

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : RELATED PARTY TRANSACTIONS TIEN WAH PRESS HOLDINGS BERHAD ("TWPH" or the "Company") - Acquisition of Bobst 820 Lemanic Machine from Anzpac Services (Australia) Pty Limited ("Anzpac"), a 51%-owned subsidiary of TWPH by Alliance Print Technologies Co., Ltd ("APT"), a wholly-owned subsidiary of TWPH

TIEN WAH PRESS HOLDINGS BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) RELATED PARTY TRANSACTIONS
Description	TIEN WAH PRESS HOLDINGS BERHAD ("TWPH" or the "Company") - Acquisition of Bobst 820 Lemanic Machine from Anzpac Services (Australia) Pty Limited ("Anzpac"), a 51%-owned subsidiary of TWPH by Alliance Print Technologies Co., Ltd ("APT"), a wholly-owned subsidiary of TWPH

The Board of Directors of TWPH (the "Board") wishes to announce the acquisition of Bobst 820 Lemanic Machine and spare parts ("Gravure Printing Machine") at a cash consideration of AUD2.537 million (equivalent to approximately RM8.321 million) ("Purchase Consideration") from Anzpac by APT as part of its plans to re-organise the production footprint within the Company and its subsidiaries ("TWPH Group" or "the Group") ("Proposed Acquisition"). Such re-organisation of production footprint is part of normal routine operational function to improve the TWPH Group's strategic positioning to service the customers and reduce operating cost over the longer term.

Full details of the Proposed Acquisition are set out in the attached announcement.

This announcement is dated 28 November 2016.

Please refer attachment below.

Attachments

[TWPH - Acquisition of Bobst 820 \(RPT\).pdf](#)
201.2 kB

Announcement Info

Company Name	TIEN WAH PRESS HOLDINGS BERHAD
Stock Name	TIENWAH
Date Announced	28 Nov 2016
Category	General Announcement for PLC
Reference Number	GA1-25112016-00032

TIEN WAH PRESS HOLDINGS BERHAD (“TWPH” or the “Company”)

RELATED PARTY TRANSACTION

- Acquisition of Bobst 820 Lemanic Machine from Anzpac Services (Australia) Pty Limited (“Anzpac”), a 51%-owned subsidiary of TWPH by Alliance Print Technologies Co., Ltd (“APT”), a wholly-owned subsidiary of TWPH

1. INTRODUCTION

The Board of Directors of TWPH (the “**Board**”) wishes to announce the acquisition of Bobst 820 Lemanic Machine and spare parts (“**Gravure Printing Machine**”) at a cash consideration of AUD2.537 million (equivalent to approximately RM8.321 million) (“**Purchase Consideration**”) from Anzpac by APT as part of its plans to re-organise the production footprint within the Company and its subsidiaries (“**TWPH Group**” or “**the Group**”) (“**Proposed Acquisition**”). Such re-organisation of production footprint is part of normal routine operational function to improve the TWPH Group’s strategic positioning to service the customers and reduce operating cost over the longer term.

Note: Foreign currency translation rate used AUD1.00: RM3.28

2. DETAILS OF THE PROPOSED ACQUISITION

Reference is made to the Company’s announcement dated 9 August 2016 in relation to the retrenchment of Anzpac personnel arising from re-organisation of production footprint within the TWPH Group. The Group will be completing the retrenchment of personnel in Anzpac at a total retrenchment cost of approximately AUD4.20 million (equivalent to approximately RM13.80 million) in the fourth quarter ending 31 December 2016.

The Proposed Acquisition is at a consideration of AUD2.537 million (equivalent to approximately RM8.321 million) based on an independent machine supplier indicative valuation. The net book value of the said Gravure Printing Machine and parts are AUD2.60 million (equivalent to approximately RM8.53 million). The Proposed Acquisition is to facilitate the transfer of the printing requirements of a customer to a lower cost production base and to cope with the additional volumes secured from another customer.

3. BACKGROUND INFORMATION ON ANZPAC

Anzpac is a company incorporated in Australia under the laws of Australia, Companies (New South Wales) Code, a wholly-owned subsidiary of Max Ease International Limited (“**MEIL**”), a company incorporated under the laws of Hong Kong Special Administrative Region, is a 51%-owned subsidiary of TWPH. The remaining 49% shareholding in MEIL which is held by New Toyo International Holdings Ltd (“**NTIH**”), the ultimate holding company of TWPH.

Country of incorporation/ Date of Incorporation	Principal Activity	Issued and paid-up share capital
Australia/ 31 March 1936	Printing packaging services in general	AUD4,584,279

Tien Wah Press Holdings Berhad (Company: 340434-K)

- *Acquisition of Bobst 820 Lemanic Machine from Anzpac Services (Australia) Pty Limited (“Anzpac”), a 51%-owned subsidiary of TWPH by Alliance Print Technologies Co., Ltd (“APT”), a wholly-owned subsidiary of TWPH*

4. BACKGROUND INFORMATION ON APT

APT is incorporated under the Law on Foreign Investment in Vietnam in 2004 and is effectively a wholly-owned subsidiary of the Company. APT is currently in the business of printing tobacco packaging and paper services in general.

5. BASIS FOR THE CONSIDERATION OF THE PROPOSED ACQUISITION

The Purchase Consideration of AUD2.537 million (equivalent to approximately RM8.321 million) was arrived at on a “willing-buyer willing seller” basis and based on the independent machine supplier indicative valuation.

6. SOURCE OF FINANCING

The Proposed Acquisition will be satisfied by internally generated funds and bank borrowings.

7. LIABILITIES TO BE ASSUMED BY APT

There are no liabilities to be assumed, including any contingent liability and guarantee to be assumed by APT arising from the Proposed Acquisition.

8. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the second quarter ending 30 June 2017.

9. RATIONALE, BENEFITS AND COST OF THE PROPOSED ACQUISITION

The rationale for the Proposed Acquisition is for long term strategic reasons and to reduce operating cost over the longer term.

10. RISK FACTORS

Barring any unforeseen circumstances, the Board does not envisage any additional specific risks associated with the Proposed Acquisition.

11. FINANCIAL/OPERATIONAL IMPACT AND EFFECTS OF THE PROPOSED ACQUISITION

11.1 Share Capital

The Proposed Acquisition will not have any effect on the issued and paid-up share capital of TWPH.

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11.2 Shareholdings of Substantial Shareholders

The Proposed Acquisition will not have any effect on the shareholdings of the substantial shareholders of TWPH Group.

11.3 Net Assets ("NA") per Share and Gearing

The Proposed Acquisition is not expected to have material effects on the NA per share and gearing of TWPH Group for the financial year ending 31 December 2016.

11.4 Earnings and Earnings per Share ("EPS")

The Proposed Acquisition is expected to be no gain no loss and is not expected to have any material effect on the consolidated earnings and earnings per share of TWPH Group for the financial year ending 31 December 2016.

However, the Proposed Acquisition will improve the Group's strategic positioning to service customers and reduce operating cost over the longer term.

12. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of the other Directors, major shareholders of the Company and/or persons connected to them, have any interest, either direct or indirect, in the Proposed Acquisition:

12.1 Interests of Major Shareholder

NTIH is a major shareholder of TWPH and holds 49% shareholdings in MEIL and therefore is deemed interested in the Proposed Acquisition.

12.2 Interests of Directors

- a) Ms Angela Heng Chor Kiang - Director of the Company, MEIL, Anzpac and NTIH;
- b) Mr David Lim Teck Leong – Director of the Company and NTIH;
- c) Mr Lee Chee Whye – Director of the Company, Anzpac, APT and MEIL; and
- d) Mr Yen Wen Hwa (Ngan Tzee Manh) - Executive Chairman of the Company and a Director of Anzpac and NTIH. He is also a major shareholder of the Company by virtue of his shareholdings in Yen & Son Holdings Pte Ltd and NTIH pursuant to Section 6A of the Companies Act, 1965.

Yen & Son Holdings Pte Ltd is a major shareholder of TWPH and is deemed interested by virtue of its shareholdings in NTIH pursuant to Section 6A of the Companies Act, 1965.

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Therefore, Mr Angela Heng Chor Kiang, Mr David Lim Teck Leong, Mr Lee Chee Whye and Mr Yen Wen Hwa (Ngan Tzee Manh) (“**Interested Directors**”) are deemed interested in the Proposed Acquisition. The Interested Directors have abstained and will continue to abstain from all board deliberations and voting in respect of the Proposed Acquisition.

13. DIRECTORS’ STATEMENT

Premised upon the rationale as described above, the Company’s Board (save for the Interested Directors who have abstained from all deliberations and voting on the Proposed Acquisition), having considered all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Group.

14. AUDIT COMMITTEE’S STATEMENT

The Audit Committee of the Company, having reviewed and considered all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Group, fair, reasonable and on normal commercial terms, and is not detrimental to the interests of the minority shareholders of the Company.

15. HIGHEST PERCENTAGE RATIO PURSUANT TO PARAGRAPH 10.02(G) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)

The highest percentage ratio pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Securities in relation to the Proposed Acquisition is 1.23% based on the audited consolidated financial statements of TWPH for the financial year ended 31 December 2015 and as adjusted for the Rights Issue completed on 9 August 2016.

16. APPROVALS REQUIRED

The Proposed Acquisition is not subject to and does not require the approval of the Company’s shareholders and/or the relevant regulatory authorities as the value of the Proposed Acquisition is less than 5% of the prescribed percentage ratio as set out in Chapter 10 of the Main Market Listing Requirements of Bursa Securities.

This announcement is dated 28 November 2016.