocated to NCI	1,501	5,876
Summarised financial information before intra-group elimination		
As at 31 December		
Non-current assets	87,914	101,018
Current assets	102,859	104,731
Non-current liabilities	(646)	(12,556)
Current liabilities	(44,091)	(47,608)
Net assets	146,036	145,585
Year ended 31 December		
Revenue	282,296	314,846
Profit for the year	11,773	18,973
Total comprehensive income	10,164	11,990
Cash flows generated from operating activities	37,786	30,883
Cash flows generated from / (used in) investing activities	4,729	(1,329)
Cash flows used in financing activities	(29,198)	(31,192)
Net increase/(decrease) in cash and cash equivalents	13,317	(1,638)
Dividend paid to NCI	(4,760)	(6,200)

Restriction imposed by bank covenants

The covenants of the bank loans taken by certain subsidiaries restricts the subsidiaries from declaring dividends which are more than 100% of its profit after tax for the year without prior written consent from the bank.

6. INVESTMENT IN AN ASSOCIATE

	Group	
	2014	2013
	RM'000	RM'000
At cost		
Unquoted shares	1,500	1,500
Share of post - acquisition reserves	18,671	14,893
	20,171	16,393

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENT IN AN ASSOCIATE (CONTINUED)

Details of the material associate are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2014 %	2013 %
Benkert (Malaysia) Sdn. Bhd.	Malaysia	Manufacturing and selling of standard and perforated tipping papers.	30	30

The following table summarises the information to the carrying amount of the Group's interest in the associate.

	Group	
	2014 RM'000	2013 RM'000
Summary financial information as at 31 December		
Non-current assets	22,727	14,055
Current assets	54,839	49,398
Non-current liabilities	(1,629)	(1,726)
Current liabilities	(5,583)	(3,965)
Net assets	70,354	57,762
Year ended 31 December		
Revenue	94,138	86,533
Profit for the year	15,472	12,410
Total comprehensive income	15,472	12,410
Reconciliation of net assets to carrying amount As at 31 December		
Group's share of net assets	20,171	16,393
Carrying amount in the statement of financial position	20,171	16,393
Group's share of results Year ended 31 December		
Group's share of profit or loss from continuing operations	4,642	3,723
Group's share of total comprehensive income	4,642	3,723
Other information		
Dividend received	864	680

NOTES TO THE FINANCIAL STATEMENTS

7. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Plant and equipment	(1,156)	(179)	10,730	11,316	9,574	11,137
Provisions	-	(3,117)	238	245	238	(2,872)
Other items	(62)	(415)	-	49	(62)	(366)
	(1,218)	(3,711)	10,968	11,610	9,750	7,899

Movement in temporary differences during the year

Group	At 1.1.2013 RM'000	Recognised in profit or loss RM'000 (Note 20)	Recognised in other comprehensive income RM'000	At 31.12.2013 RM'000	Recognised in profit or loss RM'000 (Note 20)	Recognised in other comprehensive income RM'000	At 31.12.2014 RM'000
	Property, plant and equipment	10,692	175	270	11,137	(1,509)	(54)
Provisions	(3,160)	288	-	(2,872)	3,110	-	238
Other items	(498)	132	-	(366)	304	-	(62)
	7,034	595	270	7,899	1,905	(54)	9,750

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. The deductible temporary differences do not expire under the current tax legislation.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Tax losses carry-forwards	7,818	896	914	896

NOTES TO THE FINANCIAL STATEMENTS

8. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current Trade					
Trade receivables	8.1	39,989	48,668	-	-
Related companies	8.1	3,378	472	-	-
		43,367	49,140	-	-
Non-trade					
Subsidiaries	8.2	-	-	32,361	32,058
Other receivables		4,711	2,730	17	-
Deposits		265	4,733	13	2
Prepayments		986	1,180	12	10
		49,329	57,783	32,403	32,070

8.1 Trade receivables and amount due from related companies

Trade receivables and amount due from related companies are subject to the normal trade terms between 30 days to 90 days.

8.2 Amount due from subsidiaries

Included in the amount due from subsidiaries are advances of RM18,775,460 which are unsecured, subject to interest of up to 5.25% (2013: 5%) per annum and are repayable on demand.

9. INVENTORIES

	Group	
	2014 RM'000	2013 RM'000
At cost		
Raw materials and consumables	61,647	47,084
Work-in-progress	3,648	5,157
Finished goods	18,677	21,600
	83,972	73,841
Carrying amount of inventories pledged as security for bank borrowings	6,289	5,896
Recognised in profit or loss: Inventories recognised as cost of sales	293,256	299,994
Write-down to net realisable value/(reversal of write-down)	2,176	(599)
Allowance for inventories obsolescence	56	552
Inventories written-off	177	517

The write-down and write-off is included in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash and bank balances	34,928	25,941	309	380
Deposits placed with licensed banks	18,169	18,202	-	-
	53,097	44,143	309	380

Included in deposits with licensed banks is RM101,975 (2013: NIL) pledged for bank facility granted.

11. SHARE CAPITAL

Group and Company

	Group		Company	
	Amount 2014 RM'000	Number of Share 2014 RM'000	Amount 2013 RM'000	Number of Share 2013 RM'000
Authorised:				
Ordinary shares of RM1 each	200,000	200,000	200,000	200,000
Issued and fully paid:				
Ordinary shares of RM1 each	96,495	96,495	96,495	96,495

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

12. RESERVES

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<i>Non distributable:</i>					
Share premium	12.1	12,504	12,504	12,504	12,504
Translation reserve	12.2	8,804	5,772	-	-
<i>Distributable:</i>					
Retained earnings		118,848	114,378	29,621	29,019
		140,156	132,654	42,125	41,523

12.1 Share premium

The share premium arose from the issuance of ordinary share above its par value of RM1 per ordinary share net of share issuance expenses.

12.2 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of financial liabilities that hedge the Group's net investment in foreign operation.

NOTES TO THE FINANCIAL STATEMENTS

13. EMPLOYEE BENEFITS

Retirement benefits and other employee benefits

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total present value of unfunded obligations		1,109	993	728	645
Recognised liability for defined benefit obligations	13.1	1,109	993	728	645
Liability for long-service leave	13.2	4,774	5,182	-	-
Provision for annual leaves		3,478	4,043	105	75
Redundancy provision	13.3	-	2,761	-	-
Total employee benefits		9,361	12,979	833	720
Analysed as:					
- current	15	8,266	11,177	582	75
- non-current		1,095	1,802	251	645
		9,361	12,979	833	720

13.1 Defined benefit obligation

The Group recognises provisions for a non-contributory defined benefit plan to provide pension for eligible employees. The plan entitles an employee to receive a lump sum payment equal to 86% of the employee's final monthly salary for each year of service the employee provided up to the date the benefit becomes payable.

Included in the non-current portion of the recognised liability for defined benefit obligations is provision for severance allowance of RM22,000 (2013: RM20,000) which is governed by the Vietnamese Labour Code ("VLC"), when employees who have worked for 12 months or more ("VLC eligible employees") voluntarily terminate their labour contracts, the employer is required to pay the VLC eligible employees severance allowance.

Pursuant to Vietnam Law on Social Insurance, effective from 1 January 2009, the Group and the employees under its purview are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% (2013 : 1%) of the lower of the employees' basic salary and 20 times the general minimum salary level as specified by the Vietnam Government from time to time. With the implementation of the unemployment insurance scheme, the Group is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to existing VLC eligible employees as of 31 December 2014 will be determined based on the VLC eligible employees' years of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date.

NOTES TO THE FINANCIAL STATEMENTS

13. EMPLOYEE BENEFITS (CONTINUED)

Retirement benefits and other employee benefits (Continued)

Movement in net defined benefit liability

The following table shows reconciliation from the opening balance to the closing balance for the net defined benefit liability and its components.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Balance at 1 January	993	975	645	580
Included in profit or loss and other comprehensive income				
Current service cost	84	69	60	42
Interest on obligation	44	44	25	25
Net retirement benefits expenses	128	113	85	67
Other				
Benefits paid/used by the plan	-	(38)	(2)	(2)
Effect of movements in exchange rate	(12)	(57)	-	-
	(12)	(95)	(2)	(2)
Defined benefit obligations at 31 December	1,109	993	728	645

Actuarial assumptions

Principal actuarial assumptions at the end of reporting period:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Discount rate at 31 December	5%	4%	5%	4%
Future salary increases	4%	4%	4%	4%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average retirement age of an individual retiring is at age of 55 years for males and 50 years for females.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Group		Company	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
2014				
Discount rate (1% movement)	(113)	117	(82)	84
Future salary growth (1% movement)	137	(112)	98	(81)
2013				
Discount rate (1% movement)	(98)	103	(64)	66
Future salary growth (1% movement)	112	(93)	75	(59)

NOTES TO THE FINANCIAL STATEMENTS

13. EMPLOYEE BENEFITS (CONTINUED)

Retirement benefits and other employee benefits (Continued)

Sensitivity analysis (Continued)

Although the analysis does not account to the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

13.2 Liability for long-service leave

The liability of long-service leave is the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

13.3 Redundancy provision

In the previous financial year, the Board approved a restructure of the production footprint within the Group. The restructure was a routine operational function with the objective of improving Group's ability to service customers in their relevant locations and reducing operating cost over the longer term. As a consequence of the restructure, a redundancy expense of RM2,761,000 was recognised in the financial year ended 31 December 2013.

14. LOANS AND BORROWINGS

This note provides information about the contractual terms of the interest-bearing borrowings.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current				
Term loans				
- unsecured	990	-	-	-
Revolving credits				
- secured	-	11,698	-	-
- unsecured	13,413	4,387	-	3,770
Finance lease liabilities	19	30	8	11
	14,422	16,115	8	3,781
Current				
Term loans				
- secured	719	-	-	-
Revolving credits				
- secured	2,116	8,608	-	-
- unsecured	56,693	46,169	1,418	6,099
Bankers' acceptances				
- unsecured	-	2,000	-	-
Finance lease liabilities	11	9	3	3
	59,539	56,786	1,421	6,102

The information about the Group's and the Company's exposure to interest rate and foreign currency risk is disclosed in Note 24.

Security

The secured revolving credits are secured by inventories and tangible fixed assets of APT.

NOTES TO THE FINANCIAL STATEMENTS

14. LOANS AND BORROWINGS (CONTINUED)

Significant covenants

The unsecured and secured term loans and revolving credits are subject to the fulfilment of the following significant covenants:

- (i) Subsidiaries shall not declare dividends which are more than 100% of its profit after tax for the year without prior written consent from the bank;
- (ii) Gearing/Leverage of certain subsidiaries shall not exceed 1.5, 1.8, 2.0, 2.5 and 3.0 times, respectively (2013: 1.5, 1.8, 2.0, 2.5 and 3.0 times, respectively);
- (iii) Tangible networth of APT and TVP to be maintained at not less than USD6.0 million (2013: USD6.0 million) and USD3.5 million (2013: USD3.5 million) respectively.
- (iv) Inventories of a subsidiary amounting to USD1.8 million (2013: USD1.8 million) are pledged to a bank.

14.1 Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments 2014 RM'000	Interest 2014 RM'000	Present value of minimum lease payments 2014 RM'000	Future minimum lease payments 2013 RM'000	Interest 2013 RM'000	Present value of minimum lease payments 2013 RM'000
Less than one year	13	2	11	12	3	9
Between one and five years	21	2	19	33	4	29
More than five years	-	-	-	1	-	1
	34	4	30	46	7	39

At the end of lease term, the Group has the option to purchase the equipment at a nominal price to be determined at the time of disposal.

NOTES TO THE FINANCIAL STATEMENTS

15. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current Trade					
Trade payables	15.1	29,031	24,442	-	-
Related companies	15.1	1,496	1,123	-	-
		30,527	25,565	-	-
Non-trade					
Other payables		8,939	6,787	-	-
Accruals		4,549	4,749	581	245
Employee benefits	13	8,266	11,177	582	75
Related companies	15.2	23	884	8,176	9,375
Holding company	15.3	16,193	10,039	8,938	-
		37,970	33,636	18,277	9,695
		68,497	59,201	18,277	9,695
Non-current Non-trade					
Holding company	15.3	4,382	1,900	-	-
		4,382	1,900	-	-

15.1 Trade payables and amount due to related companies

Trade payables and amount due to related companies are subject to the normal trade and credit terms.

15.2 Amount due to related companies

Amount due to related company is unsecured, interest free and repayable on demand.

15.3 Amount due to holding company

Included in the amount due to holding company is RM16,946,000 (2013: RM9,552,000) which is subject to fixed interest rate of 2.98% (2013: 3.33%) per annum and is expected to be repayable within the next 3 years. The remaining amounts due from related companies are interest free and repayable on demand. All are non-trade in nature and unsecured.

16. FINANCE COSTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- related companies	-	-	436	571
- banker's acceptances	9	82	-	-
- term loans	31	-	-	-
- revolving credits	2,244	2,793	123	283
- other borrowings	435	245	173	-
- finance lease liabilities	4	4	2	1
	2,723	3,124	734	855

NOTES TO THE FINANCIAL STATEMENTS

17. PROFIT FOR THE YEAR

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit for the year is arrived at after charging:					
Amortisation of intangible assets	4	6,569	5,291	-	-
Auditors' remuneration					
- Audit fees					
KPMG Malaysia		110	104	78	70
Overseas affiliates of KPMG Malaysia		196	293	-	-
Other auditors		10	12	-	-
- Non-audit fees					
KPMG Malaysia		18	14	20	2
Overseas affiliates of KPMG Malaysia		51	132	-	-
Directors' emoluments					
- fees	19	493	538	655	538
- salaries and allowances	19	255	81	58	45
- provision for ex-gratia	19	236	-	236	-
Depreciation of property, plant and equipment	3	21,835	22,090	96	50
Loss on disposal of property, plant and equipment		10	-	-	-
Inventories written off	9	177	517	-	-
Allowance for inventories obsolescence	9	56	552	-	-
Write down of inventories to net realisable value	9	2,176	-	-	-
Management fees		2,194	2,456	-	-
Personnel expenses (including other key management personnel):					
- contributions to statutory pension funds		5,090	5,094	147	104
- wages, salaries and others		59,243	69,464	2,078	1,828
- expenses related to employee benefits					
Retirement benefit provided	13	128	113	85	67
Provision for long term service leave		546	620	-	-
Remeasurement gain		(13)	(12)	(2)	(2)
Redundancy paid		1,983	-	-	-
Redundancy provision		-	2,871	-	-
Provision for annual leave		2,503	2,882	-	-
Total employee benefit		5,147	6,474	83	63
Rental of properties		1,134	968	-	-
Research and development expenses as incurred		-	2	-	-
Realised loss on foreign exchange		306	562	144	237
Unrealised loss on foreign exchange		3,420	655	-	-
Profit for the year is arrived at and after crediting:					
Reversal of impairment loss on trade receivables		-	351	-	-
Gain on disposal of property, plant and equipment		-	273	-	123
Gross dividend income from:					
- unquoted subsidiaries		-	-	10,659	12,058
- unquoted associate		864	680	864	680
Write down of inventory		-	599	-	-
Rental income		13	8	-	-
Realised gain on foreign exchange		3,090	178	-	-
Unrealised gain on foreign exchange		356	459	271	290

NOTES TO THE FINANCIAL STATEMENTS

18. OTHER COMPREHENSIVE INCOME

Group	Before tax RM'000	Tax (expense) /benefit RM'000	Net of tax RM'000
2014			
Items that are or may be reclassified subsequently to profit or loss			
<i>Foreign currency translation differences for foreign operations</i>			
- Gain arising during the year	2,334	-	2,334
<i>Hedge of net investment</i>			
- Loss arising during the year	(90)	-	(90)
	2,244	-	2,244
2013			
Items that are or may be reclassified subsequently to profit or loss			
<i>Foreign currency translation differences for foreign operations</i>			
- Loss arising during the year	(357)	-	(357)
<i>Hedge of net investment</i>			
- Loss arising during the year	(3,125)	-	(3,125)
	(3,482)	-	(3,482)

19. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Directors:					
- fees	17	493	538	655	538
- remuneration	17	219	45	58	45
- provision for ex-gratia	17	236	-	236	-
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	17	36	36	-	-
Total short-term employee benefits		984	619	949	583
Other key management personnel:					
- short-term employee benefits		3,177	3,414	-	-
- other long-term benefits		630	588	-	-
		3,807	4,002	-	-
		4,791	4,621	949	583

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

20. TAX EXPENSE

Recognised in profit or loss

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current tax expense					
Malaysian					
- current year		244	639	-	-
- prior year		(34)	(139)	-	-
		210	500	-	-
Overseas					
- current year		4,997	5,435	13	20
- prior year		47	833	-	-
		5,254	6,768	13	20
Deferred tax expense					
Origination and reversal of temporary differences		1,912	491	-	-
Prior year		(7)	104	-	-
	7	1,905	595	-	-
Total income tax expense		7,159	7,363	13	20

Reconciliation of tax expense

Profit before tax		22,979	41,186	9,476	11,301
Income tax using Malaysian tax rate of 25%		5,745	10,297	2,369	2,825
Effect of tax rate in foreign jurisdictions		(2,136)	46	13	20
Non-deductible expenses		5,484	1,116	622	460
Tax exempt income		(5,395)	(5,519)	(2,991)	(3,285)
Reversal of previously recognised deferred tax		3,488	-	-	-
Other items		(33)	625	-	-
Under provided in prior years		6	798	-	-
		7,159	7,363	13	20

NOTES TO THE FINANCIAL STATEMENTS

21. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2014 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Profit attributable to ordinary shareholders

	Group continuing operations	
	2014 RM'000	2013 RM'000
Profit for the year attributable to ordinary shareholders	13,531	24,526
Weighted average number of ordinary shares		
<i>In thousands of shares</i>		
Issued ordinary shares at 1 January/31 December	96,495	96,495
Basic earnings per ordinary share		
<i>In sen</i>		
From continuing operations	14.02	25.42

22. DIVIDENDS

Dividends recognised by the Company:

	Sen per share (net of tax) RM	Total amount RM'000	Date of Payment
2014			
Final 2013 ordinary	6.39	6,166	10 July 2014
Interim 2014 ordinary	3.00	2,895	31 Oct 2014
		9,061	
2013			
Final 2012 ordinary (net of tax)	6.39	6,166	10 July 2013
Interim 2013 ordinary (net of tax)	4.05	3,908	31 Oct 2013
Interim 2013 ordinary tax exempt	2.34	2,258	31 Oct 2013
	6.39	6,166	
		12,332	

After the reporting period, the following single tier dividend was proposed by the Directors. This dividend will be recognised in subsequent financial period upon approval by the owners of the Company.

	Sen per share (net of tax) RM	Total amount RM'000
Final 2014 ordinary	4.00	3,860

NOTES TO THE FINANCIAL STATEMENTS

23. 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 technology and marketing strategies. For each of the strategic business units, the financial information is regularly reviewed by the Board of Directors. The following summary describes the operations in each of the Group's 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.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Board of Directors. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Board of Directors. Hence no disclosure is made on segment liabilities.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, and intangible assets other than goodwill.

2014	Printing RM'000	Trading RM'000	Total RM'000
Segment profit	48,368	14,792	63,160
<i>Included in the measure of segment profit are:</i>			
Revenue from external customers	159,126	194,560	353,686
Inter-segment revenue	192,729	12,800	205,529
<i>Not included in the measure of segment profit but provided to Board of Directors:</i>			
Depreciation and amortisation	(21,349)	(181)	(21,530)
Finance costs	(2,440)	(594)	(3,034)
Finance income	1,600	114	1,714
Segment assets	409,262	188,347	597,609
<i>Included in the measure of segment assets are:</i>			
Additions to non-current assets other than financial instruments and deferred tax assets	25,912	193	26,105

NOTES TO THE FINANCIAL STATEMENTS

23. OPERATING SEGMENTS (CONTINUED)

2013	Printing RM'000	Trading RM'000	Total RM'000
Segment profit	47,748	29,003	76,751
<i>Included in the measure of segment profit are:</i>			
Revenue from external customers	171,075	209,296	380,371
Inter-segment revenue	200,955	15,368	216,323
<i>Not included in the measure of segment profit but provided to Board of Directors:</i>			
Depreciation and amortisation	(21,930)	(34)	(21,964)
Finance costs	(2,645)	(1,006)	(3,651)
Finance income	1,905	76	1,981
Segment assets	355,386	174,055	529,441
<i>Included in the measure of segment assets are:</i>			
Additions to non-current assets other than financial instruments and deferred tax assets	13,057	417	13,474

Reconciliations of reportable segment revenues, profit or loss, assets and other material items

	Group 2014 RM'000	2013 RM'000
Profit or loss		
Total profit for reporting segments	63,160	76,751
Other non-reportable segments	2,458	3,309
Elimination of inter-segment profits	(17,231)	(13,200)
Depreciation and amortisation	(28,404)	(27,381)
Finance costs	(2,723)	(3,124)
Finance income	1,077	1,108
Share of profit of an associate not included in reportable segments	4,642	3,723
Consolidated profit before tax	22,979	41,186

	External revenue RM'000	Depreciation and amortisation RM'000	Finance costs RM'000	Finance income RM'000	Segment assets RM'000	Investment in an associate RM'000	Additions to non-current assets RM'000
2014							
Total reportable segments	353,686	(21,530)	(3,034)	1,714	597,609	-	26,105
Other non-reportable segments	-	(705)	(1,696)	1,366	201,077	20,171	340
Elimination of inter- segment transactions or balances	-	(6,169)	2,007	(2,003)	(331,819)	-	-
Consolidated total	353,686	(28,404)	(2,723)	1,077	466,867	20,171	26,445

NOTES TO THE FINANCIAL STATEMENTS

23. OPERATING SEGMENTS (CONTINUED)

Reconciliations of reportable segment revenues, profit or loss, assets and other material items (Continued)

	External revenue RM'000	Depreciation and amortisation RM'000	Finance costs RM'000	Finance income RM'000	Segment assets RM'000	Investment in an associate RM'000	Additions to non-current assets RM'000
2013							
Total reportable segments	380,371	(21,964)	(3,651)	1,981	493,409	-	13,474
Other non-reportable segments	-	(655)	(1,897)	1,546	200,834	16,393	524
Elimination of inter- segment transactions or balances	-	(4,762)	2,424	(2,419)	(244,289)	-	-
Consolidated total	380,371	(27,381)	(3,124)	1,108	449,954	16,393	13,998

Geographical segments

The printing and trading segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices in Malaysia, Vietnam, Australia, and Hong Kong.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments (including investment in an associate) and deferred tax assets.

Geographical information	Revenue		Non-current assets	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Australasia	87,711	94,933	76,095	79,930
Malaysia	66,369	73,218	82,012	80,975
Singapore	185,592	188,392	-	-
Vietnam	556	406	108,250	91,248
Hong Kong	-	75	12,227	18,012
Other countries	13,458	23,347	-	-
	353,686	380,371	278,584	270,165

Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue		Segment
	2014 RM'000	2013 RM'000	
All common control of companies of:			
- British American Tobacco (S) Ltd.	162,106	174,397	Gravure printing
- British American Tobacco Australia Ltd	23,633	31,629	Gravure printing
- Tobacco Importers & Manufacturer	54,836	62,373	Gravure printing

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables (“L&R”); and
(b) Other financial liabilities measured at amortised cost (“OL”).

	Carrying amount 2014 RM'000	L&R/ (OL) 2014 RM'000	Carrying amount 2013 RM'000	L&R/ (OL) 2013 RM'000
Financial assets				
Group				
Trade and other receivables	48,343	48,343	56,603	56,603
Cash and cash equivalents	53,097	53,097	44,143	44,143
	101,440	101,440	100,746	100,746
Company				
Trade and other receivables	32,391	32,391	32,060	32,060
Cash and cash equivalents	309	309	380	380
	32,700	32,700	32,440	32,440
Financial liabilities				
Group				
Loans and borrowings	(73,961)	(73,961)	(72,901)	(72,901)
Trade and other payables	(42,519)	(42,519)	(35,978)	(35,978)
Holding company	(20,575)	(20,575)	(11,939)	(11,939)
Related companies	(1,519)	(1,519)	(2,007)	(2,007)
	(138,574)	(138,574)	(122,825)	(122,825)
Company				
Loans and borrowings	(1,429)	(1,429)	(9,883)	(9,883)
Trade and other payables	(581)	(581)	(320)	(320)
Ultimate holding company	(8,938)	(8,938)	-	-
Related companies	(8,176)	(8,176)	(9,375)	(9,375)
	(19,124)	(19,124)	(19,578)	(19,578)

24.2 Net gains and losses arising from financial instruments

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Net gains/(losses) on:				
Loans and receivables	797	528	1,490	1,336
Financial liabilities measured at amortised cost	(2,723)	(3,124)	(734)	(797)
	(1,926)	(2,596)	756	539

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

24.4 Credit risk

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are tobacco manufacturers. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 180 days, which are deemed to have higher credit risk, are monitored individually. As at the end of the reporting period, there was no indication that the receivables will not be recoverable.

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was as follows:

	Group	
	2014	2013
	RM'000	RM'000
Singapore	23,845	22,488
Australasia	9,212	13,724
Malaysia	8,543	8,278
Vietnam	398	337
Others	1,369	4,313
	43,367	49,140

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.4 Credit risk (Continued)

Receivables (Continued)

Impairment losses

The ageing of trade receivables as at the end of the reporting period was:

Group	Gross RM'000	Individual impairment RM'000	Net RM'000
2014			
Not past due	34,199	-	34,199
Past due 0 - 30 days	3,892	-	3,892
Past due 31 - 180 days	3,731	-	3,731
Past due more than 180 days	1,545	-	1,545
	43,367	-	43,367
2013			
Not past due	29,377	-	29,377
Past due 0 - 30 days	14,362	-	14,362
Past due 31 - 180 days	4,964	-	4,964
Past due more than 180 days	437	-	437
	49,140	-	49,140

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	Group 2014 RM'000	2013 RM'000
At 1 January	-	(367)
Impairment loss reversed	-	367
At 31 December	-	-

The Group does not require collateral for trade and other receivables. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

Cash and cash equivalents are placed with financial institutions which are regulated.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.4 Credit risk (Continued)

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances are only provided to subsidiaries of Company.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to the subsidiaries.

24.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group 2014	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000
<i>Non-derivative financial liabilities</i>						
Term loans – unsecured	1,709	3.00%	1,810	741	763	306
Revolving credits – secured	2,116	3.50%	2,144	2,144	-	-
Revolving credits – unsecured	70,106	1.95% - 4.55%	72,502	58,052	4,536	9,914
Finance lease liabilities	30	9.00%	34	13	13	8
Trade and other payables	44,038	-	44,038	44,038	-	-
Holding company						
- interest bearing	16,924	1.82% - 2.15%	17,662	12,944	3,350	1,368
- non-interest bearing	3,651	-	3,651	3,651	-	-
	138,574		141,841	121,583	8,662	11,596

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.5 Liquidity risk (Continued)

Group	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000
2013						
<i>Non-derivative financial liabilities</i>						
Bankers' acceptances – unsecured	2,000	3.69%	2,077	2,077	-	-
Revolving credits – secured	20,306	6.23%	22,951	9,169	13,782	-
Revolving credits – unsecured	50,556	2.15% - 4.81%	52,497	47,657	4,840	-
Finance lease liabilities	39	9.00%	56	10	42	4
Trade and other payables	37,985	-	37,985	37,985	-	-
Holding company						
- interest bearing	9,552	2.23% - 2.43%	9,775	7,448	2,327	-
- non-interest bearing	3,271	-	3,271	3,271	-	-
	123,709		128,612	107,617	20,991	4

Company	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000
2014						
<i>Non-derivative financial liabilities</i>						
Revolving credits – unsecured	1,418	2.15%	1,437	1,437	-	-
Ultimate holding company	8,938	3.00%	9,244	9,244	-	-
Trade and other payables	581	0.00%	581	581	-	-
Due to subsidiaries	8,176	5.00%	8,595	8,595	-	-
Finance lease liabilities	11	9.00%	14	4	4	6
	19,124		19,871	19,861	4	6

2013

<i>Non-derivative financial liabilities</i>						
Revolving credits – unsecured	9,869	2.05% to 2.35%	10,315	6,246	4,069	-
Trade and other payables	320	0.00%	320	320	-	-
Due to subsidiaries	9,375	5.00%	9,856	9,856	-	-
Finance lease liabilities	14	9.00%	18	3	7	8
	19,578		20,509	16,425	4,076	8

24.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

24.6.1 Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Singapore Dollar ("SGD"), Vietnam Dong ("VND") and Australian Dollar ("AUD").

Risk management objectives, policies and processes for managing the risk

Certain subsidiaries use forward exchange contracts to hedge its foreign currency risk, where necessary, the forward exchange contracts are rolled over at maturity at market rates.

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.6.1 Currency risk (Continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	USD RM'000	Denominated in SGD RM'000	VND RM'000	AUD RM'000
Group				
2014				
Trade and other receivables	17,424	390	2,442	19,588
Trade and other payables	(38,868)	(1,413)	(4,303)	(17,284)
Loans and borrowings	(62,931)	-	-	-
Net exposure	(84,375)	(1,023)	(1,861)	2,304
2013				
Trade and other receivables	18,087	278	3,134	22,503
Trade and other payables	(27,133)	(104)	(2,536)	(21,656)
Loans and borrowings	(40,643)	-	-	(18,131)
Net exposure	(49,689)	174	598	(17,284)

Currency risk sensitivity analysis

A 10% (2013: 10%) strengthening of RM against the following currencies at the end of the reporting period would have increased (decreased) post-tax profit or loss by amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Equity		Profit or loss	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
USD	-	-	6,328	3,727
SGD	-	-	77	(13)
VND	-	-	349	(45)
AUD	-	-	(173)	1,296

A 10% (2013: 10%) weakening of RM against the following currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Fixed rate instruments				
Financial assets	18,169	18,202	31,354	18,798
Financial liabilities	(16,946)	(9,552)	(17,260)	(9,375)
	1,223	8,650	14,094	9,423
Floating rate instruments				
Financial assets	-	-	1,418	9,868
Financial liabilities	(73,960)	(72,900)	(1,430)	(9,908)
	(73,960)	(72,900)	(12)	(40)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/ (decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or Loss		Profit or Loss	
	100bp increase 2014 RM'000	100bp decrease 2014 RM'000	100bp increase 2013 RM'000	100bp decrease 2013 RM'000
Group				
Floating rate instruments	(739)	739	(729)	729
Company				
Floating rate instruments	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.7 Hedging activities

24.7.1 Hedge of net investment in foreign operation

In the previous year, the Group's Australian Dollar denominated secured revolving credit has been designated as a hedge of the Group's investment in its subsidiary in Australia. During the year, the loan has been fully repaid to its banker. The carrying amount of the loan as at the end of the reporting period was Nil (2013 RM18,131,000). A foreign exchange loss of RM90,000 (2013: RM3,125,000) was recognised in other comprehensive income which comprises the loss arising from foreign currency risk between United States Dollar and Australian Dollar that is determined to be effective hedge, prior to the termination of the hedge.

24.8 Fair value of financial instruments

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.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses 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.

Group 2014	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
Financial liabilities										
Bank loans	-	-	-	-	-	-	(72,165)	(72,165)	(72,165)	(73,931)
Finance lease liabilities	-	-	-	-	-	-	(27)	(27)	(27)	(30)
Holding company	-	-	-	-	-	-	(16,442)	(16,442)	(16,442)	(20,575)
	-	-	-	-	-	-	(88,634)	(88,634)	(88,634)	(94,536)
Company										
Financial assets										
Loan to subsidiaries	-	-	-	-	-	-	31,406	31,406	31,406	32,772
Financial liabilities										
Bank loans	-	-	-	-	-	-	(1,389)	(1,389)	(1,389)	(1,418)
Finance lease liabilities	-	-	-	-	-	-	(10)	(10)	(10)	(11)
Due to subsidiaries	-	-	-	-	-	-	(7,777)	(7,777)	(7,777)	(8,176)
Due to ultimate holding company - NTH	-	-	-	-	-	-	(8,817)	(8,817)	(8,817)	(9,085)
	-	-	-	-	-	-	13,413	13,413	13,413	14,082

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.8 Fair value of financial instruments (Continued)

The table below analyses 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.

Group 2013	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Financial liabilities										
Revolving credits	-	-	-	-	-	-	(68,066)	(68,066)	(68,066)	(70,862)
Finance lease liabilities	-	-	-	-	-	-	(35)	(35)	(35)	(39)
Holding company	-	-	-	-	-	-	(9,240)	(9,240)	(9,240)	(9,552)
	-	-	-	-	-	-	(77,341)	(77,341)	(77,341)	(80,453)
Company										
Financial assets										
Loan to subsidiaries	-	-	-	-	-	-	27,497	27,497	27,497	28,667
Financial liabilities										
Bank loan	-	-	-	-	-	-	(9,641)	(9,641)	(9,641)	(9,869)
Finance lease liabilities	-	-	-	-	-	-	(35)	(35)	(35)	(39)
Due to subsidiaries	-	-	-	-	-	-	(8,918)	(8,918)	(8,918)	(9,375)
	-	-	-	-	-	-	8,903	8,903	8,903	9,384

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Revolving credit, finance lease liabilities, intercompany balances and loan to subsidiaries.	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date

25. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements. Loan covenants are as per disclosed in Note 14.

The debt-to-equity ratios at 31 December 2014 and at 31 December 2013 were as follows:

	Note	Group 2014 RM'000	Group 2013 RM'000
Total loans and borrowings	14	73,961	72,901
Less: Cash and cash equivalents	10	(53,097)	(44,143)
Net debt		20,864	28,758
Total equity		304,729	300,486
Debt-to-equity ratio		0.1	0.1

NOTES TO THE FINANCIAL STATEMENTS

25. CAPITAL MANAGEMENT (CONTINUED)

There was no change in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

26. OPERATING LEASES

Operating lease rentals are payable as follows:

	Group	
	2014 RM'000	2013 RM'000
Within one year	881	925
Between one and five years	811	1,079
More than five years	61	109
	1,753	2,113

The Group leases a number of premises, motor vehicles and office equipment under non-cancellable operating leases. The leases have varying terms and escalation clauses and renewal rights. On renewal, the terms of leases are re-negotiated. None of the leases include contingent rentals.

27. CAPITAL AND OTHER COMMITMENTS

	Group	
	2014 RM'000	2013 RM'000
Capital expenditure commitments		
Property, plant and equipment		
Authorised but not contracted for	25,659	14,715
Contracted but not provided for	-	6,855
	25,659	21,570

28. CONTINGENCIES

The Directors are of the opinion that provisions are not required in respect of these matters, as it is remote that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Company	
	2014 RM'000	2013 RM'000
Corporate guarantee		
<i>Corporate guarantee to subsidiaries</i>		
Short-term borrowings	55,993	48,503
Long-term borrowings	14,403	12,315
	70,396	60,818

NOTES TO THE FINANCIAL STATEMENTS

29. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company 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 or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The significant related party transactions of the Group and the Company, other than key management personnel compensation (see Note 19), are as follows:

Group	Amount transacted for the year ended 31 December		Net balance outstanding at 31 December	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Holding company				
<i>New Toyo International Holdings Ltd.</i>			(20,574)	(11,939)
Management fees	2,194	2,456		
Interest paid	434	245		
Related companies				
<i>New Toyo International Co., (Pte.) Ltd.</i>			1,881	(651)
Sales	(21,167)	(13,163)		
Purchases	11,616	9,114		
<i>New Toyo Aluminium Paper Product Co., (Pte.) Ltd.</i>			7	10
Sales	(22)	(10)		
Purchases	24	-		
<i>New Toyo (Vietnam) Aluminium Paper Packaging Co., Ltd.</i>			-	-
Sales	(1)	-		
Purchases	6	-		
<i>Alliance Innovative Solutions Pte. Ltd.</i>			(30)	(113)
Sales	-	(78)		
Purchases	316	474		
<i>Toyoma Non-Carbon Paper Manufacturer Sdn. Bhd.</i>			-	-
Rental of warehouse	699	680		
<i>Vina Toyo Company Ltd</i>			-	-
Purchase	17	-		
<i>Paper Base Converting Sdn.Bhd.</i>			-	(782)
Sales	(1)	(2)		
Purchases	1,364	3,365		
<i>New Toyo Pulppy (Hong Kong) Ltd.</i>			-	-
Outsourcing of sales administrative and accounting work	302	280		
<i>New Toyo Pulppy (Vietnam) Co., Ltd.</i>			-	2

NOTES TO THE FINANCIAL STATEMENTS

29. RELATED PARTIES (CONTINUED)

Identity of related parties (Continued)

Company	Amount transacted for the year ended 31 December		Net balance outstanding at 31 December	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Subsidiaries				
<i>Tien Wah Press (Malaya) Sdn. Bhd.</i>			(8,176)	(9,375)
Dividend income	(1,300)	(1,100)		
Interest paid	436	571		
<i>Tien Wah Properties Sdn. Bhd.</i>			18,775	18,798
Interest income	(962)	(1,041)		
Administrative fee received	(43)	(42)		
<i>Max Ease International Limited</i>			-	-
Dividend income	(5,013)	(6,535)		
<i>Alliance Print Technologies Co., Ltd.</i>			9,576	7,657
Interest income	(286)	(239)		
Administrative fee received	(394)	(347)		
<i>New Toyo Investments Pte Ltd</i>			-	-
Dividend income	(3,856)	(3,771)		
<i>Anzpac Services Australia Pty Ltd</i>			47	21
Administrative fee received	(289)	(262)		
<i>Toyo (Viet) Paper Product Co., Ltd.</i>			3,963	5,582
Interest income	(116)	(163)		
Administrative fee received	(279)	(278)		
Dividend income	(490)	(653)		
Ultimate holding company				
<i>New Toyo International Holdings Ltd</i>			(8,938)	-
Interest paid	173	-		
Associate company				
<i>Benkert (Malaysia) Sdn. Bhd.</i>			-	-
Dividend income	(864)	(680)		

All of the above outstanding balances are expected to be settled in cash by the related parties. Related party transactions have been entered into in the normal course of business and are transacted on negotiated basis.

NOTES TO THE FINANCIAL STATEMENTS

30. SUPPLEMENTARY FINANCIAL INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as at 31 December, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained earnings of the Company and its subsidiaries:				
- realised	246,414	258,280	29,331	28,729
- unrealised	(31,953)	(23,448)	290	290
	214,461	234,832	29,621	29,019
Total share of retained earnings of an associate company:				
- realised	19,159	15,411	-	-
- unrealised	(489)	(518)	-	-
	233,131	249,725	29,621	29,019
Less: Consolidation adjustments	(114,283)	(135,347)	-	-
Total retained earnings	118,848	114,378	29,621	29,019

The determination of realised and unrealised profits is based on the Guidance of 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 Malaysian Institute of Accountants on 20 December 2010.

STATEMENT BY DIRECTORS

pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 70 to 122 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 30 on page 123 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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



.....
Lee Chee Whye



.....
Lee Cheow Fui

Petaling Jaya, Selangor

Date: 25 March 2015

STATUTORY DECLARATION

pursuant to Section 169(16) of the Companies Act, 1965

I, **Lilian Leong Lai Yoong**, the officer primarily responsible for the financial management of Tien Wah Press Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 70 to 122 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Petaling Jaya, Selangor on 25 March 2015.



.....
Lilian Leong Lai Yoong
Before me: 25 March 2015

Ng Say Hung
Commissioner of Oaths
Petaling Jaya

INDEPENDENT AUDITORS'

report to the members of Tien Wah Press Holdings Berhad
(Company No. 340434-K) (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Tien Wah Press Holdings Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 70 to 122.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act except as stated in Note 5 to the financial statements.

INDEPENDENT AUDITORS'

report to the members of Tien Wah Press Holdings Berhad
(Company No. 340434-K) (Incorporated in Malaysia)

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 30 on page 123 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

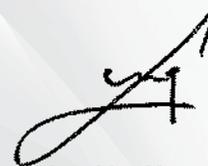


KPMG

Firm Number: AF 0758
Chartered Accountants

Petaling Jaya, Selangor

Date: 25 March 2015



Lee Yee Keng

Approval Number: 2880/04/15(J)
Chartered Accountant

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2015

Authorised Share Capital	: RM200,000,000
Issued and Paid-Up Share Capital	: RM96,495,000
Class of Shares	: Ordinary Shares of RM1.00 each
Voting Right	: One vote per share

Size of Shareholdings	No. of Shareholders / Depositor	% of Shareholders / Depositor	No. of Share held	% of Issued Capital
1 - 99	34	1.49	782	0.00
100 - 1,000	244	10.72	166,928	0.17
1,001 - 10,000	1,563	68.68	6,143,180	6.37
10,001 - 100,000	401	17.62	10,742,130	11.13
100,001 - 4,824,749	31	1.36	13,925,620	14.43
4,824,750 and above	3	0.13	65,516,360	67.90
TOTAL	2,276	100.00	96,495,000	100.00

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS as at 31 MARCH 2015

Name of Substantial Shareholder	Direct		Indirect	
	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
Singapore Pacific Investments Pte Ltd	28,842,660	29.89	-	-
Tien Wah Holdings (1990) Sdn Bhd	23,360,600	24.21	-	-
Lembaga Tabung Angkatan Tentera	13,313,100	13.80	-	-
New Toyo Lamination (M) Pte Ltd	-	-	23,360,600*	24.21
New Toyo International Holdings Ltd	-	-	52,203,260**	54.10
Yen Wen Hwa (Ngan Tzee Manh) ("Yen Wen Hwa")	-	-	52,203,260#	54.10
Lu Le Nhi	-	-	52,203,260##	54.10
Yen & Son Holdings Pte Ltd	-	-	52,203,260^	54.10

* Deemed interested by virtue of its shareholding in Tien Wah Holdings (1990) Sdn Bhd pursuant to Section 6A of the Companies Act, 1965

** Deemed interested by virtue of its shareholding in

i) Singapore Pacific Investments Pte Ltd, its wholly-owned subsidiary; and

ii) Tien Wah Holdings (1990) Sdn Bhd via its wholly-owned subsidiary, New Toyo Lamination Pte Ltd pursuant to Section 6A of the Companies Act, 1965

Deemed interested by virtue of his shareholding in Yen & Son Holdings Pte Ltd and New Toyo International Holdings Ltd pursuant to Section 6A of the Companies Act, 1965

Deemed interested through shares held by her spouse, Yen Wen Hwa and her shareholdings in Yen & Son Holdings Pte Ltd and New Toyo International Holdings Ltd pursuant to Section 6A of the Companies Act, 1965

^ Deemed interested by virtue of its shareholdings in New Toyo International Holdings Ltd pursuant to Section 6A of the Companies Act, 1965

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2015

DIRECTORS' INTERESTS AS PER REGISTER OF DIRECTORS' SHAREHOLDING as at 31 MARCH 2015

Name of Director	Direct Interest		Indirect Interest	
	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
Angela Heng Chor Kiang	-	-	-	-
Datuk Toh Ah Wah	-	-	-	-
Lee Cheow Fui	-	-	-	-
David Lim Teck Leong	-	-	-	-
Mej Jen (B) Datuk Abdul Kadir bin Nordin	-	-	-	-
Yen Wen Hwa	-	-	52,203,260 [#]	54.10

Deemed interested by virtue of his shareholding in Yen & Son Holdings Pte Ltd and New Toyo International Holdings Ltd pursuant to Section 6A of the Companies Act, 1965

Notes:-

- (a) Mr David Lim Teck Leong was appointed as Non-Independent Non-Executive Director of the Company on 1 October 2014.
 (b) Mr Yen Wen Hwa was appointed as Executive Chairman of the Company on 16 February 2015.

THIRTY LARGEST SHAREHOLDERS/DEPOSITORS as at 31 MARCH 2015

Name of Shareholders/Depositors	No. of Shares	% of Issued Capital
1 Singapore Pacific Investments Pte Ltd	28,842,660	29.89
2 Tien Wah Holdings (1990) Sdn Bhd	23,360,600	24.21
3 Lembaga Tabung Angkatan Tentera	13,313,100	13.80
4 Yap Ah Fatt	3,000,000	3.12
5 Kam Loong Mining Sdn Bhd	2,750,000	2.85
6 Tan Kim Onm	900,600	0.93
7 Foo Khen Ling	869,200	0.90
8 JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Teo Kwee Hock (STA1)</i>	677,400	0.70
9 Chia Kee Koon	541,500	0.56
10 Meng Lee Motors Sdn Berhad	460,000	0.48
11 Yong Kim Siong	360,000	0.37
12 Lim Kian Huat	353,000	0.37
13 Public Nominees (Asing) Sdn Bhd <i>Pledged Securities Account for Loh Cheok Leng (KLC / TAS)</i>	330,000	0.34
14 Lim Khuan Eng	260,000	0.27

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2015

**THIRTY LARGEST SHAREHOLDERS/DEPOSITORS
as at 31 MARCH 2015**

Name of Shareholders/Depositors	No. of Shares	% of Issued Capital
15 HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M) Trustee Bhd for Zurich Insurance Malaysia Bhd (Vulture Fund)</i>	252,000	0.26
16 Citigroup Nominees (Asing) Sdn Bhd <i>Exempt an for OCBC Securities Private Limited (Client A/C-NR)</i>	240,300	0.25
17 Lim Seng Qwee	237,680	0.25
18 Chan Heng Koon	234,000	0.24
19 Key Development Sdn Berhad	223,500	0.23
20 Asia Selatan (M) Sdn Bhd	217,000	0.22
21 Geoffrey Lim Fung Keong	217,000	0.22
22 Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Kin Kheong (E-IMO)</i>	207,900	0.22
23 Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lu Yeep Hing</i>	186,300	0.19
24 HK Wong Holdings Sdn Bhd	160,000	0.17
25 Ooi Kim Em @ Ng Hock Kiew	140,000	0.15
26 Teh Chiap Chuan Sdn Bhd	140,000	0.15
27 Key Development Sdn Berhad	138,740	0.14
28 JP Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Teo Siew Lai (Margin)</i>	130,000	0.13
29 Khoo Kay Guan @ Khoo Chai Khee	125,000	0.13
30 Lee Leck Boon	121,000	0.13
TOTAL	78,988,480	81.87

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2015

BREAKDOWN OF SHAREHOLDINGS

Type of ownership	No. of Shareholders	No. of Shares	% of Issued Capital
Malaysian Individual			
Bumiputra	83	249,810	0.26
Chinese	1,853	20,311,906	21.05
Indian	37	235,340	0.24
Other Races	4	18,000	0.02
Subtotal	1,977	20,815,056	21.57
Malaysian Corporate			
Government Agencies / Institutions	1	13,313,100	13.80
Bumiputra	1	3,100	0.00
Non-Bumiputra	35	4,828,670	5.00
Subtotal	37	18,144,870	18.80
Foreign Individual			
United Kingdom	1	2,000	0.00
Singapore	20	1,033,880	1.07
Indonesia	1	4,000	0.00
Permanent Resident of Malaysia	6	24,200	0.03
Subtotal	28	1,064,080	1.10
Foreign Corporate			
Hong Kong	1	2,520	0.00
Singapore	1	28,842,660	29.89
Others	2	23,375,900	24.22
Subtotal	4	52,221,080	54.11
Nominee Company			
Malaysian Bumiputra Beneficiaries	97	1,082,663	1.13
Malaysian Non-Bumiputra Beneficiaries	120	2,281,150	2.37
Foreign Beneficiaries	13	886,101	0.92
Subtotal	230	4,249,914	4.42
Grand Total	2,276	96,495,000	100.00

LIST OF PROPERTIES

Owned by Tien Wah Press Holdings Group

The properties held by the TWPH Group as at 31 December 2014 are as follows:

Location	Tenure	Land Area / Built-up Area (Square feet)	Remaining Lease Period / Expiry Date	Description / Existing Use	Net Book Value as at 31 December 2014 RM'000	Age of Building	Date of Acquisition
Lot 4, Section 13, Municipality of Petaling Jaya, Selangor Darul Ehsan	Leasehold	112,468 / 103,356	44 Years / 16-08-2059	Office / Factory bearing address No. 11 Jalan Semangat Petaling Jaya, Selangor Darul Ehsan	16,780	55 years	17-08-1960
Lot 30, Section 13, Municipality of Petaling Jaya, Selangor Darul Ehsan	Leasehold	27,899 / 67,812	44 Years / 10-11-2059	Office / Factory bearing address No. 9 Jalan Semangat Petaling Jaya, Selangor Darul Ehsan	9,827	23 years	05-12-1989
Lot 24, Section 14, Municipality of Petaling Jaya, Selangor Darul Ehsan	Leasehold	1,658 / 1,374	59 Years / 22-07-2074	Residential quarters for staff bearing address No. 79 Jalan 14/20 Petaling Jaya, Selangor Darul Ehsan	426	39 years	30-08-2004
PT8, Section 14, Municipality of Petaling Jaya, Selangor Darul Ehsan	Leasehold	1,650 / 1,840	48 Years / 10-01-2063	Residential quarters for staff bearing address No. 8 Jalan 14/28 Petaling Jaya, Selangor Darul Ehsan	411	43 years	17-04-2006
Lot 307, 308, 309 Vietnam – Singapore Industrial Park	Leasehold	401,280 / 119,090	39 Years / 08-08-2054	Office / Factory bearing address 38 Huu Nghi Street, Vietnam – Singapore Industrial Park, Vietnam	7,749	9 years	29-06-2006
Lot 117 Holroyd, Smithfield NSW, Australia	Freehold	358,008 / 150,788	Not applicable	Office / Factory bearing address No. 32 Britton Street, Smithfield, NSW, Australia	40,529	24 years	12-03-1993
A Street, Binh Chieu Industrial Park, Thu Duc District	Leasehold	129,167 / 77,938	6 Years / 04-04-2021	Office / Factory bearing address A Street, Binh Chieu Industrial Park, Thu Duc District, Ho Chi Minh City, Vietnam	1,377	18 years	16-06-2009
Plot A, Binh Chieu Industrial Park, Thu Duc District	Leasehold	23,196 / 13,348	5 Years / 01-03-2020	Office / Factory bearing address Plot A, Binh Chieu Industrial Park, Thu Duc District, Ho Chi Minh City, Vietnam	115	15 years	16-06-2009

ADMINISTRATIVE DETAILS

for Tien Wah Press Holdings Berhad
Twentieth Annual General Meeting

Date : 28 May 2015

Time : 10.30 a.m.

Place : Atlanta East, Level 3, Armada Hotel, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan

REGISTRATION

1. Registration will start at 9.30 a.m. at the entrance of Atlanta East, Armada Hotel, Petaling Jaya.
2. Please proceed to the registration table to register yourself for the meeting and join the queue accordingly.
3. Please produce your original Identity Card (IC) to the registration staff for verification. Please make sure that you collect your IC thereafter.
4. Upon verification, you are required to write your name and sign on the Attendance List placed on the registration table.
5. You will be given a wristband and no person will be allowed to enter the meeting room without the wristband. There will be no replacement in the event that you lose or misplace the wristband.
6. After registration, please leave the registration area immediately and proceed to the meeting room.
7. You are not allowed to register on behalf of another person even with the original IC of the other person.

ENTITLEMENT TO ATTEND AND VOTE

8. Only members whose names appear in the Record of Depositors as at 5.00 p.m. on 21 May 2015 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time.

PROXY

9. If you are a member of the Company at the time set out above, you are entitled to appoint not more than two (2) proxies to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting.
10. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
11. To appoint a proxy, the original Proxy Form which is attached together with the Annual Report 2014 must be completed and signed, sent and delivered to the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan by 26 May 2015 at 10.30 a.m.
12. In the case of a member which is a company, the Proxy Form must be executed either under its seal or under the hand of an officer or attorney duly authorised.

ANNUAL REPORT 2014

13. The Annual Report 2014 is available on Bursa Malaysia's website at www.bursamalaysia.com under Company Announcements and also at the Tien Wah Press Holdings Berhad's website at www.tienwah.com. If you wish to request for printed copy of the Annual Report 2014, please forward your request by completing the Request Form provided by us.

FOOD AND BEVERAGE

14. Light refreshment will be served outside Atlanta East Room after the Twentieth Annual General Meeting.

PARKING

15. Please exchange your parking ticket for a "Complimentary Parking Ticket" at the registration counter outside Atlanta East Room.

ENQUIRY

16. If you have general queries prior to the meeting, please contact the following person during office hours:-

Name: Ms Karen Tan Tee Hooi or Siti Salmah binti Mohamad Ali
Share Registrar: Tricor Investor Services Sdn Bhd
E-mail: karen.tan@my.tricorglobal.com or siti.salmah@my.tricorglobal.com
Telephone number: +603-2264 3883



No. of Shares	
CDS Account No.	

Proxy Form

TIEN WAH PRESS HOLDINGS BERHAD

(Company No.340434-K)
(Incorporated in Malaysia)

I/We,(full name of shareholder as per NRIC, in capital letters) NRIC No./Company No.(new)(old) of(full address) being a member of the above-named Company, hereby appoint(full name of proxy as per NRIC, in capital letters) NRIC No.(new)(old) of(full address) or failing him/her(full name of proxy as per NRIC, in capital letters) NRIC No.(new)(old) of(full address) or failing him/her, *the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company, to be held at Atlanta East, Level 3, Armada Hotel, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28 May 2015 at 10.30 a.m. and at any adjournment thereat.

* Please delete the words "CHAIRMAN OF THE MEETING" if you wish to appoint some other person(s) only to be your proxy(ies).

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy(ies) will vote or abstain from voting at his/her discretion.)

My/our proxy is to vote as indicated below:

	RESOLUTIONS	FOR	AGAINST
	ORDINARY BUSINESS		
Ordinary Resolution 1	Declaration of a final single-tier tax exempt dividend of 4.00 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2014.		
Ordinary Resolution 2	Re-appointment of Mej Jen Datuk Abdul Kadir Bin Nordin (Bersara) who is retiring under Section 129(6) of the Companies Act, 1965.		
Ordinary Resolution 3	Re-election of Mr David Lim Teck Leong who is retiring under Article 93 of the Articles of Association of the Company.		
Ordinary Resolution 4	Re-election of Mr Yen Wen Hwa (Ngan Tzee Manh) who is retiring under Article 93 of the Articles of Association of the Company.		
Ordinary Resolution 5	Re-appointment of Messrs KPMG as Auditors.		
	SPECIAL BUSINESS		
Ordinary Resolution 6	Approval of the payment of Directors' Fees of up to RM900,000 for the financial year ending 31 December 2015 to be paid quarterly in arrears.		
Ordinary Resolution 7	Proposed Renewal of Shareholders' Mandate and Additional Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature.		

Dated this _____ day of _____ 2015

Signature/Common Seal _____

Contact No: _____

Number of shares held: _____

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:	
	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

NOTES:

1. A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
2. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting and where a member appoints two proxies the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the form of proxy shall be executed under the corporation's seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 May 2015

Please fold here to seal

stamp

THE COMPANY SECRETARY
TIEN WAH PRESS HOLDINGS BERHAD
LOT 6.05, LEVEL 6, KPMG TOWER
8 FIRST AVENUE, BANDAR UTAMA
47800 PETALING JAYA
SELANGOR DARUL EHSAN
MALAYSIA

Please fold here to seal



TIEN WAH PRESS HOLDINGS BERHAD (340434-K)

No. 9 & 11, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia

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Website : www.tienwah.com