

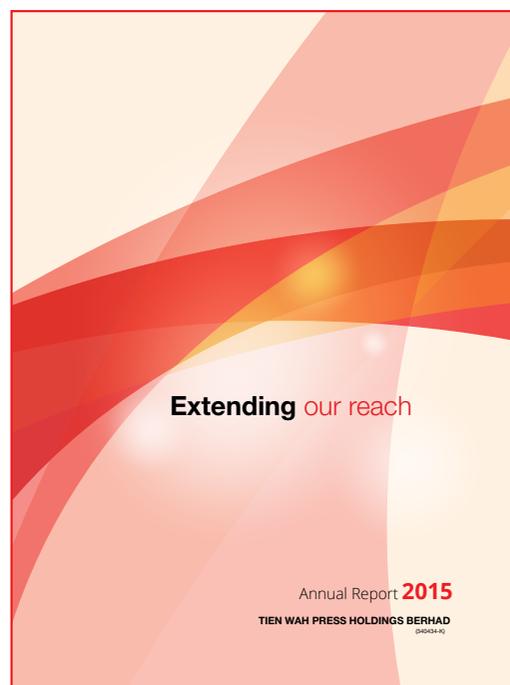
Extending our reach

Annual Report **2015**

TIEN WAH PRESS HOLDINGS BERHAD

(340434-K)

Cover Rationale



Extending our reach

Stability and ability to build on positive results yearly are our key strengths in TWPH. Based on our beliefs and values in Total Quality Management and working as a Team, TWPH continues to improve on productivity and profitability while Extending Our Reach to new opportunities which could lead to volume growth in new customers and geographical segments.

Highlights of the year

	Year ended 31.12.15 RM million	Year ended 31.12.14 RM million	Increase/ (Decrease) %
Revenue	367.4	353.7	3.87
Profit before tax	37.6	23.0	63.48
Profit for the year	35.8	15.8	126.58
Profit attributable to owners of the Company	34.0	13.5	151.85
Total equity attributable to owners of the Company	284.3	236.7	20.11
Return on shareholders' funds	(%) 12.0	5.7	6.30
Net earnings per share	(sen) 35.2	14.0	151.43
Net dividend per share	(sen) 18.0	7.0	157.14

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Financial Calendar

Financial Year 2015

ANNOUNCEMENT OF RESULTS

First Quarterly Report - Unaudited consolidated results for the quarter ended 31 March 2015	Tuesday, 12 May 2015
Second Quarterly Report - Unaudited consolidated results for the quarter ended 30 June 2015	Monday, 10 August 2015
Third Quarterly Report - Unaudited consolidated results for the quarter ended 30 September 2015	Wednesday, 11 November 2015
Fourth Quarterly Report - Unaudited consolidated results for the quarter ended 31 December 2015	Monday, 22 February 2016

DIVIDEND

Interim Dividend (Interim single-tier dividend of 4.00 sen per ordinary share of RM1.00 each) Date paid	Thursday, 29 October 2015
Proposed Final Dividend (Final single-tier dividend of 14.00 sen per ordinary share of RM1.00 each) Date of entitlement Date payable	Thursday, 9 June 2016 Thursday, 30 June 2016

ANNUAL REPORT AND ANNUAL GENERAL MEETING

2015 Annual Report Date of issuance	Tuesday, 26 April 2016
21st Annual General Meeting Date of notice Date of meeting	Tuesday, 26 April 2016 Wednesday, 18 May 2016

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.



Performance Beyond **Expectations**

The goal of our Company is to achieve legendary customer service, performance beyond expectations and utilizing the latest technology in assuring the highest quality printing that is of paramount importance in our business.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-First 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 Wednesday, 18 May 2016 at 10.30 a.m. to transact the following businesses:

AGENDA

As Ordinary Business

- | | |
|---|--|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Directors' and Auditors' Reports thereon. | (Please refer to Note 1 of the Explanatory Notes) |
| 2. To declare a final single-tier dividend of 14.00 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2015. | 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 Datuk Toh Ah Wah who is retiring under Article 86.1 of the Articles of Association of the Company. | Ordinary Resolution 3 |
| 5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 4 |

As Special Business

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

- | | |
|--|------------------------------|
| 6. Directors' Fees

To approve the aggregate Directors' Fees payable to the Directors of the Company of an amount not exceeding RM900,000 per annum. | Ordinary Resolution 5 |
| 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 26 April 2016 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 6

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this Twenty-First 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 11 May 2016. Only a depositor whose name appears on the Record of Depositors as at 11 May 2016 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 Twenty-First AGM, a final single-tier dividend of 14.00 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2015 will be paid to the shareholders on 30 June 2016. The entitlement of the said dividend shall be on 9 June 2016.

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 9 June 2016 in respect of transfers; and
- (b) Shares bought on Bursa Securities on cum entitlement basis according to the Rules of Bursa Securities.

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

Date: 26 April 2016

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. There shall be no restriction as to the qualification of the proxy.
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 ordinary 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 6 on the Proposed Shareholders' Mandate

The explanatory note on Ordinary Resolution 6 is set out in the Circular to the Shareholders 26 April 2016.

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 FUI

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 & ISSUING HOUSE

SERVICES SDN BHD (11324-H)

Unit 32-01, Level 32, Tower A, Vertical Business Suite

Avenue 3, Bangsar South, No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Tel : +60 (3)2783 9299

Fax : +60 (3)2783 9222

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)

UNITED OVERSEAS BANK (MALAYSIA)

BERHAD (271809-K)

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 : winong@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

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

JOINTLY CONTROLLED ENTITY

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

STOCK EXCHANGE LISTING

BURSA MALAYSIA SECURITIES BERHAD

(635998-W)

Main Market

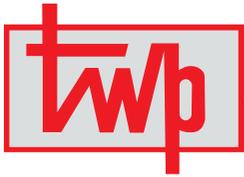
Listed since: 2 August 1996

Stock Code: 7374

Stock Name: TIENWAH

Group Corporate Structure

as at 26 April 2016



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

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, and trading of cigarette packaging boxes

Incorporated on 26 June 2008

Anzpac Services (Australia) Pty Ltd Company No: ABN 25000032164)

Equity 100%

Printing packaging and paper board converting

Incorporated on 31 March 1936

Alliance Print Technologies FZE (Company No. 178665)

Equity 100%

Packing and packaging material manufacturing

Incorporated on 8 March 2016

Toyo (Viet) Paper Product Co Ltd (Investment Licence No: 412043000459)

Equity 50%

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

Incorporated on 14 July 1993.

Benkert (Malaysia) Sdn Bhd (Company No: 438453-M)

Equity 30%

Manufacture and sales of standard and perforated tipping papers.

Incorporated on 8 July 1997



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, jointly controlled entity and associate company are those of rotogravure and photolithography printing and packaging trading and printing of tipping paper.

Corporate Profile

BACKGROUND AND BUSINESS OVERVIEW

The TWPH 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 TWPH Group developed further by establishing joint venture companies; Benkert (M) Sdn Bhd ("Benkert") in 1998 and Paper Base Converting Sdn Bhd ("PBC") in 1999. Benkert 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 TWPH, on 4 December 2008.

In 2007, TWPH 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 TWPH. NTIV is an investment holding company which owns 100% of Alliance Print Technologies Co. Ltd in Vietnam. This acquisition enabled the TWPH Group to enter into Vietnam, a market in Southeast Asia with strong growth, attractive tax regime and low production cost.

On 8 September 2008, TWPH 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, TWPH 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 ended 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, TWPH acquired Toyo (Viet) Paper Product Co. Ltd. ("TVP"), a company incorporated and domiciled in Vietnam. In May 2015, TWPH entered into a strategic joint venture agreement with TVP and Dong Nai Food Industrial Corporation Vietnam ("DOFICO") vide sale of 50% of TVP to DOFICO and was deemed completed as at 31 December 2015 and recognized as a Jointly Controlled Entity. This move represents one of the many strategies undertaken by the Group to increase its print volume and profitability.

TWPH 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. TWPH 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 TWPH 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 TWPH Group will continue to focus on developing its core competencies and consolidating its strengths to enable us to maintain our leading edge in the industry both locally and regionally.

The TWPH 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.



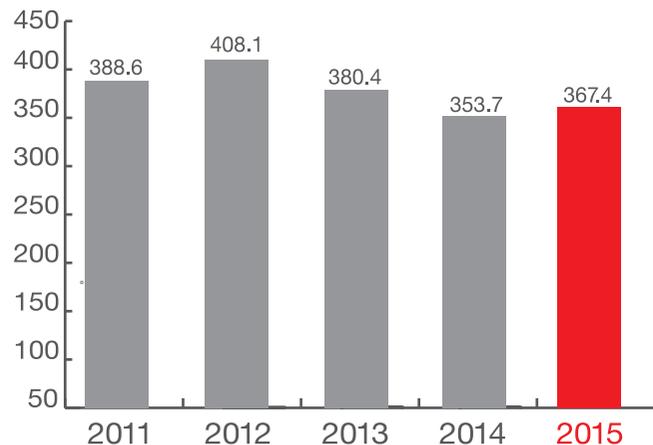
Five-Year Group Financial Highlights

	2015 RM '000	2014 RM '000	2013 RM '000	2012 RM '000	2011 RM '000
PROFITABILITY					
Revenue	367,374	353,686	380,371	408,081	388,575
Results from operating activities	33,192	19,983	39,479	46,813	47,626
Profit before tax	37,622	22,979	41,186	47,222	44,580
Profit for the year	35,831	15,820	33,823	40,375	38,374
Profit attributable to owners of the Company	33,975	13,531	24,526	27,168	26,421
Net annual dividends	17,369	6,755	12,332	12,332	12,303
KEY BALANCE SHEET DATA					
Share capital	96,495	96,495	96,495	96,495	96,495
Total equity attributable to owners of the Company	284,271	236,651	229,149	217,016	211,589
Intangible assets	19,443	26,874	32,697	36,636	41,708
Property, plant and equipment	242,099	236,965	221,075	229,090	249,466
Investment in joint venture	6,464	-	-	-	-
Investment in an associate	25,460	20,171	16,393	13,349	11,074
Other non-current assets	11,153	1,218	3,711	4,180	4,033
Current assets	199,087	181,639	176,078	172,447	153,803
Total assets	503,706	466,867	449,954	455,702	460,084
Non current liabilities	25,130	30,867	31,427	48,443	77,879
Current liabilities	132,137	131,271	118,041	118,582	107,575
Total liabilities	157,267	162,138	149,468	167,025	185,454
Loans and borrowings	71,606	73,961	72,901	92,246	111,887
Capital expenditure	14,612	31,967	13,998	8,933	31,344
Cash generated from operations	62,976	66,027	58,278	77,805	83,647
SHARE INFORMATION					
Gross earnings per share (sen)	38.99	23.81	42.68	48.94	46.20
Net earnings per share (sen)	35.21	14.02	25.42	28.15	27.38
Net assets per share (RM)	2.95	2.45	2.37	2.25	2.19
Net dividends per share (sen)	18.00	7.00	12.78	12.78	12.75
Share price as at end quarter or FYE (RM)	2.57	1.85	2.68	2.00	1.79
FINANCIAL RATIOS					
Return on revenue (%)	9.25	3.83	6.45	6.66	6.80
Return on paid-up capital (%)	35.21	14.02	25.42	28.15	27.38
Return on shareholders' funds (%)	11.95	5.72	10.70	12.52	12.49
Gearing (net borrowings to shareholders' funds) - times	0.25	0.31	0.32	0.43	0.53

Five-Year Group Financial Highlights

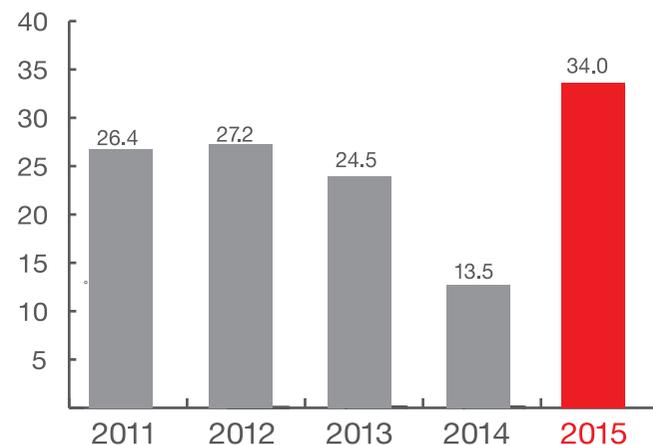
Revenue

Profitability (RM'million)



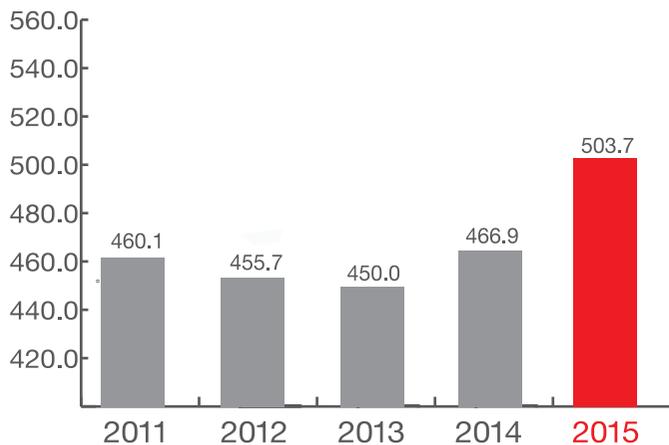
Profit Attributable to Owners of the Company

Profitability (RM'million)



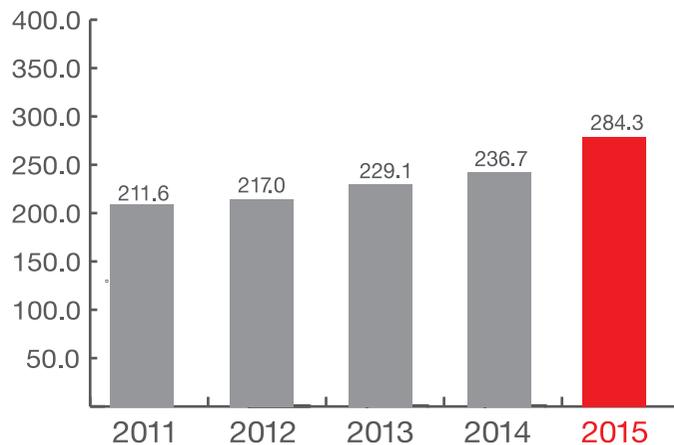
Total Assets

Key Balance Sheet Data (RM'million)



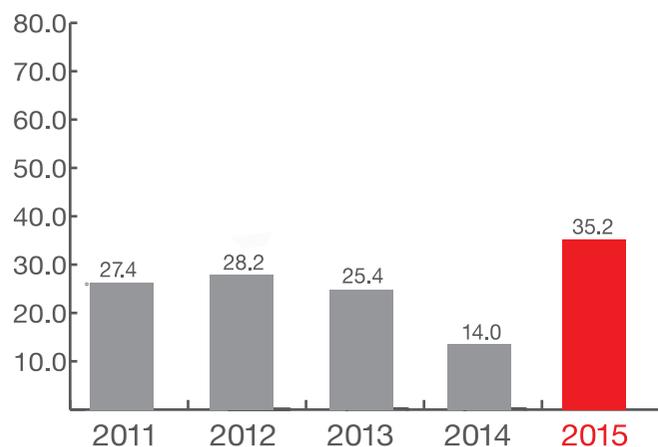
Total Equity Attributable to Owners of the Company

Key Balance Sheet Data (RM'million)



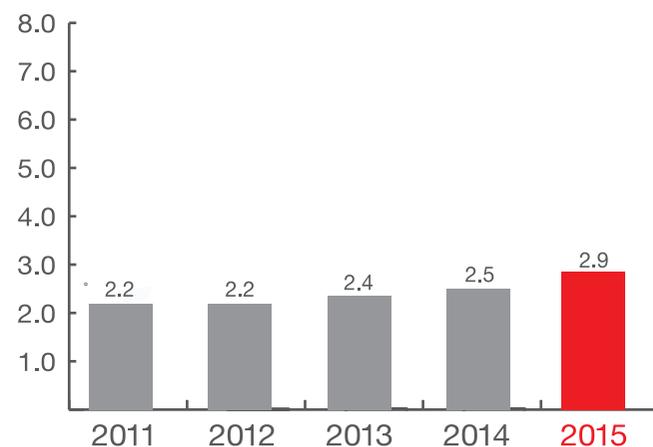
Net Earnings Per Share

Share Information (Sen)



Net Assets Per Share

Share Information (RM)



Investor Information

STOCK MARKET PERFORMANCE IN 2015

FTSE Bursa Malaysia Composite Index ("FBM KLCI") started 2015 at 1,753 points. Despite the negative news surrounding the world such as concern over falling crude oil price, Greece's potential exit from Eurozone and interest rate hike in the United States ("US"), FBM KLCI managed to climb to its highest level in year 2015 at 1,863 points on 21 April 2015, even though the Government had just implemented the Goods and Services Tax on 1 April 2015.

Damped sentiment continued until August 2015, with the uncertainties over the US interest rate hike and possible Greek debt default. With the devaluation of Chinese Yuan coupled with continued depreciation of Malaysian Ringgit, as well as slumping crude oil and commodity prices, FBM KLCI fell to 1,532 points on 24 August 2015, lowest for year 2015.

At the end of August 2015, the Chinese Government announced economic stimulus, followed by US Federal Reserve decided not to raise interest rates and the announcement of Government stimulus measure boosted market sentiment with the FBM KLCI recovering to 1,682 points on 17 September 2015.

Towards the final quarter of 2015, FBM KLCI stabilised and closed at 1,693 points as at 31 December 2015, recording an overall fall of 60 points or 3.4% compared to end 2014.

TIEN WAH PRESS HOLDINGS ("TWPH") SHARE PRICE PERFORMANCE IN 2015

TWPH share price started with RM1.86 on 1 January 2015, sliding down to its lowest price of RM1.60 in August 2015, as a result from disappointment of first and second quarter performance compared to same period of 2014.

With the announcement of the strong financial performance of the Group in third quarter 2015, TWPH share price rallied and recorded a five-year highest price of RM2.85 in November 2015 and closed at RM2.57 at the end of 2015. By the end of 2015, TWPH share price rose by RM0.71 or 38.2%.

TWPH's value in terms of market capitalisation rose accordingly by 38.2% or RM68.5 million to RM248.0 million as at the end of 2015 after the third quarter 2015 result announcement.

SHARE PRICE



38.2%

2015: RM2.57
2014: RM1.86

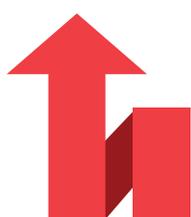
MARKET CAPITALISATION



38.2%

2015: RM248.0 MILLION
2014: RM179.5 MILLION

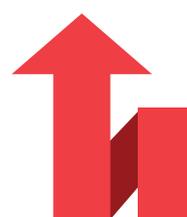
NET RETURN ON EQUITY



6.2%

2015: 11.95%
2014: 5.72%

EARNINGS PER SHARE



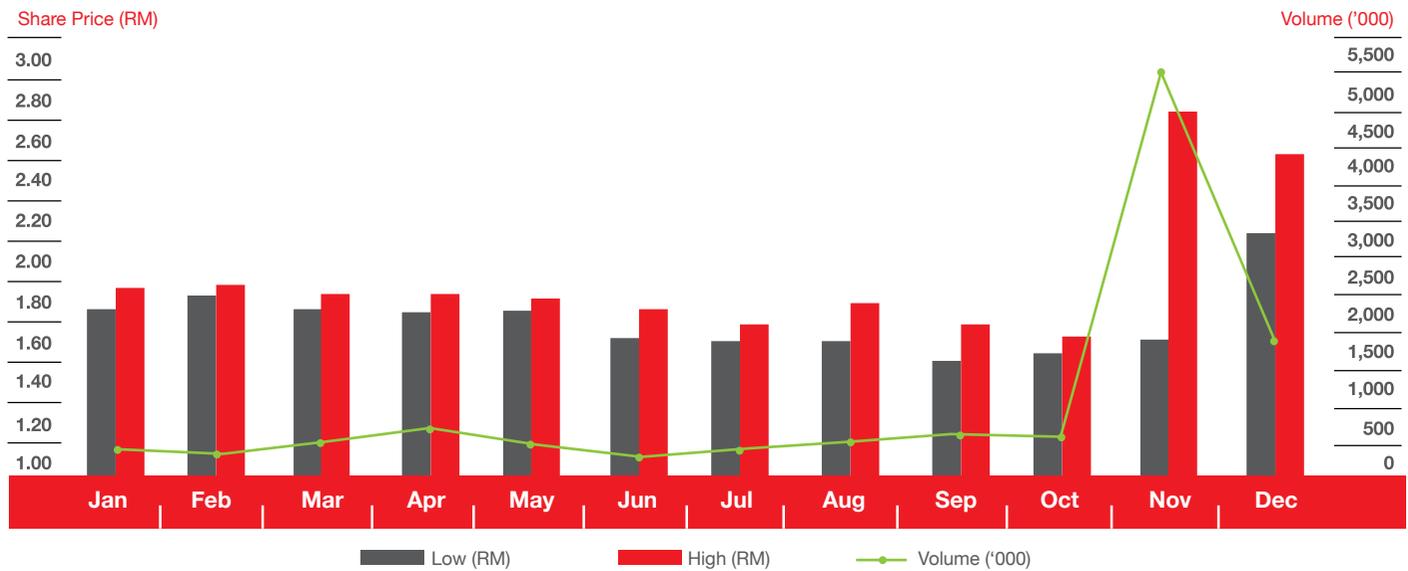
151.1%

2015: 35.21 sen
2014: 14.02 sen

Investor Information

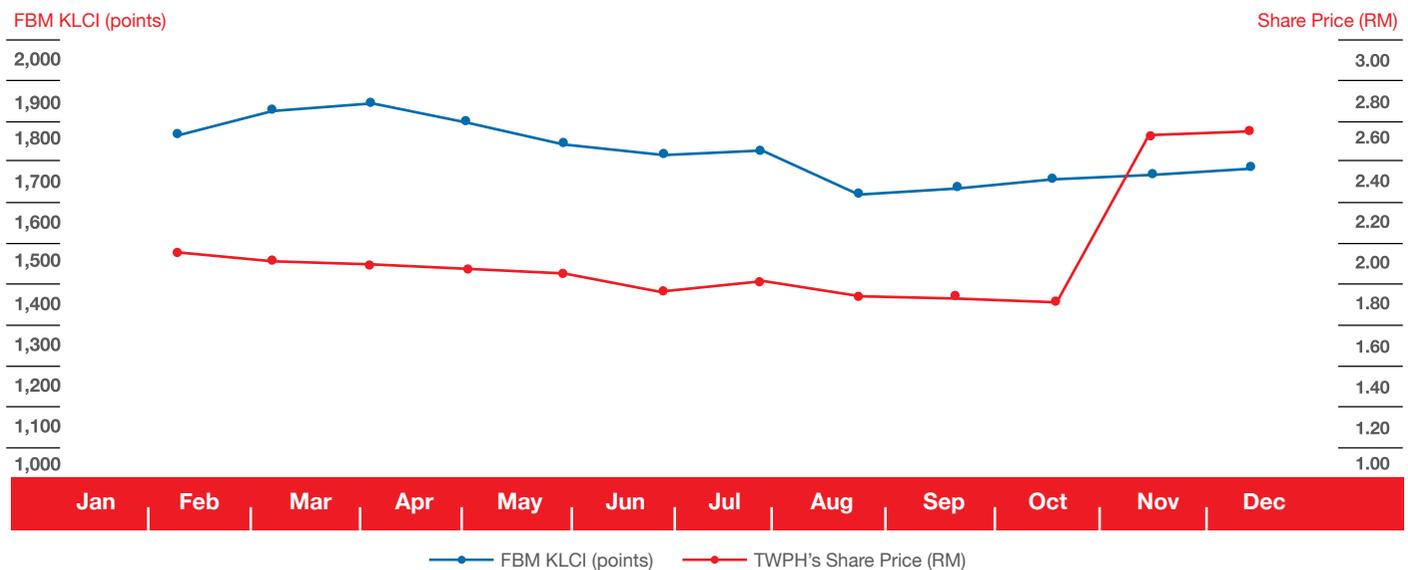
TWPH'S SHARE PERFORMANCE IN 2015

2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Low (RM)	1.86	1.91	1.86	1.85	1.84	1.70	1.68	1.60	1.67	1.65	1.71	2.28
High (RM)	1.96	1.98	1.93	1.93	1.90	1.85	1.79	1.79	1.72	1.72	2.85	2.65
Volume ('000)	181	113	276	498	291	116	205	295	405	335	5,377	1,573



MONTHLY CLOSING FOR TWPH'S SHARE PRICE VS KLCI IN 2015

2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
FBM KLCI (points)	1,781	1,821	1,831	1,818	1,748	1,707	1,723	1,613	1,621	1,666	1,672	1,693
TWPH's Share Price (RM)	1.95	1.91	1.88	1.86	1.84	1.74	1.79	1.70	1.72	1.71	2.56	2.57



Profile of Directors



Mr Yen Wen Hwa (Ngan Tzee Manh)

Executive Director, Chairman
Singaporean, Age 67 years

He was appointed to the Board of the Company and elected as Executive Chairman on 16 February 2015. He had earlier 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.

He has attended five (5) board meetings held in the financial year after his appointment.



Ms Angela Heng Chor Kiang

Non-Independent & Non-Executive Director
Singaporean, Age 57 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 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 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 six (6) board meetings held in the financial year.

Profile of Directors



**Mejan. Datuk Abdul Kadir bin Nordin
(Bersara)**

Non-Independent & Non-Executive Director
Malaysian, Age 74 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 six (6) board meetings held in the financial year.



Datuk Toh Ah Wah

Independent & Non-Executive Director
Malaysian, Age 58 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 serves as a Council member of the Badminton Association of Malaysia since 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 six (6) board meetings held in the financial year.

Profile of Directors



Mr David Lim Teck Leong

Non-Independent & Non-Executive Director
Singaporean, Age 59 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 all the six (6) board meetings held in the financial year.



Mr Lee Chew Fui

Independent & Non-Executive Director
Malaysian, Age: 59 years

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. He 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 six (6) board meetings held in the financial year.

Profile of Group Management Board



MR LEE CHEE WHYE
Chief Executive Officer
Tien Wah Press Holdings Berhad
Singaporean, Age 49 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 17 years of senior management, operations and marketing experience. He was the Executive Director and CEO of 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 business plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure smooth operation 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 57 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 of the Group.

Profile of Group Management Board



MR NG CHEONG SENG
Group Finance Director
Tien Wah Press Holdings Berhad
Malaysian, Age 43 years

Mr Ng graduated from the University of London with a Masters in Financial Management. He is a member of the Association of Chartered Certified Accountants (ACCA), Institute of Chartered Accountants in England and Wales (ICAEW) and the Malaysian Institute of Accountants (MIA).

Mr Ng served as the Chief Financial Officer of Warisan TC Holdings Bhd from May 2013 to June 2015. Prior to this, he served 10 years in Pelikan Group of companies. He joined Pelikan Holding AG as Vice President of Corporate Planning in 2003, then the Head of Group Corporate Services and Joint Secretary of Pelikan International Corporation Berhad, and finally the Chief Financial Officer of Herlitz AG, one of the main subsidiaries of Pelikan Group in Europe. He began his career with an audit firm, Coopers & Lybrand in 1995 and thereafter joined a regional logistics group of companies in 1999 until 2002. He has 20 years of working experience in the areas of finance, accounting, corporate finance, auditing and taxation.

Mr Ng joined on 1 August 2015 as the Group Finance Director and is responsible to lead the Finance and Risk Management functions of the Group. He will provide the Group with the strategic commercial direction and help steer our business towards further growth.



MR ANDREW YEO PENG KHOON
Group Human Resources Director
Tien Wah Press Holdings Berhad
Malaysian, Age 39 years

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.

Mr Yeo joined on 16 April 2015 as the Group Human Resources Director and is responsible to shape and implement the talent and organisational strategy and to strengthen end-to-end HR practices for the Group.

Profile of Group Management Board



MR FRANK FEDERICO
Group Sales Director
Tien Wah Press Holdings Berhad
Malaysian, Age 49 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 IAN JOHN HARRIS
Group Business Development Director
Tien Wah Press Holdings Berhad
British, Age 68 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 experience 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.



Innovation Based **Resource**

The ever-changing and competitive printing industry encouraged us to move our business forward through innovation. Thus, we continue to invest in our technology usage. And we cultivated a comfortable and convenient working environment for our employees, to ensure an efficient productivity of our operation.

Chairman's Review Statement

Dear Shareholders,

On behalf of the Board of Directors of Tien Wah Press Holdings Berhad ("TWPH"), it is my pleasure to present the Group's performance for our financial year ended 31 December 2015.



Yen Wen Hwa
Chairman

Chairman's Review Statement

PERFORMANCE REVIEW

In 2015, I am pleased to announce that we made a significant improvement in our profit from the year before. While the main industry in which we operate continued to undergo challenges with declining demand, we managed to increase the Group revenue by 3.9% to RM367.4m and net profit increase of 126.5% to RM35.8m. While the strong US Dollar had a positive impact to the Group, we also managed to improve on our efficiencies and quality control. All these factors contributed to the positive results for 2015 as compared to 2014.

The Group also benefited from the various strategies that were introduced from 2014. The successful implementation of these strategies allowed the Group to maximize our profits with further reductions in wastage and improvement to production efficiency. The Group also made investments in key production capabilities and quality equipment, which allowed for us to continue meeting the high expectations of our key customer.

In 2015, the Group also participated in a RFP, "Request For Proposal" exercise by another major global tobacco company for their Offset printing requirements for 2016. I am pleased to announce that we were successful in that exercise and was allocated a larger share of the available volume. While the aforesaid volume are not substantial in the Group's overall current revenue, the significance of the exercise was that the Group had successfully secure a position with another key global tobacco group and the potential of increasing the volumes further as they conduct more RFP exercise in 2016.

All these events contributed to an overall increase of net profit attributed to owners of the company by 151.1% to RM34.0m for 2015. Net tangible assets have also increased by 26.2% to RM264.8m while debt levels had reduced 3.2% to RM71.6m. The business also continued to generate cash positively from operations in 2015 of RM63.0m.

DIVIDENDS

On behalf of the Board of Directors, we would like to thank the continued support from our shareholders, who showed their trust in the Board, even though we went through a difficult and challenging time in 2014. In appreciation for this support, the Board has recommended a final single-tier dividend of 14.00 sen per ordinary share of RM1.00, each making the total dividend payout for the year at 18.00 sen per ordinary share of RM1.00 each. This represents a payout ratio of 51.1% of profits. This is aligned to the Dividend Policy that the Board has adopted and announced in February 2016.

OUTLOOK FOR 2016

While 2015 was a better year for the Group, the market in which we operate in, continues to be competitive in the volatile global environment. As the Group enter into the final year of our long term supply contract with our major customer, we would be facing strong competition while we negotiate for the 3 years extension of the contract. This would be a major focus for the Group in 2016 and also to expand on our other strategies of footprint expansion and increasing market share among other major global tobacco companies. We would also continue to drive down cost, improve efficiencies and quality as we strive towards being the most competitive player in the industry.

Despite the competition, the Group remains positive that we have the knowledge, capabilities, resources and team work to continue to be successful in our vision of growth in revenue and profit.

APPRECIATION

On behalf of the Board of Directors, I would like to express our deepest appreciation to all our stakeholders, valuable customers and cooperation of suppliers. We would not have achieved what we have if not for the continual support of you all in these times of challenges. To the employees of TWPH Group, we would like to express our utmost gratitude as all of you rose to the challenge and formed the foundation of our success in 2015.

Thank you very much.



Yen Wen Hwa
Chairman



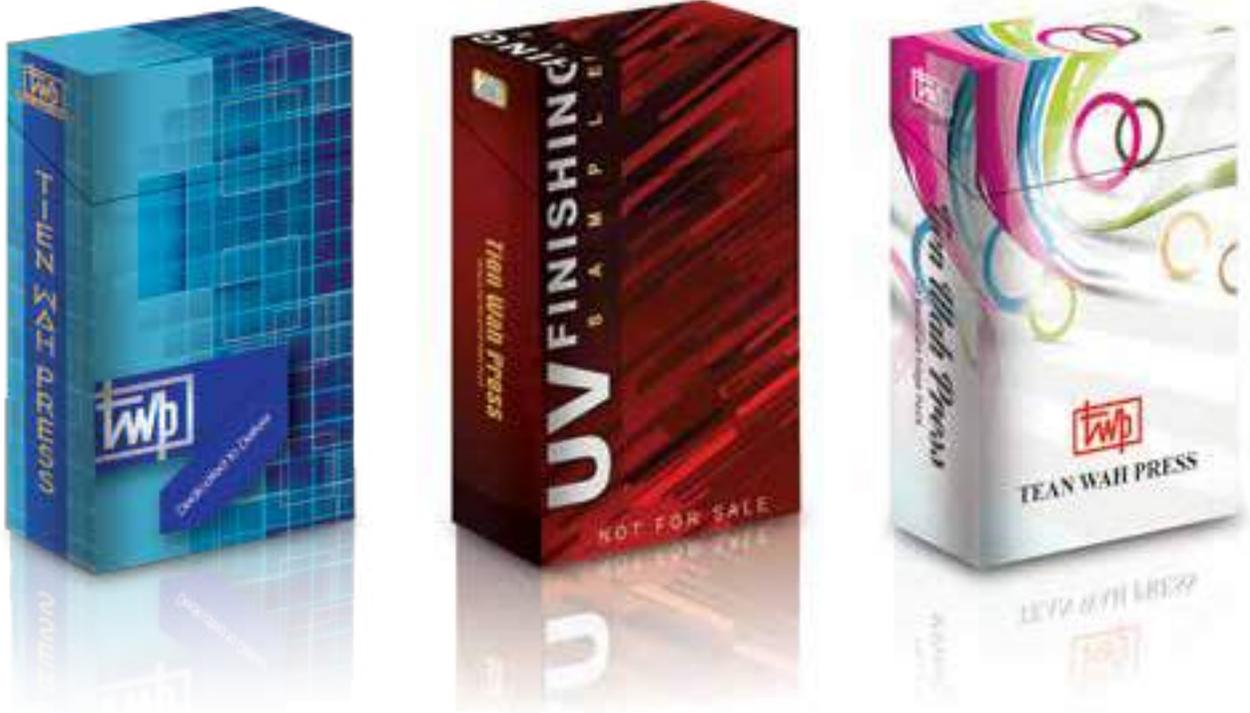
Business Operations Review By Chief Executive Officer

In 2015, Tien Wah Press Holdings Berhad (“TWPH”) improved on the revenue and profit despite the industry continuing to face regulatory and demand challenges. As the competition intensified and customers raising their expectation, TWPH had to make radical changes in terms of its’ operations to meet these mounting challenges. We are pleased that the strategies introduced were successful in improving our overall quality level, operational efficiency and technical capabilities. These were instrumental in increasing the confidence of all our key customers.

Lee Chee Whye
Chief Executive Officer



Business Operations Review By Chief Executive Officer



Quality

The Group continued to focus on improving our product quality by again setting a target of 50% reduction in quality complaints against the preceding year. New operating processes were implemented and additional inspection equipment was procured, which led to us surpassing the target for 2015. While TWPH achieved the 2015 target, the journey towards quality excellence continues as major competitors grow their presence in Asia Pacific. We will continue to invest new capital expenditure in 2016 in areas relating to quality improvements as we strive to deliver above the industry standards.

2015 Performance Overview

TWPH Group recorded sales in 2015 at RM367.4 million, an increase of 3.9% and profit before taxation of RM37.6 million, representing a 63.7% increase as compared to 2014. While the strengthening of the US Dollar had a positive impact to the overall results, there were also other key factors in areas of operational efficiency, reduction in quality complaints and optimizing cost based that was instrumental in the improvement in results against 2015.

The results were achieved despite the Group operating in a challenging and volatile industry where legislative changes, increasing excise duties and prevalence of illicit products continue to have a negative impact.

In 2015, the TWPH Group recorded net profit attributable to shareholders of RM 34.0 million, an increase of more than 150%. In addition, the Group's year end net tangible assets increased by 26.2% to RM264.8 million and cash generated from operations decrease marginally from RM66.0 million to RM63.0 million.

Extending our Reach in 2016 and beyond

The Group expects 2016 to be highly competitive and challenging in view of the volatile global environment. As our current long term supply contract with our key customer will expire towards the end of the year, we are expecting strong competition as we negotiate the extension of supply for three additional years. While the competition has been actively positioning themselves in Asia Pacific, we are confident that the strategies put in place would enable us to prevail.

Business Operations Review By Chief Executive Officer



Whilst our key focus would be on securing the extension of the supply agreement with our key customer, we would also continue to execute our strategies of increasing our market share among other key customers and expanding our footprint, would be the other critical success factors for the Group's future growth. We would also continue to drive cost reduction, improve efficiency, quality excellence and improving our technical capabilities to meet the increasing demands of the industry.

The Group would also continue to focus on human capital development as this is key to the success of all our strategies. The organization restructuring in 2015 has shown how it has provided the Group with the foundation for successfully developing a sustainable organisation. As the competition increases and industry goes through further consolidation, our people would be the best leverage of the Group to provide the confidence to our customers in continuing the business with us.

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

Lee Chee Whye
Chief Executive Officer

Management Discussion and Analysis

Revenue Composition from 2011 to 2015

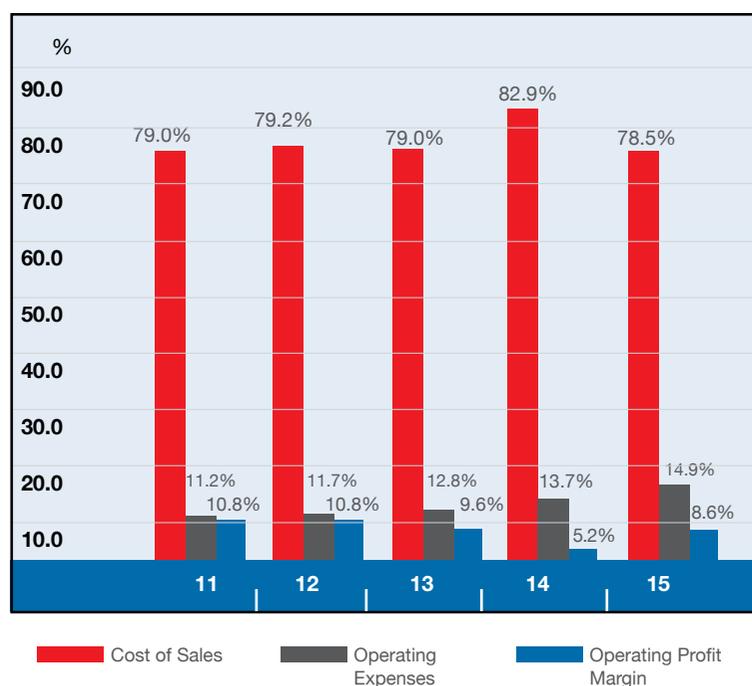


REVENUE PERFORMANCE

Total revenue amounted to RM367.4 million in 2015, increase by 3.9% (2014: RM353.7 million). The increase was mainly due to the strengthening of the USD as well as new businesses from other multinational companies.

TWPH 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 is meant for non-tobacco customers include beer and milk labels, health and pharmaceutical products and food and beverage packaging. The revenue for both segments in 2015 rose from RM301.2 million to RM312.7 million for tobacco segment and for non-tobacco segment, rose from RM52.5 million to RM54.7 million.

Cost Composition and Operating Profit Margin from 2011 to 2015



COST AND MARGIN

Cost of sales improved from 82.9% to 78.5% in 2015 due to the cost reductions from the transfer of business from high operating cost to a lower operating cost base, which was completed during the year, strengthening of the USD and a decrease in depreciation arising from a revision in the useful life plants and machineries. Operating profit margin rose to RM31.5 million or 8.6% of revenue in 2015 (2014: RM18.3 million or 5.2%).

In 2015, the total cost base was marginally increased by 0.4% to RM343.2 million (2014: RM341.8 million) whilst revenue increased by 3.9% as highlighted above. Operating expenses against revenue increased from 13.7% to 14.9%, as a result of redundancy of RM6.7 million (2014: RM2.0 million) following Group's business restructuring that took place from 2014 and completed during the financial year.

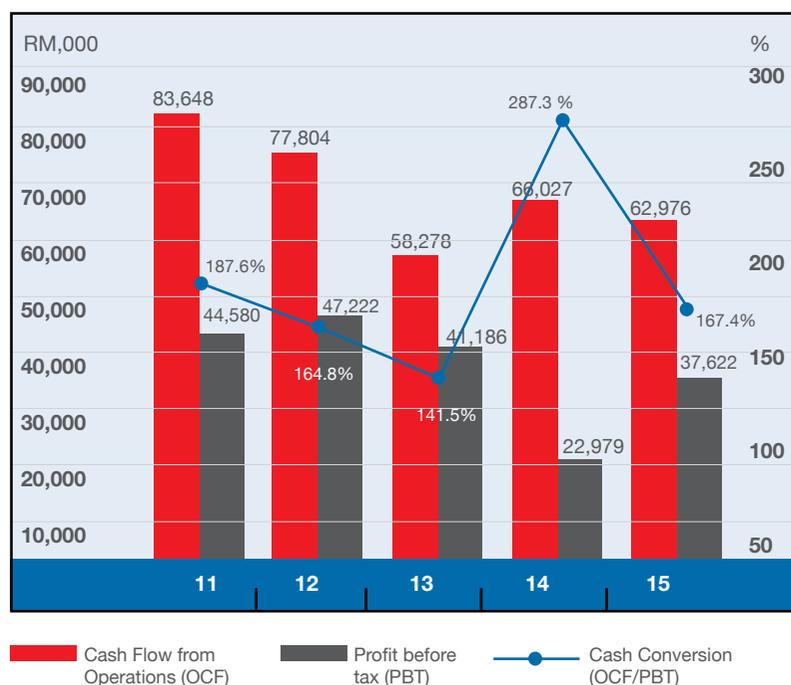
NET PROFIT

TWPH reported net profit of RM35.8 million, an increase of RM20.0 million versus last year. This was a result of the improvement in margin as well as effective cost control during the financial year although it was reduced by the retrenchment cost incurred to achieve the Group's strategic objectives. The net profit after non-controlling interests stood at RM34.0 million, an increase of 151.1% compared to 2014.

Management Discussion and Analysis

CONSOLIDATED INCOME STATEMENT	12 months 2015 RM'000	12 months 2014 RM'000	Increase / (Decrease) %
Revenue	367,374	353,686	3.9
Cost of sales	(288,519)	(293,256)	(1.6)
Gross profit	78,855	60,430	30.5
Operating expenses	(54,702)	(48,534)	12.7
Other operating income	7,373	6,441	14.5
Operating profit	31,526	18,337	71.9
Share of profit after tax for associate	6,096	4,642	31.3
Profit before tax	37,622	22,979	63.7
Tax expense	(1,791)	(7,159)	(75.0)
Profit after tax	35,831	15,820	126.5
Attributable to :-			
Owners of the Company	33,975	13,531	151.1
Minority Interest	1,856	2,289	(18.9)
	35,831	15,820	126.5
Net earning per share	35.21	14.02	151.1
Operating profit margin	8.58%	5.18%	3.40
Profit before tax / Revenue	10.24%	6.50%	3.74
Profit after tax / Revenue	9.75%	4.47%	5.28

Cash flow management from 2011 to 2015

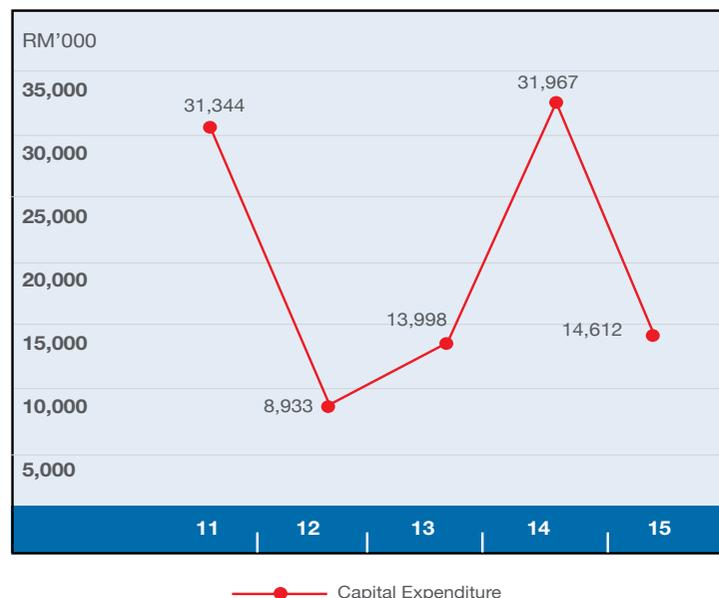


OPERATING CASH FLOW

The closing cash and cash equivalents amounted to RM71.2 million, an increase of RM18.2 million from 2014. The higher cash inflow in 2014 was largely due to strengthening of USD. The Group's cash flow from operations stood at RM63.0 million, representing 167.4% of profit before tax.

Management Discussion and Analysis

Capital expenditure from 2011 to 2015



CAPITAL EXPENDITURE (“CAPEX”)

In terms of capital expenditure, TWPH invested RM14.6 million (2014: RM32.0 million) in 2015. The CAPEX investments in 2015 were mainly on the enhancement of existing printing machine, and tooling to improve our capabilities for complex tobacco packaging.

CONSOLIDATED CASH FLOW STATEMENT

	12 months 2015 RM'000	12 months 2014 restated RM'000	Increase / (Decrease) %
Profit before tax	37,622	22,979	63.7
Adjustment for:-			
Net interest expense	1,666	1,646	1.2
Change in fair value of investment in joint venture	(34)	-	-
Gain in disposal of a subsidiary	(2,052)	-	-
Property, plant and equipment			
- Depreciation	26,526	25,005	6.1
- Gain on disposal	474	10	4,640.0
Inventory write down/off	1,506	2,409	(37.5)
Retirement benefits provided	115	116	(0.9)
Provision for annual leave	2,102	2,502	(16.0)
Provision for long-service leave	225	546	(58.8)
Share of profit after tax for associate	(6,096)	(4,642)	31.3
Amortisation of intangible assets	9,198	6,569	40.0
Unrealised foreign exchange loss	926	3,064	(69.8)
Changes in working capital	(9,202)	5,823	(258.0)
Cash generated from operations	62,976	66,027	(4.6)
Net interest paid	(1,666)	(1,646)	1.2
Employee benefits used	(4,447)	(6,527)	(31.9)
Income tax paid	(3,710)	(4,427)	(16.2)
Net capital expenditure	(14,169)	(31,907)	(55.6)
Net Investing activities (excluding net capital expenditure)	6,071	762	696.7
Net financing activities (excluding dividend and interest paid)	8,361	6,091	37.3
Dividend paid	(22,827)	(13,821)	65.2
Increase in cash and cash equivalents	30,589	14,552	110.2
Effect of exchange rate fluctuations on cash held	(12,359)	(5,700)	116.8
Cash and cash equivalents at 1 January	52,995	44,143	20.1
Cash and cash equivalents at 31 December	71,225	52,995	34.4

Management Discussion and Analysis



HIGH DIVIDEND PAYOUT

TWPH continued its strong commitment to pay high dividends at a level of 51.1% (2014: 49.9%) of its earnings for the year. With the aim to reward our shareholders, the Company paid an interim single tier dividend of 4 sen in October 2015 and the Board of Directors proposed a final single tier dividend of 14 sen per ordinary share of RM1.00 each which is subject to shareholders approval at the next Annual General Meeting, payable in June 2016. Total dividend proposed for the financial year 2015 amounts to 18 sen per ordinary share of RM1.00 each or RM17.4 million.

This equates to a total return of 7.0% (2014: 3.8%) to shareholders based on the closing price of RM2.57 at the end of 2015 (2014: RM1.85).

The Board of TWPH has also established a formal dividend policy, which was announced on 22 February 2016 as follows:

"The Board of Directors of the Company is pleased to announce that TWPH has adopted a dividend policy and will endeavour to distribute 50% of the Company's net profit after taxation and minority interest annually commencing from the financial year ending 31 December 2016, subject to availability of distributable reserves.

The dividend policy is intended to provide sustainable dividends to shareholders consistent with the Company's earnings while maintaining an efficient capital structure and ensuring sufficiency of funds for future growth.

Dividends will be paid only if approved by the Board of Directors of the Company or shareholders, as the case may be, out of funds available for such distribution. The timing of dividend payments will depend upon TWPH's cash flow position, results of operations, business prospects, current and expected obligations, and such other matters as the Board of Directors may deem relevant."

PERFORMANCE OF AN ASSOCIATE COMPANY

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

Turnover in 2015 increased to RM109.1 million from RM94.1 million in the preceding year. Profit after tax increased to RM20.3 million from RM15.5 million in the preceding year.

ESTABLISHMENT OF A JOINTLY CONTROLLED ENTITY

In May 2015, the Company entered into a strategic joint venture with Toyo (Viet) Paper Product Co. Ltd ("TVP") and Dong Nai Food Industrial Corporation Vietnam ("DOFICO") vide sale of 50% of TVP to DOFICO for strategic reasons to secure additional sales volume with a new customer in Vietnam to achieve volume and production stability. As at 31 December 2015, the disposal was recognized and the gain on disposal realized. The Group expects the jointly controlled entity to contribute positively by end of second quarter of 2016.

Corporate Governance Statement

The Board of Directors (“the Board”) of Tien Wah Press Holdings Berhad (“TWPH” or the “Company”) is committed to achieve and maintain high standards of corporate governance within TWPH and its subsidiaries (the “Group” or “TWPH Group”). The Board views corporate governance as synonymous with four key concepts: **Transparency, Accountability, Integrity and Corporate Performance**. The Board believes that a high standard of corporate governance will create and deliver long-term sustainable shareholders’ 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 Corporate Governance Statement (“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 2015. 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

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 position of the CEO in essence is to ensure the effective implementation of the Group’s business plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operation. The Board regularly 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.

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 and revised on 10 August 2015. 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 and review policies 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 Group Management Board;
- 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 delegated certain responsibilities to the Board Committees which have been set up that are Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC") and Risk and Finance Committee ("RFC").

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 and the Board remains fully responsible for the direction and control of the Company and the TWPH Group.

Formalised ethical standards through Code of Ethics

Code of Ethics and Code of Conduct

The Board has adopted a Code of Ethics for the Board on 26 February 2013 which was subsequently revised on 6 August 2014. 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 established a Whistle Blower Policy on 26 February 2013 which was subsequently revised on 6 August 2014 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. The Whistle Blower Policy enables employees to make their concerns known without fear of retaliation and with the knowledge that their complaints will be acted upon and their identities are kept confidential.

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.

The Senior Independent Director shall determine the channel for investigation and follow-up action. In order to ensure independence to the inquiry, the Senior Independent Director shall assign the Head of Internal Auditor as the investigator, unless for reasons of conflict of interest, inadequate competence, or enhancing corporate governance, may form an Investigation Committee. The outcome of the investigations and actions taken by the Company will be reported to the AC and further submitted to the Board for further deliberation and action, if necessary.

During the year, the Company deliberated and conducted investigation proceedings on cases of reported alleged professional misconduct in accordance to the Whistle Blower Policy.

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

Corporate Governance Statement

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. During financial year ended 31 December 2015, none of the Directors dealt in securities of the Company during the closed period.

Strategies promoting sustainability

The Board has adopted a Sustainability Policy for the Group on 26 February 2013 which was subsequently revised on 6 August 2014. 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 section of this Annual Report.

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 Board 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 Board Committee members with at least 7 days prior to the meeting. 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 RFC play a pivotal role in channeling 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, the 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. The Board had discussed various matters at length and provided guidance, including requesting for specific actions to be considered and executed.

Qualified and competent Company Secretaries

The Company Secretaries ensure the flow of information to the Board and its Board 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. In certain instances, the Board may clarify Bursa Malaysia Listing Requirements with the Company Secretaries and they are actively involved to advise the Board, when appropriate.

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.

Corporate Governance Statement

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 regularly by the Board and will be amended as and when required. The last revision was completed on 10 August 2015.

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, which has been established after taking into consideration the mix of skills, character and experience required to effectively steer the Group's directions, fairly reflects the interests of the minority shareholders in the Company and provides the appropriate balance and size to govern the Company effectively.

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

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 the Group Management Board.

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, the Board Committees, the CEO and the contribution of each individual Director on an annual basis.

The NC accepts nominations from shareholders and Directors and assesses the nominated candidates and makes the necessary recommendations to the Board. The Board as a whole is responsible for the appointment of the new Directors after taking into consideration the recommendations of the NC.

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

		No. of Meetings Attended
Lee Cheow Fui (Appointed on 16 January 2015)	Chairman, Independent Non-Executive Director	1/1
Mej Jen Datuk Abdul Kadir bin Nordin (Bersara)	Non-Independent Non-Executive Director	1/1
Datuk Toh Ah Wah (Appointed on 16 January 2015)	Independent Non-Executive Director	1/1

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.

Corporate Governance Statement

The Board has adopted a Diversity Policy on 10 August 2015 to set out the approach to diversity on the Board and workforce of TWPH Group. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, age, race, gender and other qualities of Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills and experience the Board as a whole requires in order for the Board to be effective. The ages of the Directors ranged from 57 up to 74.

The Board as a policy will select candidates 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 or any particular ethnicity specifically. The NC will consider female candidates as new Directors of the Company as and when the opportunity arises. The Board is open minded on gender diversity and has a female Director on Board.

The Board, with the assistance of the NC and working with the CEO and Human Resources department, oversees executive officer development and corporate succession plans for the CEO and other executive officers to provide for continuity in senior management.

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 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 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.

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

Re-election of Directors

The Articles of Association provides that all Directors shall retire from office once at least in 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 on Board 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, Datuk Toh Ah Wah will retire at the forthcoming AGM and be eligible for re-election. Mejj 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 NC and the Board nominated Datuk Toh Ah Wah for re-election and Mejj Jen Datuk Abdul Kadir bin Nordin for re-appointment as directors at the forthcoming AGM.

Corporate Governance Statement

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 the Board 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. The NC specifically considers the following key areas in its assessment of the Directors performance:-

- Strategic input;
- Ethical and Value-Driven;
- Competence and Capability;
- Time Commitment;
- For Independent Directors, two additional considerations:-
 - Independence; and
 - Tenure not exceeding 9 years

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 2015.

Remuneration Committee

Remuneration policies and procedures

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, CEO and the Group Management Board 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 thrice during the financial year under review and the meeting attendance was as follows:-

		No. of Meetings Attended
Mej Jen Datuk Abdul Kadir bin Nordin (Bersara)	Chairman, Non-Independent Non-Executive Director	3/3
Angela Heng Chor Kiang (Appointed on 16 February 2015)	Non-Independent Non-Executive Director	2/2
Lee Cheow Fui	Independent Non-Executive Director	3/3
Lee Chee Whye (Resigned on 16 February 2015)	Non-Independent Executive Director	1/1

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 2015, the RC deliberated on matters such as guidelines on increment and industry standards, remuneration for expatriates, compensation for Directors, bonus payments and special incentive scheme for key Senior Management.

Corporate Governance Statement

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 20 to the financial statements.

The aggregate remuneration of the Directors for the financial year ended 31 December 2015 is categorised as follows:-

	Salaries RM	Fees and Allowances RM	Benefits-in-kind RM	Provision for ex-gratia RM	Total RM
Executive Director	344,680	-	8,040	-	352,720
Non-Executive Directors	-	323,309	4,011	51,437	378,757
Total	344,680	323,309	12,051	51,437	731,477

Breakdown of Directors' remuneration for the financial year ended 31 December 2015, by category and in each successive band of RM50,000 is as follows:-

Range of Remuneration (RM)	No. of Directors	
	Executive Directors	Non-Executive Directors
50,000 and below	-	1
50,001 – 100,000	-	4
100,001 – 150,000	1	-
200,001 – 250,000	1	-
Total	2	5

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

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.

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.

Corporate Governance Statement

Tenure of Independent Directors

In line with the MCGG 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.

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.

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 apply 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.

With the appointment of Mr Yen Wen Hwa, the Board will be led by an Executive Chairman. Mr 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 MCGG 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.

Corporate Governance Statement

FOSTER COMMITMENT

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 2015, the Board met on six (6) occasions, where it deliberated upon and considered a variety of matters including the TWPH Group's financial results, major investments/divestment, 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 advice 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 is supported by professionally qualified and competent Company Secretaries, who are responsible for ensuring that the Board meeting procedures, applicable rules and regulations are adhered to. The Company Secretary attended every Board and Board Committee meetings during the financial year under review and also kept the Board and Board Committees abreast of all relevant regulatory updates to laws and requirements, where applicable.

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
Yen Wen Hwa @ Ngan Tzee Manh <i>(Appointed on 16 February 2015)</i>	Chairman, Non-Independent Executive Director	5/5
Tengku Tan Sri Dr. Mahaleel bin Tengku Ariff <i>(Retired on 16 February 2015)</i>	Chairman, Non-Independent Non-Executive Director	1/1
Angela Heng Chor Kiang	Non-Independent Non-Executive Director	6/6
Lee Chee Whye <i>(Re-designated as CEO on 16 February 2015)</i>	Executive Director and CEO	1/1
Mej. Jen Datuk Abdul Kadir bin Nordin (Bersara)	Non-Independent Non-Executive Director	6/6
Datuk Toh Ah Wah	Independent Non-Executive Director	6/6
Lee Cheow Fui	Independent Non-Executive Director	6/6
David Lim Teck Leong	Non-Independent Non-Executive Director	6/6

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. Induction programme was 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 have continuously undergone training programmes to enhance their skills and knowledge at their discretion and collective training is arranged if deemed necessary by either the NC or the Board.

Corporate Governance Statement

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 2015, the trainings or conferences/seminars attended by the Directors in areas of Corporate Governance, Finance and regulatory development, are as follows:-

Training Programme/Conference Seminar	
Yen Wen Hwa @ Ngan Tzee Manh	1. Boardroom Smart Business Solutions – Corporate Governance and Risk Management and Internal Control of public-listed companies
Angela Heng Chor Kiang	1. Boardroom Smart Business Solutions – Corporate Governance and Risk Management and Internal Control of public-listed companies
Mej. Jen Datuk Abdul Kadir bin Nordin (Bersara)	1. Boardroom Smart Business Solutions – Corporate Governance and Risk Management and Internal Control of public-listed companies 2. Bursa Malaysia Berhad – Risk Management and Internal Control: Is our Line of Defence Adequate and Effective? 3. Federation of Public Listed Companies Bhd – Audit, Internal Control and Fraud Detection Seminar.
Datuk Toh Ah Wah	1. Boardroom Smart Business Solutions – Corporate Governance and Risk Management and Internal Control of public-listed companies 2. Petronas In-House Training Programme for Board of Directors – New Companies Bill 2015 and Boardroom War/Tussle
Lee Cheow Fui	1. Boardroom Smart Business Solutions – Corporate Governance and Risk Management and Internal Control of public-listed companies 2. Bursa Malaysia Berhad – Corporate Governance Statement Reporting Workshop
David Lim Teck Leong	1. Boardroom Smart Business Solutions – Corporate Governance and Risk Management and Internal Control of public-listed companies

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

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. The AC reviews and discusses various financial matters, including quarterly reports, assessment of allowances, working capital management and relevant Accounting Standards that affects the Group. In addition, the AC engages with the External Auditors regularly on the aforesaid matters in the presence of the Management and also without the presence of Management to ensure that the External Auditors are able to express themselves freely. 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 cash flow for the period then ended. In preparing the financial statements, the Directors have ensured that accounting standards approved by the Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 Bursa Malaysia 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; and
- (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 26 April 2016 with regard to the Recurrent Related Party Transactions.

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.

Corporate Governance Statement

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.

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.

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 opinions.

The External Auditors attended four (4) out of nine (9) AC meetings.

The AC and the Board are of the opinion that the current External Auditors are suitable and have the necessary experience and independence to continue acting in the best interest of the Company.

RECOGNISE AND MANAGE RISKS

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 RFC 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 are as follows:-

		No. of Meetings Attended
Datuk Toh Ah Wah	Chairman, Independent Non-Executive Director	4/4
Mej Jen Datuk Abdul Kadir bin Nordin (Bersara)	Non-Independent Non-Executive Director	4/4
Lee Cheow Fui	Independent Non-Executive Director	4/4
Lee Chee Whye <i>(Resigned on 16 February 2015)</i>	Non-Independent Executive Director	1/1

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.

Corporate Governance Statement

Internal audit function

The Board has established an internal audit function within the Company, which is led by both the in-house Internal Audit Department and Boardroom Business Solutions Sdn Bhd (co-sourced internal audit from 21 September 2015) ("Internal Audit Department") who reports directly to the AC. The Internal Audit Department prepares and recommends to the AC, its internal audit plans for 3 years and updates for the current year for approval and reports to the AC its internal audit findings, which are escalated to the Board and deliberated, if necessary.

Details of the Company's internal control system and framework are 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

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 Bursa Malaysia Listing Requirements and other applicable laws.

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 mindful 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.

The Company's Investors Relations Policy also sets out in detail the methodology of clearing and approving material issues in compliance with Bursa Malaysia Listing Requirements for announcement as well as processes to safeguard confidentiality and the prevention of leakages of price sensitive information.

Shareholders and other interested parties may contact Mr Ng Cheong Seng, Group Finance Director to address any concerns by writing or via telephone or facsimile as follows:-

Tel: +60 (3) 79563866

Fax: +60 (3) 79561228

Email: ngcheongseng@tienwah.com

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

Corporate Governance Statement

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

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 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 20th AGM held on 28 May 2015 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.

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 CEO also provides shareholders with a brief review of the Group's financial results and 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 CEO advise the press of the resolutions passed, and answers questions on the TWPH Group's performance, if requested.

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.

ADDITIONAL INFORMATION

The information set out below is disclosed in compliance with the BURSA Malaysia Listing Requirements:-

Material Contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Group which involves Directors' and major shareholders' interest during the financial year ended 31 December 2015.

This Statement is approved by the Board of Directors duly passed on 22 February 2016.

Statement On Risk Management And Internal Control

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Bursa Malaysia Listing Requirements, the Board is pleased to present the following Statement on Risk Management and Internal Control (the “Statement”) for the financial year ended 31 December 2015, 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 it is overall responsible 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 MCCG 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 they are responsible 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 stakeholders’ 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; and
 - 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.
- Provide 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. RFC reviews the effectiveness of the Risk Management Framework and Internal Control System of the Group regularly and reports to the Audit Committee (“AC”) of its assessment.

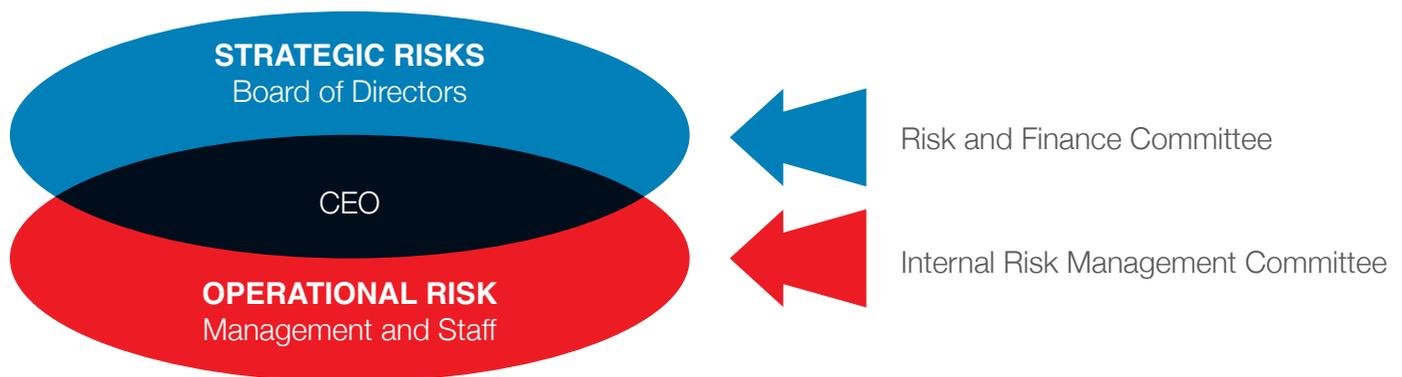
Statement On Risk Management And Internal Control

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 business risks;
- Measurement of the identified business risks;
- Control and management of risks in line with 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.

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, Executive Chairman and the CEO. The custody of this critical function is carried out by the RFC, 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 Group Management Board, 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 and safety, key customer reliance, operation, quality issues, competitive pricing and cost management) 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 regularly managed.

Statement On Risk Management And Internal Control

ERM PROCESS

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



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				

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 are identified and deliberated at the respective operating units. For the risks identified, the operating units will also propose actions plans to remedy or mitigate any significant failings or weaknesses. The updated Risk Registers are then reviewed by the Group's Head Office risk team and are then moderated across the Group or clarified to ensure that the risk assessment in terms of impact and likelihood are reasonable and appropriate mitigating actions are taken. Key risks are elevated to the RFC, who reports to the Board.

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

Statement On Risk Management And Internal Control

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 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 under the Discretionary Authority Limit, which was amended and approved by the Board on 10 August 2015 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 approved by 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 actions, if required. An updated annual forecast will be prepared and presented to the Board in order to give the Board a more realistic measure of where our business is heading and whether the annual budget will be achieved.
- The performance of the Group is monitored by the Senior Management through the management reports on a monthly basis and regular discussions.
- There are processes to ensure the effectiveness of the Group's daily operations in accordance with the corporate objectives, strategies and business directions.
- There are updates and discussions on general information technology controls in relation to the Enterprise Resource Planning ("ERP") software. This is a business - management software with integrated applications as explained below under Communication Process.

COMMUNICATION PROCESS

- Management receives timely, relevant and reliable monthly management and financial reports which are reviewed on a regular basis.
- The Group developed the ERP software that captures, compiles, analyse and reports appropriate data, which enables management to make business decision in accurate and timely manner.
- A Whistle Blower 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 of the risk elements that impact the financial performances of the Group and a mechanism to manage risks of business operations.

Statement On Risk Management And Internal Control

INTERNAL AUDIT FUNCTION

The Internal Audit Function directly reports to AC and is guided by Internal Audit Charter that was approved by the Board of Directors and that adopts a risk based approach. The Internal Audit Function was undertaken by both the in-house Internal Audit Department and Boardroom Business Solutions Sdn Bhd (co-sourced internal audit effective 21 September 2015) ("Internal Audit Team" or "IAT") who 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 IAT; and
- 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 takes 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 3-Year 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 IAT, the Management and the External Auditors and action plans taken by the Management to mitigate risks in daily business operations on a quarterly basis.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Recommended Practice Guide ("RPG") 5 (Revised 2015), 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 2015, 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 2015) 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 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 Group Finance Director that the risk management and internal control system, in all material aspects 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.

This Statement was approved by the Board of Directors on 22 February 2016.

Audit Committee Report

The Board is pleased to present the Audit Committee Report for the financial year ended 31 December 2015 in accordance with Paragraph 15.15 of the Bursa Malaysia Listing Requirements.

1. MEMBERSHIP AND ATTENDANCE

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



Attendance of each member of the AC at the meetings held during the financial year ended 31 December 2015 are as follows:-

Composition of AC	Number of AC Meetings		%
	Held	Attended	
Mr Lee Cheow Fui – Chairman, Independent, Non-Executive Director	9	9*	100
Mej. Jen. Datuk Abdul Kadir bin Nordin (<i>Bersara</i>) – Non-Independent, Non-Executive Director	9	9	100
Datuk Toh Ah Wah – Independent, Non-Executive Director	9	9	100

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

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.

Further information of the members of AC is set out in the Profile of Directors of this Annual Report.

The AC is in compliance with Paragraph 15.09 of the Bursa Listing Requirements.

The CEO and Group Finance Director were invited to the meetings to facilitate direct communication and to provide clarifications on audit issues and the operations of the Group. The General Manager of Group Finance, Financial Controller and Head of Internal Audit were present at the AC meetings to table the 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 and majority comprise of Independent 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 with the following criteria, or he must fulfill such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities"):-

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

The members of the AC shall elect a chairman from among their member who shall be an Independent Director.

In the event of any vacancy in the AC resulting in non-compliance of Paragraph 15.09(1) of the Bursa Malaysia Listing Requirements, the vacancy must be filled within three (3) months from 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) To review the following and report the same to the Board of Directors:-
 - with the External Auditors, their audit plan;
 - with the External Auditors, their evaluation of the system of internal controls;
 - with the External Auditors, their audit report;
 - the assistance given by the Company's employees to the External Auditors; and
 - 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; or
 - policy and standard operating procedures documentation.

Audit Committee Report

- f) To review the quarterly and year-end financial statements of the Company and Group, focusing particularly on:-
- any changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumptions;
 - 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 auditors may wish to discuss (in the absence of management where necessary);
- h) To review the External Auditors' management letter and management's response;
- i) To assess the 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 programmes 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 of resignations of Internal Auditors and provide the resigning Internal Auditors 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 and Group;
- l) If the Holding Company plans to perform an internal audit on 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 Bursa Malaysia Listing Requirements 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;
- 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.

Audit Committee Report

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 finance team 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.
- Reviewed the recommended dividend pay-out for the financial year.

b. External Audit

- 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 with management.
- 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 with the External Auditors, the Company's Statement on Risk Management and Internal Control before recommending the same for inclusion into the 2015 Annual Report.
- Held two meetings with the External Auditors without the presence of the Executive Director or management to reinforce the independence of the external audit function of the Company and Group.
- Reviewed the overall 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. Upon satisfactory assessment, recommended the audit fee payable for the Board's approval.

c. Internal Audit

- Reviewed the internal audit reports prepared by the Head of Internal Audit and/or co-sourced 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. Ensure that all related party transactions were undertaken on an arm's length basis and on normal commercial terms, consistent with the Company and Group's usual business practices and policies, which are not more favourable than those generally available to the third parties/public and are not to the detriment of the minority shareholders.
- Reviewed the internal audit plans as to their consistency with the Enterprise Risk Management Framework, in particular to the high risks areas identified.
- Reviewed the proposed audit work to be conducted in accordance to the approved 3-Year Internal Audit Plan.

d. Ethical and Integrity Areas

- The AC dealt with a few such cases reported to it under the Group's Whistle Blowing Policy which, the AC took very seriously in its implementation and protection of its confidentiality. All the allegations reported were thoroughly investigated by independent parties appointed from amongst it, management ranks or external specialists and finally deliberated by the AC. Findings and recommended actions were reported to the Board for deliberation and appropriate execution.

e. Annual Reporting

- Reviewed disclosure statements on the Corporate Governance Statement, Statement on Risk Management and Internal Control, Audit Committee Report and Corporate Social Responsibility for the financial year ended 31 December 2015 for inclusion in the Annual Report 2015 and recommended their adoption by the Board.

4. INTERNAL AUDIT FUNCTION

The internal audit function during the year was undertaken by both the in-house Internal Audit Department and Boardroom Business Solutions Sdn Bhd (co-sourced internal audit effective 21 September 2015) ("Internal Audit Department") who are independent of the activities or operations of the Group. This co-sourcing arrangement is where the internal audit is conducted by a partnership between the Internal Audit Department of the Company (in-house) and an internal audit service provider. There are various advantages including access to professionals' skills, knowledge, and expertise; a new point of view to improve the internal audit function; provide staff training and being able to cover unexpected staffing needs.

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 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 matters, preventive maintenance, slow moving stocks and customers' billings.
- Undertook special reviews requested by the AC and/or management.
- Reviewed the findings and action plans resulting from internal audits.

Further details of the activities of the 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 and co-sourced internal auditing discharging its function and responsibilities in 2015 amounted to approximately RM182,000, including 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 2015.

This AC Report was made in accordance with the approval of the Board of Directors on 22 February 2016.



Inking Success And Beyond

We strive for continuous improvement in our business to serve the needs of our customers by employing the latest advanced printing technology to produce excellent products to exceed our customer's expectations.

Corporate Social Responsibility

Tien Wah Press Holdings Berhad (“TWPH”) believes that good management and corporate governance generates and sustains long term value to our stakeholders. Thus, we have setup a sustainability policy encompassing all aspects of ethical practices, and addresses relevant environmental, social and governance matters.

In addition, TWPH is committed to implementing sustainable practices and exploring its benefits to the business whilst attempting to achieve the right balance within enhancing the well-being of the community, the requirements of shareholders, stakeholders, and economic success.

1. SOCIAL SUSTAINABILITY

Social sustainability is to focus 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 puts priority on social capital.

Healthy workforce

TWPH recognises the importance of work-life balance in order to foster greater productivity, team work and interaction amongst employees. TWPH through its Sports and Recreation Club has organized various activities in achieving these objectives.

Several activities were organized to promote a healthier and work-life balance lifestyle for our people, such as:-

- Recreational activities and competition;
- Intercompany games; and
- Celebration feasts for festive occasions.

TWPH has implemented an improved performance appraisal system in order to maintain a healthy performance-based culture. Well deserving employees are rewarded with annual performance bonus in order to give them due recognition. Besides providing performance-based reward, TWPH also takes care of the welfare of its employees by providing personal health insurance, medical care, and study loan subsidies for approved disciplines. These benefits together with disciplinary codes and complaints procedures are stipulated in the “Executive Handbook” and “Employees’ Conditions of Employment Agreement Handbook”.

TWPH has also organized health screening programmes and health seminars in order to promote health awareness and with the objective to deliver the message “Early Detection and Prevention Saves Lives”.

The following were some health programmes organised to promote health awareness:-



Corporate Social Responsibility

Anzpac Services (Australia) Pty Ltd (“ANZPAC”)

- Health & wellbeing programme (*i.e. Flu vaccinations in April / May 2015 with 51 employees taking up the free jab*); and
- Distribution of research information sheets (*i.e. “Mental Health”, “Impact of Sugars in Our Diet” and “Road Safety Information”*).

Tien Wah Press (Malaya) Sdn Bhd, Malaysia (“TWPM”), Alliance Print Technologies Co Ltd, Vietnam (“APT”) and Toyo (Viet) Paper Products Co Ltd, Vietnam (“TVP”)

- General check-up (*i.e. X-ray, blood test, urine test, kidney test, bone test, and eye test*).

Besides promoting health programmes, the Company also designed programmes to provide employees and their families with access to counselling and support services in the event of a personal or family crisis.

Training and development

In the world of business, quality has a practical interpretation for the success of an organization. Thus, with this strong belief, TWPH has committed to engage, develop, train, and reward its people.

In 2015, we invested in over 30 types of training, up skilling seminars, organised, both in-house and by external consultants, to equip our employees at all levels and positions with the necessary know-how to meet their responsibilities in order to 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 addition, TWPM had arranged the following seminars:-

- “Good & Services Tax (GST)”;
- “IR Industrial Relationship”;
- “ISO 9001 Quality Management System Certification Scheme”; and
- “Introduction to Malaysia Labour Law”.

TWPH has leveraged on its regional presence as a platform for talent exchange. This is where the selected talents are able to gain exposure, technical / printing knowledge and working experience with their colleagues across the Group in the region. This is part of the on-the-job training at various operations to complement the usual classroom training.

We had transferred the Manufacturing Service Specialist from Malaysia to Vietnam for short term training. Through this exchange programme, the employee has the opportunity to broaden his skillset and expose to wider operating experiences in Vietnam.

To ensure that our employees are aware of the importance of safety practices and to promote safety awareness, TWPH has invested a total of 1,780 hours on safety related training. In addition, the Company conducted regular safety and fire drills, and has designated “Smoking Areas” and emergency assembly points on its premises.

Safety Practices

Health and safety of our employees is the top priority in our operating protocol. TWPH complies with all industry regulations and has a systematic approach to prevent any breach of safety compliances and to promote safety awareness.



Corporate Social Responsibility



As part of our commitment towards providing a safe workplace, TWPH has implemented a range of medical care and improved safety protection in our working environment, such as:-

Personal Protective Equipment

TWPH Group employees are provided with the following equipment based on their job requirement:-

- Protective equipment (*i.e. goggles, respirator, hand gloves, apron, safety shoes, back support belt, hair net cap, ear plugs / earmuff, safety helmet etc*); and
- TWPM had installed a new hoist in the make-ready printing area for safer handling of heavy printing cylinders.

Safety Practices

TWPH has continuously enforced the following safety rules for employees, contractors and others, who work on-site:-

- **Permit-to-Work (PTW)**
To verify the specific work permits and nature of work that is undertaken by them (*i.e. Authorised electrician to handle electrical equipment*);
- **Job Safety Analysis (JSA) & Risk Assessment**
To identify risk and enforce safety precautions before commencing production;
- **Protective Equipment**
Employees at the production floor are required to adhere to the safety rules by using the appropriate protective equipment; and

- **Designated “Smoking Areas”**

TWPM has assigned designated “Smoking Areas” to prevent smoking at fire hazard areas.

As part of the safety compliance and regulatory requirements, TWPM has obtained the Certificate of Fitness (“CF”) for printing machineries in its production areas. In addition, TWPM has engaged a third party specialist to inspect, test and comment on the Fire and Electrical Equipment. In Australia, Anzpac has documented housekeeping standards and posted it at strategic location. Anzpac has also established an online safety reporting and corrective action system.

Health Practices

TWPH has engaged hygiene consultant to conduct yearly inspections on the General Exhaust Ventilation System and Local Exhaust Ventilation System to ensure its effectiveness and to prevent or reduce the level of airborne vapors, fumes and gasses. The workers’ exposure to various type of solvent is evaluated annually by the hygiene consultant to ensure that their exposure is below the permissible level.

In Australia, solvent vapors concentration at factory floor level is measured on a regular basis. If the concentration is deemed too high, additional vents will be added to reduce the concentration down to an acceptable level.

Safety, Health and Environmental (S.H.E)

S.H.E Committees has continuously supported the Operation team and focuses on the following areas:-

- Represents the company to attend meetings with the local authorities (*i.e. Departmental of Occupational Safety / Departmental of Environmental*);

Corporate Social Responsibility

- Coordinate regular safety audits on the Company's premises;
- Provides advice and guidance and monitor programmes relating to Safety and Health; and
- Encourages employees to be proactive in identifying and addressing any potential safety issue.

S.H.E team continuously provides the following trainings to all employees:-

- S.H.E Awareness Programme;
- Forklift Safety Guidelines;
- First Aid & CPR Recertification;
- Manual Handling Course (*i.e. Safety Guideline for Manual Handling – how to lift the cylinders and etc*);
- Chemical Handling Course;
- Fire Drills Training (*eg. steps to handle fire extinguisher*);
- Audiometric Test;
- Hazard Identification, Risk Assessment & Risk Control (HIRARC);
- Cross Function Audits; and
- Pest Control Programme.

S.H.E and the Production team initiated the "Recycle & Reuse Programme". This programme focuses on recycling of the used solvent for various cleaning purpose (*i.e. cylinder, spare parts, ink tank, etc*).

Harmonious Environment for a Diverse Workforce

TWPH highly respects and values its diverse workforce. It is the Group's belief that creating a work environment that attracts, retains and fully engages diverse talents leads to enhanced innovation and creativity in our services. As part of this commitment, TWPH has undertaken the following initiatives:-

- Provision of fair and equitable employment regardless of ethnicity, gender or creed. TWPH and its group of companies do not engage child or slave labour;
- Equal opportunities for career advancement based on merit are accorded to all employees. Priority of employment opportunities are given to local residents, before considering employment of foreigners;
- The Company provides protection to all levels of employees from any form of harassment, humiliation or intimidation; and
- The Company will attend quickly and observe the confidentiality of reports on grievances and allegations of misconduct.

In addition, we constantly engage and interact with our people through staff meetings (*i.e. union committees*). TWPM has successfully concluded its Collective Agreement negotiation by entering into a new Collective Agreement

2015 with the Printing Industry Employees Union of Peninsular Malaysia (PIEUPM).

Connecting the communities

To maintain a long-term business relation with both communities and stakeholders, TWPH has continuously invested and participated in relevant communities activities. For example:-

Community Investment Initiatives

TWPH maintains its belief and philosophy that values the underprivileged and physically challenged especially young adults. We provide them with opportunities that enhance their self-esteem and effective communication with team mates. 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

Over the years, TWPH has constantly participated in several contributions. It is aimed to help the needs of communities, such as schools, universities and sports associations.

Our entities in Vietnam (APT & TVP) paid visit to a senior citizen's home in Binh Duong on yearly basis. Both companies spent a meaningful day with the seniors by providing them food and other necessities.

On the other hand, ANZPAC in Australia has donated gifts to Parramatta Mission during Christmas period.



Corporate Social Responsibility

2. ENVIRONMENT SUSTAINABILITY

Environment issues are appraised with the same regard as any other business factors. In the world of business, all players are responsible to identify, manage and minimize the environmental impact. To support the above statement, TWPH has included the following activities:-

Waste Management

In our printing division, the group has segregated areas for hazardous and non-hazardous for paper / board, plastic and others. The objectives of this segregation are to enable easier and more efficient waste sorting, saving in disposal costs, and supporting overall wastage control.

The Group's overall waste disposal is currently well-managed by licensed contractors, who are registered under the local authorities.

Reduce, Recycle and Reuse

- **Paper / board** – If possible, recycled boards are used during make-ready to minimize overall production wastage.
- **Solvent** – Implementing the “Recycle & Reuse Programme”, where recycled solvents are reused for cleaning purpose (*i.e. printing cylinder, spare parts, etc.*).
- **Ink** – Current pumped-out / recycled ink is continuously used for all production run.
- **Pallet** – Re-using returned pallets from customers that are still in good conditions.

Energy Conservation and Water Management

TWPH is using natural lights, energy saving LED lights in order to minimize electricity and water consumption. The Group also posted sign “switch off when not using” at relevant areas to create the awareness of the importance of energy savings.

Air Pollution

To ensure the emission levels are within the Malaysia Environment Quality (Clean Air) Regulations (1978), TWPM has engaged third party specialist to do air emission test and smoke observation annually.

The Programme for the Endorsement of Forest Certification (“PEFC”)

TWPH has committed various programmes that support long-term environmental sustainability. One of the programmes is PEFC. The following are the objectives of the PEFC programme:-

- Demonstrate compliance with social, health and safety requirements in Chain of Custody certification;
- Access to markets, which increasingly demand assurances for wood products' legality and sustainability; and
- Promote the Company's PEFC-certified products on international markets and through PEFC's market outreach activities.

TWPM and APT have maintained the certification since October 2011 for using raw materials that are certified by PEFC for the manufacturing of cigarette and general packaging.



Corporate Social Responsibility

Australian Packaging Covenant

ANZPAC joined as a signatory and member of Australian Packaging Covenant since 2010, demonstrating leadership in sustainable packaging design, recovery and recycling of used packaging materials, which reduce waste and litter. In the year 2013, ANZPAC was the award-winner among 900 signatories.

3. GOVERNANCE SUSTAINABILITY

The importance of governance structures and principles identify the distribution of rights and responsibilities among different participants (*i.e. Board of Directors, managers, shareholders, other stakeholders, etc*), and include the rules and procedures for making decisions in corporate affairs. TWPH recognizes the importance and incorporated them into all functions and processes, which includes strategic planning, accountability, and 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 disclose and safeguard the integrity of financial reporting. TWPH also emphasizes on the importance of risk management and internal control, as well as encouraging shareholders' participation in general meeting.

In pursuit of excellent corporate governance, a high standard is set to ensure our Annual Reports are produced on a timely, informative, factual and reader-friendly manner to the investing community. We are also committed to

attaining a high level of transparency and accountability to the investing community.

Stakeholders Engagement

TWPH continuously aimed to develop a sustainable relationship with its stakeholders, as it is important for the Company's development. Therefore, TWPH maintains a higher level of transparency and constant dialogue with our stakeholders via various communication channels (*i.e. annual general meeting, meeting with investors, perform regular audit on suppliers to ensure they meet our expectations*).

Recognition by Stakeholders

TWPH has received recognition from various sources by carrying out our mission to:-

- Continuously improve in provision of solutions;
- Conduct a healthy and safe environment; and
- Continuously innovate new products and businesses.

The following are the recognition for the Company's commitment:-

- **APT, "Good Enterprise 2013"** by Binh Duong People Committee (ruling government) – creation of job opportunity for local Vietnamese citizen in upgrading their skill level and social responsibility;
- **TWPM, "Best Supplier (QPA) 2013"** by Guinness Anchor Bhd – production efficiency, quality assurance, and value-adding in costs saving; and
- **ANZPAC "Higher Achiever Award 2014"** by Australian Packaging Covenant – contribution in achieving the environmental key performance indicator (KPI)'s for recycling, product stewardship and resource use.



Corporate Social Responsibility

Procurement Practices

TWPH manages risks related to its supply chain by adopting Code of Conduct, which includes a comprehensive social and environmental criterion that suppliers have to comply with. Suppliers are expected to progressively identify and eliminate risks to employees, such as harassment, discrimination, and poor safety standard.

ISO Certifications

- **Malaysia – TWPM**
ISO 9001:2008 certified by TUV Rheinland Malaysia, local office of TUV Rheinland Group.
- **Vietnam – APT & TVP**
Both entities achieved the certification of ISO 9001:2008 by Bureau Veritas in 2010 (APT) and 2011 (TVP).
- **Australia – ANZPAC**
Due to the company's robust exposure in fast moving consumer goods market (FMCG) and food packaging, they achieved:-
 - Certification of ISO 9001:2008;
 - HACCP Food Safety Programme; and
 - GS1 Barcode & Numbering Industry Standard.

Kaizen and Lean Six Sigma

Kaizen is the practice of continuous improvement. It focuses on both philosophical and cultural concepts, which based on the belief of individual development (*i.e. skill benefits, self-improvement*). The current objectives which each operating unit is practicing include:-

- Elimination of waste (*i.e. raw materials, time, money, and effort*);
- Quality control; and
- Customer care.

In facilitating the implementation of *Kaizen*, all teams are formed directly under the General Managers.

Besides *Kaizen*, TWPH is practicing "*Lean Six Sigma (LSS)*", a methodology that chiefly targets on waste elimination. It provides a method to accelerate a company's decision-making processes, while reducing production inefficiencies, as well as increasing product quality.

In Australia, ANZPAC is also practicing LSS. The Company has continuously used this programme to identify and work on a number of cost reductions and improvement processes (*i.e. labour costs, raw materials costs, and capacity growth*) and the management is extremely pleased with the major cost and inefficiency reductions achieved.





High Yielding From Quality Printing

By focusing on efficient process flow and effective standard operating procedures, we ensure quality products and quality services, thus gaining trust and confidence from our customers, resulting in higher yield for our shareholders.

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Directors' Report

for the year ended 31 December 2015

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

PRINCIPAL ACTIVITIES

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

RESULTS

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

RESERVES AND PROVISIONS

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

DIVIDENDS

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

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

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

DIRECTORS OF THE COMPANY

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

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

Directors' Report

for the year ended 31 December 2015

DIRECTORS' INTERESTS IN SHARES

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

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

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

DIRECTORS' BENEFITS

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

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

ISSUES OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

OTHER STATUTORY INFORMATION

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

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

Directors' Report

for the year ended 31 December 2015

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

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

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

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

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

SUBSEQUENT EVENTS

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

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

Directors' Report

for the year ended 31 December 2015

AUDITORS

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

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



Yen Wen Hwa @ Ngan Tzee Manh



Lee Cheow Fui

Petaling Jaya, Selangor

Date: 21 March 2016

Statements of Financial Position

as at 31 December 2015

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

The notes on pages 74 to 126 are an integral part of these financial statements.

Statements Of Profit Or Loss And Other Comprehensive Income

for the year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue					
- Sale of goods		367,374	353,686	-	-
- Gross dividend income from unquoted subsidiaries and an unquoted associate		-	-	29,274	11,523
		367,374	353,686	29,274	11,523
Cost of sales		(288,519)	(293,256)	-	-
Gross profit		78,855	60,430	29,274	11,523
Other income		9,164	5,364	5,415	1,027
Distribution expenses		(10,625)	(11,814)	-	-
Administrative expenses		(25,757)	(24,293)	(5,856)	(3,630)
Other expenses		(18,445)	(9,704)	(1,262)	127
Results from operating activities		33,192	19,983	27,571	9,047
Finance income		991	1,077	1,414	1,363
Finance costs	17	(2,657)	(2,723)	(703)	(734)
Net finance (costs)/income		(1,666)	(1,646)	711	629
Share of profit of equity accounted associate, net of tax	7	6,096	4,642	-	-
Profit before tax	18	37,622	22,979	28,282	9,676
Tax expense	21	(1,791)	(7,159)	(20)	(13)
Profit for the year		35,831	15,820	28,262	9,663
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		31,251	2,334	-	-
Hedge of net investment		-	(90)	-	-
Other comprehensive income for the year, net of tax	19	31,251	2,244	-	-
Total comprehensive income for the year		67,082	18,064	28,262	9,663
Profit attributable to:					
Owners of the Company		33,975	13,531	28,262	9,663
Non-controlling interests		1,856	2,289	-	-
Profit for the year		35,831	15,820	28,262	9,663
Total comprehensive income attributable to:					
Owners of the Company		57,885	16,563	28,262	9,663
Non-controlling interests		9,197	1,501	-	-
Total comprehensive income for the year		67,082	18,064	28,262	9,663
Basic earnings per ordinary share (sen)	22	35.21	14.02		

The notes on pages 74 to 126 are an integral part of these financial statements.

Consolidated Statement Of Changes In Equity

for the year ended 31 December 2015

	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 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
Dividends to owners of the Company	23	-	-	-	(9,061)	(9,061)	-	(9,061)
Dividends to non-controlling interests		-	-	-	-	-	(4,760)	(4,760)
		-	-	-	(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
At 1 January 2015		96,495	12,504	8,804	118,848	236,651	68,078	304,729
Foreign currency translation differences for foreign operations		-	-	23,910	-	23,910	7,341	31,251
Total other comprehensive income for the year		-	-	23,910	-	23,910	7,341	31,251
Profit for the year		-	-	-	33,975	33,975	1,856	35,831
Total comprehensive income for the year		-	-	23,910	33,975	57,885	9,197	67,082
Dividends to owners of the Company	23	-	-	-	(7,720)	(7,720)	-	(7,720)
Dividends to non-controlling interests		-	-	-	-	-	(15,107)	(15,107)
Disposal of a subsidiary	31	-	-	(2,545)	-	(2,545)	-	(2,545)
		-	-	(2,545)	(7,720)	(10,265)	(15,107)	(25,372)
At 31 December 2015		96,495	12,504	30,169	145,103	284,271	62,168	346,439

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

The notes on pages 74 to 126 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 restated RM'000	2015 RM'000	2014 RM'000
Cash flows from operating activities					
Profit before tax		37,622	22,979	28,282	9,676
Adjustments for:					
Amortisation of intangible assets	4	9,198	6,569	-	-
Depreciation of property, plant and equipment	3	26,526	25,005	103	96
Dividend income		-	-	(29,274)	(11,523)
Loss/(Gain) on disposal of property, plant and equipment		474	10	(45)	-
Inventory write down/off		1,506	2,409	-	-
Finance costs	17	2,657	2,723	703	734
Finance income		(991)	(1,077)	(1,414)	(1,363)
Change in fair value of investment in joint venture	6	(34)	-	-	-
(Gain)/loss on disposal of a subsidiary	31	(2,052)	-	284	-
Retirement benefits provided	14	115	116	75	83
Provision for annual leaves		2,102	2,502	37	-
Provision for long-service leave		225	546	-	-
Share of profit of equity-accounted associate, net of tax		(6,096)	(4,642)	-	-
Unrealised loss/(gain) on foreign exchange differences		926	3,064	979	(271)
Operating profit/(loss) before changes in working capital		72,178	60,204	(270)	(2,568)
Changes in working capital:					
Inventories		1,903	(6,864)	-	-
Trade and other receivables		6,911	11,907	(8,548)	(30)
Trade and other payables		(18,016)	780	(75)	364
Cash generated from/(used in) operations		62,976	66,027	(8,893)	(2,234)
Dividends received		-	-	23,756	10,659
Interest received		991	1,077	1,414	1,363
Employee benefits used		(4,447)	(6,527)	(519)	-
Income tax paid		(3,710)	(4,427)	(20)	(13)
Net cash from operating activities		55,810	56,150	15,738	9,775
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(14,612)	(31,967)	(180)	(170)
Proceeds from disposal of property, plant and equipment		443	60	264	-
Proceeds from disposal of a subsidiary, net of cash and cash equivalents	31	5,267	-	6,146	-
Change in pledged deposits		(3)	(102)	-	-
Dividend received		807	864	807	864
Net cash (used in)/from investing activities		(8,098)	(31,145)	7,037	694
Cash flows from financing activities					
Proceeds from loans and borrowings		21,902	48,407	-	-
Dividends paid to owners of the Company	23	(7,720)	(9,061)	(7,720)	(9,061)
Dividends paid to non-controlling interest		(15,107)	(4,760)	-	-
Interest paid		(2,657)	(2,723)	(703)	(734)
Repayment of loans and borrowings		(24,257)	(49,733)	(1,420)	(8,181)
Advance to subsidiary		-	-	(2,327)	(1,502)
Advance from/(repayment to) ultimate holding company		10,716	7,417	(1,899)	8,938
Net cash used in financing activities		(17,123)	(10,453)	(14,069)	(10,540)
Net increase/(decrease) in cash and cash equivalents		30,589	14,552	8,706	(71)
Effect of exchange rate fluctuations on cash held		(12,359)	(5,700)	-	-
Cash and cash equivalents at 1 January		52,995	44,143	309	380
Cash and cash equivalents at 31 December	(i)	71,225	52,995	9,015	309

The notes on pages 74 to 126 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 December 2015

(i) **Cash and cash equivalents**

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

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

Notes to the Financial Statements

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

Registered office

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

Principal place of business

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

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

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

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

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

1. BASIS OF PREPARATION

(a) Statement of compliance

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

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

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

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

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

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

Notes to the Financial Statements

1. BASIS OF PREPARATION (Continued)

(a) Statement of compliance (continued)

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

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

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

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

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

MFRS 9, Financial Instruments

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

MFRS 15, Revenue from Contracts with Customers

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

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

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

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

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

Notes to the Financial Statements

1. BASIS OF PREPARATION (Continued)

(d) Use of estimates and judgements (continued)

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

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

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

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

(ii) Business combinations

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

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

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

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

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

(iv) Acquisitions from entities under common controls

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

(v) Loss of control

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

(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) Joint Arrangement

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

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

(viii) Non-controlling interests

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

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

(ix) Transactions eliminated on consolidation

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

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

(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.

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”)

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.

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

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

(c) Financial instruments

(i) Initial recognition and measurement

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

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

(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)).

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

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

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

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

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

(iii) Hedge of a net investment

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

(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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

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

(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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leased assets (continued)

(ii) Operating lease

Leases where the Group or the Company 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.

(f) Intangible assets

(i) Goodwill

Goodwill arises 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 pledged deposits.

(i) Impairment

(i) Financial assets

All financial assets (except for investments in subsidiaries, investment in associate and investment in joint venture) 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 or cash-generating unit.

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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment (continued)

(ii) Other assets (continued)

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.

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 the 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee benefits (continued)

(ii) Long service leave

The liability of long service leave is recognised in the 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.

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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 that 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.

(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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Income tax (continued)

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.

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.

(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. The Group's operating segment 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 of 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 far 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.

(t) Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets, are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets are measured to the lower of their carrying amount and fair value less cost of disposal.

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 2014, as previously stated,	48,156	18,416	16,795	268,160	1,093	20,125	1,106	667	374,518
Impact of reclassification	-	-	-	2,577	-	-	-	-	2,577
At 1 January 2014, restated	48,156	18,416	16,795	270,737	1,093	20,125	1,106	667	377,095
Additions, restated	-	570	-	29,301	153	477	126	1,340	31,967
Disposals	-	-	-	(154)	(52)	-	-	-	(206)
Reclassification	-	52	-	7,432	-	(7,484)	-	-	-
Effect of movements in exchange rates, restated	1,095	536	(325)	7,754	18	646	-	(53)	9,671
At 31 December 2014/1 January 2015, restated	49,251	19,574	16,470	315,070	1,212	13,764	1,232	1,954	418,527
Additions	-	540	-	11,002	7	504	26	2,533	14,612
Disposals	(54)	(540)	-	(1,923)	(375)	(133)	-	-	(3,025)
Reclassification	-	-	-	-	-	2,144	-	(2,144)	-
Disposal of a subsidiary company	(369)	(2,918)	-	(23,672)	(58)	(662)	-	-	(27,679)
Effect of movements in exchange rates	5,997	2,003	1,969	41,742	68	910	-	421	53,110
At 31 December 2015	54,825	18,659	18,439	342,219	854	16,527	1,258	2,764	455,545
Accumulated depreciation									
At 1 January 2014	1,857	2,106	2,238	131,350	542	14,269	1,081	-	153,443
Charge for the year, restated	508	328	741	22,370	132	871	55	-	25,005
Disposals	-	-	-	(84)	(52)	-	-	-	(136)
Reclassification	-	16	-	5,431	-	(5,447)	-	-	-
Effect of movements in exchange rates, restated	85	223	(21)	2,529	7	427	-	-	3,250
At 31 December 2014/1 January 2015, restated	2,450	2,673	2,958	161,596	629	10,120	1,136	-	181,562
Charge for the year	534	857	736	23,174	144	1,038	43	-	26,526
Disposals	(54)	(395)	-	(1,371)	(175)	(113)	-	-	(2,108)
Disposal of a subsidiary company	(285)	(1,556)	-	(10,336)	(20)	(157)	-	-	(12,354)
Effect of movements in exchange rates	331	886	816	17,169	33	585	-	-	19,820
At 31 December 2015	2,976	2,465	4,510	190,232	611	11,473	1,179	-	213,446
Carrying amounts									
At 1 January 2014, restated	46,299	16,310	14,557	139,387	551	5,856	25	667	223,652
At 31 December 2014, restated	46,801	16,901	13,512	153,474	583	3,644	96	1,954	236,965
At 31 December 2015	51,849	16,194	13,929	151,987	243	5,054	79	2,764	242,099

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 2014	-	39	375	414
Additions	1	22	147	170
At 31 December 2014/1 January 2015	1	61	522	584
Additions	-	180	-	180
Disposal	-	(28)	(375)	(403)
At 31 December 2015	1	213	147	361
Accumulated depreciation				
At 1 January 2014	-	7	44	51
Charge for the year	-	10	86	96
At 31 December 2014/1 January 2015	-	17	130	147
Charge for the year	-	17	86	103
Disposal	-	(9)	(175)	(184)
At 31 December 2015	-	25	41	66
Carrying amounts				
At 31 December 2014	1	44	392	437
At 31 December 2015	1	188	106	295

3.1 Leased office equipment

At 31 December 2015, the net carrying amount of leased office equipment of the Group was RM20,000 (2014: RM28,000) and the Company was RM8,000 (2014: RM11,000).

3.2 Security

The leased office equipment above secures finance lease obligations (see note 15).

At 31 December 2015, properties with a carrying amount of RM Nil (2014: RM7,267,000) has been charged to secure banking facilities granted to subsidiaries (see Note 15).

3.3 Change in estimates

During the financial year, the Group had assessed and reviewed the residual useful life of its property, plant and equipment based on past experiences and machine vendor's validation. As a result of this review, the residual useful life of certain plant and machineries had been extended upwards by 8 to 15 years. The effect of these changes on depreciation expenses, recognised in cost of sales, in current and future periods are as follows:

(decrease)/increase in depreciation expense					
2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	Later RM'000
(4,716)	(4,453)	(4,453)	(4,425)	(4,126)	22,173

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

3.4 Land

Included in the carrying amounts of land are:

	Group	
	2015 RM'000	2014 RM'000
Freehold land	31,749	27,017
Leasehold land with unexpired lease period of less than 50 years	20,100	19,784
	51,849	46,801

4. INTANGIBLE ASSETS

Group	Note	Goodwill RM'000	Contract value RM'000	Total RM'000
Cost				
At 1 January 2014		15,081	34,018	49,099
Effect of movements in exchange rates		-	2,269	2,269
At 31 December 2014/1 January 2015		15,081	36,287	51,368
Effect of movements in exchange rates		-	8,396	8,396
Disposal of a subsidiary company	31	(106)	-	(106)
At 31 December 2015		14,975	44,683	59,658
Amortisation				
As at 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 2014/1 January 2015		-	24,494	24,494
Amortisation for the year		-	9,198	9,198
Effect of movements in exchange rates		-	6,523	6,523
At 31 December 2015		-	40,215	40,215
Carrying amounts				
At 1 January 2014		15,081	17,616	32,697
At 31 December 2014		15,081	11,793	26,874
At 31 December 2015		14,975	4,468	19,443

Notes to the Financial Statements

4. INTANGIBLE ASSETS (Continued)

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 2015 RM'000	2014 RM'000
Goodwill	a	14,975	15,081
Contract Value			
Max Ease International Limited	b	4,468	11,793
		19,443	26,874

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 amount 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.

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 a post-tax basis and correspondingly, post-tax discount rates were used.
- Cash flows were projected based on the 1 year (2014: 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.
- Terminal value at end of year 5 is based on year 5 projected cashflow discounted at the respective operating subsidiaries' discount rates and the tax rates are assumed to be:
 - statutory tax rates for subsidiaries in Malaysia, Australia and Vietnam.
 - zero tax rate for a subsidiary in Hong Kong, given current incentives enjoyed by that subsidiary which is zero-tax on export sales.
- An anticipated revenue growth rate of 5%, 11%, 6%, 0% and 0% in 2016, 2017, 2018, 2019 and 2020 respectively and thereafter zero growth was used in the cash flows (2014: -8%, 3%, 13%, 0% and 2% in 2015, 2016, 2017, 2018 and 2019 respectively and thereafter zero growth was used in cash flows).

Notes to the Financial Statements

4. INTANGIBLE ASSETS (Continued)

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

- Discount rate used for each respective country is based on the country's weighted average cost of capital ("WACC") rate (post-tax rate), incorporating respective country's risk premium, and an Alpha factor of 2.5%. The post-tax discount rates for the operating subsidiaries are:
 - Malaysian subsidiary : 11% (pre-tax : 13.5%)
 - Vietnam subsidiary : 15% (pre-tax : 17.5%)
 - Australian subsidiary : 9.5% (pre-tax : 9.5%)
 - Hong Kong subsidiary : 10.5% (pre-tax : 10.5%)
- Pre-tax and post-tax rate for the Group's Hong Kong subsidiary is the same as zero-tax rate is applied thereon.
- Foreign currency exchange rates remained stable.
- Inflation and cost increase assumed to be zero as all cost increases are assumed to be passed on to customers.
- Assumed current level of annual maintenance costs is adequate to keep the machines in good working order.
- It is assumed that the replacement cost of the machines at terminal value in year 5 is based on a percentage of revenue (approximate to annual depreciation).
- The Group is expected to successfully renew its exclusive rights to supply a major customer's printed carton requirements upon the expiry of the agreement and to continue to supply over the projected period.
- The Group is be able to continue its recovery of higher wastage for low volume production runs.

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 eight (8) years beginning from the financial year 2008, with a right to extend the supply period by an additional three (3) years.

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 key assumptions as stated in item 4.2 (note a).

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. Based on the above review, there is no evidence of impairment on the Group's intangible assets.

Notes to the Financial Statements

5. INVESTMENT IN SUBSIDIARIES

	Company	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost	111,069	123,928

Details of the subsidiaries are as follow:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Tien Wah Press (Malaya) Sdn. Bhd. ("TWPM")	Malaysia	Rotogravure printing specialising in cigarette cartons and consumer goods packaging, and photolithography printing specialising in cartons and labels packaging and advertising materials.	100	100
Tien Wah Properties Sdn. Bhd. ("TWProp")	Malaysia	Investment property holding.	100	100
*Toyo (Viet) Paper Product Co., Ltd. ("TVP")	Vietnam	Manufacture aluminium paper, paper core, board paper, tipping paper, plastic film and to do box printing.	**50	100
*New Toyo Investment Pte. Ltd. ("NTIV")	Singapore	Investment holding.	100	100
+Max Ease International Limited ("MEIL")	Hong Kong	Investment holding and trading of cigarette packaging boxes.	51	51
Subsidiary of MEIL: *Anzpac Services (Australia) Pty. Ltd. ("Anzpac")	Australia	Printing packaging services in general.	51	51
Subsidiary of NTIV: *Alliance Print Technologies Co., Ltd. ("APT")	Vietnam	Provision of printing services for tobacco packaging and paper services in general.	100	100

* Audited by other member firms of KPMG International

+ Not audited by member firms of KPMG International

** On 25 May 2015, the Company announced that it had on 24 May 2015 entered into a strategic joint venture agreement ("Proposed Joint Venture") with Toyo (Viet) Paper Product Co., Ltd. ("TVP") and Dong Nai Food Industrial Corporation Vietnam ("DOFICO") via sale of 50% of TVP to DOFICO for USD1,630,000 (RM6,146,000). Details of the transaction are set out in note 31.

Notes to the Financial Statements

5. INVESTMENT IN SUBSIDIARIES (Continued)

Non-Controlling interests in subsidiaries

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

	MEIL Group	
	2015	2014
	49%	49%
	RM'000	RM'000
NCI percentage of ownership interest and voting interest		
Carrying amount of NCI	62,168	68,078
Profit allocated to NCI	1,856	2,289
Summarised financial information before intra-group elimination		
As at 31 December		
Non-current assets	86,706	87,914
Current assets	107,978	102,859
Non-current liabilities	(526)	(646)
Current liabilities	(60,440)	(44,091)
Net assets	133,718	146,036
Year ended 31 December		
Revenue	288,002	282,296
Profit for the year	3,531	11,773
Total comprehensive income	18,512	10,164
Cash flows generated from operating activities	21,068	37,786
Cash flows (used in)/generated from investing activities	(575)	4,729
Cash flows used in financing activities	(11,418)	(29,198)
Net increase in cash and cash equivalents	9,075	13,317
Dividend paid to NCI	(15,107)	(4,760)

6. INVESTMENT IN JOINT VENTURE

The Group has 50% (2014: 100%) interest in the ownership and voting rights in a joint venture in TVP. TVP is held directly by the Company at 50% after a 50% sale of TVP's equity interest to DOFICO as set out in note 31.

	Group	Company
	2015	2015
	RM'000	RM'000
Unquoted shares, at cost	6,464	6,430

Notes to the Financial Statements

6. INVESTMENT IN JOINT VENTURE (Continued)

Details of the joint venture are as follows:

Name of joint venture company	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Toyo (Viet) Paper Product Co. Ltd.	Vietnam	Manufacture aluminium paper, paper core, board paper, tipping paper, plastic film and to do box printing.	50	100

TVP is structured as a separate vehicle and provides the Group rights to the net assets of the entity. Accordingly, the Group has classified the investment in TVP as joint venture ("JV").

The following table summarises the financial information of TVP, as adjusted for any differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in TVP, which is accounted for using the equity method.

	Group 2015
Percentage of ownership interest	50%
Percentage of voting interest	50%

Restriction imposed by bank covenants

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

	Group 2015 RM'000
Summary financial information as at 31 December	
Non-current assets	15,325
Current assets	12,811
Current liabilities	(15,949)
Cash and cash equivalents	879
Total net current assets	13,066
Reconciliation of net assets to carrying amount as at 31 December	
Group's share of net assets	6,533
Goodwill	(593)
Elimination of unrealised profit	524
Carrying amount in the statement of financial position	6,464

Notes to the Financial Statements

7. INVESTMENT IN AN ASSOCIATE

	Group	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost	1,500	1,500
Share of post - acquisition reserves	23,960	18,671
	25,460	20,171

Details of the associate are as follows:

Name of associate	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Benkert (Malaysia) Sdn. Bhd.	Malaysia	Manufacture and sales of standard and perforated tipping papers.	30	30

The following table summarises the information on the carrying amount of the Group's interest in the associate:

	Group	
	2015 RM'000	2014 RM'000
Summary financial information as at 31 December		
Non-current assets	21,478	22,727
Current assets	73,263	54,839
Non-current liabilities	(1,848)	(1,629)
Current liabilities	(4,909)	(5,583)
Net assets	87,984	70,354
Year ended 31 December		
Profit for the year/Total comprehensive income	20,321	15,472
Included in the total comprehensive income is:		
Revenue	109,066	94,138
Reconciliation of net assets to carrying amount as at 31 December		
Group's share of net assets	25,460	20,171
Carrying amount in the statement of financial position	25,460	20,171
Group's share of results Year ended 31 December		
Group's share of profit or loss	6,096	4,642
Group's share of total comprehensive income	6,096	4,642
Other information		
Dividend received by the Group	807	864

Notes to the Financial Statements

8. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Property, plant and equipment	1,474	1,156	(10,860)	(10,730)	(9,386)	(9,574)
Provisions	-	-	(192)	(238)	(192)	(238)
Other items	-	62	-	-	-	62
	1,474	1,218	(11,052)	(10,968)	(9,578)	(9,750)

Movement in temporary differences during the year

Group	At 1.1.2014	Recognised in profit or loss	Recognised in other comprehensive income	At 31.12.2014	Recognised in profit or loss	Recognised in other comprehensive income	At 31.12.2015
	RM'000	RM'000 (Note 21)	RM'000	RM'000	RM'000 (Note 21)	RM'000	RM'000
Property, plant and equipment	(11,137)	1,509	54	(9,574)	(136)	323	(9,387)
Provisions	2,872	(3,110)	-	(238)	47	-	(191)
Other items	366	(304)	-	62	(62)	-	-
	(7,899)	(1,905)	54	(9,750)	(151)	323	(9,578)

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 for certain subsidiaries against which those subsidiaries can utilise the benefits therefrom. The deductible temporary differences do not expire under the current tax legislation.

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Tax losses carry-forwards	15,279	2,219	1,305	1,305

Notes to the Financial Statements

9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current Trade					
Trade receivables	9.1	40,697	39,989	-	-
Related companies	9.1	17	3,378	-	-
		40,714	43,367	-	-
Non-trade					
Subsidiaries	9.2	-	-	30,034	32,361
Associate		23	-	-	-
Joint venture	9.3	993	-	779	-
Other receivables	9.4	5,282	4,711	25	17
Deposits		1,113	265	240	13
Prepayments		592	986	3	12
		48,717	49,329	31,081	32,403
Non-current					
Other receivables	9.4	9,679	-	9,679	-

9.1 Trade receivables and amount due from related companies

Trade receivables and amount due from related companies are subject to the normal trade credit terms between 30 days to 90 days (2014: 30 days to 90 days).

9.2 Amount due from subsidiaries

Included in the amount due from subsidiaries are advances of RM29,897,835 (2014: RM18,775,460) which are unsecured, subject to interest of up to 5.50% (2014: 5.25%) per annum and are repayable on demand.

9.3 Amount due from joint venture

Amount due from joint venture is unsecured, interest free and repayable on demand.

9.4 Other receivables

Included in the amount is balances owing from the Group's joint venture partner DOFICO (refer to note 31) which consists of:

Current

- outstanding dividend due from TVP declared prior to the sale of TVP, payable within 12 months amounting to RM741,937 (2014:RM Nil).

Non-current

- deferred payment of the purchase price for the sale of 50% of TVP to be settled from the pay-outs of future dividends from TVP amounting to RM6,145,823 (2014:RM Nil); and
- outstanding dividend due from TVP declared prior to the sale of TVP, payable after 12 months amounting to RM3,533,620 (2014:RM Nil).

Notes to the Financial Statements

10. INVENTORIES

	Group	Group
	31.12.2015	31.12.2014
	RM'000	RM'000
Raw materials and consumables	51,090	56,221
Work-in-progress	6,093	3,648
Finished goods	21,796	18,677
	78,979	78,546
Carrying amount of inventories pledged as security for bank borrowings	7,745	6,289
Recognised in profit or loss:		
Inventories recognised as cost of sales	288,519	293,256
Write-down to net realisable value	511	2,176
(Reversal of allowance)/allowance for inventories obsolescence	(425)	56
Inventories written-off	1,420	177

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

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	46,045	34,928	9,015	309
Deposits placed with licensed banks	25,285	18,169	-	-
	71,330	53,097	9,015	309

Included in deposits with licensed banks is RM105,340 (2014: RM101,975) pledged for bank facility secured.

12. SHARE CAPITAL

Group and Company

	Amount	Number	Amount	Number
	2015	of Share	2014	of Share
	RM'000	2015	RM'000	2014
		'000		'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.

Notes to the Financial Statements

13. RESERVES

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<i>Non distributable:</i>					
Share premium	13.1	12,504	12,504	12,504	12,504
Translation reserve	13.2	30,169	8,804	-	-
<i>Distributable:</i>					
Retained earnings		145,103	118,848	50,163	29,621
		187,776	140,156	62,667	42,125

13.1 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.

13.2 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.

14. EMPLOYEE BENEFITS

Retirement benefits and other employee benefits

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total present value of unfunded obligations		515	1,109	284	728
Recognised liability for defined benefit obligations	14.1	515	1,109	284	728
Provision for long-service leave	14.2	4,488	4,774	-	-
Provision for annual leave		3,305	3,478	142	105
Total employee benefits		8,308	9,361	426	833
Analysed as:					
- current	16	7,266	8,266	142	582
- non-current		1,042	1,095	284	251
		8,308	9,361	426	833

Notes to the Financial Statements

14. EMPLOYEE BENEFITS (Continued)

Retirement benefits and other employee benefits (continued)

14.1 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 RM23,000 (2014: RM22,000) 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% (2014: 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 2015 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.

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Balance at 1 January	1,109	993	728	645
Included in profit or loss				
Current service cost	72	84	44	60
Interest on obligation	46	44	31	25
Net retirement benefits expenses	118	128	75	85
Other				
Benefits paid/used by the plan	(709)	-	(519)	-
Effect of movements in exchange rate	(3)	(12)	-	(2)
	(712)	(12)	(519)	(2)
Defined benefit obligations at 31 December	515	1,109	284	728

Notes to the Financial Statements

14. EMPLOYEE BENEFITS (Continued)

Retirement benefits and other employee benefits (continued)

Actuarial assumptions

Principal actuarial assumptions at the end of reporting period:

	Group		Company	
	2015	2014	2015	2014
Discount rate at 31 December	4%	5%	4%	5%
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
2015				
Discount rate (1% movement)	(9)	10	(1)	1
Future salary growth (1% movement)	17	(10)	7	(1)
2014				
Discount rate (1% movement)	(12)	13	(1)	1
Future salary growth (1% movement)	27	(13)	15	(2)

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.

14.2 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.

Notes to the Financial Statements

15. LOANS AND BORROWINGS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current				
Term loans - unsecured	335	990	-	-
Revolving credits - unsecured	11,186	13,413	-	-
Finance lease liabilities	9	19	5	8
	11,530	14,422	5	8
Current				
Term loans - unsecured	885	719	-	-
Revolving credits - secured	-	2,116	-	-
- unsecured	59,180	56,693	-	1,418
Finance lease liabilities	11	11	4	3
	60,076	59,539	4	1,421

The information about the Group's and the Company's exposure to interest rate and foreign currency risk is disclosed in Note 25

Security

The secured revolving credits are secured by inventories and property, plant and equipment of a subsidiary.

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 banks;
- (ii) Gearing/Leverage of certain subsidiaries shall not exceed range of 1.5 to 3.0 times set by applicable banks to individual subsidiaries (2014: 1.5 to 3.0 times);
- (iii) Tangible networth of APT to be maintained at not less than USD 10 million (2014: USD6.0 million); and
- (iv) Inventories of a subsidiary amounting to USD1.8 million (2014: USD1.8 million) are pledged to a bank.

15.1 Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments 2015 RM'000	Interest 2015 RM'000	Present value of minimum lease payments 2015 RM'000	Future minimum lease payments 2014 RM'000	Interest 2014 RM'000	Present value of minimum lease payments 2014 RM'000
Less than one year	12	1	11	13	2	11
Between one and five years	9	-	9	21	2	19
	21	1	20	34	4	30

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

Notes to the Financial Statements

16. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current					
Trade					
Trade payables	16.1	21,857	29,031	-	-
Related companies	16.1	5	1,496	-	-
		21,862	30,527	-	-
Non-trade					
Other payables		5,301	8,939	10	-
Accruals		4,572	4,549	496	581
Employee benefits	14	7,266	8,266	142	582
Related companies	16.2	283	23	-	-
Subsidiaries	16.3	-	-	9,006	8,176
Ultimate holding company	16.4	32,218	16,193	7,039	8,938
		49,640	37,970	16,693	18,277
		71,502	68,497	16,693	18,277
Non-current					
Non-trade					
Ultimate holding company	16.4	1,506	4,382	-	-

16.1 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.

16.2 Amount due to related companies

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

16.3 Amount due to subsidiaries

Amount due to subsidiaries is unsecured which is subject to 5.25% (2014: 5.00%) and repayable on demand.

16.4 Amount due to ultimate holding company

Included in the current and non-current amount due to ultimate holding company is RM31,206,000 (2014: RM16,946,000) which is subject to fixed interest rate of 2.38% (2014: 2.98%) per annum. Amount due to ultimate holding company at company level amounts to RM6,884,000 (2014: RM8,938,000) which is subject to fixed interest rate of 3.00% (2014: 3.00%) per annum and is expected to be repayable within the next year. The remaining amounts due to ultimate holding company classified as current is interest free and repayable on demand. All balances are non-trade in nature and unsecured.

Notes to the Financial Statements

17. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- subsidiary companies	-	-	469	436
- banker's acceptances	38	9	-	-
- term loans	47	31	-	-
- revolving credits	1,913	2,244	7	123
- ultimate holding company	655	435	224	173
- finance lease liabilities	4	4	3	2
	2,657	2,723	703	734

18. PROFIT BEFORE TAX

	Note	Group		Company	
		2015 RM'000	2014 restated RM'000	2015 RM'000	2014 RM'000
Profit before tax is arrived at after charging:					
Amortisation of intangible assets	4	9,198	6,569	-	-
Auditors' remuneration					
- Audit fees					
KPMG Malaysia		122	110	67	60
Overseas affiliates of KPMG Malaysia		212	196	-	-
Other auditors		28	10	-	-
- Non-audit fees					
KPMG Malaysia		22	18	28	18
Overseas affiliates of KPMG Malaysia		43	51	-	-
Directors:					
- fees	20	323	493	323	655
- remuneration	20	345	219	345	58
- provision for ex-gratia	20	51	236	51	236
Other short-term employee benefits	20	12	36	12	-
Depreciation of property, plant and equipment restated	3	26,526	25,005	103	96
Loss on disposal of property, plant and equipment		572	10	19	-
Inventories written off	10	1,420	177	-	-
Allowance for inventories obsolescence	10	-	56	-	-
Write down of inventories to net realisable value	10	511	2,176	-	-
Management fees		2,243	2,194	-	-
Personnel expenses					
(including other key management personnel):					
- contributions to statutory pension funds		4,573	5,090	301	147
- wages, salaries and others		39,447	59,243	3,538	2,078
Expenses related to employee benefits:					
Retirement benefit provided	14	115	128	75	85
Provision for long term service leave		225	546	-	-
Remeasurement loss/(gain)		3	(13)	-	(2)
Redundancy expense		6,658	1,983	-	-
Provision for annual leave		2,102	2,502	37	-
Total employee benefit		9,103	5,146	112	83
Rental of properties		1,285	1,134	-	-
Loss on disposal of a subsidiary		-	-	284	-
Realised loss on foreign exchange		1,717	306	-	144
Unrealised loss on foreign exchange		926	3,420	979	-

Notes to the Financial Statements

18. PROFIT BEFORE TAX (Continued)

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the year is arrived at and after crediting:					
Gain on disposal of property, plant and equipment		98	-	64	-
Gain on disposal of a subsidiary		2,052	-	-	-
Gross dividend income from:					
- unquoted subsidiaries		-	-	28,467	10,659
- unquoted associate		807	864	807	864
Reversal of allowance for inventories obsolescence	10	425	-	-	-
Rental income		12	13	-	-
Realised gain on foreign exchange		2,980	3,090	2,497	-
Unrealised gain on foreign exchange		-	356	-	271

19. OTHER COMPREHENSIVE INCOME

Group	Before tax RM'000	Tax benefit RM'000	Net of tax RM'000
2015			
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	30,928	323	31,251
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	2,280	54	2,334
<i>Hedge of net investment</i>			
- Loss arising during the year	(90)	-	(90)
	2,190	54	2,244

Notes to the Financial Statements

20. KEY MANAGEMENT PERSONNEL COMPENSATION

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Directors:					
- fees	18	323	493	323	655
- remuneration	18	345	219	345	58
- provision for ex-gratia	18	51	236	51	236
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	18	12	36	12	-
Total short-term employee benefits		731	984	731	949
Other key management personnel:					
- short-term employee benefits		6,170	3,177	3,264	1,289
- other long-term benefits		75	630	75	75
		6,245	3,807	3,339	1,364
		6,976	4,791	4,070	2,313

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.

21. TAX EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current tax expense				
Malaysian				
- current year	2,080	244	-	-
- prior year	90	(34)	-	-
	2,170	210	-	-
Overseas				
- current year	951	4,997	20	13
- prior year	(1,481)	47	-	-
	1,640	5,254	20	13
Deferred tax expense				
Origination and reversal of temporary differences	179	1,912	-	-
Over provision in prior year	(28)	(7)	-	-
	151	1,905	-	-
Total income tax expense	1,791	7,159	20	13

Notes to the Financial Statements

21. TAX EXPENSE (Continued)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Reconciliation of tax expense				
Profit before tax	37,622	22,979	28,282	9,676
Income tax using Malaysian tax rate of 25% (2014: 25%)	9,406	5,745	7,071	2,419
Effect of tax rate in foreign jurisdictions	(4,630)	(2,136)	79	13
Non-deductible expenses	6,272	5,484	127	622
Tax exempt income	(11,465)	(5,428)	(7,257)	(3,041)
Reversal of previously recognised deferred tax	-	3,488	-	-
Current year losses for which no deferred tax asset was recognised	3,627	-	-	-
(Over)/Under provided in prior years	(1,419)	6	-	-
	1,791	7,159	20	13

22. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2015 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares as follows:

	Group	
	2015 RM'000	2014 RM'000
Profit for the year attributable to ordinary shareholders	33,975	13,531
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		
In sen	35.21	14.02

Notes to the Financial Statements

23. DIVIDENDS

	Sen per share (single-tier)	Total amount RM'000	Date of Payment
2015			
Final 2014 ordinary	4.00	3,860	25 June 2015
Interim 2015 ordinary	4.00	3,860	29 Oct 2015
		7,720	
2014			
Final 2013 ordinary	6.39	6,166	10 July 2015
Interim 2014 ordinary	3.00	2,895	31 Oct 2015
		9,061	

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 (single-tier)	Total amount RM'000
Final 2015 ordinary	14.00	13,509

24. OPERATING SEGMENTS

The Group effectively has only one reportable segment. In the prior years, it was separately disclosed into two segments, namely Printing and Trading.

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

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

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 segment relative to other entities that operate within these industries.

Segment assets

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

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.

Notes to the Financial Statements

24. OPERATING SEGMENTS (Continued)

	Printing & Trading RM'000
2015	
Reporting segment profit	65,810
<i>Included in the measure of segment profit are:</i>	
Revenue from external customers	367,374
<i>Not included in the measure of reporting segment profit but provided to Board of Directors:</i>	
Depreciation and amortisation	(28,229)
Finance costs	(2,874)
Finance income	1,482
Segment assets	610,046
<i>Included in the measure of segment assets are:</i>	
Additions to non-current assets other than financial instruments and deferred tax assets	13,933
2014	
Reporting segment profit, restated	49,099
<i>Included in the measure of segment profit are:</i>	
Revenue from external customers	353,686
<i>Not included in the measure of reporting segment profit but provided to Board of Directors:</i>	
Depreciation and amortisation, restated	(24,700)
Finance costs	(3,034)
Finance income	1,714
Segment assets, restated	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, restated	31,627

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

	2015	Group 2014 restated
	RM'000	RM'000
Profit or loss		
Total profit for reporting segments	65,810	49,099
Other non-reportable segments	3,106	2,458
Depreciation and amortisation	(35,724)	(31,574)
Finance costs	(2,657)	(2,723)
Finance income	991	1,077
Share of profit of an associate not included in reportable segments	6,096	4,642
Consolidated profit before tax	37,622	22,979

Notes to the Financial Statements

24. 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	Investment in joint venture RM'000	Additions to non-current assets RM'000
2015								
Total reportable segments	367,374	(28,229)	(2,874)	1,482	610,046	-	-	13,933
Other non-reportable segments	-	(717)	(1,696)	1,416	221,063	25,460	6,464	679
Elimination of inter-segment transactions or balances	-	(6,778)	1,913	(1,907)	(327,403)	-	-	-
Consolidated total	367,374	(35,724)	(2,657)	991	503,706	25,460	6,464	14,612
2014								
Total reportable segments	353,686	(24,700)	(3,034)	1,714	597,609	-	-	31,627
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	(31,574)	(2,723)	1,077	466,867	20,171	-	31,967

Geographical segments

The printing segment is 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.

Geographical information	Revenue		Non-current assets	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Australasia	69,740	87,711	82,281	76,095
Malaysia	66,708	66,369	31,634	34,396
Singapore	208,558	185,592	-	-
Vietnam	7,903	556	108,475	113,676
Hong Kong	35	-	4,744	12,227
Other countries	14,430	13,458	-	-
	367,374	353,686	227,134	236,394

Major customers

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

	2015 RM'000	2014 RM'000
All common control companies of: - British American Tobacco Group	289,571	269,697

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS

25.1 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 2015 RM'000	L&R/ (OL) 2015 RM'000	Carrying amount 2014 RM'000	L&R/ (OL) 2014 RM'000
Financial assets				
Group				
Trade and other receivables (excluding prepayments)	57,804	57,804	48,343	48,343
Cash and cash equivalents	71,330	71,330	53,097	53,097
	129,134	129,134	101,440	101,440
Company				
Trade and other receivables (excluding prepayments)	40,757	40,757	32,391	32,391
Cash and cash equivalents	9,015	9,015	309	309
	49,772	49,772	32,700	32,700
Financial liabilities				
Group				
Loans and borrowings	(71,606)	(71,606)	(73,961)	(73,961)
Trade and other payables	(31,730)	(31,730)	(42,519)	(42,519)
Ultimate holding company	(33,724)	(33,724)	(20,575)	(20,575)
Related companies	(288)	(288)	(1,519)	(1,519)
	(137,348)	(137,348)	(138,574)	(138,574)
Company				
Loans and borrowings	(9)	(9)	(1,429)	(1,429)
Trade and other payables	(506)	(506)	(581)	(581)
Ultimate holding company	(7,039)	(7,039)	(8,938)	(8,938)
Subsidiaries	(9,006)	(9,006)	(8,176)	(8,176)
	(16,560)	(16,560)	(19,124)	(19,124)

25.2 Net gains and losses arising from financial instruments

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net gains/(losses) on:				
Loans and receivables	1,328	797	2,932	1,490
Financial liabilities measured at amortised cost	(2,657)	(2,723)	(703)	(734)
	(1,329)	(1,926)	2,229	756

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (Continued)

25.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

25.4 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	
	2015	2014
	RM'000	RM'000
Singapore	17,947	23,845
Australasia	9,734	9,212
Malaysia	7,664	8,543
Vietnam	3,188	398
Others	2,181	1,369
	40,714	43,367

At the end of the reporting period, there is one (1) customer with balances amounting to 72% (2014: 1 customer amounting to 74%) of the Group's gross trade receivables.

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (Continued)

25.4 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
2015			
Not past due	32,580	-	32,580
Past due 0 - 30 days	4,015	-	4,015
Past due 31 - 180 days	3,299	-	3,299
Past due more than 180 days	820	-	820
	40,714	-	40,714
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

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.

Related party balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries and a joint venture. The Company monitors the results of the subsidiaries and joint venture 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 and a joint venture of the Company.

Impairment losses

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

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (Continued)

25.5 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	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
2015						
<i>Non-derivative financial liabilities</i>						
Term loan – unsecured	1,220	3.00%	1,261	912	349	-
Revolving credits – unsecured	70,366	2.30%	72,449	60,577	5,226	6,646
Finance lease liabilities	20	9.00%	23	12	9	2
Trade and other payables	32,018	-	32,018	32,018	-	-
Ultimate holding company						
- interest bearing	31,206	2.38%	32,415	30,416	1,999	-
- non-interest bearing	2,518	-	2,518	2,518	-	-
	137,348		140,684	126,453	7,583	6,648
2014						
<i>Non-derivative financial liabilities</i>						
Term loan – 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	-	-
Ultimate Holding company						
- interest bearing	16,924	2.98%	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

25. FINANCIAL INSTRUMENTS (Continued)

25.5 Liquidity risk (Continued)

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
2015						
<i>Non-derivative financial liabilities</i>						
Ultimate holding company-interest bearing	6,884	3.00%	7,006	7,006	-	-
Ultimate holding company-not interest bearing	155	-	155	155	-	-
Trade and other payables	506	-	506	506	-	-
Due to subsidiaries	9,006	5.25%	9,485	9,485	-	-
Finance lease liabilities	9	9.00%	10	4	5	1
	16,560		17,162	17,156	5	1
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	-	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

25.6 Market risk

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

25.6.1 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

25. FINANCIAL INSTRUMENTS (Continued)

25.6.1 Currency risk (Continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency 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				
2015				
Trade and other receivables	27,904	698	5,840	11,921
Trade and other payables	(45,664)	(2,639)	(4,087)	(11,308)
Loans and borrowings	(62,587)	-	-	-
Net exposure	(80,347)	(1,941)	1,753	613
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

Currency risk sensitivity analysis

A 10% (2014: 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
USD	-	-	6,026	6,328
SGD	-	-	146	77
VND	-	-	(131)	349
AUD	-	-	(46)	(173)

A 10% (2014: 10%) weakening of RM against the above 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

25. FINANCIAL INSTRUMENTS (Continued)

25.6.2 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Fixed rate instruments				
Financial assets	25,285	18,169	29,898	31,354
Financial liabilities	(31,206)	(16,946)	(15,890)	(17,260)
	(5,921)	1,223	14,008	14,094
Floating rate instruments				
Financial assets	-	-	194	1,418
Financial liabilities	(71,606)	(73,960)	(9)	(1,430)
	(71,606)	(73,960)	185	(12)

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 (decreased)/increased 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 2015 RM'000	100bp decrease 2015 RM'000	100bp increase 2014 RM'000	100bp decrease 2014 RM'000
Group				
Floating rate instruments	(716)	716	(739)	739

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (Continued)

25.7 Hedging activities

25.7.1 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. In the previous financial year, the loan had been fully repaid to its banker. The carrying amount of the loan as at the end of the reporting year is RM Nil (2014: Nil). A foreign exchange loss of RM Nil (2014: RM90,000) 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.

25.8 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 2015	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		
Financial assets										
Other receivables	-	-	9,679	9,679	-	-	-	-	9,679	9,679
Financial liabilities										
Bank borrowings	-	-	-	-	-	-	(69,928)	(69,928)	(69,928)	(71,586)
Finance lease liabilities	-	-	-	-	-	-	(18)	(18)	(18)	(20)
Ultimate holding company	-	-	-	-	-	-	(30,462)	(30,462)	(30,462)	(33,724)
	-	-	9,679	9,679	-	-	(100,408)	(100,408)	(90,729)	(95,651)
Company										
Financial assets										
Loan to subsidiaries	-	-	-	-	-	-	28,754	28,754	28,754	32,361
Other receivables	-	-	9,679	9,679	-	-	-	-	9,679	9,679
Financial liabilities										
Bank borrowings	-	-	-	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	(7)	(7)	(7)	(9)
Subsidiaries	-	-	-	-	-	-	(8,561)	(8,561)	(8,561)	(9,006)
Ultimate holding company	-	-	-	-	-	-	(6,681)	(6,681)	(6,681)	(7,039)
	-	-	9,679	9,679	-	-	13,505	13,505	23,184	25,986

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (Continued)

25.8 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 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 borrowings	-	-	-	-	-	-	(72,165)	(72,165)	(72,165)	(73,931)
Finance lease liabilities	-	-	-	-	-	-	(27)	(27)	(27)	(30)
Ultimate holding company	-	-	-	-	-	-	(16,442)	(16,442)	(16,442)	(20,575)
	-	-	-	-	-	-	(88,634)	(88,634)	(88,634)	(94,536)
Company										
Financial assets										
Subsidiaries	-	-	-	-	-	-	31,406	31,406	31,406	32,772
Financial liabilities										
Bank borrowings	-	-	-	-	-	-	(1,389)	(1,389)	(1,389)	(1,418)
Finance lease liabilities	-	-	-	-	-	-	(10)	(10)	(10)	(11)
Subsidiaries	-	-	-	-	-	-	(7,777)	(7,777)	(7,777)	(8,176)
Ultimate holding company	-	-	-	-	-	-	(8,817)	(8,817)	(8,817)	(9,085)
	-	-	-	-	-	-	13,413	13,413	13,413	14,082

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 and inter company balances.	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.

Valuation processes applied by the Group for level 3 fair value

The Group has a control framework in respect to the measurement of fair values of financial instruments. The overall valuation responsibility for overseeing all significant fair value measurements, including Level 3 fair values are done by the Group Finance Manager, reporting to the Chief Financial Officer. The Group Finance Manager regularly reviews significant unobservable inputs and valuation adjustments.

Notes to the Financial Statements

26. 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 investors, creditors 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 disclosed in Note 15.

The debt-to-equity ratios were as follows:

	Note	Group 2015 RM'000	Group 2014 RM'000
Total loans and borrowings	15	71,606	73,961
Less: Cash and cash equivalents	11	(71,330)	(53,097)
Net debt		276	20,864
Total equity		346,439	304,729
Debt-to-equity ratio		0.0	0.1

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

27. OPERATING LEASES

Operating lease rentals are payable as follows:

	Group 2015 RM'000	Group 2014 RM'000
Within one year	768	881
Between one and five years	617	811
More than five years	-	61
	1,385	1,753

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.

28. CAPITAL AND OTHER COMMITMENTS

	Group 2015 RM'000	Group 2014 RM'000
Property, plant and equipment		
Authorised but not contracted for	-	25,659
Contracted but not provided for	2,478	-
	2,478	25,659

Notes to the Financial Statements

29. 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	
	2015	2014
	RM'000	RM'000
<i>Corporate guarantee to subsidiaries</i>		
Short-term borrowings	60,065	55,993
Long-term borrowings	11,521	14,403
	71,586	70,396

As at 31 December 2015, the Company has given bank guarantees to a joint venture entity. The bank guarantees will be removed upon the settlement of outstanding balances to the aforesaid facilities.

Joint Venture

As at 31 December 2015, the Company has given a performance guarantee to a joint venture entity. Details are as follows:

In accordance with the agreement, if TVP suffers losses or the profits received by DOFICO from the JV Company within thirty six (36) months as of the Commencement Date is less than 20% of the Purchase Price, DOFICO at its own discretion shall:

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

Notes to the Financial Statements

30. 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 are shown below, other than key management personnel compensation (see Note 20) and other balances relating to payable and receivable contained in note 9 and 16.

Group	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ultimate holding company				
Management fees expense	2,243	2,194	-	-
Interest expense	655	435	224	173
Related companies				
Sales	(14,213)	(21,191)	-	-
Purchases	12,015	13,343	-	-
Rental of warehouse expenses	699	699	-	-
Expenses on outsourcing of sales administrative and accounting work	265	302	-	-
Sales of scrap paper	(16)	-	-	-
Subsidiaries				
Dividend income	-	-	(28,467)	(10,659)
Interest expense	-	-	469	436
Interest income	-	-	(1,414)	(1,364)
Administrative fee received	-	-	(2,851)	(1,005)
Associate company				
Dividend income	(807)	(864)	(807)	(864)
Director				
Sale of motor vehicle	(264)	-	(264)	-
Gifted computer and gadgets	(18)	-	(18)	-

Notes to the Financial Statements

31. DISPOSAL OF SUBSIDIARY

On 25 May 2015, the Company announced that it had on 24 May 2015 entered into a strategic joint venture agreement with Toyo (Viet) Paper Product Co. Ltd (“TVP”) and Dong Nai Food Industrial Corporation Vietnam (“DOFICO”) vide sale of 50% of TVP to DOFICO. Submission for the Amended Investment License was made in December 2015 and although the issuance of the Amended Investment License by the lawful State Authority of Vietnam remains outstanding, the Company considers the transactions to be completed as at 31 December 2015 (“deemed date of disposal”) based on the accounting concept of “substance over form” as the issuance of the Amended Investment License is considered to be fundamentally administrative in nature. Hence, the disposal of 50% of TVP to DOFICO for a total cash consideration of USD1,630,000 (RM6,146,000), was recognized in the current financial year and resulted in a gain of RM2,052,000. As such, TVP is accounted for as a Jointly Controlled Entity of the Company as at 31 December 2015 and is equity accounted.

Details of the disposal are as follows:

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

The gain on disposal amounted to RM2,052,000 was included in other income in profit or loss.

Notes to the Financial Statements

32. ASSET CLASSIFIED AS HELD FOR SALE

During the year, a printing machine, which was owned by TVP was dismantled and packed for shipment for the future setting up of the Group's new operations in Middle East (Dubai) to supply to its new customers in Dubai. The aforesaid printing machine was disposed of by TVP to the Company for RM7,079,000 during the financial year and is recorded in the Company as an asset held for sale as management has already been actively acting to setup the Group's new operations in Dubai and the operation is expected to commence within 12 months.

33. SUBSEQUENT EVENT

- (a) On 25 May 2015, the Company announced that it had on 24 May 2015 entered into a strategic joint venture agreement ("Proposed Joint Venture") with Toyo (Viet) Paper Product Co. Ltd ("TVP") and Dong Nai Food Industrial Corporation Vietnam ("DOFICO") vide sale of 50% of TVP to DOFICO for USD1,630,000 (RM6,146,000) to secure DOFICO print packaging volume. TVP has been recognised as a Jointly Controlled Entity of the Company as at 31 December 2015.

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

- all the condition precedents have been fulfilled to the satisfaction of the Company or waived by the Company; and
- an amended investment certificate has been issued by the lawful State Authority of Vietnam to TVP according to which TVP has been recognised as the joint venture limited liability company with two members and each of the Company and DOFICO holds 50% of the Charter Capital respectively.

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

- (b) On 24 August 2015 the Company, had entered into a Memorandum of Understanding ("MOU") with Lum Chang Holdings Limited to jointly negotiate the terms of the proposed development of a mixed-use commercial development at No 9 & 11, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan under title no: 3674 and 3967, Lot 30 & 4, Section 13, Municipality of Petaling Jaya, Selangor Darul Ehsan, on land which is currently held by a subsidiary of the Company on a 99-year lease from the State Government of Selangor, Malaysia with a residue of approximately forty-four (44) years as of the date of this MOU. The MOU is not legally binding, other than the clauses on confidentiality, exclusivity and termination. The rationale for the MOU is to maximise the usage of the land and deliver additional income stream for the Group.

The project is in the planning stage and there is no material development on the MOU.

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

Notes to the Financial Statements

33. SUBSEQUENT EVENT (Continued)

- (e) On 17 March 2016, the key customer of the Group announced that it will cease its manufacturing operations in Malaysia under an operations restructuring exercise and would be winding down its facility in stages and the process is targeted to be completed by the second half of 2017.

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

34. COMPARATIVE FIGURES

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

	Group			
	31.12.2014		1.1.2014	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Statement of financial position				
Property, plant and equipment	236,965	231,539	223,652	221,075
Inventories	78,546	83,972	71,264	73,841
<hr/>				
			31.12.2014	
			As restated RM'000	As previously stated RM'000
Statement of profit or loss and other comprehensive income				
Depreciation of property, plant and equipment			25,005	21,835
Statement of cash flows				
Increase in inventories			(6,864)	(7,305)
Acquisition of property, plant and equipment			(31,967)	(26,445)
Effect of exchange rate fluctuations			(5,700)	(5,202)

The reclassification has no impact to the statement of profit or loss and other comprehensive income, hence does not impact the earnings for ordinary share of the Group.

Notes to the Financial Statements

35. 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 into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Main Market Listing Requirements, are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings of the Company and its subsidiaries:				
- realised	259,340	246,414	51,142	29,331
- unrealised	(35,548)	(31,953)	(979)	290
	223,792	214,461	50,163	29,621
Total share of retained earnings of an associate company:				
- realised	24,514	19,159	-	-
- unrealised	(554)	(489)	-	-
	247,752	233,131	50,163	29,621
Less: Consolidation adjustments	(102,649)	(114,283)	-	-
Total retained earnings	145,103	118,848	50,163	29,621

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 69 to 126 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 2015 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 35 on page 127 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:



Yen Wen Hwa @ Ngan Tzee Manh



Lee Cheow Fui

Petaling Jaya, Selangor

Date: 21 March 2016

Statutory Declaration

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

I, **Ng Cheong Seng**, 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 69 to 127 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 21 March 2016.



Ng Cheong Seng

Before me: 21 March 2016

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 2015 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 69 to 126.

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 2015 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.

Independent Auditors'

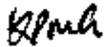
report to the members of Tien Wah Press Holdings Berhad
(Company No. 340434-K) (Incorporated in Malaysia)

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 35 on page 127 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.

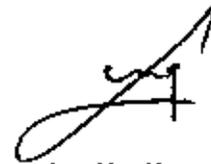


KPMG

Firm Number: AF 0758
Chartered Accountants

Petaling Jaya, Selangor

Date: 21 March 2016



Lee Yee Keng

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

Analysis Of Shareholdings

as at 28 March 2016

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	37	1.41	878	0.00
100 -1,000	312	11.90	225,452	0.23
1,001-10,000	1,803	68.79	7,330,160	7.60
10,001-100,000	434	16.56	11,700,530	12.13
100,001-4,824,749	32	1.22	13,750,420	14.25
4,824,750 AND ABOVE	3	0.12	63,487,560	65.79
TOTAL	2,621	100.00	96,495,000	100.00

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS as at 28 MARCH 2016

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	11,284,300	11.69	-	-
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 (M) 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 28 March 2016

DIRECTORS' INTERESTS AS PER REGISTER OF DIRECTORS' SHAREHOLDING as at 28 MARCH 2016

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

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

THIRTY LARGEST SHAREHOLDERS/DEPOSITORS as at 28 MARCH 2016

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	11,284,300	11.69
4 Kam Loong Mining Sdn Bhd	4,330,000	4.49
5 Foo Khen Ling	1,372,000	1.42
6 Yap Ah Fatt	1,196,000	1.24
7 Tan Kim Onm	895,600	0.93
8 Meng Lee Motors Sdn Berhad	550,000	0.57
9 Chia Kee Koon	541,500	0.56
10 Lim Kian Huat	400,000	0.41
11 Yong Kim Siong	371,000	0.38
12 Lim Khuan Eng	325,000	0.34
13 Maybank Nominees (Tempatan) Sdn Bhd <i>Ng Hau Ching</i>	300,000	0.31
14 Lim Seng Qwee	282,680	0.29

Analysis Of Shareholdings

as at 28 March 2016

THIRTY LARGEST SHAREHOLDERS/DEPOSITORS as at 28 MARCH 2016

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 Chan Heng Koon	234,000	0.24
17 Key Development Sdn Berhad	223,500	0.23
18 Asia Selatan (M) Sdn Bhd	217,000	0.22
19 Ang Seng Chin	190,000	0.20
20 Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lu Yeep Hing</i>	186,300	0.19
21 Tan Aik Choon	176,300	0.18
22 Citigroup Nominees (Asing) Sdn Bhd <i>Exempt an for OCBC Securities Private Limited (Client A/C-NR)</i>	147,000	0.15
23 Ooi Kim Em @ Ng Hock Kiew	140,000	0.15
24 JF Apex Nominees (Tempatan) Sdn Bhd <i>AISB for Choo Teik Heng (STA 3)</i>	139,300	0.14
25 Key Development Sdn Berhad	138,740	0.14
26 Khoo Kay Guan @ Khoo Chai Khee	125,000	0.13
27 Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lam Sing Poh</i>	122,000	0.13
28 RHB Nominees (Tempatan) Sdn Bhd <i>RHB Asset Management Sdn Bhd for Tan Kheak Chun (EPF-SPA)</i>	120,000	0.12
29 Wong Shee Kai	117,000	0.12
30 Hong Weng Hwa	115,500	0.12
TOTAL	76,694,980	79.45

Analysis Of Shareholdings

as at 28 March 2016

BREAKDOWN OF SHAREHOLDINGS

Type of ownership	No. of Shareholders	No. of Shares	% of Issued Capital
Malaysian Individual			
Bumiputra	90	279,310	0.29
Chinese	2,027	19,715,812	20.43
Indian	43	277,140	0.29
Other Races	5	14,903	0.02
Subtotal	2,165	20,287,165	21.03
Malaysian Corporate			
Government Agencies / Institutions	1	11,284,300	11.69
Bumiputra	0	0	0
Non-Bumiputra	35	6,235,170	6.46
Subtotal	36	17,519,470	18.15
Foreign Individual			
Australia	1	2,000	0.00
Singapore	21	1,086,080	1.13
Taiwan	1	6,000	0.01
Permanent Resident of Malaysia	10	104,400	0.11
Subtotal	33	1,198,480	1.25
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	212	2,944,064	3.05
Malaysian Non-Bumiputra Beneficiaries	157	1,905,840	1.98
Foreign Beneficiaries	14	418,901	0.43
Subtotal	383	5,268,805	5.46
Grand Total	2,621	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 2015 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 2015 RM'000	Age of Building	Date of Acquisition
Lot 4, Section 13, Municipality of Petaling Jaya, Selangor Darul Ehsan	Leasehold	112,468 / 103,356	43 Years / 16-08-2059	Office / Factory bearing address No. 11 Jalan Semangat Petaling Jaya, Selangor Darul Ehsan	16,627	56 years	17-08-1960
Lot 30, Section 13, Municipality of Petaling Jaya, Selangor Darul Ehsan	Leasehold	27,899 / 67,812	43 Years / 10-11-2059	Office / Factory bearing address No. 9 Jalan Semangat Petaling Jaya, Selangor Darul Ehsan	9,880	24 years	05-12-1989
Lot 24, Section 14, Municipality of Petaling Jaya, Selangor Darul Ehsan	Leasehold	1,658 / 1,374	58 Years / 22-07-2074	Residential quarters for staff bearing address No. 79 Jalan 14/20 Petaling Jaya, Selangor Darul Ehsan	419	40 years	30-08-2004
PT8, Section 14, Municipality of Petaling Jaya, Selangor Darul Ehsan	Leasehold	1,650 / 1,840	47 Years / 10-01-2063	Residential quarters for staff bearing address No. 8 Jalan 14/28 Petaling Jaya, Selangor Darul Ehsan	402	44 years	17-04-2006
Lot 307, 308, 309 Vietnam – Singapore Industrial Park	Leasehold	401,280 / 119,090	38 Years / 08-08-2054	Office / Factory bearing address 38 Huu Nghi Street, Vietnam – Singapore Industrial Park, Vietnam	8,966	10 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	45,678	25 years	12-03-1993

Administrative Details

for Tien Wah Press Holdings Berhad

Twenty-First Annual General Meeting

Date : 18 May 2016

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 National Registration Identity Card ("NRIC") to the registration staff for verification. Please make sure that you collect your NRIC 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 NRIC 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 11 May 2016 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 2015 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 16 May 2016 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 2015

13. The Annual Report 2015 is available on Bursa Malaysia Berhad'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 2015, 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 before and after the Twenty-First 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 Nor Faeayzah binti Mat Sani
Share Registrar: Tricor Investor & Issuing House Services Sdn Bhd
E-mail: karen.tan@my.tricorglobal.com or nor.faeayzah@my.tricorglobal.com
Telephone number: +603-2783 9299

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



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