

OTHERS TIEN WAH PRESS HOLDINGS BERHAD ("TWPH" or "the Company") - Retrenchment of Anzpac Services (Australia) Pty Limited Personnel arising from Re-organisation of Production Footprint within the Company and its subsidiaries

TIEN WAH PRESS HOLDINGS BERHAD

Type	Announcement
Subject	OTHERS
Description	TIEN WAH PRESS HOLDINGS BERHAD ("TWPH" or "the Company") - Retrenchment of Anzpac Services (Australia) Pty Limited Personnel arising from Re-organisation of Production Footprint within the Company and its subsidiaries

The Board of Directors of TWPH (the "Board") wishes to announce that Anzpac Services (Australia) Pty Limited (ABN 25000032164) ("Anzpac") will be executing the retrenchment of the remaining excess personnel by third quarter ending 30 September 2016 ("Q3 2016") (the "Proposed Retrenchment") as a result of the Company and its subsidiaries' (the "Group") re-organisation of production footprint within the Group. Such re-organisation of production footprint is part of normal routine operational function to improve the Group's strategic positioning to service the customers and reduce operating cost over the longer term.

Please refer to the attached file for details of the announcement.

This announcement is dated 9 August 2016.

Please refer attachment below.

Attachments

[TWPH - Retrenchment of Anzpac.pdf](#)
204.6 kB

Announcement Info

Company Name	TIEN WAH PRESS HOLDINGS BERHAD
Stock Name	TIENWAH
Date Announced	09 Aug 2016
Category	General Announcement for PLC
Reference Number	GA1-08082016-00008

**TIEN WAH PRESS HOLDINGS BERHAD (“TWPH” or “the Company”)
Retrenchment of Anzpac Services (Australia) Pty Limited Personnel arising from Re-organisation of Production Footprint within the Company and its subsidiaries**

1. INTRODUCTION

The Board of Directors of TWPH (the “Board”) wishes to announce that Anzpac Services (Australia) Pty Limited (ABN 25000032164) (“Anzpac”) will be executing the retrenchment of the remaining excess personnel by third quarter ending 30 September 2016 (“Q3 2016”) (the “Proposed Retrenchment”) as a result of the Company and its subsidiaries (the “Group”) re-organisation of production footprint within the Group. Such re-organisation of production footprint is part of normal routine operational function to improve the Group’s strategic positioning to service the customers and reduce operating cost over the longer term.

2. DETAILS OF THE RETRENCHMENT AND RATIONALE

The Group has initiated the sale and transfer of production volume of Gravure Printing machine since September 2014 from Anzpac to its existing operation in Vietnam, i.e. Alliance Print Technologies Co., Ltd (463043000165) (“APT”).

The Board now considers the retrenchment of the remaining excess staff as the last leg of the transfer of the total Gravure Printing operation of Anzpac to APT. This is in line with the Group’s long term strategy and to reduce operating costs. Anzpac’s management will continue to reorganise and/or undertake cost-cutting programmes, revenue and expansion in non-tobacco customers in its remaining lithography printing business to return to profitability within a reasonable period of time.

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 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

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. FINANCIAL/OPERATIONAL IMPACT

As a result of Anzpac’s retrenchment exercise from the transfer of the remaining Gravure Printing business to APT to re-organise production footprints, the remaining retrenchment will be executed in Q3 2016 at a cost of approximately AUD4.2 million (equivalent to approximately RM12.9 million).

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Saving in salaries and wages in 2016 is estimated to be AUD0.5 million (equivalent to approximately RM1.5 million). Going forward, annual savings of salaries and wages are estimated to be AUD3.1 million (equivalent to approximately RM9.5 million).

6. EFFECTS OF THE PROPOSED RETRENCHMENT

6.1 Share capital

The Proposed Retrenchment does not have any effect on the issued and paid-up share capital of the Company.

6.2 Substantial shareholders' shareholdings

The Proposed Retrenchment does not have any effect on the substantial shareholders' shareholdings of the Company.

6.3 Gearing

The Proposed Retrenchment does not have any material effect on the gearing of the Group.

6.4 Consolidated Profit Attributable to Owners of the Company, Earnings per share and Net Assets per share

	Audited Financial Results for Year Ended 31 December 2015	Proforma after Proposed Retrenchment
Consolidated Profit Attributable to the Owners of the Company (RM'000)	33,975	22,575
Earnings per share (sen)	35.21	23.39
Net Assets per share (RM)	2.95	2.83

7. APPROVALS REQUIRED

The Proposed Retrenchment does not require the approvals of the shareholders nor any relevant government authorities.

8. INTEREST OF DIRECTOR, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of the Directors and/or major shareholders and/or any persons connected with the Directors or major shareholders has any interest, direct or indirect, in the Proposed Retrenchment:-

(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.

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- (c) Mr Yen Wen Hwa (Ngan Tzee Manh) - Executive Chairman of the Company and a Director of Anzpac. 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.

9. DIRECTORS' STATEMENT

The Board, after having considered all aspects of the Proposed Retrenchment, is of the opinion that the Proposed Retrenchment is in the best interest of TWPH Group.

10. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Retrenchment is expected to be completed by Q3 2016.

This announcement is dated 9 August 2016.