

TIEN WAH PRESS HOLDINGS BERHAD

(CO. NO. 340434-K)

Quarterly report on consolidated results for the nine months ended 30 September 2015

The figures have not been audited.

PART A2: SUMMARY OF KEY FINANCIAL INFORMATION

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30 Sep 2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 Sep 2014 RM'000	CURRENT YEAR TO DATE 30 Sep 2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 Sep 2014 RM'000
1	Revenue	96,272	89,432	270,309	266,838
2	Profit before tax	17,785	6,095	24,737	21,489
3	Profit for the period	16,033	5,620	22,032	17,622
4	Profit attributable to ordinary equity holders of the Company	14,611	3,669	22,197	12,749
5	Basic earnings per share (sen)	15.14	3.80	23.00	13.21
6	Proposed / Declared Dividend per share (sen)	0.00	0.00	4.00	3.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the Company (RM)	2.90		2.45	
	Remarks :				

PART A3: ADDITIONAL INFORMATION

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30 Sep 2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 Sep 2014 RM'000	CURRENT YEAR TO DATE 30 Sep 2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30 Sep 2014 RM'000
1	Gross interest income	226	485	772	972
2	Gross interest expense	(697)	(755)	(1,987)	(2,024)
Remarks :					

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

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015

	2015 Current Quarter Ended 30 Sep (RM '000)	2014 Comparative Quarter Ended 30 Sep (RM '000)	2015 Cumulative Nine months Ended 30 Sep (RM '000)	2014 Cumulative Nine months Ended 30 Sep (RM '000)
Revenue	96,272	89,432	270,309	266,838
Cost of sales	(71,936)	(73,869)	(215,711)	(217,975)
Gross profit	24,336	15,563	54,598	48,863
Other income	1,866	826	5,450	2,831
Distribution expenses	(2,668)	(3,417)	(8,090)	(8,752)
Administrative expenses	(6,841)	(5,915)	(18,782)	(18,365)
Other expenses	(1,483)	(1,870)	(12,861)	(5,310)
Results from operating activities	15,210	5,187	20,315	19,267
Finance income	226	485	772	972
Finance costs	(697)	(755)	(1,987)	(2,024)
Operating profit	14,739	4,917	19,100	18,215
Share of profit of equity-accounted associate, net of tax	3,046	1,178	5,637	3,274
Profit before tax	17,785	6,095	24,737	21,489
Tax expense	(1,752)	(475)	(2,705)	(3,867)
Profit for the period	16,033	5,620	22,032	17,622
Profit for the period attributable to:				
Owners of the Company	14,611	3,669	22,197	12,749
Non-controlling interests	1,422	1,951	(165)	4,873
Profit for the period	16,033	5,620	22,032	17,622
Earnings per ordinary share (sen):				
-basic (sen)	15.14	3.80	23.00	13.21

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

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

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2015

	2015 Current Quarter Ended 30 Sep (RM '000)	2014 Comparative Quarter Ended 30 Sep (RM '000)	2015 Cumulative Nine months Ended to date (RM '000)	2014 Cumulative Nine months Ended to date (RM '000)
Profit for the period	16,033	5,620	22,032	17,622
Item that may be subsequently reclassified to profit or loss				
Foreign currency translation differences for foreign operations	23,495	(4,655)	31,237	(2,953)
Total comprehensive income for the period, net of tax	<u>39,528</u>	<u>965</u>	<u>53,269</u>	<u>14,669</u>
Total comprehensive income attributable to:				
Owners of the Company	33,032	1,816	47,066	11,204
Non-controlling interests	6,496	(851)	6,203	3,465
Profit for the period	<u>39,528</u>	<u>965</u>	<u>53,269</u>	<u>14,669</u>

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

TIEN WAH PRESS HOLDINGS BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015

	As at 30 Sep 2015 (RM '000)	As at 31 Dec 2014 Restated (RM '000)
ASSETS		
Non-current assets		
Property, plant and equipment	262,269	236,965
Intangible assets	22,241	26,874
Investment in an associate	25,301	20,171
Deferred tax assets	1,307	1,218
Total non-current assets	311,118	285,228
Current assets		
Trade and other receivables	64,031	49,329
Inventories	90,728	78,546
Current tax assets	71	667
Cash & cash equivalents	61,014	53,097
Total current assets	215,844	181,639
TOTAL ASSETS	526,962	466,867
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the Company		
Share capital	96,495	96,495
Reserves	183,362	140,156
Total equity attributable to the equity holders of the Company	279,857	236,651
Non-controlling interests	66,201	68,078
Total equity	346,058	304,729
Non-current liabilities		
Deferred tax liabilities	10,586	10,968
Employee benefits	1,234	1,095
Loans and borrowings	13,333	14,422
Trade and other payables	2,608	4,382
Total non-current liabilities	27,761	30,867
Current liabilities		
Loans and borrowings	65,230	59,539
Trade and other payables	84,662	68,497
Current tax liabilities	3,251	3,235
Total current liabilities	153,143	131,271
Total liabilities	180,904	162,138
TOTAL EQUITY AND LIABILITIES	526,962	466,867

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

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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

	Attributable to Equity Holders of the Company				Total (RM '000)	Non-controlling Interest (RM '000)	Total Equity (RM '000)
	Share Capital (RM '000)	Share Premium (RM '000)	Translation Reserve (RM '000)	Retained Profits (RM '000)			
At 1 January 2015	96,495	12,504	8,804	118,848	236,651	68,078	304,729
Foreign currency translation differences for foreign operations	-	-	24,869	-	24,869	6,368	31,237
Other comprehensive income for the period	-	-	24,869	-	24,869	6,368	31,237
Profit for the period	-	-	-	22,197	22,197	(165)	22,032
Total comprehensive income for the period	-	-	24,869	22,197	47,066	6,203	53,269
Dividends to owners of the Company	-	-	-	(3,860)	(3,860)		(3,860)
Dividends to non-controlling interest						(8,080)	(8,080)
Total transactions with owners of the Company	-	-	-	(3,860)	(3,860)	(8,080)	(11,940)
At 30 September 2015	96,495	12,504	33,673	137,185	279,857	66,201	346,058
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	-	-	(1,502)	-	(1,502)	(1,367)	(2,869)
Hedge of net investment	-	-	(43)	-	(43)	(41)	(84)
Other comprehensive income for the period	-	-	(1,545)	-	(1,545)	(1,408)	(2,953)
Profit for the period				12,749	12,749	4,873	17,622
Total comprehensive income for the period	-	-	(1,545)	12,749	11,204	3,465	14,669
Dividends to owners of the Company	-	-	-	(6,166)	(6,166)		(6,166)
Dividends to non-controlling interest						(3,147)	(3,147)
Total transactions with owners of the Company	-	-	-	(6,166)	(6,166)	(3,147)	(9,313)
At 30 September 2014	96,495	12,504	4,227	120,961	234,187	71,655	305,842

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

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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

	2015 Nine months ended 30 Sep RM '000	2014 Nine months ended 30 Sep Restated RM '000
Cash flows from operating activities		
Profit before tax	24,737	21,489
<i>Adjustments for non-cash items:</i>		
- Depreciation of property, plant and equipment	19,618	18,254
- Amortisation of intangible assets	6,693	4,873
- Net interest expense	1,215	1,052
- Share of profit of equity - accounted associate, net of tax	(5,637)	(3,274)
- Employee benefits	1,923	2,536
- Other non-cash items	(1,333)	1,037
Operating profit before changes in working capital	47,216	45,967
-(Increase)/Decrease in inventories	(463)	1,099
-(Increase)/Decrease in trade and other receivables	(694)	6,069
-Decrease in trade and other payables	(17,134)	(8,252)
Cash generated from operations	28,925	44,883
- Tax paid	(2,959)	(3,077)
- Interest received	772	972
- Employee benefits used	(3,310)	(5,045)
Net cash generated from operating activities	23,428	37,733
Cash flows from investing activities		
- Acquisition of property, plant and equipment	(9,390)	(26,860)
- Proceeds from disposal of property, plant and equipment	36	59
- Change in pledged deposits	(102)	(99)
- Dividend received	507	444
Net cash used in investing activities	(8,949)	(26,456)
Cash flow from financing activities		
- Net proceeds from loans and borrowings	4,157	23,899
- Dividend paid to shareholders	(3,860)	(6,166)
- Dividend paid to non-controlling interests	(8,080)	(3,147)
- Interest paid	(1,987)	(2,024)
Net cash (used in) / generated from financing activities	(9,770)	12,562
Net increase in cash & cash equivalents	4,709	23,839
Effect of exchange rate fluctuations on cash held	3,106	(103)
Cash & cash equivalents at 1 January	53,097	44,143
Cash & cash equivalents at 30 September	60,912	67,879

Cash & cash equivalents

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

	2015 Nine months ended 30 Sep RM '000	2014 Nine months ended 30 Sep RM '000
Cash and bank balances	35,770	40,565
Deposits with licensed banks	25,244	27,413
	61,014	67,978
Less: Deposit pledged	(102)	(99)
	60,912	67,879

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

Notes to the Interim Financial Statements for the quarter ended 30 September 2015

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

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

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

A2. Significant Accounting Policies

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

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

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- 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 15, *Revenue from Contracts with Customers*
- MFRS 9, *Financial Instruments (2014)*

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

MFRS 15, Revenue from Contracts with Customers

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

MFRS 9, Financial Instruments

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

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

A3. Audit Report Qualification and Status of Matters Raised

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

A4. Seasonal or Cyclical Nature of Operations

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

A5. Items of Unusual Nature

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

A6. Changes in Estimates of Amounts Reported

During the current quarter, the Group had assessed and reviewed the residual useful life of its property, plant and equipment as at 1 January 2015 based on past experiences and machine vendor's validation. As a result of this review, the residual useful life of certain plant and machineries had been extended for another 8 to 15 years. The net impact of this resulted in depreciation savings of RM3.2 million in the current quarter, of which RM2.1 million related to adjustments from 1 January 2015 to 30 June 2015.

A7. Changes in Debt and Equity Securities

For the financial year-to-date, there were no issuances, cancellations, repurchases, resale and repayments of debt, treasury shares and equity securities.

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A8. Dividends Paid

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

	Nine months ended 30 September	
	2015 RM'000	2014 RM'000
Final paid on 25 June 2015 in respect of the financial year ended 31 December 2014 – single-tier tax exempt dividend of 4.00 sen per ordinary share of RM1.00 each	3,860	
Final paid on 10 July 2014 in respect of the financial year ended 31 December 2013 – single-tier tax exempt dividend of 6.39 sen per ordinary share of RM1.00 each		6,166
	3,860	6,166
	3,860	6,166

A9. Operating Segments

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

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

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

Trading: Trading of cigarette packaging cartons.

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

For the nine months ended 30 September

	Printing		Trading		Total	
	2015	2014	2015	2014	2015	2014
Revenue						
External revenue	113,445	119,217	156,864	147,621	270,309	266,838
Inter-segment revenue	145,338	145,173	5,824	10,315	151,162	155,488
Total revenue	258,783	264,390	162,688	157,936	421,471	422,326
Segment profit	28,055	39,005	15,870	13,833	43,925	52,838
Segment assets	433,114	397,804	229,344	177,956	662,458	575,760

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Reconciliation of reportable segment profit or loss	Nine months ended 30 Sep 2015 RM'000	Nine months ended 30 Sep 2014 RM'000
Total profit for reporting segments	43,925	52,838
Other non-reportable segments	1,004	1,196
Elimination of inter-segment profits/(losses)	1,697	(11,640)
Depreciation and amortization	(26,311)	(23,127)
Finance costs	(1,987)	(2,024)
Finance income	772	972
Share of profit of associate not included in reportable segments	5,637	3,274
Consolidated profit before tax	24,737	21,489

A10. Material Events Subsequent to the End of Quarterly Period

There was no material events not reflected in the interim financial statements subsequent to the balance sheet date up to 11 November 2015.

A11. Changes in the Composition of the Group

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

A12. Changes in Contingent Liabilities

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

A13. Capital Commitments

	30 Sep 2015 RM'000
Property, plant and equipment	
- Authorised but not contracted for	5,052
- Contracted but not provided for	7,413
	12,465

A14. Related Party Transactions

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

	Nine months ended 30 Sep 2015 RM '000
New Toyo International Holdings Ltd	
- Management fees	1,755
- Interest paid	451
New Toyo International Co. (Pte) Ltd	
- Sales	(10,036)
- Purchases	9,704
Alliance Innovative Solutions Pte Ltd	
- Purchases	239
Paper Base Converting Sdn Bhd	
- Purchases	491
Vina Toyo Company Ltd	
- Purchases	46
Toyoma Non-Carbon Paper Manufacturer Sdn Bhd	
- Rental of warehouse	524
New Toyo Pulppy (Hong Kong) Ltd	
- Outsourcing of sales administrative and accounting work	257

A15. Fair value information

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

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

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

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

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

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As at 30 September 2015, the Group held the following financial liabilities that are not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position:

	Level 1	Level 2	Level 3	Total fair value	Carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000
Financial liabilities					
- Bank loans	-	-	76,739	76,739	78,541
- Finance lease liabilities	-	-	20	20	22
- Holding company	-	-	33,945	33,945	38,862

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

B1. Review of Performance

(a) Current Quarter against Previous Year Corresponding Quarter

Revenue

Group's revenue for the third quarter ended 30 September 2015 increased by 7.7% or RM6.9 million to RM96.3 million from RM89.4 million in the preceding year corresponding quarter. The current quarter results were contributed by the increase in sales under a major customer's contract. The stronger US dollar during the quarter also contributed to the increased in revenue.

Profit before tax

Profit before tax of RM17.8 million for the third quarter ended 30 September 2015 was higher by RM11.7 million or 191.8% as compared to the preceding year corresponding quarter of RM6.1 million.

The aforesaid favorable results for the current quarter were primarily due to higher revenue, increased in the share of profits of an associate and lower depreciation charge. In relation to the lower depreciation charge, the Group had assessed and revised the residual useful life of certain plant and machineries to reflect its longer estimated useful life based on past experiences and machine vendor's validation. The impact of the reduction in the depreciation charge in the current quarter was RM3.2 million, of which RM2.1 million related to adjustments from 1 January 2015 to 30 June 2015.

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

Group's revenue for the nine months ended 30 September 2015 of RM270.3 million was RM3.5 million or 1.3% higher than the previous corresponding period of RM266.8 million.

As a consequence, profit before tax for the nine months ended 30 September 2015 increased by RM3.2 million or 14.9% to RM24.7 million as compared to the previous corresponding period of RM21.5 million.

There was a redundancy expense of RM7.2 million recognised in the six months ended 30 June 2015 and lower depreciation charge of RM3.2 million recognised in the current quarter. Like-for-like comparison excluding these expenses, the profit before tax for the current quarter year-to-date was at RM28.7 million, higher than the preceding year-to-date of RM21.5 million.

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B2. Variation of Results against Preceding Quarter

For the current quarter under review, the Group's revenue increased from RM86.5 million to RM96.3 million or 11.3% as compared to the preceding quarter due to increase in sales from a major customer and stronger US dollar.

Profit before tax was at RM17.8 million as compared to RM5.8 million for the preceding quarter, an increase of 12.0 million or 206.9% primarily due to higher revenue, increased in the share of profits of an associate and lower depreciation charge as described in B1(a) above.

B3. Current Year Prospects

Based on the current year-to-date results under review, the Directors are of the opinion that the outlook for 2015 remains positive. Although the Group is currently benefiting from the stronger US dollar, there is no certainty on the direction of foreign currency fluctuations. The Group is continuing to develop new opportunities which could lead to volume growth in new customers and geographical segments, while some may only be realised in the following financial year.

B4. Profit Forecast

None

B5. Tax Expense

	Current quarter ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Income tax expense				
- Current year	2,546	1,015	3,005	5,127
- Prior year	31	21	60	37
	<u>2,577</u>	<u>1,036</u>	<u>3,065</u>	<u>5,164</u>
Deferred tax				
- Origination and reversal of temporary differences	(825)	(561)	(360)	(1,297)
	<u>1,752</u>	<u>475</u>	<u>2,705</u>	<u>3,867</u>

The Group's effective tax rate for the nine months ended 30 September 2015 was lower than the Malaysian statutory tax rate of 25% due to effects of lower tax rates in certain tax jurisdictions and effects of certain foreign sourced income which are not subject to tax during the financial year under review.

B6. Status of corporate proposals announced

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

- a) On 25 May 2015, Tien Wah Press Holdings Berhad ("TWPH") announced that it had on 24 May 2015 entered into a strategic joint venture agreement ("Proposed Joint Venture") with Toyo (Viet)

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Paper Product Co. Ltd (“TVP”) and Dong Nai Food Industrial Corporation Vietnam (“DOFICO”) vide sale of 50% of TVP to DOFICO for an estimate total cash consideration of USD1.6 million to secure DOFICO print packaging volume. TVP shall be recognised as a Jointly Controlled Entity of TWPH upon completion of the Proposed Joint Venture.

Completion of the Proposed Joint Venture shall take place on the date on which:-

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

The completion of the Proposed Joint Venture is pending the issuance of an amended investment certificate by the State Authority of Vietnam, which is expected to be issued in the last quarter of 2015.

- b) On 24 August 2015 TWPH 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 TWPH on a 99-year lease from the State Government of Selangor, Malaysia with a residue of approximately forty-four (44) years as of the date of this MOU. The MOU is not legally binding, other than the clauses on confidentiality, exclusivity and termination. The rationale for the MOU is to maximise the usage of the land and deliver additional income stream for the Group.

The project is in the planning stage and there is no material development on the MOU since the last announcement made on 24 August 2015. The Company will provide an update if there is any further material development in respect of the MOU.

B7. Borrowings and Debt Securities

As at 30 September 2015

	RM'000 Secured	RM'000 Unsecured	RM'000 Total
<i>Short-term borrowings</i>			
Borrowings – Revolving Credits	-	6,747	6,747
Borrowings – Finance lease liabilities	11	-	11
Borrowings – Term loan	-	907	907
Borrowings – Working Capital	-	57,565	57,565
Sub-totals	11	65,219	65,230

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	RM'000 Secured	RM'000 Unsecured	RM'000 Total
<i>Long-term borrowings</i>			
Borrowings – Revolving Credits	-	12,752	12,752
Borrowings – Finance lease liabilities	11	-	11
Borrowings – Term loan	-	570	570
Sub-totals	11	13,322	13,333
Grand total	22	78,541	78,563

The secured short-term borrowings due to the banks are secured by inventories and tangible fixed assets of a subsidiary company.

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

	As at 30 Sep 2015	
	<i>Long-term borrowings</i> RM'000	<i>Short-term borrowings</i> RM'000
Ringgit Malaysia	11	13,010
United States Dollar	13,322	52,220
Total	13,333	65,230

B8. Derivatives

As at 30 September 2015, there were no forward foreign exchange contracts for purchases or sales.

B9. Changes in Material Litigation

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

B10. Dividends

The directors do not recommend any interim dividend for the nine months ended 30 September 2015.

B11. Earnings per share

a) Basic earnings per share

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

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	Nine months ended 30 Sep 2015	Nine months ended 30 Sep 2014
Profit attributable to equity holders of the Company (RM'000)	22,197	12,749
Weighted average number of ordinary shares in issue ('000)	96,495	96,495
Basic earnings per share (sen)	23.00	13.21

b) Diluted earnings per share

Not applicable for the Group.

B12. Auditor's Report on Preceding Annual Financial Statements

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

B13. Profit for the period

	Current Quarter Ended 30 Sep 2015 RM'000	Nine months Ended 30 Sep 2015 RM'000
Profit for the period is arrived at after charging:-		
Amortisation of intangible assets	2,419	6,693
Depreciation of property, plant and equipment	4,542	19,618
Inventories written off	896	1,021
Redundancy expense	122	7,205
Allowance for write down of inventories to net realisable value	-	200
Allowance for inventories obsolescence	150	150
Loss on disposal of property, plant and equipment	1	18
and after crediting:-		
Gain on disposal of property, plant and equipment	21	36
Reversal of allowance for inventories obsolescence	816	818
Net foreign exchange gain	1,045	1,161

Other than the above, there were no gain or loss on disposal of quoted or unquoted securities or investments, gain or loss on derivatives and exceptional items included in the results for the current quarter and financial period ended 30 September 2015.

B14. Retained Profits

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

	As at 30 Sep 2015	As at 31 Dec 2014
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries		
Realised	254,166	246,414
Unrealised	(34,697)	(31,953)
Total retained profits	219,469	214,461
Total share of retained profits of associate		
Realised	24,290	19,159
Unrealised	(489)	(489)
Total retained profits	23,801	18,670
Consolidated adjustments	(106,085)	(114,283)
Total Group retained profits as per consolidated interim financial statements	137,185	118,848

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

B15. Comparative figures

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

Statement of Financial Position	As at 31 Dec 2014	
	As restated	As previously stated
	RM'000	RM'000
Property, plant and equipment	236,965	231,539
Inventories	78,546	83,972

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Statement of Cash Flows	Nine months ended 30 Sep 2014	
	As restated	As previously stated
	RM'000	RM'000
Depreciation of property, plant and equipment	18,254	15,987
Decrease/(Increase) in inventories	1,099	(529)
Acquisition of property, plant and equipment	(26,860)	(23,133)
Effect of exchange rate fluctuations	(103)	65

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